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19 AUGUST 1986

EAST EUROPE REPORT

CONTENTS

AGRICULTURE

GERMAN DEMOCRATIC REPUBLIC

- Agra-86 Exhibits Advanced Technology, Cites Production Growth
(DEUTSCHE BAUERNZEITUNG, No 26, 27 Jun 86) 1

ECONOMY

GERMAN DEMOCRATIC REPUBLIC

- Mid-Year Results Released on 1986 Economic Plan Fulfillment
(NEUES DEUTSCHLAND, 19-20 Jul 86) 8
- Prospects Viewed for Foreign Trade in 1986-90 Plan Period
(Maria Haendke-Hoppe; FS ANALYSEN, No 2, 1986) 38

HUNGARY

- Cartoon Commentary on 1986 Plan
(LUDAS MATYI, 9 Jul 86) 48

POLAND

- Flaws Seen in Approaches to Personal Income Statistics
(Marian Wisniewski; ZYCIE GOSPODARCZE, No 26, 29 Jun 86) 51

YUGOSLAVIA

- Economist Castigates Government Agrarian Policy
(Dragan Veselinov; EKONOMSKA POLITIKA, 30 Jun 86) 59

Month-Long Rains Expected To Reduce Wheat Harvest
(BORBA, 26-27 Jul 86) 62

Briefs

Croatian Wheat, Procurement 63

MILITARY

GERMAN DEMOCRATIC REPUBLIC

FRG Journalist Reports on Visit to GDR Troops
(Theo Sommer; DIE ZEIT, 27 Jun 86) 64

POLITICS

GERMAN DEMOCRATIC REPUBLIC

FRG Commentator Assesses SED Congress, Honecker's Future
(Peter Jochen Winters; DEUTSCHLAND ARCHIV, No 6, Jun 86) 69

HUNGARY

Cartoon Commentary on People's Right to Information
(LUDAS MATYI, 1 Jul 86) 73

POLAND

Politburo Members Address 10th Congress on Various Issues
(RZECZPOSPOLITA, 4 Jul 86) 75

Glowczyk on Work of Issue Task Forces, by J. Glowczyk 75

Czyrek on Party Program, by J. Czyrek 81

Porebski on 10th Congress Resolution, by T. Porebski 84

Mokrzyszczak on Letters to Congress, by W. Mokrzyszczak 87

ROMANIA

Book by Deputy Defense Minister Ceausescu Reviewed
(Corneliu Vadim Tudor; SAPTAMINA, No 29, 18 Jul 86) 89

Dangers of 'Noninvolvement' for Countries, Individuals
(I. Peles; ORIZONT, 25 Apr 86) 91

Mainstream Poet Responds to Literary Critic
(Corneliu Vadim Tudor; SAPTAMINA, No 24, 13 Jun 86) 94

Place of Music in Contemporary Art
(Al. I. Fridus; CRONICA, No 23, 6 Jun 86) 97

YUGOSLAVIA

Legal Private Retail Trading Advocated
(NEDELJNE INFORMATIVNE NOVINE, 25 May 86) 101

Commentary Decries 'Witch-Hunting' Effort
(Dragan R. Markovic; DUGA, 31 May 86) 103

SOCIOLOGY

CZECHOSLOVAKIA

Party Daily Reports on First National Rock Festival
(Zdenko Pavelka; RUDE PRAVO, 3 Jul 86) 104

/9986

AGRA-86 EXHIBITS ADVANCED TECHNOLOGY, CITES PRODUCTION GROWTH

East Berlin DEUTSCHE BAUERNZEITUNG in German No 26, 27 Jun 86 pp 3-5

[Text] Bugles blared out the signal into the young summer day. Erich Honecker cut the ribbon and thereby opened the "agra 86." A few minutes earlier, upon entering the exhibition grounds in Markkleeberg, the general secretary of the SED and chairman of the State Council was cordially welcomed with a bouquet of flowers from the FDJ member Gabriele Tschada, production manager in the Taubach-Oberweimar LPG [agricultural producer cooperative]. There was applause from the many visitors, cheers for the general secretary and repeated congratulations on his reelection as chairman of the State Council.

Erich Honecker was accompanied by SED Politburo members Werner Felfe, Joachim Herrmann, Werner Jarowski, Guenther Kleiber, Egon Krenz, Werner Krolikowski, Erich Mielke and Guenter Mittag; Politburo candidate Margarete Mueller; Dr Ernst Mecklenburg, deputy chairman of the State Council and chairman of the Democratic Peasant Party of Germany; Dr Hans Reichelt, deputy chairman of the Council of Ministers; and other personalities.

In a short opening speech, Bruno Lietz, minister for agriculture, forestry and foodstuffs, had affirmed that the cooperative farmers and workers will put their best efforts into the realization of the decisions of the 11th SED Congress. The activities that they are involved in to increase the pace for better performance and improved efficiency in accordance with the demands of the new stage of the economic strategy are, according to the minister, demonstrated in a convincing manner by the 400 collectives with exhibits at the "agra."

High Goals Sought in Competition

The first station on the tour is Hall 1, which gives a representative description of the successful policies of the party of the working class as well as of the performance and goals of agriculture, forestry and the foodstuffs industry and of life in our villages. Here Werner Ruge, chairman of the Bentzin LPG, explains what demanding projects the 571 cooperative farmers and workers of this cooperation in Demmin District [Kreis] are seeking as competition initiators in the year of the party congress. In plant production, for example, the 40's soil is supposed to yield 62.5 grain units ,

including 53.5 decitons [1 dt = 100 kg] of grain per hectare and 300 dt of potatoes. "We farmers," says the LPG chairman, "do not like to talk about yields before we have them in the sack but after inspecting the fields we had the impression that our harvest will be outstanding."

Computer-Aided Storage Irrigation

The stand of the Lewitz Plant Production VEG [state farm] in Ludwigslust District deals with the progress in the area of irrigation and overhead irrigation. The 11th SED Congress has decided to continue the extensive program under which the irrigated area in the GDR has already been expanded to 1.1 million hectares and thereby to be especially oriented toward simple procedures and a greater efficiency of the systems. An outstanding example of this is presented by farm director Albert Paulokat. Since the Eighth SED Congress, they were successful there in expanding the irrigated area from 5 to 37 percent of the useful area and in increasing the yield from 30.4 to 44.4 grain units per hectare. The introduction of the "computer-aided system of storage irrigation works" here helped in the efficient use of water--saving 20 to 30 percent relative to traditional operations--and in increasing labor productivity by 50 to 100 percent. It makes possible a precise adjustment of the works in accordance with the data of the meteorological service, the ground water level, and the demands of crop cultivation.

Similar effects result from the application of a computer-aided system for the operation of overhead irrigation works as demonstrated here by Prof Dr Gerhard Breitschuh from the Research Center for Soil Fertility in Munchenberg. It was developed jointly by scientists from the Soviet Union and the GDR. It is currently being used on 357,000 hectares here and on 1.1 million hectares in the USSR.

Initially Like the Ox Before the Barn Door

The path of the delegation to the part of the hall that reflects the cultural and social achievements in our rural communities goes past computer workplaces where "agra" visitors can train themselves and past robots and automatic machines--equipment that is also being used more and more in agricultural production.

Lass in Oschatz District is presented as a beautiful socialist village. Siegfried Burkhardt, the chairman of the LPG, reports to the general secretary how the community council, the social forces and both LPG's are working together in all parts of the site. In the last 5 years, then, it was possible to improve living conditions for half of the 1,023 citizens through new buildings and modernization and to establish a youth club, supermarket and a BHG [peasants' trade cooperative] trade installation. This progress is based upon the high production volume in the cooperatives, whose fields produce, among other things, 60 dt of grain per hectare, 300 dt of potatoes and 400 dt of sugar beets, and over 5,000 kg of milk per cow in animal husbandry.

At the stand of the "Am Greifenstein" production cooperation group, the chairman of the State council again encounters Gottfried Drechsel, who recently spoke at the constituent assembly of the People's Chamber for the

newly formed group of the Peasants Mutual Aid Association. He describes how his Dresden LPG and the entire cooperation are progressing through an elaborate socialist enterprise management that also includes the latest techniques and methods. The experienced agricultural specialist relates with humor how at his age he made himself familiar with the up-to-date methods for computer-aided stock control, fodder planning and rationalization as well as for plan fulfillment analysis and accounting for plant production. "To be sure, after 30 years as an LPG chairman, I initially stood like the ox before the new barn door but I soon learned to handle the computer as well."

At the Stands of the Fraternal Countries

Through a lane of waving "agra" visitors and past a folk music band, Erich Honecker and the personalities accompanying him come to Hall 2, which is being organized by the CEMA member countries. In the Soviet exhibition section, they are greeted by Juri Balandin, deputy chairman of the State Committee for Agriculture and Industry of the USSR. Among other places, there are also friendly encounters at the stand of the People's Republic of Cuba, where Comrade Erich Honecker observes a dexterous woman cigar maker and then is given the newly manufactured Havana. Or in the exhibition of the CSSR, which is embellished, among other things, with a colorful motorized kite that was constructed for the rational delivery of agricultural chemicals.

After a short trip in the open "agra" bus through part of the exhibition grounds, which show the visitor the outstanding experiences and achievements of socialist agriculture in 60 halls and pavilions as well as 60,000 square meters of demonstration area, the delegation enters Hall 20. Here the chairman of the State Council and his attendants familiarize themselves with the latest situation in the application of key technologies in agriculture, forestry and the foodstuffs industry.

The Agronomist Confers With the Computer

Prof Dr Peter Kundler, director of the Research Center for Soil Fertility in Muencheberg, explains how the introduction of microcomputer technology will fundamentally change the work of the agronomist in the coming years. He will then be in a position to control the processes in the soil and in the crops with computer support. Parts of the production system, which will be completely worked out by 1987 under the management of the research center, are currently undergoing practical testing. So it is at the Lindenberg State Farm in Beeskow District.

Its director, Dr Kurt Ressel, reported on the first experiences. To be sure, a precondition for the work with this modern production system is equipment newly developed by industry for the automated analysis of the condition of the soil and plant substances. The ADM 300 automatic analyzer set up here, for example, represents a sort of fully automatic laboratory with which the amount of individual plant nutrients in the soil can be determined substantially more precisely and in one-third of the time needed using traditional methods.

Microelectronics Introduced in the Stalls

In Hall 20, the computer-aided workplace of the zoological technician of a dairy cattle facility is set up as the counterpart to the Muencheberg system. The production control and steering system upon which it is based was developed jointly by science, industry and agricultural enterprises under the control of the Iden-Rohrbeck Institute for Cattle Production. This CAM solution makes possible an electronic identification of individual animals, the automatic control of milk quantities and live weight, the efficient use of fodder, and rational health and fertility control. In this way, it is possible to increase the potential output of the animals by 250 to 300 kg per year and to reduce the fodder expenditure by about 5 percent. The parts of this procedure set up in accordance with the building-block principle can also be applied individually and for rationalization.

About the Utility of the Biotechnologies

Finally, through the utilization of on-board computers on combines, microelectronics also helps to increase the output of these key machines and to reduce grain losses. The apparatus EBS 212, whose function is being explained here to the representatives of the party and state leadership, automatically monitors the operational data of the combine, regulates the running speed accordingly, and adjusts the threshing mechanism in an optimum manner in accordance with the indicated losses.

Wilhelm Voelzke, the general manager of the agricultural machinery combine, reports that enterprises of his combine have themselves developed and are producing microelectronic printed-circuit boards to control such systems.

Finally, Prof Dr Karl Kehr from the Academy of Agricultural Sciences informs Erich Honecker on areas of application of biotechnologies. In plant production, in addition to the production of rhizobium compounds that improve the fixing of nitrogen in the air by legumes and thereby lead to an increase of 4 to 7 percent in yields, these are mainly the techniques of cell tissue culture.

In plant breeding, they serve to reduce substantially the time for the creation of new varieties and to use it more efficiently. For they do make it possible to reproduce particularly productive plants quickly and en masse vegetatively in a nutrient substratum in glass vessels using individual plant cells, tissue parts and organs. In addition, breeding material can be kept extremely economically. Thus potatoes can be kept in the form of tiny tubers for more than two years in test tubes.

The next stop is the show of animals in Demonstration Center 400. There, on behalf of the youth collective that looks after this part of the exhibition, the shepherd Heike Naumann cordially welcomes the general secretary.

The Party Congress Made Some Good Decisions

Kerstin Voelzer, FDJ secretary and area manager for young-cattle facilities in the Banzkow Animal Breeding State Farm, who had already met Erich Honecker

as a delegate at the party congress, gives him a bouquet of flowers. In talking with her about what is being shown here, the general secretary ascertains that the decisions made here were good.

In the show ring, where the top animals wait to be presented by their breeders and attendants, Dr Norbert Baum, general manager of the Animal Breeding VVB [Association of State Enterprises], explains that the exhibiting enterprises are doing their best to achieve a high increase in production and efficiency through greater output per animal and are thereby increasingly applying the latest knowledge on breeding and animal nourishment as well as the most up-to-date biotechnics.

High Growth and Slaughter Quality

Next, the most important swine breeds of our country are presented, namely animals of the land breed from the Muecheln State Farm in Merseburg District, the thoroughbred swine breed from the Neuenhagen State Farm in Strausberg District, and the newly bred Schwerfurt breed from the Norhausen State Farm. The fattening hybrids from the Seifersbach LPG in Hainichen District produced by crossbreeding these three sources, for example, show daily weight gains averaging 712 grams--the best performance in our republic.

In the coming years, the highest growth rates are needed in the production of slaughter cattle. This is based on an optimum combination of the milk and meat output for our main breed SMR as well on the provision of spotted beef bulls as sires for the production of fattening hybrids. Two of these products from the Ferdinandshof State Farm in Ueckermuende District presented here by Heinz Scheu, holder of the National Order of Merit in gold, do manage 630 kilograms of live weight.

The Best of All Is the Cow Betty

Likewise meeting with the approval of the visitors are dams of this combination of breeds with their calves and hybrid heifers--a method for producing more beef by utilizing splintered grass land as coarse fodder. Dr Norbert Baum reports on the striving to increase the share of the effective usable crossbreeding from the present 21 percent to 25 percent.

That presupposes the reduction of the reproduction rate in the cow population to 25 percent and the production of high-quality heifers. Dairy cattle with a high lifetime output are also needed. The 60 stock cows presented at this year's "agra" do have this characteristic. With an annual lactation of 8,151 kg of milk with 4.82 percent fat, their average age is 7.5 years and they have a lifetime output of more than 60,000 liters of milk. The absolute best is shown by the well-known breeder Erwin Brade from the Neugattersleben State Farm in Bernburg District. Betty from an output herd has already given 106,000 kg of milk with 4.92 percent fat. That is enough to provide 2,500 people with certified milk for one year.

A similarly vivid example is given by the general manager in presenting the representatives of our most important sheep breeds. The Merino meat ram presented by the deserving breeder Kurt Heinig from the Quedingburg State Farm

provided 7.4 kilograms of pure wool in a year and thus the material for seven men's suits plus a jacket. This comparison is applauded. The conclusion of the attractive animal show includes representatives of our most important horse breeds Edles Warmblut and Kaltblut, which continue to be indispensable in rural sports or as team animals, especially in the forest.

Erich Honecker congratulates the animal breeders on their results and takes leave giving his best wishes for the fulfillment of their competitive goals.

On the way to the "agra" club, there is a cordial encounter with LPG chairman Peter Brueckner from Gierstaedt and Major Alfred Just from Dachwig, whom the general secretary had met during his visit in Erfurt Region on the occasion of the popular elections and who report on the successful municipal policy in their villages in Hall 7.

Thus Science Acts as a Productive Force

At the end, in what has likewise already become a splendid tradition, the members of the party and state leadership meet with deserving women and men of the national economic branch for an exchange of ideas.

Werner Felfe is the first to speak. Today's visit to "agra," he says, is a great honor for us and also an obligation to see that we completely fulfill the tasks that have been given to us. One can rely on the cooperative farmers and workers of socialist agriculture and today and in the future, especially through our performance, we would like to express our thanks for the policy that emanates above all from our general secretary.

The Politburo member thereby points out the close link between the institutes and practice. During the tour, it was again and again impressive to experience the extent to which the researchers have already become farmers and how sovereign the agricultural specialists, in turn, are in dealing with microelectronics. Thus science becomes a productive force and makes it possible for the LPG's and state farms to work more efficiently.

To Bulgaria for the CEFA Championship

The next speaker is a young farm woman in the blue shirt of the FDJ. Numerous readers may recognize her. After all, the DEUTSCHE BAUERNZEITUNG has just recently--pp 8-9 of issue No 23--reported on her again: Elke Biskupek from the Trieb LPG in Auerback District. She was the 1985 DDR milking champion. This time, to be sure, she missed getting the title but did come in second and thus qualified for the CEFA eliminations in Bulgaria in September.

This is what she is now reporting on. The reason that it comes so easily for her, she reveals, is that her collective strives daily for the best results. That has economic benefits as well: they are now more than 100,000 kilograms over the plan and from January to date the average cow has given 175 more liters of milk than last year.

Next to speak is Inge Ziegler, major of Behren-Luebchin in Teterow District. At the 11th SED Congress, she described in a heart-warming way how good we

live in the village when "pitch in!" is the action principle for all. Proceeding from there, she describes how the workers of her community are actively supporting the latest peace initiative in Budapest:

In animal husbandry, the plans have been fulfilled and exceeded in all positions, including the supplementary commitments. A few days ago after inspecting the fields for a second time, the members of the Plant Production LPG raised the goal of the competition by another grain unit per hectare.

Meanwhile, the recognizably successful community head is making no secret of the fact that "agra 86" has shown her how much it is a matter of implementing scientific-technical progress and the experiences of the best and that therefore in the future she will pay even more attention to the comparative performance appraisal.

The engineer Bernd Schulz presents himself as the head of a youth work team of the Wittenberg District Enterprise for Agricultural Machines and Plants who called for competition among all such district enterprises in the republic. So that the cooperatives can harvest the ripened crops without delay, he explains, his team will see to it that "no harvesting machine will remain in need of repair for longer than 12 hours. Our operational readiness continues around the clock!"

The members of the FDJ want to prove themselves at the focal points of production, learn to master key technologies, and thus broaden their capabilities. They have therefore formed a research group that deals with the automatic reconditioning of drive chains for potato harvesters. In addition, the utilization of personal computers is being prepared.

Agriculture With Great Initiative

In responding, Erich Honecker says: "In recent years, we have confirmed that in our state of workers and farmers the farmers are becoming more and more important on account of their active participation in political life and on the basis of their performance. The workplace is an arena for peace. The stronger socialism is, the more secure is peace. We resolved that at the 11th Party Congress.

"We must apply all of our strength to prevent a nuclear inferno. Humanity must survive. This goal was also served by the far-reaching proposals of the Political Advisory Committee of the Warsaw Pact states.

"In the name of the Central Committee of our party, of the State Council and of the Council of Ministers," continues Erich Honecker, "I would like to express heart-felt thanks for the great work of agriculture in past years and for the great initiative that it is showing in carrying out the decisions of our 11th Party Congress. We are determined to carry them out together. Cheers to our farmers and the scientists who work with them!"

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MID-YEAR RESULTS RELEASED ON 1986 ECONOMIC PLAN FULFILLMENT

AU240601 East Berlin NEUES DEUTSCHLAND in German 19-20 Jul 86 pp 3-5

["Report of the State Central Administration for Statistics on the Implementation of the 1986 National Economic Plan during the First Half of the Year"; all tons are metric tons]

[Text] In preparing and implementing the decisions of the 11th SED Party Congress, the workers class, the cooperative peasants, the intelligentsia, and the other working people of the GDR achieved the highest performance increase to date with outstanding labor feats in the socialist competition during the first half of 1986.

Thanks to the creative work of the people, the GDR has made good progress in shaping the developed socialist society. The initiatives of the working people were directed at doing everything to strengthen socialism and thus make peace more secure. Enterprises, institutions, and facilities were honored for outstanding achievements with the award of 253 honorary banners of the SED Central Committee on the eve of the 11th Party Congress.

With its basic decisions the 11th SED Party Congress opened up a qualitatively new stage in further shaping the developed socialist society. Fundamental guidelines for the further implementation of the unity of economic and social policy as the main field of struggle were given in the Central Committee report to the 11th SED Party Congress, which was presented by SED Central Committee General Secretary Erich Honecker.

The progressive spirit of the 11th SED Party Congress characterizes daily work and the rhythm of life in the GDR. The challenges of the SED's economic strategy and the tasks formulated in the 1986-90 5-year plan directive have become the performance guidelines for the working people. In a broad tide of initiatives they accepted new ambitious pledges in the socialist competition, following the example of the VEB Carl Zeiss Jena combine and the slogan "High performances for the benefit of the people and for peace--everything for the implementation of the decisions of the 11th SED Party Congress." These pledges are directed at achieving scientific-technological top performances and at widely applying key technologies.

With their overwhelming approval for the candidates of the GDR National Front on 8 June 1986 the GDR citizens affirmed their readiness to participate actively in the implementation of the decisions of the 11th SED Party Congress. The firm unity of party, state, and people and the reliable alliance of all classes and strata are the guarantee of certain progress.

During the first half of 1986 the dynamism and efficiency of the national economy were further accelerated by means of comprehensive intensification. An essential contribution to this was made by the closer interlacing of science and production. Microelectronics, CAD/CAM [computer-aided design/computer-aided manufacture] technology, modern computer technology, robots, and other key technologies are increasingly becoming the accelerating factor of performance growth. In line with the requirements of the scientific-technological revolution, international top achievements were accomplished in important sectors. Over the short period of 6 months the number of CAD/CAM work units was considerably increased. Tens of thousands of working people have mastered this new technology.

The meetings of Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, with working people in the Erfurt "Karl Marx" Microelectronics VEB, the Soemmerda "Ernst Thaelmann" Robotron Office Machinery VEB, the VEB Carl Zeiss Jena combine, the Gierstadt "Fahner Obst" LPG, and in Karl-Marx-Stadt clearly demonstrated that the GDR is well equipped to meet the demands resulting from the SED's economic strategy with a view to the year 2000.

The activities of the young people in preparing for and evaluating the 11th SED Party Congress impressively showed their close affinity to their socialist fatherland. With the "11th SED Party Congress FDJ Order" the socialist youth association actively responded to the party congress decisions. In the socialist competition the more than 45,000 youth brigades are successfully struggling for lasting best achievements, and the 4,500 young researchers' collectives are striving for top performances within shortest-possible periods in developing and applying key technologies.

The "Beautify our cities and villages--Join in!" citizens initiative initiated new activities for the further improvement of housing conditions and the environment.

The tested socialist planned economy proves itself to be efficient, dynamic, and flexible. The measures for improving management, planning, and economic cost accounting effectively support the implementation of the economic strategy. The combines, which are the backbone of the socialist planned economy, are meeting their pronounced responsibility to the national economy increasingly better. In close alliance with science, they were able to struggle successfully for international top achievements in important fields. It was highly important that it was possible to sustain the dynamic economic growth even under the long-lasting extreme winter conditions.

Corresponding to the spirit of socialism, economic progress secured the material and cultural standard of living of our people and raised it further. The unity of economic and social policy, which positively affects every family, has deepened the citizens' experience that good work pays, for society as well as for the individual. As a result of the continuation of the housing program, housing conditions improved for 315,000 citizens. On 4 June 1986 the 2-1/2 millionth apartment since 1971 was handed over to a workers family from Karl-Marx-Stadt in the presence of Erich Honecker.

Another expression of social protection lies in the new sociopolitical measures that came into force on 1 May 1986 and that concern the promotion of families with children and young couples. Social security and certainty in the future, full employment, and the increasing welfare of the people characterize the life of people in the GDR.

The socialist communal policy effectively influences all aspects of social life in the cities and villages. Through the local state organs' close cooperation with enterprises and cooperatives, the opportunities of regional rationalization as the main path toward creating favorable conditions for reproduction as well as for good working and living conditions were better utilized.

By implementing the decisions of the 1984 economic talks of the CEMA member countries at the highest level, the GDR made an active contribution to deepening and developing socialist economic integration. Proceeding from the decisions of the 11th SED Party Congress and the 27th CPSU Party Congress, as well as the meeting between the SED leadership and the CPSU delegation headed by the general secretaries of both parties' central committees, Erich Honecker and Mikhail Gorbachev, fraternal cooperation between the GDR and the USSR was further deepened. It is more and more characterized by the requirements of intensification. A particular role is played by the development and application of key technologies and by the production of goods with top scientific-technological standards. This introduces further steps for the implementation of the "long-term program for the development of cooperation between the GDR and the USSR in the fields of science, technology, and production up to the year 2000."

The economic tasks for ensuring the defense capability and domestic security and order were comprehensively fulfilled as an integral part of the economic policy of the socialist state.

In implementing the 1986 national economic plan during the first half of the year the following main results were achieved: (Footnote 1)
(preliminary data)

--National income was increased by 4.3 percent compared with the same period last year. All fields contributed to the development of the national income by a high growth in performance and effectiveness. With 75 percent, industry made the largest contribution to this increase.

--The stable and dynamic development of the national economy was continued by means of comprehensive production intensification in the broad economic utilization of scientific-technological achievements at an accelerated pace.

Almost all of the national income increase is a result of raised productivity. Particularly important for this was the accelerated increase of labor productivity in industry by 8.6 percent.

Production input was reduced by 2 percent per unit of national income. Production growth was ensured while reducing unit input of economically important raw materials and other materials by 3 percent.

As an integral part of the socialist competition M4.6 billion worth of material and financial funds were returned to the state bank by means of checks in the "return funds to the state--contribute to the national income" initiative.

The economic performance growth is increasingly due to the results of science and technology. About 3,000 new products, processes, and technologies were introduced into production. The scientific-technological potential was more intensively concentrated on the broad application of key technologies. Production of office and personal computers increased by 112 percent. Compared with the first half of 1985, 30 percent more monolithically integrated circuits and 19 percent more optoelectronic semi conductor component parts were manufactured. Production of industrial robots increased by 17 percent. More than 16,000 CAD/CAM work units are currently used in the national economy.

With M50 billion the production volume of newly developed products was 10 percent above that of the same period last year.

In the sector of the industrial ministries prime costs per M100 of goods production were reduced by 2.1 percent. Prime costs per M100 of production in the construction sector also decreased by 2.1 percent.

Unit input in the national economy's transport sector was reduced by 5 percent.

The utilization period of important production equipment rose by an average of half an hour per calendar day compared with the first half of 1985.

In the sector of the industrial ministries in-house production of rationalization equipment increased by 19 percent.

M29 billion were invested for modernization, reconstruction, and expansion of the material-technical base of the national economy according to plan and for continuing the social policy. In the production branches 57 percent of the investments were used for rationalizing and modernizing existing basic assets and for more intensive development and more widespread utilization of key technologies.

