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28 OCTOBER 1986

EAST EUROPE REPORT

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ECONOMY

BULGARIA

THEFTS, EMBEZZLEMENTS IN PUBLIC CATERING, TRADE EXAMINED

Embezzlements in Trade

Sofia ANTENI in Bulgarian 6 Aug 86 pp 1, 8-9

[Article by Baycho Panev, prosecutor, Council for Criminological Investigations, Chief Prosecutor's Office of the Bulgarian People's Republic]

[Text] The growth of retail trade and public catering is exceeding by nearly 100 percent the pace at which the trade network is developing and the work of its employees. Accountability and control are becoming more difficult and opportunities for the appearance and appropriation of surpluses are increasing. There is a decisive intensification in the sector (major projects are being built, new forms of services applied, etc.). However, improvements in the protection and prevention areas and updating accountability and control measures are significantly lagging. Thus, for example, the brigade organization of labor indeed provides some guarantees for reciprocal control. However, we should not rely on them without some reservations.

It has been established that the appearance and appropriation of surpluses occur at enterprises where a single person is responsible for the property and cash payments are made are more frequent by a factor of 2.5. At the same time, however, in the case of collective or brigade responsibility as well, a common selfish interest provides a strong link between conspiratorial groups, while the specific nature of their professional connections (suppliers-storekeeper; cooks-waiters) is an additional factor which facilitates and helps to conceal abuses.

The irregularity of supplies and shortages of some goods are encouraging a number of materially responsible individuals to acquire surpluses with which they bribe drivers, suppliers and warehouse chiefs. Organizational weaknesses and fear of shortages drive them to secure the good disposition of superiors and control authorities through tips and other benefits.

The management mechanism is not always consistent with the objective processes in the development of production forces and does not regulate most adequately production relations in the sector. The existing crime-generating influence on the appropriation of surpluses, some of which based on positive aspects of modernization, is not being neutralized. Frequently shortcomings in organization and management even intensify this influence. The new

developments in the economic mechanism create prerequisites for the elimination of many existing weaknesses. However, problems are also created by the already established stereotypes of work in a number of areas.

Proper conditions for permanent and efficient control by the citizens with a view to preventing and blocking improper actions, are not being created. In most stores, restaurants and other enterprises books for remarks and reports are kept hidden; answers to complaints are not being provided on time or else are formal. No control scales and measuring devices are available.

Substantial shortcomings, which favor the creation and appropriation of surpluses, exist as a result of legal regulations. The legal stipulations have become obsolete and scattered among numerous documents; there is no overall law regulating this matter. Let us cite as an item of curiosity the fact that Regulation No 13-10403 on Maximal Natural Losses, which was issued as temporary, has been in effect for more than 25 years.

The system of control in retail trade and public catering goes through multiple steps, covering a broad range and has led to substantial achievements, including in the area of preventing and exposing surpluses and their misuse. A number of shortcomings--objective and subjective--remain, which lower the efficiency of control.

Accountability in terms of value is not a reliable foundation for the detection of surpluses, and even less so, of their abuse. In order at least partially to compensate for its weak sides, systematic current control on observing rules in trade and public catering should be carried out. Actually, such control is sporadic and superficial. Accountability financial control--preliminary and current--is quite formal; in some units it has been neglected as a result of organizational weaknesses or lack of synchronization between the movement of commodity stocks and documents. Absurd cases of bookkeeping neglect exist. Nearly 70 percent of the crimes tried in criminal courts were facilitated by the absence of internal financial control.

Auditors of materially responsible individuals usually work as inventory takers. The reason is the insufficient number of such personnel, lack of time, their inadequate skill and dependence on primary economic managements. They content themselves only with listing available stocks and submitting reports to the accountability services without analysis and without investigating irregularities. The exigency of some of them has been lowered and so has that of internal current control inspectors, because of steady contacts with the materially responsible individuals they investigate, involving tips, bribery and participation in the appropriation of surpluses.

Subsequent financial-auditing control carried out by the VFK and the DFK is conducted at long intervals and covers, retrospectively, past activities. However, the creation and appropriation of surpluses, as the study established, is a steady phenomenon occurring in more than 90 percent of the cases, between two audits (and even over longer periods of time if the audits are not extensive). Within the same period of time and a similar volume and structure of goods turnover, audits and inventory taking conducted more frequently reveal an increase in the amount of officially noted surpluses by a

factor of 3-4. One can only guess at the substantial quantities which are concealed and misused between two regular investigations carried out within the generally accepted intervals. Furthermore, quantitative analysis is applied very rarely, without which abuses with surpluses are almost impossible to detect. Nor are the departments of financial control authorities interested in proving them, since the surplus funds will be appropriated as budget revenue.

There are unjustified delays in the use of computers in bookkeeping and control in the trade sector. Some of the basic trends for the acceleration of this process have already been developed, which will make information carriers less vulnerable to unconscientious materially responsible individuals. The time needed for investigations will be reduced substantially; quantitative analyses will be facilitated and generalized; counter and comprehensive audits will no longer present any difficulty.

The contribution of the law enforcement authorities in detecting and punishing abuses is considerable, as it is in recovering appropriated funds and preventing such crimes. The results of their activities, however, are inconsistent with actual requirements and are proof of serious faults in detection and investigations, supervising the observance of legality and administering penal justice.

The operative investigative authorities do not steadily observe the various enterprises in cooperation with trade inspectors and public control authorities; nor are all the other methods included in the official instructions applied. The faulty practice of waiting for the results of regular audits, taking a copy of the document on unauthorized expenditures and submitting a report before a preliminary investigation can be launched has not been entirely eliminated.

Although observing the basically accurate penal practices, the courts have also displayed liberalism in the study of investigations and in the course of joint investigations conducted between the Chief Prosecutor's Office and the Supreme Court. Proof submitted in individual cases has not been extensively discussed, the rating of the crimes is unclear and the number of show trials is small.

An overall program is being implemented today, which includes a system of economic, legal, organizational and educational measures aimed against the generating and appropriation of surpluses. Let us illustrate this with two examples. The task was set of improving laws "on losses, yields and outlay norms, with a view to eliminating all conditions which lead to the establishment of surpluses and benefit materially responsible individuals." The program stipulates "the initiation of a systematic preparation for converting to the machine processing of commodities based on labeling indications concerning their type, quantity and value. Such information will not only be coded for purposes of technical processing and internal accountability, but will also be accessible to consumers who will thus exercise social control on the spot. Suitable automated marking of portions and beverages in public catering institutions will be applied, thus excluding padding and other abuses. Information from such sales and markings will be

fed to the computer memory for purposes of current and auditing control." However, a number of essential errors were made in the experimental conversion to such a mechanized marking using the Pravets computer, from the viewpoint of possibilities of creating and appropriating surpluses. Whereas data on receipts of goods entering the warehouse are entered in the memory with their consecutive numbering for each article and price, the outflow from the warehouse to stores and restaurants cannot be controlled by item but only by value, for the sales and markings do not record by consecutive number each individual item. Therefore, quantitative accountability is actually eliminated and converted into value accountability. This is the first favorable prerequisite for creating and misusing surpluses. Other such errors were noted. Some of them (but not all!) were eliminated in the mechanized processing of sales at the TsUM in Sofia.

After the sector's management was reorganized we have noted an unjustified neglect of assignments based on the comprehensive program. It is high time to surmount such inactivity.

The contribution of the citizens could be much greater. They should oppose any attempt at being cheated by sales clerks and waiters by informing the control authorities of irregularities they have noted.

The price of success is the effort put in achieving it. Let us not spare our efforts in carrying out a task which is as specific as it is important: observing the law, protecting the interest of the citizens and strengthening socialist morality.

Surpluses Appropriated

Sofia ANTENI in Bulgarian 6 Aug 86 pp 1, 8-9

[Report compiled by Khristo Gutsev]

[Text] Appropriation, which takes place as the result of the accumulation of surpluses in retail trade and public catering, is a widespread and severe crime, which has increased in recent years. What has increased, however, is not only the number of cases but also the size of the appropriated funds. Whereas previously the average sum involved in such crimes was 900-950 leva, today it is between 4,000-4,500 leva and in 12.5 percent of the cases in which sentences were passed, the amounts have exceeded 10,000 leva. More than one-half of such crimes involved the conspiracy of two or several people and, in some cases, organized groups. In 84.4 percent of the cases there has been a continued criminal activity and in 17.2 percent appropriations have taken place over a period exceeding 3 years. Trade surpluses established through financial audits alone exceed 40 million leva annually.

No more than one-third of such crimes are identified and tried. The others remain concealed, without proper counteraction, a circumstance which further increases the social danger they represent. The risk of discovering misuses of surpluses is lesser than in the open appropriation of property. That is why those who appropriate prefer this type of crime and dedicate efforts

deliberately to accumulate unaccounted for surpluses or else to stimulate and conceal their natural accumulation.

These data are summed up in a comprehensive study entitled "Appropriation of Surpluses in Trade," which was made by the Council for Criminological Studies of the Chief Prosecutor's Office of the Bulgarian People's Republic. In addition to the great property damages, elements of demoralization of individual materially responsible individuals and entire collectives were noted. This crime adversely affects the legal and moral consciousness of the citizens. The reputation of commercial workers is damaged along with that of our socialist trade.

"Studies established," states Candidate of Juridical Sciences Baycho Panev, who headed the research project, "that there are dozens of ways which contribute to the deliberate development of surpluses or which facilitate their natural appearance. Some of them are very basic and better known; others are more complex and concealed; others again are almost on the level of scientifically developed technologies. The source of all of them, however, is the self-seeking motivation and low civic-morality of many materially responsible individuals."

"Which are the most widespread forms?"

"Cheating the customers in weighing, measuring and labeling goods; serving smaller portions in public catering; failure to use the necessary (recipe) ingredients in meals, which are nevertheless considered as having been used; presenting commodities as being of better quality or type; selling marked-down items at regular prices; diluting alcoholic beverages; marking up prices of imported goods; damaging measuring equipment and cash registers; changing price labels; improper documentation (in a great variety of manners) of the movement of commodity and material values, etc."

"Where are surpluses created most frequently?"

"At the store itself, in 68.8 percent of cases, and in central kitchens, 10.9 percent; in production units at enterprises, 7.8 percent; and, less frequently, in wholesale trade, at industrial enterprises or in transit."

"How are the established surpluses marketed and appropriated?"

"In a variety of ways. In the case of undocumented cash there are no difficulties. Commodity surpluses are appropriated less frequently as such. They are usually converted into cash through fictitious sales receipts or labeling. In 82 percent of the cases surpluses are collected at the place of work of the respective materially responsible individual; in 10.3 percent of the cases they are laundered through another store, etc."

"What sort of people are those convicted for appropriation of surpluses?"

"Nearly 60 percent are men although it is women workers who predominate in the sector. Nevertheless, the participation of women in such crimes is several hundred percent higher than overall female delinquency. Another worrisome

fact is that more than three-quarters of convicted women are mothers of adolescents. The highest number of crimes is in the 30-39-year age group (36.8 percent). The young (18-29) account for 25 percent of all convicted criminals. The percentage declines among those of mature age (19.6 percent in the 40-49-year group; 10.3 percent in the 50-59-year group and 5.9 percent among those over 60), which is explained both in terms of the positive changes in the social concepts and well-being, as well as the use of better concealed means of misappropriations. The biggest and longest concealed misappropriations are committed by individuals with long practical experience in their work. The fact that in terms of professional status project managers account for the highest number (28.2 percent) of all those convicted indicates weaknesses in cadre selection. This is followed by sales clerks (26.5 percent), suppliers (15.4 percent), warehouse chiefs (5.1 percent), etc."

"Any other interesting features of the investigation"....

"The material status of those convicted indicates that nearly one-half of them have relatively high legitimate incomes (more than 150 leva per family member), and housing with amenities. They yielded to the aspiration to accumulate wealth or to engage in wasteful consumption. Misappropriations resulting from urgent material needs have amounted to 11.2 percent. The rest is between the two extremes."

Interesting results show up in the study of the economic, social, organization and psychological factors leading to accumulation and appropriation of surpluses in trade. A study was also made of the efficiency of the steps taken so far in the struggle against such negative manifestations. The conclusion is that the counteraction must be much more intensive, skillful and broad.

Surplus Disparities

Sofia ANTENI in Bulgarian 6 Aug 86 pp 8-9

[Article by Dimitur Tuzharov, deputy chairman, Committee for State and People's Control]

[Text] As a result of insufficient precision and clarity in the stipulations of Directive No 10 of the Ministry of Finance of 1980, control and accountability authorities have no precise indications on the creation and the legal system governing surpluses. The lack of total coordination between some documents which regulate the commercial process, and existing contradictions among them, is contributing to the creation of conditions for appropriations, misappropriations and corruption. A clear example of how significant surpluses of products may develop in public catering is found in the centralized price setting of cooked food. If a given product is unavailable, when a meal is being cooked on the basis of a specific recipe, something which frequently happens, the product is not used but the price remains unchanged. Furthermore, since no document is used (such as price calculation) which will reflect the actual cost of the cooked meal, conditions for the appropriation of surpluses are created here as well.

Conditions for the appropriation of unrecorded surpluses are created as the result of violations of Regulation No 15 on Accounting for Commodity-Material Values, Regulation No 1 on Computing the Cost of Industrial Output, Regulation No 12 on Bookkeeping Accountability, and Regulation No 878 on the Procedure and Means of Depreciation and Writing-Off of Commodity-Material Values; this also encourages the recording of shortages as production outlays, the double recording of utilization of raw and other materials, etc.

The existence of considerable legitimately acknowledged losses, yields, outlay norms, commercial risks and others is a problem which has not been realistically solved. Regulation No 13-A-10403 on the Maximal Limits of Natural Losses was passed more than 25 years ago (the last time the tables were corrected was in 1980, based on parameters of observations and studies), and is inconsistent with changes related to the introduction of new equipment, containers, samples, etc.

The value system which prevails in retail trade and public catering limits the possibility of making quantitative studies. In the stores, for example, it is only income that is recorded in terms of quantity and value, whereas expenditures are recorded on the basis of overall value. A similar situation prevails in public catering establishments, where the quantity-value accountability applies only to the kitchens and items classified in the "luxury" and "extra" price categories. According to Regulation No 3 of the Ministry of Finance of 1979 and of the former Ministry of Internal Trade and Services, another possibility for analytical accountability is contemplated: the type, quantity and value of the output to be reflected in respective documents (waiters' coupons, labels and cards). However, this is not being observed. Despite the strict rules of Council of Ministers Decree No 127 of 1975, subsequently conciliation commissions were instructed to decide the areas to which it applied. Most economic managers boycott and bypass the stipulations of the decree. So far, article 2, paragraph 2 on penalizing managers who protect violators has not been applied even once.

In order for better results to be achieved, by order of the Council of Ministers, a work group consisting of specialists from all interested departments could be set up to develop a comprehensive program for eliminating the conditions and factors which lead to the development of surpluses in commercial activities and the misappropriation of some of them. Measures to improve financial and accountability records and financial auditing control must be taken on a significantly broader and more decisive basis. It would be expedient for the program in the struggle against surpluses, along with stipulations aimed against other crime-originating actions in trade and steps taken to prevent violations of the law to be combined within a single program to overcome negative phenomena in domestic trade.

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BULGARIA

ESTABLISHMENT OF CENTRAL COMPUTER NETWORK IN PROGRESS

Sofia TRUD in Bulgarian 3 Sep 86 p 1

[Article by Darina Stamenova: "Computer Network"]

[Text] The first steps have been taken in combining the country's computer resources.

Do you know what OMIR stands for? Do not be in a hurry to relate it to ancient Greek poetry, for you would be wrong! OMIR (written in four capital letters, with the accent on the "I") is the acronym for Joint Network of Computer Resources. This is an idea which has left the files of its authors and become reality.

We do not have to point out that the dizzyingly fast development of computers has not bypassed our country. Powerful computer centers were created in various institutions, supplied with modern equipment and a variety of program and data banks related to various areas of our economic and social life. For the time being, however, each center exists separately, unrelated to the others. Naturally, this is not the most economical alternative.

The combination of computer resources within a single network is nothing new. It has been the usual practice in the most advanced countries for many years and contacts have been established not only within the country but on an international scale as well, in order to obtain business, scientific and technical, health or other information with minimal expenditures of funds and time. The usefulness of such collective information services is obvious and was confirmed a long time ago.

For many years terminals have been connected to our computer centers. However, no one went beyond the limits of the mainframe computer or used information provided by another computer. Yet this precisely is the purpose of OMIR: to ensure broad access to computer centers included in the network. This way, various programs and data on economic, social and scientific-education activities may be obtained by all terminals. Furthermore, the ambition of the authors of OMIR is to develop a joint computer, information and program base which will become the foundation for the development of automated control systems on a national scale.

At the present stage a variety of organizations in Sofia are members of OMIR: the Sofia City People's Council, the Ministry of Finance, TsINTI, BAN, the Ministry of Transport, Sofia University and others. Some of them do not even have their own computer center, as is the case with the main OMIR initiator--the Bulgarian Industrial Economic Association (BISA). Why should it need its own center if it has such a broad terminal access? Why pay for resources and personnel if all other centers could offer it much richer information than it would be able to gather, process and store itself?

What can we learn from OMIR?

It would be impossible to list the entire array of information offered by the different centers. For example, with the help of TsINTI you may use information provided by the INSPEK information system, considered the most advanced in the world. It offers in a variety of types of information on electronics, robotics, power industry, etc. You could also be linked with BIOSIK, which is considered by the specialists as the most powerful automated system in the world in biology, biotechnology and biomedicine. The computer center of the Ministry of Trade offers access to statistical information on imports by developed and developing countries. This information comes from the United Nations Statistical Service. If your plant is expecting a shipment traveling on Bulgarian railroads and you want to know the day and hour of its arrival, suffice it to be connected to the computer of the Center for Transport Cybernetics and Automation, which will provide information on the present location of the shipment, for the center is continually monitoring the traffic and the crossing of the Bulgarian border of domestic and foreign large-tonnage containers.

As you can see, for the time being OMIR is based on mainframe computers manufactured in CEMA countries. The systematic program support is the work of the Central Institute for Computer Equipment. Smaller computers, such as the SM-4, can also be linked to the mainframe computers network. Nor have personal computers been forgotten: included as terminals of the mainframe computer, they will be able to draw information from OMIR. In the next few years it will be possible for a person to be in contact with large social data banks directly through his home computer. In order for this to be achieved, however, total integration is needed between communication and computer equipment. This is a marriage of convenience, the specialists say. They are right, for such integration substantially broadens possibilities and areas of application of computers and communications facilities.

In our country as well the first step has been taken to combine the needs and possibilities of communications and computer equipment. In no more than a few months the Communications Economic Trust developed a powerful computer center which opened the way to linking the other computer centers in the area of communications.

What next? Here is the assessment of BISA Specialist Krasimir Evtimov:

"The building and development of a network of interrelated computers used in different activities and belonging to different units is a difficult and responsible assignment. OMIR has already confirmed its possibilities. Now we

must take the next step, which is that of the state: the creation of a proper organization which will take up this initiative and develop it to the level of a powerful information complex of national significance. Perhaps OMIR will become the foundation of the future unification of the computer potential of CEMA members. Time will tell.

Editorial note: Recently, by order of the Council of Ministers Bureau, OMIR was granted the status of economic organization. This created the necessary organizational conditions for the development of integration ties among computer centers in our country.

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ECONOMY

BULGARIA

KARL MARX SODA PLANT EXPERIENCES SERIOUS DIFFICULTIES

Sofia TRUD in Bulgarian 1 Sep 86 p 2

[Article by TRUD Correspondent Khristo Dobrev: "Give It All You Can; Why the Varna Okrug Trade Union Council Stopped Production at the Karl Marx Soda Plant in Devnya"]

[Text] According to evil tongues, the chairman of the trade union committee at the Karl Marx Soda Plant in Devnya has been fired. Engineer Yordan Karatsonev has worked in production for many years. For quite some time he has also been chairman of the trade union committee. It is being said, however, that he recently stepped on someone's toes. Some economic managers at the Devnya SKhK, however, do not like their toes being stepped on.

For better or for worse, the trade union at that plant was able to put its finger on the sore spot. The "sore spot" has been known for quite some time, long before the present director of the Karl Marx ZS and the general director of the Devnya SKhK were appointed. Karl Marx is a sacred relic to the country. Its creation began to be discussed as early as during the first years after the 9 September revolution, with the personal participation of Georgi Dimitrov. In its time, 32 years ago, it was the pride of socialist Bulgaria. Subsequently, the plant was expanded on three occasions. It became the base for the development of other plants in the Devnya lowlands. While these plants were under construction, their specialists were dreaming of the future. Demands were put on the collective of the Karl Marx Plant. They asked much of it but gave it little. On several occasions the plant was on the verge of having a "stroke." One way or another, however, the situation was corrected.

Why are we turning to the past?

Because it is indicative. Because it is not very different from the present. One cannot keep "pushing down on the accelerator" of an automobile and make it run without a hitch for years on end. In the final account, the plant has reached a situation in which it could have a "stroke" any minute, a stroke which will be fatal.

Perhaps we are exaggerating. It would have been nice if such were the case but reality is not suggesting anything better. This summer the regular

inspection of the shops was made by the Labor Safety Inspectorate of the Okrug BPS Council, together with the senior labor safety inspectors. A document was drawn up and summations were made. Following are some basic conclusions.

The three consecutive expansions of the plant increased its output comprehensively. Such expansions were made on the main territories and buildings, which worsened servicing conditions and the maintenance of technological equipment and the condition of production and nonproduction premises. A high percentage of the equipment and engineering facilities are worn out. Due to poor or ignored plans, the problems of the elimination of the dust at the lime and calcination shops and of the ventilation system at the filtering station, the columns and lime shops were not solved entirely. Many of the installations, engineering facilities, and apparatus in the basic shops are corroded. They have holes and are leaking. A number of girders, corrugated flooring and guardrails have become strongly corroded and are a real threat to the people. A high percentage of the equipment has become physically and morally obsolete. The high level of dust at the lime shop, both inside and outside the production premises, is another unsolved problem. The hygiene-dust tapping installation is inoperative. Machine safety is in poor condition. The work areas and passageways in the column, caustic and lime shops are blocked by spare parts, discarded objects, cables and other materials. Open shafts and holes are found throughout the premises along with torn, misshaped or totally lacking guardrails....

This condition at the plant has been frequently the object of discussions between the plant's economic leadership and the Devnya SKhK, on the one hand, and the Okrug BPS Council and the BPS Central Council, on the other. Programs and minutes have been frequently drafted and promises have been made. It is true that something is being done. This "something" is highly touted by some plant and combine specialists. Unfortunately, for a number of years the proper atmosphere leading to radical changes has not been developed. On the contrary, the condition of this plant is either kept on the same level or is worsening. Naturally, this is influencing the implementation of the plan and wages and, perhaps the most important thing, the collective's self-esteem.

This summer, after the investigation conducted by the labor safety inspectorate of the Okrug BPS Council in Varna, the plant trade union committee held a session on 24 June, attended by the economic management. The report from the investigation was considered. The opinion was unanimous that the plant must be closed down. Following is one of the perhaps most typical statements, made by no less than Engineer Kr. Dermendzhiev, deputy director in charge of production problems: "The minutes were written competently. We have drawn up a number of schedules and reports for such measures but we are unable to do the great amount of work which faces us. On the other hand, we have no spare parts. The machine repair plant is working on orders for the manufacturing of spare parts based on the personal orders of the general director of the Devnya SKhK. The plant must stop operations for a longer amount of time. Currently we are producing 6,000 tons of soda less per month and unless repairs are made we shall continue to lose a great deal of output and our crisis will worsen. Virtually all measures listed in the minutes could be carried out also without stopping the plant, providing that workers and materials are made available...."

On the basis of the discussions the trade union committee passed the following resolution: "The plant trade union committee supports the findings of the Labor Safety Inspectorate concerning the poor condition of the plant. It deems necessary the immediate stopping of the plant's work for a longer period of time needed for urgent repair and rebuilding operations in order to improve safety and the working conditions."

Something resembling a small storm broke out after this meeting: managers from the Devnya SKhK came, and a large and quite heated conference was held. The most important result was that, nevertheless, repair workers came and undertook to correct a number of faults. A great deal of work was done. Later, in August, plant operations were stopped by the Okrug BPS Council but for 4 days only. This was in the nature of a final warning. Even then the collective did a great deal of work. However, the story that Engineer Yordan Karatsonev, the trade union committee chairman, would be fired, did not disappear.

Whether this will take place or not is unknown. Something else, however, is. It may seem naive but the simple truth is that in chemical production everything is normal as long as equipment, machines, systems and engineering facilities are in order and there are people to operate them. Although older, the equipment at the Karl Marx ZS could have still been operating normally, had it been maintained regularly. Sensible exploitation requires not overloading the equipment, making current and basic repairs exceptionally well, and constantly observing the condition of the buildings and the handling of socialist property.

In this plant alone, annual repairs costing about 4.5 million leva are necessary. But who is to do it? Who can implement the good plans for improving this old enterprise? The difficulty of accomplishing this is increasing. For the past several years a newly acquired calcinator remains uninstalled. A plan was drawn up to update the oldest cable line but virtually nothing has been done. A program exists for replacing a number of instruments which have become obsolete and for the installation of a number of technical innovations. One can only welcome such ideas of the management of the Karl Marx ZS and the Devnya SKhK, but who will implement them?

The building of the Karl Marx ZS was supported by the enthusiasm of the entire nation. The new giants of the chemical industry in Devnya were national projects and the pride of the nation. After that, however, it is as though everything came to an end. However, the Devnya industry is of national significance. Many of its problems cannot be solved by the plant's management or the Devnya SKhK. This is related to the economic policy of the former Ministry of Chemical Industry. The Devnya experience proved that repairs are the foundation for the normal operation of any chemical plant. Willy-nilly, such repairs are being underestimated. If the Karl Marx ZS is already in a state of "knock-out," the situation of the Plant for Calcinated Soda is no better, and nor is that of other plants. It is precisely repairs and steady daily maintenance of equipment that must be organized on a very firm basis, even at the cost of reduced output. The nature of the chemical industry is such that the failure of even a single piece of equipment could stop an entire technological line.

This "final warning" issued by the Okrug BPS Council and the trade union committee of the Karl Marx ZS must be properly understood by the leadership of the plant and the Devnya SKhK. Once and for all, there must be order in the operation and repair of the equipment so that operations can continue in the future.

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ECONOMY

BULGARIA

METAL-CUTTING MACHINES PLANT MODERNIZED

Sofia ZEMEDELSCO ZNAME in Bulgarian 4 Sep 86 p 1

[Article by Zh. Zhelev: "Good Luck, PKD-2!"]

[Text] It is true that this is not the first time that we have seen a GAPS, both as an experiment and in action; however, the adaptable automated production system, bearing the initials PKD-2, which is being readied for a 72-hour test at the ZMM in Sofia, is worthy of our pride. This is because all machines within this system are domestically made and have individually proved their high quality and reliability. Another reason is that in more than 1 year from setting the frame to installing the equipment, PKD-2, the Bulgarian GAPS, will have proved the increased possibilities of the domestic machine building industry.

"The main designer is the Central Scientific Institute for Instruments and Metal Cutting Machines," said Eng Ivan Rusinov, chief of the GAPS; "the work is being done by the Metal Cutting Machines Combine in Sofia. The subcontractors include Intransmash and the Central Scientific Institute for Cybernetics and Automation."

(Engineer Rusinov is 34 years old. He has worked at the ZMM since 1967, starting as a worker at the machine shop. He then completed his studies at the VMEI in Sofia, specializing in machine building technology.)

"The information-control system operates on two levels," he went on to say. "The first and lower level controls the individual subsystems. The upper, highly organized level is the one which makes possible the planning of daily, weekly and monthly activities, based on the data supplied in advance by the dispatcher. There are four subsystems: technological, which consists of three processing centers using prototypes of TSM 100G machines; transport-feeding, equipped with a robot car moving along tracks; a transport-warehousing system, where the semifinished and finished items are stored, and the 'instrument facilities for tuning up cutting tools' subsystem. Let me emphasize that the entire project, from the concept to the completion of the PKD-2 was the work of Bulgarian specialists exclusively. Our first GAPS is equal to worldwide models in terms of quality."

And now, as to the main thing: What will be its purpose? It will be used for the manufacturing of medium-sized body parts for machines, made of steel and nonferrous metals. What matters in this case is that the PKD-2 is an open system, which can be tuned up quickly. It can be used to process an unlimited number of parts. For the time being the machine builders will concentrate on three basic comprehensively machined items, in order to achieve a wasteless and lighter-weight assembling of finished items....

At present the GAPS is operating on two shifts; in the next few days a third shift will be added; the system will work Saturdays and Sundays as well or, in other words, uninterruptedly. What about the staff?

Their average age is 30. Each shift consists of engineers and highly skilled workers, Engineer Rusinov went on to say, who have undergone advance courses after their technical training. The psychological aspect, the adaptation, is very important. For example, a highly skilled turner with many years of experience would be unable to work here, for his movements and reactions are quite brisk, as we know from practical experience. A fast reaction and the use of strength would lead to an undesirable stop. Do you see what I mean?

Thus, after a great deal of effort and day and night work (literally) the new Bulgarian GAPS is about to be tested. Good luck, PKD-2!

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ECONOMY

BULGARIA

DATA ON ECONOMIC PROGRESS OUTLINED

Sofia POLITICHESKA AGITATSIYA in Bulgarian No 15, 1986 pp 13-16

[Text] The building of a socialist society in Bulgaria after the 9 September revolution was characterized by the reaching of high rates of economic growth and the increasing satisfaction of the material and spiritual needs of the people.

All in all, for the period between 1949 and 1985, a total of 124.7 billion leva were invested in our national economy. A total of 92.1 billion leva's worth of capital investments were channeled into the development of material production sectors, 53.3 billion in industry between 1949 and 1985.

As a result of the large-scale investment program, by the end of 1985 basic assets in the national economy had reached the sum of 104.4 billion leva or higher than at the end of 1952 by a factor of 9.7. The bulk, nearly 70 percent, of them were basic production capital, which increased by a factor of 15 between 1952 and 1985.

