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# East Europe Report

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# EAST EUROPE REPORT

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ECONOMY

CZECHOSLOVAKIA

PARLIAMENTARY DEPUTY DISCUSSES PRODUCT SPECIALIZATION

AU281147 Prague LIDOVA DEMOKRACIE in Czech 14 May 86 p 3

["Mat"-signed report on speech delivered by M. Hudecek, deputy of the Czechoslovak People's Party to the Chamber of Nations of the CSSR Federal Assembly, at the 13 May joint session of the two federal assembly chambers in Prague: "From the Discussion Speech by Brother M. Hudecek"]

[Excerpts] The extent to which our Czechoslovak economy participates in the process of socialist economic integration, and particularly of the specialization and cooperation of production, represents a decisive factor in our further dynamic development. Permit me to demonstrate, by using the example of the general engineering sector, both the results achieved to date, and the problems of further developing international specialization and cooperation.

A relatively profound specialization has been agreed on with regard to the products of general engineering, and it is already showing striking results in the exports between CEMA countries. A total of 52 percent of the overall export of general engineering products to the socialist countries consists of specialized products (including appropriate spare parts); the figure for deliveries to the USSR is 60 percent. These exports consist of very significant machinery produced in series, among which the most decisive exports are trucks, textile machinery, construction and road-building machinery, as well as machine tools. Specialization is also manifested in imports from the CEMA countries: specialized products amount to almost 42 percent of these. Undoubtedly, a high level of specialization has been achieved in the products themselves; this has made it possible to raise series production and labor productivity considerably; and in places where we have successfully introduced specialization, it also enabled us to reduce production costs considerably. This is a significant success. However, at the same time it was meant to lead to a price reduction for this machinery and equipment. So far, this is not the case in a number of instances. Frequently, prices have even gradually increased, and considerably so. This is a serious problem that is hampering specialization. An exception is the USSR, which is maintaining a corresponding price level for the machinery and equipment it delivers; but it also demands this level in making its purchases--and our producers often do not like this.

No less significant is the fact that the producers of specialized machinery are not covering the needs of other CEMA countries in time and to the fullest extent, and are not providing prompt servicing and deliveries of spare parts. This also applies to us. International production cooperation and specialization in structural components [uzly] and parts is lagging far behind its possibilities. There are several reasons for this. In my opinion, one of the main reasons was that our central agencies, and not only ours, resolved only at a very late date to begin establishing conditions and possibilities for direct international cooperation at the level of economic production units and enterprises. I trust that the conclusions of the economic summit conference of CEMA member-countries (in June 1984)--which also stressed, among other things, that in the future one will also have to count on the development of intrabranh specialization and cooperation--will provide a decisive incentive for speeding up this process.

Certain higher forms of direct cooperation among enterprises already exist in the sector of the Federal Ministry of General Engineering; a number of other direct forms of cooperation are being prepared.

In keeping with the conclusions adopted by the economic summit conference of CEMA member countries, the internal quality of international cooperation and specialization will, and will have to, change in a way that enables it to influence profoundly the acceleration of technical development and the structural reorganization of production, as well as the creation of a corresponding export potential and the rationalization of imports. A good beginning on this road is the approved program of long-term economic and scientific-technical cooperation between the CSSR and USSR up to the year 2000.

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ECONOMY

CZECHOSLOVAKIA

ECONOMIST CALLS FOR 'RADICAL REFORM'

AU130757 Bratislava PRAVDA in Slovak 11 Jun 86 p 3

[Article by Engineer Jergus Ferko from the Bratislava Institute of Economics and Industrial Management in the "Probes Into Economic Thought" series of articles: "A Good Manager Is not Raised on Words"]

[Excerpts] The time in which we live has already been given many attributes; it has been called the nuclear, cybernetic, and missile age. The common denominator of all these names is that they express the revolutionary character and accelerating speed of the changes currently underway. Time, which in a certain way is the most valuable asset at the disposal of individuals and society, has undeniably become one of the crucial yardsticks for measuring the success of human endeavors in virtually all spheres of social life.

The growing importance of the time factor is particularly clearly apparent in the economy. Unlike 2 or 3 decades ago there is no longer interest in what a certain economy is capable of producing, but in how much social time (with high technical standards being a matter of course nowadays) it must spend to master a given production. Qualitatively new criteria for judging economic success are thus logically coming to the fore, criteria which might be called criteria for measuring economic intensiveness, criteria of economic standards.

Putting an End to Management by Exceptions

The discovery that the degree of our economic success recently continued to be commensurate neither with our current economic needs nor our potentials forces us to ponder critically the quality of economic thought that directly determines our economic behavior. The fact that for years we have been unable to establish adequate conditions for speeding up scientific-technological progress, which is the decisive factor of raising the economic effect of the results of social work, directs attention to the human factor as the subject of economic thought and conduct. Failure to act in accordance with the requirements of the time testifies to the obsolescence of our mode of economic thinking, which must therefore be adjusted as soon as possible to the current conditions, conditions that are marked by a growing complexity of economic entities and by a relentless struggle for time or, in other words, for efficiency.

In this context, economic research is also facing a historic chance to contribute in a principled way to the long-awaited turnaround in economic thought. Compared with technological research, both basic and applied economic research are a potential source of economic effects of a higher order. Fundamentally new technology at the top world level, for example, would yield only a fraction of what an improvement in the system of the economic mechanism, its "intensification," so to speak--that is, the innovation and relative stabilization of the "rules of the game" for economic subjects--would mean for our economy. The current system of management constantly violates these, its own, rules; it could even be argued that we manage our economy by exceptions rather than by principles.

The administrative prescribing of tasks by the higher levels of the economic vertical and the influence from below on the final results of production units ultimately mean that an enterprise can be bad through no fault of its own, and good without having done anything toward this. This situation indicates, aside from other things, the existence of two serious problems that are directly linked to the assessment and evaluation of enterprises' merits.

#### Problems That Are Ripe for Solution

The first problem is the asymmetry of legal powers and responsibilities, which is a syndrome surviving from the period of predominantly extensive development, connected with the administrative redistribution of a substantial part of the financial resources. In determining the scope of powers and responsibilities at specific levels of management, the principle should apply that the decision should be made (and responsibility borne) by the level of management that has at its disposal the greatest amount of information for a given decision. The detailed breakdown of tasks by central agencies collides with the information monopoly of enterprises, which know best what their production potentials are. A strong and socially undesirable conflict between national and group (enterprise) interests thus arises in breaking down the plan, with the central agencies pushing for a harder and the enterprises for a softer plan. Because information processing is the gist of management--of which planning is an integral part--in most cases whoever is better informed prevails. In practice, the asymmetry of powers and responsibility waters down responsibility at the vertical line of management and impedes the functioning of *khozraschet* [economic accountability]. When we speak today, especially in connection with the tasks of the 17th CPCZ Congress, about introducing so-called full or authentic *khozraschet*, we concede, in fact, that the existing *khozraschet* system has not been discharging its functions fully. It is actually nominal *khozraschet*, whose main function is for records only [jeho hlavná funkcia je iba evidencná].

The functioning of the principle of symmetry between powers and responsibility as an immanent feature of the economic mechanism of management typical for the intensive development of the economy will also depend on the economic accountability of the center vis-a-vis the *khozraschet* sphere for the consequences of decisions made on the basis of noneconomic criteria (tasks connected with ensuring defense, security, and the like).

The second problem in assessing the degree of enterprises' merits is the problem of price setting. Under intensive development conditions, price, as an important economic category connected with material incentives and with gauging efficiency, can no longer be formed by the so-called cost-plus method, as has been the case so far. This type of price setting does not express the level of socially unavoidable costs and, what is even more consequential, it does not take into account the second and substantial aspect of efficiency--the utility value, that is, the actual social usefulness of production. If prices, as basic measuring devices, as economic scales, are not "accurate," they hold up a distorted mirror to economic processes and deform the quality of the pertinent information data for the needs of management. Economic research, both basic and applied research, remains a great debtor when it comes to questions of price setting, although this is one of the basic aspects of the utilization of value instruments within the framework of the new system of management.

The essential need to introduce scientific approaches to the problem of assessing the degree of enterprises' merits arises from the elementary yet economically urgent requirement to allocate economic resources only where there is adequate economic performance. If the economy does not know the truth about the degree of success of its individual subdivisions, it must cover up this shortcoming by means of large-scale redistributions of financial and other resources, which in some cases is nothing but the legalized parasitism of enterprises that are poor performers. It is therefore necessary speedily to prepare prerequisites for the the introduction of equal economic conditions for khozraschet units. These conditions must be equal in the sphere of khozraschet, in the division between powers and responsibility, as well as in price setting. The introduction of equal economic conditions is also connected with the question of equal prices for one energy unit and with the elimination of economic advantages or handicaps resulting from the disparate, better or worse, equipment of individual enterprises with state-funded basic assets. The chain of economic problems that are ripe for solution in this sphere continues, for example, with the problem of a more suitable pricing of production factors. The disproportion between the reproduction of basic assets and the reproduction of manpower is a factor that slows down the further development of scientific-technological progress. The rapid growth in the prices of capital assets on the one hand and the stagnating level [of the cost] of manpower on the other widen the price gap between the two, which erects an economic barrier to the substitution of manpower by technology. Therein lies one of the greatest obstacles to the broader application of robots and automation. It is necessary to realize that the assimilation of these processes of making manufacturing more efficient and their introduction into the economy is primarily an economic problem, a question of value, and its solution, just like the solution of the other problems outlined here therefore lies in the sphere of the economy, in establishing and developing a new type of socialist production relations, relations that are primarily relations of value and only secondarily organizational relations.

## Stepping up Efforts for New Quality in Production Relations

The elimination of nonantagonistic contradictions between production forces and production relations is a task confronting all industrially advanced socialist countries today. Each of them has gained experience from many years of experimenting with the rules of the economic mechanism, especially in the direction of improving planning and its efficient symbiosis with value (money-market) relations. Even though each socialist country has its own specific conditions of economic development, the substantial features of the current nature of production relations are the same in all of them.

The present framework of production relations, which was created essentially in the fifties and sixties and found its expression in an economic mechanism in which organizational relations have supremacy over value relations, is far too narrow for the production forces of today. As scientific-technological development brought about a qualitative change of production forces, and continues to do so, a developed socialist society can economically assimilate this process only after effecting a qualitative (revolutionary) change in the production relations as well and after codifying this objective change in the form of a new economic mechanism. This follows from the organic unity between production forces and production relations.

Because the industrially advanced socialist countries are facing essentially the same economic tasks, good mutual information for them about the (?results) of experiments and reforms in this area is highly desirable. If there is a need to create what in its main principles is a new joint mode of economic thinking, then it is also possible to speak about the need to integrate this thinking on an international level as well.

The practical content of the solution of the problems concerning contemporary economic theory and practice is the endeavor to bridge the gap between reality and theoretical concepts. The core of the problem of rebuilding the economic mechanism of managing the process of intensification is thus the question: How? The complexity of the solution lies in the fact that it must embrace the entire system. The system of management operates as a whole and partial changes in this system, to which we bear witness at present, do not yet alter its nature. At the same time, these partial changes must be consistent, that is, they must exert their influence in the same direction, which has not become the rule yet. A mechanically perceived endeavor to reduce the share of wage costs in the value of output, for example, in some instances becomes a barrier to the utilization of highly qualified manpower. This is only one of many sufficiently known examples of such inconsistency. However, for objective reasons, the amassing of quantitative changes in the area of the economic mechanism must in the future yield more fundamental, qualitative changes as well. But we should not forget that in the economy, and not only in the economy, the time factor is an ally only of the successful.

The discussion that has been going on for a number of years as to whether a fundamental rebuilding of the economic mechanism is necessary at present

or whether partial interventions will suffice adapting the economic mechanism to the new economic conditions has been concluded once and for all (on the theoretical plane, at least) in favor of a radical solution. Speaking at the 27th CPSU Congress, Comrade Mikhail Gorbachev stressed that today it is no longer possible to confine oneself to partial measures but that a radical reform of the entire economic mechanism is essential, its complete rebuilding. Without an efficiently functioning economic mechanism it would be impossible to fulfill the bold tasks of accelerating the socioeconomic development of the socialist society.

At the 27th CPSU Congress, the idea was also expressed that it would be naive to assume that a good manager can be reared by words alone. The crucial task of the present is therefore the energetic enforcement of a new way of economic thinking, a thinking that will ensure a more profound social orientation of the economy and that will distinctly activate the socioeconomic motivation of man. The obstacles standing in the way of this new quality of activating the subjective factor must be identified as quickly as possible and eliminated by means of specific measures with fixed deadlines.

The crystallizing of a new economic awareness among experts and the broad public establishes prerequisites for a qualitative change in man. It prepares him for the new tasks of tomorrow so that his thoughts and behavior are in harmony with the objective processes of the development of production forces and that he should be able to use their effects as much as possible for his own welfare and for the benefit of the entire society.

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ECONOMY

GERMAN DEMOCRATIC REPUBLIC

MAJOR ECONOMIST DEFECTOR SCORES SED, MARX IN INTERVIEW

Hamburg DER SPIEGEL in German Vol 40 No 21, 19 May 86 pp 66, 69, 71, 74, 76-77

[Interview with Prof Dr Hermann von Berg, formerly of the Department of Economics at Humboldt University in East Berlin, by DER SPIEGEL editors Wolfram Bickerich and Ulrich Schwarz at the Bonn offices of the magazine, date not specified:  
"'The System is not Capable of Reform'"]

[Text] SPIEGEL: Professor, you were a member of the East German SED for more than 30 years, a model member indeed. Everything that you have become you owe to the party. Why are you now turning your back on this state?

Von Berg: I would not have turned my back on it if I continued to believe that the problems of the GDR are problems that arise because of subjective inadequacies. Then I would have said to myself: Try hard and urge others to exert themselves so that things get better.

SPIEGEL: You have tried hard for quite some time now.

Von Berg: Not only for a while but as long as I was convinced that Marxism-Leninism is a system that answers the fundamental questions of the future development. Based on critical analyses of sources I have reached the opinion in the meantime that the shortcomings in the system cannot be explained by subjective inadequacies but only by the fact that this system is nothing more than institutionalized ideology.

SPIEGEL: But your quarrels with the SED were quite subjective: You fell in disfavor when the manifesto of an opposition party group was published in SPIEGEL in early 1978.

Von Berg: Certainly, but not even at the time when I was arrested would I have been prepared to say that the system was not in order--because my theoretical insights at that time were not the same as the ones that I have now. I had thought it can happen that the security organs make mistakes. Mistakes happen everywhere.

SPIEGEL: Did the security organs really make a mistake?

Von Berg: No one has ever told me, either in investigative detention or later on that I had written or participated in writing the manifesto. They accused me only

that I had violated my duty as a citizen and as a functionary because I did not report the people who had written the manifesto to the police.

SPIEGEL: That means the State Security Service started from the assumption that you knew the authors?

Von Berg: I was told that I know these people, that I know about them and protect them. That is a statutory offense in their eyes.

SPIEGEL: Has the investigation by the Ministry of State Security been good or bad in this matter?

Von Berg: In this point their investigation has not been particularly good, otherwise they would not have let me go.

SPIEGEL: Did the charges from that time still play a role in the quarrel about your departure?

Von Berg: No. I was merely told that I can really forget about that and that it was a long time back. Mistakes, they said, are made everywhere. In the meantime, even members of the Central Committee believe that this manifesto comes from within its own ranks.

SPIEGEL: How do you then categorize the manifesto? Was it the illusory attempt by an SED group to shift the party to a different direction?

Von Berg: Much can be said about the "manifesto." It is my impression that it was a rather absurd attempt to take up Eurocommunist ideas. It should not be overlooked that prior to the publication of the manifesto there was a big international conference of the socialist and workers parties in East Berlin at which, for example, the Spaniards announced that Moscow is now no longer our church and similar heresies. That has an enormous effect on young people. It must not be forgotten that in the so-called leftist scene the most hair-brained discussions are going on. Everybody interprets Marx the way he wants because everything can be put into it.

At that time the search was also on for other documents. I have read some of them. Leading personalities from completely different intellectual fields have taken a critical look at Marxism in them. A quite crazy situation existed in the mid-seventies. There was anger in the party about the shabby way in which old Ulbricht, whom many of the young ones really did not like, was pushed out.

SPIEGEL: Has the intellectual scene changed since then?

Von Berg: Of course, things have changed. Everything internally, in the intellectual area has been liberalized. At the universities professors and students have discussions. But many intellectuals are positively schizophrenic. In the working group, discussions take place with complete freedom. When these same people go to the next bigger meeting, for example of their party organization, they say exactly the opposite. That is definitely not normal.

In the meeting, people listen to what the boss has to say, what the line is. Then it is approved that the line is good. Now and then a critical question is asked, which in most cases is prearranged. They are meaningless events which merely rob the people of time. The higher you go up, the more standardized, the more meaningless, the more empty is the colloquial language. At the top, there prevails only the tune of NEUES DEUTSCHLAND. Nobody believes that to be possible. But it is true.

SPIEGEL: About what does the party intelligentsia speak openly?

Von Berg: For example about the unity of theory and practice: In Korea, for example, the communists fight for the unity of the fatherland. In Germany, things are exactly the opposite. Where is the unity of the theory in this case? Is Marxism valid as a universal teaching or is it not? The people believe that the so-called theory is guidance for action.

SPIEGEL: Hasn't anything changed in this respect in recent years? In the meantime real socialism seeks to adapt the dogmas to reality, for example in the planned economy.

Von Berg: That always varied. They made a reform, they overturned it again. Economically it goes up and down.

SPIEGEL: But the statistics read quite differently. There is regularly a measure of growth in the GDR.

Von Berg: You know, this growth fetishism is a typically Marxist variant. An example: I buy a hose for a washing machine. I need 3.5 m because the basin is over there on the wall. If now, as a plant manager, I say I no longer produce such hoses, I am going to cut them in two, what happens? I produce twice as much, i.e. the growth has increased 100 percent but the economic effect has been reduced by one half. Since the shorter hose is a new product, I am able to sell it at a higher price. Thus growth is tripled. In reality everything has retrogressed.

Another example: If I know of a good coal dealer for my central heating, then he brings me brown coal coke. I pay about M 100 per ton. My brother in his truck garden pays M 500 for the same ton. Now can you imagine how the GDR could increase growth if it were able to apply the real prices of the industrial price reform, which apply to business transactions, to the consumer prices and at the same time would triple the pay of workers up to M 800, so that they could absorb the additional social burdens. Then the Americans would be defeated tomorrow.

SPIEGEL: In Poland the party tried something like that. But that has not worked out properly.

Von Berg: Because the system is not capable of reform. If I start from a false concept, then I must revise the concept and say, it does not work this way, we need really genuine values, really genuine standards of performance, we need really qualitative indicators, we must really punish the person who works slovenly.

But how is that going to be done? Does Gorbachev or Honecker believe that the preceding generation did not have the same enthusiasm? I cannot solve the problem subjectively. I must create conditions so that truly economic standards develop which for objective reasons induce people to reach maximum performance.

SPIEGEL: For that purpose there are actually the permanent socialist competitions. Don't they achieve anything?

Von Berg: Yes. But you must accept the reality: the bonus depends on plan fulfillment. Consequently everybody is trying to surpass the plans, for that makes the bonus that much bigger.

SPIEGEL: That is a good, nearly capitalist principle.

Von Berg: Principle, yes. But how do I fulfill the plan? Every experienced enterprise manager says, take a pencil. There are pencils. Thus things are written down.

My father-in-law explained to me how that is with the reality. He is a forest ranger and he told me: Young man, there are still 6 women who are so loyal and reforest in Mecklenburg. Yes and what do they earn? So bad, he says, that I am ashamed to give them wages. I say: What do you do in that case? He says: I take the pencil, I write down: difficult working conditions, blackberry bushes rooted out. I say: There aren't any bushes here at all. He says that is the art of plan fulfillment. The forestry administration pays, the women are satisfied and are not looking for other work. And my father-in-law is able to fulfill his reforestation plan.

SPIEGEL: Such problems under different circumstances occur in capitalism, too. Therefore nobody quits.

Von Berg: That is not the reason why I left the GDR. I have only described that the theory is not correct, that the exploitation in CEMA and also in the GDR on account of the low efficiency which is admitted is greater than in the West. Of course, the same problems exist in the Western economy. Only the losses in effectiveness are less here. They do not affect the masses of the people as they do with us.

SPIEGEL: Well, why did you leave the GDR?

Von Berg: The reasons are quite simple. In my interdisciplinary research in recent years I recognized that the Marxist theory is no suitable guide for action but only institutionalized ideology. Once I had comprehended that, I could not stand there and knowingly deceive my students. If I had told them the truth, I would have incited them to take a position against the state.

SPIEGEL: Why didn't you put your findings up for discussion within the party?

Von Berg: Once I reached the conviction that Marx isn't worth anything, then I no longer need to put that up for discussion. That is senseless in a communist party for which Marxism constitutes absolute truth which cannot be doubted.

SPIEGEL: We cannot imagine that you are the first communist sociologist who has discovered these inconsistencies in the case of Marx. Do many SED sociologists actually think like you do?

Von Berg: That varies. Some think that there is much nonsense in Marxism. They do say that; but then they add: Don't get excited. Our function is not a scientific function. We are ideologists. But these same people who say that fail students in the examination if they make a critical remark.

SPIEGEL: That applies to the sociologists....