--All sectors of the national economy successfully contributed to the dynamic development of output and effectiveness:

In industry net output rose by 8.6 percent, and industrial commodity output increased by 4.3 percent. In the national economy as a whole, industrial commodity output rose by 4 percent.

In the sector of the Ministry of Construction net output increased by 6.8 percent. Labor productivity was up 7.4 percent.

In agriculture the state procurement plan for animal products was over-fulfilled with regard to slaughter animals, milk, and eggs.

State procurement of slaughter animals rose by 2.5 percent, that of milk by 5.1 percent.

The railroads transported 133 million tons within the country. During the first half of 1986 another 111 km of railroad track were electrified.

--The material and cultural standard of living of the people was secured on the basis of the considerably increased output capacity of the national economy:

In implementing the housing program, housing conditions for 315,000 citizens were improved by newly constructing and modernizing 105,096 apartments. Building repairs in apartment houses, which were carried out by the kreis-administered construction sector, rose by 10 percent, thus exceeding the plan.

In accordance with the increased output in the economy, net money income of the population increased by about M3 billion.

The combines and enterprises of the national economy supplied the population with M1.3 billion worth of finished goods in excess of the plan, calculated in retail prices. Retail trade turnover rose by 4.4 percent; retail trade turnover of industrial goods increased by 6.1 percent.

Services and repairs for the population were increased by more than 5 percent.

In public education, material conditions for the care and education of children and adolescents improved due to the construction and remodelling of 584 classrooms, 58 school gymnasiums, and 8,063 kindergarten places.

In the university sector about 400 places in student hostels were established in order to improve the working and living conditions of the students.

The creation or reshaping of 240 workplaces for physicians and dentists contributed to further improving basic out-patient care for the population. For older citizens 421 places in retirement homes with nursing stations were finished.

The "Sports Festival and Spartakiade Relay" gave new stimuli to the further development of physical culture and sports. GDR sportsmen won 20 gold medals, 23 silver medals, and 31 bronze medals in world and European championships.

Intellectual-cultural life was fully marked by the 11th SED Party Congress. As a cultural festival of the trade unions for socialism and peace the 21st GDR workers festival in Mageburg Bezirk became an impressive show of the achievements of the people's creative powers.

--Foreign trade relations were further consolidated and developed. Export surplus amounted to 1.8 billion valuta marks. Foreign trade turnover with the socialist states reached 59 billion valuta marks. This is two-thirds of the GDR's total foreign trade. Foreign trade turnover with the USSR, the GDR's largest trade partner, amounted to 35 billion valuta marks.

Important progress was made in further shaping the GDR's capital city Berlin as a political, economic, scientific, and intellectual-cultural center of our republic. Berlin's industrial enterprises achieved above-average dynamic growth of net production by 8.9 percent through comprehensive intensification. Labor productivity was raised by 9.6 percent.

The Berlin construction workers, together with building collectives from all bezirke of the republic, made an essential contribution to the further shaping of our socialist metropolis, mainly within the "Berlin FDJ Initiative." Through the building and modernizing of 14,894 apartments, housing conditions were improved for another 40,000 citizens. The presentation of the Marx-Engels Forum and the Ernst-Thaelmann Park with its residential area on the eve of the 11th SED Party Congress was a highlight of social life. The work on the most important construction project in the inner city, the Friedrichstrasse/Otto-Grotewohl-Strasse investment project, was continued according to plan. During the first half of 1986 the expansion of the Berlin East Railroad Station to a central station and the extension of the E subway line to Berlin-Hellersdorf were carried on continuously.

I. Science and Technology

As a result of numerous initiatives, workers and cooperative peasants, scientists, engineers, and young researchers industriously and energetically concentrated their strength on the scientific-technological progress. In the first half of 1986 the planned tasks of science and technology were overfulfilled. The increase of labor productivity and the decrease in production input are based on a growing share of top scientific-technological achievements, in particular in the development of micro-electronics, the use of flexible automated manufacturing systems and industrial robot technology, the accelerated introduction of CAD/CAM solutions, as well as new industrial materials and highly efficient technological processes.

The renewal of the production range was felt increasingly in the increased efficiency and quality of production, as well as in exports. At M50 billion the production volume of newly developed goods was 10 percent higher than in the same period of last year. In the first half of 1986, altogether about 3,000 new products, processes, and technologies were applied in production. In the first half of 1986, 34 results of application of microelectronics, 65 CAD/CAM solutions, 28 solutions for flexible automated manufacturing systems and the application of robot technology, as well as 26 highly refined industrial materials were introduced into production through the state assignments concerning science and technology and other tasks of the state plan to introduce key technologies.

Results and experiences in the application of key technologies were demonstrated illustratively in the GDR television series "Race with Time."

Through the introduction of new technological processes, the increased performance capacity of the combines in-house production of rationalization means, as well as through the broader utilization of CAD/CAM solutions, 265 million hours of working time were saved. About 40,000 working people were set free for other tasks, in particular for improving the utilization of working time at highly productive pieces of equipment with a simultaneous increase in the multiple shift system, for increasing consumer goods production, and for expanding the combines in-house production of rationalization means.

Through the application of the scientific organization of labor, 140,000 workplaces have been created anew or restructured and, at the same time, working conditions have been further improved for the working people. For 35,000 working people hardships and health hazards have been reduced, and for 16,000 working people they have been eliminated altogether.

Material- and energy-saving technologies, new industrial materials, as well as the optimization of design through the application of CAD/CAM made possible another noticeable reduction in specific production input through the saving of material, including 250,000 tons of rolled steel, 7,200 tons of nonferrous metals, and 157,000 tons of cement. The reduction of material and energy costs achieved in this way amounted to M2.5 billion.

For the accelerated development and comprehensive application of key technologies the following results have been implemented in production:

--The introduction of new circuits together with the rapid increase of the production volume and the introduction of new technological equipment and materials for microelectronic components contributes to increasing the pace of the utilization of microelectronics. New miniaturized passive components on the basis of highly efficient basic technologies with a top international level were introduced into mass production, including chip capacitors and metallic film resistors. Microcomputer control systems were introduced on a broader basis, among other fields in such sectors as the uninterruptible operation of energy supply facilities,

the efficient operation of metallurgical furnaces, to increase the performances of speed-controlled drives, as well as for textile machines with expanded pattern production possibilities.

--New CAD/CAM solutions were introduced for the planning of chemical plants, structural steel engineering, and equipment of the food industry, for the design of gears, moulds, and tools, the cutting sector in the textile industry, as well as for production control in many enterprises in mechanical engineering, electrotechnology, and the light industry.

Modern computing technology was used--with new application solutions--for production supervision and control in cattle sheds, for the rationalization of transportation processes, including inland navigation, for optimizing the turnaround time of rail cars on branch lines, as well as for shortening the toxicological examinations in the pharmaceutical industry. Through reusable software technologies, auxiliary programming tools, and work units for the efficient development of programs, further prerequisites were created for the rapid introduction of CAD/CAM solutions.

--Through the use of further flexible automated manufacturing systems and of industrial robot technology noticeable progress was achieved in the comprehensive automation of entire production sections, among other things through solutions for the semi-automatic production of abrasive wheels, of drilling machines, and body parts for washing machines, through the comprehensive use of robots for the production of tiles, as well as the creation of new sewing robots for the production of tiles, as well as the creation of new sewing robots for labor-intensive processes in the garment and leather goods industries.

--Significant reductions in costs and effective savings of material are achieved through new processing technologies, including the use of laser technology for the separation of large sheets, high-vacuum aluminium sputtering of packing means and high-speed hardening with electronic beams to increase the stability of machine parts. With the introduction of new industrial materials and materials such as precision resistance foils and aluminium microwires, cold-rolled starting material for the production of enamel products, precision steel tubes for hydraulics, and water-atomized powdered iron, the range of highly refined deliveries was expanded.

In the fields of biotechnology, the international level was achieved by making available genetic manipulation production branches for brewery and distillery enzymes, and by guaranteeing this production in existing facilities with an essentially increased yield. With the development of biotechnological processes, further prerequisites for the introduction of important biocatalysts for agriculture and the health sector were created.

To consolidate the export strength of the GDR, new types of machine tools and printing machines, microelectronically-controlled textile machines, industrial electric locomotives with electronic control for extreme climatic conditions, compact electrical current generating facilities,

gear motors with increased operational reliability, harbor and railroad cranes, universal excavators for the use in cold areas, and various types of railroad cars were introduced into production.

Further progress was made in renewing the range of consumer goods for supply to the people and for export. New consumer goods such as household gas-stoves, equipment for the do-it-yourself and gardening sectors, household preserving agents, paints, and detergents were produced.

With the centrally assigned youth projects of the science and technology state plan, important results were achieved in mastering the key technologies. Youth's participation in the Fair of the Masters of Tomorrow movement increased. In the first half of 1986 over 3,000 robots were produced and used in the FDJ "Industrial Robots" initiative. Through FDJ collectives over 65 million hours of working time and over 7,000 workplaces were saved. In the youth inventors' competition 600 applications for patents were handed in. Science and production come closer and closer and are getting interlaced. The scientific-technological potential of the research institutions of the GDR Academy of Sciences, the universities, and the colleges was increasingly concentrated on working out top achievements, in particular the accelerated development and broad national economic application of key technologies in accordance with the resolutions on the expansion of research cooperation agreed through contracts. Combines in the industrial and construction sectors concluded nearly 2,000 performance contracts on concrete tasks. In the GDR Academy of Sciences the proportion of work done in mathematical, natural sciences, and technical research which, through performance contracts, is economically lined with combines, increased from 33 percent in 1985 to 47 percent in the first half of 1986.

Important results of increased research cooperation between the GDR Academy of Sciences and other scientific institutions and the industrial combines were, in particular, the creation of scientific-technological foundations for modern microcomputer arrangements to be used in future computing and communications technologies; new structuring and coating processes to produce extremely highly integrated microelectronic circuits; precious-metal-free pastes for multichip circuits; an increase in the reliability of control systems for automation facilities; application solutions for position finding systems for automated assembly; growth regulators for increasing the yield of sugar beets; as well as heat recovery and reduction of harmful substances from steam generators.

The tasks planned for the first half of 1986, with which the GDR contributes to implementing the CEMA comprehensive program for the development of scientific-technological progress, were fulfilled. The results of cooperation with the USSR which are important for the national economy include: starting the permanent operation of the plant for production of feeding yeast by the Fermosin method in the Schwedt petrochemical combine VEB; the starting of test operations in the continuous cold-rolling of steel tubes of the first series of dimensions [erste abmessungsreihe]

in the Riesa tube combine VEB; a new assembly technique for nuclear power plant blocks; as well as a highly efficient mud treatment process for large-scale sewage works.

With their initiatives for the 11th SED Congress, the members of the Chamber of Technology and the over 1.2 million working people who participated in the innovators' movement made a considerable contribution to the economic gain from science and technology. The annual profit [as published] of the innovations put into practice in the first half of the year amounted to M3.2 billion in the state economy.

II. Industry

The working people in industry exceeded the plans for net output and industrial commodity output every month.

Net output in the sector of the industry ministries rose 8.6 percent. A reduction in costs per M100 worth of commodity output and in material costs substantially contributed to this. Labor productivity rose 8.6 percent.

The number of combines that increased labor productivity more rapidly than net output, rose. For centrally administered combines this figure rose to 61 and for bezirk-administered combines to 50. Industrial commodity output rose 4.3 percent in the sector of the industry ministries.

The plan lead totaled M1.5 billion for net output. The combines supplied M2.4 billion worth of products in excess of the plan to the population, the national economy, and for exports.

The high degree of dynamism was maintained in particular by the combines that fulfilled or overfulfilled all indexes relating to performance evaluation and ensured that their products met variety and contract requirements. They comprise the following centrally-administered combines with a 10 and more percent increase in net output and productivity.

The Eisenhuettenstadt Hermann Matern strip steel combine; the Brandenburg quality and refined steel combine; the Piesteritz agrochemical combine; the Teltow electronic components works; the Karl-Marx-Stadt IFA automobile combine; the Leipzig Werner Lamberz printing combine; the Torgau plateglass combine.

Net output rose 11.2 percent and industrial commodity production rose 3.5 percent in the sector of the economic councils of the Bezirke. Labor productivity rose 11.1 percent. The bezirk-administered combines that have fulfilled or overfulfilled all the indexes of performance evaluation and achieved an increase in net output by 10 percent or more comprise:

The Oschersleben (Magdeburg) effective substances and mineral substance mixtures combine; the Kyritz (Potsdam) electrical installations building

combine; the Koenigshuette (Magdeburg) foundry and furnace building combine; the Magdeburg Unitras combine; and the Finsterwalde (Cottbus) wood-processing combine.

Prime production costs per M100 worth of commodity output were reduced by 2.1 percent in the sector of the industry ministries. The following combines, among others, achieved high rates of reduction in prime production costs, primarily in the costs of materials:

The Leipzig-Grimma chemical installations building combine; the Berlin automation installations building combine; the Erfurt microelectronics combine; the Rostock shipbuilding combine; the Dresden pneumatic and refrigeration technical equipment combine; the Magdeburg gear and clutch building combine; and the Leipzig Werner Lamberz combine.

In the first half of 1986 the combines in the industry ministries sector manufactured for the population M0.8 billion worth of finished products in excess of the plan.

Combines whose production program mainly consists of means of production increasingly made an important contribution to ensuring stable supplies to the population. For example, the following combines stepped up the output of finished products to the population by more than 10 percent, this production accounting for more than 5 percent of the products sold by them:

The Leuna Walter Ulbricht works in Leuna; the Teltow electronic components combine; the Berlin Friedrich Ebert electrical apparatus building combine; as well as the Hermsdorf ceramic combine.

The following combines in the bezirk-administered industry sector that achieved a more than 10 percent output increase for the populace chiefly contributed to the increased supplies:

The Berlin technical consumer goods combine; the Berlin rationalization means combine; the Arnstadt (Erfurt) machinebuilding combine; the Karl-Marx-Stadt polytechnical and precision instruments combine; the Magdeburg fancy goods and leather goods combine; the Neuruppin fire extinguishers combine (Potsdam); and the Schwerin Linda combine.

The output of newly developed consumer goods, further improving supplies to the population and for export, increased. It amounted to M16 billion in industry. Hence M1.5 billion worth more new consumer goods were manufactured than in the same period of the preceding year. The consumer goods industry combines that considerably increased the share of newly developed products of their overall commodity output compared with the same period last year comprise:

The Suhl electrical appliance works; the Karl-Marx-Stadt household appliance combine; the Plauen DEKO combine; the Thalheim Esda hosiery combine; the schmalkalden sports requisites combine; the Ribnitz-Damgarten furniture combine; the Kahla fine ceramics combine; the Dresden Germed pharmaceutical combine; and the Berlin cosmetics combine.

It is possible in some enterprises to tap additional performance and efficiency reserves by means of ensuring high performance production every month, every 10 days, and every day as well as through a comprehensive fulfillment of plans and the delivery of products in accordance with contracts.

Despite the prolonged extreme winter conditions, the working people in the coal and power industry, supported by many helpers from other sectors of the national economy and members of the GDR's armed forces, ensured stable supplies of coal, electric power, gas and heat to the national economy and population. The plans for brown coal extraction were exceeded every month. The lead over the plan totaled 2.9 million tons. In the first half of 1986 more than 8 million tons of brown coal briquettes were sold to the people. This is 10 percent more than in the same period last year.

The refinement of domestic brown coal into high quality sources of energy for the consumer was intensified. For brown coal briquettes the lead over the plan amounted to 361,000 tons and for sifted coal 444,000 tons. The plan for the production of city gas was exceeded by 277 million cubic meters.

In the "Natural Gas Pipeline in the USSR" central youth project the working people, with the 5,500 FDJ members at their head, are accomplishing high performances. In the first half of the year 79 kilometers of pipeline were laid on the linear section of the natural gas pipe line. Three compressor stations, one supplementary compressor station [Nachverdichterstation], 530 housing units, one hospital complex and one supermarket were completed.

In the geological industry prospecting work was carried out to the planned extent. It resulted in an increase of resources, particularly brown coal, building raw materials and underground water.

The plan for natural gas extraction was fulfilled by 101.8 percent.

Net output in the electrical engineering/electronics sector rose 13.3 percent. Costs were reduced by 3.2 percent. Industrial commodity output increased by 6 percent. The output of microelectronic components was stepped up at an above average rate as a prerequisite for the comprehensive application of key technologies. The manufacture of semiconductor components and electronic modules increased 15 percent compared with the same period last year. Thirty percent more monolithically integrated circuits and 19 percent more optoelectronic semiconductor elements were manufactured. The overfulfillment of the production plan for technological special equipment by 8 percent helped to further enhance the effectiveness and technological standard of the production.

Material prerequisites for further automation and rationalization were created by stepping up the output of office and personal computers by 112 percent, of combined devices for control, regulation and monitoring by 18 percent. Also accelerated was the manufacture of key technology

products such as microcomputers by 6 percent, small data processing plants by 16 percent, and of electronic printing devices with a 65 percent increase. The production of optical fiber-cables was expanded.

Net output rose 10 percent in the machinebuilding sector. Industrial commodity output rose 5 percent. Labor productivity rose 10 percent. The enhanced manufacturing standards, the improvement of the efficiency and quality of production processes, particularly through the application of new technologies, substantially contributed to all this. In the first 6 months of this year a total of 144 new technologies and processes were introduced within the framework of the state plan and the enterprise plans for science and technology. The number of robots employed in the machinebuilding sector rose 31 percent.

The output of modern equipment and plant for the extraction, processing, and refinement of power sources, raw materials and waste products has increased. Thus the production of plants for the production of electric power rose 70 percent and for the production of concrete and concrete products by 24 percent.

Above average growth rates were achieved in the production of rolling mill equipment--10 percent; of stranding and cable machines--31 percent; and of continuous conveyers--11 percent. The net output of machine-tool building rose 15 percent. Machine tools equipped with microelectronics are increasingly being manufactured as components of automated production complexes and stages for the national economy and for exports. The share of manufactured machine tools equipped with microelectronic devices has increased. It totaled 73 percent for metal-cutting machine tools and 38 percent for machine tools for plate and solid forming. A high output increase by 15 percent was also achieved for machinery and equipment for the printing and paper processing industry.

The output of materials and subcontractor products that are decisive for both function and quality was stepped up in order to boost the capability of the final producers. Increase rates of 10 percent and more were achieved for important subcontractor products. These comprise:

Highly refined hot-rolled sectional steel with high utilization properties; highly refined structural steel; rails and accessories; round steel in rings; high-pressure polyethylene pipes; trichlorosilane, polyurethane, methanol, pure benzol, condensers, optical fiber cables, semifinished optical glass products for optical fiber communication, single-phase standard motors, industrial gears, tools for forming plastic and elastic materials, glass parts for color reproduction tubes, plate and sheet glass.

Development of the production of important products compared to first half of 1985

	<u>to percent</u>
electrical energy	102.9
sifted coal	106.6
brown coal pulverized fuel	103.9
rolled steel, total	104.0
including refined rolled steel	107.2
steel tubes, fusion welded	108.5
nitrogen fertilizers	122.4
high-pressure polyethylene	107.6
polyurethanes	110.0
car tires	103.7
synthetic silks	105.0
cutting machine tools	110.0
industrial robots	117.0
ventilation and air conditioning equipment	110.1
machines and equipment for chemical	
processing technology	109.0
products for hydraulics	106.1
compressors	115.6
roller bearings	105.6
trucks W 50	105.6
direct current generators	116.0
special electrical equipment for road vehicles	109.2
electronic data processing facilities	108.3
independently working data collection units	112.6
microlithographic equipment	134.3
color television sets	105.1
hosiery	104.0
children's outerwear	103.7
products of the purse-making industry	105.4
furniture and upholstery	105.7
toys	105.6
household refrigerators	105.8
including household freezers	113.7

Domestic production of means of rationalization increased in the industry ministries sector by 19 percent. All sectors overfulfilled the targets for the first half year. The production of means of rationalization by the combines and enterprises themselves increasingly supports modern technologies and equipment investments. Exemplary achievements were made by:

The Carl Zeiss Jena combine VEB with a semi-automatic manufacturing process for camera cases, automatic assembly systems for spectacle frames, as well as assembly testing equipment for high-efficiency optics; the Bitterfeld chemical combine with the production of production plants for

phosphororganic insecticides, chloral, and sodium metasilicate; the Berlin plastics and elastics processing combine with the introduction of new technologies for the production of oil pressure brake hoses and a complete facility for reprocessing household plastics; the Torgau flat glass combine with the rationalization of the production of thermopanels as well as the development and production of computer-aided cutting facilities for float glass.

The share of domestic production of means of rationalization investment equipment increased to 19 percent. With a production increase of 6 percent, the industrial enterprises' construction departments contributed to an increased extent to modernization and the preservation of value.

Compared with the first half of 1985 the utilization of important production equipment in terms of time increased by half an hour per calendar day on average. In the equipment-intensive branches of basic industry the level of utilization increased to 19.4 percent and in the branches of the processing industry to 16.4 hours per calendar day. The combines that already have a high rate of utilization and those that have shown a further improvement in the utilization of important production equipment as regards working time comprise:

The Carl Eiss Jena combine VEB, the Teltow electronic components combine, the Leipzig Baukema combine, the Fritz Heckert machine tool combine in Karl-Marx-Stadt, and the Werner Lamberz printing works in Leipzig.

The quality level of industrial production continued to increase. The production of industrial goods with the "G" quality sign increased to M45 billion.

The 745 enterprises having the title "Enterprise of Excellent Quality Work" considerably contributed to the production of goods with a high scientific-technological level and utility value. The costs for rejects and rework were reduced by 25 percent. About 35 combines achieved reduction rates of 30 percent and more.

Material and energy were used in a more rational way. The growth of production was achieved with a 3-percent reduction in the specific consumption of raw and industrial materials that are important for the national economy. Specific consumption decreased by over 5 percent for products of cast steel with lamellar graphite, primary aluminum and alloys, secondary aluminum and alloys, low-pressure polyethylene, polystyrene, and cotton. The development of new products, the application of key technologies, as well as material-saving processes or technologies, and higher refinement were decisive for this. The consistent work with norms and state norm targets for material input as well as a favorable mass-performance ratio contributed to improving the material economy.

By increasing the procurement and more comprehensively utilizing secondary raw materials and industrial waste products, the supply of materials and raw material to the national economy was supported. In the first half of the year 2.45 million tons of steel scrap, 210,000 tons of cast iron

scrap, 325,000 tons of waste paper as well as 650 million bottles and glasses were collected. The collection of waste paper, textiles, and thermoplastic waste from households was increased. The people supplied 31 kilograms of scrap, 21 kilograms of waste paper, and 98 bottles and glasses per household to the secondary raw material trade on average.

At present the share of secondary raw materials in the overall use of raw material amounts to 69 percent for the production of copper, 100 percent for lead, and 50 percent for pulp and paper.

With a gain of M1.4 billion in the "Material Economy" FDJ action and M40 million in the "Fodder Economy" FDJ action an efficient contribution to efficiently utilizing raw materials, materials, and energy was made. About 280,000 tons of steel scrap and 65,000 tons of waste paper were collected by the members of the youth association and the Ernst Thaelmann pioneer organization in the first half of 1986.

The working people of the water management sector secured a stable and adequate supply of drinking water for the people, including the necessary sewerage and waste water treatment, as well as the procurement of industrial water for the dynamic growth of industrial production and use in agriculture. The prerequisites for the implementation, of the housing construction program in accordance with the plan and for improving the level of equipment of existing apartments were fulfilled.

With the completion of the second biggest drinking water reservoir of the GDR in Eibenstock the water supply for the citizens in Karl-Marx-Stadt and Zwickau has been essentially improved. With the implementation of investments, in accordance with the plan, and the utilization of the national economic mass initiative, in particular in small towns and communities, the existing capacities of the water and sewage works were increased by 120,000 cubic meter per day and 50,000 cubic meter per day and for another 24,500 inhabitants a central water supply was implemented as well as a central waste water treatment for 21,500 inhabitants.

The combines and enterprises responsible for implementing recycling projects, keeping the air clean, protecting forests and waters, started these measures in accordance with the plan or continued them as planned. This includes above all facilities for desulfurization of flue gas in heating and industrial power stations in Berlin, Leipzig, and Karl-Marx-Stadt as well as the reconstruction and introduction of more efficient dust removal facilities above all in brown coal power plants and metallurgical enterprises.

III. Investments

For the modernization, reconstruction, and expansion of the material-technical base of the national economy in accordance with the plan, and in continuation of social policy, investments worth M29 billion at current prices were made. In implementing the SED's economic strategy, the investments increasingly served the development and application of the key technologies.

More than half of the national economic investment volume was used to increase the performance capacity and efficiency of industry. The share of the investments used for rationalization in industry further increased. The enterprises of the processing industry used 73 percent of the investments to rationalize and modernize the existing basic assets. The use of investments for rationalization has been increasingly linked with the implementation of general repairs and routine repair work.

In the first half of 1986 5,500 new industrial robots were installed in the national economy. Thus the stock increased to 60,000 units. The greatest efficiency is achieved where they are used as firm element of technologies in modern manufacturing sections.

In the 12 automated manufacturing sections of the metal-processing industry, put into operation in honor of the 11th SED Congress, 200 industrial robots are integrated the average utilization of which--18 hours per calendar day--is above the utilization level achieved in the national economy.

The following combines achieved good results in the use of industrial robots, in particular in releasing working people for other important tasks for the national economy:

The Brandenburg quality and special steel combine, the Wolfen photochemical combine, the Dresden Robotron combines, the Erfurt microelectronics combine, the Karl-Marx-Stadt Fritz Heckert machine tool combine.

The accelerated introduction and application of CAD/CAM working units and systems contributed to increasing the efficiency. In the first half of 1986 6,800 CAD/CAM working units were established. By the end of June 1986 over 16,000 CAD/CAM working units were in operation. In a short time tens of thousands of working people qualified for the work on these units. Key points for using the CAD/CAM technology are research and development, design and planning, software development, as well as preparation and implementation of production.

About 250 capacities of investment projects that are important for the national economy started permanent operation. These include:

--Capacities for products of microelectronics like raw silicon and silicon disks in the Freiberg trace metals VEB; integrated circuits and silicon transistors in the Frankfurt (Oder) semiconductor VEB, circuits in the Dresden center for research and technology of microelectronics VEB and the Ruhla clock works VEB, capacitors, trimmers, and filters in the Gera electronics VEB; technological special equipments and components from ferrite in the Hermsdorf ceramic works VEB;

--Capacities for a better utilization and higher refinement of the domestic fuel and raw material resources, such as for the brown coal high-temperature coke production in the Schwarze Pumpe gas combine VEB; a new facility

for complete utilization of crude oil reserves in the Leuna Walter Ulbricht Leuna works VEB; the scrap reprocessing center in Hoppegarten near Berlin of the Eberswalde metal processing VEB as well as the manganese mud processing plant in the Bitterfeld chemical combine VEB.