In the past 42 years substantial progressive changes occurred in the sectorial distribution of individuals employed in the national economy. In the past there were about 100 people employed in industry per 1,000 employed in agriculture; today this correlation is almost 1,000:2,000. An increasing number of people are going into nonproduction services.

The April 1956 BCP Central Committee Plenum played a particularly large role in upgrading social labor productivity. It indicated a qualitatively new approach to the solution of strategic problems. This led to high and stable growth rates of the national income and the output of basic economic sectors. Compared with 1939, Bulgarian national income increased by a factor of 14; industrial output increased by a factor of 91; the production of means of production increased by a factor of 264 and that of consumer goods by a factor of 43. A progressive change took place in the industrial structure. Sectors which determine technical progress developed at a faster pace, the highest being that in machine building. In 1985 this sector accounted for more than two-thirds of the growth of industrial output. The output of the electrical engineering, electronic, chemical and other industries increased at a high pace.

The 41,621,000,000 kilowatt hours of electric power generated in 1985 exceeded the 1939 amount by a factor of more than 156. The 2,926,000 tons of steel produced were higher than the 1939 figure by a factor of 488; a total of 3,457,000 tons of rolled ferrous metals exceeded the 1939 figure by a factor of 854, etc. Modern industry is producing items unknown in the past.

Compared with 1939, 1985 agricultural output was higher by a factor of 2.5.

Thanks to the intensification of contemporary agriculture, in the 1981-1985 period, wheat production averaged 385.2 kilograms per decare, which is triple the 1934-1939 figure; corn for grain averaged 479 kilograms per decare or quadruple; sunflower, 172.8 kilograms or twice the amount, and sugar beets 2,246.5 kilograms or 43 percent more than in the 1934-1939 period.

Compared with the 1958-1960 period, when the average annual meat production in slaughtered weight was 323,000 tons, the amount of meat produced in the 1981-1985 period averaged 825,000 tons, showing an increase by a factor of 2.6. Compared with the 1958-1960 output, 1,392,400,000 liters of milk and 1,587,400,000 eggs were produced additionally.

Compared with 1952, in 1985 construction output was higher by a factor of 13.

Between 1958 and 1985 important production capacities were built, such as power plants, with a generating capacity of 9,677,000 kilowatts, and average annual capacities for the extraction of 43,059,000 tons of coal, the production of 4,359,000 tons of rolled metal, 1,825,000 tons of chemical fertilizers, 1,697,000 tons of sulfuric acid, and others. Irrigation facilities were built for 7,388,700 decares, 984.8 kilometers of railroad tracks were doubled and 2,150.7 railroad tracks were electrified.

In addition to production capacities, a number of cultural and consumer projects were built, such as 2,000 schools, 1,744 kindergartens, 844 rest homes, 183 hospital, outpatient-polyclinic and sanatorium establishments, 1,535,588 housing units, and others.

The remaining economic sectors developed at a faster speed as well. Compared with 1948, in 1985 the transportation system hauled 1,042,800,000 tons of freight, or more by a factor of about 70, and 994,560,000 passengers, or more by a factor of 16.5.

Socialist Bulgaria expanded its foreign economic relations as well. In 1985 foreign trade totaled 27.7 billion foreign exchange leva. CEMA members account for 75 percent of the country's entire trade, and the USSR alone for more than 56 percent. Today Bulgaria trades with 113 countries. Its exports include computers and office equipment worth 1,447,000,000 foreign exchange leva, 48,600 electric calculators, 42,800 electric cars, etc.

Society is assuming an increasing share of the cost of raising the growing generation. The nominal average annual wage in 1985 was 2,550 leva, or quadruple the 1952 figure; real per capita income increased by a factor of 5.4 and public consumption funds per capita by a factor of 5.7 compared with 1960. The average annual pension increased from 59 leva in 1948 to 1,090 leva in

1985. Benefits to the population totaled 1,099,000,000 leva for illness, pregnancy, motherhood, raising small children and monthly wage supplements for children, compared with 22.6 million leva in 1952. In 1985 students were given scholarships worth 70 million leva or more than in 1970 by a factor of 3.6. Housing area per capita increased from 10.5 square meters in 1965 to 16.5 square meters in 1985.

Population health services are being improved steadily. Currently there is one physician per 349 people, compared with 2,021 in 1939, and one stomatologist per 1,555 people, compared with 5,240 in 1949.

Changes in the development of education in modern society can be clearly illustrated by the fact that currently 20 percent of our population is going to school and there are 114 university students per 10,000 population. Between 1945 and 1985 392,630 young specialists, so greatly necessary for the steadily developing national economy, graduated from higher educational institutions.

Bulgarian culture achieved tremendous successes and the highest peaks. Public funds allocated for the development of culture and art have been increasing with every passing year. Between 1981 and 1985 alone 641,400,000 leva's worth of capital investments went into the building of culture houses, reading rooms, libraries, theaters, movie theatres, etc.

Today Bulgaria has 65 theaters performing Bulgarian and world classical plays, with 667 visits per 1,000 population.

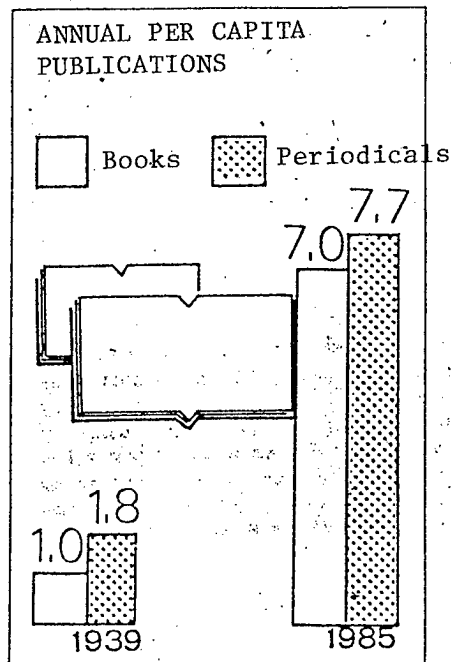
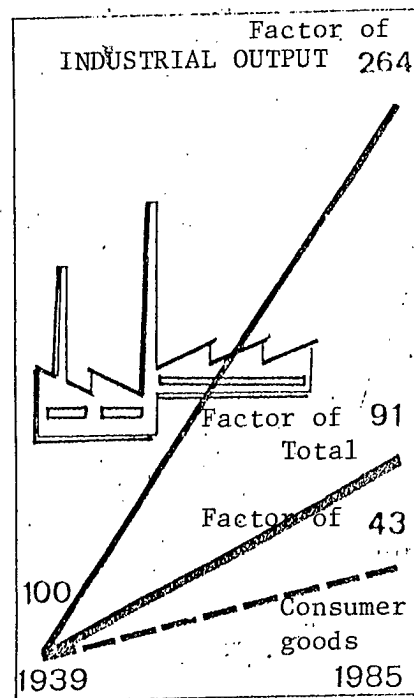
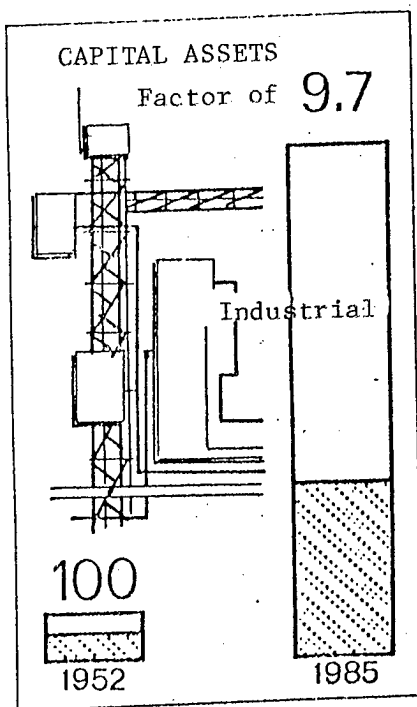
In 1985 26 musical groups totaling 2,085 people performed 1,495 concerts attended by 690,000 people.

Compared with 1939, the number of motion picture theaters increased by 3,159 and of visitors, by 83,300,000. Today the average Bulgarian person goes to the movies 11 times a year. Compared with 1956 the number of amateur performing collectives has doubled.

Publishing has developed extensively. In 1985 seven books per person were published, compared with one in 1939; 7.5 periodicals as against 1.8, and 118.6 newspapers as compared to 20.7 in 1939. The topics of such publications have become broader.

The houses of culture, which were visited by 6,410,000 people in 1985 alone, are engaged in rich and varied creative and artistic activities.

Today there are 189 television subscribers and 225 radio subscribers per 1,000 population.



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ECONOMY

BULGARIA

NEED FOR MORE CONSUMER GOODS, SERVICES STRESSED

Sofia POLITICHESKA AGITATSIYA in Bulgarian No 15, 1986 pp 24-27

[Article: "More Goods and Services for the Population"]

[Text] The 13th BCP Congress set the strategic task of ensuring the comprehensive satisfaction of the needs of the population for goods and services in terms of the necessary volume, quality and variety and catching up with advanced foreign producers in terms of technical and economic indicators and consumer characteristics of the items.

Loyal to its permanent policy of improving the well-being of the working people, ever since the April 1956 BCP Central Committee Plenum, the party and the state have developed, along with structure-determining sectors, the production of consumer goods.

Annually the country produces consumer goods worth 13-14 billion leva. The plan for the first half of this year was overfulfilled by 8.5 percent by meeting 51 percent of the planned annual output. On 24 June 1986 the government passed a decree assigning additional tasks to the economic organizations for the production of goods for the domestic market worth in excess of 300 million leva.

The new stage in the country's development raises qualitatively new requirements concerning the production of consumer goods and the providing of consumer services to the population.

Reaching a qualitatively new living standard and, above all, making qualitative changes in meeting the needs of the population for commodities and services is a major prerequisite for achieving a qualitatively new growth in all areas of the national economy. This is the initial position of the party's policy of accelerated growth of output and services consistent with consumer demand. It is profoundly rooted in the qualitative changes in the system of needs of the people and the level reached in the population's monetary income. It is an objective law for the socialist working people to increase their requirements in the satisfaction of their needs for commodities and services. An emphatic trend in consumer demand is an orientation toward high-quality goods and the use of wide range of consumer services.

In accordance with the laws governing the development of the national well-being, the production and supply to the population of goods and services assumes strategic significance in the forthcoming decisive period of building a developed socialist society. The solution of this global problem of social policy requires a new vision and a new approach consistent with the theses of the 13th BCP Congress.

In his speech at the conference organized by the BCP Central Committee Secretariat and the Council of Ministers Bureau of 5 July 1986, Comrade Todor Zhivkov substantiated new approaches and concepts on a change in the production of consumer goods and services, aimed at the comprehensive satisfaction of material needs consistent with the increased purchasing power of the citizens. The tasks set by the party in the production of commodities and services to the population are an overall broad program for the implementation of the congress' resolutions and for upgrading the people's well-being.

The qualitative changes necessitated by the new conditions and tasks call for the unification of the efforts in all areas and sectors within a highly efficient unified complex: "the human industry." The main role here will be played by the light, food industry, household machine building, household chemical and electronics industries and trade. The production of consumer goods and services by the heavy industry, construction and transportation sectors must assume new dimensions, combining the possibilities of the large plants and combines with those of the small and medium-sized enterprises which will be added to them. The large construction combines will create small specialized and flexible construction organizations which could meet the construction requirements of the citizens. The production capacities of the local industry and the system of the Central Cooperative Union will play a significant role in the "human industry." Naturally, it would be quite simplistic to reduce the "human industry" to the mechanical combination of existing capacities, considering their departmental lack of coordination and major disparities in technical standards. In this case high efficiency can be achieved by observing a uniform approach to the development of material facilities, shaping the balance of technological relations, the utilization of resources, retail price setting, and others.

The main requirement is to ensure the dynamic and comprehensive satisfaction of mass consumption with high-quality goods. This part of the output for individual consumption should account for no less than 60-70 percent of the population's commodity stocks. The production of goods for personal consumption must be made more consistent with the specific requirements of the various age groups, the efficient and rational utilization of the leisure time, and the creative and professional activities of the working people. This will serve better the needs of millions of people.

The comprehensive satisfaction of the needs of the working people calls for shaping a variety structure of commodity stocks consistent with consumer demand and the purchasing power of the population as a whole and of individual groups as the leading requirement of the "human industry" and trade. Currently shortages are the result of insufficient production and poor organization of trade. It is imperative for all economic organizations to

subordinate the production of consumer goods to the real needs and demands of the citizens and to organize a flexible, dynamic and efficient system for supplying the trade network with goods of the necessary variety and quality.

The quality of the goods is determined by the technological standards of the production process, the raw and other materials, and the qualifications, creativity and professional skill of cadres. In this connection, the party sets several assignments.

The reconstruction of the material and technical base of the "human industry" must take place through the application of the most advanced achievements of the scientific and technical revolution. The raw material base of this industry must be developed on a broader scale. This means that our chemical industry, biotechnology and technology for the production of new materials must make considerably greater contributions. We must ensure the necessary imports from the socialist, developing and developed capitalist countries of raw materials and finished and semifinished products. The problem of improving raw materials and materials with a view to upgrading their quality, as a decisive prerequisite for the high consumer value of consumer goods, is an exceptionally topical problem. The reconstruction of the material and technical base must be closely related to a sharp reduction in the amount of manual labor, the creation of a favorable and healthy production environment and the enhancement of skills and, on this basis, increasing the income of those employed in sectors producing consumer goods. The end result should be a drop in personnel turnover and a substantial increase in labor productivity.

Increasing the need for a variety of consumer services is an important pattern in the development of living standards today. Their satisfaction actively influences quality changes in the people's well-being. Today the development of services must assume a strategic position. In recent years, in terms of volume, variety and organization consumer services have increased substantially. Nevertheless, the satisfaction of the needs for various types of services remains one of the crucial social problems. Here as well the radical solution is to develop a service industry. This will enable us extensively to apply industrial methods in this specific type of output and significantly to upgrade labor productivity. This is also the way to enhance the social status of service industry employees.

Profound qualitative changes can be made in the production of consumer goods and services on the basis of a new organization of management and planning. A decisive role will be played by self-managing organizations, which will be granted extensive opportunities for selling their goods on the marketplace. Unquestionably, this will contribute to the faster adaptation of the producers of goods and services to market requirements and to the better satisfaction of consumer demand.

The implementation of the new task calls for a decisive break with the old conservative and, in some cases, harmful attitude shown by some economic managers and plant managements, who ignore the needs of the working people because of misunderstood financial benefits. This also means ending the manufacturing of substandard goods made of byproducts, which is an inadmissibly formal implementation of obligations.

Competition among producers of consumer goods is a fruitful mechanism. Such competition must actively contribute to intensifying economic initiative, reducing costs and upgrading production quality. The self-managing systems will be offered extensive opportunities for cooperation, horizontally as well as vertically, which will create conditions for active production cooperation between them on an economic base in the formulation and implementation of a common economic policy.

The building of small enterprises and the reconstruction of existing capacities will be continued, using the existing scientific and technical potential and production facilities and organizing the cooperation with enterprises and firms in socialist and developed capitalist countries.

Programs for the manufacturing of goods and providing services to the population equal to their annual wages will be drafted by plants and combines producing capital assets. Special steps will have to be taken to ensure the implementation of Council of Ministers Decree No 36 on additional assignments for the production of goods for the domestic market and consumer services, which must be granted to the population by individual okrug. Extensive use must be made of material incentives as stipulated in the decree.

As of now, without additional investments, the service industry can increase the volume of services and improve their structure through organizational factors, such as discipline, the steady use of installed capacities, regular supplies of materials and a courteous attitude toward the citizens.

The major task is to achieve a significantly higher volume of goods and services with the available capacities, with the help of high-level organization and discipline. Work on the reconstruction and updating of material and technical facilities must be undertaken energetically and with the ambition of achieving high economic and social results, so that the satisfaction of requirements for goods and services may be achieved within a short time.

The party's policy in the production of goods and services for the population is clear. Practical steps and specific actions must be taken for its implementation.

The party's aktiv of agitators faces a responsible assignment. Mass political work must be applied to develop an active stance among the labor collectives and create a public opinion in favor of decisively reconstructing the thinking, approaches and actions of self-managing systems concerning the production of more and better quality goods and services. The party's order in this vitally important area is to achieve a decisive upturn and profound quality changes. This is the way to reaching the highest possible labor productivity and implementing the strategic task of raising socialist society to a qualitatively new status by the end of the century.

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ECONOMY

HUNGARY

TASKS OF NATIONAL SAVINGS BANK DISCUSSED

Budapest PENZUGYI SZEMLE in Hungarian No 7, Jul 86 pp 517-528

[Article by Dr Istvan Szendi: "The Activities and Tasks of the National Savings Bank during the 6th and 7th Five-Year Plans"]

[Text] Between 1981 and 1985 the National Savings Bank continued to consider it one of its basic tasks to use the resources specific to its area of operation in assisting the party and the government in realizing the goals of their economic policies, the strengthening of equilibrium between disposable income and available goods, the increase of central monetary sources, and the improvement of the population's standard of living.

The results achieved during the period of the five-year plan were determined by the changes in the conditions of national economy and the development of the population's financial transactions. In evaluating the work accomplished, it could be stated that the Savings Bank closed a successful cycle on December 31, 1985. Its business branch met or exceeded its goals, and in several spheres it contributed to the realization of goals proposed in the conceptions of financial policy.

During the period of the 6th five-year plan, the volume of residential deposits increased by 98.9 billion forints, and at the end of the plan period they stood at 244.1 billion forints. This growth is nearly twice what was planned (50-60 billion forints). During the five years, 36 billion forints' worth of interest was collected from the population, which is 37 percent of the increase in holdings.

In spite of the decrease in real wages and the stagnation of real incomes, each year the volume of savings exceeded the growth in money incomes; even under more difficult economic circumstances, the readiness of the population to save has not deteriorated.

Out of the total of residential deposits, 213.9 billion forints were held by the Savings Bank and 30.2 billion by the credit unions.

During the five years the per capita savings of the population has increased by more than one and a half, and by December 31, 1985 it approached 23,000 forints.

When it comes to thrift, Hungary is in the mid-field among the socialist countries of Europe, as supported by the [1984] data listed below.

At the end of 1984, the per capita volume of savings in Hungary was 20,505 forints. Among the socialist countries of Europe, only East Germany and Czechoslovakia exceeded this figure.

In Hungary, savings deposits made up 27 percent of the country's 1984 GNP. In this regard Hungary is again in third place among the socialist countries of Europe. In East Germany savings deposits made up 65 percent and in Czechoslovakia 39 percent of the GNP.

In our country, the amount of per capita savings is more than four times as high as the average monthly income of workers and state employees. The proportion is approximately the same in East Germany, while in Czechoslovakia the per capita savings is four and a half times as high as the average monthly earnings.

In addition to the raw data, it is also significant, for how long the savings are committed. (See Table One.)

1. táblázat

(1) Megnevezés	1980-ban		1985-ben	
	millió Ft	%	millió Ft	%
(2) 1. Látra szóló és 3 hónapra lekötött betétek	25 347	18	48 340	20
(3) 2. 1 évre lekötött betétek	110 586	76	137 781	56
(4) 3. 1 évnél hosszabb időre lekötött betétek	9 340	6	58 004	24
(5) Összesen:	145 273	100	244 125	100

KEY

(1) Types of Deposits (2) On-demand and 3-month deposits (3) One-year deposits
(4) Deposits committed for longer than one year (5) Total

The fact that in five years the proportion of deposits committed for longer than one year has grown by 18 percent indicates that--given a higher rate of interest--the population is willing to tie up their money for longer periods of time. At the same time, it also indicates that rising prices force families to save money for more extended periods.

The classification of deposit-books by the size of their contents points to a definite concentration, illustrated by Table Two.

2. táblázat

(2) Megnevezés	(1) Állomány			
	1980. dec. 31-én		1985. dec. 31-én	
	millió Ft	%	millió Ft	%
— 25 000 Ft	33 824	27	41 261	22
25 001— 100 000 Ft	50 846	41	67 788	36
100 001— 500 000 Ft	37 784	30	69 291	37
500 001—1 000 000 Ft	2 542	2	8 536	4
1 000 000 Ft felett	.	.	2 748	1
(3) Összesen:	124 996	100	189 624	100

KEY

(1) Holdings/Stock (2) Deposits by amount contained (3) Total

The money concentration is probably greater than indicated by data; after all, we can justifiably assume that the "big deposit-holders" distribute their money in several deposit-books, and they probably also have checking accounts. A further correction factor is that the relatively low fixed denominations of postal savings deposits and deposits for automobile lotteries also compel depositors to distribute their savings. As reasons for the concentration, we can cite the facts that more money must be saved to achieve certain goals, and that the growth-rate of the population's earnings is scattered. The process is also stimulated by the aberrant differences in earnings: a certain proportion of the population's earnings is made up of bribes, gratitude payments and tips, most of which are received by a small percentage of the population.

The volume of deposits and withdrawals also grew rapidly and doubled in five years. During the period of the 6th five-year plan, deposits amounted to about 830, and withdrawals some 730 billion forints.

The volume of savings during recent years was significantly influenced by the fact that—in spite of deteriorating economic circumstances—the population retained their confidence in the economic policies of the government.

According to our experience, the money management of families gradually accommodated the new circumstances. In spite of growing nominal earnings and decreasing real wages, resulting in stagnating real incomes, between 1981 and 1985 the population managed to average a deposited savings of 4.1 forints out of every 100 forints earned.

Another important factor was that the savings goals of the population remained essentially similar to earlier ones. Most of the families saved their money for apartments, vacation units, automobiles or travel abroad. These goals, as well as the continuous increase in the price of apartments and construction expenses, encouraged families to maintain their savings programs.

The availability of consumer goods has a major influence on savings deposits. If there is merchandise to be purchased with money saved, this will stimulate the growth of deposits. At the same time, the temporary or chronic shortage of certain items contributes to the deposits through "forced savings." A typical example for this is the automobile market, and the number and volume of deposits covering automobile purchases. (See Table Three.)

3. táblázat

	① Év végi záróállomány		③ Befizetések darab	④ Kiszolgáltatók csekkek darab
	② darab	millió Ft		
1980	257 719	9 623		
1981	209 515	8 248	58 824	83 627
1982	192 266	8 245	79 388	79 801
1983	192 430	9 436	87 600	71 600
1984	202 366	11 679	98 693	75 204
1985	207 430	13 261	106 934	75 190

KEY

(1) Holdings at year's end (2) Number of deposits (3) Number of payments (4) Number of checks issued

Increased purchase prices and the growing expenses of operating an automobile have not moderated the demand for passenger cars. The volume of import could not be increased, so the money deposited as advance payments for cars--which could be considered forced savings--constitute a permanent component of savings.

Although there are no data supporting this, we estimate that there a significant number of people who save in order to assure their own security during their old age, or because they wish to contribute money to their descendants. (In the near future we will be able to check the accuracy of our estimate, because in 1986 we will introduce a new savings program specifically for these purposes.)

National policies concerning the creation of savings programs and interests are important means of influencing the thrift of the population. By introducing a wide variety of deposits, and by providing proper services with each program, and the suitable size of interest rates, more individuals and families could be predisposed to save their money.

In order to maintain the volume of deposits committed for extended periods, several interest-adjustment measures have been introduced during the plan period: interests on postal savings accounts and youth accounts have been raised several times, and there have also been increases in interests paid on remittance deposit-accounts and deposits for automobile lotteries. As a result of these increases in interest rate, the volume of these types of deposits grew rapidly; however, if we examine the issue from the point of view

of citizens, our interest policies can quite easily be labelled "rigid" or "difficult." This claim could be supported, for example, by the much-debated 2 percent interest rate paid on accounts covering car purchases.

It is quite another question that in developing proposals concerning the raising of interests, we must always take into consideration the load-bearing ability of the national budget; changing the interest rates is among those tasks over which the Savings Bank has no authority.

In order to broaden our selection of savings programs, we introduced the long-range (2-3 years) deposit books and the savings program for apartment purchases, paying 6 and 8 percent interest. (I must admit that the latter program has not proven attractive enough and it is still unpopular; it will be one of our tasks to bring it up to date.)

I must point out that whenever we introduce a new program, it has been our experience that our clients first transfer some of their already deposited money to a new account that may be more favorable for them, and only after the passage of a year or a year and a half can we count on an increase in deposited volume derived from new savings.

The population favors those types of savings deposits that offer additional concessions and services. One of these is the youth account, which makes its holder eligible for favorable credit terms. As of December 31, 1985, the Savings Bank and the credit unions handled nearly 630,000 such accounts, while in 1980 only 440,000 of these existed. The proliferation of these accounts was aided by the elimination of the minimum required monthly deposit and the raising of the amount of easy credit for which the account holders were eligible.

Another program offering extra advantages is the remittance account, which formerly served only money transfer purposes. The number of these accounts and the amount of money in them are steadily growing; at the end of the plan period our network of financial institutions handled nearly 670,000 of them, in contrast to the 1980 figure of 380,000. Early during the plan period it became possible for depositors to transfer a portion of their wages or other allotments directly to the Savings Bank or the credit unions. At the end of 1985 more than 200,000 of our clients took advantage of this service.

In order to modernize our payment practices, we introduced the use of savings account checks. Their holders may obtain cash at any financial institutions, anywhere in the country, or they may tender payment at any commercial outlet that is part of the system. Regrettably, the use of these checks is being accepted rather slowly; currently only 30,000 clients have such contracts with the Savings Bank or with the credit unions. To be sure, the use of checks does not have a long tradition in our country, and the population is not familiar with the advantages of this type of payment. In addition, both the issuing financial institutions and the negotiating commercial outlets have much to do in this sphere; both must reduce administrative restrictions.

The 6th Five-Year Plan called for an 80 billion forint increase in the savings of the population. In fact, however, the increase between 1981 and 1985 amounted to 99 billion forints, which exceeded the planned level by 24 percent. On December 31, 1985, the amount of residential savings was 204.7 billion forints.

During the entire plan period there was a steadily growing amount of credits granted, totaling 88.6 billion in short- and medium-dated, and 139 billion in long-dated loans, and resulting in the total amortization payment of 151.8 billion forints.

Such significant increase in the volume of savings can be attributed to the combined influence of several factors, including these:

--During the first year of the plan-period, the upper limit of loans grantable for the building of family houses was raised by 20,000 forints.

--On January 1, 1983, the system of family housing construction support from national resources or with loans was reorganized; the financial and credit conditions of dwelling construction were modified; and the upper limit of grantable loans was significantly raised.

--Several new types of loans have been introduced, including auxiliary bank loans, loans for purchases of real estate in private ownership, special loans for augmenting individual participation, etc.

--As for apartments owned by local councils, instead of the earlier, quite favorable, fixed list-pricing, after July 1, 1981 their appraisal was based on their net construction cost, which brought about an increase in apartment prices.

--The number of approved loans was about 200,000 more than during a similar period in the 5th Five-Year Plan. Improving the financial conditions of building family houses resulted in an increased readiness on the part of the population to initiate constructions, and they requested loans for the building of 6,000 more family houses than during the previous plan-period.

While there were 10,000 fewer multi-level dwelling units built by construction cooperatives or other organizations, and 27,000 fewer units owned by the local councils, at the same time we approved loans for the purchase of 15,000 additional units created by the National Savings Bank.

Almost 404,000 apartment owners turned to the Savings Bank for loans to renovate or modernize their dwelling units.

--The Savings Bank increased its activities in re-purchasing and re-selling dwelling units. While between 1976 and 1980 we re-sold only 11,500 units, during the period of the 6th Five-Year Plan the number of this type of transactions reached 40,000.

--In the capital city we established an office dealing with the sale and purchase of residential real estate and authorized our county directorates to perform similar functions. Thus far there have not been very many offices of this type established, but popular interest in them is a promising sign.

For all except the council-owned dwelling units, the new financing and credit system established credit approval procedures that take into consideration the size of families, as well as their social and income circumstances. It must be noted, however, that these types of differentiation were exhibited in the determination of monthly mortgage payments, in such a manner that families with higher earnings were required to repay their loans sooner than others.

During the year of its introduction, 1983, there was only a very slight popular demand for loans for the purposes of building or purchasing apartments. Due to the increasing costs of construction, however, the interest of the population has gradually increased. By 1985, as many as 20 percent of those who were building family houses, 37 percent of those who were building multiple dwelling units, and 11 percent of those who were purchasing their apartments from the National Savings Bank took advantage of the loans. The average amount of the loans for each new dwelling unit was between 77 and 124,000 forints, while in cases of re-sale it was around 68,000 forints.

The indebtedness of the population increased during the plan-period. As a result of higher ceilings on loans and the higher interest rates on new credit configurations, much of the population reached the upper limit of their credit-bearing ability. This is evidenced by an increasing frequency in credit arrears.

In spite of developments in preferential treatment by society, long-range savings activities prior to building or purchasing a home have continued to be on the increase.

During the plan-period we continued to be active in commissioning dwelling constructions. The number of units we have had built during the five years exceeds 91,000. When it comes to newly built multi-level, multiple units, the Savings Bank's share is over 75 percent.

In analyzing our involvement with housing constructions, it is worth considering the factors that governed our activities during the plan-period and at times prevented further developments in this sphere. These can be summed up in the following manner:

--Due to the quantitative approach that prevailed early during the plan-period, the local councils called on the Savings Bank to build tenement-like, multi-level units. Thus, the emphasis was on preparing the grounds and providing utility services for the large tenements, which aided in the concentrated utilization of monetary resources by the councils. Resulting from the reduction of national monetary resources, the councils increasingly demanded that real estate be leased from them and that they be reimbursed for public utility expenses; and the combined amount of these expenses exceeded the realistic prices of apartments. Even in the tenement-like, multi-level units this amount reached 80,000 forints per unit.

--Since the state reduced its participation in housing construction, our situation in relation to the capacity of the construction industry has improved. In contrast to the declining quantitative approach of the previous years, we encounter justifiable observations concerning the quality of dwellings.