Von Berg: ...I am only talking about sociology. I do not presume to give an opinion on colleagues from engineering and other disciplines. Of course more people know the source situation. But I have noted that numerous books in the university by which it is possible to prove where Marx botched things up, e.g. from whom he plagiarized. The entry on the pad in pencil reads: Loss 1953. That is when the first wave of Marx research occurred in the GDR. Critical literature was apparently eliminated at that time.

My prorektor told me at the time when we discussed my departure from the university: Why didn't you come to us and tell us that? I responded: Then both of us together would have falsified matters, then I would undoubtedly have received twice the salary and been given a passport to the West. He replied: That's how we would have done it.

Those people are cynics of power. They are not interested in what they tell the students. They tell them the party line, live for the party contents: Marxism-Leninism, party--that is all.

SPIEGEL: In your estimate, to what extent are there critical approaches within the GDR intelligentsia?

Von Berg: I can really only report on subjective experiences. But, after all, I have been together time and again with colleagues from all sections and disciplines for 20 years. I believe most of them are neither fish nor fowl. They say: We really ought to be also thankful to this state. It has pretty well insulated us. The intelligentsia is really not doing badly.

SPIEGEL: Criticism in detail and in the small circle, but in general the intellectuals have come to terms with the SED regime?

Von Berg: Many say, what should you get excited about abstract factors. Go to your villa, worry about replacement tires for your car. If there are no ignition coils, then go to Eisenach, where you have an acquaintance who gets them or steals them. All of that can be taken care of in the GDR. Most people think that way.

SPIEGEL: In your statement of resignation from the party, you also mentioned another reason for your breaking with the SED, namely "the, in my opinion, totally one-sided false and dangerous policy of the party as regards safeguarding peace, human and civil rights, nation, and ecology." Now you have actively helped shape this policy which you condemn there. Did it get bad only later on?

Von Berg: Let us take the problem of safeguarding peace. I think the position of the GDR government is neither honest nor sincere. The government knows definitely that Germany, both sides, can be made radioactive or burnt overnight in the truest sense of the word by a technical mistake or human failure. The physical destruction of the entire people is preprogrammed on both sides by the missiles. It is an irrational condition. No people in history has ever been in a comparable situation. But the GDR government says the SS-20 safeguards peace.

SPIEGEL: Our side considers the "Pershings" and the cruise missiles as safeguarding peace. When Honecker says that in case of a nuclear war both sides would be wiped out, that must sound like criticism of the Soviets in GDR ears.

Von Berg: Let us assume that is criticism and not merely insulating one's own people--when does one draw consequences from this? I have not heard of any recommendation by Honecker to the Soviets: Leave the missiles at home.

SPIEGEL: Not even Helmut Schmidt was able to make the U.S. President a stooge. Honecker, too, has only limited leeway in relation to his leading power.

Von Berg: If this position is adopted, then one is fatalistically at the mercy of the next catastrophe which does not hit any nuclear power plant but perhaps missile targets in East or West Germany. That cannot be passively accepted.

SPIEGEL: For 20 years you did not have such doubts, or did you?

Von Berg: I ask in return: When did we have the historical experience that the socialist power is not safeguarding peace in their relations among each other. Let us take China, Vietnam, Cambodia.

SPIEGEL: The experiences already existed in 1956 in Hungary, in 1968 in Prague. Indeed, you were at the trigger for your government at that time.

Von Berg: Listen, when you see that the root for the war simply was not only in the economic aggressiveness of dying imperialism--so formulated--then doubts arise. But you do not extricate yourself from such an intellectual structure overnight. This is a difficult process. It is like a big barrel that is being filled drop by drop, and then comes the last drop, and the barrel overflows.

SPIEGEL: Therefore you do not make the current policy of the SED responsible for your resignation from the party?

Von Berg: No, not only. There are also contradictory processes. Of course, the progress since the detente policy is not to be overlooked, e.g. the humanitarian provisions. Of course, it is to be welcomed when there is a lawyer like Wolfgang Vogel who eases the worst cases. Only: that does not change anything in the system.

SPIEGEL: In your opinion, how big is Honecker's leeway in relation to the big brother in Moscow?

Von Berg: That is an entirely personal opinion. All his life Honecker has been convinced that only the closest dependence on the Soviet Union and only the struggle for the interests of the Soviet Union serve Germany's interest.

SPIEGEL: Would it be possible at all for a leading GDR politician to set something in motion against Moscow's political, military, foreign policy concepts?

Von Berg: The question is purely theoretical but nevertheless can be answered in practice. Let us take the Warsaw Pact. We, that is the German side--in other words the GDR--are there the strongest, the most influential power after the USSR. But the GDR does not gripe. The Romanians, who really are not the strongest, have frequently acted contrary to the USSR. What would have happened if not only the Romanians but also the Germans had said: our people are not going to march to Prague?

SPIEGEL: You think the leeway is greater than Honecker uses it?

Von Berg: Of course. But the present SED leadership from its conception of the world is so much tied to the Soviet Union, that is the promised land....

SPIEGEL: To what extent is the SED Germany policy coordinated with Moscow how far does the independence go?

Von Berg: The independence lies in the fact that the concept is developed in Berlin. And then, it is said, comradely talks are held with those in Moscow. But what then happens in face-to-face talks or in the small delegation of three people, that will probably not even be in the record. I do not think that the Soviets are trying very hard to keep big records.

SPIEGEL: Mr von Berg, almost 40 years after its founding the GDR has the problem that a sizable number of its citizens want to leave the country, whatever the cost. What is it that the SED must do to achieve a stronger feeling of belonging in its state?

Von Berg: Economically and socially the GDR is strong enough so that the SED could afford to be generous. Of course, we could never go so far as the Yugoslavs and say, open up the borders. But we should introduce free tourist travel. I consider this to be the only means to solve the problems concerning the wall. Gorbachev said in Berlin: we are in favor of direct contact of the people between East and West Europe. GDR TV did withhold the sentence, but NEUES DEUTSCHLAND printed it. Where is East and West Europe?

If the people in the GDR are shown confidence, then there will be a natural population movement....

SPIEGEL: Only in one direction.

Von Berg: That depends. I believe the people are running away because they distrust the leadership. The fundamental problem in the GDR is the fact that the people do not trust the leadership an inch because their experience has been that way. If political confidence existed, if the leadership states you can go there and return home, then the people would of course see something of the West. But most would return because the hard work of the West frightens them.

SPIEGEL: If you had had the opportunity to travel, would you have emigrated anyhow?

Von Berg: Yes, because in my case the problems are different. Perhaps it is the profession of the intellectual that he must always be contrary.

SPIEGEL: How do you view your future here?

Von Berg: If possible I would like to get back into the teaching profession; I was a teacher with heart and soul. I consider it as important to educate young people as the up-and-coming generation who are able to provide intellectual development aid to the East, too.

SPIEGEL: You can get involved in politics right away.

Von Berg: What is that supposed to mean? I am no politician.

SPIEGEL: Does the example of another prominent SED dissident frighten you? Rudolf Bahro went into politics and then he went under.

Von Berg: I would not want to be compared with Bahro. Bahro is a scholastic Marxist who seeks the solution to the world problems in the Asiatic method of production.

SPIEGEL: Sought. In your resignation statement you informed your former party where you see your future political home. Have you already completed an application form with the Social Democratic Party?

Von Berg: No. Of course, I owe a lot to the party leadership of the social democracy. I am not going to forget that. But to say that I am going to become a member of the party, that is too soon for me.

SPIEGEL: Do you believe you would be welcome in the party?

Von Berg: I don't know that.

SPIEGEL: Professor von Berg, we thank you for this interview.

12356

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8 July 1986

ECONOMY

GERMAN DEMOCRATIC REPUBLIC

## BRIEFS

CHLORATE FACTORY CONSTRUCTION ORDER--Nobel Industries' engineering firm, Cellchem, has obtained an order worth about one billion to construct a chlorate factory in the GDR. That is probably the largest contract ever between the GDR and a Swedish firm. The order was won in very stiff international competition. Carl Robert Hansson, Cellchem's director, stated that with this order, the company has engaged to construct a complete factory facility in the GDR using Eka Nobel/Cellchem chemical products and technology. A decisive factor in the choice of a contractor was the chlorate technology developed by KemaNord Blekkemi in its chlorate factories in Sweden. [Text] [Stockholm DAGENS NYHETER in Swedish 10 Jun 86 p 10] /9365

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ECONOMY

HUNGARY

FOREIGN TRADE SAID VICTIM OF CHERNOBYL

Munich SUEDEDEUTSCHE ZEITUNG in German 24/25 May 86 p 3

[Article by Herbert Riehl-Heysel: "An Entire Country Under Quarantine"]

[Text] Budapest, 23 May--All week long it has been going this way at lunch: We sit in a nice restaurant. With apricot brandy we make a toast to the health of the hosts and guests, following which the Vice-President of the Council of Ministers' Information Bureau or the Deputy General Director of the Hungarian Trade Fair Organization wishes us much success in our visit to Budapest. And then, when we have just finished our soup, sure as anything a Hungarian escort will lean across to us and say with troubled mien: "You should not have eaten that. There were Hungarian beans in it. They are all radioactive." We all always laugh a little then, but no one laughs particularly heartily.

The mood in general is not excessively gay, and that is really quite surprising when one considers that a good mood really ought to be the order of the day. The big international Spring Trade Fair is going on here right now, of course, which in itself always presents a good opportunity to spread optimism concerning the future of trade relations between Hungary and the rest of the world. This time as well it is on the agenda: Extensive press conferences are held at which the respective speakers emphasize how well foreign trade is basically developing and that Hungarian growth--as, for example, the Vice-President of the State Planning Office explains--"depends solely upon exporting, and, to be sure, to the so-called hard currency countries." Up to then, the mood has been relatively good. Next up, the first journalist begins to ask how the Vice-President under these circumstances assesses the resolution of the European Community to the effect that it cannot expect its consumers to accept certain Hungarian products. From this moment on the speaker no longer even tries to spread the optimism usual in commercial circles: "I must frankly say," the Vice-President of Planning says, "that these restrictions affect us very unpleasantly and that they do not promote mutual trust." That is putting it mildly, he adds, responding to a further question.

## Suppression Machinery

As a foreign observer during these May days in Budapest one must only have talked with enough people, have learned enough details, to feel growing sympathy for the Hungarians' embitterment. From Budapest's point of view the current situation with all its consequences looks like this: What happened in Chernobyl, at a distance of 1000 kilometers, they learned in Hungary just as belatedly as in all the countries as well--"Fifteen minutes after Sweden," as an informant said. After that the authorities did not act very differently than in many other countries either--namely in quite a willy-nilly manner. On the one hand they immediately began to take readings and then were relieved to discover that because of the favorable winds, the radioactive cloud first of all moved away from Hungary, to Scandinavia, for example, but also to Austria and southern Germany. On the other hand, when the readings then increased significantly however, they considered it to be wise policy not to inform the populace further about them, which naturally resulted in everyone in Budapest listening to Radio Free Europe and the uneasiness only growing. After a few days the consumers were then, as it appears, being informed basically to some extent in the newspapers as well, and being provided with the usual Europe-wide advice that they should throw away the outer leaves of head lettuce and wash everything thoroughly and change clothes rather frequently. Further, they were interested to learn from Austrian papers that the radioactivity readings were 5 times as high in the State of Tirol as in Vienna, in Vienna however twice as high as in Budapest. The news from Bavaria was not very different.

Independently of these facts--but this was realized in Hungary relatively late--they had already cranked up the great suppression machinery in the West with whose help, they deluded themselves, they would have to now weld the Iron Curtain airtight from the western side (or perhaps coat it with lead?) to ward off all communist radiation. At the Austrian-Hungarian border Hungarian trucks were gone over with Geiger counters by suited-up border officials and the images of this shown extensively on television. In the radio broadcasts of neighboring countries experts were warning against trips to the East Bloc, and on top of it all, Western European politicians agreed to draw a circle around Chernobyl on the map, with the careful exclusion of non-communist countries, of course, who would also have partially fallen within it, and to declare all food within a radius of 1000 kilometers to be contaminated.

Before the Hungarians really realized what was going on, their livestock, their meat, their fresh water fish, and their vegetables had been declared to be highly dangerous, on account of which they had to be held back at the borders, even including deep-frozen carrots from the year 1985. And no sooner did they really understand and take note of the ill tidings from the export front--that Kuwait no longer wanted any Hungarian vegetables, for example--than the cancellations from the most varied travel agents began to come in. Managers of the Budapest Spring Trade Fair could tell, for example, what fears had been roused and now were being irrationally focused in the direction of the east, when two firms from the Federal Republic and Holland cancelled; when an invited Italian journalist sent a telex that he unfortunately could not enter the country because of the great danger; when two German journalists sent word at the last moment that another urgent assignment had unfortunately intervened.

At last one could no longer fail to see what all here--along with a nuclear reactor in the Ukraine--had gone up in smoke. First of all the contention could, without further ado, be backed up by statistics that Hungary "was affected the most" by all this. It is simply not the case that this country would be in a position to even come close to taking a boycott of goods or a significant loss of Western tourists in stride. In the recent press conferences and background discussions the difficulties are being presented in an astonishingly frank manner: The country is, despite the efforts of its unorthodox policy makers, highly in debt--presently by almost \$11 billion to the West; the country has enormous difficulties with its foreign trade deficit that in the first months of this year alone again amounted to \$270 million; and it is attacking this deficit with difficult economy measures which, for example, have led to an actual wage reduction of 5 percent during the last 5-Year Plan period. If now in addition agricultural exports, which, after all, constitute a third of the total exports to the West, were to suffer great damage in the long-term, if tourism were to decline critically at the same time, which after all has said and done, brought \$1.5 billion in to the foreign exchange bank, then the problems would inevitably become considerably greater. No one yet knows how many West German citizens will consider it necessary to give wide berth to Lake Balaton.

Because of these uncertainties, too, there is not much left for the Hungarian government to do but be dismayed, to protest, to ever more openly voice the suspicion--as State Secretary Istvan Torok did on Thursday--that the countries of the Common Market are just primarily concerned with reducing their own agricultural surpluses. For the rest, as one can well observe these days, it has to muddle along just as the government of a small country in a complicated world has always had to do: At a press conference at which Soviet journalists are also present, one of the many Deputy Ministers of Foreign Trade which the country has at its disposal categorically refuses to cite a figure when he is asked about the magnitude of the damage which has arisen in the meantime for the country: Big Brother in Moscow would not like to see, one may assume, such a loss at a very great amount. When, however, the Bavarian Minister of Economics Anton Jaumann talks with the Vice-President of the National Bank, in the course of the conversation he cites the figure of \$50 million which the whole thing could cost the country of Hungary: Western politicians ought well to have a bad conscience.

Everyone is nonetheless aware that the material loss cannot be estimated at all yet, that no one can know whether the rumors are true that are prevalent in the circles of the--for the most part skeptical--German exhibitors at the Budapest Trade Fair: Is it true, as the colleagues of a large Munich tire and rubber firm claim, that because of the present difficulties the travel opportunities of their Hungarian customers have to be drastically curtailed? Is it true, what they suspect at Daimler-Benz, that "some smaller transactions that we had in mind will not go bust because they have too little foreign currency?" Such financial consequences are bad of course, particularly, as they are warning in foreign diplomats' circles, since they could certainly have an effect upon the Hungarians' reformist course which only has a chance as long as it can show halfway decent results. Worse yet, however, is the damage to confidence which must occur in Budapest when they discover once again that they really do not belong anywhere and in this uncomfortable position are given a pat on the head by the great ones of the world only if and when it

does not cost anything. Did they not gladly listen, all those years, to the Western neighbors' assurance, they certainly knew how to differentiate between the countries of the East, to reward the reformist variety, like that which Hungarian Communism was trying, not without success? Did they not see Anton Jaumann some 14 times here alone, how he never tired of emphasizing the very special relationship between Bavaria and Hungary? Now the Minister is in Budapest for the 15th time and one can observe him and how his motorcade--seven cars strong--speeds through the city at 100 kilometers per hour to make the next appointment. When the Minister arrives at his interlocutors', he agrees wholeheartedly in the evaluation of the situation insofar as this consists of affirming that one cannot do at all without atomic power. Against the EEC's restrictions, against the fact that they are indeed once again "making no distinction between the Hungarians and all the others," as a high government official put it recently, he of course was able to do just as little as his three colleagues from Hesse, Baden-Wuerttemberg, and North Rhine-Westphalia, who are likewise paying their respects to Budapest these days and with their desires for discussions and receptions are bringing half the Hungarian Foreign Trade Ministry to a standstill.

#### An Unanswered Question

Moreover, that the lively political tourism is at least substantially improving the gloomy atmosphere, cannot be confirmed. Jaumann is, to be sure, working heart and soul to overcome the lack of confidence, and even demonstratively eats--when his wife refuses to consume lettuce at lunch in the Fair's restaurant--her portion. On the other hand it struck the experts that the Bavarian Evening which Jaumann hosted on Thursday at the Duna Hotel was more poorly attended by Hungarian guests this time than it has been in a long while. And those who stayed away certainly missed a pretty point by doing so: The culinary specialities of the evening to which the economics Minister heartily invited his guests, the corn salad, the shish kebab, the cabbage rolls, all came originally from Hungary, of course. Only the question is still unanswered as to whether the high-powered Bavarian delegation has to submit to a Geiger counter examination after its return to Munich.

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ECONOMY

ROMANIA

#### WIND GENERATOR UNITS FOR NATIONAL POWER GRID DEVELOPED

Bucharest ENERGETICA in Romanian Jan 86 pp 38-43

[Article by Ioan Anton, Francisc Gyulai and Cornel Albu: "Trends in the Development of Wind Generator Units for the National Power Grid"]

[Excerpts] The research [in wind generator units] initiated in our country by the National Council for Science and Technology has been carried out for many years at INCREST [National Institute for Scientific and Technical Creation], ICEMENERG [Institute for Energy Research and Modernization], ISPH [Hydroelectric Power Studies and Design Institute], Brasov LCUEV [Central Laboratory for Wind Energy Equipment], and ICPE [Research and Design Institute for the Electrotechnical Industry]. The Timisoara Polytechnical Institute joined the national program of wind energy use in 1982, carrying out research in large generator units equipped with turbines with horizontal axle intended for the National Energy System. Projects given by the National Council for Science and Technology to the Timisoara Polytechnical Institute encompass all the phases of scientific research and technological engineering, resulting in many more experimental wind generator units and stations for testing wind turbine blades.

The designs are executed by the Timisoara CCSITEC [Scientific Research and Technological Engineering Center for Hydroelectric Power Equipment], IPROTIM [Technological Design Institute for the Machine Industry], Timisoara IRE [Regional Electricity Enterprise], and the Bucharest TAGEM [General Electrical Installation Enterprise Trust]. There is close collaboration with the Bucharest ICEMENERG. The factory which manufactures the wind generator unit is the Bocsă Enterprise for metallic construction. The IPT [Technological Design Institute] and CCSITEH Microproduction workshops, the Timisoara Electrometal enterprise, the Arad Railroad Car enterprise, and other enterprises of the country collaborated in the manufacture of the model wind generator units.

Final Aim and Characteristics of the Experimental Units That Are Being Manufactured

The wind/electric generator unit with horizontal laboratory turbine [AAETO-L1/30 kW) is mounted on the roof of the Laboratory of Applied Mechanics of the Timisoara Polytechnical Institute and was conceived by the IPT Section for Microproduction. Its final aim is testing main mechanic and electric components

and study of the dynamic performance of the unit, of characteristic vibrations, and of the safety operations. The unit can be equipped with various blades and allows the measurement of functional characteristics, being connected for this purpose to a process-control system.

The industrial model unit (AAETO-M1/30 kW) was conceived by the Timisoara CCSITEH and is mounted in a testing area in Timisoara. It is a model for the future industrial large scale models. It is mounted on a cylindrical post and allows comparative testing of performance with the rotor moving up and down on the post.

The model unit testing durability (AAETO-MD 2/300 kW) is an industrial model on the basis of which an industrial unit with a power of 300 Kw will be produced and approved with the possibility of further modification up to a power of 500 Kw. The general supplier of the wind unit is the Bocsă ICM. The location of the model is the Semenice plateau; its installation was carried out by the Resita ICMM [Metallurgical Construction and Installation Enterprise] and the Timisoara brigade of the General Electrical Installation Enterprise Trust, which also executes the assembly.

Along with the above mentioned wind generator units conceived for the National Energy System two autonomous wind generator units are manufactured with the collaboration of the Cluj branch of the ICSITEE [Scientific Research and Technological Engineering Institute for Energy Equipment]: a 30 Kw model and an industrial type of 150 Kw. The Timisoara Polytechnical Institute began, in 1984, research on a future generator unit with an approximate power of 1,000 kW, whose prototype will be mounted in a place on the coast near Sulina.

/12766

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ECONOMY

YUGOSLAVIA

SERBIA TAKES MEASURES AGAINST INFECTED CORN SEED FROM U.S.

Belgrade BORBA in Serbo-Croatian 2 Jun 86 p 2

[Excerpt] It is not accidental that someone in the Serbian Executive Council recently called the results of importing contaminated corn seed from the United States "another Chernobyl." According to the latest findings from the Republic Committee for Agriculture and Forestry the parasite [in the seed] remains in the soil for at least 3 years and during this period can infect healthy plants and contribute to their ruin.

To make matters worse, according to an analysis of inspected samples, the seed is even more contaminated than first assumed, so, by decision of the Federal Committee for Agriculture, it has been withdrawn from sale and areas planted with it have been placed under quarantine. But farmers in Serbia were so eager that they hurried to plant as many as 12,955 hectares, according to reports from 73 opstinas and the city of Belgrade; clearly, most of this lies in the most productive areas--in the Kolubara area and in the Drina, Danube, and South Morava river basins. One should remember also that reports have not been received from about 30 opstinas in Serbia proper.