--Facilities for the application of progressive working and processing methods for the production of goods such as steel wire ropes in the Rothenburg Wire and Rope Works VEB; equipment for chemical materials processing in the Karl-Marx-Stadt Germania VEB; large and medium-sized electrical machinery in the Dresden Electrical Engineering VEB; ball valves in the Prenzlau Measuring Instruments and Fittings Plant (MAW) VEB;

--Facilities for consumer goods, for instance for the production of color television tubes in the Berlin Television Electronics Work VEB; quartz-crystal watches and alarm clocks in the Ruhla Clock Works VEB; Simson scooters in the Suhl 'Ernst Thaelmann' Vehicle and Sporting Arms Works VEB; automatic washing machines in the Schwarzenberg Washing Machines Works VEB; household china in the Kahla United China Factories VEB; bed sheets in the Mittweida Linen Union VEB; and ceramic wall and floor tiles in the Zwickau plant of the Boizenburg "Kurt Buerger" Tile Factory VEB.

Investments for new construction, reconstruction, modernization, and value preservation of apartments and institutions of the education sector, health and social care, culture, recreation, physical culture, and sports amounted to M7 billion. These financial means were used in particular for the implementation of the housing program, the core of the socio-political program.

During the first 6 months of 1986, 105,096 apartments were constructed or modernized. The plan was overfulfilled. In addition, 4,240 places in nurseries were newly established or remodelled, 8,063 kindergarten places, 584 classrooms, 58 school gymnasiums, 240 work places for physicians and dentists, and 421 places in retirement homes with nursing stations; 1,264 places in hostels were created for senior citizens.

The first unit of the "Clara Zetkin" Training College for Teachers in Berlin-Hohenschonhausen was handed over for use. Within the framework of comprehensive housing construction 10 youth club facilities with 1,130 places were completed for young people's leisure activities, 11 youth club facilities with 530 places were constructed with means from the agricultural construction fund [Landbau].

Through reconstruction and modernization measures, qualitative improvements were made in 12 institutions of youth tourism and in 25 central pioneer camps for leisure and vacation activities of children and young people. During the first half of 1986 a recreation home in Schoeneck was presented for use in the holiday program of the trade unions.

IV. The Construction Sector

By continuously fulfilling the plan in all months, the working people in the construction sector strengthened the material-technical base of the national economy and continued the housing program. The net output plan was overfulfilled with 102.4 percent. Compared with the first half of 1985, the increase amounted to 6.8 percent. All centrally administered combines and the locally administered construction sector fulfilled and overfulfilled their plan targets. Good results in the fulfillment of the key targets of performance assessment were achieved in particular by the following combines:

Halle Chemical Construction and Assembly Combine; Erfurt Construction and Assembly Combine; Leipzig South Construction and Assembly Combine; Potsdam Housing Construction Combine; Erfurt Road Construction and Civil Engineering Combine; and the kreis-administered construction sector of Potsdam Bezirk.

The output increase in the construction sector is a result of the 7.4-percent rise in labor productivity. Exceeding the planned net profit was made possible mainly by reducing the planned prime cost, which was reduced by 2.1 percent compared with the first half of 1985. Most of all, expenditures for materials were saved. Unit input of rolled steel was reduced by 6 percent and that of cement by 2 percent.

The rising efficiency and productivity was determined by the increasing economic effectiveness of science and technology--293 results involving tasks from the state and enterprise plans for science and technology were introduced into production. The focal points were the tasks concerning material and energy saving in construction, saving of working time, and reducing construction costs.

In the construction industry the amount of reconstruction measures and repairs rose by 5.5 percent. Thus, their share in construction output increased to 25 percent.

In-house production of rationalization equipment rose by more than one quarter.

Production of building materials and products of the prefabrication industry increased by 4.2 percent. The plan was overfulfilled with 101 percent. Products such as mineral wool, porous concrete elements, calcareous sandstones, wall and floor tiles, and windows were manufactured in excess of the plan. Supply of building materials for the population was up 7.3 percent above the first half of 1985.

In implementing the housing program, the construction workers completed 5,896 apartments in excess of the plan during the first 6 months of this year. In the new construction of housing units, 55,543 apartments were built, including 6,118 apartments in privately owned houses. To an increasing degree apartments were built in already developed areas in the inner city. This contributed to reducing construction costs. From the

existing housing stock 49,553 apartments were modernized. During modernization 28,117 apartments received a bathroom and/or a shower, 23,230 got private toilets, and 18,168 were equipped with modern heating systems.

The "Rebuild and Expand" FDJ drive made an important contribution to reconstruction and modernization with 12,400 apartments. The communal facilities planned for supplying and caring for the population were all completed.

The kreis-administered construction sector overfulfilled the plan for building repairs in apartment houses by 2.3 percent. Compared with the first half of 1985, an increase of 10 percent was achieved. Planned roof repairs were exceeded. In some kreise planned building repairs in apartment houses were not wholly fulfilled.

Within the framework of the traditional "Beautify our cities and villages--join in!" citizens' initiative, 93,384 apartments for older and needy citizens were renovated.

V. Agriculture, Forestry, and Foodstuffs Industry

The cooperative peasants and workers in agriculture, forestry, and the foodstuffs industry secured a stable supply of food to the population and of important raw materials to industry at a high level. By deepening cooperation relations it was possible to achieve further progress in the intensification of agricultural production.

On 21 June the 30th agricultural fair, Agra 86, was opened in Markkleeberg by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council. It was fully dedicated to implementing the decisions of the 11th SED Party Congress. Within 3 weeks the teaching and performance exhibition was visited by about half-a-million guests from the GDR and from abroad.

During the first half of 1986 the plan for state procurement of animal products was overfulfilled; 33,500 tons of slaughter animals, 272,000 tons of milk, and 20 million eggs were produced in excess of the plan. All bezirke fulfilled and overfulfilled the planned procurement of slaughter animals and milk.

	Fulfillment of the half-year plan of state procurement (in percent)	Development compared to the first half of 1985 (in percent)
slaughter animals	102.6	102.5
milk	107.4	105.1
eggs	100.8	100.2

The basis for the overfulfillment of the plan was the performance increase per animal, while at the same time fodder was used more economically. Compared with the same period last year, fodder consumption per unit of animal production decreased by 1 percent, while performance per animal was raised by a total of 4 percent. The weight gain per day increased by 1 percent per feeding pig and by 5 percent per head of feeding cattle; milk output per cow rose by 6 percent. These good results were mostly due to the widespread application of animal-shed-related maximum yield concepts.

Through conscientious livestock raising and tending, breeding results for piglets rose by 4 percent in the socialist agricultural enterprises. Animal losses of young pigs were reduced by 13 percent and that of calves between 1 and 6 months of age by 7 percent.

Further performance and efficiency reserves can be tapped by overcoming unjustified differences between comparable LPGS and state farms.

In total, the following livestock was available on 31 May 1986:

	<u>Number of animals in 1,000's</u>
cattle	5,909
of which, cows	2,056
pigs	12,500
of which, sows	1,133
sheep	2,983
laying hens	26,120

The procurement from the individual production of cooperative peasants and workers with private plots, the members of the Association of Small Gardeners, Settlers and Small Animal Breeders, as well as other small-scale producers increased by 14 percent for slaughter pigs and by 28 percent for slaughter poultry and rabbits.

More than 2.5 million hectares were sown with grain, 461,000 hectares were planted with potatoes, and 226,000 hectares with sugar beet. Through reconstruction and new construction, 62,500 hectares were developed for irrigation.

An essential precondition for the more intensive use of the available technical means was the increased in-house production of rationalization equipment. The plan was overfulfilled. In total, rationalization equipment worth M785 million was produced, that is, 14.2 percent more than during the same period last year.

In the combines of the foodstuffs industry and agricultural technology, plans for net output, commodity output, and net profit were overfulfilled. Net output was raised by 6.5 percent and labor productivity increased by 5.7 percent on this basis.

The working people in forestry supplied the national economy with 5.1 million cubic meters of rough timber and overfulfilled the national economic plan by 3.8 percent. Comprehensive measures were taken for the preservation, care, and protection of forests. According to plan, 22,000 hectares were afforested. Care and fertilizing measures were carried out on 60,700 hectares, that is, 5.4 percent more than during the first half of 1985.

An important contribution to the positive results in agriculture, forestry, and the foodstuffs industry was made by the young cooperative peasants and workers in the "Animal Production" FDJ initiative, in the "Irrigation" youth projects, and in the "Healthy Forest" FDJ drive.

VI. Transportation, Posts, and Telecommunications

During the first half of 1986 the working people in transportation achieved great performances in order to meet the national economic demand in transportation of goods within the country and across borders. Through further rationalization and optimization of relations concerning cooperation, delivery, and transportation, unit input of transportation was reduced by 5 percent. The intensification of transportation was continued by transferring commodity transports to cost- and energy-saving forms of transportation.

The railroads, the most important branch of transportation, carried 75 percent of all goods in inland transportation. Within the framework of the "Railroad Track Electrification" central youth project, another 111 km of electrified tracks and 2 converter stations were put into service. Compared with the first half of 1985, the share of transportation carried out with electric locomotives rose from 34 to 38 percent. In container transportation performance rose by 6 percent. Reserves for a further performance increase lie in accelerating the turnaround time of freight cars, particularly concerning loading and unloading, and in a higher degree of utilization.

During the first half of 1986 inland navigation carried 10 percent more goods--at times under complicated conditions for navigation--than during the same period last year.

By increasingly shifting transports from the enterprises' own means of transportation to public transportation, freightage became cheaper and more efficient, thus reducing the transport volume in inland road transportation by 2.9 percent. This made it possible to reduce the transport volume of the enterprises' own means of transportation by 9 million tons of goods.

Maritime navigation carried 6.2 million tons of goods. Transfer of goods in the GDR's seaports increased by 4.5 percent to 12.6 million tons.

Public means of transport carried an average of 11.6 million persons per day. In order to improve passenger transportation, 56 streetcar wagons, 346 buses, and 143 cars for passenger trains were put into service. The development of the network of transportation for new residential areas was continued.

In the posts and telecommunications sector services to the population and the national economy rose by 2.9 percent due to comprehensive intensification and modernization and a higher degree of utilization of the existing facilities; services in telephone and teletype communications rose by 3.6 percent. During the first half of 1986, 35,000 main telephone linkups were newly established. Since 7 March 1986 Youth Radio DT 64 broadcasts daily from 1300 to 2400. Other ultrashort wave transmitters were put into service in advance of the plan in Schwerin, Sonneberg, and Karl-Marx-Stadt.

VII. Development of the People's Material and Cultural Standard of Living

On the basis of the increased capacity of the national economy, the peoples material and cultural standard of living was secured and further raised.

As a result of the continuation of the housing program, the core of the sociopolitical program, housing conditions for 315,000 citizens were improved, mainly for workers families, families with many children, and for young couples.

During the first 6 months of this year 112,731 children were born.

As a result of the implementation of the 11th SED Party Congress decisions, comprehensive measures to promote social security and protection for families with children and for young couples came into force on 1 May 1986:

--paid leave for working mothers already at the birth of the first child until the child's first birthday;

--paid leave for married working mothers with two children to care for the children in case of illness;

--improvement of working and living conditions of families with severely handicapped children;

--increase of loans for young couples from M5,000 at present to M7,000 and raising of the age limit from the present 26 years to 30 years.

From 1 May to 30 June 1986 37,300 loans with a value of M261 million were given to young couples. In addition, 106,800 already granted loans were raised from M5,000 to M7,000. For this purpose another M214 million were made available.

Closely linked with the high performances in the national economy, the net money income of the population rose by about M3 billion. The performance-oriented wage policy was continued according to plan. During the first half of 1986 the volume of pensions was more than M300 million above that of the same period last year.

Retail trade turnover rose by 4.4 percent, that is M2.4 billion; retail trade turnover of industrial goods increased by 6.1 percent, that is

ML.7 billion. The supply of everyday consumption goods to the population, particularly staple foods, was reliably ensured at stable prices and with a high level of consumption.

Increase in the Quantity of the Supply of Essential and Nonessential Foods and Beverages Compared with the First Half of 1985

	<u>to percent</u>
meat, meat products, and sausages	100.9
fat cheese and fat cottage cheese	102.0
fresh fruit	104.7
canned fruit	110.9
tropical fruit	116.4
wine and champagne	101.3
roast coffee beans	103.4

On a larger scale the population is offered industrial consumer goods which better meet the higher demands for utility value, technical standards and for attractiveness and stylish chic. These comprise among others vacuum cleaners, electric ranges, water boilers, automatic washing machines, and percussion drills.

Increase in the Quantity of Supplies of Industrial Goods From Domestic Production and From Exports Compared with the First Half of 1985

	<u>by</u>
tape recorders	8,800 units
radio sets	26,100 "
vacuum cleaners	14,800 "
household deep freezers	28,200 "
electric ranges	9,700 "
gas ranges	5,800 "
shoes	2.8 million pairs
men's outerwear	1.0 million pieces
ladies' outerwear	1.2 " "
boys' outerwear	0.5 " "
girls' outerwear	1.3 " "
sports and tourist tents	9,700 units

The stocks of commodities were made available for youth fashion increased 7 percent.

Further progress was achieved in supplying the varieties of the 1,000 little things.

Services and repairs for the population were boosted by more than 5 percent to M3.3 billion's worth as a result of the growing capability of the state-owned service enterprises and craftsmen's enterprises. Repairs of electrical household appliances and of motor vehicles increased at a rate

above the average. The cooperative and private crafts, which carry out more than two thirds of all services to and repairs for the population, increased these services by more than 5 percent.

In public education teachers and educators exerted an effective influence on the communist education of pupils. They performed responsible instruction and education work to comprehensively prepare youth for life and work.

In order to prepare school students to cope with the requirements of the scientific-technical revolution classes in math and natural sciences and polytechnical subjects were or are being so structured at the 10-grade general educational-polytechnical secondary schools that the students have a more thorough understanding of the fundamental development lines of scientific-technical progress and economic strategy. The elements of electronics, microelectronics, information electrical engineering, and production automation were recently included in the polytechnical training of the students. Some 38,000 full-time and part-time workers are taking care of students in polytechnical training.

All children whose parents so desire are enabled to attend a kindergarten for care, education and preparation for school.

The "festival of study" organized in May 1986 by the FDJ Central Council became an impressive display of the performances of pioneers and FDJ members of the secondary schools and offered many varied suggestions for the further organization of the extracurricular activities of students.

By training class-conscious socialist skilled workers for all sectors of the national economy vocational training is making an important contribution to boosting national economic capability. The training takes place in the professional institutions of the combines and enterprises as well as in communal vocational schools on the basis of state teaching curriculums in keeping with the requirements of science and technology.

It has been ensured that every youth receives an apprenticeship or a place for further study and that he will receive a job after completing his training.

In the socialist professional competition the apprentices achieved high performances in both study and work, particularly in production during apprenticeship. More than two thirds of the young skilled workers are participating in the "fair of the masters of tomorrow" movement. At the time of completion of their training 95 percent of all apprentices are constantly achieving skilled workers performances. More than one half of the apprentices have passed their skilled workers' tests with the marks "good" and "very good." Places in apprentices' hostels are available for 32 percent of the apprentices.

A total of 1.8 million workers and employees, that is every fourth one, participated in adult training schemes. The professional training and

advanced training helped to ensure the dynamic increase in economic performance. Advanced training schemes for mastering key technologies were carried out comprehensively and in good time.

The capability of universities, colleges and technical schools in both teaching and research was enhanced according to the plan. The further perfection of studies was aimed at increasingly closely linking the practice-connected assimilation of the latest well-founded basic and specialist knowledge with a thorough political and ideological education.

The increasingly efficient research cooperation between the universities and combines essentially contributes to the practice-oriented education of the students and to enabling the students to perform independent scientific work. Apart from research, to an increasing extent these relations of cooperation also include tasks of basic and advanced education. Educating full-time students in the basics of information technology is proving successful. Thus, the prerequisites are created to make university and technical school students familiar with a computer-aided work method as early as during their studies.

The health and social sectors increased their efficiency. Above all basic medical care in the big cities and conurbation areas was expanded. The family doctor system was implemented in a more comprehensive way.

At present over 32,000 physicians and dentists are working for the out-patient medical care of the people. The possibilities of claiming medical service at consultation hours early in the morning, late in the evening, and on Saturdays were expanded. Through the introduction of new diagnostic and therapeutic methods the hospitals' performance capacity has been increased. The preventive health protection of the working people was further improved. The enterprise health sector takes care of more than three-fourths of all working people from an industrial medical point of view. Over 180,000 adults and children received therapeutical, preventive, and convalescence cures, above all shift workers and working women.

Health and social care for mothers and children is receiving particular attention. Over 73 percent of children up to 3 years of age were taken care of in nurseries. About 137,000 places in old people's homes and nursing homes are available for senior citizens, as well as about 31,000 places in hostels for senior citizens. About 21,000 physically and mentally handicapped children and young people are taken care of in corresponding institutions. About 44,000 severely and most severely handicapped citizens are working in sheltered workplaces and workshops or enterprise departments according to their abilities.

The mass character of physical culture and sports was further promoted in the competition on the occasion of the 11th SED Congress. The increasing interest of the working people in sport activities and the social expectations concerning their performance capacity are expressed in the increasing number of those engaging in sport activities in organizations or individually.

In preparing the 1987 national festival of physical culture and sport in Leipzig the 'Sport Festival and Spartakiade Relay' was adopted, which prompted a multitude of activities among athletes. This is demonstrated by the children's and youth spartakiade games of the kreize organized by the German Gymnastics and Sports Federation, the organs of public education, the FDJ, and the Ernst Thaelmann pioneers--which had nearly 1 million participants--and by the people's sporting competitions in preparing for the sport festival, in which 540,000 citizens have participated so far.

GDR athletes won 20 gold, 23 silver, and 31 bronze medals in world and European championships in the first half of 1986. In the 39th Kiev-Warsaw-Berlin-Prague peace race the exemplary performance of the entire collective brought about the victory of the GDR participant.

Intellectual-cultural life has become richer and assumed a more manifold character. The ceremonial dedication of the monument to the founders of scientific socialism, Karl Marx and Friedrich Engels, on the Marx-Engels Forum of the capital, and of the Ernst Thaelmann monument in the traditional Berlin workers district of Prenzlauer Berg on the eve of the 11th SED Congress became special social and cultural events.

On the occasion of the 100th birthday of the great German workers' leader Ernst Thaelmann, the ceremonial premier of the moving two-part television film "Ernst Thaelmann" took place.

An impressive artistic commitment to the policy of the party of the workers class was the festive event of the SED Central Committee on the occasion of the 40th anniversary of the KPD and SPD unification congress, and the conclusion of the 11th SED Congress in the Berlin Friedrichstadtpalast.

As a cultural festival of the trade unions for socialism and peace the 21st GDR Workers Festival in the Magdeburg Bezirk and the 10th Cultural Festival of the Socialist Agriculture had a mobilizing effect on the cultural life of the GDR. About 25,000 cultural workers from all bezirke of the republic demonstrated the cultural-creative strength of the people in over 700 events, visited by 3.4 million people.

The third meeting of friendship between the youth of the GDR and the PPR in Cottbus at Whitsun turned into a powerful manifestation to strengthen socialism and safeguard peace. The FDJ made the "Festival of the Political Song"--in which 54 soloists and bands from 29 countries of all continents participated--and the "Rock for Peace" event further highlights in youth's cultural life.

Important cultural events during the first half of 1986 were, among others, the "Day of the Arts" and the authors' reading from the "Contemporaries" anthology in the GDR's capital Berlin, the festive event on the occasion of the 40th anniversary of the German Film Corporation (DEFA); the Fourth National Motion Picture Festival of the GDR in Karl-Marx-Stadt; the GDR Music Festival in Berlin; the gala event of entertainers in the Palace of the Republic; the central closing event of the lay arts initiative for the

11th SED Party Congress in Berlin, and the opening of the permanent exhibition "Art in the GDR" in the National Gallery.

Great importance was accorded to the cultivation, preservation, and dissemination of the humanistic heritage. Under the slogan "Carl Maria von Weber and the Idea of a National Opera" the Music Festival in Dresden took place. The attractive program offered more than 100 events with soloists and ensembles from 21 countries and West Berlin. Numerous orchestras and ensembles of the GDR toured many countries, the Leipzig Gewandhaus Orchestra, for instance, went on its sixth North America tour to New York, the German State Opera Berlin went to the Hungarian People's Republic, to Switzerland, and to Spain, the Berlin State Band toured Australia and New Zealand, and the Chamber Orchestra of the Berlin Radio Station went to the United States.

In the Huegel Villa in Essen [FRG] a large GDR exhibition was opened, which is called "Baroque in Dresden" and shows 659 masterpieces from the nine museums of the Dresden Art Collection and loans from other museums and archives.

The GDR's largest art exhibition to date in Sweden is currently showing treasures from the 9th century up to the present from the northern bezirke of the GDR.

At the International Book Fair in Cairo the GDR presented 750 titles from 44 publishing companies, thus giving a representative cross section of its book production. During the first half of 1986 the publishing companies published 2,880 titles with a total print-run of 63 million copies, as well as 10 million records and cassettes.

VIII. Foreign Trade

On the basis of the increased economic power and the high performances of the working people in the combines and foreign trade enterprises the trade and economic relations of the GDR were consolidated. In trade with the socialist and non-socialist economic area, an export surplus of 1.8 billion valuta marks was achieved.

In implementation of the decisions of the 1984 economic talks of the CEMA countries at the highest level, the socialist economic integration with the USSR and the other countries of the community of socialist states was further deepened. During the first half of 1986 the GDR's foreign trade turnover with the socialist countries amounted to 59 billion valuta marks. This is two-thirds of the GDR's total foreign trade turnover.

The implementation of the "Comprehensive Program for Scientific and Technical Progress of the CEMA Member Countries Through the Year 2000," which had been decided by the 41st CEMA session in December 1985, was purposefully started. Active work is being done to accelerate the development and economic use of key technologies.

Foreign trade turnover with the USSR, the GDR's largest trade partner, amounted to 35 billion valuta marks. The targets for export and import were fulfilled during the first half of 1986. In implementation of the "long-term program of the development of cooperation between the GDR and the USSR in the fields of science, technology, and production up to the year 2000," fraternal cooperation with the USSR is more and more characterized by the requirements of intensification. Focal points were the further development of scientific-technological cooperation in new technologies and materials, in particular in the fields of microelectronics, technical ceramics, microbiology, consumer goods production, as well as production specialization and cooperation, mainly in machine building. On this basis production and export of modern, highly efficient machinery and equipment, in particular for modernizing and reconstructing important branches of the national economy, were developed.

On the firm foundation of the stable political and economic relations with the USSR and the other CEMA member countries, the economic and trade relations with the countries of the non-socialist economic area were developed on the basis of equal, mutually beneficial economic cooperation. Exports of the machine-building industry and the other sectors of the GDR's processing industry to the non-socialist economic area increased by 6 percent. The GDR again achieved a positive balance in trade with the non-socialist economic area.

In the case of the developing countries, trade was effectively linked with scientific-technological cooperation measures, cadre training, and advisory activities, as well as with projects for the development of industrial cooperation.

In trade with the capitalist industrial countries, the GDR maintained and developed its position on the foreign markets. This was made possible through more efficient sales and market activities, as well as through the increased capability of many combines and enterprises to react to the new demands of the foreign markets, to make the production structure adequately flexible, and to make the new results of scientific-technological progress have a rapid effect on production.

The 1986 Leipzig Spring Fair effectively supported the deepening of mutually beneficial cooperation between the states and further consolidated the GDR's reputation as a stable, reliable, and efficient trade and business partner.

The positive balance sheet of the first half of 1986 demonstrates the determination of the workers class and all other working people to do everything to achieve the highest performance increase to date during the year of the 11th SED Party Congress. In their activities the working people let themselves be led by the knowledge: "The stronger socialism is, the more secure is peace" and "My workplace is my combat station for peace." This expresses the fact that they consider the unity of economic and social policy to be their main field of struggle.

The GDR has the basic preconditions to ensure a high dynamism of economic development in the future too, and to accelerate it in important fields. The SED's economic strategy with a view toward the year 2000 provides the basic guidelines on how the course of the main task will also be successfully implemented in the future. This requires a more and more effective linking of the advantages of socialism with the achievements of the scientific-technological revolution. The decisive factors are the speed and scope of mastering the key technologies. It is important to save time in the quantitative and qualitative development of performances and to achieve high speed in increasing labor productivity.

The further strengthening of socialism, and thus the safeguarding of peace, depend more than ever before on the ability of socialism to widely develop the dynamism of productive forces, while using all its advantages, and to master the decisive, qualitatively new directions in science and technology. In close cooperation with the USSR and the other CEMA states it is important to achieve top world-level scientific-technical performances as a first-class political-strategic question and to jointly use them for the benefit of our people.

The qualitatively new stage in the further shaping of the developed socialist society, which was initiated in the GDR by the decisions of the 11th SED Party Congress, poses higher demands on the management activities of the state and economic organs and on the more and more widespread integration of the working people. The accepted competition pledges have to be fulfilled in unity of word and deed during every month and every 10-day period. All these tasks can only be fulfilled when great attention is paid to the people everywhere, with their skills, interests, and needs, their education, and their proposals. The public performance comparisons and the generalizing of the best experiences are to be organized in a purposeful way and are to be used even more intensively in the future in order to tap further reserves for performance increases. The achieved top performances are to be made effective as stable standard performances for the overfulfillment of the 1986 plan; the same applies to top results achieved within shortest-possible periods.

In the work collectives the continuous accounting for accepted pledges is to be further linked with the broad discussion of the directive for the new 5-year plan and the resulting high performance targets for the 1987 national economic plan. With pride in the achievements, militant optimism, and energy the working people of the GDR are tackling with determination the new tasks for the further strengthening of socialism and for safeguarding peace.

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PROSPECTS VIEWED FOR FOREIGN TRADE IN 1986-90 PLAN PERIOD

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[Text] It is all too well known that a lack of concrete data on GDR foreign trade is more than a party congress tradition. Still, by comparison with the 10th SED Party Congress, the information conveyed by the 11th Party Congress documents is particularly scant.

Two demands, repeatedly emphasized in the party directive, represent the key to the foreign trade conception in the new 5-year plan period: To further strengthen the "economic inviolability" of the GDR and expand the "commercial scope" in trade with the West. Both these phrases reflect in semantic terms the sometimes dramatic foreign trade development in the early 1980's and the shock effect it exerted. Against this background, "economic inviolability" and "commercial scope" must be considered the driving force for the entire and partly old-new technology program of the current plan period.