Rising prices and increasingly powerful private capital made the buyers of dwellings more sensitive and less patient with unsatisfactory quality. At the same time, the construction industry has not been able to achieve significant results in improving quality, and its lack of interest in repairing faults under warranty remained unchanged.

All of the above problems surfaced with increasing intensity in the dwellings that were turned over to the residents at the end of the year. When it comes to distributing the completion of projects more evenly throughout the year, there has not been a significant improvement; a great number of dwellings are still completed at the end of the year, which unfavorably influences quality. The filling of shortages has been delayed, resulting in the delayed turning over of units to the residents, and tardiness in start-up operations caused further qualitative decline. The conviction is beginning to develop that some of the Hungarian construction industry is unable to produce quality dwelling units at today's prices. It is hard to tell whether or not this is caused by objective factors.

Since the turning over of units to residents is concentrated around the year's end, this also means a peak in the selling of the units, at times confronting the councils, who assign the dwellings, and the commercially involved Savings Bank branches with nearly insurmountable difficulties.

--During the 6th Five-Year Plan, it was possible to complete the designated volume of dwelling units by utilizing the prefabricated elements-based technology of house-factories: approximately 70 percent, or 64,000 units were completed in this manner. Due to a reduction in the amount of money available for capital investment by the enterprises, new products have been only infrequently developed, while the existing prefab housing did not make it possible to offer a selection responding to demand. This is exemplified by the average size of the dwellings completed in the various years: in 1981 this was 57, in 1982 57.3, in 1983 56, in 1984 55.2 and in 1985 56.8 square meters.

--While the interior layout and appliances of multi-level tenement dwellings constructed by the house-factories have not changed significantly, their prices have risen considerably. The retail prices of units built for the Savings Bank are determined on the basis of actual costs incurred during construction. The price increases reflect the rising costs throughout industry, especially in the construction industry. During the period of the recent five years, the price of most manufactured items utilized in the building trades have become deregulated, and the above-average price increases had an accelerating effect on construction costs.

--Between 1981 and 1985, the net building cost of prefab-houses has increased by 3,600 forints per square meter, or by 45 percent. However, if we take the other technologies into consideration, the price increase amounts to only about 10 percent over the base year, 1980.

--Simultaneously with the increase in apartment prices, beginning with the middle of the plan-period there was a noticeable decrease in qualified demand, especially among the first-time apartment buyers. For those people, on the other hand, who wished to move up to better housing, opportunities were limited by the shortage of real estate required for the building of higher-quality units.

During the plan-period, the amount of short- and medium-dated consumer and investment credits had increased by 5.5 billion forints, and by the end of 1985 it stood at 16.2 billion forints. (The Savings Bank handled 4.0 billion in growth, and its credit holdings amount to 13.1 billion forints.) Most of the credits were made for the purpose of purchasing manufactured consumer goods or for solving the temporary money-shortages of the population. The use of production loans has also been continuously growing. In the course of five years, the network of savings institutions authorized 7.6 million instances of medium- and short-dated loans, of which 6.7 million transactions were earmarked for consumers. These loans contributed to the improvement in the population's standard of living.

Within consumer credit, the proportion of loans made for the purpose of purchasing commercial goods has decreased in recent years. Purchases were concentrated in three areas; furniture, electronic entertainment items and household appliances, with furniture representing the largest volume.

The demand for personal loans has been growing year by year. This was caused by the higher amount of borrower contribution prescribed in cases of loans made for the purpose of buying manufactured goods or houses, or in the cases of loans made for housing construction. The outcome of this demand was that--due to budgetary restrictions--only some of the demand could be satisfied during the last months of certain years.

In the course of the 6th Five-Year Plan, the amount of residential savings deposits that was not used for residential loans has increased from 38.0 to 39.4 billion forints, while the credit-deposit proportion grew from 74 to 84 percent.

The liquidity reserves of the Savings Bank developed less positively, since the handling of the credit unions' accounts was taken over by the Hungarian National Bank.

For the 1981-1985 period, our institution projected an average annual increase of 5 percent in the sales of sports-betting and lottery slips, but in fact we sold 4.3 billion of these slips during the plan-period, thus the actual growth exceeded the projected rate by 23 percent.

In examining the developments in institutionalized games of chance, our experience shows that during the plan-period the sales volume in sports-betting slips far exceeded that in lottery tickets. This phenomenon is attributable to the outstandingly large winnings obtainable in the sports-betting arrangement.

Taking instant-winning lottery tickets into consideration, this sphere of our activities resulted in a 22.4 billion forint income during the 6th Five-Year Plan.

Between 1981 and 1985 the volume of our foreign and hard currency branch has also increased significantly.

As a result of various factors (the international monetary situation, developments in foreign tourism, etc.),

- the volume of sales and purchases increased by 81 percent;

- between 1981 and 1985 the amount of money kept in hard currency accounts by Hungarian citizens multiplied nearly five-fold, and by foreign citizens fourteen-fold (also influenced by the change in exchange rates);

- the number and volume of transactions handled by our foreign accounts, the volume of blocked forint accounts held by foreigners, and the increase in the amount held in travel-accounts are similarly sizeable;

- even though the number of its accounts has decreased, our Foreign Trade Enterprise (IKKA) branch accumulated deposits in the amount of US\$ 60.9 million during the five years.

The jointly owned Hungarian-Austrian company Penta Tours Ltd. was established during the plan-period, with the participation of the National Savings Bank. In a little more than a year of its operation, 46,000 foreign visitors spent nearly 127,000 days in Hungary, and 9,000 Hungarian tourists participated in tours abroad organized by the agency.

As for local councils, the 6th Five-Year Plan assigned to them goals that were in accord with the capacities of national economy, primarily concentrating on maintaining or slightly improving the level of basic provisions.

The income and expense of the operational budget totalled 437 million forints, which exceeds the amount projected in the intermediate fiscal plan.

The medium-range projection for the developmental funds was originally 198 billion forints, but incomes during the plan-period totalled only 189 billion forints. Thus, circumspect ranking measures had to be implemented in the realization of proposed development projects.

The councils spent 58 billion forints on lump-sum investments and 89 billion forints on other types of investments.

One important aspect of the relationship between the councils and the National Savings Bank is making credits available. During the plan-period we floated 12.3 billion forints' worth of loans for the purpose of housing construction, and 2.1 billion forints as advances against income from the developmental funds.

Even under changing regulatory and economic circumstances, the Savings Bank made every effort to perform its functions effectively. We continue to regard improving the relationship between local councils and our account-holding branches as one of our priorities.

In analyzing the sum of our institution's financial activities during the five years, we feel that--by and large, without difficulties--we accomplished important tasks in facilitating the financial affairs of the population and the local councils, and that our work can be considered successful.

Together with the achievements, however, there have been an increasing number of problems and tensions. The volume and complexity of our tasks have significantly increased during recent years. The number of transactions grew by 15 percent, and the total volume by 25 percent annually. Our personnel and technological conditions have not been able to keep pace with the dynamically growing volume of work, and external circumstances also hindered the effectiveness of our performance.

Our institution received justified criticism concerning the restrictions in handling the deposit and remission accounts, and the slowing of our administration in general. In our relationship with the construction industry, we have not always been able to represent the interests of the population regarding the pricing and quality of dwelling units.

Primarily resulting from legal requirements, repair of housing units under warranty proceeds in a complicated and delayed manner. As a consequence, numerous law-suits have been filed against us, which reduces popular confidence in our institution. Although we offer a broad range of services, we must make additional efforts to satisfy the growing quantitative and qualitative demands of the population, to introduce additional programs, and to further develop the conditions of existing ones.

We must strive to simplify our procedural rules, making them flexible enough to satisfy our clients' interests and secure enough to meet the demands of modern banking.

In part due to the limited nature of the development fund, and in part because of the shortage of hard currency, we have not been able to take the necessary steps in acquiring modern office machinery and up-to-date data processing equipment that would contribute to the modernization of our administration procedures and speed up the servicing of our clients.

Subsequent to the ratification of the law containing the 7th Five-Year Plan, it became necessary for the National Savings Bank to develop a business policy in accordance with the conceptions of economic guidelines and new circumstances, and to designate the direction and goals of its developmental

course.

In the compilation of our plan and the detailed definition of our tasks, we have taken into consideration the most important aspects of national economic policies that influence the direction of our activities and the achievement of our branches.

As a starting point, we used the position statement of the Ministry of Finances and the concepts approved at the ministerial conference. We utilized the experience thus far gained by the National Savings Bank and paid considerable attention to the elimination of problems outlined above.

In defining our tasks, we have taken into consideration the authorizations approved in our institution's founding documents, as well as the new circumstances that are likely to develop as a result of further developments in the banking system. In connection with the latter, we figured on an increase in the number of institutions accepting savings deposits from the population, the continuous loosening of hitherto existing specialization restrictions, the broadening of selection, and the gradually increasing competitiveness between financial institutions.

We feel that when it comes to financial institutions that deal with savings deposits and loans, they should be expected to offer a broad range of prompt, accurate and professional services. They should keep abreast of and--according to their capabilities--influence the fiscal developments related to the affairs of their clients in such a manner that they contribute to realizing the concepts of economic policies.

In performing these tasks, the Savings Bank is made competitive by its past of nearly 40 years, the experience it gained during those years, the broad range of its activities, and the size of its holdings. The same factors can also represent disadvantages: Strong reliance on traditions, large size, and complex, hierarchical organization tend to make the activities of a firm difficult and rigid. It is our task to eliminate this contradiction.

One change we expect to see in our activities is that the strengthening of business approach will bring about an interest (not necessarily a personal interest) in profits and, closely related to this, a sensitivity to costs.

We have not ignored the possibility that in certain areas the range of our activities may be curtailed. One such eventuality is making the Directorate for Sports Betting and Lotteries an independent firm. One basic condition for this is to make the sale of tickets more economical and increase the earnings. In addition, the means of cooperation between the Savings Bank and the new firm must be developed to serve the main goal, as well as to be acceptable by both parties.

We will distribute some of our tasks among our partners. Here I am thinking, for example, of the floating and handling of residential loans. As it is well known, the credit unions received broad authorization to offer long-range loans. From our experience, it appears that this activity of the credit unions will be slow in growth and that most of the loans will still be issued

by the Savings Bank. The continuing process may lead to the point where the deposits held by the Savings Bank will not suffice to satisfy the demands for loans.

The new situation calls for a multi-pronged approach to the solution. Unquestionably, we must increase our efforts to attract additional deposits. In order to achieve this, we must be flexible in our offerings and try to satisfy the specific elements of the population. We must propose the introduction of a system of conditions that would stimulate financial institutions dealing with residential deposits to use their holdings primarily for financing the construction of private housing units. We must also look for auxiliary financial resources. (I am thinking of institutional deposits, refinancing loans by the issuing banks, and possibly of using inter-bank loans.)

Even if the above-mentioned changes in the banking system take place, our intention will remain to concentrate on taking care of financial transactions involving the population, the local councils, and small enterprises. We wish to remain the leader in this sphere of activities. Accordingly, we will continue to consider as our task

- the collecting of residential savings, and

- the offering of credit for purchasing or building dwelling units, and for consuming and production purposes.

We intend to continue

- handling the financial affairs and bank accounts of councils and institutions, offering council-approved loans (creating such conditions that our involvement in these affairs remain intact even if other banks could be chosen);

- maintaining the bank accounts and managing the financial affairs of certain public institutions (social organizations, associations, economic work teams, etc.);

- our involvement with commissioning the construction of dwelling-units (as well as garages, stores, offices and resorts) and selling these units;

- taking care of affairs that involve foreign and hard currencies, and issuing and distributing fiscal instruments.

Using our experience and relying on our large network, we will strive to retain for our institution a decisive role in performing the financial tasks of the residents and local councils.

In addition to performing the functions associated with social policy assigned to our institution and financial services for the residents and the local councils, we wish to gradually broaden the range of our business activities.

The introduction of new services must be scheduled according to how fast we

can train personnel to perform these tasks and how fast we can provide the technical conditions.

Increasingly we wish to take advantage of the authorization contained in our founding document, according to which our financial institution is permitted to perform financial functions (handling accounts and transfer of money, supplying credit, participating in associations) for various economic units, primarily small businesses.

Thus the Savings Bank would become part of the developing two-level banking system, primarily specializing in performing financial functions for residential clients and local councils, but also having the authority to perform the general financial tasks of a commercial bank in the above-mentioned area.

In order to enlarge our resources, we consider it especially important to achieve a growth in our deposits. To stimulate savings and increase the proportion of resources committed for extended periods, we plan to broaden the selection of our savings programs. We will introduce a retirement deposit program that can be combined with life insurance; we will develop a system for discounted postal savings deposits, as well as a postal savings system with "coupons" that make the withdrawal of interests possible.

In order to broaden the range of savings opportunities, we will offer more investment possibilities. To increase our resources within the framework of this program, we are planning to issue a new type of savings bonds, possibly with fluctuating interest rates or other attractive benefits that would provide incentive for bond-buyers to invest their money for longer periods.

By preserving the value of long-range deposits, we intend to encourage their use. To this end--in accordance with the given economic situation--we are initiating changes that will stimulate the elasticity of residential interest-policies. We intend to use the excess resources produced by higher-interest deposits for increasing the volume of our profitable business investments and our participation in business ventures.

In order to gain more depositors from among the residents and to retain them as our clients, we intend to create conditions that will prove to be advantageous for us in the competition among financial institutions, or at least give us an equal chance. For example,

--we are making efforts to further develop our data processing facilities (primarily the Budapest on-line network), that are indispensable for the quicker handling of transactions;

--we are simplifying our office procedures, expediting the handling of transactions by administrative measures.

We are continuing our involvement in issuing long-range loans, in the service of realizing the goals of housing policies and management. By using incentive measures and employing the tool of the media, we encourage the quick repayment of already issued credits.

Through the purchasing and re-sale of housing units and the financing of private real-estate commerce, we are offering banking assistance to those housing exchange procedures that are aimed at solving the housing problem.

We wish to increase our involvement in consumer and production credit activities. We will first of all develop our practice of offering credit for the purchase of manufactured items, by popularizing credit against resources taken over from production firms. We will continually reduce our loans in less competitive areas and develop our credit involvement by speeding up the introduction of modern, new products.

Other practices we are attempting to introduce are the floating of temporary credit based on collateral security and taking on the tasks of collecting loans extended by various commercial and construction firms (factoring and forfeiture transactions).

In the area of production credit, we will continue to consider the financing of small agricultural producers as our primary task.

We will attempt to assist the production and service activities of individual and group enterprises by broadening credit qualifications and raising the upper limit of loan amounts.

In the area of housing investments, we propose to finance construction projects equalling qualified demand. When turning housing units commissioned by the Savings Bank over to the residents, we deem it important to consistently enforce quality standards and to increasingly represent the interest of residents in the handling of repairs covered by warranties. As a concrete step in this direction, we are creating an independent organization that will deal with technical, legal and financial issues related to the approximately 60,000 apartments we currently manage in Budapest.

When it comes to our foreign and hard currency branch, we consider it our primary duty to stimulate foreign and Hungarian citizens to deposit their currency in Hungary, and we propose to achieve this by improving conditions and further developing the activities of the Foreign Trade Enterprise (IKKA).

We intend to maintain our role in supplying the tourist trade with foreign currency and forints. By creating accommodations, organizing tours and selling airplane tickets, we will try to increase our participation in serving both the foreign tourists coming to Hungary and Hungarian travellers.

We intend to devote considerable attention to performing banking functions for the communities. By offering reliable handling of transactions and regularly providing information, we aim to encourage the local councils to bring their accounts to us, even after the introduction of free choice among various banks.

We intend to provide more theoretical and practical assistance to the local councils in solving their tasks in housing construction, area preparation and investment, and wish to improve our cooperation with them. In an advising capacity, as well as through loans, we wish to assist their management practices and help them solve their financial problems.

While performing our traditional tasks, and in tandem with the elimination of banking specialization, we intend to increase our role in the financing of small enterprises and in banking transactions connected with bonds. We plan to gradually increase the entrepreneurial construction of housing units, and--in order to satisfy individual requirements--we will commission larger, better-equipped apartments.

We are conducting feasibility studies in order to determine what are the possibilities for creating, or for promoting the creation of, a joint enterprise or economic association with the participation of a construction firm or a cooperative, with the express goal of performing warranted repair work in an improved fashion.

We are exploring the means through which (in addition to residential credit activities) the Savings Bank could independently perform certain insurance tasks (such as general renters' insurance, debt-paying life- or accident policies, etc.).

In cooperation with OTP-Penta Tours, Ltd., we wish to help in increasing the volume of Western tourism to our country by exploring new tourist objectives, organizing tours, and building facilities.

To become better acquainted with opinions concerning our performance and the desires of the population, and to improve our business policies and services, we are planning to establish a Social Advisory Board attached to the Savings Bank's leadership.

The realization of our conceptions and the improvement of our effectiveness call for increasing the autonomy and decision-making competency of our county directorates and district branches. Another requirement involves a reduction in the administrative and operative functions performed by the Savings Bank's central leadership, to be replaced by substantive leadership and theoretical control functions. In addition, whenever considerations of rationality, economy and quality improvement warrant this, we will create independent firms or affiliates to perform certain specific tasks. As a start in this direction, this year we are exploring the possibilities for transforming our Enterprise Bureau into an independent affiliate, the Small Enterprise Bank.

Summarizing our activities during the period of the 7th Five-Year Plan and the main developmental goals of our business policies, we feel that a basic demand faced by our financial institution is the broadening, modernizing and qualitative improvement of services associated with our traditional functions. Our unconditional wish is to meet these demands. We also wish to continuously enlarge our banking entrepreneurial activities. As the primary area of these tasks, we wish first of all to expand our financing small enterprise endeavors connected with residential provisions and public services. Through this, we

wish to contribute to the liveliness of the domestic capital market, improve our competitive position within the changing Hungarian banking system, and--last but not least--create a better public image for our activities.

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ECONOMY

HUNGARY

COST, STATE FINANCING OF HIGHER EDUCATION ANALYZED

Budapest FIGYELO in Hungarian No 35, 28 Aug 86 pp 1, 6

[Article by Judit Bertalanfy: "The Cost of a Diploma"]

[Text] According to T.W. Shultz, the American economist and Nobel laureate, the human capital accumulated in the United States is of the same order of magnitude as that country's material wealth. Presumably this cannot be any different in our country, either.

The question is merely at what investment cost have we acquired this capital, and what is its "rate of return."

It is said that each diploma is costing the state a lot. But how much is a lot? According to the summary cost report that the Ministry of Culture and Education has prepared at our request, a regular engineering student "costs" the state budget 105,000 forints a year. Which in five years adds up to more than one-half million forints. This is what an engineering diploma costs in Hungary in 1986, if we do not include the costs of primary and secondary education. This amount includes even kindergartens and day nurseries for the children of university employees! Not much, really, everything considered.

And what is the rate of return on this investment? Keeping the expenditure of financial resources at a minimum, the average designing engineer at the average planning and design institute--together with his assigned designer and draftsman--must "produce" annually between seven and ten times his annual salary. Come to think of it, not bad at all!

Thus, viewed in this manner and as a first approximation, education does not belong among the worst investments. But the situation is more complicated, as in the case of any infrastructural investment: the investment yields a return at a place seemingly different from where it was made. But we might say that the national economy is both the investor and the beneficiary.

Relative Decline

There are fewer than 600,000 university or college graduates in Hungary, about as many as the statistically reported number of illiterates.

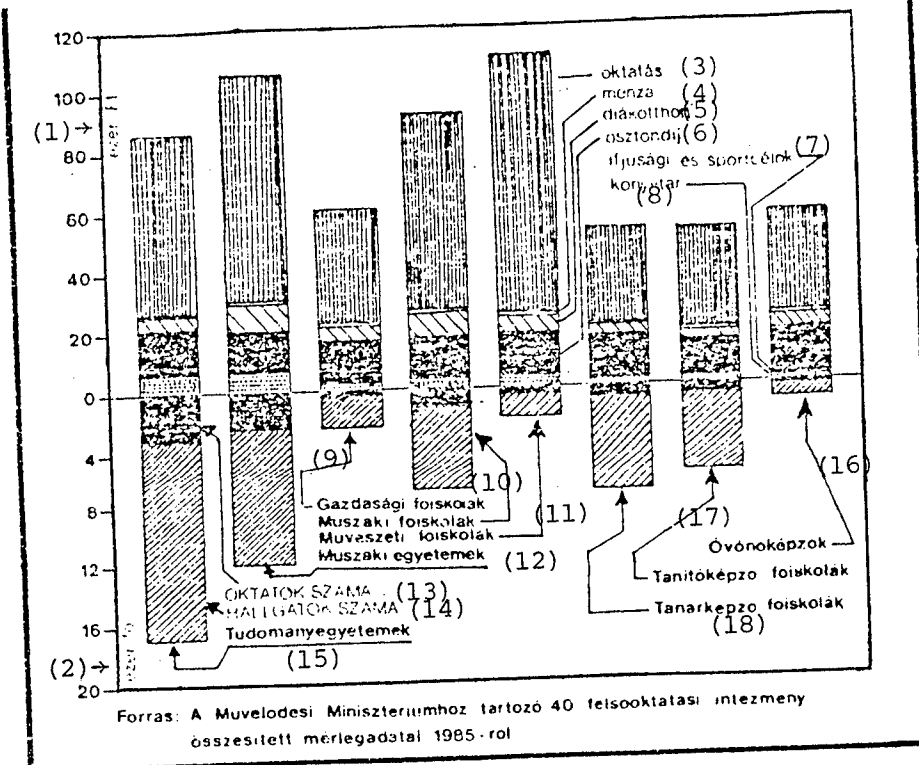


Figure 1. Budgetary Subsidy per Regular Student
(From the 1985 consolidated balance sheet of the 40 higher educational institutions under the Ministry of Culture and Education)

Key:

- | | |
|-----------------------------|--|
| 1. Thousand forints | 10. Technical colleges |
| 2. Thousand persons | 11. Art colleges |
| 3. Instruction | 12. Technical universities |
| 4. Cafeteria | 13. Teaching staff |
| 5. Dormitory | 14. Enrollment |
| 6. Scholarship | 15. Academic universities |
| 7. Youth activities, sports | 16. Kindergarten teachers colleges |
| 8. Library | 17. Teachers colleges |
| 9. Business colleges | 18. Secondary-school teachers colleges |

During the past 10 to 15 years, university and college enrollment has practically been stagnating in Hungary. Thus our position among the countries of Europe, and worldwide as well, has been declining steadily, both in terms of the number of university or college graduates per 10,000 population, and in terms of the percentage of each age group who continue their studies in higher education.

The debate frequently flares up on whether there are too many or too few university and college graduates in our country. And on whether there are structural difficulties as well: too many graduates in one profession, and not enough in another. But these difficulties stem mostly from unsuitable manpower management, from the problem of employing "cheaper" professionals than what is reasonable. Hence the fact that the domestic manpower structure, the composition of professionals, has barely changed during the past 10 to 15 years, while the advances in science and technology have created a strong demand for professionals worldwide. Furthermore the fact that the training today provides the basis of the social and economic development 20 to 30 years hence. And the quality of training depends on the financial and the personnel conditions, but let us not forget that the former also determine the latter.

Last year's state budget allocated 3.7 billion forints for the higher educational institutions under the Ministry of Culture and Education. (The medical and the agronomic universities and colleges belong under their own respective ministries.) Barely 30 percent of this total was for wages and salaries, and this proportion is increasing by 5 percent a year, the minimal rate of pay increase. The bulk of the total allocation was for material expenditures (for the procurement of materials and other items of circulating capital, for cafeterias, dormitories, scholarships, youth activities and sports, and for the maintenance of institutional libraries and their acquisitions). This proportion increases automatically by 2 (two) percent a year. The annual rates of inflation have been more often above than below 7 percent in recent years. Which means that less and less is available for higher education these days. The relative rate of decline is roughly 3 percent a year.

Three Kilograms of Instructions

The universities and colleges are trying everything to keep their financial situation from worsening. Some are supplementing their available allocations for instruction also with various revenues of their own, mainly from lucrative commissioned work. At others, however, business partnerships have by now taken over almost entirely the commissioned work that is profitable for the institutions as well. Admittedly, this way at least faculty incomes are higher; and that, too, is something.

Between 85 and 90 percent of the higher educational institutions' expenditures are fixed costs, and only the remainder varies with their enrollment. Money has not been more plentiful for the higher educational institutions in recent years, but their financial administration and system of accounting have become more complicated. Some indication of the greater complexity can perhaps be gained from the fact that the instructions under the old system of financial administration weighed 1.2 kilograms and fit into a single volume, but the three volumes of instructions now in force weigh over 3 kilograms. (Regarding the new system of financial administration introduced in 1983, see our separate article on page 7 of this issue.)

The accounting of income and expenditure at Budapest Technical University is broken down into 29 so-called special accounts. These include, for example: university instruction; college instruction; dormitories for university and

college students; day nurseries for the children of employees; organized holidays for employees; kindergartens; office cafeterias; student scholarships and entitlements, etc. (As a typical example of how detailed the breakdown is, the report accompanying the 1985 balance sheet mentions: "The number of employees using the cafeterias was six fewer than in 1984." Budapest Technical University has a work force of 5000.)

Self-Help

Budapest Technical University's combined estimate of income and expenditure is 1.3-1.4 billion forints. The state budget provides the largest share of this amount: 700 million forints in round numbers. At about 540 million forints, the proceeds from commissioned work are the second largest item of income. Income from the tuition that foreign students from capitalist countries pay for courses in which English is the language of instruction has been rising year after year, and its estimate for this year is 10 million forints. (A foreign student pays 250 dollars tuition per semester. This does not include room and board, textbooks, etc.) Postgraduate training is being provided at cost, for 1.5 million forints a year. Income from various other sources (tuition fees from regular students and students enrolled in evening classes or correspondence courses, dormitory fees, various rentals, fees for admission tests, the proceeds from the sale of retired assets and scrap collection, etc.) rose by 20 million forints last year; i.e., it was 56 percent more than what Budapest Technical University had collected the year before.

No wonder Budapest Technical University needs every penny it can get: for the past three years it has been getting only 60 percent of the customary 5-percent pay raises; and it has also been denied the 2-percent automatic increases to cover higher material costs, saying that Budapest Technical University is a "rich university" and must recognize the other higher educational institutions' greater need for this money. Thus the university's allocations from the state budget have not been raised by a total of about 50 million forints during the past three years, and the university has been forced to "make up" for this shortfall mainly by increasing its income from commissioned work.

Let us begin the university's expenditures with its payroll budget of 333 million forints. Various personnel expenditures (bonuses, travel expenses and per diem allowances, etc.) totaled 67 million forints. Last year Budapest Technical University paid 243 million forints for services (maintenance, gas, electricity, rentals, shipping costs, etc.). Its postage bill alone was more than 16 million forints!

Procurement of inventories absorbed 203 million forints. The university paid students 86 million forints in scholarships and social entitlements, and to subsidize their cafeteria meals.

Payments to the state budget--payroll and other taxes, tax on motor vehicles, etc.--totaled 155 million forints.

It will be worthwhile to examine separately the expenditures in conjunction with commissioned work. Costs account for four-fifths of the income from such work, the remaining one-fifth is profit. The income from commissioned work was

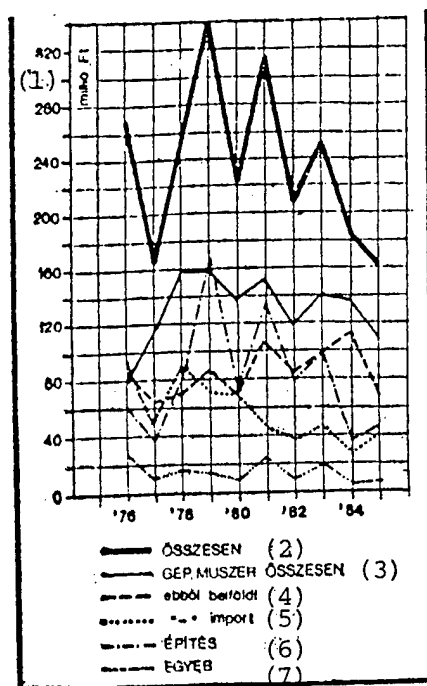


Figure 2. Development of Investments at Budapest Technical University

Key:

- | | |
|-------------------------------------|-----------------------|
| 1. Million forints | 4. Of which, domestic |
| 2. Total | 5. Of which, import |
| 3. Machinery and equipment, jointly | 6. Construction |
| | 7. Other |

540 million forints last year, 25 percent of which was paid immediately as tax into the state budget. From the remainder, 169 million forints was paid out in "bonuses" (for the work that university employees do after their regular hours). From the 20-percent profit the university "made up" for the automatic increases of the allocations that the state budget failed to provide. After forming an incentive fund, the university was able to earmark the rest of the profit for the procurement of machinery and instruments.

An experiment that the Ministry of Finance has proposed for this year offers some hope of a way out from the intricate maze of investments, renewals and maintenance. Under the experiment, the distinctions are not so rigid as previously, and there is less red tape. The greater flexibility also means fewer headaches for the ministry: it no longer has to be on guard to catch the university in a "lie" when the latter is using for investments money that has been earmarked for maintenance. This way Budapest Technical University is getting an annual allocation of 100-150 million forints for investment, renewal and maintenance. But officials at the Ministry of Culture and Education are concerned that the university is now spending the entire amount on investments, and then next year or the year thereafter it will be requesting money for major overhauls. Time will tell who was right.