The report of the Committee for Agriculture and Forestry says that sale of the imported seed in Serbia proper was carried out by several trade organizations which also repackaged it. Judging from this report, quite a few organizations, individuals and organs...took part in the import, control, and distribution of the contaminated seed. Hence, it is entirely in order that the Serbian Assembly Executive Council has demanded that those responsible for these machinations be brought to account. It has also sent a letter to the Federal Executive Council urging compensation to farmers.

These temporary...measures, however, are no guarantee that society will always be protected from such "sponsors." The fact cannot be overlooked that large mistakes exist in the system which are in agreement with such behavior. Hence the proposal of the Serbian Assembly Executive Council to enact a unified law on seed and planting material for the entire country is significant. But one must also take preventive measures in the form of strict sanctions.

/6091

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ECONOMY

YUGOSLAVIA

ESTIMATES OF FOOD EXPORT LOSSES RESULTING FROM CHERNOBYL

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 7-9 Jun 86 p 8

[Excerpt] The recent protectionist measures of the EEC (European Economic Community) toward some countries including Yugoslavia which has most affected the producers of agricultural and food products, is continuing with increased controls on all food coming to this [EEC] market. For Yugoslav exporters the most important question now is, "How to compensate for the loss in hard currency?"

Although data on damage have not yet been completely processed, the impression is that organizations of the meat and livestock sector in all republics and provinces, as well as producers of fruit, vegetables and fresh-water fish, have been hardest hit directly and indirectly. The Croatian Economic Chamber has gathered data for this republic which shows that an average of \$2 million a month is being lost in livestock and meat exports from Croatia to the EEC. A decision by the Croatian Executive Council has been issued on intervening in buying up livestock for reserves; a similar decision has been issued by the Serbian Executive Council.

Exports of fresh-water fish have declined to about 12 percent of last year's amount, and fish sales on the domestic market have fallen considerably. About 2 million DM worth of fruit (some packaged frozen) and vegetables from the "Voce" export organization in Zagreb were turned back at the border, as well as 1.25 million DM worth of potatoes and nearly 2 million DM worth of strawberries and mushrooms. It is estimated that such organizations alone will suffer about \$2.8 million in damages because of returned goods.

/6091

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ECONOMY

YUGOSLAVIA

OUTLOOK FOR PRIVATE ENTERPRISE SAID IMPROVING

Belgrade BORBA in Serbo-Croatian 17-18 May 86 p 10

[Article by Dusan Nedeljkovic]

[Text] Under the exceptionally complicated conditions for the conduct of economic activity over the last 5 years small business has been better at finding its bearings than "big business"!

Along with a conclusion like this, backed up with numerous figures in an analysis of the Federal Committee for Energy and Industry, we should also add that small business is less sensitive to those conditions and crisis situations and considerably more flexible than the rest of the economy. But the success is all the more important in that along with the conditions already mentioned, it also had the additional burden of distrust. That is, the "little guys" managed to overcome even that distrust, not, of course, equally in all quarters, which ought to be yet another argument in favor of a different attitude toward what is not such a small category of the employed labor force as is frequently thought. That is, about 550,000 Yugoslavs are employed in small business, which is more than 10 percent of the total number of persons employed in the country's economy.

Relations Are Nevertheless Changing

Have the last 5 years truly brought an affirmation of small business to the extent that we foresaw it in numerous documents? Unfortunately, the answer cannot be in the affirmative, especially when we bear in mind the frequent and apparently varied resistance, above all in opstinas, and certainly when we think of the most pronounced fear of unjustified enrichment of individuals.

Instead of drawing conclusions about the material of the Federal Committee for Energy and Industry, it would be better for us to hear first the statement by Dobrivoje Rajic, director of the contract organization of associated labor "Osaonica" in the village Donje Komarice near Svetozarevo, who basically had this to say:

"Relations are after all changing. Things are going better. You can see this in my workshop, where 15 workers are working and are earning good money. We have no problems with sales.... And you are well aware of all the things I had to overcome."

He did indeed have to overcome a great deal: His battle with Kragujevac Opstina lasted all of 2 years, he had to gather about 500 permits, although even then, 4 years ago, he had invested 2 billion old dinars of his own money after previously giving up employment abroad. Certainly there are quite a few examples like this man, it would be accurate to say more and more, although the resistance is not small either. In order to open a bakery shop in Belgrade the owner had to obtain 47 certificates, 3 of them just for the chimney! In many other opstinas, according to statements made by people returning from employment abroad, they do not show much understanding either because they do not grasp the importance which small business could have for creating new jobs or because of the fear of enrichment we have already mentioned.

The results which the small business sector achieved over the period 1981-1985 are indeed encouraging: Its social product grew at an annual rate of 3.3 percent, while the growth rate in industry was 2.5 percent and in the economy as a whole it was only 0.7 percent. Likewise the growth rate of employment in the small business sector was 3.3 percent, while overall it was 2.4 percent. According to the figures of the Federal Bureau of Statistics, at the end of 1984, the period for which the freshest figures are available, there were 2,553 organizations of associated labor in the socialized small business sector, which is 8.8 percent of their total number in the country's economy. That number also includes 149 contract organizations and 414 craft and other cooperatives. The number of persons employed is about 193,000, which represents slightly more than a third of all the people employed in the small business sector. That is, about 350,000 workers are employed in the private small business sector (64 percent).

In any case, individuals have had more favorable results than the socialized small business sector. Thus the number of persons employed in the private sector rose 30 percent over the period 1980-1984, or at an annual average of 6.7 percent. To give a complete idea of the small business sector, we will give a few more figures. The total number of independent establishments is 231,240, 150,627 of them in the crafts and trades, 57,423 in transportation, 20,887 in hostelry, and 2,303 in trade.

#### Enterprise Directors Are Horrified of Private Entrepreneurs

Why in many communities has small business not become a complement to "big business"? In many collectives they have not shown enough understanding for the capabilities of small organizations, whether private or socialized, believing mistakenly that they should do everything, even those things which do not pay for them to do. Of course, there are also examples of the opposite kind, "Crvena Zastava" of Kragujevac, "TAM" of Maribor, "Iskra" of Kranj, and others, which are attempting to turn over the manufacturing of small but indispensable parts to small business.

Yet in many communities the dilemmas have not yet been cleared up as to whether it is politically opportune to collaborate with private entrepreneurs even though they work more inexpensively, and frequently their workmanship is also better than the socialized sector. Certain enterprise directors have been made politically accountable or they have not received political favor

from coordinating bodies because they have been collaborating with the private sector. To tell the truth, that tie-up between the private and socialized sector has been compromised in many earlier cases, so that there has remained a certain fear even now. However, when the situation is looked at more realistically, it can be said that the danger of this certainly exists, but it is no greater than that of other abuses in the economy. So, because of that potential danger we ought not to cast a general suspicion over collaboration between the private and socialized sectors. This collaboration, however, must be under full social oversight.

We learned from the extensive analysis of the Federal Committee for Energy and Industry that in the small business sector, above all in its private segment, facilities in hostelry, trade, and transportation have been growing incomparably faster than those in the crafts and trades. In many cities and villages coffeehouses, motels, and little cafes and private groceries are still being opened, and trucks, loaders, and other construction machines are being purchased, while at the same time the development of necessary crafts and trades is being forgotten. In many cities, for example, there are not enough cobblers, electricians, TV repairmen, or various repair services, but there is a little cafe on every other corner.

It can be confidently said that the social influence on development of the private small business sector is minimal. To be sure, in some Belgrade opstinas it has become the practice for the local community to render its opinion on needs so that shops and repair services would be opened to fill those needs. The Yugoslav Bank for Investment Credit in Belgrade has also begun in a way to "guide" the entrepreneurs with its credit policy. That is, the cheapest credits are for the production crafts and trade and services which the local communities need, and the most expensive ones are for the development of hostelry and transportation services. Yet this still has not become the most common practice.

#### Specialized Craft Cooperatives

Cooperation and business collaboration of sizable collectives with the small business sector is most highly developed in Slovenia. It is also in that republic that the negative attitudes have been overcome most quickly about individuals becoming rich, and large collectives are finding it in their economic interest for private entrepreneurs or small collectives of some 50 or 100 employed persons to make particular parts for certain products. The craftsmen are collaborating more and more with associated labor through specialized craft cooperatives for a particular type of production.

In the area of Zenica, for example, the Mining and Metallurgical Combine has offered the small business sector 57 programs in the metals complex, and there are also constructive examples in Banja Luka and Mostar. Nevertheless, that is not enough for an overall favorable appraisal in the republic, since it is judged that many opportunities have not been taken advantage of. In Montenegro, however, cooperation with the small business sector hardly exists at all, and the results in this area have been modest in Vojvodina as well. In Croatia the Business Community for Small Business has been established; 8 new

production programs representing about 340 new jobs have been carried out through it, and there are plans for another 40 programs which would employ 2,600 workers. The Economic Chamber of Serbia is doing a research project entitled "1,000 Small Business Programs" in order to provide planned guidance of development in this sector.

Finally, the results gathered and processed by the Federal Committee for Energy and Industry certainly show that the small business sector is moving forward in spite of the resistance. Indeed faster than "big business." Probably it should be speeded up still more by the new agreement among the republics and provinces which regulates in a uniform way for the entire country all the essential issues concerning establishment and business operation of independent establishments, contract organizations of associated labor, and craft cooperatives. It is said that the agreement will be signed no later than the end of this year.

On the basis of what it has achieved so far and what it could mean in the future, above all in creating new jobs, small business also deserves every other kind of help and incentive from society.

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POOLING OF FUNDS FOR UNDEVELOPED AREAS CALLED UNSATISFACTORY

Belgrade KOMUNIST in Serbo-Croatian 30 May 86 pp 12-13

[Article by Dragoljub Vukovic: "Without Economic Coercion"; first paragraph is KOMUNIST introduction]

[Text] The volume of investments based on the pooling of labor and capital amounted to about 15 percent of total investments in Yugoslavia in 1984, but unfortunately most of those resources were pooled within work organizations or complex organizations of associated labor to which the organizers pooling the resources belong. It is a general belief that the drop in the economy's accumulative capability has had an essential impact on the mobility and concentration of resources for expanded reproduction, but so has the ever more pronounced administrative tutelage of economic entities, autarky, and the absence of economic coercion. During the last 5-year period 187.5 billion dinars were to be pooled through the Federal Fund..., but only slightly more than 100 billion were effectively committed.

The pooling of labor and capital, which was supposed to be an effective substitute for capitalist and administrative mobility and concentration of capital, finds itself spread eagle in the multitude of Yugoslav discrepancies between what has been envisaged and desired on the one hand and what has been achieved on the other. This innovation was supposed to express the uniqueness of the socioeconomic relations of socialist self-management and to achieve a great deal. Rather little has been achieved so far. To be sure, the figures indicate evident progress since 1976, but the final result is still unsatisfactory. The volume of investment through the pooling of labor and capital, that is, was 1 percent of total investments 10 years ago; it rose to between 6 and 7 percent in 1980, and 4 years later it had risen to between 14 and 15 percent. An analysis of the Economics Institute in Sarajevo confirms, however, that most of that capital was pooled within work organizations or complex organizations of associated labor to which the organizations pooling the capital belong and that the pooling outside one's own respective business system is very modest.

On One's Own Territory .

We can get a fuller idea of the character of ties within associated labor and of the quality of its integration only when we realize that the degree of

integration beyond local and regional frameworks is very low. The statistics for 1974 indicate that 69.2 percent of the integrated organizations are within the same opstina, 13 percent in neighboring opstinas, slightly more than 16 percent in the same republic, and only 1.3 percent involve different republics and provinces. A study of the Economics Institute in Sarajevo states that more recent figures (worked up by republics and provinces) show that the level of interregional integration has not improved at all.

And finally let us complete the picture with some more help from the study we have referred to. According to figures for an accounting period in 1983, it turns out that the pooling of labor and capital on the basis of self-management accords and compacts in order to realize joint revenues and income is still insufficient. In that year, for example, revenues realized jointly amounted to 12.4 percent of all revenues realized, jointly realized income amounted to 2.5 percent of income realized, but resources pooled amounted to only 2 percent of sources of business assets of organizations of associated labor in the economy, etc.

Why do organizations of associated labor cover their heads and turn entirely inward? Who and what drives them to do that?

It is a general belief that the drop in the economy's accumulative capability has had an essential impact on the mobility and concentration of capital to expand the material base of labor, but so has the ever more pronounced administrative tutelage of economic entities, autarky, and the absence of economic coercion. The economy's low ability to form capital and to reinvest is certainly one of the reasons for the lag in self-management economic integration. To a large extent it has been predetermined by the use of the already 'slim' accumulation and also various forms of mandatory pooling and channeling of that capital, often without the working people having authentic influence on the directions of those processes."

To this quotation plucked out of the book "Ko radnike povezuje laznim koncima" [Who Is Tying the Workers Together With False Threads] (Dragisa Pavlovic and Ivan Stojanovic) we will add the opinion of Jovan Vujosevic, member of the Presidium of the Economic Chamber of Montenegro:

"The pooling of labor and capital can be regarded as only a portion of other processes, and it is not logical to anticipate that it will go faster than other processes in the political and economic system. In my opinion these are the two most important reasons why pooling has not been happening: failure to build the system of economic coercion and failure to achieve the constitutional role of associated labor. Associated labor freed of the tutelage of structures outside the economy would certainly be turned toward itself, and if the system of economic coercion were built up, it would have no other choice. It would have to seek the optimum solutions, and they always lie in specialization, in division of labor, in creation of production systems which have an easier time on the market.... I might conclude that at present there are conditions in our system which are better suited to disintegration than to the processes of integration...."

## A Start Has Been Made, a Start

Under present conditions it would certainly be illogical to expect that the pooling of labor and capital through the Fund for Underdeveloped Regions would stand apart from those overall developments, although during the last medium-term period an essential change for the better was achieved over the previous period. In the extraordinary meeting of the Assembly of the Federal Fund...in the first half of last December it was noted that 707 self-management accords were concluded on the basis of resources of the fund to build plants at an estimated cost of 406.3 billion dinars. One striking feature of that effort is that that money from the fund also attracted capital from other sources, so that they represent less than one-third of the total estimated cost. The amount envisaged for pooling in the period from 1981 to 1985 was 187.5 billion dinars, and of that slightly more than 100 billion were effectively committed. It is gratifying (and why should it not be logical as well) that most of that amount successfully "crossed" republic and provincial borders. More than half of the capital pooled was invested in new projects, and manufacturing facilities dominate in those plants which have been newly constructed or have undergone reconstruction and modernization.

Although the pace of pooling during the last 5-year planning period showed obvious progress over what preceded it, more was nevertheless anticipated. The general and decisive features have already been mentioned, but if we go further, from community to community, from one type of practice to another, and from one incentive policy to another, a great many more similar or specific obstacles crop up. To some extent they are viewed differently by the underdeveloped and the advanced. For example, in SR Croatia they reproach the comrades from Kosovo for the lengthy procedure of program approval and they say that the decisions from the Associated Bank of Kosovo are especially late. There is also criticism because of frequent changes in accords already signed. Meanwhile, from Kosovo there are fundamental criticisms of those from the advanced republics saying that the offering of investment programs for the pooling of labor and capital has often been one-sided and very unfavorable in terms of the possibility of improving the economic structure. This is also one of the reasons why final consent has been quite slow in coming.

In Montenegro they also say that there is greater interest in pooling capital for those programs which are supposed to alter the unfavorable economic structure in accordance with planning commitments, but this does not suit those from the advanced areas. They would prefer to invest in heavy industry and in the more advanced opstinas. It is also said that in Montenegro there is more insistence on investment in the underdeveloped opstinas according to the agreed proportion of 60:40 and that the other underdeveloped have been more flexible in this regard. This Montenegrin inflexibility is regarded as a great handicap. It is also interesting to hear the criticism made of Montenegro by their trading partners from Slovenia with whom they have concluded the largest number of self-management accords. The criticism has to do with the republic's firm position with respect to the quality of pooling, since it stubbornly insists that pooling be exclusively based on income-sharing relations according to a verified model of a self-management accord. They also mention difficulties about rounding out financial packages and reproaches about the complicated procedure for reaching agreement.

## The Credit Relation Is Predominant

Criticism also comes in from Bosnia-Herzegovina about the ever more pronounced efforts to reduce the income-sharing character of the pooling of capital to the conventional credit relation. This tendency was also criticized in the December meeting of the fund's assembly. Why are the more advanced resorting to this model? Well, put simply, the risk is less, and it is not very complicated either. On the other hand, however, the credit relation does not suit the underdeveloped, since this involves a much slimmer and less certain relationship. "Anyone who lends his resources in the form of credit is certain that he will get it back, there is no risk whatsoever, he has no interest in making an effort to promote the success of the investment project, to improve the technology," says Jovan Vujosevic.

We will also cite a more complicated explanation. The qualitative appraisal of the self-management accords concluded between organizations of associated labor in SR Serbia with economic collectives from the underdeveloped republics which was reported in the meeting of the fund's assembly we have referred to mentioned that the income-sharing relation, as a socioeconomic category, has been set forth in all accords in a context that determines the subject matter and goals of joint business operation, but when it comes to the criteria for forming joint revenues and joint income (insofar as it is a question of producing a product jointly or sharing the risk), then there are no determining parameters nor criteria by which past labor and current labor in the process of reproduction would have proportionate shares in formation of the joint income or joint revenues. It is not difficult to draw the object lesson: When you cannot do it the complicated way, you do it the simple way. At present the simple way is the credit relation.

That pragmatic step backward, however bad it might seem, is still justified to some extent when we bear in mind that the income-sharing relation has not undergone any very essential development even within the work organization and complex organization of associated labor. When this has not happened where the ties are firmer, there is good reason to ask how anything more can be anticipated when relations are being established between organizations of associated labor from the underdeveloped and the advanced regions.

## Something Necessary Rather Than Something Wished for

In the present situation, when business life in the entire country is burdened with various types of ballast of an economic and political nature, it is difficult to expect any expansion of the pooling of labor and capital, either through the fund or without it. With that concrete situation in mind, Petrasin Kasalica, newly elected secretary for the economy in the Executive Council of Montenegro, although he feels that pooling must above all be economically motivated, nevertheless emphasizes the importance of different kinds of encouragement as well. Incentives along those lines are already in effect in Montenegro: All programs financed by the pooling of labor and capital are exempted from the income tax, there is also what is called the "small Fund for the Underdeveloped," whose purpose is to support such programs, to provide support in financing certain infrastructural facilities, in financing the

training and development of personnel, in providing quality personnel, and so on.

Kasalica thinks in any case that the pooling of labor and capital, as a self-management process for concentrating a portion of accumulation, must to a considerably greater degree contribute to the formation of vertical linkage in integration of the Yugoslav economy and development of the strategic branches of interest to the country's stable economic development and especially of interest to uniform regional development. Organizations of associated labor in Montenegro have an especially marked interest in pooling labor and capital with economic collectives from outside the republic, since this is one of the conditions for the republic's more intensive development.

The problem of pooling cannot, of course, be reduced to the relationship between the more advanced and less developed regions, although that component is exceedingly important when we bear in mind our disproportions in development. If this method of concentrating capital were to entirely penetrate the Yugoslav economy, then it could rightly be referred to as associated labor. The sooner associated labor, which is still not sufficiently articulated, frees itself of administrative pressure and equips itself to formulate its interest on its own, the sooner the pooling of labor and capital will become a necessary form of the processes of integration, rather than the form that is wished for, which is the case at present.

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#### CROATIAN ROLE IN KOSOVO DEVELOPMENT PROGRAMS DETAILED

Zagreb VJESNIK in Serbo-Croatian 1 Jun 86 p 6

[Interview with Marko Kljaic, coordinator of development programs of the Business Community for Small Business of SR Croatia, and Stevo Stanivukovic, member of a special working group of the SFRY Assembly, by Milan Jaksic; date and place not given]

[Text] Vitina Opstina is among the least developed in SAP Kosovo, so that every job there is worth its weight in gold. It is no accident, then, that the economy of SR Croatia has chosen that opstina as its trading partner, at the same time acknowledging several key and real preconditions for Vitina's more rapid development.

These are above all its natural attributes (the potential for development of agriculture), manpower and the opportunities for development of small business, which is favored by a number of circumstances, above all the real possibility of committing to this purpose foreign exchange of workers from this area who are temporarily employed abroad (since it is not rare for several from one family to be working abroad), and then also there are certain traditional crafts and trades.

The example of Vitina is interesting because of the general Kosovo commitments or altogether specific forms of pooling labor and capital which is why we talked about Vitina and what it illustrates for the broader Kosovo (economic) situation with Marko Kljaic, coordinator of development programs of the Croatian Business Community for Small Business, and Stevo Stanivukovic, member of a special working group of the SFRY Assembly.

#### Programs and Accomplishments

[Question] Comrade Kljaic, you have spent the last 3 years in Kosovo, and even now you are going there frequently and have in a way been involved in shaping the processes of integration (or investment) between SR Croatia and Kosovo, as well as in their fulfillment, so it seems to us that you are quite familiar with those relations. Tell us first something more about the programs themselves.

[Answer] In recent years 1.2 billion dinars have been invested in development in Vitina Opstina (most of that in the Letnica Local Community); these are money grants made by SR Croatia and then the pooled resources of the business community and money furnished by the Associated Bank of Kosovo. Now, what have those resources been invested in? In ready-made clothing, leather products and clothing accessories, programs of the metal industry, miscellaneous decorative objects of wood, a farm for semi-intensive raising of goats, and then craft and trade establishments, small shops, service shops; that program also includes a motel and more than 20 housing units for specialists.