At a cursory glance, the present starting position with regard to foreign trade seems much better than at the beginning of the 1981-1985 period.(1) At that time, the GDR leaders were confronted with the mortgages taken out in the past--a shattered balance of trade involving an accumulated deficit that amounted to almost 29 billion valuta mark. This resulted from a (known) net debt (including inner-German trade) of almost \$12 billion and a cumulated deficit in trade with the Soviet Union (Tables 3 and 4).

In view of the preprogrammed further deterioration in the terms of trade with the USSR and a harder sales situation due to economic crises in the West, prospects were poor indeed. The then foreign trade conception provided first of all for the consolidation of the balance of trade with the USSR by 1985 (2) and for a reduction in the annual deficits in trade with the West. This consolidation concept was brutally disrupted as early as the turn of 1981-1982.

1. The GDR was drawn into the maelstrom of the international crisis of confidence among the banks, brought about by the insolvency of Poland and Romania. As a consequence all Western sources of credit dried up, indeed outstanding loans were called in and repayments compelled.
2. Soviet oil deliveries, guaranteed at 19 million tons per annum through 1985 were cut to 17.1 million tons (1982: 17.7 million tons).
3. CEMA prices for Soviet oil exploded in 1982; for the GDR they rose by 48 percent compared to the preceding year.(3)

In view of this development "commercial scope" was out of the question--with the exception of inner-German trade. "Economic inviolability" was no longer certain.

The subsequent "crisis management" concentrated on exports to the West at any price and on severe cuts in imports requiring hard currencies. It seems that domestic collapse was avoided only due to the special conditions of inner-German trade that, as you know, is settled in VE's [accounting units] rather than in foreign exchange.(4)

The situation was decisively eased from the financial standpoint by the commercial Eurocredit in the amount of DM1 billion, granted in summer 1983 and guaranteed by the Federal Government and unconfined to any special purpose. With its help and that of the second (1984) loan, again guaranteed by the Federal Government, and the annual DM revenues (FRG payments, minimum exchange, and so on) amounting to roughly 2-2.5 billion, the GDR not only managed to consolidate its balance of payments, it also succeeded in regaining access to the international credit markets.

The GDR achieved a 26 billion valuta mark accumulated balance of trade surplus in 1982-1985. Known net debts to the West (including IDH [inner-German trade]) were almost halved at the end of 1985 by comparison with 1981: \$6.5 billion.(5)

According to GDR statistics, the domestic price paid for this successful foreign trade crisis management amounted to irrecoverable losses of growth, arrears in investments, cuts in private consumption and an overall stagnation in social services.

The new foreign trade mortgages consist on the one hand in even greater debts to the USSR--the accumulated balance of trade deficit now accounts for more than 3 billion transferable rubles (see Table 4) and, on the other, an even more deformed commodity structure in Eastern and Western trade.

As regards trade with the West, a single item--mineral oil and mineral oil products--became the No 1 foreign exchange earner. Earnings from these products account for 30 percent of total deliveries to the West.

Since the CEMA summit in summer 1984, efforts have been geared to greater economic interlinks in order to reduce the debt to the USSR. The October 1984 "Program for Cooperation through 2000 between the GDR and USSR in Science,

Technology and Production" gave concrete shape to this endeavor.(6) To ensure future raw material imports from the Soviet Union, the program calls for the restructuring of investments and the modernization of industry. Exports of industrial consumer goods (+ 40 percent) and chemical products (+ 50 percent), in particular, but also of investment goods are to be raised in quantitative and qualitative terms to such an extent that old debts may be repaid and annual imports financed.

At the 11th SED Party Congress, General Secretary Gorbachev emphasized Soviet expectations as follows: (7)

"We cannot imagine a future for the Soviet Union without cooperation with the GDR and the other fraternal countries. ... The socialist countries are entering an era when cooperation between them needs to be lifted to a higher level. And that not only by one or two decimal points but, to speak with the mathematicians, by entire dimensions."

The tone of the speeches by Honecker and Stoph as well as of the directive is less enthusiastic but of course follows the same lines. Closer cooperation, specially with the USSR, is deemed the decisive foundation of dynamic growth (8) and the guarantee of the ability to mobilize forces for the achievement of top performances.(9)

The 11th SED Party Congress far more than the 10th Congress emphasized GDR obligations toward the USSR. The need was stressed for an interesting export offer and the contract appropriate satisfaction of obligations as an important condition for safeguarding raw materials deliveries. In the period through 1990 the GDR will also once again participate in USSR investment projects.(10)

The few structural data given are most illuminating. At the end of October 1985--on the occasion of the conclusion of plan coordination (11)--, it was learned for example, that the foreign trade volume with the USSR is scheduled to amount to 380 billion valuta marks (1985 price base).(12) Though this corresponds to just a moderate about 25 percent growth rate by comparison with the 303 billion valuta mark volume of the last plan period, we must remember that the starting level of commodity turnover is extremely high and, just as in the 1960's, has managed to achieve an almost 40 percent share of the GDR's total foreign trade. Furthermore, no price increases for raw materials, specially oil, are in view at the moment--quite the contrary--, so that prices are bound to drop even according to the CEMA price formula.

The growth rate for the volume of exports to the USSR is set at 30 percent above the volume of imports. This indicates the planned reduction of deficits. The most important raw materials purchases from the USSR were agreed for about the same volume as in the last period.

A volume of 200 billion valuta marks is earmarked for the other CEMA countries, representing a fairly weak growth rate of about 12 percent by comparison with the actual volume of the last 5 years. The evident trend noted in the past 5-year plan period to loosen the links with these countries is therefore projected forward, and so is the shift in the formerly traditional rough regional structure. Two thirds of the total foreign trade

volume are to involve the "socialist" countries. It is intended thereby to maintain the regional structure of the last 5-year plan that had, despite the 5-year planning of 70 : 30, shifted toward the "nonsocialist" countries (including the Western industrial countries) (see Table 1).

As a consequence of this shift, the GDR is behind only Hungary and Romania now the CEMA country with most trade links to the West. In former years it had brought up the rear with Bulgaria and the CSSR.

The phraseology of the directive reads almost like a solemn promise to prevent further shifts toward the "nonsocialist" countries:(13)

"The dynamic development of foreign trade relations with the USSR and the other socialist countries must guarantee that roughly two thirds of the GDR's international commodity exchange are carried out with the USSR and the other socialist countries."

"Significant" export surpluses are provided for in trade with the Western industrial countries.(14) The growth rate is to be determined by the products of the metal processing industry. GDR weakness in matters replacement part supplies is expressly addressed. It is repeatedly emphasized that economic relations with the "nonsocialist" economic area must be developed on the "firm foundation of stable political and economic relations with the USSR and the other CEMA member countries."(15)

Neither the directive nor (even less) the party congress speeches indicate that GDR foreign trade is exposed to a precarious situation right at the start of the new plan period by the latest world economic trends that could not be foreseen at the time the 5-year plan was drafted. These include the rapid collapse of oil prices on the world market and the decline of the dollar exchange rate. The consequences for GDR foreign trade are extremely serious at least in the short run. Foreign exchange earnings and IDH earnings from mineral oil product exports are far less than planned even in the first half 1986. In the last 5-year plan period, a significant portion of scarce investment resources had flowed precisely into the expansion of refinery capacities. As a result the statistically proven exports of mineral oil and mineral oil products to the West more than doubled from 3 million tons in 1980 to 6.6 million tons in 1984.(16)

Imported Soviet crude held a significant share in the exports of mineral oil products. The price of this crude to the GDR was below the world market price until 1983. According to the CEMA price formula, it ought to be well above world market prices in 1986.(17)

The collapse of the dollar exchange rate affected GDR exports insofar as it has thereby been deprived of preferences on the Western market, including the West German market. In the consumer goods sphere especially it is once again exposed to the aggressive competition of the southeast Asian low price countries which invoice in dollars.

In the short run, this latest development has worsened the GDR's earlier competitive weaknesses and, instead of the needed expansion of the commercial scope, brought about its further restriction. The planned substantial export surpluses in trade with the West as well as the obligations toward the USSR require such a fundamental change in the export profile and, consequently, the production structure that we must doubt whether these goals can possibly be achieved by 1990.

In addition to the fact that the remarks on foreign trade are rather vague by comparison with those at the 10th SED Congress, we also need to note the total silence observed with regard to foreign trade reform. Every single document of the 10th SED Party Congress addressed the issue of the more efficient organization of the foreign trade apparatus, this topic was not mentioned at all at the 11th Party Congress. The reorganization of the foreign trade apparatus, initiated on 1 January 1981 on a large scale, had resulted in a relatively remarkable reform of the foreign trade system by the end of 1985.(18) At the 10th SED Congress, Erich Honecker explicitly stressed the reform of the foreign trade apparatus as follows:(19)

"The uniform and complex management of science, technology, production and sales within the framework of the combines, now including foreign trade also, is designed to develop better opportunities for a significant growth and greater efficiency of exports. While strictly maintaining the state foreign trade and foreign exchange monopoly, the dual subordination of foreign trade enterprises signifies an important step toward the perfection of management and planning."

On several occasions before the 10th SED Congress and for the last time in January 1980, Honecker sketched the objectives of the reform as follows:(20)

"It is important above all to develop the combines with their enterprises, research facilities and sales organs as cohesive organisms."

At the 11th SED Party Congress, Honecker related only half a result: (21)

"Above all, we succeeded in achieving the organic combination of production and science on an economic basis."

Until recently the dual subordination of foreign trade enterprises to the Ministry for Foreign Trade as well as to the industry ministries and the integration in combines of more than 20 foreign trade enterprises and more than 60 foreign trade sectors was described as a successful step toward the removal of the earlier total organizational separation of production and foreign trade. The failure to praise this success at the party congress also is bound to confirm the suspicion (22) that this reform has at least been put on ice if not partly reversed.

A few days after the 11th SED Party Congress, a sudden change occurred at the head of the Ministry for Foreign Trade (MAH).(23) Horst Soelle, 62, was replaced after more than 20 years in office and appointed without portfolio to one of the nine deputies to Willi Stoph. Gerhard Beil, 60, CC member, state secretary at the MAH and, since 1969, first deputy to Soelle, is the new

minister. While Soelle was primarily responsible for foreign trade with the USSR and considered fairly inflexible, Beil concentrated on trade with the West and inner-German trade.(24)

Table 1--Regional Structure of GDR Foreign Trade 1976-1985 (Percentages, Prevailing Prices)

Regions	Exports									
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Socialist countries	71	75	74	73	69	66	64	64	65	65
CEMA only	68	71	71	70	65	63	61	62	63	
Western industrial countries *	24	21	20	21	24	27	29	29	30)
Developing Countries	4	5	6	6	7	6	7	7	5) 35

Imports										
Socialist countries	63	69	70	64	63	67	69	66	67	67
CEMA only	61	66	67	62	60	64	66	64	64	
Western industrial countries *	32	26	25	31	30	29	27	30	29)
Developing countries	5	5	5	5	6	3	4	4	4) 33

* Including IDH

Sources: GDR Statistical Yearbooks and Statistical Yearbooks of the CEMA Countries, Moscow (in Russian)

Table 2--Data on Foreign Trade 1981-1985 (Prevailing Prices) 1986-1990 (1985 Price Base)

	1981-1985 billion VM	1986-1990 billion VM	Percentage Changes	Average Annual Growth Rate (%) (Based on actual 1985 Figures)
Total				
Turnover	793 (1)	ca 951 (2)	+ 20	< 2
Exports	410 (3)	.	.	
Imports	383	.	.	
Socialist World				
Turnover	523 (4)	ca 628 (5)	+ 20	< 2
Exports	265	ca 341	+ 29 (6)	< 4
Imports	257	ca 287	+ 12	< 1.5
USSR				
Turnover	303 (7)	> 380 (6)	+ 26	ca 3
Exports	-	-	+ 30 (6)	
Other CEMA countries				
Turnover	197 (8)	220	+ 12	< 1
Nonsocialist World				
Turnover	270 (9)	ca 323	+ 20	< 2
Exports	144	.	.	
Imports	126	.	.	

(1) See Figures and Facts, p 94; (2) Calculated on the basis of the turnover with CEMA at 600 billion valuta marks, about 63 percent of the total foreign trade turnover; (3) Calculated on the basis of the plan fulfillment report; (4) For 1985 calculated on the basis of the German Foreign Trade Bank report for 1985, exports to the socialist world 13.021 billion transferable rubles, imports from the socialist world 12.470 billion transferable rubles; 1 transferable ruble equals 4.67 valuta marks; (5) Calculated as roughly two thirds of 951; (6) Party congress data; (7) Figures and Facts, p 96; (8) Figures and Facts, p 98; (9) For 1985 calculated on the basis of the German Foreign Trade Bank Report for 1985, exports to the nonsocialist world \$8.832 billion, imports from the nonsocialist world \$7.694 billion; \$1 equals 3.71 valuta marks.

Table 3--The GDR's Hard Currency Debts in Billion U.S.Dollars

OECD (1)	1980	1981	1982	1983	1984 (2)	1985 (2)
Bank credits	9.9	10.7	9.1	8.6	8.3	10.2
Supplier credits	1.8	1.6	1.6	2.0	1.8	1.6 (3)
Gross debts	.	12.3	10.7	10.6	10.1	11.8
Credit balance	- 2.2	- 2.2	- 2.0	- 3.4	- 4.5	- 6.5
Net debts	9.5	10.1	8.7	7.2	5.7	5.3

(1) Known indebtedness (excluding inner-German transactions)

(2) Quarterly report by the BIS [Bank for International Settlements] (Basle), May 1986

(3) Status at end June 1985

Sources: BIS half-year reports; BIS/OECD Statistic on External Indebtedness

Table 4--Balance of Trade Deficits

Inner-German Trade	1980	1981	1982	1983	1984	1985
Accumulated deficit in billion VE	3.9	3.7	3.7	4.1	3.1	3.5
billion U.S.\$ (1)	(2.1)	(1.6)	(1.6)	(1.6)	(1.1)	(1.2)
Trade with the Soviet Union	1980	1981	1982	1983	1984	1985
Accumulated deficit in billion transferable rubles	1.9	2.3	2.9	3.1	3.0	3.1
billion U.S.\$	(2.9)	(3.2)	(4.0)	(4.2)	(3.8)	(3.9)

(1) Conversion ratio: U.S.\$1 = 1980: 1.82 VE/DM; 1981: 2.26 VE/DM
 1982: 2.43 VE/DM; 1983: 2.55 VE/DM
 1984: 2.85 VE/DM; 1985: 2.94 VE/DM

(2) Official excessive conversion rate of the Soviet State Bank:

1 transferable ruble = 1980: U.S.\$1.53; 1981: U.S.\$1.39; 1982: U.S.\$1.38
 1983: U.S.\$1.35; 1984: U.S.\$1.26; 1985: U.S.\$1.25

Sources: Press Informations of the Federal Ministry of Economics; Statistical Foreign Trade Annual (Moscow)

FOOTNOTES

1. See Maria Haendcke-Hoppe, "10 Years Foreign Trade and Foreign Trade Policy," part of "Experimental Development Concepts for the GDR Economy," FS-ANALYSEN No 5, 1984, pp 57-94.
2. See Gerhard Brendel, Hans Joachim Dubrowsky, "Trends in Trade Between the CEMA Countries," DEUTSCHE AUSSENPOLITIK No 10, 1982, p 34.
3. Arithmetically, these price increases no longer corresponded to the price formation mechanism in CEMA on the basis of the world market prices of the preceding 5 years, instead they conformed to the 3-year average practiced as far back as 1975. See Maria Haendcke-Hoppe, "GDR Foreign Trade in the Sign of Shrinking Imports from the West," DEUTSCHLAND ARCHIV No 10, 1983, pp 1069f.; Jochen Bethkenhagen, "Oil and Natural Gas in CEMA Intrabloc Trade," DIW-WOCHENBERICHT No 51, 52 1983, p 630; Josef M. van Brabant, "World Prices and Price Formation in Intra-CEMA Trade: Selected Empirical Evidence,": OSTEUROPA-WIRTSCHAFT No 3, 1985, pp 163ff.
4. For a detailed analysis of crisis management see Karl Heinz Gross, "Inner-German Economic Relations," part of "The GDR Economy at the End of the 5-Year Plan Period," Part II, FS-ANALYSEN No 5/1985.
5. This effort at reduction succeeded primarily by the quick accumulation of credit balances from U.S.\$2.2 billion to U.S.\$6.5 billion. Gross indebtedness, on the other hand, declined very little, from U.S.\$ 14 billion to U.S.\$13 billion (see Tables 2 and 3).
6. NEUES DEUTSCHLAND, 8 October 1984.
7. NEUES DEUTSCHLAND, 19 April 1986, p 3.
8. Willi Stoph, NEUES DEUTSCHLAND, 20 April 1986, p 4.
9. Directive, NEUES DEUTSCHLAND, 23 April 1986, p 3.
10. Data on the volume of investment participations in the USSR are available neither for the past 5-year plan period nor the new one. A volume of M10 billion is mentioned for 1976-1980; this differs from the just under M7 billion officially recorded, This amount is said to have been substantially exceeded in the 1981-1985 plan period. See Willi Kunz, "Socialist Economic Integration in the Conditions of Comprehensive Intensification," ABHANDLUNGEN DER AKADEMIE DER WISSENSCHAFTEN DER DDR W, 1 1985, p 24.
11. NEUES DEUTSCHLAND, 1 January 1985.
12. According to Soviet data, on the other hand, growth is to amount to 30 percent. On the basis of the Soviet data (that differ from GDR data), this would correspond to a volume of 86 billion transferable rubles or 403 billion VM in 1986-1990. See AUSSENHANDEL-UdSSR No 3, 1986, p 7.

13. NEUES DEUTSCHLAND, 23 April 1986, p 9.
14. Ibid.
15. Roughly calculated, the various data yield a total foreign trade volume of about 951 billion VM (1985 price base) for 1986-1990. At a very low average annual growth rate of less than 2 percent, this would correspond to 20 percent growth by comparison with 1981-1985.
16. "1985 Statistical Yearbook of the CEMA Countries," (Russian), p 354.
17. Whether we use the 3-year or 5-year formula, we obtain a price for the GDR of about 170 transferable ruble per ton (Saudi Arabian light). According to the Soviet rate of exchange this corresponds to about U.S.\$200. On the world market, though, the average price amounted to \$125 per ton in the first quarter 1986. However, the USSR is said at the summer 1984 CEMA summit to have conceded that the world market price is always to be taken into account if that price is below the CEMA settlement price. See Heinrich Machowski, "CEMA Summit: Equalization of Interests," DIW-WOCHENBERICHT No 29, 84, p 344.
18. See Maria Haendcke-Hoppe, "Foreign Trade Reform and Foreign Trade Monopoly," part of "The GDR Economy at the End of the 5-Year Plan Period," FS-ANALYSEN No 5, 1985, pp 5-25.
19. "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den X. Parteitag der SED" [SED CC Report to the 10th SED Party Congress], East Berlin 1981, pp 85.
20. "Die Naechsten Aufgaben der Partei bei der Weiteren Durchfuehrung der Beschluesse des IX. Parteitags der SED" [The Coming Tasks for the Party in the Further Implementation of the 9th SED Party Congress Resolutions], East Berlin 1980, p 42.
21. NEUES DEUTSCHLAND, 18 April 1986, p 6.
22. See Maria Haendcke-Hoppe, "Foreign Trade Reform and Foreign Trade Monopoly," *ibid.*, p 23.
23. NEUES DEUTSCHLAND, 9 May 1986.
24. For his merits as a successful "crisis manager," he was awarded the GDR's highest distinction--the "Karl Marx Order"--in March 1983. See NEUES DEUTSCHLAND, 5-6 March 1983.

11698

CSO: 2300/447

CARTOON COMMENTARY ON 1986 PLAN

Budapest LUDAS MATYI in Hungarian 9 Jul 86 cover page

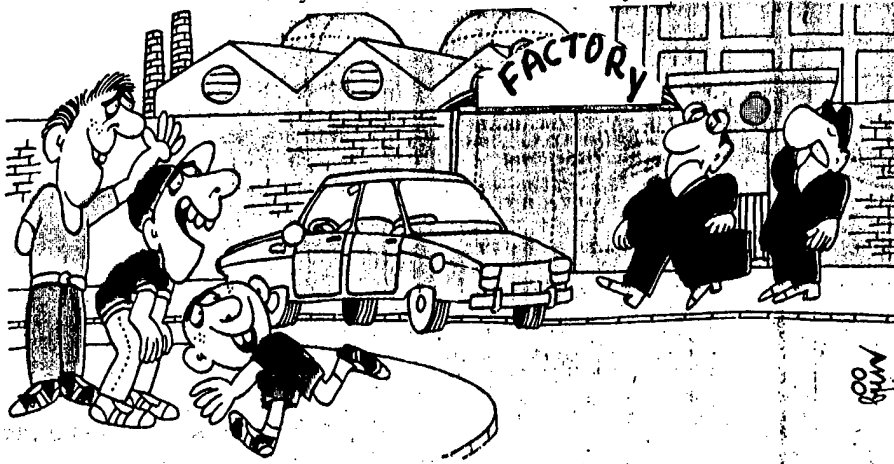
[Cartoons: The reference is to the government's quandary on how to fulfill the 1986 annual plan targets, given the fact that first quarter results already show that current performance precludes any hope of targeted levels.]



Get out of here lady, we don't need any fortune teller here.

Budapest LUDAS MATYI in Hungarian 1 Jul 86

Dirty words of the Day

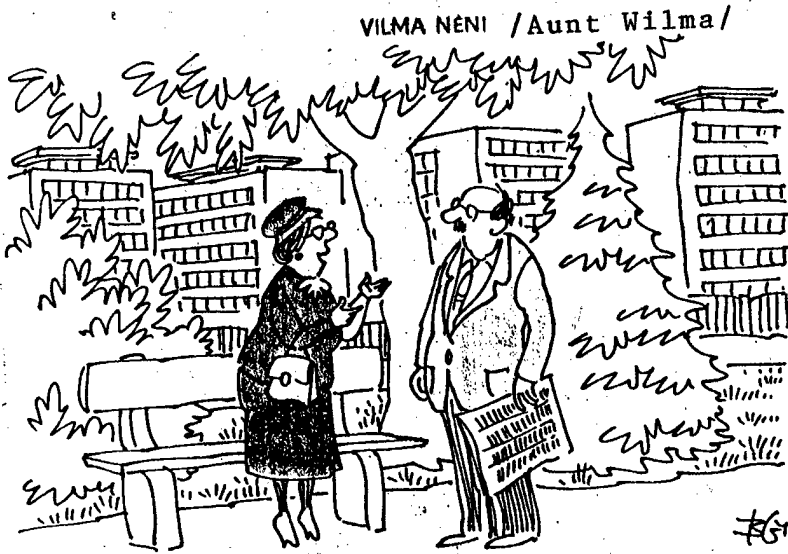


[This cartoon shows that industry finds words like innovation offensive because it cannot muster the resources to do so.]

INNOVATION, INNOVATION!*?

Budapest LUDAS MATYI in Hungarian 9 Jul 86

VILMA NÉNI / Aunt Wilma /



" I'm glad that the West is finally climbing out of its crisis, since we always follow them in a few years, you know."



HERE AND NOW

[The reference is to Hungary's mixed economy and poor economic performance.]

"You know this third way is also full of pot holes."



[The reference is to the rivalry between industry and agriculture and agriculture's relative success in propping up the industrial sector with its agricultural export earnings.]

" And I'll have you know that your grandfather, the ironworker is also being supported by agriculture!"

/9365
CSO: 2500/394

FLAWS SEEN IN APPROACHES TO PERSONAL INCOME STATISTICS

Warsaw ZYCIE GOSPODARCZE in Polish No 26, 29 Jun 86 p 8

[Article by Marian Wisniewski: "Breakdown of Personal Income" subtitled "What is Marginal to Statistics and the Economy May Decide the Society's View of the Division into the Rich and Poor"]

[Text] The flaws in our income statistics are common knowledge that is not limited to economists. We have two sources of information about personal incomes, each employing a different income category. The first source is the macroeconomic statistical data that describe personal incomes in largely generalized terms that, to be sure, can be broken down into principal income categories, but cannot be linked to discrete types of households. Such statistics disclose a great deal about the overall and average income levels but reveal almost nothing about income differentiation. The other, microeconomic, source is the surveys of household budgets by the Main Office of Statistics (GUS). This is the sole nearly complete source of information on income differentiation in Poland. Its principal flaw is incomplete representativeness (10.5 percent of the population remained outside the scope of surveys in 1984) and consistent underreporting of income levels by households. A comparison of both sources reveals yet another flaw: macro- and microstatistics operate with different concepts of income and can hardly be reconciled.

The discrepancies between income assessments by macro- and microstatistics are a common occurrence, even in the countries in which samples of households surveyed are representative of the overall population. In Spain and Ireland the figures on income breakdown underestimate by one-third the overall incomes reported by macrostatistics; in France, this underestimation reaches 20 percent; in Great Britain, 13 percent; and in Sweden, 3 percent. Income everywhere is a factor that is neither conclusively measurable nor entirely objective (this concerns in particular its nonmonetary elements). It moreover is a matter which is not divulged in its totality, both by taxpayers and by poll respondents.

In such a situation, is it possible to construct a breakdown table of personal incomes for Poland as a whole? Of a certainty, such a breakdown cannot be estimated or determined in accordance with the connotation of the term. It can however be constructed by exploring the margins of statistics and compensating

for the lack of quantitative information with observations of a qualitative nature.

Aggregate Personal Incomes

Let us begin by determining the overall amount of personal incomes comparable to household incomes. We will employ the category of personal incomes of the population, which in some respects is broader and in others narrower than the category of households. Complete consonance cannot be achieved, but it can be closely approached. The main difference reduces to different treatment of the part of collective consumption realized in natural form. Personal incomes do not include that part at all, whereas household budgets include a considerable part of services relating to culture, health care, social services, and sports and tourism. The value of these services should augment the value of personal incomes.

Another difference consists in the different treatment of periodic monetary transactions (bank credit, loans), which are not included in household incomes but are included in personal incomes.

When allowance is made for these two principal factors, the aggregate of personal incomes has to be increased by 324 billion zlotys in 1984 (107 billion zlotys in 1980) to a total of 5,523 billion zlotys (1,760 billion zlotys in 1980) or, in per capita terms, 12,527 zlotys monthly per Pole (versus 4,122 zlotys in 1980). It is thus possible to determine to a first approximation the overall extent of the income breakdown in question, which I will term the full breakdown.

When all the socioeconomic household categories surveyed by the GUS are taken together, it will be found that the mean income per person was 9,527 zlotys [monthly] in 1984 (3,083 zlotys in 1980), i.e., it was about 25 percent lower than its counterpart on the macro scale. After allowance is made for the incomplete representativeness of the sample surveyed, it ensues that the 10.5 percent of the population omitted by the GUS surveys accounted for 31.5 percent of the aggregate personal incomes in 1984 (in 1980 10.1 percent was omitted and it accounted for 30.4 percent). This finding requires at least two additional revisions: the first allows for underreporting of incomes by the households surveyed and the second for flaws in quantitative proportions among types of households in the GUS sample.