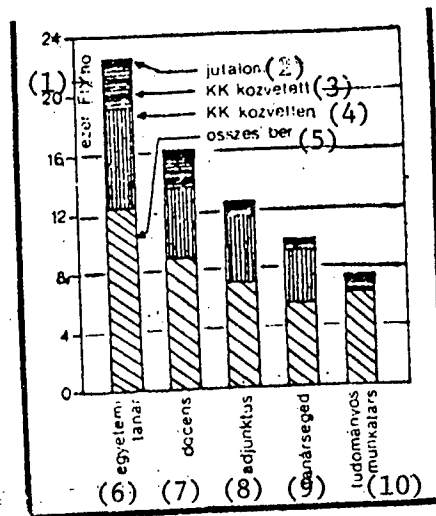


Figure 3. 1985 Average Faculty Incomes at Budapest Technical University

Key:

- | | |
|-------------------------------|-------------------------|
| 1. 1000 forints/month | 6. University professor |
| 2. Bonus | 7. Associate professor |
| 3. Indirect commissioned work | 8. First assistant |
| 4. Direct commissioned work | 9. Assistant |
| 5. Total salary | 10. Staff member |

More Being Spent on Trinkets

Speaking of investments, the Ministry of Culture and Education maintains separate "Major Overhauls" and "Investments, Reconstruction Projects" accounts. In higher education, the allocations for these accounts last year were, respectively, 707 million and 535 million forints. More than half was concentrated on two reconstruction projects, the ones at ELTE [Lorand Eotvos University] and Karl Marx University of Economic Sciences. According to the plans, the reconstruction project at ELTE will run through the year 2000 and will cost 5.0 billion forints. The reconstruction project at Karl Marx University will be completed by 1988 and--according to the plans--will cost 1.6 billion forints. Although these totals at each university are enough only to fight a major fire, after the decades of waiting there is more rejoicing than dissatisfaction at the institutions, which have already become accustomed to being kept out in the cold.

The next largest total, 800 million forints, will go to Janus Pannonius University in Pecs, where the reconstruction project will begin with the library's renovation.

No new higher educational institution may be even considered within the foreseeable future.

We are tossing around millions and billions, but actually how large are these amounts? In relation to what is this money not enough? At the beginning of this article we said that education is an investment; moreover, it is an investment with an excellent rate of return. During the past 10 years, industry has been forced to pursue a policy of curtailing investment. The outlays for industry's investments have amounted to 60-80 billion forints a year. We are spending roughly 5 percent of this amount on higher education. Or another important point: the Hungarian National Bank's overdue investment and development credits outstanding--most of which have to be either recovered through economic rehabilitation proceedings, or rescheduled on the basis of the government's decision--amount to about 10-12 billion forints. We are spending approximately a third of this amount on higher education.

Perhaps we get a better idea of how much 3.7 billion forints is if we know that last year we spent 3.96 billion forints on watches, jewelry and custom jewelry; 5.59 billion on candy; 11 billion on tea and coffee; 54.5 billion on alcoholic beverages; and 2.9 billion even on hoisery.

But the most tangible comparison of the costs of education would nevertheless be to compare them to education itself: i.e., to how much more would be needed. I have requested the experts to give me conservative estimates. According to their unanimous consensus, the payroll budgets ought to be increased 30-40 percent, by 300 million forints a year, if the institutions are to retain their good faculty members and not lose them to better-paid jobs in industry. About 100 million forints more ought to be spent on auxiliary materials and wasting assets for instruction, if these are not to run out during the year. For machinery and instruments, about 2.0 billion forints more would be needed in the first two years, and thereafter even the present level of allocation would suffice. For major overhauls, 1.5 times the present amount would be needed; and as much as 2.0 or 3.0 billion forints could be used for construction investments over the next couple of years. Thereafter much less would suffice for this as well.

But the relatively largest increase in appropriations would be needed in the case of books and periodicals. The institutions are exerting the most pressure on the ministry for the international professional literature that is essential to know what changes are taking place in the world. The institutions are buying between 60 and 70 percent of these books and periodicals for convertible currency, and this is true also of the larger part of their instrument procurement. This year the ministry's foreign-currency allocation for such purposes is 40 million forints. Half of even this amount, 20.5 million forints, is for orders which the universities and colleges placed last year but will be receiving only this year. Even by modest estimates, the institutions would place about 1.2 billion forints' worth of orders for several years, if they could.

Dream and Reality

Instead of dreams, stark reality: in the ministry's opinion, the universities and colleges could still increase their own incomes by much more. Budapest

Technical University has come closest to the upper limit. But the 35- to 40-percent share of own income could be increased further only at the expense of instruction; its quality would decline considerably.

Incidentally, income from commissioned work declined at every institution last year. This is being attributed primarily to the spreading of business partnerships and enterprise business partnerships, and to the intensification of competition. Now the Ministry of Culture and Education, and the Ministry of Finance have jointly modified the regulations, and it is hoped that the slight reduction of the taxes on commissioned work will make the institutions more competitive. This, of course, is merely a drop in the bucket and will hardly improve the quality of instruction. The universities and colleges get their admission quotas and then set the minimum scores for admission as the quotas require. Nine-tenths of the admitted students graduate and receive their diplomas. Some of them are satisfied with this much. But the majority seek the

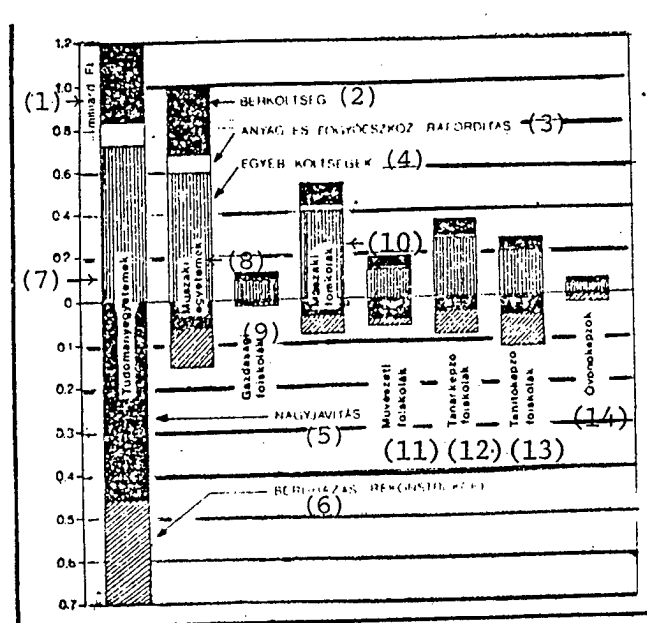


Figure 4. Budgetary Subsidies in 1985 for the Higher Educational Institutions Under the Ministry of Culture and Education

Key:

- | | |
|--------------------------------|--|
| 1. Billion forints | 8. Technical universities |
| 2. Wage costs | 9. Business colleges |
| 3. Materials, wasting assets | 10. Technical colleges |
| 4. Other costs | 11. Art colleges |
| 5. Major overhauls | 12. Secondary-school teachers colleges |
| 6. Investments, reconstruction | 13. Teachers colleges |
| 7. Academic universities | 14. Kindergarten teachers colleges |

job, the task, for which they have been training, and few of them really find it. The financial and moral recognition of university and college graduates has been declining for some time. On the other hand, the quality of their

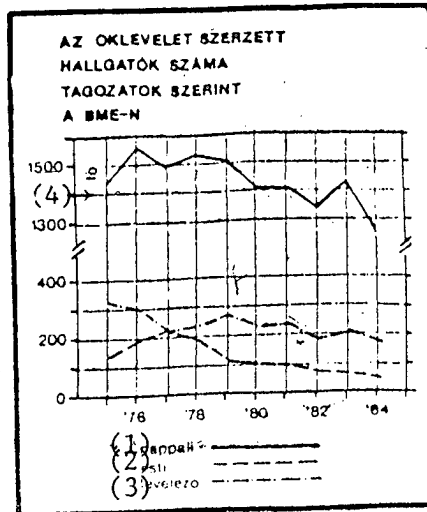


Figure 5. Number of Graduates at Budapest Technical University,
by Types of Courses

Key:

- | | |
|--------------------|---------------------------|
| 1. Regular courses | 3. Correspondence courses |
| 2. Evening courses | 4. Persons |

training leaves something to be desired. But as a rule they are not given tasks requiring 15 to 17 years of education, either.

The solution ought to start somewhere with improving the quality of instruction. But that would require also more money, which the "buyer" ought to be providing. Then the enterprises and cooperatives would carefully consider whom to "buy" and for how much. And once they have to pay for their university and college graduates, they would see to it that their investment is recovered with interest, and that these intellectuals are assigned tasks worthy of intellectuals. But the enterprises and cooperatives would have to see to it that the intellectuals also get a suitable share of the profit they produce. Then it will make sense for intellectuals to encourage their own children to study. Instead of passing on to them the bitter life philosophy that begins with "You will be much better off with learning a good trade, son."

1014

CSO: 2500/470

ECONOMY

POLAND

SOVIET COAL MINISTER EVALUATES PRESENT, FUTURE COOPERATION

Katowice TRYBUNA ROBOTNICZA in Polish 17 Jul 86 p 3

[Interview with Mikhail I. Shchadov, USSR Minister of Coal Industry, by Jozef Janik: "Concrete Form of Cooperation"]

[Text] [Question] Comrade Minister, how do you assess the results of the cooperation between the coal industries of both of our fraternal countries in recent years?

[Answer] First of all, I have to say that the Polish coal industry has reached a very high level in its development. The Soviet coal industry has also obtained certain experiences. Among other things, this is a result of the traditional cooperation between the miners of our countries, which has a rich history and great prospects for development.

We have jointly solved many problems in the areas of production, mechanization of the mining process, and work safety underground. Our best machines and equipment are operating in Polish mines. We receive mechanized units, monorail railways, and conveyors from Poland. The Pioma and Glinik mechanized wall units are operating successfully at mines in the Karaganda and Kuznetsk basins.

The organizational units of our coal industries are engaged in scientific-technical cooperation on a broad scale. Among other things, it includes exchanging experiences, studies, and documentation. I will cite only a few problems that were solved jointly: the struggle against dustiness in extraction and preparatory excavations; the development of a lining for tunnel and chamber excavations made at shaft bottoms, under complex mining and geological conditions; the development of means and methods for the automatic monitoring of occupational health and safety conditions in mines; equipment for countering gas, sudden eruptions of coal and rock, etc.

[Question] In your opinion, Comrade Minister, what are the most important problems for the coal industries of our two countries that require joint solution?

[Answer] We are committed by a multiyear program for scientific and technical cooperation between Poland and the USSR until the year 2000. We think that it is necessary to support the development of direct ties between our mining organizations, between our enterprises. We are of the opinion that in the near future we will be able to create a joint enterprise, or even association, to solve concrete problems and tasks in the area of science and production.

Polish Minister of Mining and Energy Czeslaw Piotrowski and I have concluded an agreement on the joint development and joint production of the AK-3 unit for the exploitation of steep and thin seams, and also a combine for the exploitation of thick seams. We have extended a branch subprogram for the development of production specialization and cooperation in the area of the industry for the production of mining machinery until the year 2000. Our scientific research units will continue their cooperation on obtaining liquid fuel from coal. We think that during the years 1986-1990 we will be able to solve jointly or make a great deal of progress on the basic problems facing our coal industries.

We have reached an agreement that Polish mining design bureaus will develop the foundations and designs for a new mine, together with an enrichment plant in the Kuznetsk Basin. This is not just a question of the documentation itself, but also of obtaining experience in carrying out joint design work. Polish mining has a relatively rich experience in this. In your country, you have built many new and highly mechanized deep and open-pit mines and the enrichment plants accompanying them. In speaking of our joint plans, I would like to emphasize that we will work together on new mechanized wall units and combines, in which microprocessor technology will be used. Even today great possibilities for cooperation are opening up in the area of open-pit mining. To be specific, the Belchatow mine and the open-pit mine in Ekibastus will undertake cooperation.

[Question] Comrade Minister, as the head of the Soviet coal industry, you are visiting our country for the first time. What impressions will you take with you?

[Answer] From the first moment of our visit to your country, we have been surrounded by solicitous care. At every step, we have felt cordiality, both on the part of the management of the mining and energy ministry, and also of the managements of the plants that we are visiting. We toured the Belchatow fuel and energy complex. I will only say that any highly developed country would be proud of it. We also visited the Czechzott mine, in which the most innovative measures are used, both for the safety of mining work and for the achievement of high productivity. At the Czechzott mine, where we had an opportunity to speak with the designers, we were convinced that we were putting the design and construction of our new mine in the right hands. This was also confirmed by our visits to the Emag mining automation company, the Komag mining mechanization center, and the Main Mining Institute.

[Question] Thank you for the interview.

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ECONOMY

POLAND

ACADEMIC DESCRIBES, EXPLAINS CONSUMPTION MODEL STUDY

Warsaw ZYCIE GOSPODARCZE in Polish No 33, 17 Aug 86 p 3

[Interview with Prof. Jozefa Kramer, Institute of Commodity Trade and Services in Katowice, by Grazyna Smulska: "Instead of Trial and Error"]

[Text] [Question] Recently, economists have rarely discussed the problems of consumption. The main subject of meetings and conferences has been the economic reform. Others--if they arise--are only marginal. Also, this problem did not appear much in the pre-congress discussion. Are these signs of exhaustion, a lack of new concepts, or has consumption perhaps been acknowledged to be an issue that is currently of less importance?

[Answer] Economic circles really have been silent on the subject of consumption, and it is truly difficult to say why. The greatest explosion of research, studies, and ideas took place more than 10 years ago, and was associated with the vision of Poland in the year 2000. During that period, among other things, Maksymilian Pohorilly's book's "Model of Consumption" appeared, along with many other valuable publications on the structure of consumption, its functioning models, and finally, the first attempts to construct models for consumption. These studies should be particularly continued under the conditions of the reform. Nevertheless, the change in economic instruments associated with the reform was not based on any vision of consumption, unless we consider tightening one's belt to be such a vision, but then it is also necessary to know the limits of such a tightening, as well as the situations accompanying this.

To be sure, studies of consumption under the conditions of the crisis and the reform have been and are being conducted, but only partial ones. They should, however, be set against the previous studies and contrasted with them, and conclusions should be drawn with respect to the permanence of the changes occurring. Without this, it is impossible to construct a long-term plan correctly and to guide the economy correctly.

[Question] In a certain sense, however, this silence or even wait-and-see approach is a thing of the past. I know that a central program for research on changes in consumption has been approved, for which you are the coordinator and administrator. It is thus perhaps possible, admittedly not now, but in a relatively short time, to hope for a significant revival of the discussion of

the future of consumption and for the development of a position on this issue by economists.

[Answer] Essentially, the program should serve that purpose. It is a program of the Ministry of Science and Higher Education. The ministry entrusted the coordination of research on this program to the Economic Academy in Katowice, and directed me to administer this research. So-called first-level coordination is a separate issue--there is as much conceptual work in it as organizational, and as usual, an enormous burden of responsibility. The program was conceived very broadly. Studies of consumption have never been planned on such a broad scale before, and they also have not been a goal in and of themselves, but only a part of different crucial problems. It appears from the outlines that this will be a continuation and development of the work previously conducted by the PAN [Polish Academy of Sciences] Institute for Philosophy and Sociology, and the Institute for the Domestic Market and Consumption. There will be 17 scientific institutions and about 300 scholars taking part in the realization of our program, which is planned for the years 1986-1990.

[Question] Is such a broad scope for these studies necessary, however? It appears that there have been a lot of them--in spite of the different limitations that you have mentioned. No one, however, wants, or is able, to use these results in practice.

[Answer] Such studies have been conducted for 40 whole years, but have usually limited themselves to a diagnosis of the state of consumption or to a description of changes in it, and rarely, on the other hand, had to do with the correctness and the directions of the development of this area, which we in turn would like to deal with. We do not intend by any means to ignore the existing body of work, what we have available, but these are mostly monographic studies, with exclusively historical value, or, as I have already said, they are fragmentary studies, cautionary predictions, etc. We, on the other hand, are interested in changes in the structure of consumption and in the mechanisms of these changes.

[Question] Is the goal only knowledge?

[Answer] One of the main goals of the program is to construct a structural model of consumption, or rather several versions of it, consistent with the level of economic and social development and with the long-term planning horizon. It will thus be a usable model. It will serve in turn to make more precise the conditions, factors, and instruments of economic and social policy, and also the methods of guidance that are necessary to achieve the desired structure and level of consumption.

In short, as a result of the realization of the program, there will be not only a diagnosis, a prediction, but also a model of consumption, and based on it, the most important thing--a basis for economic guidance leading to the desired state of consumption, more effectively than in the past.

[Question] In other words, there will be a plan for consumption, as some economists are calling for?

[Answer] This is a question of the content of the words planning and plan. If this is to be a detailed directive plan for the short and medium terms, then science is not capable of constructing such a plan, and in my opinion, the planners cannot do it either. Consumption, the consumer, can only be guided indirectly, through the appropriate tools of policy, especially market policy, and its reactions can be predicted, but not planned. Many economists think that consumption should be an element of the plan, just like other areas, on a long-term scale. On that scale, however, detailed planning is after all impossible. On the other hand, what is needed is long-term planning, with the content given it by the economic reform. Such a plan outlines the directions of development and the main economic relationships, and that is the place for consumption, its development, and its relation to the development of the economy as a whole. Long-term planning cannot be avoided, or rather one should not reject the information derived from a model of consumption.

[Question] How should the term model of consumption be understood, in that case?

[Answer] A representation of the kind of system of consumption that we want to achieve in the future, if we have sufficient means to do so. This model is an abbreviated form of that system. It embodies only the most important goals and relations, but--in essence--they are concrete goals. Vaguely formulated goals such as "providing for the needs of people to the maximum extent" are useless in the process of running the economy. Proper guidance, however, is also made impossible by a multitude of detailed goals.

[Question] The question may appear naive, but... What will Kowalski get out of the existence of such a model?

[Answer] It appears from your question that a model of consumption must reach the "cottages." In spite of the greatest democracy, however, it is more suited to the halls of the Planning Commission, where it should serve as a framework and method of formulating management goals, and as a basis for long-term planning. The detailed programs arising on the basis of the model, on different scales and over different periods of time, should be accessible and comprehensible to everyone, and it is only in them that one can find a point of reference for one's vision of one's own private life.

To return to the question of what we will get out of the existence of a model of consumption, I think that it is the best guarantee that the economic center, guided by the relationships in the model of consumption, will not make mistakes in creating instruments of economic policy, such as wage rates, principles of price formation, principles of taxation and financing, and also many norms protecting people and things, including grants, scholarships, etc. At present, not having a compass in the form of a model of consumption, and not knowing the type of consumption that is desirable, we are using the method of trial and error, which is after all costly. And the consequences are that some people have a couple of televisions and various nightmares "getting" apartments, and do not know what else to spend their money on as a result of a scarcity of supply, which ought to keep up with their honestly earned purchasing power. Meanwhile others, suddenly impoverished, even though they

are not guilty of anything, desperately strive to satisfy their basic needs. The situation of both groups has nothing to do with a change in the productivity of their labor, or even the objectively assessed social value of their labor.

Obviously, in setting wage rates, it is not consumption issues that are taken into account, but others, which are equally important. The productivity of labor has to increase, and we have to cope with indebtedness. That is a fact. Any idea of economic growth will be upset, however, unless it is based on a consumption model accepted by society. The realization of this model is just as much a factor in intensive growth as the productivity of labor, since it is what stimulates productivity and innovation. On the other hand, they are not stimulated by wages alone or other fiscal measures.

[Question] And how will this model relate to the market?

[Answer] The fact is that the realization of consumption programs based on the consumption model adopted is impossible without a fully functioning market mechanism. I wrote about this in a report for the congress of economists in Katowice in 1985. The arguments against the full utilization of the market mechanism in a socialist economy are based on assertions that are hard to accept, given today's state of economic knowledge, concerning the harmful, unrestrained functioning of a market based on free competition, although such a mechanism is no longer in operation anywhere. On the other hand, it is difficult to find an argument against the utilization of the market mechanism in its marketing form, and even more difficult to acknowledge that in a socialist economy there are no objective market laws governing the sphere of consumption, which can only function well in a state of market equilibrium. The creation of this equilibrium without a market is a paradox that cannot be accepted.

[Question] You mentioned that the research has been conceived very broadly. What elements of consumption will it cover?

[Answer] It is difficult to summarize a program of research on changes in the structure of consumption in a couple of sentences without simplifications. This program can be divided into interrelated elements, levels of looking at consumption. The first includes changes in the structure of consumption, consumer goods, market services, and collective services. The second level will look at consumption according to types of households. The spatial structure of consumption is the third level of research, while the last is the basis and mechanisms for guiding consumption. The research within each of these three areas will consist of three stages with separate purposes, which I spoke about in the beginning. The first stage, in short, is recognizing the directions and rate of changes in structure of consumption on the basis of its determining factors and developmental laws. The second stage will consist of formulating a structural model of consumption (in accordance with all of the above-mentioned profiles). The third stage is the development of principles and methods of guiding the sphere of consumption while taking into account its main subjects.

[Question] If the model of consumption is to be accepted by society, it must be as attractive as possible. On the other hand, if it is to be of assistance in managing the economy, it has to be realistic. It cannot be detached from present reality. How can this dilemma be resolved?

[Answer] That is the biggest problem. The limiting factors are a hindrance, and the thing is not to go too far beyond them in constructing a model. Consideration of examples from other countries helps in this regard, but a large amount of intuition is also necessary in order to select a version of the determining factors, and the consumption model associated with it, which can be accepted by an administrative body and by society.

It is also necessary to take into account the present structure of consumption, which was formed without full agreement with market laws and under the conditions of an absence of market equilibrium, and the previous situation during the 1970's. Consumption is distinguished by inertia and leans toward certain patterns from the past that were created in the course of years. On the other hand, certain images of the future or examples from other societies also play a role. There are also many regular patterns in the sphere of consumption that are independent of the socioeconomic system, having to do with the general ranking of needs. Interfering with them will yield undesirable results.

[Question] How can one briefly describe the present model of consumption?

[Answer] It is characterized above all by the disruption of various types of relationships, for example between private and collective consumption, to the detriment of the latter, between food consumption and the consumption of industrial goods, in this case in favor of the former, between the consumption of goods and the consumption of services, to the detriment of services, and between market consumption and natural consumption, which affects not only food but also other goods and services.

The connection between demand and the price of goods and services has also been broken; the links between consumption and incomes have changed. Along with the growth of incomes, food consumption has grown more rapidly, but not the consumption of nonfood goods. With declining real incomes, a tendency has appeared for consumers to maintain for a certain period the level and structure of consumption already achieved; instead of using savings to do this, however, wage pressures and demands are used--effectively, besides.

The imbalance in the market for goods and services has considerably limited substitution, which consists of the possibility of satisfying the same need with different goods. On the other hand, substitution links, consisting of the replaceability of one large group of goods--associated with the means of consumption and even with lifestyle--by another has assumed the form of a degradation of consumption. This has been manifested in the increase of expenditures for food and alcohol at the expense of other goods.

In various professional groups of consumers, the relations between levels of consumption based on the relationship between wages and the productivity of labor have become looser and have ceased to differentiate consumption. The

relations between levels of consumption based on the valuation of physical and intellectual labor have been disrupted. In spite of the efforts made, the consumption relations between the active working population and retirees are not correct. The relations of access to goods and services between the groups of consumers in rural areas and cities, and also in individual parts of the country, have been disrupted. These are only a few occurrences.

[Question] Will simply restoring the correct relations be enough?

[Answer] As an initial step, yes. After this, however, there has to be a series of predictive studies in order to realize the individual elements of the model and the relations among them. The number of relations, especially those linking consumption with the environment, will probably have to increase. Perhaps the model can be enriched with subjective relations between the economy and consumption, financial, and even political ones.

[Question] But how should the relations whose disruption you have discussed be formed? Correct, incorrect--these are fairly relative concepts.

[Answer] Private consumption remains in a correct relation to collective consumption if the basic needs in both types of consumption are satisfied. It is then possible to have a higher order of satisfaction of private and collective needs, remaining in harmony with each other, provided that both forms do not mutually hamper each other, but rather stimulate each other.

With respect to the relation between food consumption and the consumption of industrial goods, the former should decline in monetary terms, but this process has its limits, in the developed countries as well. In Poland, for the time being it is necessary to expect a certain long-term growth in expenditures for food until the year 2000. This will be associated with a considerably higher degree of processing of food products and an expansion of nutritional services, and a renunciation of self-sufficiency by the rural population. The standard of nutrition also requires improvement. The variety of the selection of industrial goods should check the growth of expenditures for food. In the 1990's, there will be a massive regenerated demand for durable goods. After the year 2000 the new demand will already affect another generation of industrial goods.

As for the relation between the consumption of goods and services, it should change in favor of services. This is a regular pattern associated with the intensifying division of labor. The division of labor also dictates the relation between market consumption and natural consumption.

Next, the link between price and demand can be restored, provided that market relations are taken into account in the entire economy. The ties between consumption and incomes can be formulated until 2000 in accordance with Engel's law, which will mean the appearance of a free decision fund. In many countries its size oscillates around 20 percent of the total amount of earnings. At present this fund is appearing in the distorted form of compulsory savings, and is directed toward basic goods--if they are on the market, or is used without a real need--if the goods are a subject of distribution.

[Question] Why is it that other countries, in the West, do not have consumption models but somehow cope with this and do not complain about consumption?

[Answer] Let us not fool ourselves; consumers also complain in those countries, but at a somewhat higher level. In countries where economic laws have operated relatively freely for decades, a long-term model of consumption--i.e., the goals, internal relations, and links between consumption and the environment--is constructed by the governments of those countries after a victory in the elections. The elements of that model are also usually arguments in the pre-election struggles. This model often bears the name of a social program, a program for consumption, or a program for social consumption, and is actually fairly often limited to designating the relations of collective consumption and the adjustments in economic and market policy that are associated with this. Relations in the area of private consumption, which have kept us awake at night and are difficult to achieve, are consistent with the operation of economic laws there, and do not create any problem.

In our country, where the process of the replacement of economic laws by commands has lasted for 40 years, the real model of consumption accepted by society is indecipherable. That is why it is so important to refer to the correct relations, associated with the operation of economic laws, and to continue to modify the future picture of consumption, particularly private consumption, which has been deprived of healthy market adjustments. If one adds to this the guardianship role of the state, then it is easy to understand that it is precisely for us that modeling consumption is so important.

[Question] I am afraid that someone might draw the conclusion from our conversation that a model of consumption will be a panacea for everything.

[Answer] It will certainly not be a panacea. It is only an information tool, which under the conditions of a socialist order should be a basis for planning economic development. In the absence of a so-called multiparty system, we have forgotten that we must also make use of a program for consumption, to the development of which this model should contribute. So far only general goals have been enough for us: food, housing, etc. But that, after all, is still not a program.

[Question] What does the economic reform have to do with this?

[Answer] Unfortunately, the significance of models and patterns of consumption for management processes has not been appreciated in the work on improving the reform. The Polish reform can pride itself on a new structure of standards for guidance and on new means of regulation. It can pride itself on making these standards tools of economic policy. It has weaknesses, however, associated with the elements of guidance that have to do with the construction of the goal of the guidance, and especially the construction of the amount set--or the program--with its various detailed programs, for which the guidance standards are brought into being.

The program for emerging from the crisis cannot be a single one. It can only be a small fragment, and for this fragment it is not possible and not worthwhile to create a separate set of guidance standards. This program must be carried out "along the way," with the aid of standards adapted to the realization of more ambitious goals. Meanwhile, these goals must be based upon models and patterns of consumption. The postponement of the modeling of consumption and the rejection in practice of the use of consumption patterns cannot be continued. Models and patterns of consumption should be used in a new vision of the economic future of Poland.

[Question] It will not be possible, however, to make immediate practical use of the research that you are directing and with which our conversation began.

[Answer] The framework of a model of consumption could lead to long-term planning immediately, if the central authorities wanted to do this. On the other hand, it will be possible to make successive use of the results of our research, after the completion of each stage of the research.

9909

CSO: 2600/653

ECONOMY

POLAND

BRIEFS

READER SUBMITS HOUSEHOLD BUDGET--I am sending for your use my family's household budget for June 1986. Family situation: father, 40 years old, a technician-mechanic (who works as a shop foreman), in a city with over 100,000 inhabitants; mother, 38 years old, a sorter; son, 17 years old, a vocational school student; daughter, 10 years old, an elementary school student. Income: father's salary--24,167 zlotys; mother's salary-- 16,100; borrowed--2,500; total--42,767 zlotys. Expenditures: 1. apartment--4,114 zlotys; 2. household expenses--1,309; 3. food--20,043; 4. clothing, shoes --10,837; 5. health--350; 6. hygiene--675; 7. transportation-- 330; 8. culture--380; 9. sports, recreation--580; 10. sweets--3,220; 11. alcohol--; 12. pleasures--; 13. debts--; 14. other--900; 15. savings--; total--42,738 zlotys. The question is how to keep living. I am sending a copy of this to GUS [Main Statistical Administration], to the section for studies of family budgets. [Signed,] N.N. [Text] [Krakow TYGODNIK POWSZECHNY in Polish No 32, 10 Aug 86 p 5] 9909/7051

USSR COAL MINISTER IN KATOWICE--A delegation from the USSR coal industry headed by Minister Mikhail J. Shchadov, a member of the CPSU Central Committee and a deputy in the USSR Supreme Soviet, is visiting the Katowice voivodship. During plenary talks, which were led on the Polish side by Minister of Mining and Energy Gen. Div. Czeslaw Pietrowski, the heads of both ministries reviewed the state of scientific-technical cooperation between the coal industries of both of our fraternal countries, and also assessed the extent of the fulfillment of mutual deliveries of mining machinery and equipment, and production specialization and cooperation. They discussed problems in the cooperation to date in the sphere of coal processing, the design and construction of the Antonovskaya mine, and problems related to transportation systems in lignite quarries. The ministers also exchanged views on the subject of the work of international coal industry organizations. They heard reports on the closer cooperation between organizational units of the coal industries of Poland and the USSR. Yesterday Minister Mikhail J. Shchadov, together with the members of the delegation, and accompanied by Deputy Minister of Mining and Energy Eugeniusz Cieszak, visited the latest mine turned over for operation, Cieczott, and the Komag Mining Mechanization Center in Gliwice. (jan) [Text] [Katowice TRYBUNA ROBOTNICZA in Polish 16 Jul 86 p 1] 9909/7051

CSO: 2600/653

POLITICS

ALBANIA

DEFECTS IN CONTEMPORARY NOVEL CITED

Tirana DRITA in Albanian 13 Jul 86 pp 3, 4

[Article by Prof. Koco Bihiku: "Problems Regarding the Progress of the Novel"]

[Text] When we speak about an improvement of the quality of literary and artistic works, we have in mind, above all, the quality of artistic examination of reality on the part of writers, that is to say to what extent they achieve an analysis - through the language of art - of the important problems that concern our people in life and work, to what extent they grasp the new developments and tendencies which have scarcely begun to be apparent in life. When we speak about this acute and important problem of modern literary creativity, we cannot help but think of the novel, which, as a type of literature that is able to present life in a universal and thorough manner, and to show the many-sided and complex relationships created among people, as well as to reveal the various contradictions which manifest themselves during the advance to socialist construction, has a greater responsibility in seeing to it that literature should become more active and more vital in the intellectual life of our society. In light of this great task that the party has assigned to creative artists, several articles have been published recently in which attempts have been made to examine the achievements of the novel and the difficulties it has encountered in its development, as well as the weaknesses it has still not yet been able to overcome and the problems facing it in response to the requirements of the times.