So far 8,000 m<sup>2</sup> of building space has been built and conditions created for employing more than 400 workers, 250 of which have already been employed. The others will be hired during this year.

[Question] Who are all the participants in carrying out these programs?

[Answer] "Suvenir" of Sirac, the Karlovac Technology Center, the "Banija" RO of Zagreb, the Business Community of Agricultural Machines Manufacturers of Zagreb and its members, and the Duga Resa Cotton Industry, "Simecki" of Zagreb, "Sirela" of Bjelovar (in carrying out the goat farm project), "Jugoturbina" of Karlovac, and others have been involved in worker training. I would also like to add that the "Letnica" RO was formed because of these programs, and that "Agromorava" of Vitina (the farm and truck farming), "Vineks" RO of Vitina (metal production), the Sara OOUR of the Vitina Forest Management Establishment (decorative objects made of wood) are taking part in carrying it out. Meanwhile, work is also being done on new programs. In order to explore those possibilities the Croatian Business Community for Small Business organized a visit to Kosovo of more than 40 specialists from numerous work collectives in Croatia and from professional institutions.

What Can Kosovo Do?

[Question] Since SAP Kosovo has exceptionally good natural attributes for the development of agriculture, especially livestock raising, can you tell us something about that type of program?

[Answer] I would first recall the fact that every day Kosovo collects 30,000 liters of milk to meet the needs of its population and that the livestock population has been cut in half as it has been throughout Yugoslavia, so that the potential for development of animal husbandry is exceptional. Let me just recall: The yields of milk from sheep and goats are considerably higher in SAP Kosovo than the yields in other parts of our country, and much the same is also true of wool. "Sirela" of Bjelovar and "Mesoprodukt" of Zagreb, "Puris" of Pazin, and others are involved with their programs. Two goat farms are being built in two opstinas in the Morava Valley, and construction of a third livestock farm is under preparation.

The conditions and needs also exist for building several more sheep and goat farms, and there is interest in pooling capital for that purpose. Organizations of associated labor from SR Croatia will pool their resources for these programs, they will provide the technology, and they will guarantee market for

the cheese, and they will train the workers. In Kosovska Kamenica Opstina pooled funds from Croatia are being used to build a factory for the collection, grading, and processing of medicinal herbs and products gathered in the forest. According to the assessment of specialists, if up-to-date technology were applied and operations were organized in an up-to-date way with the present livestock population, SAP Kosovo could furnish sizable surpluses of milk, meat, and various processed products, as well as vegetables and fruit--especially strawberries. Along with the good climatic conditions and quality soil, Kosovo also has industrious workers, since the workers in Vitina, for example, have also worked in the strawberry fields around Zagreb.

[Question] How in your opinion could greater interest be aroused on the part of the economies of the other republics and SAP Vojvodina in investing in SAP Kosovo?

[Answer] As I have said, Kosovo has a shortage of milk, fruit, vegetables, and other raw materials for its processing plants, but with certain investments and if up-to-date technology and organization were applied, that production could be considerably larger. SAP Kosovo does not have any very significant production of agricultural machines and implements needed by its agriculture. There is also a shortage of up-to-date structural elements in construction, coatings, mortar, insulation, and a number of other products and services that the Kosovo market would absorb. In addition, SAP Kosovo also has a large number of young trained workers ready for retraining if offered a job.

For example, in the local communities in Vitina in a radius of 5 km one can count on as many as 1,000 workers under age 30 ready to take employment and go through retraining if necessary, and these workers do not seek either housing or traveling expenses. Many programs which certain organizations of the manufacturing industry in Croatia would like to carry out could be realized precisely thanks to that manpower. It is no accident that several foreign firms want to invest capital and technology there for the production of vegetables and strawberries because of the fertile land and climatic conditions, but above all because of the supply of the workers which that kind of production requires.

#### Partnership, But Not Credits

[Question] When we examine the quality of these investments, it seems that we are talking here rather about conventional investment (and this is not a characteristic of Kosovo alone) than of pooling labor and capital on the principles of shared income. What in your opinion is the hindrance to pooling?

[Answer] In spite of the good examples of pooling, it still seems to me that the credit relation is predominant. We are going to have to change some things; otherwise there will not be any better results. I will cite one of the obstacles. The purpose of pooling is highly productive production in the mutual interest of the trading partners, but under the Law on Associated Labor every pooling involves common risk. The partner or pooler of capital from Croatia, as I have said, usually provides the technology, trains the workers, guarantees the common market, and a portion of the capital for investment,

usually 50 percent of the total investment. If that capital is being taken away from the associated labor in Croatia, he is required by law to present the guarantee of his commercial bank that the resources will be returned to associated labor within a certain period of time.

He transfers these resources to the account of the organization with which he is carrying out the program, and it is logical that he should demand a guarantee to cover them from the bank of the Kosovo partner. The position of the Associated Bank of Kosovo is that it should not grant such a guarantee, since this risk is to be borne jointly by the investors. This seems logical at first, but it is still untenable. The success of the investment undertaking depends on the total investment, and that means primarily on whether the sociopolitical community, associated labor, and the bank provide the other portion of capital for the investment: good personnel, raw materials if they are being obtained from local sources, infrastructure, housing, and general conditions for the life and work of the labor force. The success of the investment projects depends on the conditions created where the investment is being made. It is normal for the bank monitoring the investment project to bring together all the local factors in some way.

Joint liability and risk also imply partnership while the objectives are being realized. However, where is the guarantee for the partner pooling his resources that his trading partner will not break off collaboration and leave him with the obligation to return the capital invested on his own, and the latter could become independent or integrate with another organization? I think that we should look to finding the right programs, and the problem of guarantees ought to be resolved by associated labor and the commercial banks of the partners in Croatia and Kosovo on a case-to-case basis and with more freedom and independence.

#### The Chances of Small Business

[Question] It follows from your observations that Kosovo is not organized as well as it might be for acceptance of the programs offered?

[Answer] In our society in general, that is, not only in SAP Kosovo, we are not organized as well as we might be when we are to pool labor and capital so that we can catch up with present-day development trends in the world more quickly. This lack of organization is nothing specific to Kosovo, but it is perhaps more pronounced there than elsewhere; after all, it is more visible there since numerous actions of this kind are directed toward Kosovo for altogether understandable reasons, but also because Kosovo is in economic terms lagging generally behind the other parts of our country. And that means that the awareness of present-day economic developments is not as strong as perhaps it might be somewhere else.

I also think that we should develop cooperation and integrative processes between existing Kosovo organizations of associated labor and the economy of the other republics and SAP Vojvodina, since here we are talking about organizations with up-to-date production and technology and specialists who do not have enough experience. Then far greater results would be achieved with far

smaller investments than in situations when we have to start from scratch. The development organizations of SAP Kosovo have not been much concerned with proposing programs that would be carried out through pooling. They have been rather passive and very slow to reacting to the programs offered.

Through pooling and the federal fund SR Croatia will be appropriating 150 billion dinars over the 5-year period. However, there has not been any scientific or professional study of the commitment of these resources, and the resources are not being appropriated for preliminary studies of products and markets either. These resources are supposed to serve associated labor as a whole and expand its material base, and that means that they should be treated in such a way as to be invested most productively, offering a number of programs and stimulating their fulfillment with additional measures.

I have the impression that the agencies responsible for these matters at the federal level have been behaving rather statically and usually in the role of mere observers when it comes to investment and the quality of investment in SAP Kosovo.

[Question] What are the opportunities for development of small business in SAP Kosovo?

[Answer] I think that those opportunities are large, especially with respect to the need to reaffirm various crafts and trades which have been a Kosovo tradition. For example, I know of a local community where 70 percent of the households have a workshop in which a craft or trade is practiced. In Prizren, for example, there is a work organization which involves 8,000 women in its cottage industry system. But in discussing small business it should be said that in this area Kosovo needs research on products, markets, technology, the linking of those producers with the general Yugoslav market, the tourist industry, exports, and so on. Small business operators, whether they are self-employed individuals, contract organizations, or work organizations need linkage through cooperatives and other associations of associated labor through which they would jointly resolve their problems and establish ties with associated labor more widely in Yugoslavia.

I am convinced that if at this moment we "assessed" the situation in SAP Kosovo we would find several dozen small programs ready to be carried out that have arisen out of the needs of those communities for services and products, based on raw materials from those communities, and the investment per job would not exceed 4 million dinars. I think that we should be much bolder in committing ourselves, for one thing, to these smaller programs because of the rate at which they can be carried out, the speedy results, the larger opportunities for creating new jobs and for meeting the needs of the population for products and services, and also the types of training provided to workers and specialists for larger programs.

Incidentally, I have also heard recently assurances from the highest Kosovo political leadership that maximum attention will be paid to small business in this province of ours.

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BRIEFS

CORN, SUGAR BEET PROBLEMS--According to the latest information, corn planting has been virtually completed, namely, on 2.38 million hectares throughout the country. However, how much will be harvested this year (the plan was 12 million tons) it is difficult to say because about 30,000 hectares (there are no exact statistics) were planted in contaminated seed from the United States. Although views differ on how much damage will result from this uncontrolled import of 7,000 tons of seed (of which about 3,000 tons were spoiled) at a cost of \$11 million, it is certain that the soil in which this seed was planted will need several years of special care to recover. Farmers who have planted sugar beets, as well as the 24 Yugoslav sugar mills, are also quite worried. Now it is certain that mills will not have enough beets for processing, because Yugoslavia will not produce the planned 6 million tons of sugar beets nor will mills be able to produce the nearly 900,000 tons of sugar planned. Sugar beets were planted on 143,000 hectares out of a planned area of 177,000 hectares and then mid-April frosts and later the beet weevil destroyed the crop on more than 63,000 hectares. [Excerpt] [Belgrade BORBA in Serbo-Croatian 2 Jun 86 p 1] /6091

SLOVENIAN ECONOMIC DECLINE--After stagnation in the first quarter of the year, industrial production showed an increase in April and if this rate continues the planned 2.4 percent growth could be achieved for this year. But trends in Slovenian industry up to now indicate a lag in restructuring production and stagnation in modernizing and introducing modern technology and knowledge. In economic relations with foreign countries planned goals have not been met and this field is considered one of the critical factors. At the meeting of the Slovenian LC Presidium at which this was discussed, Milan Kucan said the deficient income-distribution policy [resulting in increased personal incomes at the expense of lower capital accumulation] has resulted in a number of problems in social reproduction. In his view, exports to the convertible market are no longer the prime factor for increasing production and finding a way out of the present crisis, which they should be; the quality of production is falling and one cannot compete on the world market with such goods. Loss-producing enterprises in the first quarter of this year increased by 171.2 percent over the same 1985 period. Among the 716 enterprises with 140,000 employees operating at a loss are also new ones which had operated successfully up to now, such as some in the textile and wood industries. [Excerpt] [Belgrade BORBA in Serbo-Croatian 27 May 86 p 4] /6091

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8 July 1986

## WALDHEIM VICTORY ASCRIBED TO WORLD JEWISH CONGRESS CAMPAIGN

AU131416 Bratislava PRAVDA in Slovak 12 Jun 86 p 7

[Bedrick Zagar commentary: "Political Complications in Austria"]

[Excerpts] The results of Austrian presidential elections have produced a delicate political situation in the country of our neighbors. The Socialist Party appears to have drawn premature, and radical, conclusions from the victory of Kurt Waldheim, who was a candidate of the opposition bourgeois People's Party (OEVF): Chancellor Fred Sinowatz has resigned and Minister of Foreign Affairs Leopold Gratz followed his lead to take the same step. They found it intolerable, it seems, to retain their government posts under the new president, against whom they had expressed serious reservations in the preelection period. However, by taking this step they acknowledged the defeat of their policy and created a political vacuum, thus creating room for maneuvering for the bourgeois opposition.

Is the defeat of the socialist candidate Kurt Steyrer a reflection of a change in the political mood of Austrian voters in favor of the OEVF? There is no evidence to support this. Kurt Waldheim's victory was, rather, a reaction of the Austrian voters to the campaign of the World Jewish Congress against Waldheim, which they viewed as an interference in internal affairs. It seems that the campaign helped, rather than harmed, Waldheim at home because it generated defiance in the face of the campaign and, at the same time, "compassion" with Waldheim. Obviously, the Socialist Party and Sinowatz's government did not reckon with this.

At any rate, the political situation that has arisen in Austria is disadvantageous for the working people. Conservative forces in Austria will attribute Waldheim's victory to themselves and will try to prove the "inevitability of a shift to the right" in Austria. They will be building on this in their propaganda in connection with the forthcoming elections to the Nationalrat (Austrian Parliament). Progressive forces in Austria, especially the Austrian Communist Party [KPOE], are drawing attention to this danger and mobilize forces for a struggle against the neoconservative trend. The main responsibility for halting the creeping movement to the right continues to lie with the Socialist Party as the decisive political force in the country. This was also pointed out by KPOE Chairman Franz

Muhri who stressed the need to correct the Socialist Party's policy--to abandon the policy of "social partnership" between entrepreneurs and workers, to give support to the interests of the working people, and not to permit the reprivatization of state-owned enterprises. The best way of winning back the trust of their voters would be for the Socialists to adhere to principles in their policy. It is a fact that the policy of seeking the "lesser evil" leads to a greater evil.

Fred Sinowatz remains chairman of the Socialist Party. He proposed Franz Vranitzky, until now his minister of finance, as his successor. Vranitzky has the reputation of a technocrat and one can hardly expect any changes of substance. The likelihood is greater that under the new leadership the Austrian Government will even step up its policy of "economics over politics" and shunt ideological principles to the sidetrack.

A telegram addressed by factory workers from Linz to the Socialist Party's leadership says: "The election defeat is a result of an unsatisfactory, vacillating policy." This should serve as an impetus for a more principled policy. At least, it should be an impetus for careful consideration by the government about where its policy so far deviated from the interests of the working people.

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POLITICS

CZECHOSLOVAKIA

DAILY COMMENTS ON STATE OF EMERGENCY IN RSA

AU171619 Prague RUDE PRAVO in Czech 13 Jun 86 p 7

[Dalibor Macha commentary: "The Racists 'Answers'"]

[Text] The racists in the Republic of South Africa [RSA] have imposed a state of emergency again, this time on the entire territory of the state where the killing of black Africans has reached an unprecedented scale in recent days and weeks. There is no end to the brutality of the Botha regime; the black ghettos in the suburbs have long assumed the appearance of battle-grounds. The country has, in fact, been under a state of siege for the past 1.5 years and, in defiance of the nominal abolition of the state of emergency in some parts of the RSA, police guns have been the principal ruler in the state. Even the cosmetic modifications of apartheid have not pacified the black majority, as the authorities in Pretoria had hoped.

The reports coming from southern Africa have been getting more and more disconcerting. The slaying of Africans has been on the agenda every day. In the first 3 days of this week alone, some 30 Africans died in the ghetto of Crossroads, the site of the heaviest fighting, and 50,000 of them remain without shelter following cleanup operations.

The 10th anniversary of the racist Soweto massacre, in which 176 people lost their lives, is drawing near. The flames of wrath of the oppressed Africans, forced to live in a constant fear for their lives and humiliated by the unjust social system, are becoming higher and higher. The Africans demonstrate for their rights, defend themselves on makeshift barricades or with their bare hands (in the Alexandria quarter of Johannesburg, for example), and resist police tanks and armored personnel carriers, exposing themselves to grenade splinters and incendiary bombs. And General Malan, chief of the racist military administration, only recently fumed: The rebels have not yet felt even a fraction of the destructive power of our state.

How far will the racist rulers go in their cruelty? They have already resorted to massacres under the nocturnal sky, utilizing the light of the burning ghettos, and--following the example of some Latin American countries--are creating "death squads" against the indigenous population. They are trying to whip up and nurture ethnic conflicts and to incite blacks against blacks. The state of emergency will undoubtedly even deepen the long-standing class and social conflicts. The state of emergency thus only casts a sharper light on the true face of a regime that can stay in power only by the force of weapons.

POLITICS

CZECHOSLOVAKIA

ENERGY MINISTER DISCUSSES NUCLEAR REACTORS, FUEL SECTOR

LD071655 Prague Domestic Service in Czech 1040 GMT 7 Jun 86

[Interview with Minister of Fuels and Power Vlastimil Ehrenberger by Prague Radio reporter Karel Stary in studio; live]

[Excerpts] [Stary] Comrade Minister, in this 5-7 year plan the fuel and power sector's share in our industrial production is to decline. Does this mean that you will have fewer tasks and problems?

[Ehrenberger] The decline of this sector's share in Czechoslovakia's overall industrial production is brought about by the national economy's shift to a highly intensive and more energy-efficient regime. This does not mean that we will be producing less energy, nor that we will have fewer problems. Let me demonstrate this: Electricity generation, for example, is set to rise from the present approximately 80 billion kilowatt-hour [kwh] per year to something like 87 to 90 billion kwh by 1990. The structure of the fuel and power complex will, at the same time, undergo enormous changes, largely due to more nuclear generating capacity coming on stream, and to greater use of natural gas. Last year 15 percent of our electricity was generated in nuclear power stations, but by the year 2000 this will rise to 50 percent. It will be a tremendous challenge to cope with all the tasks connected with the accompanying restructuring of the fuel and energy infrastructure.

[Stary] So the share accounted for by nuclear energy and gas will rise, and that means that extraction of brown coal will decline. What does this mean, in specific terms, for the power industry? What, for example, will be the impact of the task of increasing domestic production of natural gas by more than 50 percent? What does the use of nontraditional sources of energy entail?

[Ehrenberger] The slight decline in coal extraction, particularly brown coal, is the result not only of increased nuclear-generating capacity, but also of underground mining conditions, and it also takes into account ecological considerations. Coal will continue to be our main source of primary energy. What do these changes amount to in specific terms? Well, during the present 5-year plan we will be bringing on stream five nuclear reactors with a total capacity of 2,200 megawatts [mw]; and carrying out a large amount of construction work on our largest future nuclear power station at Temelin, which, with its generating capacity of 4,000 mw, will represent the equivalent

output of five large steam-generating power plants such as those at Detmarovice, Tusimice, or Chvaletice. In addition, we will have to acquire greater supplies of natural gas, through the extensive construction of the Progress gasline and exploitation of the oil and gas deposit at Karachaganak in the Soviet Union by Czechoslovak enterprises. These are such enormous and complex projects that they can be compared to the task of having to build another nuclear power station such as the one at Dukovany. As far as natural gas is concerned, we import 90 percent of our requirements. Our own reserves are insubstantial. Increasing domestic extraction therefore means not only more test drilling and prospecting at greater depths, but also the need to mobilize domestic extraction, particularly in the peak winter periods.

[Stary] The 17th [CPCZ] Congress recently criticized the inefficiency of the production and exploitation of fuel and energy in Czechoslovakia, and the task for the coming period is therefore to increase our energy efficiency. How are we to go about this?

[Ehrenberger] This is a very complex question. Our sector is primarily a producer of different forms of energy. Inefficient and wasteful consumption undermines the value of the efforts of our workers, and that is a shame. How do we tackle this problem? Firstly: Let's do away with waste.

[Stary] On the subject of eliminating waste: Are there any material or other incentives for managers to improve energy efficiency? Will the waste of energy hit their own pockets, and, I stress: Will it affect them personally?

[Ehrenberger] In addition, the main indicators of material production, we take into account elimination of waste, reduction of production costs, and management of materials, fuel, and energy in assessing the bonuses of senior management. In this 5-year plan we have substantially raised the demands in this respect. Energy inefficiency will hit everyone's pocket, as you put it. As for waste, this is primarily a matter of discipline, and it is taken into account when assessing whether an individual who wastes resources or allows them to be wasted is still allowed to continue in his post.

[Stary] Let's consider the main directions for the development of our national economy, as set out by the 17th congress. One of the crucial issues here is that of cadres. In the case of your sector, is the exchange and training of staff a match for the current very challenging tasks? What are the main differences in the job description of a senior manager--for example, a managing director--these days, as compared with the past?

[Ehrenberger] I don't think the differences are in the actual job description, but in the specific way the job is carried out, and in the different emphasis on particular areas of the job. Today, while the requirements for volume fulfillment is still there, there is much greater emphasis on economic factors. What we want is not so many metric tons of coal, but rather so many metric tons of specific types of coal. What we want to know is how

much one kwh of electricity costs to generate, on an across-the-board comparison. Managers also have to tackle the issue of the effect of producing energy on the environment and the atmosphere. The new style of work will not of its own accord instill itself in the mind of the whole workforce-- from managing director to foreman, area manager to shiftleader. That is why we are adapting the training system and further specialist training to this end. A particularly important feature in the fuel and power sector is the trend towards increasing the importance of obtaining the necessary qualifications and, particularly in the case of senior managers, we have virtually reached the optimum level in this respect. The standards of work I have already referred to are taken into account in assessing the results of the work of senior managers, and the so-called cadre exchange of those who are not up to the job, or who do not want to meet present-day requirements, is a far from unusual occurrence in our sector. The decisive yardstick of the quality and efficiency of a senior manager's work is first and foremost the results achieved in the sector which he manages.

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POLITICS

CZECHOSLOVAKIA

NUCLEAR ENERGY SAFETY OFFICIAL INTERVIEWED

LD102043 Prague Domestic Service in Czech and Slovak 1630 GMT 10 Jun 86

[Text] Our country's specialists held a press conference in Prague today on future nuclear power station construction and safety. Our editor Frantisek Hejny interviewed Jiri Beranek, chief inspector for state surveillance of the Czechoslovak Commission for Nuclear Energy, at the end of the press conference.