Is the aggregate incomes ceiling specified here credible? Viewed in terms of the concept of incomes in microeconomic statistics, some underestimation has to be taken into account. The first reason is the disregard of the consequences of the underground economy. If only monetary incomes are considered, redistributive consequences of the underground economy alone can be taken into account. This alters the breakdown structure but does not create any additional quantities on the macro scale.

Considered in broader terms, that is, in terms of the concepts as personal incomes and household incomes, allowance should be made for the unreported flow of consumer goods and services that either is not included in macro statistics or is taken into account under a separate rubric that is not

included in the consumption fund. Part of this flow consists of goods handled within the underground economy alone (this concerns many agricultural produce), i.e., factors lying outside statistics on both outlays and end-effects. The other part concerns the flow of material values (goods and productive labor) from the official economy to the underground economy. Statistics record these values as part of production outlays; they thus represent the material cost of the generation of national income or are a component of national income, but they (e.g., building materials) are recorded as a component of the accumulation fund rather than of the consumption fund. Such transfers are intangible to statistics and augment the noncash incomes of the population as well as stimulate the redistribution of both noncash incomes and personal savings.

Another reason for the underestimation of the aggregate personal incomes is linked to the operation of wages as an instrument of economic regulation. In many countries, including the Western ones as well, the nonmonetary elements of wages are of major importance. In Poland, with its existing market disequilibrium and rationing of certain goods in demand (housing, passenger cars) there operates an elaborate system of nonmonetary emoluments which poses to statistics the subtle problem of evaluating them. Also intangible to statistics are the actual expenditures of enterprises on providing certain nonmonetary benefits to employees. ZYCIE WARSZAWY has in the past already published an article ("Several Misunderstandings," by K. Wisniewska, No 41, 1985) describing the marked proclivity of enterprises to avoid reporting part of the cost of the social, housing and other benefits they provide to their employees and to include it in their production cost. In this case we may speak of a concealed transfer of incomes from gross product, organized by labor establishments for the benefit of their employees.

Revising the macroeconomic size of incomes is a separate and tremendously complicated problem. For this reason I will assume here that the aforementioned aggregate of incomes is a valid level for the income breakdown being attempted in this article. This simplification should not result in any marked distortion, considering that both income categories (macro and micro) are affected to an equal extent by the underestimation mentioned above.

Correction for Household Incomes

Underestimation or underreporting is a classical problem of any income statistics and reports. Poll respondents behave very much like taxpayers who fill out income tax returns. It may be that they lack confidence in the privacy of statistical surveys or desire to avoid the vexations associated with a dilemma of conscience.

Since 1980 the GUS has been publishing not only findings of its own surveys of households but also reports on corrected levels of mean incomes in four socioeconomic household categories. In such corrections the principal factor is played by the most readily verifiable information on emoluments in the socialized sector of the economy, monetary social-service benefits, and monetary incomes from agricultural production. In addition, high conversion coefficients for "other incomes" also are employed, but, in view of their low importance, this correction is not significant. For 1984 the underreporting of

incomes per person in worker households was estimated at 9.5 percent; in peasant households, at 8.9 percent; in worker-peasant households, at 7.3 percent; and in households of pensioners and annuitants, at 6.2 percent. Thus such corrections raise the mean level of incomes but do not alter their breakdown within discrete categories. It is thus recognized that the extent of underreporting is proportional to the height of income per household member. This means that, in terms of structural relations, household budgets are considered a credible source of information.

A major problem of any representative (sample) survey is the refusal of some respondents to participate. This is not an infrequent occurrence, and in some regions of the country (especially in large cities) it reaches as much as 50 percent of the random sample. The GUS resolves this problem by selecting substitute households of a similar composition, at least. This is not the best approach -- others too display many flaws -- but it is convenient, because it dispenses with the need to perform a second weighing of the findings in terms of disaggregated indicators of refusals. But one kind of correction is indispensable with respect to the samples surveyed by the GUS. Namely, the quantitative relations among persons belonging in category 4 do not correspond to population relations. In the GUS sample the worker population is explicitly overrepresented (by about 11 percent in 1984) and the worker-peasant population underrepresented (by about one-third in 1984). It is also indispensable to make an allowance for the overrepresentation of the peasant population by 8.2 percent and of the pensioner population by 6.5 percent.

The households surveyed by the GUS thus represent 89.5 percent of Poland's population (in 1984). The incomes of that group can be described with the aid of a breakdown which I will term here the raw breakdown, based on superposing the findings of household budget surveys on the four categories of the households. The other corrected type of breakdown makes an allowance for the underreporting of incomes and the lack of consonance so far as population proportions are concerned.

It is worth noting that both types of corrections, while neutral with respect to the breakdown of incomes within the household categories to which they pertain, alter the breakdown of the overall sample of households by causing shifts in the structure of discrete subgroups. The overall effect is that of an insignificant increase in income differentiation, owing to the greater significance of peasant incomes, which are differentiated to a much greater extent than the incomes of the other groups. In 1984 the Gini concentration coefficient amounted to 0.362 for peasant households, 0.253 for worker-peasant households, 0.233 for worker households, and 0.215 for pensioner households.

What the GUS Does Not Investigate

The correction introduced results in an increase in the mean level of incomes per household member (see table). Now the macroeconomic analysis of incomes is as follows:

-- In 1984 89.5 percent of the population had a combined income of 4,094 billion zlotys or 74.1 percent of the aggregate income of the entire

population, which results in a mean income of 16,328 zlotys monthly per person. The omitted 10.5 percent of the population had a combined income of 1,429 billion zlotys or 25.9 percent of aggregate income, with a mean of 30,684 zlotys monthly per person.

-- In 1980 89.9 percent of the population disposed of 1,315 billion zlotys or 74.7 percent of the aggregate income of the population, with a mean monthly income of 3,426 zlotys per person. The remaining 10.1 percent of the population had an income of 445 billion zlotys or 25.3 percent of aggregate population income, or a mean monthly income of 10,311 zlotys per person.

It is worth noting that these figures encompass both monetary and nonmonetary incomes, in accordance with the convention followed in family budget studies.

The main problem now is how to incorporate in the corrected breakdown of incomes the population group that was omitted in the GUS surveys. This is in every respect an inhomogeneous group. Partially it consists of the households of persons linked to the state sector (Ministry of National Defense, Ministry of Internal Affairs, party-state apparatus), but the greater part is represented by the households of self-employed persons other than farmers (crafts, truck gardening, trade, services). It also includes so-called collective households (e.g., inmates of welfare and retirement homes), and lastly the socially and culturally non-integrated segments of the population known by the appellation of the socially marginal.

It is usually thought that the entire group omitted by the GUS surveys represents the extremes of poverty and wealth in Poland. This is a somewhat simplified notion. The social composition of that group warrants the hypothesis that a considerable part of its members derive high incomes which, though, are not high enough to be considered extremal in comparison with the incomes of the households surveyed by the GUS and represent as it were the 10th decile group in relation to those surveys. It is only within the remaining smaller part that we find the extreme top margin of high incomes, such as are hardly ever recorded in surveys of family budgets.

As regards the bottom end of the breakdown, poverty should be distinguished as an economic and a cultural phenomenon. In the former meaning of the word, which concerns low incomes and the resulting unavoidable abnegations, we are dealing with cases which are fairly numerous (or sufficiently numerous?) represented in surveys of household budgets. The lowest of the incomes recorded within that category are as much as two-thirds below the incomes considered by the GUS as low incomes. On the other hand, if we consider poverty as an occurrence on par with crime and social pathology, e.g., the poverty of the families of alcoholics, the level of incomes is not at all an indicator of a particular situation of this category. Viewed from the standpoint of their material living conditions such families may be considered in the poverty category, but viewed from the standpoint of their income levels, most often they are not included in that category.

Poverty as a kind of subculture was analyzed by H. Goralska in her work on the social minimum (PiSS, Warsaw, 1986). A special feature of these incomes is their irregularity as well as, often, illegality, and above all the manner in

which they are spent. Precisely in view of their cultural separateness, the inclusion of such groups in any part of the breakdown of incomes is hardly justifiable.

Premises for a Full Breakdown

Allowing for all this, the following hypothesis about the breakdown of incomes of the segment of population omitted by the GUS can be advanced: one-third of that group has an income level similar to that of the population surveyed and hence also its breakdown resembles the corrected breakdown. The second one-third consists of persons with high incomes in the sense in which this definition is applied to the households surveyed by the GUS. The incomes of this second one-third lie at the level of the 10th decile group of the corrected breakdown (averaging 22,050 zlotys [monthly] per person in 1984 and 6,775 zlotys in 1980). The last one-third represents the extreme of high incomes in this country, accounting for the entire remaining part of incomes. The average income per person in that group was 59,720 zlotys monthly in 1984 and 20,755 zlotys in 1980.

Given the above assumptions, the corrected breakdown can be converted to a full breakdown covering the entire population of the country. Figures characterizing this breakdown are presented in the table below. Noteworthy is the marked rise in income differentiation now that the omitted part of the population is taken into account. This is due not to the hypothesis adopted here (division into three subgroups) but, above all, to the fact that 10 percent of the population accounts for 25 percent of all incomes. The most egalitarian result would be produced by the assumption that the entire omitted group is homogeneous and represents the extreme of high incomes. But this conflicts with actual observations. As adopted here, the stratification of the group in question ($1/3 + 1/3 + 1/3$) provides a relatively mild version of income differentiation. Narrowing the numerical size of the subgroup responsible for the extreme of high incomes) results in a further rise in concentration. For example, the breakdown variant ($1/2 + 1/4 + 1/4$) yields a Gini coefficient of 0.359.

Is the Differentiation Great or Small?

It should be considered great. When measured by the Gini coefficient, it is greater than in the Scandinavian countries (Sweden 0.221) or Great Britain (0.27) and close to the situation in France, Spain, the FRG or... the Polish countryside! To some degree this is an obvious consequence of the pluralism of our economic life in which foreign influence is a factor, too, as we should bear in mind. A person who spends in Poland one or several thousand American dollars brought into the country -- and each year the number of such persons, linked to both the state and the private sectors, is growing -- is immediately ranked in the top percentile section of the breakdown of personal incomes. This fact demonstrates that the division into surveyed and omitted population groups is somewhat artificial, and that the social composition of the top income group is much more varied. Worker households also happen to include some lying outside the income limits noted by the GUS, e.g., in the upper percentile of the comprehensive breakdown. In 1984 that upper percentile commenced somewhat above the level of 40,000 zlotys monthly per person, with

Personal Income Distribution in Poland

(1) Wyszczególnienie	1984				1980			
	(2) Rozkład surowy		(3) Rozkład skorygowany		(4) Rozkład pełny		(4) Rozkład pełny	
	Odsetek dochodów (5)	Dochód najwyższy (6)	Odsetek dochodów (5)	Dochód najwyższy (6)	Odsetek dochodów (5)	Dochód najwyższy (6)	Odsetek docho- dów (5)	Dochód naj- wyższy (6)
(7) Dochód średni w zł na 1 osobę miesięcz- nie		9521		10 328		12 469		4122
(8) Grupy decylowe:								
(9) pierwsza	4,1	8610	4,1	5380	3,5	5380	3,5	1830
(10) druga	5,3	5980	4,2	6480	4,8	6470	4,9	2220
(11) trzecia	6,7	6810	4,7	7360	5,6	7460	5,8	2530
(12) czwarta	7,6	7620	7,8	8240	6,4	8420	6,6	2880
(13) piąta	8,5	8480	8,4	9190	7,3	9640	7,4	3250
(14) szósta	9,4	9460	8,4	10260	8,3	11030	8,4	3680
(15) siódma	10,5	10020	10,5	11570	8,5	12830	9,6	4230
(16) ósma	12,0	12260	12,0	13320	11,2	15420	11,1	5010
(17) dziewiąta	14,1	14820	14,2	16240	14,0	20170	13,7	6440
(18) dziesiąta	21,2	20180*	21,3	22040*	29,4	36650*	29,0	11960*
(19) w tym: górne 5 proc.	12,7	24240*	12,8	36520*	20,4	50810*	20,4	16790*
(20) górny 1 proc.	4,2	39660*	4,2	43850*	10,5	130590*	11,0	45470*
(21) Mierniki koncentracji dochodów:								
(22) wsp. Giniego		0,253		0,266		0,340		0,341
(23) wsp. maksymalnego wyrownania		17,82		18,08		24,66		23,88

(24) średnio na 1 osobę miesięcznie
Źródło: obliczenia własne.

Key: 1. Subject; 2. Raw Breakdown; 3. Corrected Breakdown; 4. Full Breakdown; 5. % of Incomes; 6. Top Income; 7. Mean income in zlotys per person monthly; 8. Decile groups; 9. First; 10. Second; 11. third; 12. Fourth; 13. Fifth; 14. Sixth; 15. Seventh; 16. Eighth; 17. Ninth; 19. Tenth; 19. Of which: Top 8 percent; 20. Top 1 percent; 21. Yardsticks of concentration of incomes; 22. Gini coefficient; 23. Coefficient of maximum equalization; 24. Mean per person monthly, Source: Own calculations

the mean monthly income amounting to 130,000 zlotys. Thus, an abyss separating not just 1 percent but several thousandths of a percent from the entire remaining population is rapidly beginning to yawn.

It is worth noting that, in the breakdown presented, the question of substantial income differences reduces chiefly to the differences between the upper 1 percent of the population and the remaining 99 percent. Relatively moderate differentiation within that 99 percent as well as the tremendous distance isolating it from the top percent are possible. To statistics this represents a marked differentiation due to a marginal effect that lies practically beyond the bounds of statistics. To the economy, the direct consequences, whether positive or negative, of this differentiation may also be marginal, in view of the minimal economic potential of that 1-percent population group. But to social awareness this may be a fact defining its view of the entire society and the entire economy.

Another factor to be considered when evaluating the differentiation of incomes is the time dimension of that differentiation, or the income mobility of the population. The stability of the composition of the upper percentile, the duration of belonging to that elite group, is of major significance to the social consequences of strong income differentiation. If allowance is made for a major reason for belonging in that group, namely, trips abroad for purpose of gainful employment, considerable rotation of membership in the upper limit of the range can be expected. But as for persons who derive high incomes from self-employed activity, once they enter that top group, their chances to remain in it for many successive years are high.

Consonant with this appraisal, the concentration of personal incomes for the population as a whole increased only insignificantly between 1980 and 1984. But this would conflict with the perception of material differences by the man in the street in the last few years. It may be that social awareness perceives not so much a growth in the relative differentiation of incomes as rather a narrowing of the mobility paths linking the group with elite incomes to the remainder of the population.

1386

CSO: 2600/544

ECONOMIST CASTIGATES GOVERNMENT AGRARIAN POLICY

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 30 Jun 86 pp 25-26

[Article by Dragan Veselinov]

[Excerpts] Certain points which the government has emphasized in recent statements indicate that it is prepared to open itself to some modern ideas in waging agrarian policy. It seems that it is also the first Yugoslav government which has publicly questioned the maximum land area [permitted private farmers]. It has done this cautiously.

Yugoslav agriculture expects far more reforms than a specific settlement on the question of maximum land ownership. Most of our questions arise from the mistakes resulting from a science paralyzed by ideology, a hatred for money, inflexible regional relations between industry and agriculture, the guaranteed consumer dominance of the urban [over the rural] population, the collapse of the cooperative system in the vital agrarian areas of Yugoslavia, and the failure of the state to be the promoter of modern European agrarian reform.

This has resulted in depressed prices for agriculture, meager investment, credit uncertainty, a reactionary land policy, forced de-agrarianization, a vague tax policy, and political localism in agricultural planning, which had led to a fall in the rate of agrarian growth and a decline in the rate of agricultural exports. In regard to the latter, 22 percent less livestock was exported in January-April 1986 period than at the same time last year. Exports to the convertible area fell 10 percent, and those to the clearing-account area, 98 percent! Because of the Chernobyl contamination of "heads" in the EEC, exports to the convertible area will fall even more in May. In contrast to this, we are importing meat, processed meat, and milk at "dumping" prices.

If we disregard the record results of 1984 [which was an exception]..., then meat production in 1985 increased 3.3 percent over 1983, but this was the result of a physical trend that was not accompanied by a stimulative monetary effect.

The prices for agricultural products as a whole have been growing at an annual rate of 44 percent, while industrial prices grew at a rate of 57 percent, and prices for agricultural producer goods increased 56 percent (valid for 1984).

Agricultural revenue in 1985 increased 15.3 percent more slowly than that for the rest of the economy, and 26 percent more slowly than revenue for industry. At the same time agriculture was investing 15 percent faster in its production capital than its revenue was increasing.

Interest payments increased so fast that they took 45 percent out of agricultural income; for the livestock-raising sector only 10 percent of its income was left after interest payments were made.

Capital accumulation for agriculture grew 55 percent more slowly than that for industry and 62 percent more slowly than that for the economy as a whole.

Why, let us say, does the government not offer a plan in which it clearly says whether it would or would not be of benefit for Yugoslavia to be included in the European Economic Community's agrarian policy? If we are already in the International Monetary Fund and as a result are obligated to take into consideration its concept of monetary policy, perhaps it would be good if we now ask also about the European concept of agrarian policy.

Our government has complained that without clarifying ideological controversies a successful way out of the crisis cannot be expected in Yugoslavia. This is completely correct and this will be extremely unpleasant for this country, because it will have to create a balance of ideological currents since it has too little power to be able to either neutralize them or represent only one of them.

In the past decades, agrarian policy has for the most part been a collection of various self-deceptions, fetishes, and unprofessional recommendations.

In one of the last speeches of the government it was said that average yields on private farms were lower than those on combines (in its terminology these are the "socialized sector"), and that the high yields of those farms which participate in [state-sponsored] competition show what large reserves are hidden in agriculture. The government thinks that, because of this, one should expand competitions and the "movement for increasing yields." This method of thinking is useless for economy. Because, first, the essential thing for agrarian policy is: into what kind of farming can it [the government] put its capital where it will get optimum cost-effective results. It is correct that agricultural combines have higher yields than the average private farm but they do not have higher yields than private farms that are operating very well, while in general their production costs are higher than private farms, their losses are higher, and they have all kinds of permanent state help in overcoming these losses.

If the government wants to understand this message, then let it be known: that well-operating private farms in Yugoslavia produce more, and they produce it more cheaply, than agricultural combines. This means that everywhere in Europe the large farm estates have failed, for which classic Marxist political economy predicted a future. They have increased production, but [only] on the basis of the capital accumulation the state has withheld from private farming and along with subsidies which [Western] Europe does not even consider giving to farmers. We have nourished a state mistake.

Second, agriculture is not some kind of competitive sport, but a state business. Agriculture is a larger business than industry in the United States; the agrarian credit bank in Holland is the most powerful bank in that country. If our government wants to promote agriculture in the spirit of the Olympics, then it will be threatened with the danger of quickly losing the characteristics which make it possible to latch on to the winning medals. The socialist concept has no idea about competition...as a means of achieving socialism, while a commodity economy does not understand economy except as the competition of capital and personal market capabilities.

We believe that for agriculture the order of priorities should be: 1. prices; 2. credits and investment; 3. land and ownership relations; 4. tax policy, and 5. exports. And then also the following order [or priorities]: 1. the farmer; 2. cooperatives; 3. combines; and 4. state functions.

/6662

CSO: 2800/330

MONTH-LONG RAINS EXPECTED TO REDUCE WHEAT HARVEST

[Editorial Report] According to Belgrade BORBA in Serbo-Croatian of 26-27 July 1986, page 3 has been the longest wheat harvesting period in Yugoslavia in the last three decades; and after more than a month of work under conditions of excessive rainfall only a little more than one-half of the fields have been harvested. The latest data from the Federal Committee for Agriculture indicates that since 21 June when harvesting started on a total of 1,346,000 hectares, 2,828,000 tons of wheat have been harvested, of which about 2,100,000 tons have been stored in silos. The harvesting has been completed only in the Province of Vojvodina where 1.4 million tons have been harvested from the 285,000 hectares planted. But the situation in other areas, especially Serbia proper, is considerably more difficult and it is now certain that neither the harvest nor procurement plans will be met. In Slovenia the harvesting has just begun. A report in Belgrade PRIVREDNI PREGLED in Serbo-Croatian of 26-28 July, page 1, estimates the harvest at less than 4.5 million tons.

The 1986 wheat production plan called for 5,039,000 tons, with the top producers being: Vojvodina (1,424,000 tons), Serbia (1,327,000 tons), and Croatia (1,194,000 tons), Zagreb DANAS in Serbo-Croatian of 1 July 1986, page 14.

Fortunately, BORBA says, harvesting has been completed in Vojvodina and in the productive area of Slavonia and Baranja in Croatia (where 640,294 tons of wheat have been harvested from 123,427 hectares planted, according to BORBA of 29 July 1986, page 1. But in Serbia "rain damage will certainly be large, especially in areas of South Serbia where the rivers have overflowed and fields are flooded."

According to a report in the 24 July 1986 issue of PRIVREDNI PREGLED, page 2, the Serbian Assembly Executive Council voted relief measures for agricultural areas damaged by rains. It said less than half the wheat crop has been harvested in the republic and the quality has been reduced such that in some places it is unfit for either human or animal consumption. "About 36,000 hectares are under water in the basins of the Juzna Morava, Timok, and Velika Morava rivers; and flooding has almost destroyed the corn crop in hilly areas."

Assuming that damaging rainfalls have reduced wheat production by 300 to 500 kilograms per hectare, BORBA says "it is now certain that this year's harvest will be about 670,000 tons less,..." but in any case "a certain amount of wheat will have to be imported for human consumption."

BRIEFS

CROATIAN WHEAT, PROCUREMENT--In Croatia 94.4 percent of the wheat crop has been harvested with yields averaging 4.04 tons per hectare and a total harvest expected of 1.074 million tons (compared to the planned production of 1.119 million tons). In regard to country-wide procurement, thus far 2.7 million tons have been bought up or 83 percent of the plan. [Excerpt] [Belgrade BORBA in Serbo-Croatian 31 Jul 86 p 1] /6662

CSO: 2800/332

FRG JOURNALIST REPORTS ON VISIT TO GDR TROOPS

Hamburg DIE ZEIT in German 27 Jun 86 p 13

[Article by Theo Sommer from feature series, "Trip to the Other Germany": "Visit to the People's Army; Would Germans Shoot at Germans?"]

[Text] The jeep of the National People's Army waits on the rain-wet Lehnitz-Oranienburg autobahn exit 50 kilometers north of Berlin. A sturdy young officer presents himself as the guide to the barracks of the Rudolf Gypfner Regiment. The quarters are rather new and appear to be well polished. The parking lot immediately behind the barracks gate is empty. There is no sign of duty operations; they appear to be taking place somewhere else.

Our vehicle column stops in front of the club building of the Lehnitz artillery regiment. Five colonels and lieutenant colonels welcome me in friendly self-consciousness--a feeling that I share completely. They know that I was once in charge of the planning staff in the Federal Defense Ministry; I know that I am the first West German journalist that the People's Army has allowed to visit totally officially. The gentlemen introduce themselves before we go up to the tradition room: deputy division commander; party secretary; head of the political section; a gray-haired veteran, who has been involved from the beginning--30 years. Col Jochen Michel, the speaker of the Defense Ministry, has also come. He has brought along his secretary, who takes the conversation down in shorthand. The regiment commander, a slender pensive type, is named Are-Lallement.

If it were not for the light blue uniform jackets, the shoulder straps of the Wehrmacht that have become very foreign to us West Germans, and the unfamiliar decorations and medals, I could easily imagine that I was with the Bundeswehr in Neumuenster or Sigmaringen. In any case, I recognized them all: the rock-hard trooper, the desk officer, the intellectual, and the man responsible for internal control, pardon: for the political section. The military is the military everywhere and soldiers are soldiers. And tradition rooms are tradition rooms. Flags and pennants; models of weapons and war materiel; glass cases with cups and memorabilia, documents, and photos of maneuvers and allies.

Except that in the case of the regiment in Lehnitz it is not our allies, not Americans but Soviets, not a Belgian brigade but the Warsaw artillery

regiment. And, of course, another tradition is being cultivated. Scharnhorst and Gneisenau, to be sure, but otherwise nothing from Prussia's glory, nothing from the time of the Reichswehr, and certainly nothing from Hitler's Wehrmacht. Decorations from World War II? "We have never yet worn them," says Lt Col Hill, the man of the first hour. "Not even without the swastika?" "Never yet!"

Notes on the maintaining of tradition in the National People's Army lie in front of the regiment commander Are-Lallement between the coffee service and the pastry plates. "It is part of the entire training work," he says. "It serves in providing motivation with respect to the class mission of our army; it is the preservation of the tradition of the fight against fascism and war. The swearing in of our young soldiers takes place twice annually in the national memorial site at Sachsenhausen with a large public participation. The remembering of the fact that 100,000 people were killed there by the fascists causes many members of the army to grasp their weapons more firmly. The progressive objective of the National People's Army becomes clear in the swearing-in ceremony."

In the GDR, they usually say "objective" [Zielstellung] where we say "goal" [Zielsetzung]. I ask myself whether that is significant semantically: one establishes [setzt] goals for himself and they are set [gestellt] for someone and therein is the difference between self-realization and determination by others. I also ask myself whether the wiry lieutenant colonel is familiar with Helga Schubert's story, "Air for Life," the story of how her son was drafted into the People's Army and sworn in in Sachsenhausen:

"On a Thursday at 12 noon, when he became 19, we brought him to the army: his father, his girl friend and I.... His swearing-in was 10 days later at a memorial. They were all wearing steel helmets and their faces were pale. The way to the memorial led over the cemetery, past the graves on the way out and past the graves on the way back. The women who raked the graves.... How handsome he looks in his uniform, said his girl friend to me quietly. Of all those here, she is most suited to him, is she not? He stood there tall and slender. With serious gray eyes. He looked at his parents, his girl at his side, and said with a smile: You did not even notice that I was an honor soldier. I had to bring up the flag. We had to practice that quite a lot. A German soldier, I thought. I have a child who is a German soldier. My father was only 9 years older when he died as a German soldier."

Are-Lallement, two golden stars on the braided shoulder straps, serious and his countenance a little strained, says: "It is generally one of our goals in the tradition work to keep alive the memory of the suffering of the people." A Bundeswehr officer could put it the same way. "Our most important task is to carry our weapons so that that does not happen again." He explains who Rudolf Gyptner is, after whom the regiment has been named since 1 March 1967: son of a German communist of long standing and a Resistance fighter who fell as a partisan in the forests of Poland at the age of 21. "We honor our revolutionary model in meetings and by carrying out a Rudolf Gyptner memorial run every year."