1. If we glance at the novels of the last four to five years, we cannot say that in this area of creativity there have been no achievements. The basic aspect in which we find these achievements is that of broadening the treatment of problems. It should be borne in mind that the works published during this period are characterized by a tendency to treat both social and personal moral problems. Dh. Xhuvani's "Bota ime" [My World], N. Lera's "Te Jetosh Kohen" [You Must Live Through Time], A. Cerga's "Shtepia" [The House], E. Kadare's "Bashkeshortet" [The Spouses], A. Kanini's "Njeriu qe Dua" [The Man I Love], E. Mandi's "Nje Pritje e Gjate" [A Long Wait], etc. clearly show that the creative interests of the authors of these works have revolved in the sphere of moral problems, especially around the formation of the personality of our people, the shaping in them of qualities of our socialist morality and their tempering in the sea of life. The novel, "Bota ime", tries to explain the problem that in life misfortune can occur to a person and that he may not be able to resolve properly a personal problem,

for example, which may even cut short his life or cause serious spiritual difficulties, but this, naturally, must not deflect him. He must display courage and calmly analyze the causes of his slip in the case, and find within himself the strength to overcome the difficulties which have afflicted him and proceed on correct paths while shaping further, from the standpoint of morality, his personality. It seems to us that the values of Dh. Xhuvani's novel consist precisely in this. Egotism, hypocrisy and baseness are flagellated, while feelings of personal dignity and courage in life, as characteristically valued by our people are elevated. This idea is important and very relevant. N. Lera and A. Cerga, each on the basis of various vital facts and each in his own way, attempt to reflect the type of man of our times and the path of his spiritual formation. Both authors have endeavored to portray the entry into life of a representative of the new generation, not as an idyllic event or one without difficulties, but as a process which sometimes assumes a sharply dramatic character. In both novels, it is shown that the formation of the heroes is accompanied by various clashes and troubles because officials and egotists interpose themselves between the new life and the heroes, but without being able to compel the latter to renounce their ideological convictions and moral principles, which sustain them in life.

There are other works, as well, with topical themes which treat the problems of the times on various planes. From this survey, it appears that dramas and conflicts of a personal and family character occupy a larger place in our novels than they should, if we bear in mind the important problems of our society which, unfortunately, have recently attracted less attention among our novelists than they did formerly. It is not true that intellectuals occupy the greatest place in published novels, as R. Brahimi declares in his article, "Materiali jetesor e arritjet e romanit te viteve te fundit" [The Vital Material and Achievements of the Novel in Recent Years] (DRITA, 6 February 1986), but they have not been presented in the sphere of work, amid difficulties they encounter and tasks they resolve in daily life. To put it briefly, the major shortcoming of our novels today is the narrowing limited treatment of problems and not the subject matter. Actually, in the aforementioned article it is admitted that there is a lack of development in the reflection of "the dramatic nature of the epic of the times, of the grandeur of works accomplished by our vanguard people," but it is not explained that this is the major shortcoming of novels in recent years and that it hinders growth in the creative literary artist's role in our social life. In order to specify correctly how to overcome the backwardness of the novel, it is necessary, we think, to differentiate major shortcomings from secondary ones. Such a view of the problem, i. e. seizing upon the chief link, will help us to find the correct way of strengthening our novel.

Before proceeding further, let us add a parenthetical comment, so that there will be no misunderstandings. While requiring that the important and acute problems of our society in its present phase should occupy the place they deserve among the creative interests of our novelists, we certainly do not wish to say that literary creativity should entirely abandon moral and social problems. Just as every problem in life must be given its appropriate place and importance, so must we work in the field of literature and not treat secondary questions more extensively than those which have primary importance in life.

Let us return to the theme of our article. It seems apparent that constructive work, difficulties and the struggle of our people to advance socialist construction and raise further the well-being of the people, as well as the many and varied adversities which are overcome in this process, all of which constitute fundamental aspects of the life of our society today, have not found appropriate reflection in the novels of this period. M. Qilleri's "Ne Vitet Shtatedhjetë" [In the Seventies], V. Koci's "Bashkekohe sit" [The Contemporaries] and a number of other works are representative of our novel, when the term "great work" is used. They are full of effort and self-sacrifice, developed in large industrial projects, in agriculture and on other fronts of socialist construction. Even some of the novels which we mentioned above must be seen as works which reflect the labor of our people to accomplish tasks which they are assigned at work. "Bashkekohe sit", for example, which is a good novel, has at its center a bureaucrat and rotten careerist, an egotist who thinks more about himself than about the progress of the factory. The author has portrayed Emil Dani in convincing colors: the negative core of this social type has been presented by means of details and scenes which are imbued with the truth. If we speak about flaws in this work, we should emphasize the fact that when the time comes to show how the sound labor collective places its two feet on one shoe of this self-seeking careerist, who is hindering accomplishment of the great task which has been assumed, this is not presented directly in the book. This would have given the novel the completeness and drama possessed by the plot which is reflected in it. However, the novel is concerned more with unmasking arbitrariness, bureaucracy and individualism as negative phenomena than with depicting creative activities in a factory. We must therefore judge according to the criterion of how the author has accomplished the artistic task he has set for himself. Nevertheless, even though this and other books have had the work of our people in various areas of production at the center of their attention, they constitute very little to fill that void which has been created in our literature.

In literature - and especially in the novel - every society sees its own reflection; it sees represented in a living artistic view the difficulties and problems with which it lives, its ideological and spiritual atmosphere, and the thoughts, ideals and aspirations which its members set into motion. A literary work exerts influence on the life of society when it helps it know itself better and understand the prospects for its development. But this is achieved when literary works reflect the most important aspects of society, the great problems which appear and which are significant for its further progress. Today, important and acute problems face our society; a struggle imbued with creative spirit and tenacity is being carried on everywhere to increase production and material goods, and to strengthen the economy further, while raising its effectiveness through utilization of internal reserves, increasing output and implementing advances in technical and scientific thought. This effort is being developed along with the further revolutionizing of the method and style of work, while struggling persistently against routine, lack of imagination, the tendency to internalization, the spirit of parade, officialism, sloth, laziness and other negative phenomena which attempt to hinder our society from moving with the rhythm of the times. This whole atmosphere of mobilization and effort cannot be reflected in our novels without a deep and full knowledge of everything important which is connected with the work

of our people and their efforts to accomplish the tasks which the vigorous development of socialist life assigns to them. The strengthening of links with life, the close contact with what happens in the bosom of our society, and saturation in the new manifestations and developments of socialist reality constitute the only condition for overcoming that bias which is observed in the portrayal of socialist reality in our modern novel.

2. As is well known, true works of art open horizons for the reader, help him to understand life more deeply, and maintain an active attitude toward problems that arise in life and work. To put it briefly, they must leave an impression on the consciousness of the reader. But in order to stimulate the reader, by the light of artistic ideas, to see himself and society from the standpoint of other, higher ideological requirements, it is necessary that literary works, by means of the history of relationships which are created among the characters, should come to grips with an important social, moral, political or ideological problem. The novels of the last four to five years, however, indicate that their authors are not always successful in organizing the facts and episodes of the subject matter in such a way that they serve to illuminate that aspect of the social character which they have made the object of artistic portrayal. To put it briefly, they must elucidate the problem which has inspired them to take pen in hand and write their work. Lack of an important problem or - to express it differently - lack of a problematical character is a flaw which is observed in some novels and even occurs in the case of creations by experienced authors. If we judge by the exposition of the novel, "Kirurget" [The Surgeons], the author's plan was to come to grips with an important moral and social problem: what are the qualities of the man of our times in our society, a modern man in the true sense of the word. The author attempted to achieve this aim by a representation of the real antithesis between progressive people in our society, on the one hand, and petit-bourgeois elements who have not been liberated from the old mentality, on the other. The young doctor, Berti, who works passionately and who tries to accomplish his task as well as possible, who studies incessantly and improves his professional scientific skills, comes into conflict through the intermediary of the author with his, Berti's, wife, Done, and with his father-in-law, an old doctor. The new family is destroyed because for them, Berti, since he does not think about creating petit-bourgeois conveniences by securing material profits in unjust ways, is not a "man of the times," but a provincial person who nourishes himself on vain dreams. But the episodes and subject of the novel do not help to further develop the antithesis, which has only been set forth in the exposition. What occurs in the pages of the work has almost no connection with the problem that the author stated in the first pages of the novel. The major part of the novel concerns the events and difficulties in the daily life of a hospital, the relationships that develop among doctors directly at work, as well as a series of episodes which stand at the periphery of the book. Many facts and events, therefore, have been included in the work. For that reason, the opinion expressed by B. Kucuk in his rejoinder, "Tejkalimi i mases artistike" [Exceeding the Artistic Measure] (DRITA, 27 January 1985), seems incorrect to us. He recognizes "a broad view of socialist reality" as a merit of the novel and sees its major flaw in the fact that this "broad view has not been nourished with the necessary vital material in terms of characters, as well as plot, background and situations." In our opinion, on the contrary, the novel,

"Kirurget", does not suffer from the facts and events portrayed in it. It is another matter that they are not connected with the problem set forth in the exposition. This has rendered the facts and episodes introduced in the novel without any specific function and hinders the reader from understanding what the author wanted to say. Even the episodes connected with the relationship between Berti and Done, which are interwoven in the fabric of the novel, have not saved the work from this flaw.

In the novel, "Ne Vitet Shtatedhjete", which, to a certain extent, is the sequel to the novel, "Jete dhe Dashuri" [Life and Love], the author's plan was to show the dedication of our geologists, who devoted all their energy and abilities to ensuring that our industry would have the minerals it needed so badly and which were formerly imported from abroad. There are some striking characters and ably drawn scenes in this novel, but in general the author's chief attention has been consecrated to a description of the progress of the technical side of the work and the difficulties faced by our people in the course of resolving complicated tasks. Within this framework, there are many discussions of a narrowly technical character and even secondary episodes without any special significance for revealing the ideas of the author. All these are appropriate and may be of interest for a knowledge of a page in the history of our new geology, but they are of little help in disclosing the personalities of the main characters and, at the same time, in illuminating some important problems for the reader. The novel, "Bashkeshortet", too, does not rise above the level of empirical description of the ordinary facts in the life of a young couple, such as misunderstandings, quarrels over insignificant matters, vain values, etc., which do not have the function of illuminating an important moral family problem.

Even a careful glance at the organization of vital material in the novels that criticism has justly evaluated as good convinces us that one of the major tasks is strengthening the nature of problem examination in the novel. While he becomes acquainted with the story of the youth of the hero of the novel, "Te Jetosh Kohen", the reader does not learn how those moral qualities were shaped which he displays when he takes his first steps in independent life and, when he happens to be in need, does not surrender before the intrigues of the cheats and the grovellers. Actually, what direct connections are there between the story of the formation of the hero's character and the efforts he makes with another person to save the sweetheart of his close friend from a degrading forced marriage or the story of the portrait of a student, painted with great effort by Mihal, another friend of the hero's? The question of connection of facts and episodes of the plot with the exploration of that aspect of the hero's character which has drawn the author's attention and which constitutes the problem of the work arises in even more acute form in the novel, "Shtepia", in which we have two plot lines at the core, independent of each other. It seems to us that the matter of the great interest shown by the family members in the money they could receive after the destruction of the house has no significance in terms of the portrayal of the shaping of the hero's personality during his entry into life.

It is possible to present other examples, but it seems to us that it is clear from the foregoing that strengthening the nature of problem examination

and overcoming the descriptive spirit constitute one of the major tasks today on the path to further raising the level of our socialist realist novel.

What we said above indicates that more effort is needed for the further development of the novel. This requires an increase in the responsibility of creative artists and a strengthening of their links with the life, difficulties and major problems of the country, as well as a greater profiting from the positive experience of the best novels of our literature.

12249/9835

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POLITICS

HUNGARY

SZUROS ANALYZES ROLE OF SMALL COUNTRIES IN WORLD AFFAIRS

Budapest VALOSAG in Hungarian No. 7 1986 pp 1-7

[Text of speech made in Finland by Matyas Szuros, member of the MSZMP Central Committee Secretariat. Date of speech not given.]

[Text] I am very pleased to be able to speak before an organization that bears the name of President Paasikivi, the man who shaped the still valid basic principles of Finnish foreign policy, about how we Hungarians, a people living in the heart of Europe, view the future of our world and our continent, about what concerns us, and about what we list among our most important tasks. The universally recognized and respected guiding principle for Finland's international activity, the Paasikivi-Kekkonen line, promoting active neutrality, is founded on a realistic framework and has become a political synonym for peace and a dedication to cooperation and a readiness to act accordingly. On Independence Day in 1944, Minister President Paasikivi expressed a general principle when he said: "The basis of all wisdom is the recognition of reality. Rejection of reality results in futile expenditure of energy, and it cannot lead to success."

The Finns and the Hungarians are two related peoples; the thousand-year-old strands of a common origin tie us together. This family relationship means more to us Hungarians than what cold facts indicate. Our people, wedged between Slavic and Germanic peoples for a thousand years, living at the crossroads of armies and often even struggling against the feeling of isolation, were able to preserve their Hungarianness, their ancient language and culture. In many respects the history of the Finns has developed similarly. With respect to the preservation of Finnish national identity I am not just thinking about the six-hundred-year-long Swedish occupation but also about czarist rule. The compiler of the "Kalevala," Elias Lonnrot, wrote in 1835, in the introduction to the first edition of the "Kalevala," about the struggles of Finnish pre-history, "Nearly every rune had as its topic two peoples who did not have a very good relationship with each other."

In addition to aspects of our history, our national traits also have countless similarities: two rather small countries in Europe, poor in natural resources. Our geopolitical situations also reveal certain similarities. Both of our countries have as a neighbor one of the superpowers which determines world politics. Both Hungary and Finland are tied to the Soviet Union: Hungary

through a firm alliance system, and socio-politically different Finland through multifaceted cooperation. The most important goal and task of our foreign policy, which uses the objective situation as a starting point, is also similar: the preservation of peace and security, and the development of European cooperation.

We are aware that the sheer fact of kinship and the many similarities in circumstances do not in themselves necessarily guarantee a good relationship between individuals, and this is especially true in the case of peoples and countries. Above all else it is political will and enduring, persistent day-to-day work that is necessary for consistent, continually renewable, close ties. My present visit also reinforces the fact that this exists on both sides.

Taking note of the newest developments in world politics, it is evident to everyone, regardless of the size or geographical location of his country, that mankind has arrived at a turning point: the military confrontation between the two social systems has reached a critical level. The quantity and quality of the stockpiled weapons on both sides has reached the point where the deterrent has lost its original function and it is no longer able to serve as the basis for a carefully calculated balance which is also in part laid down in agreements. I think that we can accept this as axiomatic. What follows from this is that today the foreign policy of no single country, ruling system or party has a more important task than to contribute--in its own fashion and in accordance with its own possibilities--to safeguarding peace and encouraging the arms limitation process.

The degree of interdependence among the countries of the world is much greater than what one would imagine in the shadow of weapons insuring a balanced threat and aimed at each other. From the point of view of solving the other global problems of mankind, the prevention of nuclear catastrophe is a "conditio sine qua non," a necessary condition which, let me immediately add, is also short of a perfect solution. Global problems--in addition to arms limitation, protection of the natural environment, rational and not wasteful utilization of energy resources, worldwide elimination of backwardness and its consequences, and above all else the end of hunger, utilization of the technological aspects of civilization for the good of man--more and more compellingly raise the necessity for a broadly based, unified international approach. The need for joining forces extends beyond national borders, even beyond social systems; the consequences equally affect those who are prepared for cooperation and those who are not inclined to cooperate. The feeling of hopelessness which emerges out of backwardness can be the source of conflicts which extend beyond the regions, and borders cannot stop acid-rain bearing clouds or polluted streams.

A unique intertwining of conflicts and interdependencies has developed on our continent. Previously Europe consisted of regions and subregions representing a uniform tendency with regard to the major trend in their historical development occurring at varying levels, but closely tied to each other. During our century, with the appearance of differing socio-political systems, simple political differences were replaced by another, often deeper type of division. The opposition of the two socio-political systems or two military-

political alliances is most acute in the military sphere, where it can have the most serious practical and potential consequences. In part because of this and in part because of its advanced stage of development, Europe is the most heavily armed continent. A potential armed conflict between the Warsaw Pact and NATO would unavoidably develop into a global confrontation between the two socio-political systems. In all certainty, our heavily populated, urbanized continent would be annihilated in a worldwide nuclear catastrophe.

In spite of the dangers and in the interest of promoting cooperation, there are, however, many different types of forces and processes at work on both sides, both in the East and in the West. Above all else, I would point out that an armed confrontation of the two socio-political, or rather alliance, systems could not be in the interest of anybody. In the socialist system there is no social layer or group whose existence or basic interest is tied to armament. But even in the capitalist system the representatives of the military-industrial complex, who derive profit from the production of arms, cannot have an interest in the outbreak of a nuclear catastrophe, because this would lead to their own physical annihilation as well. In order to sell arms, they need "only" the constant maintenance of international tension or, "at most," regional wars.

In Europe, however, we are talking about something substantially more than this: on both sides, both in the political leadership and in public opinion, there is a consciousness of our interdependence. And what is especially important is that this awareness has been coupled with a positively inspired political will. The history of this geographical area, which ties them closely to each other, their common culture, and their joint experience of the suffering from wars throughout the centuries, especially the destruction of two world wars, make real action easier. As a result of all this, perhaps there exists a "European consciousness," which aids Europe-wide union and makes possible a stronger solidarity in spite of the threat of war. I would like to once again emphasize that just as there exists no objective process which would unavoidably lead to war, there is no automatic guarantee for the avoidance of a catastrophe and the maintenance of peace. The protection of this requires conscious, daily political action from all of us.

The process that--based on the global military balance of power that had developed by the end of the sixties between the two leading superpowers--gradually lead to mutual recognition of the social, economic and political realities that developed after the second world war is especially meaningful for the creation of security on our continent. However, for a lasting European stability--in addition to the development of bilateral and multilateral ties--initiating the development of a collective security and cooperation system has also become necessary. A unique situation has developed by virtue of the fact that detente has thus emerged in Europe, and that an institutionalized system governed by inter-state norms of cooperation could have developed. The active contribution made by the pacifist foreign policy of the Finns is recognized by the fact that the name of their capital city, Helsinki, could become the symbol of the detente process.

The relationship between the Soviet Union and the United States, the two leading superpowers of the two conflicting socio-political systems and military-political alliances, is at the same time an organic part of the detente process and its determining factor. Even though the United States is not a European country, the European settlement could come about only with the joint participation and global might and interest of both superpowers (just as the middle-eastern question or any other regional problem cannot be settled with the exclusion of either).

Normalization of the Soviet-American relationship was a condition for the evolution of European detente, and even in the still unsolved, uniquely European questions a step forward could only be taken in tandem with this. The significant accomplishment of this process was the signing of bilateral arms limitation agreements at the beginning of the seventies. We must, however, also realize that these agreements did not bring about a disarmament or arms limitation process which would have insured that the east-west conflict and the objective, existing differences in interest would not endanger the basis of normal inter-state cooperation and would not lead to confrontation.

The halting of the detente process and the increase in tensions can be definitely attributed to the American revision of detente and to the escalation of the arms race by the same government.

By the end of the seventies and the beginning of the eighties, the elements of confrontation became predominant in Soviet-American ties. The relationship between the two superpowers reached a low point at the end of 1983, when medium-range American nuclear missiles were first deployed in Western Europe. Thanks to the institutional system which had earlier been developed for east-west cooperation, the relationship survived this low point. Even so, the most important factor was the reaction of Soviet foreign policy; it was on the basis of constant Soviet initiatives that a meaningful dialogue was renewed.

The changes that had come about in Soviet foreign policy during the past year or so were strengthened at the 27th congress of the CPSU. I would like to select three elements of these changes which, I am convinced, can exert a significant future influence on all of world politics, on the Soviet-American relationship and the European processes. For one thing, Soviet foreign policy is based on an image of the world harried by serious conflicts, but still unified, and the idea of interdependence receives special emphasis. Based on this, the second point is entirely understandable: the basically new and complex approach to security and the claim that security can be solidified primarily through political and not military means. In the use of such an approach to security, economic security and cooperation undertaken in the humanitarian area receive nearly the same emphasis as do the military and political aspects. An effort made in the interest of universal security remains unsuccessful, however, if it cannot achieve some kind of breakthrough on the question of disarmament, primarily the reduction of nuclear weapons. Finally, the third important idea that I would like to emphasize is that the congress of the CPSU reiterated that every country--regardless of its size--has its own responsibility for maintaining peace and developing cooperation.

If mutual political will exists, the current arms limitation initiatives of the Soviet Union and the Warsaw Pact member states make progress possible in all important areas--including the question of medium-range delivery systems which affect our geographical region most directly. It seems, however, that it is not the current intention of the United States government to come to an agreement with the Soviet Union by keeping in mind the justified demands of the latter in the spirit of the Geneva summit. At the same time, such moves as the aggression against Libya further increase international tension and deepen mistrust.

In analyzing the experiences of the European processes of the past ten years, it is necessary to point out the mutually complimentary role of the various countries and regional groups. Beyond the relative identity of basic interests, there is a difference in the role and weight of the two leading superpowers, the medium-sized states or the so-called small countries. The primary responsibility of the two leading superpowers is clear-cut: their definitive role in assuring the military balance, their direct discussions concerning arms limitations, and especially their agreements cannot be replaced by anything.

At the same time, what gives the Helsinki process one of its major characteristics is a democratic spirit which was hitherto non-existent in European cooperation. This is essentially the first multifaceted Europe-wide system of cooperation, which is based upon equality and identical rights held by the participating states. Obviously this in itself cannot lead to automatic and complete equality between them; however, it does create favorable conditions for stating the interests of the small states, and in a certain sense it guarantees that no elements irreconcilable with the interests of the participating states should interfere with the process. Naturally it is also necessary to realize that all of this can be turned inside out and that it provides opportunities for obstructing the process.

The potentials of smaller countries should not be handled separately from their interests and the resulting responsibilities. During the period when the relationship between the two leading superpowers deteriorated, it was possible to observe a special type of growth in the activity of these countries. The explanation for this is contained in their objective political, economic and cultural interests. It is easy to see that the smaller countries, because of their openness and vulnerability, have to rely more on east-west cooperation than do the superpowers. It is a fact that the leading superpowers, which are able to pursue a global policy and possess global interest, might have completely different priorities with regard to detente. For example, non-European developments may directly burden them, while these may only indirectly affect the other participants in European cooperation. Another special circumstance is the fact that while either favorable or unfavorable changes in the relationship between the Soviet Union and the United States could occur rather quickly, the system of contacts that small countries have established through hard work may collapse in a short period of time and take great efforts to reestablish.

The responsibility of small and medium-sized countries is demonstrated by the historical experience that while a small country in itself cannot really influence international relations in a favorable fashion, yet it can easily become the source of significant conflicts and tensions. What also belongs to the essence of their responsibility is that through their balanced domestic relationships and international contacts they contribute to the development of a general international atmosphere in which reduction of tensions, a deepening of dialogue, and strengthening of confidence become possible. It is possible for every country to do this, regardless of its membership in an alliance system or its neutrality.

It demonstrates mutual interests in detente or a normal, balanced relationship that, in spite of the intensification of an unfavorable process, that is the deterioration of the Soviet-American relationship, at the beginning of the eighties, no insurmountable break in the contact between the European countries came about. All of this is proven by the fact that the principles and recommendations of the Helsinki concluding document were consciously accepted, as well as by the operation of the established institutional system. In 1983 the Madrid meeting was concluded with genuine agreements serving the matter of Europe-wide cooperation, although the organization of this conference took place in a more tense atmosphere, amidst more unfavorable international conditions than were present at the 1977-1978 follow-up conference in Belgrade. This also shows that with appropriate political will the possibility for agreement and progress does exist in spite of unfavorable circumstances.

In the spirit of the Madrid agreement, there is an ongoing conference in Stockholm dealing with the building of European confidence and the strengthening of security, and there are encouraging signs that shortly it will be able to produce concrete results. In spite of the familiar debates and differences in points of view, a useful conference of experts was concluded in Ottawa on human rights. Ottawa also showed that even in questions bearing deep ideological-political contrasts and conceptual differences, the possibility for genuine dialogue does exist. The European Cultural Forum organized in Budapest can also be viewed as a useful discussion and an important step in the process of European security and cooperation. We believe that the conference successfully contributed to fostering the common European cultural heritage, to developing new possibilities in the sphere of European cultural cooperation, and to wider familiarization with the values of national cultures.

It is true that neither in Ottawa nor in Budapest did the participants issue a closing document, but nevertheless the significance of the discussions indicates something more than a professional exchange of ideas: European cooperation has been enriched with a new dimension, and in addition to the politically motivated conferences, the "third basket" of the Helsinki Closing Document has also appeared. We are watching with interest the Vienna follow-up meeting beginning in the fall, because we are confident that in addition to the already intensively debated two "baskets," there will also be an opportunity for debate on the questions of economic cooperation.

The active participation of the Hungarian People's Republic in the evolving process of European security and cooperation is intrinsically tied to her geographical situation, to her foreign and domestic political attributes.

Our country is one of Europe's ancient states, and during the course of our history the fostering of widely-based international ties, the effort to create a peaceful outside environment, has always been a question of prime interest. The Hungarian nation suffered serious losses during the early decades of the twentieth century. In 1918-1920 and again in 1941-1945 great regional, ethnic, material and political destruction affected the country. During the past four decades, however, through our international activity, we have served the causes of mutual understanding between peoples, good relationship between states, and detente.

From the beginning Hungary was an active participant in the evolving detente process, in the European dialogue. She emerged as one of the initiators for the convening of the Helsinki conference. The Budapest appeal, born on March 17, 1969, in the Hungarian Parliament building, encouraged convening the European meeting on security and cooperation in the name of the Warsaw Pact countries. We started from the fact that universal human interests, including the strengthening of peace and security, the desire for European stability, joint socialist foreign policy efforts and aims, as well as Hungarian national interests, can fit in well with a historically progressive trend. This continues to be a valid and basic principle guiding our foreign policy.

We maintain our assessment that the Helsinki Closing Document contains the democratic, universal basic principles for contacts between states with differing social systems. For us Helsinki represents an effort to come to an agreement, the ability to make compromises, and tolerance; it can provide every country with greater political security and can expand the process of cooperation.

The complete realization of the recommendations of the Helsinki Closing Document is a decades-long task. We consider it important that the participating states view the Closing Document as a unified whole, and that all aspects--political, economic and humanitarian cooperation--should receive equal consideration in relationships. In executing this document, it is necessary to strive for an end to existing disproportions, to eliminate disadvantageous discrimination, and to apply reciprocity in all areas. We sought to utilize the recommendations in the Closing Document in a concrete form for the development of our contacts: we presented proposals relating to this issue to the governments of 17 European countries as well as of the United States and Canada; a number of these proposals--although in different degrees--were realized and became an integral part of our cooperation.

We conclude that Hungary's socio-economic reality represents a suitable basis for accomplishing the obligations accepted in Helsinki: in executing the basic principles and proposals of the Closing Document, we did not have to make any special changes either in our domestic or foreign policy. Still, several laws and comprehensive government decrees were born in our country, directly serving the realization of the Helsinki document: the Hungarian People's Republic framed laws dealing with the protection of the environment and public

culture; it signed the international proclamation of unity on civil and political rights; it consistently realized and continues to realize its obligations in strengthening military security and confidence and pertaining to advance reporting of military maneuvers.

The major forms and institutional structures of our ties had already been developed with the majority of capitalist countries prior to the European Conference on Security and Cooperation. Practical realization of the spirit of Helsinki, however, filled these with new, rich contents. In addition to Finland, the channels of more genuine political, economic and cultural cooperation opened up or were expanded especially with Austria, the Federal Republic of Germany, but also with Italy and France, and most recently with Great Britain and a whole list of other states--including the Vatican. During the past decade we have normalized our relationship and expanded our ties with the United States as well.

It is not an exaggeration to assert that in political, economic and cultural discussions with responsible leaders of the participating states, Helsinki has become an "obligatory daily point of discussion" in official and personal exchanges, and the most important theoretical conclusions of the Closing Document served as points of reference in bilateral agreements. Our activity has become richer and broader, since in practice it has extended to the various participating states. The various Hungarian professional institutions, political, economic and social organizations, cultural and scientific organs and creative individuals participate more intensively in our international contacts. Our country is especially interested in strengthening the mutually advantageous system for cooperation in the European economic and commercial, scientific-technological and environmental protection areas. The advancement of this goal will be one of our major efforts in the future.

We on our part support the development of tourism, person-to-person contacts, international travelling and the normalization of humanitarian questions. In a few years the number of tourists visiting Hungary was equal to our population; in 1985 it was nearly one and a half times that figure, for a total of 15 million. We significantly expanded our direct ties maintained with border areas in those countries that are our neighbors, which for us is especially important because the storms of history resulted in the fact that today Hungarians living in adjacent countries constitute the largest national minority in Europe. Dealing with them is a special task of Hungarian foreign policy. We are convinced that the spirit of Helsinki--the adherence to the basic principles regulating inter-state relations--will create the opportunity for the dual identity of the nationalities to effectively serve the cause of better understanding between peoples, for strengthening confidence.