[Begin recording] [Hejny] You said at the end of the press conference that the situation is consolidating at the Chernobyl nuclear power station. What is the main lesson the accident has given to world nuclear power production?

[Beranek] The accident at Chernobyl has shown that in spite of the attention given in the world to nuclear safety there is a real--even if highly improbable--possibility of an accident like that, with radiation consequences for the staff of the power station and for the surrounding environment. The main lesson is: Repetition of such an accident with a similar effect on the health of the staff in the nuclear power station and on the environment must be precluded.

[Hejny] Naturally this applies to Czechoslovakia too. What does the state surveillance body think of safety at our nuclear power stations?

[Beranek] It can be said on the basis of the results of state surveillance that the operation of the Czechoslovak nuclear power stations is marked by stability and good operational reliability. In other words, during the last 8 years there was not a single case of a threat to the health of the staff or to the environment. Nor has there been a situation that could have developed into such an accident. This general statement is based on results in our daily work. We have permanent inspectors at all nuclear power stations, and they check daily the technical and organizational provisions that secure and maintain a safe operation. We also carry out inspections in which officials from the central office take part; last year more than 60 such inspections were carried out. These activities result in decisions by the commission on which are based tasks with certain deadlines are set to eliminate any shortcomings. For example, it is impossible to increase the production of electric power by nuclear power stations by a method that would not be in harmony with the principles of nuclear safety.

[Hejny] Let us return to the accident in Chernobyl. Has any provisions been made in Czechoslovakia as a result of the accident?

[Beranek] Concrete analyses of causes and consequences are not yet at our disposal, although the information from Soviet sources provide rich material. Therefore, it would be premature to propose some complete measures, especially if we take into consideration that the RBMK reactor is very different in technical terms from the VVER type that is the basis of Czechoslovak nuclear power production. It is, however, already clear that it would be necessary to reinvestigate the comprehensiveness and effectivity of all safety measures, including plans for the protection of the population, on both the national and the international level. I have in mind in particular a new check on the possibility of inception of chemical reactions in which hydrogen reacts [vyviji], new research into the presence of combustible matter in reactors, and last but not least, the reliability of the human factor, especially in connection with adequately equipped surveillance in individual units. This is, however, a long-term task.

[Hejny] What about immediate measures?

[Beranek] We have expanded and deepened inspection activity. This has resulted in some measures that have been applied at nuclear power stations and also in the fuel and power sector. On the whole it has, however, been shown yet again that Czechoslovak nuclear power stations operate on a level that is a prerequisite for their safe running. [End recording]

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POLITICS

CZECHOSLOVAKIA

RECENT CEMA PROGRAM SAID MOST IMPORTANT MEASURE FOR 2 YEARS

LD171000 Prague CTK in English 0835 GMT 17 Jun 86

[Text] Moscow, June 16 (CTK correspondent)--Adoption of the comprehensive program of scientific and technological progress of the Council for Mutual Economic Assistance (CEMA) up to the year 2000 has been the most important CEMA event in the two years since its June 1984 summit.

Implementation of the summit conclusions is aimed at raising mutual cooperation to a qualitatively higher level and increasing CEMA role in the social and economic development of member states.

Plans of economic and social development until the end of the century have been drafted in all CEMA states in line with the summit conclusions. Already the seventh five-year plans have been coordinated, bilateral programs of economic and scientific-technological cooperation up to the year 2000 have been adopted and a number of important multilateral agreements on joint projects, cooperation, and specialization in production and joint exploitation of natural resources has been approved.

They provided the basis for instance for the joint construction of an iron ore processing complex at Krivoy Rog in the Ukraine, the transcontinental gas pipeline progress to bring West Siberian gas to seven CEMA member states, oil and gas plants in the Caspian basin and other joint projects.

Naturally, implementation of the extensive tasks set by the CEMA summit cannot be without problems, but they are of quite different character than some Western circles assert. They claim that virtually nothing has changed in the CEMA in the two years, the level of integration is low and economic development is slow.

The CEMA is not silent about problems, on the contrary it is solving them constructively and openly for the sake of constant dynamic economic and social development.

It is necessary for instance to intensify cooperation and specialization in production and coordination of investment policies. Better use must be made of new forms of cooperation, especially direct relations between production enterprises, and the process of intensification, primarily broader and more effective cooperation in science and technology must be accelerated.

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POLITICS

CZECHOSLOVAKIA

EDITORIAL CITES IMPORTANCE OF CEMA 'DIRECT TIES'

AU121239 Prague RUDE PRAVO in Czech 9 Jun 86 p 1

[Editorial: "Developing Direct Ties"]

[Excerpts] Direct ties are no novelty in CEMA's activity. But the current level of direct ties does not correspond to the demands of the times. Until now, mainly lower forms of cooperation have been developed, forms that have not always resulted in highly effective modes of production and scientific-technical cooperation. In the past, some accords on international specialization and cooperation did not always lead to meaningful changes in the structure of production, did not yield the anticipated effect, and did not sufficiently accelerate technical progress.

The cause of this was that the measures to foster direct ties adopted in the individual countries were inadequately coordinated and mainly tackled organizational-legal prerequisites, without doing the main thing: they were not bringing closer together the economic criteria for those enterprises and research institutes, which were supposed to implement in a concrete way. It used to be the case that what was an effective and simple matter for one [partner] was an expensive and a complicated matter for the other. The applied manner of price setting made it possible to raise disproportionately the prices of products manufactured in specialized cooperation, a matter that discouraged the use of direct ties. These ties were also not sufficiently stimulated by the international economic mechanism of cooperation. Some restrictions, in particular in the sphere of planning and foreign trade, were a hindrance.

The CSSR Government recently approved a framework of rules for establishing direct ties between Czechoslovak socialist organizations and their partners in the CEMA member-states, which opens up greater scope for enterprises and research institutes to establish direct ties, and which stimulates their activities more, and orients attention toward the most effective forms of work.

The rules determine anew the participation of superior agencies and foreign trade organizations in direct ties in instances when this is necessary for

the fulfillment of their management functions. On the other hand, Czechoslovak organizations are entitled to take part in the central agencies' deliberations on the coordination of plans and negotiating deals, they are given the right to seize the initiative and conduct preliminary talks without superior agencies' prior assent, and are assured information and advisory services from the foreign trade side. In justified cases, economic organizations can be accorded a permit for foreign trade activity on the basis of a simplified procedure.

In addition, the new rules proceed from the principle of the economic organizations' full accountability for results arising from direct ties. Legal powers, too, correspond more to the khozraschet [economic accountability] principle. For example, organizations can set prices on the basis of mutual advantageousness and under the set conditions to bill their claims in transferable rubles, national currencies, and eventually also in freely convertible currencies. The possibility is provided for an additional adjustment of the tasks and allocations of the plan, if direct ties make it possible to achieve an effect in excess of that envisaged in the plan.

The new rules also provide stimuli for a gradual emergence of a natural need to develop higher forms of cooperation, such as pooling resources and establishing joint worksites and enterprises.

Thus, the utilization of direct ties is only one of the main demands of the times regarding the manner of implementing the international economic and technical cooperation of the CEMA countries. It is not a fashionable slogan. It arises from an objective analysis of the situation, from the needs of the entire socialist community, as well as from the objective laws governing the development of production forces and production ties.

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POLITICS

CZECHOSLOVAKIA

DELEGATE ATTACKS ILO ACTIVITY, STRUCTURE

LD181701 Prague CTK in English 1545 GMT 18 Jun 86

[Text] Geneva, June 18 (CTK)--Chechoslovak Minister of Labour and Social Affairs Miloslav Boda, addressing the 72nd conference of the International Labour Organization (ILO), said today the organization's leaders had been advocating exclusively the capitalist system of social relations.

During the discussion on the report of the director-general of the ILO's International Labour Office, Miloslav Boda said the ILO's activity and structure, in contrast to the report, showed the organization had been favouring the capitalist model of social structure.

The minister also said the employers' group leadership was continuing its discrimination against representatives of public and state sector enterprises.

"If this discriminatory approach continues, and if equal rights of all ILO members are not ensured, Czechoslovakia will be forced to consider the range of its future participation in the organizations' activity," he stressed.

Miloslav Boda said the one-sided advocacy of capitalist relations was in sharp contrast with the fact the ILO grouped 150 countries with various social systems, and stressed the organization should serve the interests of workers and help the developing countries.

He also called on the organization to stop ignoring the experience of the socialist countries.

"The solution of serious social problems of working people in most countries of the world must be viewed as a part of the solution of basic international political and economic issues," he stressed.

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POLITICS

CZECHOSLOVAKIA

FOJTIK ADDRESSES JOURNALISTS ON MEDIA TASKS

AU270403 Prague RUDE PRAVO in Czech 7 May 86 p 2

[CTK report: "Responsibility and Task of Communications Media"]

[Text] Prague--The joint session of the central committees of the Czechoslovak, Czech, and Slovak journalists' unions discussed this Tuesday [6 May] in Prague the tasks for the journalists' organization and its members which resulted from the conclusions of the 17th CPCZ Congress. The session was attended by Jan Fojtik, CPCZ Central Committee Presidium candidate member and secretary; by Otto Cmolik, CPCZ Central Committee department head; and by other representatives.

It followed from the speech delivered by Jan Risko, chairman of the Czechoslovak Journalists Union Central Committee, from the discussion, as well as from the adopted resolution, that the Czechoslovak journalists fully identify themselves with the congress conclusions and devote their entire creative energy and abilities to their implementation.

The joint session called upon all members of the Czechoslovak Journalists' Union to devote their best abilities and experience, as well as their initiative also in the coming period to further improving their work in realizing the conclusions adopted by the 17th CPCZ Congress.

Jan Fojtik, too, spoke in the discussion. He dealt with the way our propaganda can contribute toward ensuring the program of the 17th CPCZ Congress, and particularly toward enforcing the strategy of accelerating the social and economic development of our society. He called the need to substantially improve all information work the key task of the mass communications media; it must become a far more significant means for creatively activating the public, it must be more efficient in combining the goals of socialist construction in the CSSR with the consolidation of the entire socialist community, and it must yield sufficient arguments on the aggressive antihuman policy of imperialism.

Jan Fojtik pointed out the responsibility of the communications media in realizing the changes in the people's psychology, which still pays tribute to the extensive methods used in economy. It is necessary to break up the

rooted prejudices created by this obsolete type of economy--for instance, the notion that socialism is a kind of "allocation system" which abounds in appeals for initiative and creativity, but which does not really count on them in practice. Propaganda must not serve those who use empty phrases to camouflage the burning problems which must be solved, and who would like to hide their use of alibis, bureaucracy, and unwillingness to promote true progress behind general words about progress. A businesslike attitude, argumentative skill, specific presentation, boldness and responsibility in enforcing the interests of socialism and in criticizing all that stands in the way of the realization of the program adopted by the 17th CPCZ Congress, these must characterize the work of the communications media, Comrade Fojtik stressed in conclusion.

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POLITICS

CZECHOSLOVAKIA

JOURNALIST ORGANIZATION HOLDS ANNIVERSARY MEETING

AU111140 [Editorial Report] Prague RUDE PRAVO in Czech on 10 June on pages 1 and 2 carries a 1,500-word "MC" signed report, entitled "In the Service of Peace and Understanding Among Nations." The report deals with a "festive session" held in Prague on 9 June to mark the 40th anniversary of the founding of the International Organization of Journalists [IJO]. The headquarters of the organization, which is said to comprise "more than 200,000 journalists from 120 countries" and to be "the largest and only truly universal international organization of journalists," is in Prague.

According to the RUDE PRAVO report, the main speaker at the session was Matej Lucan, CSSR deputy premier. The report cites him on the intention of the CSSR Government to continue to establish "adequate conditions" for IJO's work, on the important role of the media in the 20th century, and on their responsibility to "serve peace, understanding among nations, and the spiritual enrichment of man." Quoting Lucan on the principles of Czechoslovak information policy, the report goes on to say: "We know that a lot remains to be done to develop and improve our mass communications media. However, we will never sink so low as to falsify history, distort facts, cover up the true state of affairs, be dishonest, and stir the international atmosphere. Yes, we are in favor of polemics and a serious exchange of views because it is precisely this that gives birth to new quality. However, we are vigorously opposed to everything abusing the brains of the makers of public opinion, twisting their character in the interest of war-mongering circles, and forcing them--for reasons of preserving their very existence--to change their opinions from one day to another and to sink so low as to create sensations out of natural catastrophes and tragic events, sensations that divert attention from problems of substance and serve to sully other countries."

In the same context, Lucan is also quoted as having said: "We regard as inadmissible the insults to the honor and dignity of man, the propagation of racial hatred and war, and the sowing of distrust among nations. Our notion of the freedom of the press is one of the freedom to say and write the truth, to aid social progress, and to create for the people and in the name of the people."

According to the RUDE PRAVO report, the session was also addressed by IJO Chairman Kaarle Nordenstreng from Finland, who spoke about the circumstances

of IJO's founding, the continued relevance of the ideas that led to the creation of IJO, and the organization's gratitude to the CSSR Government, people, and journalists for their support of IJO's work.

Among the participants in the session, the RUDE PRAVO report says in conclusion, were Viktor Afanas'yev, chief editor of Moscow PRAVDA and chairman of the Union of the USSR Journalists; RUDE PRAVO chief editor Zdenek Horeni; and delegations of organizations of journalists from "almost 30 other states."

On the same day, on page 2, RUDE PRAVO also publishes the 1,000-word "text" of an "Appeal to the Journalists of the World" that was adopted at the above session. The "appeal" draws attention to the dangers posed to peace by U.S. war preparations, its production of binary chemical weapons, its refusal to join the Soviet moratorium on nuclear tests, its renunciation of SALT 2, and the growing tension in various parts of the planet, and calls on all journalists to realize their responsibility in the struggle to save mankind from the threat of war. It urges them to live up to their journalistic honor and "write the truth and wage a struggle against lies and slanders, against the concealment of information, and against provocations that incite the arms race and increase the danger of a final catastrophe."

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8 July 1986

POLITICS

CZECHOSLOVAKIA

## DAILY LAUDS CLERGY'S 'RESPONSIBLE' STANCE

AU140937 Bratislava PRAVDA in Slovak 22 Apr 86 p 2

[Vojtech Vesely commentary in the "We Comment" column: "The Responsible Stance Adopted by the Churches"]

[Excerpts] Last week the representatives of all 18 churches and religious societies operating in the CSSR convened in Bratislava in order to express their stand on the most topical issues of the present. With rare unanimity of views they adopted a stand on responsibility, which is characterized by the words of the letter sent by the gathering to Gustav Husak, CSSR president. The session of about 350 clergymen and theologians convened on the initiative of the 40-member committee of CSSR church and religious figures also sets out the responsibility for building our beautiful fatherland.

Above all, this responsibility lies in the unambiguous support of efforts to preserve and consolidate world peace. Deeply-felt, warning words and thoughts resounded at the gathering about the threat to life itself on earth and about the material and spiritual poverty in many parts of the world.

The second sphere in which the coresponsibility of the churches is expressed is the development of our socialist society. In their declaration, the church representatives have identified themselves with the realistic fact that in our country we have chosen the socialist road, which they fully regard as humanitarian and peace-oriented, which they respect, and which is also professed by the believers.

The gathering represented a significant contribution to the establishment of a correct relationship between the state and the churches in our country. It showed that the churches and religious societies can support the communists' effort for peace and for the development of socialist society, including the national front's election program, without relinquishing their basic world outlook which is radically different from the ideology of the Communist Party.

The approaches voiced in the statements at the gathering can only be welcomed and enhanced. From these approaches it follows that attempts to set the churches against our socialist state are truly an effort to abuse their

secular mission and even their doctrine itself. It is also good to know that, as was said at the gathering, in the struggle for peace in the world and for the welfare of our fatherland we all stand on the same ship's deck, regardless of our world outlook. The bomb endangers both believers and atheists. On the other hand, the achievements of socialism improve the life of every citizen.

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POLITICS

CZECHOSLOVAKIA

SOME RELIGIOUS SECTS SEEN AS DAMAGING TO SOCIALISM

AU131139 [Editorial Report] Bratislava SMENA in Slovak on 9 June on page 4 carries a 3,00-word interview headlined "Sects," given by Koloman Kahan, doctor of law and candidate of sciences, of the Institute of Marxism-Leninism attached to the Agricultural College in Nitra, to Milan Holub.

The introductory passage to the interview states that although there have been "substantial social changes" in the CSSR over the years, "manifested by the mass spreading of the scientific world outlook and the socialist way of life," of late "an activity of clerical forces" has been recorded, "the objective of which is to retard the process of freeing oneself of an idealistic outlook on the world. A considerably negative attitude in that respect is being developed also by some religious sects."

In the interview, Koloman says in part that there are several sects operating in the CSSR, which are "loyal to our system, respect socialist laws, and are properly registered like other churches," naming the Seventh Day Adventists and the Christian communities churches in this connection. "However, there are also illegal groups. Some of them have only a few dozen members, and sometimes not even that many," Koloman says, adding that numerically the strongest of these illegal groups is the Pentecostalists.

One of the illegal sects that has been becoming active and which has a "substantial membership base" is the Jehovah's Witnesses, who have "several thousand members in Slovakia," Koloman notes, and adds that the majority of illegal sects operate in the country's industrial regions, such as Most, Ostrava, and the vicinity of Prievidza and Kosice.

Koloman singles out for particular criticism the Jehovah's Witnesses, saying that the endeavor to "oppose any engagement of the people for peace is especially worthy of condemnation."

"When we bear in mind that the struggle for the preservation of peace is an integral part of the policy of the socialist countries, then from the aforementioned sectarian approach stems a negative attitude toward socialism. This is one of the reasons that, when comparing socialist and capitalist countries, they indisputably give preference to the capitalist system. They also regard all international organizations that strive for understanding among nations as enemies, above all the United Nations," Koloman says.

"Among the factors aiding the activity of sects in our society," Koloman says, "there are all the more serious shortcomings that disrupt the socialist way of life and work, and which cause the citizens to be dissatisfied. Some people transfer their dissatisfaction with a specific worksite or domicile, their loss of confidence in a certain collective or individuals to the whole of socialist society and its ideals, and try to resolve their disappointment by leaning toward sectarian ideology," and that some "extremists do not recognize the sovereignty of social institutions, refuse to vote, refuse to take up basic military service, and to take part in any activity after work."