The People's Army is an alliance army, as is the Bundeswehr. "The entire training of the general staff takes place in the Soviet Union," I learn in passing. The National People's Army exercises much with its allies. One of the gentlemen adds: "The pride that I feel when I see the young people in exercises and competition with their partners in arms fills my heart and soul."

Competition and contests play a large role in the daily life of the People's Army. "A company calls for socialist competition. The performance of this company then becomes the standard." Judged are the political-moral status, the state of training, success in sports, the "achievement of military awards," and the number of marksmanship cords. "It is thereby a matter of strengthening the military combat team. The matter is stimulated intellectually and materially." Put simply, the soldier gets something out of it. For a classification decoration that awards "especially good mastery of combat equipment, there is an extra 300 to 500 marks rather than just a piece of tinsel for the decorations bar.

Meanwhile, the rain has subsided. We drive out to the firing range. A mist lies over the extensive terrain: brown heath surrounded by local pines. The range has tradition, as is the case for many locations in the GDR. The military was always at home all round Berlin--Jueterbog, Nauen, Strausberg, Zossen. An hour's drive farther to the north lies Eggesin, where many of the 174,000 soldiers of the People's Army complete their basic training when they go "to the colors" for 18 months (just as their West German contemporaries go "to the federation"). "Grave of my youth" is what the young people call the training area opposite Pomerania, confided to me a Berlin woman whose son was there. "Things are not half so bad," commented the deputy division commander in Lehnitz with an indulgent smile.

Things at the firing range are not so different from the situation in the Bundeswehr. "Hit the target with the first shot," is the motto. Just in front is a poster saying: "High combat readiness is the product of our action." The Bundeswehr has long advertised: "We produce security."

Four guns of caliber 122 mm have gone into position. Subdued commands. Yellow and red warning flags; piles of ammunition cases; gunners doing double time and sweaty faces under the flat helmet of the People's Army--a cartridge weighs 48 kilograms. Load, aim, set fuze, and fire, range 800 meters. There is a tremendous bang. Powder smoke drifts over the heath. The colossal training chief, a forage cap covering his immense bald skull, watches like a hawk.

A conversation in passing. "Do your soldiers complain about loafing on duty?" "That is not their expression but they know about it. They prefer to fire their weapons than to have to clean equipment."

What do they think about the Bundeswehr? "You know," says Lt Col Are-Lallement, "when I see the photograph of a Bundeswehr soldier, I always ask myself what is going on under the helmet." "You know," I say, "that is the same question that our officers ask themselves when they see the photograph of a soldier of the National People's Army...."

The exercise is over. The gunners put on fatigue uniforms. Two dozen of them gather together before mountains of sandwiches in the nearby duty building for the discussion with the West German journalist. The soldiers, privates, noncommissioned officers and the battery commander are all good types: fresh, alert, articulate, slender, good-looking faces. The men from the staff are also there.

"What, then, is national about the National People's Army?"

"We see ourselves as part of the people," one of them says.

"They try to make us believe that the German nation is a whole," adds the battery commander. "I personally do not believe that. Completely different people have drawn the final line. We have a different culture and different production relations. Our people have a totally different view of life."

"Do you also discuss," I inquire, "the question that is often discussed in the Bundeswehr: Would Germans shoot at Germans if things come to a head?"

One of the staff officers answers: "The Federal Republic is a partner in NATO and we are allies in the Warsaw Pact. In case of war, two different states and two different social orders oppose one another. Our mission is to prevent a war and, if it does occur, to end it as soon as possible. If the Bundeswehr were to intervene, we naturally would take up our arms."

A private comes forward: "Members of the FDJ are still being pulled out of the trains in the FRG. Borders are being put into question, as in the meeting of the Silesians. For what interests is the Bundeswehr soldier really fighting?"

A colonel pursues the question: "What continually stirs our comrades"--they call each other comrades in the People's Army as well--"is this: the FRG plays an extremely important role in NATO. But it is in the lead in chemical weapons. It manifests the conviction that there must be no more wars that start from German soil but it is not taking any practical steps."

The old veteran completes the list of complaints: The Federal Republic has approved of SDI unconditionally; it has supported the American state terrorism against Libya; on account of Chernobyl, it unleashed a mass psychosis for specious reasons; it has been a long time since there have been such unabashed "meetings of revanchists" as in Munich and Essen; why does the Federal Government not say to the Americans: Stop the testing of nuclear weapons. Our people do not understand it.

I try to reply, saying that SED has heretofore been only a research project; that we did not exactly applaud the bombs over Libya, on the contrary; that the meetings of the regional groups are essentially meetings of people with the same homeland, in which old acquaintances can again share a glass together; finally, that the scaremongering about Chernobyl is probably attributable to the Soviet information policy and not to the Federal Government--why, after all, should it stir up nuclear fear when it advocates nuclear energy?

The sandwiches have not yet been touched. Everyone is waiting for the deputy division commander to take one, whereas he is waiting for his guest to take the lead. Caught up in the conversation, I have completely forgotten about them. I bet that the trays were cleaned out within 5 minutes after we left the room.

On the way to the car, the deputy division commander wants to know how we stand on the demands Erich Honecker made in Gera. We then talk about enemy images and I ask about the "training in hate" as is it practiced in the People's Army. I am advised that "there is no training in hate."

It Col Are-Lallement returns to the question of whether Germans would shoot at Germans: "We have nothing against the individual person in the FRG. But the moment that he reaches for his weapon he becomes an enemy, whether he is an uncle or not. If I do not shoot at him, he will certainly shoot at my comrade in arms next to me...."

It is the official answer that is also given in a similar formulation in the Bundeswehr, although with reversed premises. In the car on the way back to Berlin from Lehnitz, absorbed in the contemplation of two classification decorations and a silver marksmanship cord presented to me in farewell by the deputy division commander, I ask myself whether this official answer actually describes what really would happen if it were to come to the worst.

Probably no one--neither here nor there--can be quite certain.

9746

CSO: 2300/441

FRG COMMENTATOR ASSESSES SED CONGRESS, HONECKER'S FUTURE

Cologne DEUTSCHLAND ARCHIV in German Vol 19 No 6, Jun 86 (signed to press 24 May 86) pp 561-564

[Article by Dr Peter Jochen Winters, head of the Berlin editorial staff for the FRANKFURTER ALLGEMEINE: "The Honecker Era Is Coming to an End"]

[Text] Seen on the surface, the 11th SED Congress--unlike the preceding 27th CPSU Congress--was not a turning point. Since the 8th SED Congress in June 1971 immediately after Honecker became party chief, there have been no appreciable changes either in the political foundations or in the style of the party congresses of the "leading force" in the GDR. Nevertheless, the GDR after the 11th SED Congress is no longer the same as it was before. That has to do primarily with the fact that Mikhail Gorbachev was at the party congress in the GDR for 7 long days. It was clear to anyone who as an eye- and earwitness was able to follow at least part of this visit and saw Gorbachev and Honecker side by side that the end of the Honecker era has begun with the 11th SED Congress. Erich Honecker will be 74 years old on 25 August of this year. The 11th SED Congress, in which the newly-elected Central Committee again choose him as general secretary, was certainly the last one for him to experience in this office. When the 12th SED Congress takes place, Honecker will be 79 years old. Someone else will then be leading the SED, will be number one in the GDR. To be sure, observers could figure that out even before. But only a few thought about it. After all, everyone was in agreement that right now Honecker is probably at the peak of his power. His policy of the "unity of economic and social policy" domestically and his striving for dialogue and a return to detente in foreign policy despite worsening relations between the superpowers had not been without success in recent years and did not appear to have any serious opponents either within his own party or in Moscow. The SED general secretary appeared to be fresh, active and alert and seemed to be "all there," so to speak. No one wanted to believe the age of this agile politician; his state of health seemed to be excellent and his capacity for work undiminished.

But then came Mikhail Gorbachev, the 55-year-old general secretary of the CPSU, who had just ordered a turnaround for his country and his cumbersome party and now wanted to develop his own picture of the GDR and the fraternal party led by Honecker. Next to Gorbachev, Honecker suddenly looks like an old man, someone who is already far beyond 70 and the pensionable age. The longer

one was able to observe the two general secretaries side by side, hear what and how they spoke in public, see how they reacted to the reports and proceedings in the party congress plenum, and perceive the play of their features, their gestures and behavior toward one another, the clearer it became that here a dynamic Kremlin leader who is convinced of the practicality of his ideas, wants to push forward, is self-willed and tolerates no opposition, and is very much aware of his own power had encountered an old and rigid SED chief who is averse to any experiments and proud of his own successes and therefore not prepared to make any changes or any compromises but seeks to preserve what has been achieved. The repeated demonstrative exchanges of fraternal kisses by the two could hardly conceal the fact that here two men faced one another, each of whom was convinced in a different way of the correctness of his path. But one was turned toward the future, while the other was bound to the past.

The praise that the general secretary of the CPSU expressed to the SED for what has been accomplished heretofore was brief and unemotional. Honecker waited in vain for the head of the Kremlin to express clearly here before the SED Party Congress that what the Soviet Union is seeking in the area of the economy, science and technology has already been achieved in the GDR. Gorbachev dispensed with extolling the GDR--or even Honecker himself--as a model. On the contrary, he dealt a blow to Honecker's self-assurance and self-righteousness when he declared to the forum of the party congress (Footnote) (NEUES DEUTSCHLAND, 19 April 1986, printed in this issue, beginning at p 652) that he was in favor of self-criticism, saying: "Marx and Engels taught that a critical attitude toward one's own work is an indispensable condition for the success of a revolutionary party." With all of the caution that characterizes him, Honecker has never yet revealed a critical attitude toward his own work. Gorbachev had come to commit the GDR to a substantially greater participation in the economic development being sought for the Soviet Union: "And that not by one or two graduation marks but, as the mathematicians say, by an entire magnitude" and to reestablish close limits to Honecker's Germany policy: "One cannot discern any logic in the policies of the FRG." He met a Honecker who probably perceives such demands as unreasonable and follows them only very reluctantly and under compulsion. Thus the assumption is not out of place that Honecker could soon be in the same position relative to Gorbachev as Ulbricht was relative to Brezhnev. Ulbricht praised his policies in the GDR as exemplary for the Soviet Union as well and thereby referred to Lenin, whom he had known, and tried his best in his foreign policy to hinder the policy of detente begun by Brezhnev that Ulbricht was convinced would be at the expense of the GDR. Ulbricht's end came quickly. In May 1971, under Soviet pressure, he had to step down and nominate Honecker, whom he had built up as his successor but who now promised to carry out Brezhnev's policies without contradiction, as the new SED chief.

But Gorbachev's visit in the GDR has not merely suddenly made clear tensions and possible areas of conflict between the two general secretaries. It has also made it clear not only to observers but also to officials and members of the SED that the style of leadership and the manner in which the SED party congresses take place are no longer up-to-date. For 5 days at the SED Party Congress, prepared reports were read, from which one had the impression that

almost all of them were written in one and the same agitation center. All "discussion speakers" began by reporting on the successes to date--there have, accordingly, not been any failures anywhere--and then they praised the party leadership to the skies for its wonderful policies. They ended with the promise to do more and to perform even better in the future than heretofore. Whereas in the case of the SED the fulsome praise of the leadership and its own performance nips in the bud any disposition toward constructive criticism, the need for reports of success clouds the view of realities, and the pitiless disclosure of abuses is seen as opposition so that instead secretiveness flourishes and traditional maxims are not questioned, Gorbachev in the Soviet Union has declared openness and reasonableness to be the dominant maxim of internal party discussion. Problems and shortcomings are to be discussed bluntly and publicly there. Weaknesses, bottlenecks and negative phenomena are to be called by name, incompetent officials called to account, and criticism and self-criticism exercised.

Gorbachev obviously also does not care for the Byzantinism still prevalent in the GDR. In his arrival in East Berlin, there was not the usual contingent of hundreds of thousands of East Berliners lining the streets along the 30-kilometer route between Schoenefeld Airport and the residence at Niederschoenhausen Castle. The guest from Moscow obviously does not like to be cheered by furnished claqueurs. Assumably he regrets the lost working time of so many people in such shows. Most East Berliners did not find out that the Soviet general secretary of the Communist Party was in their city until evening on television. Gorbachev passed through the streets quickly and without causing a stir. On the way to Niederschoenhausen, he stopped at the Lenin monument and at the new Thaelmann Park. There, as in his tour of the city on the afternoon of the day of his arrival and in visits to institutes and enterprises during his stay, it became clear that the Kremlin boss wants to form his own picture of the GDR and of the life and work of "his" Germans. He sought spontaneous contact with the populace and avoided, to the extent possible, conversations with those who had obviously been prepared to tell the general secretary from Moscow what the general secretary of the SED would like to hear. During such opportunities, Gorbachev cheerfully and directly showed how he fancies the encounter with the people and thus revealed the style that clearly distinguishes this CPSU general secretary from his predecessors and from his host in the GDR.

Gorbachev's bearing at the Soviet party congress in Moscow and during his stay in the GDR has awakened hopes above all among the younger officials and members of the SED as well as among people in the GDR who would not vote for the SED under free elections that there can be some changes in the GDR, that the incrustated structures of the control of the political bureaucracy can be opened up, and that democratic socialism could develop that is characterized by more openness and honesty. A Soviet Communist Party general secretary as the hope for forces in the GDR willing to carry out reforms is something completely new. But the standing that Gorbachev had gained in these circles in the GDR suffered substantially a little later. The reactor disaster at Chernobyl and the public reactions of the Soviet Union to it, and not least Gorbachev's several weeks of silence, have been sobering for many in the GDR.

Prior to the 11th SED Congress, the observers in East Berlin were reasonably certain that 49-year-old Egon Krenz, whom Honecker had systematically developed as his successor, will indeed succeed Honecker. After the party congress, that is not so certain. A few weeks after the event, even the zealous observer of the 11th SED Congress can no longer say whether Krenz, as a delegate to the party congress, gave a "discussion speech" or not. (A look at the congress bulletins shows that Egon Krenz spoke only as a reporter of the mandate review board). In other ways as well, Krenz has not yet been successful in presenting himself as the future general secretary. But that does not necessary mean a lot when one considers Honecker's own career. More important is whether Honecker's designee suits the Moscow Communist Party chief and "is broadcasting on the same wave length" with him. To the extent that it could be determined during Gorbachev's visit to East Berlin, there is no sign of any particular sympathy between the two men. In any case, Gorbachev avoided distinguishing Krenz before the other members of the Politburo through any special favors. It seemed almost as though he really did not know what to do with this man, who politically must appear to him to be a creation of Honecker. This is presumably not changed much by the fact that Krenz' wife was the honorable escort of Raissa Gorbacheva during her stay in the GDR. This indifference, at least outwardly, of the Soviet Communist Party general secretary toward the Honecker protege may--in combination with the health problems that Krenz is said to have--have led to the fact that his succeeding of Honecker is no longer seen as certain. New names are coming into play, for example that of Politburo member Werner Felte, who, as Central Committee secretary, is responsible for agriculture and thus for the same functions as Gorbachev prior to his rise to general secretary. Felte is 58 years old and thus belongs to the same generation as Gorbachev, whose style he certainly could also easily adopt. Someone who appears to be even more similar to Gorbachev is Guenter Schabowski, who in November of last year, as first secretary of the SED regional management (East Berlin), has succeeded Konrad Naumann. The 57-year-old Schabowski has had a meteoric career in the SED leadership in recent years. At the 10th SED Congress in 1981, as chief editor of the SED central organ NEUES DEUTSCHLAND, he was simultaneously member of the Central Committee and Politburo candidate; in 1984, he was Politburo member. In 1985, he was East Berlin SED chief and, at the 11th SED Congress, he was also secretary of the Central Committee.

Thus the 11th SED Congress, which was supposed to take place entirely under the banner of continuity, has initiated many changes in the GDR. Not in its decisions and documents, to be sure, but doubtless in its atmosphere. But at the same time, it has again become clear how dependent the development in the GDR is upon the proceedings in the Soviet Union and how closely the second German state is chained to its "big brother."

9746

CSO: 2300/442

CARTOON COMMENTARY ON PEOPLE'S RIGHT TO INFORMATION

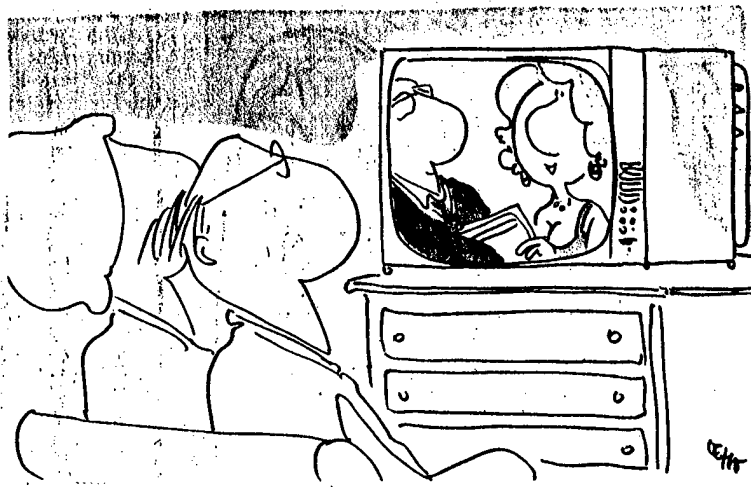
Budapest LUDAS MATYI in Hungarian 1 Jul 86

[Cartoons]

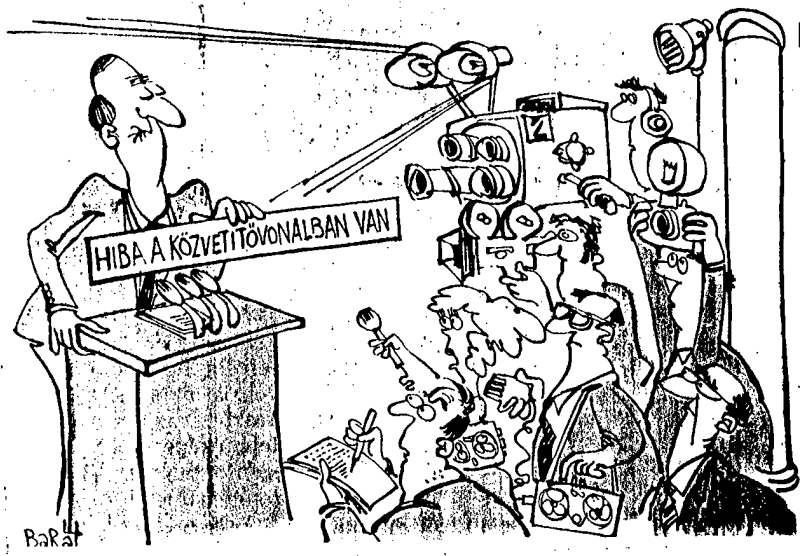
SAJTOTAJEKOZTATO [Press Conference]



[Reference is made to the new press law which will require all public organizations to furnish information to journalists.]



[Subhead reads: "When you hear the high, whistling noise, the comrade minister is relating information for internal use only."]



[The official's mouth is puckered and he is holding a sign that reads: "The problem is in the transmission cable."]

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CSO: 2500/394

POLITBURO MEMBERS ADDRESS 10TH CONGRESS ON VARIOUS ISSUES

Glowczyk on Work of Issue Task Forces

Warsaw RZECZPOSPOLITA in Polish 4 Jul 86 pp 6,7

["Report on the Work of Issue Task Forces"--PAP report on J. Glowczyk's speech]

[Text] On the third day of the 10th Congress the delegates, together with 700 invited guests, took part in the sessions of 14 issue task forces. Three hundred and ten delegates, of whom one-third were workers, along with 27 of the invited guests, took part in the discussions.

Seven hundred seventy delegates and 33 guests submitted written comments for the minutes of the meetings. Altogether, thus, 1,140 persons, of whom 1,080 were delegates to the Congress, took an active part in the deliberations of the issue task forces.

The minutes of the discussions at sessions of discrete issue task forces are included in the copies of bulletins distributed to the comrades. The recommendations submitted, which concern the most varied topics, constitute rich source material for the activities of the newly elected Central Committee. They have been transmitted to the Congressional Resolutions Committee and will be utilized when drafting a more detailed schedule for implementing the resolutions.

During the extensive and variegated discussions by issue task forces unanimous support was voiced for the party's program line as defined in the report of First Central Committee Secretary Wojciech Jaruzelski -- the line of effective implementation, the line of socialist consistency!

The tasks addressed to all party members and party organizations and echelons with respect to the economy, the economic reform, intraparty activities, sociopolitical life, and the foreign policy of the party and state, met with the approbation of the delegates who took the floor at issue task force sessions.

The discussants expressed their support of the draft party program presented to the Congress.

The discussants combined their acceptance of the tasks and goals contained in the documents submitted to the Congress with critical comments on the methods and style of action so far of the party, the administration, and social organizations. Many causes, including chiefly subjective causes, of the incomplete implementation of the resolutions of the Ninth Congress were pointed out, and such forms of one's own work and that of others as would assure an effective implementation of the resolutions of the 10th Congress were examined.

The deliberations of the task forces on socioeconomic issues were characterized by a party-minded view of the economy as well as by critical remarks intended to provide creative inspiration for further action.

A majority of the comments pointed to the positive effects of the application of the economic reform, both in the performance of the enterprises and in the gradual restructuring of the economic awareness of the society. The view was expressed that the main directions of the reform as adopted by the Ninth Congress proved themselves in practice. At the same time, mention was made of disturbing occurrences, including the tendencies to persist in old habits and operating procedures in disregard of criteria of rationality. Support for a radical speedup of the economic reform was commonly voiced. On this matter both the worker delegates and those representing the engineer and economist communities were in accord.

Such speedup is needed now in order to attain effective performance more efficiently, reach the [market] equilibrium sooner, strengthen work motivation, and accelerate the growth of national income. This was expressed as follows by Comrade Jerzy Sypek: "We have not yet learned to pay for work, the pressure on wages is often inversely proportional to productivity. We must savor the bitter taste of the reform -- otherwise it won't work."

Complete support was gained by the initiative, presented in the Central Committee's report, for conducting a general review of organizational structures in the economy and the state. A great opportunity for strengthening the economic reform was perceived in this undertaking. Comrade Bogdan Prus of Radom declared: "Certification and proper work incentives are highly important elements in streamlining employment. But this has to become a regular rather than occasional operating procedure."

Many of the comments drew attention to the need to accelerate structural changes in the economy. The possibilities for a staggered attainment of this goal through the rational structural decisions of financially autonomous enterprises were pointed out. They should consist in changes in the profile of production, modernization of production, acceleration of the updating of products, and better adaptation to market and export demand, according to Comrade Mieczyslaw Lewandowski of Szczecin, who also declared, "Restructuring is needed though often painful. It will be less painful if we go ahead with it without waiting until [the enterprises] reach bankruptcy."

Considerable space in the discussions of the issue task forces was devoted to aspects of assuring an export-oriented nature of the economy. Various branches and enterprises with unexploited possibilities for increasing exports were

pointed out. Comrade Krystyna Depczynska, foreman at Zarsk Clothing Industry Works, declared: "The development of exports must be viewed selectively. The selection is difficult but necessary. A decision must be made to select those plants which can cope with the competition on the world market. It is precisely these plants that must be given support."

A major issue was said to be enhancing the interest of enterprises in the application of technological innovations and elimination of obstacles to the application of up-to-date applied research to industrial production. The continuing isolation of R&D work from the needs of the enterprises was pointed out. It was declared that the opponent of an inventor-engineer is often not so much bureaucracy or badly worded regulations as a fellow engineer who has accomplished nothing and invented nothing. Party organizations should struggle against groups of jealous professionals which rapidly begin to oppose new unconventional technical solutions or inventions.

The interest in problems of the countryside and the food economy was demonstrated by the participation of more than 200 delegates and invited guest in discussion at the session of the task force concerned with these topics. During the discussion it was pointed out that the exploitation of potential depends on both the agriculture itself and other branches serving it. As during the plenary deliberations, the need to revise the provisions regulating land management and to streamline the processes of the sale, exchange, and mergers of land parcels was pointed out, in order that, as Comrade Jerzy Swiderski said, land be received by those who know best how to handle it.

Opportunities for increasing food output are harbored in improvements in the agrarian structure, in an increase in the occupational qualifications of farmers, and also in overcoming the lag in the development of the agricultural and food industry. Comrade Jozef Rekowski of Gdansk Voivodship declared that, among other things, progress in agricultural and food processing will not only prevent waste but also make that branch of the economy an important factor in exports.

The party's role as an inspirer of the development and streamlining of activities of rural and cooperative self-government in the countryside was acknowledged to be essential.

In addition to the need to improve the nation's food supply, housing construction was declared during the discussions to be another issue ranked most highly in the hierarchy of social needs.

It was demanded in this connection that economic policy be made more housing-oriented. During the current 5-year period this should be preceded by expanding the industries producing construction equipment and materials so that during the next 5-year period the pace of housing construction could be radically speeded up.

Construction workers, including Comrade Edward Krol of Lodz and Comrade Wacław Maciolek of Legionowo, pointed to the decapitalization of the fixed capital of construction and the shortages of modern machinery and even of the simplest tools.

Critical and self-critical comments were offered at the same time concerning the lack of consistency in streamlining the organization of labor in construction and in applying technological innovations.

Comrade Janina Hitnarowicz, a foreman at the Szczecin PREFABUD Prefabricated Structural Components Plant, spoke in this connection about the day-by-day problems which leave builders sleepless, as well as about the numerous bureaucratic obstacles encountered at work.

A change in the atmosphere created around construction workers was demanded.

An increase in privately financed homebuilding was acknowledged to be expedient, as was the activation of mechanisms promoting the procurement of resources for this purpose.

The discussion as well as the written comments at the session of Issue Task Force No 13 were dominated by concern for assuring material, personnel, and organizational premises to promote an efficient operation of the health service and halt the degradation of natural environment.

A postulate was also put forward for carrying out changes in the organization of medical services. Comrade Antoni Korniak of Szczecin asked why is the funding of the health service covered by an anachronistic and cryptic system of budget subsidies whose framework restricts the growth of health service facilities and has a destructive effect on many initiatives and all motivation.

During discussion at many issue task forces support was expressed for the assessments contained in the Central Committee's report with respect to the implementation of the resolution of the Ninth Congress and the status of the party, the state, and the economy, along with the ensuing conclusions. The discussion focused on exploring ways of implementing more efficiently and effectively the Party Program following the 10th Congress and acting more consistently. Much attention was paid to the party's style of action.

Mention was made of the need to recruit the best workers for membership in the party as well as to enable nonparty-member workers to influence the activities of discrete branch party organizations. Concerning the resolutions of the 16th Plenum, it was observed that not all party organizations and echelons have developed suitable forms and ways of operating among workers in accord with the needs.

The hope was voiced that the amendments and revisions introduced by the 10th Congress in the PZPR Statute will promote the streamlining of intraparty programs, reports, and control, and enhance the effectiveness of action of party elements and relieve them of the burdens of paperwork and conference fever.