It is also very significant for us that worldwide, but especially in Europe, the image formed of our country--strongly influenced at first by extreme nationalisms and then by anticommunism--has become more complete and comes closer to reality as a result of the Helsinki processes. As a whole, foreign opinion of the situation of Hungary has improved. The oversimplifications that had earlier been formulated about our country and about socialist countries in general are disappearing.

In 1985, at the 13th congress of the MSZMP, Janos Kadar voiced the essence of our policies, which rest on solid principles and seek to project a flexible, realistic perspective, in the following manner: "We strive to be loyal allies of our allies, real friends to our friends and fair partners to our partners. This has been so in the past, and it will remain so in the future."

In the introductory remarks to my speech, I alluded to what our relationship with the Finnish people means to us Hungarians. Our corresponding foreign policy efforts, above all our desire for peace, represents one of the strong factors in this friendship. The maintenance and expansion of the process signified by the Helsinki name is the common interest of our peoples. In the development of our relationship and in the interest of increasingly closer cooperation, a great role is played by the fact that both countries are ready to actively stand up for the defense of the accomplishments of European detente and for its further expansion.

We value highly and have a high regard for Finland's pacifist policy and its active neutrality, which is an important positive factor in European and world policy. We respect those efforts which Finland has made in the process for security and cooperation in Europe.

We regard our bilateral ties and cooperation as an integral part of the Helsinki process. If the relationship of all of the countries in Europe had developed in such a way, we would be much closer to our great common goals. This does not contradict with the fact that--especially in the economic sphere--countless untapped opportunities still exist for the strengthening of mutually advantageous cooperation. During his 1969 visit to Budapest, in his speech delivered at the university in Budapest, President Kekkonen quoted the linguist Pal Hunfalvy, who declared to one of his Finnish friends in a letter written about his research exactly 100 years earlier, in 1869: ". . . smaller peoples also have enough intellectual power to carve out their niche in the history of mankind, and they can hold onto it once they have carved it out. Whether the Finns or the Hungarians already have such a place or if they must only now attain it, their intellectual interaction itself will increase their power. And therefore the bridging of the gap between the Hungarians and the Finns is all the more desirable." Kekkonen continued in the following manner: "Here is the succinctly formulated principle which for a hundred years has had thousands and thousands of followers in our countries" I would add that in the future thousands and thousands more will be engaged in strengthening Finnish-Hungarian friendship.

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POLITICS

HUNGARY

PARTY TRAINING IN MARXISM-LENINISM VIEWED INADEQUATE

Budapest NEPSZABADSAG in Hungarian 27 Aug 86 p 2

[Article by Joachim Vasas, Director of the Heves County MSZMP Committee's Education Administration: "Adjusting to Life; The Lessons of Party Training in Heves County"]

[Text] At our training directorate we are simultaneously dealing with the science of Marxism-Leninism and the political course followed by our party. During the year 1985-1986, about 3,000 students attended our regular and follow-up courses. We have completed the preparation of every party secretary and disciplinary committee member in accordance with the new requirements. We are also preparing members of the party leadership for the performance of their specific duties.

Improved Training, Higher Demands

We have endeavored to adjust our teaching-training activities to real life, so both the diversity of international events and the developments in our domestic affairs have influenced our work. Since the international situation has become more complex and more conflict-filled than it had been earlier, our students have also become more worried. They were paying especially close attention to the 27th Congress of the CPSU and the transformations that have recently occurred in the internal life of the Soviet Union.

Naturally the students were primarily interested in our domestic policies, especially the development of our economic life. They accepted the policies of the party and the decisions made during the 13th Congress of the MSZMP; they unanimously urged rapid execution of the programs.

The training has been improved. The teachers--both those who are full-time employees of this institution and the part-time lecturers--have become better prepared and the standards of their professional expertise have continued to rise. Professionally well-prepared, respected teachers work here. More than 20 percent of the faculty members have academic degrees.

Together with the positive factors, we have also noticed some shortcomings. For example: the prestige of studying has not increased, and in some instances, it has actually decreased. There are a growing number of questions concerning both the scientific and political aspects of our life, and there

has been a scarcity of mature, logical and pragmatic answers available. This situation brings about uncertainty, or at times even doubts. We have also noticed that--because of the unsteadiness of international and domestic life--our mistakes and the weaknesses of our activities have received increased attention. The problem was frequently cited that our leadership is slow and not elastic enough, that too many formal measures have been introduced, and that control is not strict enough. There were calls for more decisive steps to be taken against actions that exceed the norms of socialist behavior. Many people claimed that patriotic discipline has become too lax, corruption is spreading, there is no evidence that bureaucracy is disappearing, and there is increasingly more money earned without work. In contrast with the previous periods, these phenomena tend to irritate our students and increase their impatience.

To Think Independently

We have continued to realize and broaden the openness of this institution. We consider this important in order to achieve a broadening of the students' perspectives and the creation of close contacts. We are convinced that these are basic political interests. The spirit, atmosphere and mood of this institution must stimulate visitors and students to understand and accept new phenomena. This is an unavoidable precondition for acceptance of new phenomena in everyday activities and standing up in their defense.

The convincing teaching of Marxism-Leninism can be very helpful in creating this openness, in acquiring and developing abilities, if we handle the most modern world-view of our age not as a collection of facts but as a guideline for our actions, permeating our thinking in the analysis of economic and social processes as well as in our practical work.

An institution such as ours will become open, in the genuine sense of the word, to the degree that it is able to make its visitors, teachers and students open. In other words, to the degree that we are able to teach them to think, to integrate and pass on knowledge, to the degree that we have been able to turn out more and more educated individuals, able to think and form opinions independently, to debate, and to form good human relationships.

It is also one of our unconcealed aims to achieve that not only our students, but others--party members and outsiders, young and old alike--feel comfortable at our institution. Let every one of our visitors find out for himself that he was welcome here, that it was worth coming here, because he was able to spend his time profitably. Let them feel that everything we do here is in the interest of man's intellectual and spiritual enrichment.

During the past academic year, we organized about fifty meetings and conferences in this spirit, with domestic and international participants, in such a manner that they did not interfere with our basic functions. On the contrary, these events effectively contributed to the multifaceted development of political education.

Such domestic events included the second annual film festival sponsored by the Hungarian National Home Defense Association (MHSZ) and the national conference reviewing the 40-year history of research into local and patriotic history.

Our institution also hosted several international and world conferences, such as the one organized by the mining sub-committee or the machine industry subcommittee of the CMEA. Physicians from more than 30 countries arrived here, when we hosted the fourth world-congress of ear, nose and throat pediatricians.

In addition to organizing such domestic and international events, we also provide significant assistance in solving the serious classroom shortage of the Ho Chi Minh Teacher Training College in Eger. Every day, between eight in the morning and two in the afternoon, we place seven classrooms at their disposal. Various classes sponsored by the Heves county chapter of the Society for the Propagation of Scientific Knowledge (TIT) use our classrooms from five to eight in the evening. Our institution also provides room for intensive courses offered by the Salgotarjan branch of the Financial and Accounting College, along with the local clubs for retired people and propagandists.

Throughout the year, the ground-floor hall of the institution provides an excellent location for the staging of exhibitions. During vacation periods, we transform the ground-floor classrooms into exhibition rooms. By using these opportunities, during the past academic year we have organized one permanent and more than ten seasonal (two- to three-week long) exhibitions. The number of visitors was in the thousands.

To Utilize Knowledge

We feel that an institution such as ours must use its opportunities and potentials and provide an example in executing the central or county-level decisions in politics and education alike. If we did not act in this manner, we could be frequently embarrassed by a question from our students: "How does your institution contribute to the achievement of the loudly proclaimed goals?" The above-described practices make it easy for us to answer. These events contribute to raising the standards of training and follow-up training, and demonstrate that in this county the institution for party training fulfills its ideological and educational role.

We worked hard during the past academic year. The effectiveness of our work will be demonstrated by the practical results. Will we succeed in increasing the effectiveness of party training and follow-up training, in order to be better prepared for the tasks facing our party? How successful were we in promoting the cause of socialism? Answers to these questions will determine how effective our educational efforts have been.

We can see, however, that the considerable intellectual capacity created by party training during the past decades is still not fully utilized. Our intellectual capital is not put to full use in our administrative or economic life. We would like to equip each of our students with the full knowledge of political life and its spirit, so that--under the given circumstances--they should be able to think, make decisions and execute them independently. Knowledge thus acquired, the acceptance of responsibility, and steadfastness should be accorded more opportunity and prestige, so that their valuable aspects can be effectively developed.

Fully aware of our problems and having a realistic picture of their seriousness, we await the next academic year, confident in the knowledge that--even in the midst of contradictions--we have the preparation, the experience and the courage to contribute to the realization of goals set down during the 13th party congress.

The most important conditions are present. People have confidence in the party and in themselves. By bolstering their political, moral and intellectual powers, we intend to contribute to these conditions.

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POLITICS

HUNGARY

ACZEL ON LUKACS'S LOYALTY TO LENINISM, SOVIETS; ROLE IN 1956

Budapest NEPSZABADSAG in Hungarian 27 Sep 86 p 13

[Evaluation of the philosopher and literary critic Gyorgy Lukacs, excerpted from the study "History Experienced" by Gyorgy Aczel, member of the Politburo of the Hungarian Socialist Workers' Party. The designation (...) appears in the NEPSZABADSAG piece to indicate omissions from the original text; a series of periods without parentheses indicates omissions in the translation.]

[Excerpt] Lukacs's spiritual development and life progress was determined by two decisive, closely connected elements: his road to Marx and, inseparably, to Lenin....Following the example of Lenin, he emphasized again and again that a cultural revolution is an indispensable part of the creation of socialism....Due to his deep understanding of 20th century historical forces, for Lukacs loyalty to the communist movement at the same time always meant consciously standing by the Soviet Union. He repeatedly stressed the fact, which was one of the cornerstones of his beliefs, that the Soviet Union saved humanity several times. First, by shattering the united system of world capitalism, and by saving the first socialist state from the attacks of imperialist restauration. Second, when (...), bearing the main burden of the war against Hitler, it had a decisive role in saving all of European culture and civilization, in freeing the world from fascist barbarism. Third, when through its own efforts it created the actual counterforce that was able to break the monopoly of American nuclear weapons, and was thus able to stop the atomic blackmail that has burdened humanity since Hiroshima....I am convinced that if Lukacs were alive today, this is also how he would view the newest peace initiatives of the Soviet Union....

In the complex circumstances of the era after 1953, Lukacs always tried to advance the positive developments and to bring to fruition at home the experiences of the 20th [Soviet] congress. In 1956 (...) it was his hope that it would be possible to keep the unavoidable changes within the bounds of socialism. He soon realized, however, that the events were taking a tragic turn, and it wasn't an accident that even during the few days that he served as minister he became isolated in the government of Imre Nagy: thus, this includes the occasion when he voted against withdrawal from the Warsaw Pact (...) it wasn't correct to characterize Gyorgy Lukacs as a revisionist, as a bourgeois ideolog. (...)...[even his detractors] have to recognize his immense intellectual and moral stature.

POLITICS

POLAND

READER ATTACKS PARTY MEMBERS' ATTITUDES

Warsaw TRYBUNA LUDU in Polish 19-22 Jul 86 p 6

[Article by Zenon Imbierowski: "In Everyday Practice"]

[Text] Comrade Jaruzelski has stated, "The correctness of the party is the correctness of its arguments." It is a pity that certain government representatives do not wish to put this principle into practice.

Often, in both written and oral form, officially and in friendly conversations, we solicit, we make appeals for, the active involvement of youth in socio-political life. However, when that active involvement takes place, we consider it a manifestation of arrogance, of wanton cleverness, etc.

That problem pertains also to the sphere of adults. So I am asking, how can one be active and is it worth being active. In my opinion, we must become aware of, and commit ourselves to, an active involvement that is intelligent and not sham, difficult and not facile, active and not passive. Only an active involvement conceived thusly has a chance of leading the party to something better, to get the throngs of young people who are really activists (difficult) and active to join their ranks. These are activities which should be obligatory for us, and not activities that are intentionally impeded.

Having participated for 5 years in one of the factory party committees, I've learned a lot that is good, I've met many worthwhile people and party associates. I've also met some nasty people, insipid people who change their views and position depending on the situation and place. Such concepts as friendship, camaraderie are treated dishonestly by these people, among others. When I was First Secretary of the Workers' Committee, the government representative used to say to me: "You're my colleague, my friend." Now that I'm no longer the First Secretary of the Workers' Committee, I'm no longer his friend. Isn't that strange? I surmise that his new friend is the current secretary of the Workers' Committee; when he leaves, it'll be the next secretary of the Workers' Committee, and so on and so forth.

Many people, including party members, treat certain principles and norms in a most practical fashion to which I cannot reconcile myself. Are friendship

and a bond possible if in many cases we ourselves put spokes in each other's wheels, if we "mess someone up", as it's called. So I am asking why an associate who's placed a little higher has no trust and respect for whoever has a slightly lower position? Why are we so willing to keep tabs on each other, pointing out faults, yet keep track of our ideological enemies so timidly?

Are such situations an element that builds party dignity in the community?

Will such a situation attract young people to our ranks?

That is why, speaking of certain pathological phenomena existing in our society, such as drunkenness, drug addiction, lack of respect for work, slovenliness, dirt--the party must realize that in life within the party certain pathological phenomena exist also, which should be diagnosed, so that real therapy can be applied as quickly as possible.

I believe that many people in the party are aware of this. But it's a question of having sound theoretical assumptions find expression in everyday practice.

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POLITICS

POLAND

INVENTOR CLAIMS LACK OF SUPPORT

Warsaw ZYCIE WARSZAWY in Polish 18 Jul 86 p 3

[Interview with Alojzy Kowalski, designer and inventor, by Iwona Gajdzinska of GLOS WIELKOPOLSKI]

[Text] [Question] From your own experiences you know a great deal about the lot of Polish inventors.

[Answer] One of my colleagues who is an inventor, breeds pigs. Another has emigrated to Switzerland to make tape recorders. I certainly will leave for the "Opel" plant in RFN. I already have a concrete offer.

[Question] Where does this cynicism and bitterness come from?

[Answer] Where?! From the attitude of skeptics. If ZYCIE WARSZAWY publishes the information that my device is fit only for old types of cars...

[Question] Do you question the right to express one's own opinion?

[Answer] I don't want to suggest anything, but my opponents from the Motor Car Factory take care of their possessions. Once this factory got rid of official cars--for the purposes of economizing, but it was introduced experimentally. For me it was a bombshell! Gas is free, you can drive as much as you want, and you can have a mileage of 40,000 kilometers for personal use.

[Question] The best form of defense is attack. Do you want to refute the arguments of the skeptics at the Motor Car Factory this way?

[Answer] The point is they have no arguments. But I no longer care about convincing anyone. Besides that, I have a lot of offers from the USA, Canada, England, the USSR, and Czechoslovakia. Even from such exotic countries as China, Korea, India and Qatar.

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POLITICS

POLAND

BRIEFS

SOVIET WRITERS VISIT--On the 21 of last month a meeting took place with a delegation of Soviet writers in the House of Soviet Science and Culture in Warsaw. Polish writers, specialists in Russian, and executives from the Society for Polish Soviet Friendship participated in it. Representatives of the Cultural Division of the Central Committee of the PZPR came, as well as representatives of the Ministry of Culture and Art. The Soviet guests, Aleksandr Mesharin, Vladimir Guelamedon, Alek Mikhailov and Guram Shnitladze, shared with those attending their thoughts on the recent proceedings of the Congress of Union of Soviet Writers. [Text] [Warsaw TRYBUNA LUDU in Polish 23 Jul 86 p 4] 12584/9835

GDR POLISH CHILDREN 'EXCHANGE'--The results of past progress in the holiday exchange of children and youth as well as the prospects of developing this form of contact in the coming years were discussed during the meeting of the minister and member of the Soviet of Ministries, Aleksander Kwasniewski with the ambassador from the GDR, Horst Neubauer, who was accompanied by Heinz Fischer, the plenipotentiary of the GDR government for affairs dealing with the holiday exchange of children and youth between Poland and the GDR. [Text] [Warsaw TRYBUNA LUDU in Polish 23 Jul 86 p 4] 12584/9835

SYRIAN EDUCATION CONTACTS--On the 19 of this month Vice Premier Zbigniew Gerlych received Kamal Sharaf, the minister for higher education of the Arab Republic of Syria, who arrived in Poland accompanied by Ziad Shuwaili, the rector of the University of Damascus. They discussed the possibilities for extending cooperation between Poland and Syria in the area of higher education, especially student and worker exchanges for study and scientific training, as well as an extension of direct cooperation between the colleges of both countries. There was an exchange of information about the socio-political situation in Syria and Poland. In the meeting participated Benon Miskiewicz, the minister of learning and higher education. On the 19 of this month, at the conclusion of the visit, a record of the talks was signed by Minister Kamal Sharaf and Minister Benon Miskiewicz. During the Syrian delegates' stay in our country an agreement was concluded about cooperation between the Reuter Agency Main School of Farming and the Agricultural Department of the University of Damascus. [Text] [Warsaw TRYBUNA LUDU in Polish 23 Jul 86 p 4] 12584/9835

CULTURAL PROGRAM WITH PERU--"The Polish-Peruvian Program of Cultural and Scientific Cooperation" LIMA (Polish Press Agency). The Peruvian Minister of Foreign Affairs, Alan Wagner Tizon, and the PRL ambassador to Lima, Boleslaw Polak, signed here in Lima a Polish-Peruvian program of cultural and scientific cooperation for the years 1986-88. [Text] [Warsaw TRYBUNA LUDU in Polish 17 Jul 86 p 5] 12584/9835

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POLITICS

ROMANIA

DRIVING PROBLEMS DISCUSSED, REMEDIES SUGGESTED

Bucharest FLACARA in Romanian No 39, 26 Sep 86 p 19

[Article by Victor Beda: "The Civilization of the Road"]

[Excerpts] Though this has been written about before, we feel it is our duty to write again about the irresponsible driving speeds we are seeing on our roads. Tests have established that driving at high speed, for example, on the road between Bucharest and Brasov, is fraught with countless dangers as well as causing increased fuel consumption by comparison with the nonaggressive style of driving. It's true, by driving faster one can "save" 15 or 30 minutes. But those who drive at a reasonable speed can do so in comfort and avoid stress. Both of these are important, for drivers and passengers.

We must be aware of the fact that the amount of stress accumulated as a result of "saving" 15 or 30 minutes of driving time through dangerous driving must be added to the other types of emotional stress experienced in daily life, all of which represents an increased risk to our health. Fatal cardiovascular conditions which occurred while driving as a result of emotional stress are not rare. The reader mustn't think this only happened to drivers in the 50-60 age range. Younger drivers have also been affected. And then there is the fact, not mentioned in our statistics, that aggressive driving has caused emotional problems to passengers, as when, for example, the youngster who just got his driver's license puts his grandmother in the hospital after speeding. The number of people killed or injured in traffic accidents is an already well known statistic.

Then there are those drivers who insist on holding up traffic on winding, curvy roads where visibility is poor. It is inconsiderate to drive at the head of a column of cars that cannot pass you and proceed as if nothing was happening. Worse, some drivers derive satisfaction from keeping the motorized "serpent" behind them on purpose. "We're just paying them back," one young driver confessed the other day "for passing us so brazenly at such astronomic speeds." An aspect of the problem that is not at all unimportant is the excessive fuel consumption. Forced to travel at low speeds sometimes over long distances, thousands upon thousands of small cars that on any given day may get stuck behind one of these "turtles" use up considerable amounts of fuel.

The majority of car trips are justified. After all, those who drive for recreation purposes do that so they may return to work the following day or week with renewed vigor. But there are enough people who are thoughtless in their use of the automobile. I have met people who traveled 100 kilometers to buy cigarettes, or who traveled tens of kilometers to see friends who turned out not to be home. A simple phone call would have solved that problem. More seriously, other people travel tens of kilometers in search of a better tavern from which they then return drunk.

In the last analysis, it all boils down to a sense of proportion, to reciprocal understanding, peaceful coexistence and politeness for the person driving next to us on the road; it's a matter of civilization, common sense. The healthy principles that govern our society must also be put into practice on our roads.

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POLITICS

ROMANIA

MOLDAVIAN CHRONICLES SAID TO DESERVE WIDER AUDIENCES

Bucharest LUCEAFARUL in Romanian No 36, 6 Sep 86 p 6

[Article by Dumitru Velciu: "The Eloquence of Chronicles"]

[Excerpts] It is especially well-known that after 23 August 1944 important steps were taken with regard to publishing medieval chronicles written in the Romanian language--a field equivalent to the beginnings of our literature.

Restricting ourselves to Moldavia, it must be admitted that we possess today relatively satisfactory scientific editions of the works of the three major classics of the genre, Grigore Ureche, Miron Costin and Ion Neculce. The same is true of the writings of Nicolae Costin, Miron's son.

Unfortunately, an entire compendium of chronicles which followed the "Letopiset" of Miron Costin is as good as unknown to the general reading public and in particular to high school students, who may retain after graduation the false impression that the genre disappeared from our literature after Ion Neculce or that whatever followed was of little value.

Besides Neculce, four other anonymous chronicles deal with the history of Moldavia after 1661, the last year of Costin's "Letopiset": "Pseudo-Nicolae Costin" (1661-1709), "Pseudo-Nicolae Muste" (1661-1729), "Pseudo-Alexandru Amiras" (1661-1729), and, somewhat more restricted in scope, "The Manuscript of Tudosie Dubau" (1661-1693). While the Amiras chronicle received scientific editorial attention a decade ago, the other two, fuller, chronicles, Costin and Muste, were published a century ago by Kogalniceanu and have not been reprinted since. The Dubau chronicle was published in 1914 by Constantin Giurescu.

This first group of post-Mironian chronicles is followed by another, also not well known, discussing Moldavia's history until the last quarter of the 18th century: Axinte Uricariu's "The Second Reign of Nicolae Mavrocordat" (1711-1774). The first of these was published in 1944, but the other two, which were the last examples of traditional medieval historiography in Moldavia, remain to this day in Kogalniceanu's inaccessible editions of 1846 and 1874.

From the historical, documentary point of view, it is without doubt that all chronicles and manuscripts which have remained unpublished for such a long time are indispensable to researchers and deserve new scientific editions. It is no less true that most of them have undeniable literary value, obscured though it may be by the literary achievements of Neculce.

POLITICS

ROMANIA

REVIEW OF BOOK ON 14TH CENTURY RELIGIOUS ART, MONUMENTS, TRENDS

Bucharest LUCEAFARUL in Romanian No 38, 20 Sep 86 p 3

[Article by Vasile Macoviciuc: "The Adaptation of Influences"]

[Excerpts] Daniel Barbu has written an original and erudite book entitled "Wallachian Mural Painting of the XIVth Century" (Meridiane Publishing House, 1986). This work skips the usual introductory section one finds in art books. The reproduction of the most significant paintings of the princely church at Curtea de Arges and of the portico of the great church of the Cozia monastery affords us an opportunity to travel through the Romanian cultural space of the second half of the 14th century. Deliberately setting aside enthusiasm or any sort of emotional reaction concerning the aesthetic dimension of these monuments, Daniel Barbu succeeds in presenting a novel interpretation of their iconographic themes and architectural structures. These churches and monuments were the launching pad of a stylistic and ideological tradition unique to the Romanian civilization of the Middle Ages, though they could at the same time be integrated into the Southeastern European tradition of Byzantine origin.

The reactivation of a proto-Romanian literature as part of the culture of resistance of the 14th century--underscored by the study cited--and the initiation of an architectural-pictorial tradition of Byzantine origin based on formulas derived from local creative experiences, are phenomena that characterize the trajectory of our medieval culture and the crystallization of major lines of development that stimulated the cultivation of unique features of that culture. As a matter of fact, a historico-ideological study of the medieval cultural configuration--itself stabilized by aspects of popular folklore--indicates a receptivity to stimulative influences and a resistance to infiltrations meant to sow the seeds of ethnic decomposition. Thus, Catholicism--and the culture that propels it--had a universalist vocation that excludes ethnic pluralism, and, to the extent that it was grafted onto imperial statist structures or mere imperial pretensions, emanated a cultural ideology of missionary expansionism. As Daniel Barbu emphasizes, the foundational monuments at Curtea de Arges reflect a "political program" opposed to the intention to create a Franciscan Wallachia. Architecture and painting originating from Constantinople transmitted a purely Byzantine message, the integration into Eastern ecumenicalism being a source of cultural legitimacy. The

founding of the Curtea de Arges church symbolizes a withdrawal from the Hungarian political and confessional pressure and an establishment of an Orthodox opposition on which the Constantinoplian imperial stamp is undeniable.

Placing obstacles in the path of Catholicism by means of activating indigenous monastic structures, as was done during the reign of Mircea the Great, had, of course, an obvious political motivation as well as a cultural one which can easily be assumed to have been ideological. Either way, it is clear that autonomy was the intended result. Byzantium was looked upon merely as a source of confessional legitimacy. We have here an effort to create an Orthodox church elaborated from the inside, in accordance with local factors, and not merely as a reflex reaction. We cannot speak of an exemplified generality, however, but rather of the acceptance of the general through the specific; the Orthodox community acquires a spatial and temporal location, Orthodox universalism becomes localized. We are at the beginning of a historical series which crosses the society and culture of the whole Romanian Middle Age period.

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POLITICS

YUGOSLAVIA

KOSOVO ALBANIANS DISCUSS SITUATION

Belgrade INTERVJU in Serbo-Croatian No 135, 1 Aug 86 p 6-13

[Article by Petar Nesic, Olivera Petrovic, and Verica Rupar: "One Step Forward, Two Steps Forward"]

[Text] Bahtije Abrasi discusses how Albanian women influence their husbands and educate their children. Isen Gasi, head of a 35-member model family, says: "It is good when there are many children. Technology also needs people." What does the Zabeljaj family say? Sacir Saciri, until 1981 the youngest PhD in Pristina, says: "I received a prison sentence."

For days journalists from various news organizations have been bumping into each other at the Pristina hotel "Grand," always asking each other the same question: "Do you have a positive story for today?"

In view of the journalists' generally modest intelligence, it took them some time to understand finally that they were on the same assignment. Until they figured this out, they were amazed by the rather large number of nontalkative people in public places who listened, observed and looked as if they were working. What were these people doing? Listening and observing.

Work is pleasant only if one likes it.

Pristina does not have to strike everybody as a beautiful town, but it is the capital of Kosovo. According to the latest census, from 1981 77.4 percent (1,226,736) of the the Albanians live there. In comparison with 1948 the number of Albanians has nearly tripled. It was therefore not strange to run into an Albanian wedding in Pristina last week. A red flag with a two-headed black eagle was hung out of a window of the first car in the wedding procession, and the same flags were rolled up on the front seats of all the other cars in the procession.

That same week in the village of Batuse near Pristina there was also a celebration, a church holiday--Holy Week. There was a large "Welcome" sign at the entrance to the village, people around the church, and a tent from which one could hear the song "Where are you from, sister? From Serbia, brother." The Zabeljaj family is the only one not participating in the festivities. They are Albanians who, in the wake of complaints voiced by the (Serb) Batuse inhabitants, were told that they had to move out on 1 August. (A house is being built for them near Slatina.)

"Somebody came to hear our side," say the Zabeljajs.

They offer coffee. Their family numbers 26. They came from Suva Reka.

We note Imer Zabeljaj's words: "We knew that the school did not have an Albanian language section. Still, we thought that since there were so many of us, and in the future there would be even more, they would open such a section. After two or three weeks we heard that there was to be some sort of meeting in the school. They complained about us! We tried to attend, and they threw us out. Well, we too will go to Belgrade to complain." This example attests to the difficulty of dealing with the indisputably important subject of "Albanians in Kosovo."

The Framework

Perhaps the interlocutor who said that "the Albanians in Kosovo live as depicted in the statistical almanacs" come closest to the truth. The "Information and Analysis Overview" from one of the 1986 sessions of the Central Committee of the League of Communists of Serbia, gives "some important indicators... concerning ethnic and demographic traits of the population of Serbia." It especially discusses the Albanians.

The survey puts the Albanians into a group with "very high and increasing natural growth due to a high birthrate and significantly decreasing mortality." The average birthrate among the Albanians decreased from 45.5 in the 1953-1961 period to 38.5 in the 1971-1981 period, while mortality fell from 21.9 to 7.7, so that the natural growth increased from 23.6 (1953-1961) to 31.3 in the 1971-1981 period. For that reason in 1981 the Albanians as an ethnic group had the lowest average age, 17.7 years. Among Albanians children account for over 40 percent of the population, and youth for 20 percent. Consequently, almost two thirds of the Albanians are under 25 years of age.

Isa Januzi, chief of the information group monitoring the work of the Kosovo Assembly, does not remember the birthrate ever being a special topic for discussion. To be sure, in his summary of the article on the Albanian birthrate (in the latest issue of the journal TEME, published by the Kosovo Philosophical and Sociological Society), he says:

"Research indicates that economically underdeveloped regions have higher birthrates, that working women have fewer children than those that are economically dependent, that women in the countryside are more fertile than those in the cities, and that uneducated women have more children than educated ones." Consequently, the thesis on ethnic and religious determinants of the birthrate--Islam among the Albanians--has no scientific basis. He continues: "The fact that certain strata and structures of society, farmers, laborers, white collar workers, and the intelligentsia have different birthrates indicates that reproduction depends on one's rung on the class and social ladder. The economic, social, and educational background of the individual, his family, and the narrow social group to which he belongs determine the demography of the social norms governing the reproductive behavior of the population."

"Without economic development, enhancement of the health care network, education in general, and the greater employment of women, a decrease in the birth-rate is out of the question," says Bahtije Abrasi, president of Province Conference for the Social Involvement of Women. "Our goal is to make it possible for the woman and the family to have the child they want. I have talked to the village women many times. So many of them asked me how I succeeded in having only two children. And they pointed out how ruined they were."