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POLITICS

CZECHOSLOVAKIA

BRIEFS

CHARTER 77 FOUNDER'S SON DEPARTS--Oslo--Jan Hajek, the son of former Czechoslovak Foreign Minister and Charter 77 cofounder Jiri Hajek, will be allowed to leave his native country to study in Norway. The conflict surrounding Jan Hajek has been going on for a number of years, ever since the Czechoslovak authorities prevented him from studying at the architecture high school in Prague. Hajek's case has been raised by Norwegian politicians several times, but only now has it been confirmed that the 22-year-old Hajek will be allowed to leave. Hajek's father has strong ties with Norway. During World War II he learned Norwegian from Norwegian politicians while imprisoned by the Germans. Jan Hajek will probably lose his Czechoslovak citizenship when he arrives in Norway. Jir Hajek was foreign minister during the "Prague Spring" of 1968. After the Soviet invasion he became involved in the work of the Charter 77 civil rights movement. [Text] [Copenhagen BERLINGSKE TIDENCE in Danish 6 Jun 86 p 6 PM] /6662

LENDL FOR NATIONAL TEAM 'OPEN'--[Interview given by Jan Kodes, captain of the CSSR Davis Cup team, to Jan Mazac: "First Applause Will Be Heard on Monday"] [Mazac] Are you clear about the lineup of our team for the Davis Cup tie against Yugoslavia? [Kodes] It is certain that Mecir and Smid will constitute the basis of our team. Other players who might be considered are Pimek, Srejber, and Slozil. We also reckoned with Vajda but he has had problems with his wrist recently. [Mazac] Ivan Lendl is thus not among the candidates for the national team. The RUDE PRAVO editorial office has received a number of letters, the writers of which criticize his irresponsible approach to representing our country. Other letter writers ask whether he will be nominated for the Davis Cup team again. Did you consider including him in the team? [Kodes] I am also getting quite a lot of letters. Their authors, in turn, reproach me for refusing to include him in the team. This is not the case. As captain of the team, I would naturally welcome a player of his qualities in our team. I discussed this with Ivan Lendl in Duesseldorf. Ivan Lendl is the Number One player in the world ranking and the door to the national team is open, if he wants. [Text] [Prague RUDE PRAVO in Czech 13 Jun 86 p 8 AU] /6662

NEW CONGOLESE ENVOY--(CTK)--Justin Ballay-Megot, new ambassador extraordinary and plenipotentiary of the People's Republic of Congo to the CSSR, arrived on 23 April in Prague and was received by Stanislav Svoboda, CSSR deputy minister of foreign affairs. [Summary] [Bratislava PRAVDA in Slovak 24 Apr 86 p 2 AU] /6662

NEW SRV ENVOY--Ngyen Phu Soai, new SRV ambassador to the CSSR, was received on 23 April in Prague by Jindrick Rehorek, first deputy minister of foreign affairs, in connection with his taking up his office. In a comradely and friendly businesslike talk they assessed the current state of mutual relations and the present situation in Southeast Asia. J. Rehorek expressed full support for the principled foreign policy pursued by Vietnam and other countries of Indochina to achieve peace and stability in the area. [Summary] [Prague RUDE PRAVO in Czech 24 Apr 86 p 2 AU] /6662

CHRISTIAN CONFERENCE ON USSR PROPOSALS--Prague (CTK)--"The Christian Peace Conference expresses the hope that the Soviet Union's specific proposals, contained in Mikhail Gorbachev's speech, will lead to greater and more genuine safety for all mankind," the declaration of the leading representatives of this organization states. The declaration welcomes the Soviet Union's decision to prolong the moratorium on nuclear tests, as well as the proposals on strengthening international cooperation in the peaceful use of nuclear energy, and calls upon churches and Christians throughout the world to support these constructive steps. "All nuclear powers should realize their responsibility before God and the people," the declaration states further, "and halt further tests of nuclear arms." The leadership of the Christian conference also expressed profound sympathy over the accident at the atomic reactor in Chernobyl; and it states in the declaration that this event has once again confirmed the vulnerability of life on our planet, as well as the inevitability of the catastrophic consequences which any nuclear conflict would have today. [Text] [Prague RUDE PRAVO in Czech 20 May 86 p 2 AU] /6662

VISITING MEXICAN DELEGATION--Federal Premier Lubomir Strougal today at the Hrzan Palace in Prague received a delegation of the Mexican municipality of San Jeronimo Lidice, headed by the chairman of the municipal council of the borough of Magdalena Contreras, Amado Francisco Trevino Abato. In a conversation he recalled 30 August 1942, when the revolutionary government of Mexico decided that the name Lidice would be added to the name of the town of San Jeronimo as an expression of solidarity with the struggle of the Czechoslovak people against the Nazi occupiers. He spoke highly of this historic deed and the present international policy of Mexico, with which Czechoslovakia will continue to widen and deepen relations in all areas. Both sides expressed the conviction that the visit by the representatives of this Mexican town will contribute to strengthening the mutually beneficial cooperation and traditional friendship between the people of Czechoslovakia and Mexico. [Text] [Prague Domestic Service in Czech 1630 GMT 12 Jun 86 LD] /6662

HUSAK CONGRATULATES BATMONH--Gustav Husak, general secretary of the CPCZ Central Committee, sent a telegram congratulating Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party, on his reelection to the post. Husak emphasized that the election is an expression of the high trust and authority that Comrade Batmonh enjoys from members of the party and all the people of Mongolia. He also expressed the conviction that the traditional friendship and mutual cooperation between both traditional friendship and mutual cooperation between both fraternal

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parties, between Czechoslovakia and Mongolia, will continue to develop in all ways in the interest of the joint struggle for peace, socialism and progress in the world. [Text] [Prague Domestic Service in Czech 1030 GMT 31 May 86 LD] /6662

KABRHELOVA ADDRESSES ATHENS MEETING--Athens, June 10 (CTK)--Marie Kabrhelova, chairwoman of the Czechoslovak Union of Women, gave evidence of the consequences of the U.S. aggression against Libya here today at the end of a two-day international meeting of women's solidarity with the struggle of the Libyan people. Marie Kabrhelova, who visited Libya several days after the U.S. raid, said it was an act of state terrorism, part of the anti-human and anti-peace policy of American imperialism and its allies. Another part are the nuclear explosions in Nevada, trampling on the SALT-2 treaty, feverish armament and preparations for the militarization of space. Czechoslovak women have welcomed the offer of the Soviet Union to withdraw its fleet from the Mediterranean if the United States does so, too, Marie Kabrhelova said and added that they support all initiatives aimed at securing durable peace in this part of the world. The solidarity meeting, attended by some 200 representatives of 30 women's organizations from 22 countries and three international organizations, took place at the initiative of the Women's International Democratic Federation and the Federation of Greek Women. [Text] [Prague CTK in English 1859 GMT 10 Jun 86 LD] /6662

INTERCOSMOS MEETING ON ASTROPHYSICS--The 20th anniversary session of the Intergalactic Standing Commission on Astrophysics opened in Most today. Antonin Dohnal, our reporter, has telephoned in more details: The meeting is being attended by delegations for 10 socialist countries that share cooperation in astrophysics. On the agenda is an assessment of the past year, compilation of the plan for joint operations over the next year, as well as a discussion of the plan for joint activity for the next 5 years. This year's meeting of the Intergalactic Standing Commission will also assess, among other things, the results of cooperation in the Vega International Project. The participants will also be briefed on the initial results of the investigation of Halley's comet. New items on the agenda are, for instance, projects to investigate the sun and its effects on the earth during the solar activity after 1990, the Phobos project, and other space experiments. The 20th anniversary meeting of the Intergalactic Standing Commission on Astrophysics is taking place in Czechoslovakia after a lapse of 10 years and will continue until 14 June in the Regional House of Culture of Mine and Power Workers in Most. [Text] [Prague Domestic Service in Czech and Slovak 1000 GMT 9 Jun 86 LD] /6662

UNIVERSITY ADMISSIONS--Admission tests for the 1986-86 academic year started at all institutions of higher learning on 16 June. Of the 41,600 applicants for daytime studies in the Czech Socialist Republic, some 20,500 will be admitted. Of the 14,700 candidates for evening studies, more than 5,000 will be admitted. To promote interest in technical colleges, the Czech Ministry of Education has decided to expand the exemption from admission tests for technical colleges, with the exception of some departments and chemical technology colleges. [Summary] [Prague RUDE PRAVO in Czech 17 Jun 86 p 2 AU] Of the more than 24,000 applicants for daytime studies who are taking

admission tests in the Slovak Socialist Republic this week, 11,500 will be admitted. Although most secondary school graduates display some degree of realism in applying for university studies, the number of candidates for the study of medicine, for example, exceeds the set quota threefold; the number of candidates for the study of English and Japanese fourteenfold; and the number of candidates for the study of Marxist-Leninist Aesthetics sixteenfold. About 6,000 persons in the Slovak Socialist Republic want to raise their qualifications in the form of evening studies; about one-third of them will be admitted. [Summary] [Bratislava PRAVDA in Slovak 18 Jun 86 p 2 AU] /6662

CHNOUPEK RECEIVES ENVOY--CSSR Foreign Minister Bohuslav Chnoupek received on 16 May in Prague Hungarian Ambassador Bela Kovacs; in a cordial and comradely talk they assessed the development of mutual relations and certain issues of the international situation. [Summary] [Prague RUDE PRAVO in Czech 17 May 86 p 2 AU] /6662

AMBASSADOR TO BRITAIN PRESENTS CREDENTIALS--Jan Fidler, the new CSSR ambassador to Great Britain and Northern Ireland, presented his credentials to Queen Elizabeth II at the Buckingham Palace on 30 May. [Summary] [Prague RUDE PRAVO in Czech 31 May 86 p 7 AU] /6662

KUWAITI ENVOY ENDS MISSION--'Abd al-'Aziz Qays al-Khadar, Kuwaiti ambassador to the CSSR with permanent seat in Rome, ended his tour of duty and departed from Czechoslovakia. [Summary] [Bratislava PRAVDA in Slovak 2 Jun 86 p 2 AU] /6662

NEW BOLIVIAN REPRESENTATIVE--(CTK)--CSSR Foreign Minister Bohuslav Chnoupek received on 18 May in the Cernin Palace in Prague Teodosius Imana-Castro, new Bolivian charge d'affaires who is taking up his function. They assessed mutual relations and the possibilities of further developing them, and exchanged opinions on certain issues of the current international situation. [Summary] [Bratislava PRAVDA in Slovak 19 May 86 p 2 AU] /6662

CHURCH REPRESENTATIVES CONVENED--Prague (CTK)--The CSSR Government's Secretariat for Church Affairs organized on Tuesday [6 May] in Prague a working meeting of the representatives of all churches and religious societies in the CSSR. Dalibor Hanes, deputy chairman of the Federal Assembly and chairman of the Chamber of Nations, acquainted those present with the program of the national front and with the goals and tasks in further accelerating the economic and social development of the socialist society. In the discussion, the church figures spoke at length about the issues of the CSSR's development, about the various aspects of life in the West, and about the endeavors to distort the picture of Czechoslovakia. They expressed full support for the peace effort of the socialist countries and for the fulfillment of tasks of the national front's program. [Text] [Prague RUDE PRAVO in Czech 7 May 86 p 2 AU] /6662

CSSR, PRC PRODUCTION PROTOCOL--Prague, June 12 (CTK)--A protocol listing Chinese plants to be reconstructed and modernized with Czechoslovak participation, and suggestions for cooperation in production was signed here today at the end of talks with a delegation of the Chinese State Economic Commission. The delegation, headed by chairman of the commission Lu Dong, has been visiting Czechoslovakia since June 7 to learn about the management of the Czechoslovak national economy and discuss possibilities of further economic and technological cooperation. Lu Dong signed the protocol together with Vladimir Janza, minister-deputy chairman of the Czechoslovak State Planning Commission. [Text] [Prague CTK in English 1543 GMT 12 Jun 86 LD] /6662

SWISS RADIO, TELEVISION ACCORD--An agreement on cooperation between Czechoslovak Television and the Swiss radio and television company was concluded in Bern, Switzerland, today. The document, which envisages an increase in cooperation, above all in the sphere of exchange of programs, was signed by Jan Zelenka, central director of Czechoslovak television, and Leo Schuermann, general director of the SRC--Schweizerische Radio und Ferngesellschaft. [Text] [Prague Television Service in Czech and Slovak 1730 GMT 16 Jun 86 LD] /6662

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POLITICS

HUNGARY

SOVIET ACADEMICIAN SEES PROFOUND CHANGES IN PROCESS

Budapest MOZGO VILAG in Hungarian No 4, 1986 pp 4-15

[Interview by Andras Sugar with Tatiana Zaslavskaja: "We Must Shift To The Economic Methods of Leadership." Conducted in Moscow on 15 January 1986. A portion of this interview was broadcast on 14 February 1986 on the Hungarian Television program titled "Moscow Reports."]

[Question] Tatiana Ivanovna, in your articles you revealed quite clear and decisive views concerning the method of administration which developed in the Soviet Union during the 1930s, and which, according to you, still prevails in a practically unchanged form. What do you understand by this method of administration?

[Answer] Well, it would not be quite fair for me to say that the administrative method presently existing in our country is exactly the same as the one during the 1930s. Undoubtedly, it has changed, but primarily in its various aspects; through evolution it has been adjusted and adopted to the modern circumstances. However, such change has been far from sufficient to make it suitable to the productive forces which have grown to gigantic proportions in fifty years and the conditions which are entirely different.

Talking about the system in the most general terms, its most characteristic trait must undoubtedly be that it devotes totally insufficient attention to the economic aspects of leadership, and administrative means of leadership decisively prevail over economic ones. For this reason, I would say that our commodity and monetary relationships are significantly oppressed, and in many cases the administrative factors are not in harmony with the laws and demands of economics, but rather work against them. Under the new conditions this system--composed on the one hand of the administrative and command-based style of leadership, which sometime during the 1930s and 1940s and after the war was greatly instrumental in the mobilization of reserves, and the semi-military economic organization which made it possible to achieve significant results--is entirely unable to meet the demands it faces, and what is most important, it prevents the effective operation of human factors.

[Question] And how should you in the Soviet Union transform this system of leadership?

[Answer] You mean, in what direction? Well, the answer to that question is the mirror image of what I've said previously. Undoubtedly, the main trend should be in the direction of consistently shifting to the economic methods of leadership, including--probably in a primary position--the reinstatement into their rightful positions of the commodity and monetary relationships which, in my opinion, are characteristic, internal, and organic traits of socialist development in production; these must take their rightful places in order to contribute to the development of a self-regulating mechanism.

[Question] What concrete proposals do you have for the rehabilitation of commodity and monetary relationships?

[Answer] In practice? With your permission, I would prefer to use the example of the agrarian sector, because I am primarily an agrarian economist and sociologist, and I am most familiar with this area, although the demands of the various sectors are basically identical. On the other hand, I am convinced that the agrarian sector is most suitable for making the first steps (just as it was in Hungary, where it is commonly known that the economic reform started in agriculture, preceding its counterparts in the other branches by nearly ten years) because among other reasons, the sharpest economic demands of our society are connected with this sector, and because in that area the collective farms with their relatively high degree of personal production have survived. It is also convenient that in agriculture the economic and social aspects of life are closely connected; after all, the agrarian sphere has its own social basis, the village, where economic and social leadership are intertwined in a complex manner. Thus, I believe that in every socialist country it was the agrarian sector that first witnessed progress in the direction I am proposing.

But, you ask, what are my ideas about transforming administrative practices? If we are talking about the highest levels of administration, then the first steps have already been taken, because--as you know--six cabinet ministries and central departments have been consolidated into one national committee, the Gosagroprom, and this at least dismantled the terribly counter-productive separation between the various ministries. The role of branch and regional administration can be redistributed accordingly.

[Question] How many industrial cabinet ministries are there today in the Soviet Union?

[Answer] Industrial? Altogether more than a hundred ministries operate in our national economy, not exclusively supervising industries, but also economic activities, the work of branches...

[Question] Having authority over the entire Union...

[Answer] Yes.

[Question] If it were possible to unite six agricultural ministries into one committee, then the existence of how many industrial ministries would you consider most beneficial?

[Answer] I am not ready to answer that question yet; but certainly in no case should there be more than ten ministries. I also think, however, that it would be difficult to operate with less than ten ministries. Substantially--and, as long as we are consolidating the ministries, it would be more feasible to talk about national committees--there should be one agency for each large inter-branch complex, just as it exists in the case of agriculture. In other words, there should be a complex for fuel and energy resources, for investment; and if we are considering such large complexes, there could be ten of them, although people traditionally say that seven is the ideal number. Of course, these are merely estimates. Because what are we considering: Should there be one or a hundred? The golden mean, in my view, is seven or ten.

It is important to strengthen the regional character of administration, and probably more important in agriculture than anywhere else. If everything is controlled from the center, and there are additional "masters" in every branch, every region, district, county, and village--which dictate to every one of their subservient organs how to run each of their affairs, while failing to synchronize their actions with their counterparts; thus the agrarian equipment stations would receive one type of instructions, and the state and collective farms entirely different ones--it would be impossible to coordinate matters. . . Now that we have organized these ministries into one central committee, every resource will reach the regional units, and every one of these units--the agricultural organs at the district or country level--will have an opportunity to distribute these resources among the various branches. In addition, each of these units will be able to take its own regional situation into consideration, because environmental, meteorological, as well as socio-demographic conditions vary greatly not only from republic to republic but also within counties and even districts. For example, we are studying the border region along the Altai Mountains and found that it is a huge agrarian country in itself. The Altai border region has its own agricultural specialization, but in addition it also contains mountains, steppes, forested steppes, and strips of pine forests, and who knows what else; these are widely divergent conditions, calling for differing administrative methods. So this is one of the trends; let us call it administrative regionalization. . . .

[Question] Perhaps decentralization?

[Answer] Naturally, that too: the role of local organs must be strengthened at all levels and increasingly more at the lower levels.

[Question] But then what will the seven ministries be doing?

[Answer] To begin with, they no longer exist: they were transformed into directorates or departments under Gosagroprom. . .

[Question] I am referring to the seven industrial ministries that you would like to see established. What would they do after a decentralization?

[Answer] They should be primarily occupied with solving the strategic tasks of development, the development of the branches. . . . You understand, of course, that in socialism it is impossible to rely entirely on self-regulating

mechanisms and commodity and monetary relationships. The self-regulating mechanisms must assist, augment, and concretize the major trends, but the strategy must be developed by the central organs. Before anything else, I include in this sphere the problem of scientific and technical development, in its broadest sense. . . . This is true for agriculture, but also for the other branches. For example, let us take the problem of disproportions in structures. In our country today there are great disproportions in agriculture, as well as in other sectors, and we cannot count on having these eliminated by purely economic methods. Why? Because the economic methods themselves would have to be administered! And this is the most important task facing the central organs. So, if we say that we wish to give more opportunity to commodity and monetary relationships, re-institute the importance of profits and material incentives, use all of our resources for improving the material involvement of every enterprise, collective, and worker, and so forth, then. . . . Well, in some of my articles I use the term "economic labyrinth." This means that everyone, manager of a firm or a simple worker, encounters a certain set of given economic conditions. This is a kind of a labyrinth. Here is a cul-de-sac: Stop! There, a long and complicated route. Somewhere else, a straight road. People, driven by their individual or group interests, choose one of these roads and take off in a given direction. But this labyrinth has to be constructed. Because if a behavior pattern is beneficial for the individual but detrimental to society, then nothing good comes of the whole thing. Thus, I feel that the primary function of economic leadership under the new conditions will be to construct such an economic labyrinth, such an economic regulatory system, a combination of planning and management norms, prices, wages, taxes, redistribution, etc., in which people, taking off guided by their own interests, will proceed in a direction that will benefit society.

[Question] What are people's incentives in the labyrinth that exists today?

[Answer] Well, I as a sociologist have difficulties answering such a general economic question. The answer should be quite simply that the managers are interested in higher profits and so forth, while workers are interested in increased earnings. At the same time, however, all sociological research reveals one of the problems of our leadership, namely that today's Soviet man --thanks to everything that took place during the past few years, the higher degree of training, and the general rise in informational and cultural level-- is much more complex than previously, and (while this may be difficult to demonstrate in a quantitative manner) purely economic demands, though still in a position of priority in the whole spectrum of his needs, no longer exclude other considerations. For this reason, even though we discuss, and will continue to discuss, the problems of economic leadership, we cannot forget that money is not everything for today's individual, nor is it the most important thing. Of course, our leadership must take this into consideration. If we concentrate all our calculations on how to reorganize the methods of obtaining more rubles, maybe people would not work in the manner we would like them to. But, talking about the methods of economic leadership, what motivates people? Naturally, the simple worker wants to earn a good income. However, nowadays good wages are not obtained exclusively by working effectively. There are many small corridors in that certain labyrinth. There is a straight road: They tell you that you must work hard and perform well,

and then you will earn a good income. Beautiful! But one sees that here is a back-door leading to the same place as the straight road; there the fence is low, one can step over it without even climbing--in other words, the conditions of useful and unproductive work are not equal. This is one side of the story. There is more: the various economic and otherwise motivating funds are created in a widely divergent manner. And this affects the simple workers. There are also differences in the conditions facing stronger and weaker economic units. Remuneration for social and personal production also differs significantly. In other words, it is important how one divides one's energies between the public and private spheres. One can increase one's income by reducing one's contribution to society's production process; for example, one can become a night watchman.

[Question] One may rest. . .

[Answer] Yes, one may rest. Then there is the private sphere, with greenhouse-cultivation, central heating repair, mechanization, flower- and fruit-growing, etc.; one can earn good money there. Well, so much for the simple worker. In my view, however, one of our most important problems is with the behavior of managers. They are in a complicated situation, because they receive demands from above that are different from those used by the workers. In a way, the manager is between the hammer and the anvil. What is more, nowadays the demands coming from above are of an administrative instead of an economic nature. To put it simply: in selecting the "best" and most decorated managers, primary consideration will be given to those who fulfill the plan and even propose their own variants on the plan, instead of those who supervise production in the economically most effective manner, focus on quality as well as quantity, and reduce production costs to the minimum. . . And subjectivism abounds in this area. Much depends on the level at which the plan was evaluated; one manager receives an easy plan, the other a difficult one; the obedient manager will be rewarded by a light schedule, it can easily be surpassed, and the decorations will be forthcoming; another manager who may be working more effectively, will receive no recognition, because his apparent plan-fulfillment is lagging, even though the local breakdown of the plans is entrusted to the leadership of districts and regions. . . Thus the existing relationships are nothing more than various kinds of power-relationships, such as the one existing between the district leaders and the president of the local collective farm. The latter is compelled to obey, to stand at attention, to do whatever he is told, profitable or not, beneficial or not. This is the situation. And since everyone is human, a concrete living being, not a two-legged idealized scheme interested only in the public good, everyone has a family, children; everyone is interested in furthering his career, not only wanting to avoid demotion, but also wanting to get ahead, and so forth; under the conditions he is compelled to accept the orders of the district leaders and frequently to act in an economically harmful manner. I have a concrete example: our experimental collective farm, called the Road to Communism, in the Kosikhin district of the Altai border region. Here the economic results are more important than elsewhere, because the earnings of every section are in strict accord with their production, and every kopek counts. They have an internal accounting system, they use checks to account for every one of their expenses, even among their various sections. If, for example, one section helps out another with labor, the loan of a tractor or

seed, these are all billed. And naturally, the sections only receive monetary shares if the collective farm has money. Suddenly the farm received an order that by September 25 it must finish the compulsory delivery of grain to the state agencies. Why? Because the district leaders pledged to complete delivery by that date, and the deadlines thus determined must be met. But the grain is wet, the storage facilities are not ready, and the work cannot be accomplished by September 25. The leaders of the farm said: We will deliver by October 5, we cannot do it earlier. But you must do it earlier! At today's prices, this will cause a 200,000 ruble loss for the collective! Economic considerations called for the processing of the grain, before it is delivered to the state, but the administrative instructions made this impossible, even though it would have made no difference whatsoever if the grain was not delivered by September 25. Was it in the public interest to have the grain delivered by that date? Not at all! This was merely in the interest of the district leaders, who expected praise for such early delivery. There was no other reason behind this instruction. Yet, the leadership exercised considerable pressure on the collective farm, and if the latter refused to obey, then the president would have ceased to be a "good man," and a conflict situation would have developed.

[Question] You mentioned checks.

[Answer] Yes.

[Question] But, as many Soviet economists point out, the prices themselves are not realistic. For example, private automobile owners pay forty kopeks for a liter of gasoline, while collective farms pay two kopeks. Under this price system, how can means of remuneration influence everyday activities?