During the discussions the problems of the party's cadre policy were broadly considered. It was stressed that, as adopted by the 13th Plenum, the "Main Assumptions of the PZPR's Cadre Policy" have been commonly accepted throughout the party. Attention was drawn to the question of the practical application of

these assumptions. Basic party organizations are not always able to avail themselves of the rights granted to them in this respect.

Cadre policy cannot be reduced to granting and withdrawing party recommendations. It should include intensive political work with the cadre and the creation of a cadre reserve, especially from among young people.

The discussion on the ideological and propaganda activities of the party focused on answering the question of how to accomplish significant and qualitative progress in both these fields.

Nearly every participant in that discussion placed great emphasis on the need for a close bond between ideological indoctrination and daily life. Warnings were voiced about the danger of divorcing the indoctrination from the reality, emphasizing words above deeds.

Attention was drawn to the advances being made in the quality of the editing of the party press. But this positive evaluation by comrades was coupled with criticism of still numerous oversimplifications and sloganeering.

While the informative role of television was evaluated positively, its shortcomings in exercising its culture-promoting role, especially as regards its film repertoire, were criticized.

A characteristic feature of the discussions, whatever the issue considered, was concern for the rising generation, for its ideological and political countenance.

"An effective implementation of the Party Program depends on its understanding and acceptance. It is of special importance to win young people over to the goals of the party's activity." This declaration by one of the participants in the discussion at a session of Issue Task Force No 3 may be regarded as the guiding idea behind many comments on youth.

Culture is an important domain of ideological influence on the society. A socialist state should be an effective defender of culture. It should protect culture against commercialization, against inundation with schlock and kitsch. This requires, in the opinion of the comrades from Task Force No 4, higher deductions to the Fund for Cultural Development.

With respect to the problem of the party's influence on societal life, the discussants drew attention to the interrelationship of many seemingly disparate factors: the development of culture impedes the spread of social pathology and, in its turn, the effective combatting of social evils contributes to the feeling of justice and promotes the individual's identification with the socialist state and with the party.

In every domain of social life the party's policy should be implemented primarily by its own members. It was emphasized that party members must distinguish themselves by a conscientious execution of their duties, by leading and persisting in their work, by acting like cultured people in their relations with their coworkers, and by the honesty of their lives.

Concern for creating precisely such an exemplar of the party member and activist is, as was repeatedly emphasized during the discussion, a cardinal obligation of every basic plant and rural party organization as well as of every party organization of administrative employees.

The effectiveness with which the resolutions we are about to adopt today will be implemented will depend primarily on ourselves, on our pertinacity and consistency, on our ability to convince nonparty members of the soundness of our cause, and on the positions held by party organizations within our communities.

Acceptance and support were expressed for the formula of building a national consensus by the party not only as regards politics but also with respect to socioeconomic matters. The concept of "[national] consensus, diligent work, thrifty management, and great order" was seen as an important opportunity for the development of Poland.

Comrade Delegates!

Concerning the party's foreign policy, emphasis was placed on the advances in regaining the international position of our country, achieved owing to the consistent implementation of the line of the Ninth Congress and the stabilization of the country's political and economic situation.

Support was expressed for the concept and directions of the party's foreign policy as presented in the Central Committee report and in the draft party program.

The idea of the Declaration on the Security and Safety of Europe was warmly received.

During the discussions it was pointed out that the internationalist bonds linking the PZPR and the CPSU as well as the alliance and fraternal cooperation between Poland and the Soviet Union are of fundamental importance to our country, to the Socialist Community, and to peace on our continent.

It was very gratifying to emphasize the contribution of the Secretary General of the CPSU Central Committee Comrade Mikhail Gorbachev to the accomplishments of our Congress. Words of friendship and acknowledgment addressed to the Polish nation and to our party and its First Secretary Comrade Wojciech Jaruzelski [incomplete sentence].

Support was expressed for the proposal that our party take steps to convene the World Conference of Worker Parties devoted to two supreme causes common to the entire communist movement: global peace and security.

Many of the issue task forces pointed to the importance of rearing the society in the spirit of patriotism and internationalism. This concerns particularly the awareness of the rising generation, the nurturing of the feeling that socialism alone can cope with the challenges of the present and assure a peaceful future and development of our country, of socialist Poland.

Czyrek on Party Program

Warsaw RZECZPOSPOLITA in Polish 4 Jul 86 p 6

["Concerning the Party Program" subtitled "Address by J. Czyrek"--PAP report]

[Text] The Party Program Committee submitted to the delegates the revised and amended draft of the first longrange program in the party's postwar history--the Program of the Polish United Worker Party, with the recommendation that it be examined and approved. I thus believe that there is no need for me to explicate its contents at length. I shall therefore confine myself to commenting on the nature of the work on the Program and on some of its characteristic features and goals.

In accordance with the line and spirit of the Ninth Congress, the draft Program was not conceived behind an office desk. It was conceived in the course of partywide discussions, in confrontation with the reality and the living experiences of the party. It can be stated that all the party organizations, on presenting their position in writing, have contributed to editing the Program, refining the ideas for surmounting the consequences of the economic collapse and accelerating the country's development, and outlining a vision of the future of socialist Poland. This is of great importance to the further ideological and political consolidation and energizing of the party's ranks.

As known, more than a million persons, including many nonparty citizens as well, took part in partywide and general public discussion. The extensively edited text of the draft Program presented to comrade delegates prior to the Congress made allowance for the great contributions made by that discussion. It also was enriched by our Congress deliberations. We thus state that this will be a Program worked out by the entire party and constituting an emanation of the historical and contemporary experiences and interests of our nation and state.

The main source of ideological inspiration to us has been the assumptions of Marxism-Leninism, along with the experience of the Polish and international worker movement and the progressive traditions of our nation. In the Program we strived to creatively combine the universal principles of socialism-building with our national Polish conditions for their implementation. The Program thus represents a synthesis of the party's accomplishments in theory and practice, and it also represents a distinctive ideological-program constitution, a longrange concept for the continuation and deepening of socialist renewal. We also attempted to avail ourselves of the experience of the fraternal parties, and particularly of the great accomplishments of the 27th Congress of the Communist Party of the Soviet Union, a congress that provides an inspiration for creative and innovative solutions and for a bold acceptance of the challenges offered by the present and the future.

The starting point of the program is the fundamental worth of our ideology, the good of mankind and the dignity of man, the primacy of man in historical processes. Among the fundamental goals and values of socialism the Program

particularly highlights social justice and people's rule. While outlining ambitious goals and assumptions, the party at the same time indicates in the Program the conditions indispensable to accomplishing them, and it specifies the priority tasks of socioeconomic development and the directions of strengthening the power and democratism of the socialist state and modernizing its structures and operating procedures.

The goals of the program are underlain by the endeavor to creatively develop and deepen the line of the Ninth Congress with the object of continuing and deepening socialist renewal and accelerating the socioeconomic growth of the country. In editing the Program we tried to point to the interdependence of these tasks. This is because the prerequisites for such acceleration are the continuation of the policy of socialist renewal, the promotion of people's rule, and the expansion of the participation of working people in the process of steering and governing. And conversely, unless the country's growth is accelerated, the complete implementation of the assumptions of socialist renewal is inconceivable. Of course, a prerequisite for the success of the economic reform is both the consistent implementation of its assumptions, the refinement of its mechanisms, and changes in the traditional extensive orientation [of the economy, in favor of an intensive one], that is, the shaping a modern social awareness. In formulating the Program we guided ourselves by the assumption that socialist development should combine elements of change and continuity, i.e., that it should signify both the continuation of the tried and tested patterns of socialism-building and a creative approach to our specific conditions, to new problems and tasks, to the attained level of socioeconomic development, and to the needs and aspirations of the society.

During our work we had to resolve many complex problems and choose among various proposals. The question of determining more closely the nature and functions of the Program led to lively discussion. We adopted the assumption that it should provide our party with a particularly clear and precise enunciation of strategic goals and of the main roads leading toward them. As for more detailed plans and ways of implementing them, these should be determined by subsequent party congresses on using the resolutions of this 10th Congress as the starting point, as well as by the central committees to be elected by these congresses. We tried to avoid any kind of voluntarism and plant our feet firmly on the soil of reality. We proceeded in this connection from the assumption that we cannot let ourselves become prisoners of the present conditions, which after all are going to change, that we must exploit every lever for intensifying development. Of crucial importance to implementing the Program will be the party's ability to rally the collective effort of the nation round the goals outlined. We must be conscious of the fact that, in presenting its Program, the Polish United Worker Party is assuming a great obligation toward the working class and the entire society. This makes it all the more important to outline correctly in the Program the directions of strengthening the leading and guiding role of the party as well as its "service role."

In the Program we emphasize the decisive role of the working class as the basic force for socialist development, and the fundamental importance of the worker-peasant alliance, and we point to the great and growing role of the

alliance of the working class, the peasantry, and the intelligentsia. This alliance will be decisive to the dynamism of Poland's socioeconomic and civilizational progress. The Program declares that the party's task is to create every condition for strengthening this alliance as the foundation for national consensus, for the creative force of socialist construction, and for the introduction of the science and technology revolution, the modernization of national education, and the development and spread of culture.

Hence, the draft Program stresses the unshakable will of the Polish United Worker Party to broaden and deepen national consensus and resolutely combat the opponents of socialist Poland. We interpret national consensus as a continuing process and an indispensable prerequisite for developing socialist democracy. Its organic element should be the right to criticism, to social control, to social consultation. It is a fundamental issue for national consensus to be translated into reality through common action. Such an integrative function should be performed by our Program, which should rally all the democratic forces of our nation round its implementation.

The draft Program emphasizes forcefully the tried and tested line of the Polish foreign policy serving the most vital interests of the nation. At the same time, we point to the need for a new view of present international relations allowing for the growing interdependence and mutual ties of countries and regions as well as for the need for new thinking in the atomic era, in which the growth of mass annihilation weapons imperils the survival of civilization. This implies a need to intensify the struggle for peace and security, for overcoming imperialist threats. The peaceful program offered at the 27th Congress of the Communist Party of the Soviet Union provides mankind with hope for a safe future of the world.

In the Program we pay special attention to the current processes in the socialist world. Their main orientation is the desire to hasten the pace of development and to exploit for this purpose all the values of the socialist socioeconomic system. The Program points out that our country cannot absent itself from the historical process which will lead the Socialist Community xxxtoward a new higher stage of development. This concerns not only our ambitions but also the place which we wish to occupy in the Socialist Community in the present-day world.

The Program expresses the party's patriotic and internationalist responsibility for the position and role of socialist Poland on the international arena, for its contribution to building a peaceful future and to the progressive transformation of the world which, despite the gigantic perils overhanging it, has not after all ceased to be a world offering great development opportunities and hopes.

Poland is resolutely in favor of freeing Europe and the world from the weapons of mass annihilation; it is in favor of a constructive East-West dialogue, of joint tackling and resolution of the great problems of the present through peaceful cooperation, of detente and collaboration. This position is reflected in the draft declaration on security and cooperation in Europe adopted by the Task Force for International Issues under the 10th Congress, in whose behalf I am requesting the acceptance of that declaration.

We are aware that a consistent implementation of the Party Program should markedly change to the better the quality of life of the working people and contribute to meeting more fully their material and intellectual needs and resolving many urgent topical problems. We are conscious that this road will be neither easy nor straight. It will require considerable effort and obduracy, and especially an adamant consistency in implementing the goals outlined.

The course so far of the 10th Congress demonstrates that the accomplishment of these goals is possible, that our party is determined to do everything in order to keep abreast of the needs of progress and the present era.

As emphasized in the address delivered by Comrade Wojciech Jaruzelski, the optimism with which we arrived at this Congress is derived by the party from its faith in the working class, from the ardent patriotic and creative strength of our nation. Another source of optimism may be that our party has finally drafted its first longrange program, that it has made clear to the society the goals it strives for and the kind of Poland it wants to shape.

In asking that the proposed draft program be adopted, this Committee appeals, on behalf of the Politburo, for any needed textual revisions as well as for the consideration of the proposals and recommendations submitted after the copies of the draft program were distributed to the delegates or will be distributed during the present meeting.

Porebski on 10th Congress Resolution

Warsaw RZECZPOSPOLITA in Polish 4 Jul 86 p 6

["Concerning the Resolution of the 10th Congress", subtitled "Address by T. Porebski"--PAP report]

[Text] Last February we commenced work on the working draft of the resolution of the 10th Congress. It was handled by an editorial team of several persons singled out from among the nearly 90 members of the Third Committee of the Congress, appointed at the 23rd plenary session of the Central Committee.

In commencing its work the editorial team proceeded from the assumption that the text of the resolution should in the main reflect the social desiderata expressed in pre-Congress discussion and inspired by the draft program of our party as well as the theses of the Congress. It should also reflect the desiderata expressed during earlier nationwide debates held prior to the elections to people's councils and to the Sejm of the Polish People's Republic.

We also proceeded from the assumption that the resolution should specify in more detail the tasks for the current 5-year period as ensuing from the longrange party program and that, along with other documents being adopted by the 10th Congress, it should constitute the axis of the socioeconomic life of the party and the state for the next 5 years.

The first version of the working draft of the resolution of the 10th Congress was submitted to the entire membership of the Third Committee of the Congress toward the end of last April. The ensuing discussion as well as written comments submitted by members of the Committee resulted in drafting a new version which was submitted toward the end of last May at a session of the Central Committee Politburo. In accordance with its decision, copies of the markedly improved draft of the resolution were disseminated early in June to all delegates to the 10th Congress with the request that they submit their comments, proposals, and recommendations on the text of that document.

In all the voivodships were held sessions of voivodship caucuses of delegates at which the working draft of the resolution was discussed. These consultations resulted in the influx of many hundreds of specific comments and recommendations to the editorial team. These comments and recommendations were utilized to a large extent in the next version of the draft. For example, the following suggested recommendations were incorporated: a provision on organizations of private farmers, a marked expansion of the provision concerning the mass media, and many others. This kind of work on a draft resolution is a new phenomenon within the party, because previously delegates to party congresses were not briefed about draft resolutions prior to the opening day. The statement is thus warranted, without any exaggeration, that the delegates themselves are as it were the creators of the document submitted to them. The fact that the current congress of our party has adopted the PZPR Program leads to the imposition of structural requirements other than in the case of previous party-congress resolutions.

For the previous resolutions contained longrange program elements, whereas the present resolution does not have to contain any such elements, since these already are contained in the Program. From the very beginning of the work on the draft resolution, the question of the extent of numerical data to be contained in our document was the subject of a lively debate. Some comrades wanted as many of these data as possible to be incorporated, while others favored the opposite course. In this sense, it appears that the version we had submitted to the comrades on behalf of the Congress Committee is a reasonable compromise.

The draft resolution refers directly to the accomplishments of the plenary sessions of the Central Committee in between the Ninth and Tenth congresses, which on the one hand enhances the importance of these plenary sessions while on the other it contributes to reducing the length of our draft. The working draft, which numbered 60 pages, was submitted to the Congressional Resolutions Committee on the first day of its deliberations. At the Committee, intensive work on that draft took three days, with allowance being made for the nature of the Central Committee report presented by Comrade Wojciech Jaruzelski as well as for the numerous comments and recommendations received from the delegates. A new element, compared with previous resolutions, is Chapter 1 of the submitted draft, titled, "The Most Urgent Social Tasks." It treats of six most important social issues, as ensuing both from pre-Congress discussions and the discussions during the campaign for elections to people's councils and the Sejm -- issues which during the present 5-year period the party places in the forefront of attention, which it obligates all party and state elements to

resolve, and on which it appeals to the entire society for its broad and universal support.

Let me now recapitulate these six important issues.

-- First, there is the issue of improving the supply of consumer goods, including food, and abolishing the rationing of meat and processed meat products.

-- Second, there is the issue of achieving progress in the solution of housing problems.

-- Third, an effective reduction in inflation.

-- Fourth, provision of adequate health care and protection of natural environment.

-- Fifth, meeting the growing intellectual needs and aspirations of the society, that, is continuing the development of enlightenment, education, and culture.

-- Sixth, and last, is the issue of the policy of shaping personal incomes, wages, pensions, annuities, and other social services, representing an affirmation of the principles of socialist social justice.

These issues could, of course, have been incorporated in any other chapter. But it appears that their placement in the very first chapter as part of the cardinal problems on which our work and attention will be centered is appropriate.

Toward its end the draft resolution includes a provision obligating the newly elected Central Committee to draft and submit to the party a detailed plan for implementing the resolution of the 10th Congress. This plan should be developed as soon as possible and submitted at the second or third plenary session of the Central Committee.

On behalf of the Resolutions Committee appointed by the 10th Congress, I submit the following recommendations:

-- first, the Committee recommends that the 10th Congress accept the proposed version of the resolution, with allowance for the amendments and revisions distributed today to the delegates;

-- second, the Committee recommends that the 10th Congress authorize the newly elected Politburo to perform the needed editorial revisions prior to the publication of the resolution. I admit that the revisions requested are quite numerous, because the manner and the necessary haste in which the recent version of the resolution was edited has resulted in that it contains many passages couched in far from felicitous language;

-- third, the Committee recommends that, in view of the direction in which the draft resolution is oriented, a direction which we wish to retain, all the

specific recommendations, which were received in large numbers, along with the recommendations made during the discussions as well as specific recommendations made during plenary discussion and during discussion by Congress task forces, be addressed for consideration to the party Central Committee. It is also recommended that the 10th Congress place the newly elected Central Committee under the obligation of utilizing these recommendations when drafting the plan for implementing the resolution of the 10th Congress.

Such are the three recommendations which the Resolutions Committee pledged me to present here with the request that they be considered by the Congress and eventually adopted.

Mokrzyszczak on Letters to Congress

Warsaw RZECZPOSPOLITA in Polish 4 Jul 86 p 6

["On Letters and Telegrams to the Congress," subtitled "Report by W. Mokrzyszczak"--PAP report]

[Text] During the Congress its secretariat received 2,196 letters and telegrams of greetings and best wishes for the delegates and the party leadership. Their senders were plant party committees, party organizations, domestic and foreign plant workforces, elements of the PRON [Patriotic Movement for National Rebirth], youth organizations, youth unions, and units of the people's Polish Army, including servicemen on military duty abroad. Other senders were clubs of war veterans, and associations of artists as well as socio-occupational associations. In addition, 378 letters and telegrams from private individuals were received. Best wishes for the Congress were also sent in by school youth and scouts. In their telegrams the workforces of many plants announced that they were keeping close track of the discussion and expressing support for the program line of the 10th Congress through their work.

The letters and telegrams pointed to the unusually responsible work accomplished by the Central Committee under difficult and complicated external and domestic conditions during the period between the Ninth Extraordinary Congress and the Tenth Congress. Special acknowledgments were addressed to First Central Committee Secretary Wojciech Jaruzelski. The letters and telegrams emphasized that the report of the Central Committee produced a strong echo among the Polish society, among both party and nonparty members. They stressed that that report reflected all the principal issues of concern to the society and expressed a deep concern for accelerating the country's socioeconomic development, strengthening order and discipline in the economy, and consistently applying the economic reform.

The letters and telegrams pointed out that the report in question presented in a worthy and principled manner the main directions of Polish international policy, and they particularly emphasized the consistency with which these directions have been pursued. The letters and telegrams also pointed to the great role and importance of our alliances, and particularly of our fraternal friendship with the Soviet Union. The authors expressed their gratification

over the fact that the Soviet delegation to the 10th Congress was headed by Secretary General of the CPSU Central Committee Mikhail Gorbachev. Many of the telegrams referred to his speech while at the same time asking that best wishes and thanks for his direct and friendly references to our party and the Polish nation be conveyed to him. In this connection, complete approbation of the peace initiatives presented by Mikhail Gorbachev on behalf of the Soviet Union was expressed.

The Congress received 362 reports on the fulfillment of output pledges and 223 reports on the performance of civic deeds. These pledges and deeds resulted in, among other things, the extraction of additional thousands of tons of coal, the melting of thousands of tons of steel, the production of many durable consumer goods, and the conservation of thousands of tons of raw and other materials. New public facilities have arisen, including sports, recreational, and leisure facilities. Hundreds of local roads were modernized.

One hundred and twelve telegrams announced the formation of production watches for the duration of the Congress. The initiators of these civic-spirited deeds were, in addition to party organizations, elements of trade unions and youth organizations.

Reports on the fulfillment of many output pledges and civic deeds also were sent in by private farmers, state-farm staffs, and cooperative memberships. Many of the telegrams informed the Congress Presidium that, for the duration of its deliberations, basic party organizations held party meetings devoted to discussing the daily agendas of the Congress. At many of these meetings new candidate members were admitted.

In addition, the Secretariat of the 10th Congress was visited by 188 persons who came to us for help in personal affairs and problems. Most were nonparty members. When describing their problems they voiced the hope that the resolutions adopted by the 10th Congress would speed up the solution of many urgent social and economic problems of the nation. Altogether thus, the letters and telegrams expressed, in addition to best wishes and greetings for the Congress, the hopes and expectations of the society as well as support for the program and political line of the party.

Allow me on behalf of us all to thank the senders for their wellwishing attitude and interest in the deliberations of our congress.

1386
CSO: 2600/555

BOOK BY DEPUTY DEFENSE MINISTER CEAUSESCU REVIEWED

Bucharest SAPTAMINA in Romanian No 29, 18 Jul 86, p 3

[Article by Corneliu Vadim Tudor: "Independence."]

[Excerpts] Independence is the extraordinary stubbornness of the "Latins of the Danube" standing on the border and asserting "No!"

A remarkable book is devoted to this ideal, the most stirring and concrete abstraction of our nation's long existence: "Independenta poporului romanobiectiv fundamental al Partidului Comunist Roman" ["The Independence of the Romanian People--Fundamental Objective of the policy of the Romanian Communist Party",] written by Lt. General Dr. Ilie Ceausescu. Recently published by the Military Publishing House, the book is subtitled "Traditie, Actualitati, Perspectiva" ["Tradition, Realities, Prospects"]. Personally, I am glad that such a book was written by a soldier, because our heroic army knows better than anyone what the price of National Independence has been and what our future duties are towards the consolidation, day and night, of this achievement. Author and co-author of important books and treatises on our nation's history, patriotic soldier and historian of international stature, Ilie Ceausescu is among the laureates of annual prizes of our review alongside front rank personalities of Romanian historiography such as academicians C.C. Giurescu, David Prodan and Stefan Pascu.

From the very beginning of the book, what commands respect is the author's great powers of synthesis: because, it must be admitted, it is extremely difficult to compress into 300 pages events covering a period from the first documented foreign invasion (the campaign of Darius I in 514 B.C.) up to the present, exactly 2,500 years. Only a complete master of the material treated can carry off such a review, outlining implications and consequences, selecting those facts that are truly significant out of the pile of evidence, without falling prey to the mirage caused by all these documents. Scientific as well as artistic skill is involved in such an effort--essential attributes, especially if one wants to make a convincing historiographic contribution in a field which has seen the likes of Nicolae Iorga. Major battles of our people, strategies used during wartime or peacetime, memorable sources attesting to our continuous existence on these lands, our unquenched thirst for freedom and unity, are all evoked one by one. "No foreign army will be able to escape under the open sky"--the Dacian king Dromichaites said to the foreign invader;

under the rubric of these fiery words may be placed the entire Epoch of National Independence.

Indisputable expert on logistic and strategic problems of WWII, Ilie Ceausescu brings to light a host of new facts concerning the betrayal and abandonment of Romania by its former allies as well as the loss of certain ancient Romanian lands, regained in part through the heroism of our army. At the same time, emphasis is given to the historically valuable role played by the Romanian Communist Party, which during this gloomy period of an unnatural alliance saw clearly through the night of history and served the main interests of the nation: "In those circumstances, reality and conclusive facts to the contrary notwithstanding, the Comintern insisted on the view that it was not Hitlerist Germany that constituted the main threat to the independence and sovereignty of peoples, but rather the policy promoted by imperialist circles in England and France. In spite of such directives, in July 1940, the Romanian Communist Party asserted clearly: "We remain committed to the view that Hitlerist Germany is, nevertheless, the main threat."

The unique position of our party, shared by all other progressive forces, proved to be the most justified. A long chapter of the book is dedicated to the 9th Party Congress--beginning of a new era, moment of renewal of national pride. Homage is paid to the historical worth of the Party and of Comrade Nicolae Ceausescu for their contribution towards the reunification of Romanian traditions. Comrade Nicolae Ceausescu's epoch-making speech of that passionate July (whose 21st anniversary we are celebrating!) marked a new era in the life of our country, being the foundation stone of our material and intellectual achievements. And the new military doctrine, which asserts that the defense of the homeland is a vital work and cause of the entire nation, certifies our unwavering will to rise to the heights of ancient glory, not to surrender to anyone "even an inch of soil" (as Duke Menumorut put it to Arpad, chieftain of the Hungarian invaders), to follow our destiny of freedom, unity and peace. True and blessed father of the national Renaissance, President Nicolae Ceausescu embodies in his being the ideal of Independence knowing all too well the lessons of history.

Lofty call to love of country, the book "The Independence of the Romanian People--Fundamental Objective of the Policy of the Romanian Communist Party" is one of the purest and most exciting mirrors of the soul placed before the generation of today by the new intellectual tradition of our country.

/12913

CSO: 2700/255

DANGERS OF 'NONINVOLVEMENT' FOR COUNTRIES, INDIVIDUALS

Timisoara ORIZONT in Romanian 25 Apr 86 pp 1-2

[Article by University Lecturer Dr I. Peles: "Consciousness and Historical Necessity']

[Text] The stronger and stronger affirmation of our people's consciousness of themselves and for themselves, as an objective necessity, undoubtedly represents one of the great accomplishments on a political and spiritual plane that ought to be noted now, on the occasion of the Romanian Communist Party's anniversary of 65 years of glorious existence. We feel that it is no accident that this very complex problem has constituted an essential component of revolutionary theory and practice promoted by the Communist Party throughout its history.

Particularly in our national history's most fertile era, inaugurated by the ninth congress of the party, ever since it asserted itself as the vital center of Romanian society, patriotic, revolutionary education, within which the nation's consciousness of itself and for itself takes on a profound political significance, has represented an integral part of the program for our development in the context of world human progress and civilization. A fact also illustrated strikingly by the orientations provided for all political and economic activity during the proceedings of the Plenum of the RCP Central Committee on 1-2 April of this year, marked by the masterly speech of the secretary general of the party, Comrade Nicolae Ceausescu.

The contemporary stage of the human communities is the result of the thinking of ethnic groups, expressing the desire, will, and action of man, as an essential entity. In our era the phase has been reached in which the members of a national community may become conscious of their essence, and the community may become conscious of the value of the individuals that compose it.