"A high birthrate indeed has major consequences. The women's health is damaged," says Bahtije. "There have been cases of women dying young, and of their places being taken by others, who sometimes take good care of the children, and sometimes do not. Women and children are thus affected, just as they are affected by the custom, in the case of the not so infrequent divorces, of giving custody of the children to the father. This is partly due to tradition, and partly to economic reasons. An unemployed Albanian woman is not able to support her children."

We found out that another phenomenon can be noticed among Albanian women. More and more of those between the ages of 15 and 35 are unmarried, especially in the countryside. There it is difficult for an educated girl to find a husband.

The aforementioned "Survey" from the session of the Central Committee of the League of Communists of Serbia notes: the attitude toward giving birth is remarkably constant among the Albanian female population, with 6.79 births (among women who has children) in the 75 and over age group (1981), 6.69 for the 40-44 age group, and 5.98 for the 30-34 age group.

One should add Bahtija Abrasi's views regarding the fact that 10.5 percent of Albanian women are employed:

"In the past five years, for example, Albanian women have contributed a great deal to the stabilization of the situation in Kosovo. They are the ones who calm their husbands at home and educate and influence their children. Little is said about this, however."

Ibis Krasnici, president of the Labor Committee at the Province Executive Council, adds:

"My wife tells me to leave problems at the office. This is the most difficult area after the judiciary and internal affairs."

Employment

According to Krasnici, 90 percent of the 122,000 unemployed are Albanians. In Kosovo employment is 119 per 1000; in Slovenia it is 426 per 1000. In Kosovo work is a matter of luck and chance. There were 460 applicants for a single job. On average there are 45 applicants for each job.

Until three months ago, Sadrija Music was the vice president of the Pristina Executive Committee. On certain days "petitioners," i.e. people who asked

that their misfortunes be resolved through somebody's intervention, came to see him. Among them was Jahir Sulejmani, who, after graduating from high school, waited for a job for seven years. He had nine family members. It was resolved "by telephone" that Sulejmani would get a job in a mine "tomorrow, immediately," as a laborer. Thanking Music for his help, the exceedingly happy Sulejmani attempted to leave the office through the window. Music, seeing that "the lad was in shock," directed him to the door.

Another 199,000 unemployed, mostly women, have not even reported to the self-managing communities of interest for employment in Kosovo!

Ibisi Krasnici says: "How can one talk of discrimination in employment when only one out of 9.5 Albanians, one out of five Serbs, and one out of four Montenegrins is employed?

Bordai Gordeni, a machinist from Djakovica, sells vests at the Prizren marketplace. They are made by his two sisters from Japanese gold thread. Each month they produce two sets (vest, belt, and hat). The price is approximately 20,000. The older sister graduated from the higher economic school and is 23 years old. The younger finished medical school three years ago. Both are unemployed. The youngest brother graduated from the middle economic school and is an unregistered worker in a butcher shop. The oldest brother collects social security (because of a car accident).

"None of us has gotten married," says Godeni. "It is necessary to save 200 million dinars, old ones to be sure."

Because of general unemployment, the Albanians in Kosovo are getting along by producing various decorative items at home. To be sure, these items are frequently almost worthless. For example, one Prizren family makes some ornaments and the four members of the household earn 2,000 dinars daily. Probably because of the low purchasing power of the population, at the marketplace in question there were, if our eyes did not deceive us, three times as many sellers as buyers.

However, the young opstina of Malisevo is in the worst position regarding unemployment. One thousand out of 40,000 inhabitants are employed. The Podujevo opstina is in a similar situation. It has 80,000 inhabitants, of whom 3,800 are employed.

Four thousand people have been waiting for work over 8 years; 9,000 have been waiting 5-8 years; and 22,000 have been waiting 3-5 years.

"There have been no investments and none are forthcoming," says Ibis Krasnici. "It would be necessary for all of Yugoslavia to invest only in our coal and electric power industry!"

In Kosovo 30,000 people over 30 are waiting for work. Since it has been forecast that by the end of 1990 there will be over 200,000 unemployed in Kosovo, the following remarks by Krasnici offer some comfort:

"I am a Communist and an optimist. With united forces throughout the country, everything could be made less severe. In this regard, the action of the famous Karic brothers (private businessmen) from Pec was well received. They have already opened two factories, three are under construction, and the sixth factory, a small plant that will employ 40 persons, they simply donated (money and plans) "to the opstina in question."

Ibis Krasnici fees that "there are great opportunities in the small economy," and for that reason he is angry at the Urosevac opstina. Opstina officials initially discriminated against an individual who had returned from abroad. When he opened a business and employed 60 people, and when business became good, the opstina officials, "in defense of socialist," decided that the business should become social property. The businessman objected because according to the law this was not possible without his consent. He was told:

"No one is interested in your opinion."

In Kosovo, the small economy employs 14,000 people. While Krasnici sees great opportunities in it, Hasan Berisa, the director of the Province Planning Institute, feels that stories about the small economy in Kosovo are without substance because the purchasing power of the population is "what it is."

The Land

In Kosovo 180,000 people are employed in agriculture. According to the latest census, 34 percent of the Albanian population in Serbia works the land. Aziz Sipkovica, the president of the Province Agriculture Committee, views the changes that have taken place in Kosovo's agriculture as follows:

"All of the villages have electricity. In the last 15 years the structure of production has changed. In the valleys people are employed in intensive agricultural production. One no longer sows by hand."

Stated briefly, fruit and vegetable growers not only earn good money but also, because of the nature of the work, employ many family members. As far as livestock is concerned, Kosovo today has fewer head of cattle than it did before the war. Right now the focus is shifting from boss (low quality cattle) and buffalo (low quality meat) to East Frisian black-and-white cattle. There are even five dairy farms in Kosovo, and a pig farm (with 25,000 pigs) near Pristina. The returnees from abroad, however, control 88 percent of arable land. Right now a process of consolidation is underway in Kosovo and, according to Aziz Sipkovica, there is "a certain amount of resistance."

The Kosovo farmers are unable to produce enough wheat to satisfy Kosovo's needs (40 percent is "imported"), but they "export" vegetables and grapes.

"Most of the farmers have been taught to be literate and in that sense there are no longer any obstacles to the penetration of new products. Overall sanitation and cleanliness in village homes have been improved. Now we can say that the differences between the countryside and the towns are smaller than 15 years ago. This is true everywhere," says Sipkovica.

He continues: "Links between the countryside and the towns have been improved, and it is now possible to go to even the most remote villages. (To be sure, in Prizren one is told that there are mountain families who come down into town once every 3-4 years)."

"All family members involved in agriculture work are employed. Because of the high birthrate we are planning to increase production of tobacco and vegetables, which are very labor intensive," notes Aziz.

To the best of his knowledge, vegetable producers earn up to 400 million (old) dinars per hectare. He explained that land in Kosovo is quite expensive and that it can be worth 10 million per hectare, because in Metohija, for example, there are seven ars [a unit of land measure smaller than a hectare] of arable land per inhabitant. The average farm is under two hectares, and the average lot is under 17 ars. Still, Kosovo agriculture owes its greatest debt to those working abroad. This is because the traditional village Albanian family has, as someone said, "at least two members" employed seasonally or temporarily abroad. Devotion to the family, thrift, and faith in the father make possible a combine, a tractor, new houses, land, and conflicts.

The Town

According to those familiar with the situation, the towns have grown a great deal in the past 10 years. Prizren has doubled in size, and the unemployment recorded in Kosovo is "city unemployment." In addition to unemployment, the traditional aspects of the life of Albanians who are recent arrivals in the towns are also changing.

"Figuratively speaking, in Pristina there are oases of urban life," says Isuf Berisa, a sociologist and a journalist for RILINDJA. "Because the vast majority of the people are from the villages, Pristina has only the outward appearance of a town. The more recent the arrivals, the better the village way of life is preserved. The culture of the dwelling, nutrition, customs, and behavior is still, to a large extent, a rural one. Adaptation to city life depends on the number of family members that are employed or students."

"Pristina is a town of 200,000 inhabitants," says Skeljzen Malici, a manager at the Kodovo National Library in Pristina. "Here one lives as in a hamlet, and there is absolutely no urban culture. The city fathers are managing the opstina accordingly. In Pristina there are institutions that exist because they were "planned for" (for example, the social-cultural-sports-economic center "BORO I RAMIZ"), and they have no cultural programs. There is not even a theater for a town of 200,000. The bureaucrats can only think as far as "we need this." They cannot go any further."

Isuf Berisa says: "It has turned out that in urban environments, obedience to the family patriarchal authority (the father of the village Albanian family) has been replaced by obedience toward the contemporary authority of the Party, the institutions, and the professors..."

Berisa claims that in Pristina "a professor can chastise a student like a small child," and that cases of rebellion are rare. He has studied in Zagreb where "a professor treats a student as a person."

Here is what happened to Berisa.

The professor comes in and turns to Berisa: "You! Go and bring me a cup of tea."

Berisa: "I came to attend the lecture, not to serve tea."

The professor, angrily: "What is your name?"

At that moment, the professor was unable to give the lecture..

Eleven thousand students register at Pristina University each year. Hasan Berisa, director of the Province Planning Institute, says that the students register not only because they really need to, but also in order to occupy themselves with something "because otherwise they would be unemployed."

The Albanians, amassed in the towns, frequently have difficulties dealing with the authorities. One can frequently see, in front of the tellers at the Kosovo Executive Council headquarters, illiterate people who, paper in hand, are asking the doormen for directions. The explanations take a long time. We are looking at the complaint book of a former official in Pristina. We select a few names at random. If the name is circled in the book, the difficulty has been resolved. They began to submit petitions in 1984. There are at least 200 names.

Sefedin Sabani of Maticane petitions for an apartment. He and his wife live by themselves; their name is uncircled. Refik Dana of Pristina took the test for the job of conductor with KOSOVOTRANS. Hisnije Abdulahu and her husband Saban seek a welfare apartment. Hisnije went to see the opstina president; their name is uncircled. Hamide Braisari seeks a welfare apartment. She has five children, and her husband is in the Nis prison (serving a seven-year sentence for murder). Abdullah Plana has applied for a construction permit for a house in Vranjevac. A disabled war veteran, he is registering a complaint against an Albanian inspector. Hamdi Sabani, a disabled war veteran with a family of eight, is seeking a permit for an addition to his house. He and his family live in a room that is 3.5 by 3.5 meters. Vehbi Berisa's land (12 hectares) has been expropriated. His daughter is in her second year at the economic department; his son is an unemployed machinist. Vehbi used to work as a miner at the Kosovo-Obilic mine. Adem Camil Krasnici's land was taken away and a new bus terminal was built on it. Krasnici had an agreement with the late director of the terminal construction that his son would receive a job. The new director refused to honor the agreement. All names are uncircled...

Disco

This has not been researched, but the Albanians, in addition to PRISTINA [soccer team], are fans of PARTIZAN, HAJDUK, DINAMO, etc. Their favorite sports are combat sports. In addition to television programs from Pristina and Tirane, they receive Belgrade and Zagreb broadcasts.

Skezen Zubi, a manager at "BORO I RAMIZ," likes, for example, to watch Zagreb television. He heard from friends who watch Tirane television that it has

"excellent children's programs" and a high quality color program.

"Still, they say that our color programs are the best," says Zubi.

Albanian folk tunes are very popular here, The BESNIKAT group has been mentioned as good performers. They sing old Albanian songs, and they have produced a cassette tape. (They have still not produced a record). Lepa Brena is the most popular visiting Yugoslov performer judging by visits to the "BORO I RAMIZ," (As a sign of affection, they refer to the Kosovo National Bank building as Lepa Brena). So is Vera Ivkovic. ("My wife is crazy about here," says Skezen Zubi). Scheduling at the "BORO I RAMIZ" Center "mixes" things: first there is a performer from Pristina, followed by one from Kosovo, then one from Servia, then some from other parts of Yugoslavia (or a reverse order is followed). The hit of the summer is coming. Saban, Jasar, Seki, Branka, and Senad will sing.

"When Lepa Brena sings here, they sing 'O Yugoslavia' with her in the hall," says Zubi.

He continues: "When a joint concert by cultural and performing societies is organized, they sing two Albanian songs, then two Serbian songs, then two Romi songs... There is always applause."

The people stress that, since the "events of 1981" there have been no incidents in the "BORO I RAMIZ" Center. Foreign languages are also studied here. For the most part, the Albanians study English, German, and Italian. Generally, speaking, they can understand and speak Serbo-Croatian. Albanian girls attend the local ballet school, while 10 Albanians attend a "dance school." Judging by attendance, the most popular rock groups are ILIRI, MINATORI, and DJURMET ("miner," "traces"). Classical music is not doing too well here, but the audiences are becoming more and more inclined toward it.

"In the darkness of a discotheque one can see no differences," says Zubi.

When the lights go on, differences in Kosovo turn out to exist not only between nationalities, but also between social groups, religions, and civilizations. For example, the fear of vendetta has put 580 families into a situation of house arrest. In granting jobs, not only family but also clan ties operate.

The "dialectical aspect" of the Albanians' situation in Kosovo can be illuminated by a conversation between a high-ranking official (who still occupies a high position) and an old man in a Kosovo village after "the events of 1981." The official had come to calm down the student's fathers. The old man told him:

"This is the second time that somebody from above has come to see us. The first time was immediately after the war. You said: 'Put the children in school, they will learn and live better, and you too will live better.' We gave you the children. Now, you come again to tell us that our children are the enemy. Well, we had entrusted them to you."

[Unsigned boxed article: "Differences, as Everywhere"]

How do the Albanians view each other? Sometimes they express praise and sometimes criticism. Our interlocutors used two epithets for the people of Djakovica: industrious and thrifty, sometimes to the point of being stingy. There is a story of a Jew who had moved to Djakovica and left shortly thereafter. The reason: when the Jew borrowed an egg from a Djakovica dweller, the latter gave it to him, but weighed it first.

On the other hand, these very same people from Djakovica were praised as being exceptionally industrious and devoted to work. It is said that there is hardly a family which, is not involved in extra work outside their regular jobs. This is true for all family members. At the same time, people object to the fact that those in Djakovica have a high opinion of themselves and look down on others.

People from Prizren and Titova Mitrovica are known for being able to speak three languages: Albanian, Serbo-Croatian, and Turkish.

"In Prizren, if you do not know Turkish," says Kadri Sojeva, a manager in the Province Statistics Institute, "they will not consider you a real city dweller. As far as they are concerned, you will be a stranger, a peasant, until you learn it. At least, this was the situation 10 years ago, when I tried to live there. I left because I was not able to learn Turkish."

We were reminded that all the filigree workers and bakers that are famous throughout Yugoslavia come from Prizren. To be sure, there are fewer and fewer "trained ones" left in Prizren. Coffee house and boutiques are more attractive than a metal worker's shop, and a white collar job is the most attractive.

Among themselves the Albanians are most bitter (all of our interlocutors confirmed this) about the Labjani (from the Lab River valley), and the inhabitants of Podujevo and the surrounding area. At the same time, the Labjani are famous for being skilled merchants. In less than five minutes one can find in Podujevo a part for any automobile used in the area.

Opinion is divided regarding the people from Pristina. The old-timers claim that they are the most open toward outsiders, and that they know how to be hospitable toward newcomers. These same newcomers, however, complain that they are called peasants, and that this epithet is given a negative connotation. This was confirmed in some conversations. (Albanian) old-timers to a certain extent negated their openness, explaining that they were under pressure from Albanian newcomers from Serbia and Macedonia. They too are looking for work and competing for apartments. No price is too high for a house or a piece of land. The Pristina people object the most to the close ties among the newcomers. If one comes from Tetovo, several more will soon follow. Not only will they come, but they will also be able to get jobs and apartments soon.

[Boxed article by Olivera Petrovic: "The Gasis from Donjia Srbica: Together We Are more Successful"]

The Gasi household, which is engaged in agriculture, has six families and, in the administrative language, it has not yet become an organization of associated labor. They will remain together as long as they are in agreement or until each of them earns enough to be able to go on his own.

The Gasi family lives in Donja Srbica near Prizren. We visited them unannounced. They were described to us as a model agricultural household. It is headed by father Isen and sons Destan, Velija, Alija, Hakija, and Aljus. This applies even to Velija and Alija, who are in their second year of temporary employment in Switzerland. They are construction workers, and they can spend a few months at home when the building season is over.

Old Isen Gasi, the head of the family, has not been in the fields for 15 years, even though he says that he continues to help out: "I send them where they need to go, and I tell them what to do with machinery. We bought the tractor a long time ago, the first combine in 1975, and a new one three years ago. Before, it was very difficult when we used a plow and a mattock. We used to spend a month harvesting with sickles. Today with the help of the machines the children are able to work our fields and the fields of our neighbors in the village. They are just getting ready to go to another village to help. The women also have it easier. They do not have to do as much in the fields. At one time, they too went to harvest with sickles."

The Gasi family has 10 hectares planted with wheat, sugar beet, corn, and vineyards. The cooperative purchases their grain and they say that everything is functioning flawlessly. They only have to market the vegetables by themselves.

Agreement at Home and in the Village

While we are in the living room with the male members of the family, sitting on pillows on the floor and drinking coffee (made by one of Isen's grandsons) and milk from one of the family cows, our host Isen serves us cigarettes (for the guests, a freshly opened pack of "Marlboros") and tobacco that he rolls himself, telling us how they have everything that they need on the farm:

"We only buy what we absolutely need: salt, for example, or beans, which we do not grow; and tobacco. It is very difficult for those who have to buy everything out of their salaries."

"Still, it is becoming more and more difficult even for us," says Destan, the eldest son, who knows everything there is to know about mechanics, masonry, and carpentry, according to his brothers. "Prices are going up everyday. A gear for the combine used to cost 3,000, and now it costs four times as much. It would be difficult for a family of 35, such as ours (father, mother, the five of us, and our wives and children), to survive on agriculture alone. Hakija works in the shoe factory and has a salary of 47,000; Aljus is a school teacher in the village and makes 50,000. I registered with the self-managing interest community six years ago.

We ask our host how six adult men and women get along in one house. They tell us that right now everything is fine, and that if they cannot go on and if they no longer share "a common orientation," they will part. They have already prepared for this, even though they do not know whether this will ever occur. A house has been built for each of the brothers, and behind each house is the farm that will go with the house. In this manner in 1957 old man Isen separated himself from his two brothers, who still live in the immediate neighborhood.

Destan, Hakijsa, and Aljus say: "As long as we agree, it is nice to be together; until it goes bad, and one of us begins to obstruct things and slow down the progress of the family economy."

Television and Children

The Gasi brothers emphasize that agreement is not confined to their household. It exists throughout the entire village, and this is probably the reason for their fame as model farmers.

"There are 19 Serbian families in the village, and some are good farmers. We get along and help each other out," says Destan, one of the activists in the village organization and a League of Communists member.

The conversation shifts to the children, who (the youngest among them) peer into the room to see the guests, but the elders do not permit them to get in the way.

"It is good when there are many children," says the head of the family, Isen Gasi. "The villages always need the work force, even when everything is mechanized. Even technology requires people."

"Still, the birthrate is falling. Families have fewer children than before," adds Destan and laughingly points with his head to the three television sets in a corner of the room. "This is probably because we watch television more. Everything is changing. Look at the names. They are also different. The modern names now are Arben, Visar, Gadaf, Florinda, Majlinda, or Suzana..."

In seeing us off, the hospitable Gasi family, namely its male component, voiced its regret that we were unable to stay for lunch. Still, they did not allow us to leave empty-handed. They gave us apples from their orchard.

[Boxed interview with Sacir Saciri by Verica Rupar: "I Am the One." Pristina 24 July 1986]

Question: Before 1981 did you have any indications of what would happen on 11 March?

Answer: I doubt that any of the faculty or scholars at the university saw any signs of what would happen on 11 March 1981, let alone later events.

Question: What were the charges when you were arrested, and what was the length of your sentence?

Answer: I was arrested (put in isolation) for the first time on 11 May and I stayed in prison until 4 July. I was told that I was under suspicion for being connected to what had happened and that the situation demanded that I be placed in so-called isolation. It turned out that these suspicions were unfounded and I was released without restrictions on everyday work and life. I continued to work at the Section until 5 December, when I was once again arrested. Nothing was found (either during the first or second searches) to incriminate me in activities I was suspected of. Questioning and doubts connected with my trial lasted until 27 April 1982, when it was decided to charge me with hostile propaganda. I was sentenced to 18 months in jail, 11 months (except for two months of "isolations" which did not count) I served in the District Prison in Pristina, and the remaining 7 months in the Penal and Correctional Institute in Djurakovac near Pec. I wish to forget as soon as possible what happened during that year-and-a-half. I want to forget them like a bad dream that is over with. Still, the consequences remain, but this does not mean that things will not change for the better.

Question: Why do you think that those slogans (ideology) appealed to the young?

Answer: I do not doubt that you know what mob psychology is and how a mob "thinks." In any event, read Shakespeare's "Julius Caesar" again and you will find out how a mob thinks "with its own head."

[Untitled boxed article by Verica Rupar]

This is the part of the interview with Dr Sacir Saciri about which I signed an agreement that nothing would be changed if it were published. I was told I could use as I saw fit. (Everything else that I discussed with the blue-eyed 39-year old).

Before

Dr Sacir Saciri was born in Pec in 1947. He studied the English language in Pristina, spent a year specializing in London, and in 1972 found a job as an assistant at the department of English and American literatures. He received a PhD in 1980. He was the youngest PhD at Pristina University.

"It would be bad for a professor to discuss his relationship with his students. Still, I think that we were close. Some of them were older than I was. I worked quite a bit, I was young, I had a good future, and my scholarly work demonstrated this. I was criticized for wearing blue jeans to the university and for introducing some kind of Western culture, but the matter was more one of surprise rather than serious objections.

After

"When I got out of prison there was no room for me at the University. I applied to five labor organizations. I took the tests along with my students. As soon as they saw me some of them said that they would not compete for the jobs any more. At first, after being told that I was rejected, I said that I would sue in court, but the labor organizations annulled the testing procedure. Later I

understood that applying for jobs led nowhere and I gave up. A friend loaned me some money and I opened a boutique. I repaid the debt a few days ago."

"When I got out of prison, I went to a cafe. One, two, five evenings in a row. Then I stopped doing this. I could not take out my wallet. My friends paid for everything. I cannot stand having someone pay my cafe bills. That is why I work in a boutique. I want to earn a livelihood for myself and my family. I got a divorce from my wife. She is a Montenegrin. We lost our apartment a week after I went to prison. Neither she and our two children nor I have an apartment right now."

"Naturally, I continue to do the things that I like and that interest me. I read and translate. I had two translations published after 1981. One is a collection of poems, with only one initial (S). The second, a translation of "An Anthology of Albanian Poetry" into English, did not even have an 'S.'"

Data

I was given Dr Sacir Saciri's name and address by the Province Internal Affairs Office in Pristina, along with the following data: in 1981, 400 people were sentenced; in 1982, 250; in 1983, 137; in 1984, 211; in 1985, 112; and in 1986, 125. Eight-eight underground groups were discovered. The names of the underground organizations are: "Movement for a National Liberation of Kosovo," "Communist-Marxist-Leninist Party of Albanians in Yugoslavia," "Group of Marxists-Leninists of Kosovo," "Movement for an Albanian Socialist Republic in Yugoslavia" (PASRJ), "The Kosovo Party of Struggle," "National Liberation Front," "Red Front" (an organization in foreign countries) now known as PASRJ, and "The Organizational Committee of Marxists-Leninists of Kosovo."

[Unsigned boxed article: "Albanians Are Also Moving"]

From 1983 the Province Institute of Statistics has monitored, on a monthly basis, the emigration from Kosovo and the immigration into Kosovo of all nationalities and national minorities. In 1984 it noted that 2,145 Albanians had emigrated from Kosovo, mostly to Croatia (671), Serbia (proper) and Vojvodina (662), Macedonia (240), and Bosnia and Hercegovina (212). In 1985, 1,870 left. Once again most went to Croatia (524), Serbia and Vojvodina (694), Macedonia (252), and Slovenia (149). In the first four months of 1986, 710 Albanians emigrated from Kosovo, over half of them to Croatia, Serbia, and Vojvodina.

At the same time, in 1984, 1,425 Albanians immigrated into Kosovo (654 from Serbia and Vojvodina, 338 from Macedonia, 202 from Croatia, and 95 from Montenegro). In 1985, 1,375 came in (615 from Serbia and Vojvodina, 376 from Macedonia, 157 from Croatia, and 103 from Montenegro). From January to April 1986, 549 Albanians arrived in Kosovo (283 from Serbia and Vojvodina, 139 from Macedonia, 67 from Croatia, and 25 from Montenegro).

In 1984 the majority of both those leaving and entering had an elementary or high school education, and most of them cited employment as the reason for both leaving and coming in.

[Unsigned boxed article: "Retirees Dream of Going to the Baths"]

Recently, JEDINSTVO wrote about the retirees standard of living. Here is what they had to say:

Vaselj Dodaj: "The retirees have no standard of living. It is impossible to talk about it! I have been retired for two years and I receive less than 3 million. I cannot even feed myself with that amount of money. When I calculated how much I needed for food, after the 'astronomical' increase in bread prices, I realized that I could not afford to live. I would have to spend my entire pension for bread, and there would be no money left for salt. This cannot go on. It is necessary to raise pensions. Still, I do not think that everybody's should be raised equally. Increasing my pension by 23 percent means nothing, but it would be considerable for somebody getting 8 or 10 million or more. I have no money, and I have not been paying for utilities ever since I moved into my apartment. I cannot afford it, unless I were to steal..."

Sefki Berisa: "I have a family of nine, a wife and eight children. My pension is 1,800,000 dinars, old ones of course. It comes to 2,000 per member, and one spends that kind of money in one day. Three of my children are illiterate and they cannot find work anywhere. Three are in school, and only one son works privately as a carpenter. When there is work he works and when there is not he sits at home. It is impossible to live on my pension. I have lung disease, heart disease, and a stomach ulcer. I do not even have enough money to buy medications. Wherever you turn, things are expensive. We do not even have enough money for 120 kilograms of flour, which is what we use in a month. We have not eaten meat, fruits, or vegetables in a long time, and we are not paying rent. The doctor has recommended that I go to the baths, but I cannot even dream of that."

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SOCIOLOGY

BULGARIA

CORRUPTING INFLUENCE IN SCIENTIFIC PUBLICATIONS EXPOSED

Sofia LITERATURE FRONT in Bulgarian 31 Jul 86 pp 1, 6

[Article by Senior Scientific Associate Stefan Robev, doctor of biological and chemical sciences: "Scientific and Technical Revolution and Humanism; Initiative, Enterprise and Coauthorship"]

[Text] It was Pushkin who gave Gogol the idea for the novel "Dead Souls." On this subject, a computer would have immediately made the wrong assumption that Pushkin was probably employed in a scientific institute headed by Gogol. It would subsequently justify its error on the basis that it had reasonable grounds for the same in its huge electronic memory. Furthermore, the computer would have added, "Shakespeare himself was unable to maintain the patent purity of his brilliant literary output, as confirmed by 'Hamlet' and 'Romeo and Juliet,' for their plots were borrowed from other sources. Jack London obtained 'raw materials' for his work from the American Sinclair Lewis. Switching from fiction to political publications, we can see that in this case, in some countries at least, authorship can be bought and sold, like many other items, under conditions of commodity-monetary relations.

We can see the wide range of opportunities for transfers of intellectual ownership, sometimes noticed by society and sometimes not. History occasionally frowns without, however, this changing the fact that in both literature and in other services, the work is sometimes done "with material provided by the client." In science this contradictory phenomenon is solved through the introduction of an even more contradictory concept: coauthorship.

In the area of scientific writing, traditionally many authors must and do accept the coauthorship of their elder colleagues. The principle of "work according to your capabilities and publish according to your possibilities" is applied in a remarkable variety of forms and hues, from the fatherly admonition, "you are still young, my boy, to publish under your own name," to cases in which highly placed personages have no idea as which one of their works is being referred to, carelessly denying authorship, saying that the attribution is probably wrong. However, seeing their name among the authors of an unfamiliar work, what do you think they do? Object? No, they simply add it to the long list of "their" publications. It would be wrong to compare them to the magpie which lays its eggs in other birds' nests, for in the case of "magpie" scientists, both nests and eggs are someone else's.

How did this custom develop? In the case of highly specialized people we could consider their inarticulateness, which could turn them into closed caste societies; however, this would hardly give us the real truth. The closeness of scientific societies was most typical for the scientific period when the language spoken was Latin; during that period, one of great discoveries, coauthorship was not fashionable. Newton had no coauthors; neither did Leeuwenhoek, Lomonosov, Huygens or Cavendish. Coauthorship appeared as one of the qualities of collectivism, as a positive quality. It is accepted silently, as a reflection of collective thinking. What is interesting is that at first coauthorship is an action organized by the public rather than by the coauthors themselves, an idyllic period currently studied at school, where children find it hard to understand why a physical law has been named after two people, such as the Law of Boyle and Marriott. The reason is that these two scientists made a scientific contribution independently of each other and, subsequently, without their knowledge and, in some cases, even against their wish (as was the case with Newton and Leibnitz) they were proclaimed by the public as coauthors of the discovery. James Watt, who invented the steam engine, was a university technician, and his biographers are amazed at the fact that he was able to create such a great invention without having any kind of degree or title, whereas in our view the real miracle is not this but the fact that no professor, senior scientific associate or academician had decided to impose himself as his coauthor. At least as far as the second half of the 18th century was concerned, it is obvious that the poisonous weed of nonworking coauthorship had still not spread over a large area in the scientific field of mankind. Even a combination of skills--this innocent offspring of added value--was scorned by some of the scientists of that time. Said James Watt, to the end of his life, referred to Lavoisier, the great French chemist, only as "the French financier." He described Lavoisier as such, which would have been insulting to an experimental scientist, because he was one of the main tax collectors under Louis XVI (Lavoisier was guillotined for such activities during the Terror), which, according to James Watt, was incompatible with the morality of a scientist. The first scientific and technical revolution, however, whose hero of capital labor was, unquestionably, that same James Watt, brought about changes in mores, for mores were the superstructure of the economic base which changed quite rapidly at that time. In 1842 the Russian Scientist Nikolay Zinin developed a revolutionary method for the manufacturing of aniline; in 1856 William Perkin Sr. synthesized the first aniline dye, known as mauve; Ludwig Knor produced the first synthetic medicine--antipyrin; Faraday, Ohm, Kirchhoff and Edison worked intensively at developing electricity in their time; Otto developed the internal combustion engine and the horns of the first automobiles were heard soon afterwards. To paraphrase Geo Milev, the pace of development turned from "andante" into a galloping "presto." The consecutive development of the scientific process until that time could have become even faster had a few researchers united in solving a common problem. The first model scientific collectives appeared, the greatest among which (and the most touching) was that of Marie Sklodowska-Curie and Pierre Curie, who discovered radium.