[Answer] Within the collective farm the system of checks is based on so-called pre-determined prices. In other words, one of the collective's committees appraises every one of the collective's resources, and in this manner the collective isolates itself from outside influences. Two avenues of contact come into being: the internal, economic one, between the various sectors of the collective, and the external one, which is more administrative than economic in character. And there is a dividing line between the two. When the collective sells its grain to the state, it receives the going price, but in all aspects of redistribution and in every internal deal it is conducted on the basis of prices deemed correct by the collective.

[Question] But if this is the case, does the ruble in fact exist? Is there a red-ribboned ruble and green-ribboned ruble? Wouldn't it be possible--and desirable--to create a unified ruble for all economic transactions?

[Answer] Of course, that would be desirable! But when we began to experiment in one small collective farm, it was like lighting a small candle in a huge dark forest: just as we cannot illuminate the entire forest in that manner, neither can our experiment change the system of relationships. . . I know, of course, that your question has broader implications. Well, I have no doubt that the ruble should be more uniform, because in fact nowadays we need to use many more than two kinds of ribbons. There are several kinds of rubles, and they do not correspond to each other. And naturally, there are more than two

segregated markets, each with its own rubles. The development of commodity and monetary conditions, so frequently mentioned earlier, would mean the creation of a unified national market, in which one ruble would be worth one ruble.

[Question] Would this market be limited to foodstuff, or would it also include investment goods, machinery, and so forth?

[Answer] Of course, no question about it.

[Question] Everything will find its way to the market, so that the market will involve all economic transactions?

[Answer] In principle, that is the way it should be. I would like to see the first steps in this direction. The main obstacle in this direction is the problem of shortages. Today our economic equilibrium is poor, so that if we were to place every kind of machinery on the free market, they would rapidly disappear, and this could even have negative consequences. Again there would be the problem of replacement parts, and the like. . . Everyone who was not quick and did not purchase in time, would be in trouble. For this reason, I believe that we have to proceed gradually when it comes to the transition to free-market conditions, especially with machinery and other capital goods. In the first stage, we should free up the commercial distribution of all capital goods that are not considered to be in short supply, and there are many items like that. However, as for the commercialization of capital goods that are in short supply, we must preserve the existing system of distribution for a while. Of course, the principles of existing distribution are debated by economists: there is no uniform view on how it should be done.

[Question] What is your view?

[Answer] I do not believe I have finalized my opinion yet. I know what I oppose: the view according to which the weakest link must be strengthened, that is, the distribution of shortage items should be considered as a state subsidy. I am strongly opposed to this, because it contradicts the principles governing commodity and monetary conditions.

[Question] A question of authority.

[Answer] More than that. After all, I believe that every decision concerning distribution is a question of authority. For even if the wisest, best-informed person sits at the desk, racking his brains on who should receive what, his decision is still going to be based on authority. Even in the case of having several good answers, one or another of the versions will be favored. So as long as there is distribution, there will be decisions based on authority. It is a different question, however, what the factors are on which such decisions are based. One approach proposes that we should favor the weak units, those who are always behind. This conflicts with the spirit of commodity and monetary conditions--which, after all, still says that an economic unit should receive as much as it has produced--and implies that we covertly rearrange the distribution. We say: Someone else produced this, but we give it to you, here are some more tractors and fertilizer. . . This

contradicts the theory. On the other hand, if we strictly follow the logic of commodity and monetary conditions, then we have to give the goods to those units which are able to purchase them or are able to pay more for them. For example, there is a shortage item, let us say a tractor, which everyone needs. Well, let us make it possible for it to be sold at a price that is developed by the market.

[Question] Supply and demand.

[Answer] Yes, according to the law of supply and demand. Which collectives will buy the tractor now? Those whose calculations indicate that they will make money on the purchase. For instance, in the beginning the tractors are sold for 3,000, and they are snapped up in no time. We raise the price to 5,000, and they are still shortage items. Now the price is raised to 7,000, and now supply and demand reaches an equilibrium, and there are only about a thousand collectives which are willing to pay that much for the tractors. Why this tractor, and why not another one? Because, according to their calculations, they will earn 9,000 after they purchase the tractor for 7,000. Obviously, these are the collectives which need this tractor the most. And if this is the case, we should let them purchase the tractors. On the other hand, if the price of a tractor, which is a shortage item, is raised from 3,000 to 7,000, its manufacturing will become profitable for the factory that makes them, and it will produce more. In this manner, we eliminate shortages, and we also solve the decades-old problem of not having enough replacement parts. Why couldn't we solve these problems by selling commodities at prices which are economically feasible?

[Question] Talking about the market, one frequently reads in the Soviet press about cases where the authorities confiscate twenty kilograms of potatoes from someone taking it to the market, saying that this is profiteering. Anything, just so an individual should not become rich! Are there still such approaches operating?

[Answer] I do not think so. I can honestly say that in practice I have not met this kind of thinking for about ten years now.

[Question] Last year I read in the LITERATURNIAIA GAZETA that someone was transporting potatoes in the trunk of his Zhiguli, in the Tambov or Lipetsk district, and he was stopped at the district border and accused of being a speculator.

[Answer] Well, things like that could happen along the borders. However, I believe that this is not a manifestation of an attitude opposed to private farming, because the state and the party have clear policies concerning that, and they constantly introduce new methods to help the farmers who cultivate their own small plots of land. What may have happened in these cases was this: if the farmer wanted to sell potatoes or meat in his own district, then the goods would have contributed to the supply of that district, thus easing the problems of the local authorities. . .

[Question] But that is not an economic consideration. . .

[Answer] Of course not! This is a typical manifestation of the administrative approach. But I must add that claims of profiteering are nonsense, especially if there only twenty kilograms of potatoes were involved. In practice, some people earn great incomes by providing auxiliary personal services. Some people with larger-sized private plots earn as much as 2-3,000 rubles, and no one accuses them of making money without work. Quite the contrary, there are many laws stimulating the sale of goods produced in the private sector. For example, the sale of meat to the state is more attractive, because the seller does not have to transport it to the market and spend time and effort in selling it. To reciprocate, the state occasionally sells shortage items to private suppliers, thus further encouraging the practice. The example you brought up was obviously an instance of "local initiative."

[Question] We also read in the papers that when it comes to providing personal services--the repair of automobiles or domestic appliances--the participation of private craftsmen approaches 45 percent. These are illegally operating private craftsmen, the so-called second economy.

[Answer] Yes.

[Question] Do you think that this second economy should be legalized, so that its participants could be taxed, licensed, etc.? After all, the practice exists anyway.

[Answer] There is no question about it, it should be legalized. I support this wholeheartedly. I believe that eventually every socialist country will find this the correct road to follow; true, we are already experimenting with it in places, such as the Altai border region. We experiment with it, in part through the expansion of cooperative forms, and in part on an individual basis. It is considered particularly well suited to the villages, because in those areas one has to travel to the district seat to have something repaired, while there are shoe repairmen and seamstresses already in place. . . . Why shouldn't they take care of local needs, without the burdensome bureaucratic machinery? Why shouldn't we establish direct contacts between people? But, in our country, this may be premature. . . . I have heard that this phenomenon is making progress in Armenia, but in our region, Siberia, things move slowly, and largely due to psychological reasons. We do not have many people who wish to proceed along this road. On the one hand, we have lost the traditions of this life-style, and people are also a little cautious: they say, today the situation might be this, but what if things change tomorrow. The practice has no social prestige, either. It is one thing to hold a job in the social sector, but what is one's status if one is a private craftsman? Things will change very slowly in this area. It will take a long time for the population to react. Evidently, even those people who now provide the illegal services would not rush to become private craftsmen on a full-time basis. Right now, they provide the services in their spare time, while their primary occupation may be machinist or tractor driver. It is one thing for them to earn some extra money in their free time, but if you tell one of them, "Go ahead, Boris, open your own little shop, and become a full-time serviceman!" he would say, "No, I will not."

[Question] Do people lack confidence?

[Answer] Yes, they do, and. . . Well, you see, we have come a long way in nationalizing production. After all, it has been seventy years, the working population of today was born into these conditions, and the old traditions have died out. Their memories may have survived in the Baltic republics, after all, there are still people alive there who remember private industry. But in the rest of the country, such memories do not exist, and people are afraid of new ideas; they would say, "This is not the way we do it; we do not understand these things." I am talking about Siberia now. Of course, there are significant differences between the various republics when it comes to these matters. Still, I am convinced that we must break down these walls of mistrust and psychological anxiety, because the bureaucratization of the services causes great difficulties for the entire population. When one takes in a pair of shoes to have it repaired, one is likely to be told that it will be ready in a month; and, of course, it will be repaired so poorly that it will have to be returned. . . . How different it would be to develop direct contact with one person, to have him look you in the eye and say that the shoes are repaired, and for the shoes to be repaired, and repaired well, because otherwise the craftsman would not see his money.

[Question] The term private craftsman is practically considered one of insult in the Soviet Union. At least, it is my impression that it has a negative connotation.

[Answer] No doubt about it, its public image is somewhat negative.

[Question] But Lenin said that the NEP--the new economic policy--is applicable for an entire historical period, not just for five years. Could it be that Soviet economists will bring up the question of reviving the practices of the NEP?

[Answer] You know what they say: You cannot step into the same river twice.

[Question] That is clear. . .

[Answer] It is even less possible to step into time twice. In addition, if we compare Russia of 1921 with Russia of 1986, we find great differences, not only in the level of productive forces, but also in people! I believe that this is reflected by the reaction to the modest experiments in the area of services. Also, the NEP was designed primarily for peasantry; after all, there was the huge mass of rural people to whom the slogan "Produce and sell!" was absolutely in accord with their natural inclination, and whose practices were still based on private land-ownership. But now? It would not even be simple to find the layer of the population that would support the new ideas. Of course, the fact that there is progress in the family-cultivated plots tells us that there are still people who favor the old methods. The same family-based entrepreneurial practice could be introduced in operating restaurants, too. Do you agree? Let us say, a family takes over a restaurant, pays leasing fees, and manages it. Of course, there are differences: In agriculture, the private relationships remained alive, even if they were not on the surface. The same thing could not be said for commerce,

the restaurant industry, and the service industries: for many years there was nothing resembling the old practices. It turns out that it is not easy to bring life to the whole idea.

[Question] I would also like to ask you about entrepreneurship within the industrial firms, when a group of workers undertake to complete a specific assignment for an extra fee. In Hungary this is. . .

[Answer] I know, this is a widespread practice in Hungary.

[Question] And in the Soviet Union?

[Answer] As far as I know--and I may not have all the information--this is only at the stage of being actively discussed in the Soviet Union. It is in fact genuinely debated: there are many people who are committed to developing secondary employment in various manners. After all, what is the situation in our country? On the one hand, we say that there is a shortage of labor and public opinion surveys in Siberia show that 17 percent of urban workers have second jobs of some kind, and an additional 24 percent stated that they would like to obtain such second jobs. In other words, there are not enough shifts, because there not enough workers for the various tasks. Close to one quarter of the population would be ready to take on additional work, but the present legal restrictions prevent them from doing this. Consequently, opening the channels in this direction appears to be natural, because it would mean utilizing the untapped labor reserves. Such experiments have been conducted in Chaliabin district, and they were expanded for the entire Ural region. This is one method through which they attempt to expand employment for the entire population, in various forms. We are testing the forms, including the one involving the formation of enterprising brigades. Right now we are waiting for permission to undertake similar experiments in Siberia, because it appears that in that region the personal and social interests coincide.

[Question] Tatiana Ivanovna, have the working conditions for economists improved since the April meeting of the Central Committee?

[Answer] You mean, for economic scientists?

[Question] Yes.

[Answer] I believe that conditions have improved significantly. My first impression is that the winter lasted too long, the river was frozen over, then finally the ice started to thaw, and the ice-breaker started its work. We have made progress on many issues which remained unsolved for years and were beginning to appear insoluble. How progress, real progress, accelerated! Economic life itself is beginning to change. Immediately, new demands were raised in the area of economic thinking, too. After all, in the old days, it was accepted that we come up with the same proposals for decades. There sits the economist, develops a proposal, while the other leaders think that they have to come up with practical ideas. Here is our example, the social development of Siberia. What should be done? Well, in 1970, we developed a course of action, enumerating what should be done. Then came 1975, and the leaders turned to us: Well, you have had five years to think, what are you

[Question] I beg your pardon, but in former times it was said that Soviet society does not have any groups which are interested in hindering progress; that there are no groups which have their own special interests, and which are opposed to progress.

[Answer] Well, I believe that this is a simplified view. What is more, I believe that nowadays even party statements refute this. In any event, economic and social scholarship devoted much attention to the issue of interests. Earlier, the term was hardly used. This was determined by ideology: the basic tenet was that individual interests must be made unquestionably subservient to communal interests, and group interests to those of the entire society. This was that; and this was considered a characteristic of socialism.

[Question] And you feel that there can be various interest groups?

[Answer] To begin with, this is not my own view, but that of Marx. As it is commonly known, Marx, and Marxism, devoted a great deal of attention to the category of interests, and both Marx and Engels formed very strong judgments concerning this issue. The issue was that life revolves around interests, and that every human activity is based on interests, and so forth; there is even a beautiful expression that every theoretical ideal loses its complete practical usefulness if divorced from interests. Another question is: What determines interests? Marx also answered this fully: interests are determined by the objective situation occupied by one; and being determines consciousness, including those aspects of consciousness that involve man's interests and behavior. The statement according to which everyone has identical interests would be true only if everyone occupied the same position in society. But we cannot ignore the fact that society is a system of complex components, made up of layers, classes, and groups that occupy differing positions in the hierarchy, with differing production means and social organizations; it is, therefore, evident that their interests would be determined by these factors. The existence of interests cannot be denied, especially since the entire sphere of economic life proves that it is nothing more than the struggle between conflicting interests.

[Question] You would not consider it practical for these groups to openly manifest their own interests, would you?

[Answer] Of course, I would.

[Question] How do you visualize this in practice?

[Answer] Well, . . . this is closer to politics than to economics or sociology: the possibilities for manifesting the various group interests. However, the general answer is obviously in the complete democratization of life, including the sphere of economics. But as for the concrete possibilities for realizing this, all I can say is that we are all very interested in this topic now. We are striving to develop practical methods. After all, we are not only talking about the economic work teams at the enterprises, but regional groups, too. Let us say that there is a village, and someone at the district level decides that it must be liquidated, since it

has no future. The residents have not been asked. Where can they voice their opinions? Their interests are common: they wish to remain where they were born. In addition, they also would like to have a bus stopping in their community, and they also need a small store. These are concrete interests. But where can they voice them? Let us say, through their deputy. But deputies are not the same: some are active, others are passive. And if their deputy is passive, then these people have no way to express their wishes. Therefore, I believe, that this is a broad problem, and it should not be narrowed down to the--otherwise important--issue of increasing the role of economic work teams, or the creation of partnership between the enterprises and their management. What is needed is not a unilateral relationship, with its oppressive aspects, but a bilateral relationship in which both partners mutually fulfill their obligations. What are the concrete forms in which this can be realized? I believe that this question would be better answered by legal experts; yet, I believe that there are such forms. We can look for them in other countries, too. The most important thing is for us to acknowledge that these efforts are necessary, that we must take off and make decisive progress along this road, because there is resistance to our efforts. After all, the transformation we are trying to achieve in the economic sphere will, in the long run, transform other conditions: how influence, power, and importance are distributed among the various groups of society. And, naturally, anyone who loses influence, will not be enthusiastic about the changes.

[Question] Which social groups could you point out right now, saying that they are hindering progress?

[Answer] I believe that nowadays we would be primarily talking about the functionaries in the cabinet ministries at the federal and republic level, though, to a smaller degree, we would also have to include the relatively high-ranking officials of regional organs, as well.

[Question] The mid-level functionaries?

[Answer] Yes. But I would not wish to talk too much about this, because I know--primarily from personal experience, and from the experience of my friends--that there are a great many decent and honest people in those offices, who are both interested in and able to place general public interests above specific ones. They will be able to put their convictions into practice, because the reformist re-organizations will not pose a danger to their positions. Those functionaries who feel that they could work effectively under the new conditions, are already active in support of reforms. After all, every one of our citizens is interested in the fate of our country. Therefore, I would not like to level a general accusation against all mid-level functionaries, or any other groups. Yet, it is impossible not to acknowledge that this is the level of society at which all reform proposals meet their end; this is an impotent and extraordinarily conservative layer of society. Every plan wilts in their hands. They represent something like the black hole, which irrevocably swallows everything.

proposing now? We look at the 1970 proposals and see that here and there a few things have changed a little, but essentially our proposals remained the same. Then came 1980, and we proposed the same course.

[Question] Were you harmed?

[Answer] Nonsense!

[Question] Only nothing happened.

[Answer] Nothing, because life was crawling along at such a slow pace, that practically nothing changed in five years. If we look back at 1983 now, we hardly recognize the period, and 1980 is even more remote. Still, many people quite frequently get the feeling that we have not worked enough, that we should have made even more progress, even more rapidly, and so forth. Objectively, I still feel that the reason we strive for more impressive and more rapid achievements is because we are sitting on a swiftly running train. When one is on a moving vehicle, one does not sense speed; but if one looks out the window, one notices how fast we are leaving things behind. Our changes should be viewed in such a historical perspective.

[Question] You and your economist colleagues are sitting on the train: Does the engineer listen to your suggestions?

[Answer] We have no doubts about it: He listens.

[Question] Gorbachev said in 1985 that not every party activist has been liberated from the pressure of powerlessness, and that there are forces which hinder progress. In your opinion, which social groups hinder progress today?

[Answer] Those whose every interest was tied in with administrative leadership methods, who grew up within the framework of this system and were shaped by it. As Marx said, people are the products of the social system in which they exist. These people, starting from the time they were in their twenties, or whenever they finished their college education, all the way to the age of 50 or 60 or however old they are today, have been influenced by the old conditions. Any change being proposed today is hopelessly alien to them. This represents at least two different types of hindrance: On the one hand, there is the purely social or socio-economic manner in which this administrative leadership system will concentrate all of its (economic, political, and other) influence at the highest level, preventing local autonomy, and lowering local functionaries to the level of obedient executors. These are the people working in the various cabinet ministries, they have control over what is being distributed; one stroke of their pencils determines the fate of enterprises; people stand at attention before them; and they are considered powerful men.

[Question] They have prestige?

[Answer] Not only prestige; real influence, too. They have even influenced a certain life-style. . .

[Question] How much time must pass before we can again sit down for a conversation like this and discuss achievements?

[Answer] Well, if I may say so, the new period in which we live is not even one year old, and it has already achieved a great deal. You know, this is a latent, unspectacular period; much of what is happening nowadays has not reached the surface yet. This is a period of preparation.

[Question] There is movement under the ice.

[Answer] Certainly, the water is flowing under the ice. For this reason, I believe that a year from now we could meet again. Of course, I could be too optimistic; in historical perspectives, one year is no more than a minute. Still, I believe that as early as one year from now, we could say: 1986, what a long time ago that was! At least, I wish to believe that this will be the case.

[Question] Thank you for your views.

12588

CSO: 2500/315

POLITICS

POLAND

TYGODNIK POWSZECHNY HAILS PRZEGLAD KATOLICKI

AU051838 Krakow TYGODNIK POWSZECHNY in Polish 1 Jun 86 p 3

[Article signed "JK": "The 100th Issue of PRZEGLAD KATOLICKI--The Ethics of Words"]

[Excerpts] "A jubilee is an occasion for solemn words, but this once neither time nor circumstances provide incentives for celebrations. The very fact that the periodical has appeared for the 100th time, which normally should be taken for granted, is already a reason for joy. After all, we now know that nothing can any longer be quite taken for granted." This is how the PRZEGLAD KATOLICKI team has recorded its jubilee. It has recorded it in a rather melancholy manner devoid of jubilee elan. Well, when it published its first issue on eight pages and in a small number of copies, it hoped for a constant growth of the periodical, but the fact is that both the number of copies and of pages has had to be reduced in the course of time. "We promise our friendly readers and all interested people," the team writes, "that we will never come to terms with a situation in which a periodical published by the primate of Poland looks like a small gazette published by an enterprise."

We of the TYGODNIK POWSZECHNY very much regret this situation. We remember how from its very first reissue (PRZEGLAD KATOLICKI was founded in 1863 rpt 1863) this fraternal weekly was devoured by the people of Krakow and how from the very beginning its editorial team acquired a great momentum in its journalistic work, representing not only expertise and professional knowhow, but also a professional punch. The speedy reporting and expertise are still there, but the need to reduce for good the number of pages to four was bound to cause an enormous impoverishment of the weekly, and this is causing great pain to the editorial team as well as to readers. However, one thing is certain against the background of the past few years: The weekly was and is our ally, one whose concerns are the same as ours.

In the 100th jubilee issue Jadwiga Puzynina writes:

"For the past few years more and more has been and is being said about manipulation, including language manipulation, about the fact that a constant repetition of false and groundless judgments causes readers and listeners to accept them as true, and about the fact that emotional and expressive arguments and their incomprehensibility caused by the overabundance of

verbiage paralyze the intellect of the reader and listener and make it impossible for him to reflect calmly on the true content of such arguments.

"To speak the truth is a heroic virtue, but the roots of this virtue and of its antithesis--the lie--are embedded in daily life. It is here that all ethics, including the ethics of words, begins and develops. The lie continues to poison the entire lives of societies.