In the main, the contemporary nations seek well-being and progress. In this context, the role of devising and supporting a principle of existence and affirmation corresponding to historical determinism goes to the decisionmaker. In this way, a nation's future is shaped by ideas that have as an essence the good of the nation in accordance with the good of humanity in general. The way of accomplishing a qualitative leap in world civilization presupposes a nation's solidarity, a principle that becomes effective under the conditions

of its conscientization, transcending the abstract sphere and thereby securing the necessary and stable equilibrium between the individual and the general. At the same time, the nations become responsible for the fate of humanity. Our socialist nation's responsibility on this plane is formed on the basis of the free and conscious choice of a possible variant of its attitude. In this regard, a nation's political responsibility is a derivative of the freedom of choice, and the nation's freedom, in relation to political responsibility, is its ontological foundation. Since the nation conscientizes the data of reality in order to objectify them in social practice, its responsibility appears under the sign of the agreement between the ideas, feelings, and attitudes of its members and the requirements of general normativeness. The responsibility that our nation assumes on a political, economic, and cultural plane, viewed in the unity of the deeds of consciousness and attitude, involves not only the finalizing act of the action but also the entire national conduct, beginning with the intention and continuing with the choice, the decision, the social action.

Under the conditions of the current stage in which the nations are found, we can note a certain capacity of theirs for confrontation, without which they could not exist. The firm policy of supporting the struggle for the free affirmation of the nations, of rejecting inequity and poverty, everything that is of a nature to impede the rise of culture and civilization, constitutes one of the consequences of this confrontation, noted, as a matter of fact, by contemporary thought. This international policy promoted by the Romanian Communist Party has its source in the existence of an economic, social, political, and cultural milieu that permits all social and national groups in Romania to participate under full conditions of freedom and equality in the conscious creation of their own life.

In its capacity of a subject conscious of its condition, the Romanian socialist nation is creating a new existence for itself, through the action of subjugating and transforming nature and through the improvement of its own human relations and its relations with the outside world. In relation to the realization of the meaning of the evolution of human history, the generalized responsibility at the level of the whole national community is not only a possibility resulting from the new social condition but also a necessary premise for defining its own personality in the process of building the socialist and communist society.

Indifference, sometimes hidden under the deceitful veil of "noninvolvement," is the expression of a low level of self-consciousness, of the consciousness of belonging to one's own national community and to the international community. The avoidance of difficulties is a very serious moral and political act, if we consider the negative consequences that result from it for national existence. It is fitting for us to stress here that the national and international policy promoted by the Romanian Communist Party, from the viewpoint of conception, attitude, and action, is illustrative of what is denoted by the courage to tackle the most complex problems with which the contemporary world is confronted. As a matter of fact, the centuries-long experience of the Romanian people has shown that freedom and responsibility are constituted, on a political plane, as a continual blending of boldness with the assumption of

the responsibility for the bold act and that independence and sovereignty are not gained on a sound basis except in this way.

The affirmation of national consciousness, in the context of the Romanian people's struggle for independence, often involved boldness and sacrifice. Consequently, those views and attitudes that demonstrate the absence of attachment for the homeland, the party, and the people cannot be immaterial to any party. To national existence the simulation, in some cases, of responsibility for its fate is also just as harmful, since this simulation can conceal behavior that is not in keeping with the requirements of our communist norms. Even if the simulation, which can present as true feelings such virtues as abnegation of heroism, devotion, and patriotism, does not have a general and primordial character in conduct, this does not lessen its harmfulness. The criterion that leads to the discovery of these situations is the deed. "In the long run, the party activist and the Communist must be judged not by words but by the results of their work," Comrade Nicolae Ceausescu stated. In such a view, the vast activity of national and patriotic education performed in our society has the prospect of its objectification in true material and spiritual values that would define, in new qualitative terms, the Romanian people. Starting from this desire, the secretary general of the party, Comrade Nicolae Ceausescu, pointed out at the 13th congress that "in the entire political and educational activity of forming the new man, we must put first and foremost the development of socialist revolutionary patriotism, of love for the homeland, of responsibility and attachment for the people, for their revolutionary gains, of the determination to struggle and work to forge socialism and communism, to continually increase the material and spiritual well-being of the people, to defend the revolutionary gains, the independence and sovereignty of Romania."

Such a view is of a nature to propel our homeland to new heights of culture and civilization.

12105
CSO: 2700/214

MAINSTREAM POET RESPONDS TO LITERARY CRITIC

Bucharest SAPTAMINA in Romanian No 24, 13 Jun 86 p 7

[Article by Corneliu Vadim Tudor: "More About a History of Romanian Poetry"]

[Text] Nearly a year ago I published in this journal an analysis, extending over seven issues, of the book "A History of Romanian Poetry" (Volumes I and II) by Mircea Scarlat. It was clear to very many lovers of Romanian poetry that the work in question is "a lamentable failure" (such was the title given to the serially published analysis). This was underlined by the great number of letters and telephone calls received by the editorial office. The author learned nothing from all this, however, and, impelled by his sense of self-importance, insisted on having the last word himself, writing to the editors a violent protest, which the journal published in the normal course of business. There followed a clarification signed by Eugen Barbu; it recounted some of the egregious errors appearing in the book. It appears that not even the clearest evidence can persuade M. S. to be self-critical, inasmuch as he was just waiting for an opportunity to settle scores once for all with those who disputed his work. His opportunity did arrive, last week, in the pages of a certain publication, in an interview given to a certain Dorin Marar. Unassailable Scarlat has some choice words for Eugen Barbu, Victor Atanasiu, the undersigned, and others who have fallen into the error of failing to go into ecstasy over his work. "Hence it is difficult to forget people who have no work to their own credit but who spit venom, such as Alexandru Grama, Sorin Toma, and--but it would be better for me to stop here." As is known, the high priest Grama rejected Eminescu, and Toma rejected Arghezi, so that Scarlat believes himself to be wronged, like the great writers into whose company he fraudulently introduces himself on his own initiative. "And," concludes the critic, "the fact that we have one or two deadwood areas shows that we are already a vigorous, normally growing forest and not a hot-house plant that needs to be tended by others." In an accompanying cassette, under the title "They have been answered," we find who these two or three "deadwood areas" are: Laurentiu Ulici, Eugen Barbu, Victor Atanasiu, Corneliu Vadim Tudor, Alex. Stefanescu, N. Mihaescu, Al. Piru, and others. We also find who made favorable comments: Dinu Flamind, Ioan Buduca, Radu G. Teposu, Ion Bogdan Lefter, Ileana Corbea, Ecaterina Vaum, Tania Radu, Cristian Moraru, Mircea Iorgulescu, Nicolae Manolescu, G. Dimisianu, Marin Sorescu, and others. And Mircea Scarlat is naturally concerned with the praise of his teammates Buduca and Teposu and with turning his back on the critical opinions advanced by professors Al. Piru, N. Mihaescu, and Paul Cornea (the latter he abusively places on the list of those who have failed to praise him,

remaining entirely silent about the serious reservations expressed at one time by the distinguished university professor). Similarly, it is a moral problem to him that in 1975 he violently criticized Marin Preda on the occasion of publication of the latter's novel "Delirul" [Rapture], and that now, after slightly more than a decade, he is serving on the commission in the writer's native village in connection with the recent Martin Preda intercounty short prose work competition. But, we ask, just what is it that has provoked the last-minute reaction by M.S.? Perhaps a prize which he received in the meantime for the second volume? But any number of prizes have been received, by Mircea Cartarescu, by Traian T. Cosovei, by Ileana Malanciolu, by Marin Sorescu, and by Octavian Paler and other figures in the literary fray, but this has not prevented him from making himself perfectly ridiculous. For the use of the members of the jury, I will cite only a few of the fundamental errors appearing in the volume in question, so that they may finally know to whom they have awarded a prize.

1. The aberrant assertion of the youth of Romanian culture (which is nevertheless 2,000 years old) and the need for "synchronization with European literature in the older cultures" (page 234).
2. The complete disregard of Neagoe Basarab (in volume I) and the mention of him (in volume II), to the protest of critics, that includes the strange assertion that this great humanist prince should be studied as one of the constellation around Nichita Stanescu.
3. His failure to understand Titu Maiorescu, whom he accuses of "the rigidity, would-be normative nature, and didacticism" of his position in Romanian culture (page 21).
4. The manner in which he snipes at our national poet. Following are some of the glaring examples. "In the matter of understanding poetry, Eminescu is not a pioneer, such as was Macedonski in one important aspect of his work" (page 43); there is the assertion of the superiority of the poem "Noaptea de decembrie" [December Night] over "Luceafarul" [The Evening Star] (page 150); in Scarlat's opinion, Eminescu is a bookish poet who only in appearance is spontaneous and whose youthful poems are marked by "mawkishness" and "adjectivitis"; the poet is also supposed to have been "pseudo-naive," "didactic," and "eclectically classicizing"; the shameful epigram that Macedonski addressed to the sick Eminescu should in Scarlat's opinion have evoked a "copious response" (pages 276-268).
5. The critic still insists that Octavian Goga was not overly complex and that N. Iorga was devoid of spontaneity.
6. To him, the ballad "Miorita" [The Little Sheep] is a nuptial poem, like "Nunta Zamfirei" [Zamfira's Wedding], this proving that he has understood absolutely nothing of the sublime metaphor for death.
7. We still encounter thoughts such as "the Bacau wolves howl, inspiring terror" (page 311); "Goga's power of expression was due above all to his talent" (page 176); "some of Eminescu's verses were "simply idle exercises at times of relaxation" (page 132), etc.
8. The pedantic style of writing, with its suffocating repetitions of the terms "signified, significant, trenchant, and striking."
9. Use of words in improper senses and disturbing use of pleonasms such as "superimposed over" and "interpenetration between."

And there is one last gem from the introduction which he gave himself in the publication in question: "Mircea Scarlat's style rejects the current language of criticism, sterile, dully factual explications, or erudite ambiguities. It is a ballet, not a saraband. It is a ballet, not a mere stroll. The vigor of the dialogue and the suppleness of the style confirm this." Forget about Maya Plisetskaya! Here is another specimen of the "ballet".

"The palette of spatial suggestions in the book "Lead" is very rich. At one pole there is the enclosed space (whose generic objectivization is here the coffin), and at the other the space whose non-boundaries are more terrifying than the leaden cover of the coffin: the void. At one pole there is death, and at the other annihilation" (page 309). Alongside such thoughts, the gloomy, morbid song "Deschide, gropare, mormintul" [Gravedigger, Open the Tomb] pales by comparison.

6115

CSO: 2700/206

PLACE OF MUSIC IN CONTEMPORARY ART

Iasi CRONICA in Romanian No 23, 6 Jun 86 p 3

[Article by Al.I. Fridus: "The Values of Music in the Context of Contemporary Art"]

[Text] What is the place of the values of music in the context of contemporary Romanian art? This was an aspect, approached from various perspectives, at the recent symposium organized in Iasi as part of the Days of Romanian Music. The problem--it was said on that occasion--involves equally artistic creation proper and its impact on the public, in other words, the presence of the values of music in the artistic consciousness of our socialist present.

It is a fact--it was stressed at the symposium--that research and exegeses undertaken in recent decades have brought out very rich traditions of this art on our territory, advancing in time into remote eras. Our modern and contemporary, classical and folk music, with notable achievements, lies in a natural extension of these traditions. It is no less true that the evolution of this art in the second half of the last century and in our century, synchronous to a degree with the evolution of the other arts, with literature in particular, is not reflected, in its entirety, in the instructional and educational process. Therefore, although in music too, as in literature, we can speak of a continuity from Flechtenmacher and Caudella to George Enescu and to contemporary composers of unquestionable value, just as in literature we speak of a continuity, say, from Alecsandri to Blaga and Arghezi and to contemporary literary creations, this extensive process of the evolution of Romanian musical art is still incompletely known, implicitly also because of a limited degree of inclusion of musical creation, classical, modern, and contemporary, in the concert programs. The cause of the insufficient exploration and utilization of the existing musical assets remains to be specified, in order to eventually find suitable remedies.

Naturally, there are also happy exceptions, the Days of Romanian Music being one--the most graphic--of them. An occasion for paying homage during the symposium, this initiative by Iasi, an event of the musical events in the country, as a composer of repute declared in this context. The 10 days of musical events held in this city of high cultural prestige are sure proof of the possibility of achieving in other cultural centers too a broad dialogue between music--Romanian music, in particular--and the public. An unmediated dialogue,

but also, of necessity, a mediated one, considering that, more than in another art, music presupposes gradual familiarization and advisement, for properly comprehending the whole list of values, from the ordinary ones to the exceptional ones, in which sometimes there is also recourse to language of considerable complexity. Who the mediating agents are in this case was discussed at length during the symposium. And how they are developed, so as to meet the obligations that devolve upon them. As an answer, the cultural animator, a product of a specific or unspecific educational process, was designated generically. With what results? The holding of incidental educational concerts still in many areas, a mere repetition of the Friday or Sunday concerts, shows that things are not satisfactory in all respects. The fact that the concert halls are not even always filled shows that the involvement of the educators, of musical criticism, of the musicologists, and of the presenters in the concert halls is often not up to the required level. A euphemistic statement, if we consider the facts more closely. And then, what is the explanation for the lack of practical effect of the work of forming the public for musical art?

The inadequate presence of music in the school programs may be an aspect worth discussing, but, as was noted, if we consider the facts, the accent with respect to musical pedagogy has passed more and more in recent times (and this almost inevitably!) from the forms of musical education to the competent agents in cultural activities--particularly due to their unprecedented scope. Unfortunately, the recruitment of the respective mediating agents meets with difficulties--first, because musical education does not offer at present a sufficient portion of the cultural horizon--beyond the strictly specialized one--capable of providing to the future guide the possibility of addressing the public through various means of reference: literary, plastic, etc. Second, because where mediators with specialized training are not involved, the dilettantes, who, no matter how enthusiastic, cannot and do not do musical life a real service, infiltrate persistently. This is why shaky improvisations from a professional or cultural viewpoint abound in the productions in the concert halls, but sometimes also in other dialogues with the public, including through the press. Moreover, both the specious approach and the dilettantish approach do not stir up interest. Particularly when the talent to put on an entertaining, convincing, and eventually captivating performance is also absent.

Certainly, what the mediators do not accomplish, music itself should accomplish, through a direct impact. And here, however, a question arises, particularly within the framework of contemporary music, which, as in the case of literature, has much too often elevated difficulty to the rank of a virtue, instituting it as a sign of modernity. So that, not infrequently, before being accessible, music is full of difficulties on the plane of comprehension. It is true that similar things also happened with regard to the creation by classical composers now with a wide following. Beethoven, for instance, But he shocked his colleagues in particular and sometimes baffled his instrumentalists, with the public being, in general, prepared, by a whole previous musical culture, to accept his innovations. A reason for returning to the idea of a sound musical culture, which can have as a basis only a concert life with sure national and international values, capable of increasing the public's appetite for elevated and varied genres of musical creation, including here

avant-garde creation too. But this, in a natural and necessary continuity and not with discontinuities that shock and sometimes, instead of attracting the public, drives it away. Continuing an idea stated at the symposium--namely that the path to the values of national music also passes through the values of international music--we could say, with equal justification, that the path to Enescu's "Oedipe" passes, of necessity, through his rhapsodies. Especially if we are dealing with interpretations of an authentic artistic bearing. Anyway, without such bridges, musical education runs the risk of remaining sterile, of getting stranded in pedantry and snobbery.

One thing is certain: The familiarization of the public with musical values is visibly facilitated by placing musical creation in the public's normal universe of references. A universe that begins, in childhood, with the fairytale and continues with the beauties of the homeland and with the values, sometimes more present in the public's consciousness, of other arts. But we have little music on fairytale themes--simple and captivating music, a participant in the discussion said. Not enough of an emphasis is put on the other above-mentioned directions either, there thus remaining to be utilized possibilities not sufficiently taken into account by those responsible for the fate of music's dialogue with the public. Similar Romanian works, some of great impact, can be mentioned--and have been!--in connection with musical works like "Peter and the Wolf" by Prokofiev, "Vltava" by Smetana, and "Pictures From an Exhibition" by Mussorgsky. Increase their number--that is the sure way to heighten the interest of wider and wider categories of the public in music. Categories at present--and this beginning with the young people--largely "confiscated" by light music, not always of the best quality, if not even of doubtful or poor quality. How is it--a participant in the symposium asked--that, while they study Planck and Einstein and tackle mathematical problems of extraordinary subtlety, the young people of today can be captivated so easily, on the plane of music, by superficial works, with an alarming discordance thus being produced in the universe of the values assimilated, among which nonmusical values, displayed in some concerts of light "music" with immense halls filled to capacity, filter aggressively?

And yet it seems that, in competition, at present, light music does not win--it was said--but folk music. Proof: the large number of Electrecord records. It remains for us to appraise the value of the music recorded on those records and, in general, the value of the folk music (or so-called folk music) disseminated in various ways. However, from this viewpoint, it seems that an alarm signal should be sounded. A disquieting tendency to pollute folk music is making itself felt, and this through the presence of fakes in concerts, instead of the authentic values--real jewels of folk creation--it also happening sometimes that the stars manufactured overnight themselves manufacture, in their turn, an incidental folklore, before which the spirit of discrimination of those who are concerned with or responsible for the dissemination of music yields surprisingly easily. In folk music too, as in classical music, the exploration of the existing treasury of values has to be done with more perseverance (and advisement?) for the benefit of the public and of contemporary musical life in general. At bottom, if it is possible to speak of a proliferation of kitsch, this involves, perhaps more in music than in some outlying salons for paintings, very big concert halls, in which programs of so-called

folk or light creation, lying below the limit of the most well-disposed requirements, are presented. That those halls are nonetheless filled, while some--in which undeniable values of Romanian and international music are offered--are empty, sets one to thinking.

Musical education, in school, in the concert hall, through the mass media--radio has remarkable accomplishments in this regard--still remains a problem, whose solution is required by our country's cultural policy itself, aimed at forming the multilaterally developed human personality. A personality open to all the authentic values, capable of molding the public to the highest degree.

Consequently, if we try to answer the initial question--what is the place of music in the context of contemporary Romanian art?--we cannot do it without taking the public as an essential element of reference. This matter was stressed, in a timely fashion, in the theoretical--we hope, also practical subsequent--conclusions in the discussions held on the occasion of the above-mentioned symposium included in the program of the Days of Romanian Music. A symposium that was situated among the actions of unquestionable interest at this comprehensive and valuable cultural event.

P.S. University Prof George Pascu, composer Alexandru Pascanu, musicologists Vasile Tomescu, Iosif Sava, and Mihail Cozmei, musical critic Liliana Gherman, Prof Carmen Chelaru, teaching personnel from the "George Enescu" Conservatory, etc. participated in the symposium.

12105

CSO: 2700/209

LEGAL PRIVATE RETAIL TRADING ADVOCATED

Belgrade NEDELJNE INFORMATIVNE NOVINE in Serbo-Croatian 25 May 86 pp 12-13

[Unsigned commentary]

[Text] The Federal Executive Council president's appeal to Yugoslav citizens to refrain from excessive trips abroad because of the country's situation, inasmuch as we are world champions with 21,407,891 outward trips a year, is certainly in order but is very unlikely to be obeyed. The simple reason is that the vast majority of Yugoslavs travel abroad not in search of entertainment and luxury but rather for purely economic reasons. When personal material interests collide with patriotism, we know what gives way as a rule.

Crossing the border for the sake of petty trading has become a Yugoslav mania on the widest scale. Istanbul, Bucharest, Warsaw, Munich, London, or any other international city can become and remain a mecca for our nominal tourists, depending on the rate of exchange or advantages offered by merchants.

The facts are impossible to determine with exactness, but even the most cautious estimate assumes that the 15,000,000 travellers (outside of traffic by persons living near the frontier) remove at least \$100 from the country every time they travel. For Yugoslavia, this is an enormous sum, more than the official hard-currency inflow from tourism. It would be a good idea to determine exactly how many people travel on official business; each trip is unlikely to cost less than \$500, and we can assume that such trips number in the hundreds of thousands.

So how much can be achieved by an appeal, even from such a serious place, when personal earnings are in question and when it pays for a Yugoslav to cross the frontier just for 3 kilograms of coffee at half the price of the junk sold to us by our own monopolists?

Whenever these data cause us to reflect on what to do, the ideas that immediately come forth by inertia are to forbid, to control, to fleece travellers via customs charges and penalties, despite the fact that such solutions have proved several times to be bad and untenable.

The Federal Executive Council president cited data on the behavior of citizens of other countries. The number of trips across the frontier equals 95 percent

of the population in Yugoslavia, 15 percent in France and Greece, 32 percent in England, and only 40 percent in "globetrotting" West Germany. However, a Greek or French or German woman can buy domestic or imported boots if she wants to in her home town; coffee is always available and is not a means for the government to patch the holes in its budget; their farmers need not travel abroad every time they need a bolt for a tractor; and so forth. Couldn't our Federal Executive Council employ one of its doctors of economics to figure out whether organizing imports of consumer goods would be better than all the phony Alligator shirts and Nike running shoes from Istanbul and Sony television sets and videorecorders from Munich? Let this commerce be entrusted to private traders if there is no other way. In any case, the dollars are being swept up by private traders, foreign ones, who attract Yugoslavs with advertisements in our publications and "We Speak Yugoslav" signs in display windows.

Finally, we are talking about at least \$2-3,000,000. The country needs to find some way to control this outflow. What sort of a trump card would that be now, when those who accept our dollars from "grey-market" imports are insolently pushing us out of their own markets? In any case, permit us to advise the government to avoid the easiest solution--prohibition--by all means, because nothing will be gained thereby.

Since we are capable of smuggling, why not let us trade, legally, to the benefit of both ourselves and the community, instead of gilding Istanbul storefronts and enriching the petite bourgeoisie of Austria and West Germany?

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CSO: 2800/324

COMMENTARY DECRIES 'WITCH-HUNTING' EFFORT

Belgrade DUGA in Serbo-Croatian 31 May 86 p 4

[Commentary by Dragan R. Markovic]

[Text] A renowned witch-hunting handbook of 1486 begins with the statement that "belief in witches is such a fundamental part of the Catholic religion that a stubborn opinion to the contrary will obviously give rise to the suggestion that heresy is in question." Satan and witches are as much a part of faith as God and angels, so a true believer cannot doubt either God or Satan.

The devil and his helpers are here, around us, they just need to be uncovered, e.g., among listeners to foreign radio stations; among persons employed in "health and social services, as well as in the cultural field," who constitute the "social basis for the real policy of our 'united opposition'"; in articles in "DANAS of Zagreb, MLADINA of Ljubljana, or KNJIZEVNE NOVINE of Belgrade, not to speak of KNJIZEVNA REC or STUDENT"; in a flood of "anti-Soviet and even anti-Russian historical writing without precedent in the history of--let us say--Serbia; etc., etc. The citations are from Ervin Peratoner, "The Influence of Foreign Propaganda on the Formation of the Ideologies of Our 'Middle Classes'" in the LCY journal SOCIJALIZAM, No 4, 1986.

The article is a textbook example of the current obsession with the devil, presaged by the "white book" [denunciation of numerous contemporary writers]. If socialism is a religion, then witches have to be found.

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CSO: 2800/331

PARTY DAILY REPORTS ON FIRST NATIONAL ROCK FESTIVAL

Prague RUDE PRAVO in Czech 3 Jul 86 p 5

[Article by Zdenko Pavelka: "Rock in the Palace of Culture"]

[Text] From 28 June to 30 June the Palace of Culture in Prague was devoted to the first national review of rock music under the slogan "Rockfest 86." On 6 stages, including the Congress Hall, more than 80 amateur and professional groups--comprising virtually 500 participants--were introduced over a period of 3 days.

The core of the Rockfest was an interpretative competition of amateur groups. In the national finals 17 groups, selected from all areas of the CSR, competed and, with only 2 or 3 exceptions, the level of performance was truly good. This is attested to by the compromise decisions of the judges, who expressed their high appreciation to five groups without listing their sequence. These groups were the Prague "Bossa nova," the Brno "Z kopce," the East Bohemian "Genesis," the "Yetti" group, which essentially belongs to North Bohemia, and finally, the Prague "Vitacit" group. It can be written that these five names sort of indicate that contemporary rock music is going in several directions: from the melodically most specific position of "Genesis" through the rolling rhythms of "Vitacit" (now, the popular label heavy metal is used for this type of music) all the way through the musically most thoughtful "Bossa nova." Of the groups which did not win, I would list at least "Parament" for its unostentatious efforts to achieve a lighter position, as well as the sympathetic group of "Sonya and Karel."

The unprecedented concentration of Czech rock music (and, thanks to the presence of Tublatanc, also of Slovak rock music and, through the presence of four guests even rock music from abroad) under one roof, however, offers a number of comparisons and considerations, beginning with musicology and ending with sociology. The review was decisively influenced by the fact that, in contrast to the 1970's, when rock music was intensively seeking common paths with its older brother jazz, this decade is reflected much more as an independent development of both offshoots (as well as sources) of entertaining music; rock music returned to more simple expressions. However, I would say that, as far as public accounting is concerned, a more suitable creative form comes off better--I refer to the almost sunny sweet reggae music of the "Babalet" group and the ironic child of the big city--a mixture of blues, rock, and folk music as

presented by the Krausberry Group (they received a special prize of the Rock Competition for this year).

Things that were more interesting but, nevertheless, generally exclusive, were offered in the Chamber Music Hall under the fitting title: "Along the Margins of Rock." For this time, I shall not evaluate such reconstituted professional groups as "Olympic," "Syncopation," or "Citron," the latter being carried by the current wave of success.

"Rockfest 86" deserves a few words with respect to the organizers and its dramaturgy. Essentially, one fairly long chapter is drawing to a close, during which the Socialist Union of Youth was seeking a method of devoting its attention to rock music as an attractive genre and, at the same time, a component of the interest activities of young people, with more or less success. Meanwhile, Rockfest this year served to verify the opportunities; for example, starting next year, the interpretative competition should be handled the same way as that pertaining to the "Porta" (kraj or regional rounds). The same is true of the dramaturgy of the reviews, in part or as a whole. This year they specifically rehearsed. It is possible that the Community Hall with its bare parquet floor is best suited to simple rock, as presented by "Vitacit," "Coda," "Titanic," etc. In the Congress Hall, on the other hand, primarily well-thought-out and put-together peak performers should be featured so that the possibilities of a quality show and good listening would find fulfillment among the audience. The rest of the arrangement was generally suitable, including the happy idea of having one stage in the foyer. Particularly with respect to the technical side, the Palace of Culture turned out to be an installation which has no competition with respect to a similar review; the environment here also plays its role in affecting the audience.

On balance, although Rockfest was not 100 percent for the first time, it did point to an important subject. It is not necessary for rock music to languish somewhere in dark corners; methodological, dramaturgical, and organizational assistance is clearly of benefit to it. In its more cultured and more accessible form, it may possibly lose a few followers who have no taste for easily accessible fruit--however, that would be quite another consideration, one which would truly be psychological-sociological in nature.

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END