The constant question which arises in a collective work (although unclear at this time and not considered quite important) is the following: Who wrote what? This is a simple question but such simplicity is only apparent, as apparently simple as Hamlet's "To be or not to be." If a collective work is

not successful, credit for participation is somehow embarrassing to mention. It is like asking why are different fees being paid for the same type of creative sterility. If the desired success is achieved, the pure joy of discovery pushes everything else aside and the question of the labor participation of the collective goes into the background: the small circle of those who appreciate the discovery is generous toward everyone. This, however, is not the case of society or, to go further, of history. History records many names but remembers few of them. Salvarsan, the first effective drug against syphilis, was developed by Erlich, Bertheim and other chemists and physicians. Although everyone knows Erlich, only very specialized people such as us are familiar with Bertheim, and there are also others which even we are unfamiliar with. Consequently, the distribution of glory does not always go hand in hand with that of justice. In frequent cases practical experience deletes the first part of the Musketeers' slogan of "One for All and All for One," leaving only the "All for One" part... In the 1960s, Nierenberg and Matai unraveled the secret of the genetic code, a discovery for which the Nobel Prize committee could award the prize even with its eyes shut. This was a tremendous accomplishment! Yes, but the Nobel prize went to Nierenberg, while Matai retained authorship rights but received no Nobel medal. In our country as well this "Nobel practice" was adopted, of rewarding not the authors of a significant work but only the significant authors participating in the work. It is thus that in assessing the creative enterprise of an author, occasionally we pit the spirit of enterprise against expediency, which is a power in which personal prejudices would be dangerous to ignore. Bearing in mind that the number of publications is multiplying with a snow-ball effect, even obedient computers object to the large number of authors and limit themselves to listing the name of the first author only. This, however, changes nothing. Tight associations are formed, only vaguely resembling true scientific work collectives, particularly when, unlike the case of world-famous examples, we are dealing with minor, insignificant petty problems and contributions, the existence of which would not disturb History in the least.

What are the social conditions which, although not justifying, can explain such unhappy occurrences? Let us emphasize, first of all, some nonscientific considerations governing relations among scientists, prejudices and personal interests, for scientists are also human and are not proof against human frailty. A fictitious coauthorship as something actually useful is the contractual framework for an outburst of settling scores and passions. The great 19th century German scientist August von Hoffman was a student of Liebig's; he was married twice and both times to nieces of his teacher, as a result of which his official job was smooth and conflict-free. Charles Gerard, one of the founders of modern chemistry, who was also one of Liebig's favorites at first, having read one of Liebig's works, undertook to prove that it was not only erroneous but "totally false." Who could restrain himself under such circumstances: Liebig's anger exploded like a bomb. Gerard was called a "highway robber" and it was only his brilliance that saved him from death. Such events were followed by the entire scientific world and the entire scientific world was their judge. But what can we say about some of our noted workers in the sciences, whose main merit is that they have created nothing and that no one in the world has ever heard of them? Put at the head of scientific institutes, such people can stop the development of science in our country for a long time, for we do not have the material

possibility of establishing more than one institute per scientific field, so that if one of them is having difficulties the other would show progress for both. In our country the incapable scientific manager is not a minor error but a strategic stopper of progress, of that same progress about which he willingly makes speeches. The reason is that incompetence is exceptionally efficient in multiplying itself and a negative example is as contagious as a positive one. This applies to any type of initiative: if the director of a scientific institute is an alcoholic degenerate and his subordinates can see him crawling on the floor in front of his office the struggle against drunkenness in such an institute would not yield positive results. On the contrary, in such an institute even nondrinking toadies will zealously and touchingly raise their glasses at the next drinking bout, hoping that the director will not suspect them of being teetotalers. The extremely vague meaning of the concept of "science manager" occasionally becomes the reason for the development of unnatural relations. The enterprising nature of a scientist could clash with the will of the administrator, who has usurped the right to be identified with authority, ideology, infallibility and even patriotism. For example, he may say the following: it is unpatriotic to engage in petty arguments concerning authorship while the people expect of us..., and so on. In this case material losses are difficult to estimate but the moral losses can be seen quite accurately and people simply lose faith in authorship. Scientific contributions, at least as far as the bureaucratic development of science is concerned, strange though it might seem, are made without any seals and documents. Democritus left no written traces of his works but no one has dared to take credit for them. Such was also the case with Socrates. This is quite important, for in science a number of things rest, in the final account on honesty and honesty cannot be acquired by decree. Decrees make any sense only to the extent of creating conditions under which the honesty of the scientist will not lead him into perdition. The initial purpose in the structuring of the administrative hierarchy in science is simple, noble and wrong: give a greater scientist a greater position. This is a difficult system to apply. Bureaucracy and science are incompatible. A different set of abilities, which have nothing in common with discoveries, could place in high administrative positions in science unsuitable people. They were selected but not chosen, which triggers a great personal drama, for however stupid such "scientists" may be, they understand that this is not their place. This triggers dangerous complexes: such people feel threatened and take the necessary steps, by virtue of which a capable person among them is considered a personal insult. He must earn the right to be their subordinate by displaying constant loyalty, violating his feelings of personal dignity. There are institutes and departments in which the participation of the boss is mandatory for all publications. In other cases, the "scientist" thief applies the "persuasion" method: "I will sign your work to press but you will put my name too, my name is short, a place for it will be found somewhere at the end...." Such unseemly events are possible because someone sometimes determined that any topic, any scientific report, must mandatorily be signed by the manager before being published! This creates grounds for abuses and there are those who make use of them. The same type of pyramid-structured system for the bureaucratic advancement of scientific tasks and scientific works leads to the possibility of engaging in entrepreneurial activities in science. Yet in our country entrepreneurial activities are forbidden. What does this specifically apply to? For example, work must be

done on a given topic; it is taken up by the administrative chief in science, who sets up the collective, assigns projects, does no work whatsoever himself but calls upon the personnel asking all of them, "What's happening?" Some associates have been well-trained and through this "What's happening?" are forced to work in the pseudoscientific private enterprise of the scientific manager for a number of years and systematically enhance his credits. Some experimenting "scientists" have used this method, without engaging in direct research for periods of 20 to 30 years. The "What's happening?" method is no secret to the others. Individually, everyone knows the method. Nevertheless, it is not made public. Why? Because everyone knows it....

The entrepreneurial boss does not even bother to pretend that he is engaged in research. He left behind him the laboratory a very long time ago and has now an office of a size consistent with his rank, with a couch, a small bar, etc. Such simple and artless considerations regarding entrepreneurial activities in scientific institutions are always related to the possibility of parasitical coauthorship. Their significance is not to be ignored, since Academician Nikolay Semenov, the noted Soviet scientist and winner of the Lenin and Nobel prizes, especially points out in his essay "The Moral Code of the Scientist" that "the scientist must not sign his name to articles and patents developed by his students unless he has directly participated in the work."

The loafer of academic rank is dangerous otherwise as well. Since he does not directly engage in research he cannot be personally assessed as a specialist. He is assessed on the basis of publications which are group creations for multiple use, similar to the old "multiple-use kits." Such practices bring personal benefits but also public harm: one author can include the publication in the list of works for his academy nomination; another for a professorship; another again for the title of candidate of sciences, and so on. We have noted the way works written by seven or eight authors are assigned "group" use for candidate dissertations while scientific councils remains silent, for some of the authors holding higher positions are among their members. Oddities develop, in which even the names of authors of a given work change according to circumstances; in the course of the discussion of such a work, questions were asked but left unanswered, for the coauthor-specialist was absent. Subsequently, the same work was printed without the participation of this coauthor whose name was replaced by that of a professor from an entirely different field. Such concentrated scandal triggers more than indignation; the bad thing is that it could paralyze the will to protest, which harms future developments. Occasionally, the thirst for parasitical appropriation of other people's works is so great that the busy little bees scattered among scientific institutions are unable to satisfy it. At that point not one but two managers--partners--are appointed to handle a single petty topic....

What obstacles prevent the elimination of such phenomena? Why was there not a Don Quixote, wearing a white coat, to charge the windmills of mediocrity in scientific institutions? Why is it that we so frequently observe unwritten and so rarely written regulations? Among all categories of people there have always been and there always will be ambitious careerists, who want to enhance their position. When a way to such ambitious careerists is opened, and when it is pointed out to them that they can rise only through work, they can

seriously begin to work. A careerist is not necessarily and exclusively a parasite. He can also be a hard working person. However, should such citizens realize that one could advance in a scientific institution not by working but by using other means, they immediately forget books such as "How the Steel Was Tempered," "Microbe Hunters" or "Nine Days of a Year" and rush headlong down the shortest way, ignoring the mud on the road, for at the proper time such mud can be wiped off with a proper document. We are familiar with one such careerist, who frankly confessed, as though he was a character in a Dostoyevskiy novel: "I do not wish to dip my finger in the mud; if I am to dip something it will be my entire self, but I will go up!" It would have been moralistic to be able to point out with satisfaction that fate punished him. Fate did not punish him and he indeed rose according to his views.... Smerdyakov does not always commit suicide.

Another hindrance to the elimination of bureaucracy from our scientific institutions is the unnecessarily great power granted to administratively appointed individuals, directors mainly. Science cannot be managed with signatures, seals or threateningly raised fingers. This is confirmed by worldwide experience as well. We have seen how in some major scientific centers world-famous scientists occasionally resort to complex and clever deals in order to avoid appointment to administrative positions, preferring their science. Dr Frederick Sanger, from Cambridge, the recipient of two Nobel prizes has no office but "only" a laboratory, if you can imagine that. Obviously, some kind of tremendously strong inferiority complex drives petty people to the corridors of bureaucratic power, the pompous hotel-like atmosphere of their offices, making them yearn for the external manifestations of loyalty to their person. Our laws stipulate measures against distortions of the noble behavior which the people expect of their scientists. It seems to us, however, that the impartiality of the law is not enough; a clear humanistic hatred is also needed.

As to coauthorship, as early as 1972 the Bulgarian legislator stipulated in DURZHAVEN VESTNIK, No 63, that "that part of a collective work which is consistent with the requirements of a dissertation, may be submitted if the printed text specifically indicates that it was written by the candidate. Unless the authorship of a work of dissertation, which is part of a collective project, is not specifically indicated, it must be determined on the basis of a written statement, drafted by all authors, and certified by the leadership of the respective organization in which it is to be defended." We can sense here a good intention but where are the positive results? We may say that even if a statement of authorship authenticity is demanded for each collective work nothing could be achieved, for the immoral pest will force the necessary people to sign. Let us assume that such is the case. However, this will nevertheless hinder the perpetrator. Let bureaucracy be a hindrance not only to the honest working people but to him also. One could demand for each scientific publication by a Bulgarian author a description of what specifically each one of the coauthors has accomplished. The scientific parasite is usually a coward. He will be afraid if the necessary social intolerance has been developed. The latter can be achieved very easily without any material or monetary costs. Mass organizations exist in all scientific institutes and establishments. Suffice it for them to begin to feel that the question of false authorship and private enterprise in science

is not marginal or secondary but fatally important to the development of Bulgarian science. The proper solution of the problem is one of the levers for accelerating the creative activeness of all scientists. In turn, this will enable us not only to apply developments faster but also to create that which is to be applied.

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SOCIOLOGY

GERMAN DEMOCRATIC REPUBLIC

PROGRESS, GOALS OF LITERATURE TOUTED

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pp 850-855

[Article by Klaus Hoepcke, deputy minister of Culture, head of the Main Administration for Publishing Houses and the Book Trade: "Literature Which Promotes Progress"]

[Text] Does our contemporary literature compare with things written earlier and elsewhere? That is what a reader asks himself today who, especially in our country, knows how to select what he will read. He has his expectations. They have evolved through dealing with books, and with people. He regards the creators of literature of all times as his partners of thought. Through unspoken and quiet dialogue with them the reader wishes to reach the point of comprehending the past and mentally and morally coping with the tasks and contradictions in contemporary and future life. It makes sense then that with special demands he seeks to consult the authors who live at the same time and in the same country as he does. Alongside their readers, authors likewise are asking themselves--not only beginning ones but even those with experience--: Shall we prevail with what is new and is our own in our works? Have our stories perhaps something in them that had not been seen and thought, found and invented just like here?

GDR authors and publishers could and can brave such a comparison with confidence, without being smug about it. With confidence because they are fencing with their pens in a movement that promotes social development. Something new is happening in the progress of mankind, and they are taking part in it. Without being smug about it because there remains the question of how that which is new is being reported and how one is struggling for that which is new through art: to what degree with talent, gripping, and in persuasive conflicts and characters. Today we are experiencing it most clearly: Further developing the developed socialist society and safeguarding peace, that provides a mental field of tension filled with inducements for writing. Literary achievements also always depend on very personal traits and capabilities of the authors, mainly on the strength of their moral demands, their world-outlook, and their artistic talent, culture, and creative capacity.

Ardent Fellow-Combatants of the Workers Class

We live in peace yet in a situation of its being utterly threatened. Comprehending the whole scope of such extreme contradiction in life is not easy for anyone. Literature can help becoming more conscious of that situation and correctly reacting to it. It is, after all, not merely a matter of facing, through warnings, the dread of a nuclear catastrophe but--and this above all--strengthening trust in life, confidence, and readiness for action, so that the catastrophe is prevented and the way can be paved for a peaceful future for the peoples. As Comrade Erich Honecker has said: "The responsibility of a socialist artist accords only with the position of an active fellow-combatant who carries the ideas of peace and socialism into the masses with the means at his command."¹ Authors and publishers in our country have often proven themselves in this sense. The latest eloquent testimonials for how they are at work as ardent fellow-combatants of the workers class are the anthologies, dedicated to the 11th party congress, "Zeitgenossen" [Contemporaries] from Neues Leben publishing house, "Auf du und du. Neuigkeiten vom Alltag" from the Mitteldeutscher Verlag, and "Dichter im Frieden. 100 Autoren der DDR. Ein Foto-Lese-Buch" [Poets in Peace--100 GDR Authors--A Photo Book with Texts] from the Aufbau Verlag.

In reading those compendia and many other separate publications penned by the authors, male and female, in our republic one feels touched by the yearning and love for peace, the steady service to peace as the fundamental trait of those people, who recount episodes from their lives, as the most important political-poetical character feature of those authors. So they are fulfilling a legacy of Anna Seghers attached as epigraph to "Dichter im Frieden." Returning from exile, one had shown her in Sweden a copy of her novel "The Seventh Cross," published after the war by the Aufbau Verlag. Years later still she confessed "to be glad about it. For simultaneously with the peace there began the book's share in peaceful, antifascist, and anti-imperialist thinking. Much has been done. More remains for you to do."²

Page after page one senses that what Hermann Kant remarks in the preface to "Zeitgenossen" is true: the GDR literature has from the start and until today "explicitly and deliberately taken part in social change."³ Often, close to life, the authors are portraying people amidst us, some born right into our time and others who fought for it and helped build it.

Take Jurij Brezan who writes about a man with seven children, who grew up under Nazi rule in a small village, would attend school by walking both ways, 3 kilometers, in wooden slippers, looking for something to eat while walking; became a bricklayer, then a farm machinery mechanic, built a house with his own hands for himself, his wife, and his seven children, "a one-family house built by one family," and then let himself be trained as an electric welder and rates as one of the best in his plant. He never rested, always has he done something useful for his family, his village, his society, and has thought about how one thing or another could be made to work better.

Under the title "Paule, Tob und Ada," Waldtraut Lewin tells of today's life of Paule Mutzbach, who took part in the Spanish Civil War. He lives in a small refurbished apartment. Mrs. Ada and the boy Tob visit him regularly. She,

commissioned by the People's Solidarity, takes care of his household and thereby honors the antifascist in her own way. Tob is assisting her and is fascinated listening to Paule when he brings up things of the past, explains how it all connects with today, or answers Tob's questions. Paule Mutzbach helps Tob in his homework and is his model too.

These authors have rallied to discovering and writing down what is remarkable and significant in our ordinary life. Many contributions deal with the topic of work. One reads of the brigade chief Kopilow and the tapper Kalle, of a line constructor and a female worker. How they cope with what is demanded of them day after day, how they help surmount hardships, what problems they have in the plant and at home. There is talk about responsibilities, moral attitudes are evaluated, world views are discussed, art as well. Even it is sometimes only the little things that are put in words, the connection with the large things is not lost here either. In one of his "Selbstermunterungen" [Self-encouragements] in 1981, Erwin Strittmatter wrote: "I sense there is a great truth ranging into eternity, and there are every-day truths, yet I do not live in the great truth if I ignore the every-day truths."⁴ The unity between the truth of the century and the truth of ordinary life--the GDR writers are on its track.

The Active, History-Shaping Man in the Center

Continuing along the destinies and utterances with which one becomes acquainted this way, one reflects this way: How can literary means help today so that more and more people help bring about the needed coalition of reason for safeguarding peace worldwide, especially on the European continent? How can the publishing of fiction support the policy of dialogue by which one tries to cope with the great science and art of learning to live with one another, while the positions and values of socialism must not be surrendered but preserved and further reinforced--in the international correlation of forces and the network of political interests, in economic collaboration as on the battlefield of ideologies and in cultural exchange? All this because it is necessary for the sake of the peace-causing strength of socialism and serves the further implementation of the ideals of social justice.

An answer valid for the long run and prospects to such questions was given by Erich Honecker in the SED Central Committee report to the 11th party congress, when he reiterated the answer he had given already in 1984, saying that "works of art are needed which strengthen socialism and make aware of the greatness and beauty of what has often been achieved with difficulties, works of art in the center of which stands the active, history-shaping man, without whose energy the new society would no longer be possible."⁵

Manfred Wekwerth has found a proportion for this his work and that of his colleagues in the arts in relation to the art requirements proceeding from social requirements: "Greatness and beauty are here described and demanded not as finished results, as givens or gifts, but as processes in which man's modifying activity always is perceptible." And the biggest transformation of the productive forces which we are currently experiencing "differs from all previous industrial revolutions in that it--figuratively--not only lengthens the arm of man but deeply enters his thinking and hence into all domains of human activity and human consciousness."⁶ It amounted to significant support

for the GDR writers that already prior to the party congress, at a board meeting of their association, Kurt Hager directed their attention to the question if and how in our literature the intricate economic processes--including those in the responsible activity of the combine directors, plant managers, and other managers--are reflected that signify the penetration into social virgin territory, reveal the essence of socialism, and signal men's fighting stance, as they unconditionally struggle for socialism. Literature, so it was said, could contribute to the creative climate that is required if science is to become ever more effective as a productive force and the scientific-technical revolution is to be linked ever more effectively with the advantages of socialism.⁷

Hans-Joachim Hoffmann, reflecting on culture in our party's social strategy, reminded us of the "fundamental task art has to establish trust in life."⁸ It is within this spirit also what Hermann Kant said about for what and against what the socialist author writes today: "He writes for what gets us ahead. In fact, he writes for a just and peaceful life." And then: "If he belongs to my party, he writes against anything that would prevent socialism from being socialism. And he writes against anything that thwarts men's humanity."⁹

A Storehouse for New Vital Wisdom

The term of the active, history-shaping man is known to evolve from the many live women and men who through their everyday acts affect the course of history. These are people with names, addresses, and faces. To become well acquainted with those among them who are especially much involved in the progress of our society is the desire of many authors. They want to track more of that process or make it subject to experience through art which is referred to as the comprehensive intensification of the economy through a speed-up in our scientific-technical progress. In this sense it is a gratifying initiative of the writers' association to establish steady ties between authors and a number of industrial combines. Therein lies the core of virtually unlimited endeavors in establishing live contacts with all sorts of different sectors of real socialist life.

He who is seeking examples of active people who in their own way are co-shaping our history--especially that which is still ahead--should also keep returning to the materials of the party congress. Then he encounters Petra Lippmann from Schwarza, Thuringia. She is working in the Wilhelm Pieck Chemical Fiber Combine. Together with other young people, and by making use of microelectronics, she has helped introduce by using means available, the top technology of fast-speed spinning of polyamid silk. That made erecting another enterprise with 1,500 workers redundant. What was the general lesson Petra learned from her experience? That it is important to turn top achievements everywhere into permanent achievements.

Or he may meet the youth brigade chief Juergen Homuth. He is among the "Korchagins" of today. Some 4,000 kilometers away from their home at the 12 large construction sites of the Central Youth Project "natural gas pipe line," between the West Ukrainian Carpathians and the Urals, they take care of the natural gas supplies for our republic and for the Soviet Union. They have

already shifted 523 kilometers of a large pipeline, equivalent to the stretch from the Warnemuende lighthouse to Inselberg. An achievement which also in a very direct sense reminds us of the heroes in Nikolai Ostrowski's novel "Wie der Stahl gehärtet wurde" [How the Steel Was Hardened], who in turn were shifting railroad tracks at some important sector. Through their work Homuth and his peers are reinforcing our German-Soviet friendship alliance. "To us that means," as the brigade chief puts it, "to fulfill our tasks under any conditions--in freezing cold, under a scorching sun, or knee-deep in mud . . . even if under three pairs of gloves the fingers turn numb and yet the work permits no standstill."

Of Marita Koch, also found among the party congress speakers, it is known that she belongs to the fastest sprinters in the world. Yet is one also aware of the principles by which she lives? "When one wants to achieve much one first must set high criteria for oneself," she says. And then there still is another conclusion she has derived from her imaginative and successful search on unfamiliar courses in training: "How could one achieve something new if one never tried anything new? Someone following only in the footsteps of others can win nothing."

The Rostock construction worker Klaus-Dieter Krohn helps build or modernize apartments through the "FDJ Berlin Initiative." There he has learned channeling his good intention "onto the proper organizational courses" to build still more, better, faster, and cheaper. To reach the top once, he says, is only "half the mite, still only a wayside station in climbing new heights." Meanwhile the collective he is managing became the initiator of the peace shifts in the GDR economy on the occasion of 1 September.

Here we only referred to four young people who spoke at the party congress.¹⁰ They represent some ten thousands to whom acting like this is an everyday event. It involves hundreds of thousands, even millions, if we consider that it ought to become ordinary to act as they did. Perhaps one author or another can be induced to explore paths through life that would lead to such fruitful combinations between wealth of ideas and creative action.

At some spots these contributions reminded me of their counterpart: Sayings of olden times, as members of the nobility might for instance eternalize them on coins. Reasonable insights were pressed on them too, of course. Yet it is conspicuous how often one runs into statements asking for subordination and fatalism. "An dess Herren Segen Ist alles gelegen" [God's blessings alone suit me to the bone], so reads an entry, for example, of 1619 in an album that belonged to Ernst Margrave of Brandenburg, and "Elend nicht schadt, wer Tugend hat" [Distress does not hurt you when you have virtue] one could read on medals and burial coins of not a few dukes in those days. How different though are the maxims of young people of our country! Each ruling class has lead motives in its ideology, its fundamental view of life. For the workers class that rules in our country it is a good sign that its youngest members also express wisdoms of socialist living in a concentrated fashion. The counsel their sayings can give them stems out of their own deeds. And much as their words contrast with most mottoes of the princes of yore, they splendidly fit into the collections of proverbs, aphorisms, and epigrams that are permanently preserving the wisdom of the people and its best thinkers.

Questions on Ideological Evaluation

Bringing up in books problems newly arising in life, whereby to contribute to have them understood in public, therein lies one of the strong points of our literature from its very beginning. During recent years also it remained loyal to that tradition. That the practical implementation of socialist ideals takes longer than one had sometimes assumed is something that we know today. With that knowledge many authors address ordinary issues even more. They seek to present aesthetic choices for possible solutions of contradictions and conflicts that have to be coped with in life. What seems worth reflecting about to me, however, is that the evident gain in realism and of the details of our life, conflicts, and contradictions is not always connected in our books with an appropriately deep ideological evaluation and with viewing all of reality and the relation between the achieved and the still to be achieved.

How much spirit and character those people own who are opening to us dimensions of the future, the 11th party congress has vividly shown, and not only in the speakers who took the floor there. It has clearly articulated this matter above and beyond it, in general terms: "In the bold thrust into scientific virgin territory, which always comes with some risk, no myopia must be permitted. Still today the top achievements in science and technology are sustained by people distinguished by creative curiosity, critical imagination, extraordinary diligence, and a cooperative working style. Top achievements call for top capacities."¹¹ The literature of socialist realism looks at how people with such exemplary traits develop and how favorable or unfavorable the conditions are that surround them. If someone wants to explore that through artistic means, he must not let it go at superficial observation. In penetrating the problem more profoundly, he thrusts into philosophy. He must become cognizant of the relation in our socialist society between the subjective chances of the individual to take an influence on the course of things and the objectively conditioned circumstances with their inherent "constraints." One contradicts the truth, it seems to me, if one makes circumstances omnipotent or superpowers instead of explaining how a dialectic, as recognized by Karl Marx, can prevail under socialist conditions in an unprecedented manner: the "coincidence of the changing of circumstances and of human activity" or the changing of the self which, as Marx continues, can be "grasped and rationally understood only as a revolutionary praxis."¹² Not rarely the same circumstances cause some persons to let themselves go while they induce others to dedicate themselves more yet to social progress. Have there not been hundreds of socialist authors who helped their readers along by revealing motives for their heroes' progressive behavior--in their public and personal sphere of life, in dealing with their next of kin as in what they did in the economic field or in settling political problems?

An individual and the circumstances he changes while they change him in turn--an author's and anybody else's manner of looking at this relation is determined above all by the observer's ideological position.

For a literary work that is party-minded, pertinent to the people, and full of socialist ideas, that problem stands in interaction with a number of further issues. What inferences are made from the intricacies of the world

of today: Does the author approach them in the spirit of their being comprehensible? Or does he write in a manner that would put him and his readers in a mood to take the world as incomprehensible? History and present times are rich in zigzag motions; reversals and temporary setbacks of the progressive forces pain us. Does the author have the capacity to see and shape humanity's rise to higher modes of existence regardless? Or does he succumb to the notion that all of human history is only an eternal recurrence of the absurd? Does he think, in despair, that all men are capable of is, essentially, afflicting one another again and again, even in fluctuating changes of fashion, by doing each other as much harm as possible, be it through murder and manslaughter or through mental torment? And then there is still something else that marks off the socialist realist from many of his bourgeois colleagues: He is not deadened by believing in the impotence of man. He, rather, is bent on exploring, presenting, and promoting what Bertolt Brecht has called the "chance to master the human destiny through society."¹³ So literature brings it about to awaken in man a revolutionary relation to reality, one that causes practical changes in the world. Therein it was that Maxim Gorki saw the essential mark that a proper socialist literature distinguishes from other literary currents.¹⁴

It is gratifying that the awakening of a revolutionary relation to reality of which Gorki spoke reaches readers in our country through a variety of artistic modes of expression. The wealth of forms in literary genres is being more broadly used than in the past. That is a development that should in the future be promoted as well.

For providing effects for all that which the authors in our country are producing together with their publishers it is very important how the receptivity of our socialist society develops to the word of literature. The 11th party congress raised the point that in approaching works of literature and art we always pay attention to "their aesthetic peculiarity and mode of effect."¹⁵ That calls for open-mindedness to innovations. And that welcomes innovations in art not only in the substantive sense, but also in the testing of aesthetic means. Something initially unusual need not be alienating for good. What has to be discovered is the interaction between innovative attempts in an artistic form and the endeavor to say something substantively new. If that results in critically unworthy trash, it should not be cloaked with a "love for art," of which it would merely be a pseudo-demonstration. Yet when we find an achievement that commands respect we should not hesitate in expressing it.

FOOTNOTES

1. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED" [SED Central Committee Report to the 11th SED Congress], Dietz publishing house, Berlin, 1986, p 70.
2. Anna Seghers, "Dichter im Frieden," Aufbau Verlag, Berlin and Weimar, 1986, p 5.
3. Hermann Kant, Foreword to "Zeitgenossen," Verlag Neues Leben, Berlin, 1986, p 6.

4. Erwin Srittmatter, "Dichter im Frieden," p 61.
5. Comrade Erich Honecker, op. cit., loc. cit.
6. Manfred Wekwerth, "Art that Enriches Our Feeling and Thinking," NEUES DEUTSCHLAND, 20 April 1986, p 10.
7. Cf. Kurt Hager, "Problems of Cultural Policy Prior to the 11th SED Congress," NEUE DEUTSCHE LITERATUR, No 1, 1986, pp 19-20.
8. Hans-Joachim Hoffmann, "Culture in Our Party's Social Strategy," EINHEIT, No 7, 1986, p 657.
9. Hermann Kant, "Writing for What Moves Us Ahead," NEUES DEUTSCHLAND, 21 April 1986, p 11.
10. "Petra Lippmann's, Juergen Homuth's, Marita Koch's and Klaus-Dieter Krohn's Statements from the Floor at the 11th Party Congress," NEUES DEUTSCHLAND, 19 and 20 April 1986.
11. Comrade Erich Honecker, op. cit., p 57.
12. Karl Marx, "Theses on Feuerbach," "Werke" [Works], Vol 3, Dietz publishing house, Berlin, 1958, p 534.
13. Bertolt Brecht, "Socialist Realism in the Theater," "Schriften zum Theater" Vol VIII, Aufbau Verlag, Berlin and Weimar, 1964, p 341.
14. Maxim Gorki in one of the major papers given at the first USSR Writers Congress, NEUE DEUTSCHE BLAETTER, Prague, Vienna, Zurich, Amsterdam, No 12, 1934, p 718; cited from photomechanical reprint put out in 1974 by the Ruetten & Loenig publishing house, Berlin.
15. Comrade Erich Honecker, op. cit., p 70.

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