Even a small lie falsifies reality and constitutes a disloyalty toward one's partners in dialogue, who always expect the truth, and renders one's own conscience insensitive. A lie may transform itself into an addiction, into a kind of psychological automatism. A lie is a destructive force for both partners: for the one who lies and for the one who is being deceived."

This article entitled "The Ethics of Words" sounds like a manifesto in the 100th issue, a manifesto to which PRZEGLAD KATOLICKI has always tried to be faithful. Would that, celebrating its 1,000th issue, we may be able to devote an extensive study and not just a column to this weekly. We have already devised a title for this study: "The Ethics of Words--About the Achievements and Services of PRZEGLAD KATOLICKI for the Catholic Church and Polish culture." Such are our wishes.

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CSO: 2600/481

POLITICS

POLAND

READER COMPLAINS ABOUT SCHOOL PRACTICES

AU061837 Warsaw TYGODNIK POWSZECHNY in Polish 1 Jun 86 p 7

[Letter to the editor: "My Children's School"]

[Excerpts] My 10-year old daughter hates her school. This hatred began with her very first days at the school when, together with other children she had to take the following vow in front of Feliks Dzierzynski's portrait (the school bears his name): "Reliable and thorough study is our contribution to the building of socialist Poland."

After this I had another shock. My daughter did not want to go to her school because no one wanted to walk with her during the break. When I told her she should walk alone she told me this was not allowed. I could not believe it until I saw for myself. During the break all the children on the same floor have to walk around in pairs [in the corridor] under the watchful eyes of a woman teacher who must not leave her post under any circumstances. While I was watching the children the teacher kept barking commands such as "No slowing down," "Not so fast," "Keep in line," and "Where to?" A child wanting to go to a lavatory during a break must ask permission as is the case in the classroom. The marching children nervously nibbled at their sandwiches. I was told that the school was overcrowded and that the safety of children must be ensured during breaks. My daughter is now in her third grade and her "recreation during the break" is still being organized. She views her future with aversion.

The day before yesterday I had another shock. My daughter told me that her class played a "game" devised by "the lady responsible for the scouting movement." All the children were given sheets of paper with the names of all pupils and were asked to put two crosses against the name of the pupils they liked very much, one cross against those they liked so-so, a zero against those they are indifferent toward, a minus sign against those they rather dislike, and two minus signs against those they dislike very much. Other sheets contained questions such as "With whom would you prefer to go to the movies or for a walk?," "Who is the biggest sissy?," "Who grumbles more than anyone else?" and a few more such questions. The pupils had to write the names of other girls and boys against these questions.

My daughter thought this "game" was great fun, but I was shocked and continue to be shocked. I have no idea of the purpose of that "game," but if the school

is supposed to train children in this way then I would like to train them myself. Unfortunately, I am compelled by law to send my children to school. It is astonishing that other parents do not share my shock. But the worst thing is that my younger daughter will have to start her schooling this September.

Signed: Maria Nowak

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CSO: 2600/482

POLITICS

POLAND

BRIEFS

RAKOWSKI ATTENDS IDEOLOGICAL CONFERENCE--The PZPR program thesis "the workers' class is the leading force in socialist change" was the theme of an ideological conference held at the "Boleslaw Bierut" Truck Factory in Lublin. Taking part in the meeting were worker aktivs of leading industrial plants in the voivodship and members of the PZPR Congress Commission. M.F. Rakowski drew attention to the need for consistent rationalization in our economy and social life and for greater participation by nonparty members in management and government structures. [Summary] [Warsaw TRYBUNA LUDU in Polish 24 Apr 86 p 2 AU]/12766

SIWAK VISITS OFFICERS SCHOOL--Matters connected with the upcoming 10th Party Congress were the subject of a meeting between Albin Siwak, PZPR Politburo member, and the professional party cadre and student aktiv of the Ministry of Internal Affairs Higher Officers School held on 24 April. A. Siwak presented party membership documents to 108 newly admitted party members and candidate members. [Text] [Warsaw TRYBUNA LUDU in Polish 25 Apr 86 p 5 AU]/12766

BEJGER SPEAKS IN GDANSK--Speaking at the working meeting [date not given] of the Gdansk shipyards party organization, which discussed the pre-congress campaign, Stanislaw Bejger, PZPR Politburo candidate member, "evaluated the course to date of the pre-congress campaign countrywide and in Gdansk Voivodship, stressed its differentiated character in individual enterprises and communities, and noted that people raised various issues and postulates with increasingly great precision." [Summary] [Warsaw TRYBUNA LUDU in Polish 14 May 86 p 2 AU]/12766

KOZIOL MEETS TRADE UNIONISTS--On 17 May Deputy Premier Jozef Koziol met with representatives of the Federation of Fruit and Vegetable Industry Trade Unions including the chairman of the federation, Jerzy Kozlowski, and the chairman of the "Fruktopol" Association Council, Bogdan Zarzycki. They discussed problems connected with accelerating the development of this sector of the economy and ensuring the availability of packaging for fruit and vegetable products. [Text] [Warsaw TRYBUNA LUDU in Polish 19 May 86 p 9 AU]/12766

LEADER APPEARANCES--PZPR Politburo candidate member and Central Committee Secretary Jan Glowczyk took part in a 7 May meeting of a team of the PZPR Congress Commission whose purpose is to work out reports for the 10th Congress. [Summary] [Warsaw TRYBUNA LUDU in Polish 8 May 86 p 1 AU] Politburo member Stanislaw Kalkus and candidate members Wlodzimierz Mokrzyszczak and Stanislaw Bejger took

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part in a 7 May meeting of a team of the PZPR Congress Commission whose purpose is to examine and prepare proposals concerning changes to the PZPR statute. [Summary] [Warsaw TRYBUNA LUDU in Polish 8 May 86 p 1 AU] Jan Glowczyk chaired an 8 May meeting of the PZPR Central Committee Social Policy Commission, which examined work safety and hygiene in the period between the 9th and 10th Party Congresses. [Summary] [Warsaw TRYBUNA LUDU in Polish 9 May 86 pp 1, 2 AU] Sejm Vice-Marshal Mieczyslaw F. Rakowski took part in an 8 May Lodz conference of delegates to the 10th PZPR Congress which viewed problems concerning the development of socialist democracy contained in the draft PZPR program. [Summary] [Warsaw TRYBUNA LUDU in Polish 9 May 86 p 5 AU]/12766

LEADER ACTIVITIES--On 21 May, Kazimierz Barcikowski, PZPR Politburo member and State Council deputy chairman, attended the preconference in Gorzow Wielkopolski, and Central Committee Secretary Waldemar Swirgon attended the preconference in Lublin. [Summary] [Warsaw TRYBUNA LUDU in Polish 22 May 86 p 1 AU]/12766

LEADERS AT MEETS.--On 22 May, PZPR Politburo member Hieronim Kubiak and Central Committee Secretary Henryk Bednarski attended the preconference in Czestochowa; Marian Wozniak, PZPR Politburo member and Central Committee secretary, and Politburo member Zofia Grzyb, attended the preconference in Radom; Jan Glowczyk, Politburo candidate member and Central Committee secretary, attended the preconference in Plock; Central Committee Secretary Jozef Baryla attended the preconference in Suwalki; and Central Committee Secretary Zbigniew Michalek attended the preconference in Koszalin. [Summary] [Warsaw TRYBUNA LUDU in Polish 23 May 86 p 1 AU]/12766

SIWICKI MEETS EDITORIAL COMMITTEE--Army General Florian Siwicki, minister of national defense, on 30 April received the editorial committee for publishing a 12-volume "History of World War II." F. Siwicki said that military and civilian historians, young people, and history lovers will receive a work based on Marxist-Leninist methodology which illuminates the effort of the Soviet Union and its armed forces as well as that of its allies, in overcoming German fascism and Japanese militarism. Thanking the committee for its labor, F. Siwicki handed them letters of congratulations and commemorative medals of the Polish People's Army. [Summary] [Warsaw ZOLNIERZ WOLNOSCI in Polish 2 May 86 p 2 AU]/12766

SIWICKI ATTENDS DIVISIONAL CELEBRATION--On 12 May Army General Florian Siwicki, minister of national defense and PZPR Politburo candidate member, met with veterans and soldiers of the "Tadeusz Kosciuski" 1st Warsaw Mechanized Division on the occasion of the 43rd anniversary of the division's formation. Also taking part in the meeting were Division General Tadeusz Szacilo, chief of the Main Political Administration of the Polish Armed Forces; Division General Jerzy Skalski, commander of the Warsaw Military District; and Brigade General Jan Socha, deputy commander responsible for political affairs of the Warsaw Military District. [Summary] [Warsaw ZOLNIERZ WOLNOSCI in Polish 13 May 86 pp 1, 2 AU]/12766

SIWICKI ATTENDS RESEARCH MEETING--The main tasks stemming from the Third Congress of Polish Science, and ways of carrying out these tasks through cooperation between the Ministry of National Defense and the Polish Academy of Science,

as well as an assessment of the results of cooperation to date were the subject of a meeting of representatives of the Ministry of National Defense and the Polish Academy of Sciences which took place in Warsaw. Taking part in the meeting were: Army General Florian Siwicki, minister of national defense and PZPR Politburo candidate member, and Professor Jan Kostrzewski, president of the Polish Academy of Sciences. [Summary] [Warsaw ZOLNIERZ WOLNOSCI in Polish 3 Jun 86 pp 1, 2 AU]/12766

NEW BANK OFFICIAL APPOINTED--Krzysztof Trebaczkiewicz has been appointed deputy chairman of the Polish National Bank, his special duties involving the supervision of administration and personnel. [Summary] [Warsaw TRYBUNA LUDU in Polish 3-4 May 86 p 2 AU]/12766

GORYWODA RECEIVES GDR OFFICIAL--Vice Premier Gorywoda, chairman of the Planning Commission, received on 30 April Dieter Albrecht, deputy chairman of the GDR State Planning Commission, and discussed with him opportunities for further tightening Polish-GDR economic cooperation in selected areas and the cooperation between the Polish and GDR central planning bodies. [Text] [Warsaw TRYBUNA LUDU in Polish 3-4 Apr 86 p 5 AU]/12766

POREBSKI IN WALBRZYCH--Tadeusz Porebski, PZPR Politburo member and Central Committee secretary, attended the 3 May plenum of the PZPR Voivodship Committee in Walbrzych, which evaluated the course of the pregress discussion to date. [Summary] [Warsaw TRYBUNA LUDU in Polish 5 May 86 p 2 AU]/12766

FOREIGN DELEGATIONS--A delegation from the RCP Central Committee visited Poland from 5 to 9 May, headed by Central Committee member Ion Catrinescu. The delegation held talks with the PZPR Central Committee Political-Organizational Department and acquainted itself with the work of party organizations and cells in two voivodships. The delegation was received by PZPR Politburo candidate member Wlodzimierz Mokrzyzszak. [Summary] [Warsaw TRYBUNA LUDU in Polish 10/11 May 86 p 8 AU] On 9 May, Central Committee Secretary Zbigniew Michalek received a delegation from the SED Central Committee Central School for Training Leadership Cadres, headed by its rector, Heinz Zacharias. [Summary] [Warsaw TRYBUNA LUDU in Polish 10/11 May 86 p 8 AU] Sejm Vice-Marshal Mieczyslaw F. Rakowski received a delegation from the Beijing Institute of International Studies headed by its director, Zheng Weizhi. [Summary] [Warsaw TRYBUNA LUDU in Polish 10/11 May 86 p 8 AU]/12766

PLANNING COMMISSION PRESIDIUUM MEETS--A draft version of the principles to be contained in the Central Annual Plan for 1987 was the subject of a session of the Presidium of the Planning Commission attached to the Council of Ministers held on 20 May: The session was attended by representatives of certain ministries and the Polish National Bank. [Summary] [Warsaw TRYBUNA LUDU in Polish 21 May 86 p 2 AU]/12766

ACCORD WITH NIGERIA--The accord, which was signed in Warsaw on 3 May between the Polish Journalist Association and the Nigerian Journalist Union for 1986-88, is designed to facilitate the activities of Polish and Nigerian journalists with a view to improving the understanding between the Polish and Nigerian peoples in their struggle for just peace, security, and progress. [Text] [Warsaw TRYBUNA LUDU in Polish 5 May 86 p 5 AU]/12766

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TRADE UNION DELEGATIONS--A week-long visit to Poland by a delegation from the DPRK Central Union of Working Farmers headed by its chairman, Pak Su Don, ended on 1 May. During the visit there was a meeting at the Central Union of Agricultural Production Cooperatives at which information on the work of both unions was exchanged. The delegation was also received by Stefan Zawodzinski, director of the PZPR Central Committee Agriculture and Food Economy Department, who informed the guests about the results of agricultural policy. [Summary] [Warsaw TRYBUNA LUDU in Polish 2 Jun 86 p 2 AU] Grigoris Danalis, deputy chairman of the Pan-Hellenic Federation of Trade Unions of Employees in Performances and Sound (POTHA) visited Poland. He held talks with Jan Budkiewicz, chairman of the Federation of Trade Unions of Employees in Culture and the Arts, and a cooperation agreement was signed. [Text] [Warsaw TRYBUNA LUDU in Polish 3 Jun 86 p 2 AU]/12766

CONSULTATIONS WITH TANZANIA--Paul Rupia, deputy foreign minister of the United Republic of Tanzania, visited Poland from 22 to 23 May. During his visit Polish-Tanzanian political consultations were held, in which Poland was represented by Jan Majewski, undersecretary of state for foreign affairs. The Tanzanian guest was received by Foreign Minister Marian Orzechowski and Ernest Kucza, director of the PZPR Central Committee Foreign Department. Bilateral relations were reviewed and views on main international and regional topics exchanged. Both sides expressed concern over the continuing tension and arms race in the world, as well as over the dangerous development of the situation in southern Africa. They affirmed their support for efforts and initiatives aimed at disarmament, detente, and the preservation of peace. Tanzanian Ambassador A. Sepetu attended the talks. [Text] [Warsaw TRYBUNA LUDU in Polish 24/25 May 86 p 2 AU]/12766

CONSULTATIONS WITH TUNISIA--On 12 and 13 May, M. Mestiri, Tunisian secretary of state, met in Warsaw with J. Majewski, vice minister of foreign affairs, to discuss Polish-Tunisian relations and opportunities for expanded mutual cooperation. M. Mestiri was received by J. Czyrek, PZPR Politburo member and Central Committee secretary; Vice Premier W. Gwiazda; Foreign Minister M. Orzechowski, and E. Kucza, head of the Central Committee Foreign Department. [Summary] [Warsaw TRYBUNA LUDU in Polish 14 May 86 p 2 AU]/12766

CHINESE CHEMICAL INDUSTRY MINISTER--On 6 June, Deputy Premier Wladyslaw Gwiazda received Qin Zhongda, PRC minister of chemical industry. The economic relations between the PRC and PPR were discussed, with special reference to cooperation between both countries' chemical industries. [Excerpt] [Warsaw TRYBUNA LUDU in Polish 7/8 Jun 86 p 2 AU]/12766

CONSTRUCTION COOPERATION WITH USSR--A delegation from the PPR Ministry of Construction and Spatial and Communal Economy headed by Minister Jozef Niewiadomski visited the Soviet Union. Minister Niewiadomski held talks with the USSR ministers of construction; construction materials industry; construction of petroleum and gas industry enterprises; and power and electrification; and with the RSFSR minister of housing and municipal services. At the end of the visit, an agreement on scientific-technological cooperation for the years 1986-90 was signed at the USSR State Committee for Construction Affairs. Wlodzimierz Natorf, PPR ambassador to the USSR, was also present. [Text] [Warsaw TRYBUNA LUDU in Polish 31 May/1 Jun 86 p 7 AU]/12766

POLISH-BULGARIAN TALKS--Deputy Premier Manfred Gorywoda, chairman of the Government Planning Commission, received D. Dachev, first deputy chairman of the Bulgarian State Planning Committee; and P. Kisyov, deputy chairman of this committee. Talks were held on the methods behind coordinating the socioeconomic plans of Poland and Bulgaria in the next 5-year period, and cooperation concerning the automotive industries and a further development of goods exchange up to 1990 were settled. Bulgarian Ambassador G. Georgiev took part. [Text] [Warsaw TRYBUNA LUDU in Polish 2 Jun 86 p 2 AU]/12766

GDR FOREIGN TRADE MINISTER--On 4 June, Andrzej Wojcik, minister of foreign trade, received GDR Foreign Trade Minister Gerhard Beil. It was noted that mutual trade last year exceeded R2 billion for the first time ever. [Summary] [Warsaw TRYBUNA LUDU in Polish 5 Jun 86 p 2 AU]/12766

RAKOWSKI ATTENDS SFRY SYMPOSIUM--On 4 June, Sejm Vice Marshal Mieczyslaw F. Rakowski visited the participants of the political-sociological symposium between Poland and Yugoslavia at Jablonna near Warsaw. He spoke about the results of the pregress campaign so far. The discussion concentrated on the mechanisms of socialist democracy, with particular reference to economic reform. [Summary] [Warsaw TRYBUNA LUDU in Polish 5 Jun 86 p 2 AU]/12766

SED CC DELEGATION--A SED Central Committee delegation headed by Heinz Mirtschin, director of the SED Central Committee Party Organs Department, paid a working visit to Poland. The delegation held talks with Kazimierz Cypryniak, director of the PZPR Central Committee Political-Organizational Department, on the subject of tighter cooperation between both parties' local cells and organizations, especially those situated in the border area. Information was exchanged on the preparations for the 10th PZPR Congress and on the results of the 11th SED Congress. The delegation was also received by PZPR Politburo candidate member Wlodzimierz Mokrzyzszak in the presence of GDR Ambassador Horst Neubauer. [Summary] [Warsaw TRYBUNA LUDU in Polish 30 May 86 p 2 AU]/12766

SED DELEGATION VISIT--A delegation from the SED Central Committee Agricultural Department headed by Central Committee candidate member Helmut Mohre visited Poland from 5 to 14 May at the invitation of the PZPR Central Committee. The delegation attended a seminar on agricultural policy problems organized by the PZPR Central Committee Agricultural Department and the Agricultural Policy Institute of the Polish Academy of Sciences. It also visited several voivodships, where it acquainted itself with the work of state and cooperative farms, the agricultural-food industry, and private farmers. During its visit the delegation met with Agriculture Minister Stanislaw Zieba and PZPR Central Committee Secretary Zbigniew Michalek. [Summary] [Warsaw TRYBUNA LUDU in Polish 15 May 86 p 8 AU]/12766

CSO: 2600/500

POLITICS

ROMANIA

TU CONGRESS ISSUES APPEAL FOR DISARMAMENT, PEACE

AU271625 Bucharest AGERPRES in English 1545 GMT 27 Apr 86

["Appeal to the Working People, to the Trade Union Organizations and Centrals in the Countries of Europe, in the USA and Canada, on other Continents, with a View to Intensifying the Struggle for Disarmament, Collaboration and Peace"--AGERPRES headline]

[Text] Bucharest, AGERPRES 27/4/1986--The congress of the General Confederation of Trade Unions in Romania [GTUCR], giving expression to the unanimous will of the millions of working people in this country, organized in trade unions, voices its full adherence to Socialist Romania's foreign policy of international peace and collaboration, in the elaboration and promotion of which a decisive role is played by Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania. With feelings of profound patriotic pride the congress gives high appreciation to the remarkable contribution and constructive initiatives, of wide international response, permeated by a high spirit of responsibility for the future of mankind, of our party and state leader, to his brilliant activity for the resumption of the policy of detente, peace and collaboration in the world, for the elimination of the danger of a nuclear catastrophe, for the building of a better and more righteous world.

In the present circumstances, when the international situation is extremely serious, following the intensification of the arms race, particularly of the nuclear one, it becomes more necessary than ever before to join the efforts of all progressive, democratic and realistic forces--among which an important place is occupied by the Trade Union Movement--of all peoples, so as to change the dangerous course of international events, to determine a turn towards the resumption of the policy of detente, disarmament and understanding.

The imperialist policy of force and threat of force, of consolidation and redistribution of the spheres of influence, of interference in the affairs of other states continues to be manifest in the world. The world economic crisis has worsened international instability, has led to the unprecedented worsening of the economic situation of the developing countries. Contradictions between various states and groups of states have sharpened, old military conflicts have been maintained and new ones have appeared.

It can be said that ever since the conclusion of the Second World War mankind has not faced such dangers that can be conducive to a nuclear catastrophe, to the disappearance of the gains of civilization, of the very conditions for the existence of life on our planet. That is why the president of the Socialist Republic of Romania, Comrade Nicolae Ceausescu, has repeatedly underlined that the fundamental problem of our epoch is the cessation of the arms race and primarily of the nuclear one, the passage to disarmament, to the removal of the danger of a new world war, the defence of the supreme right of people, of nations to existence, to life, to freedom and peace.

Being the mouthpiece of these ardent wishes of the working people in our homeland, the Congress of the General Confederation of trade unions in Romania hails, with justified hope, the proclamation by the United Nations organization of 1986 as the International Year of Peace and restates the firm will of the working people, of the Trade Union in Romania to take action, together with all peace-loving people, for this year to favour a passage to the adoption of concrete measures for a radical change of the course of international life from confrontation to detente.

In this spirit the congress of the General Confederation of Trade Unions in Romania calls on all your trade union centrals, on all working people you represent, irrespective of their political, philosophical or religious beliefs, to combine our efforts with those of other progressive and democratic forces, of the peoples all over the world in order to determine the governments, parliaments, politicians of Europe, the United States of America, Canada, of countries on other continents to pass on to concrete measures for an end to all nuclear tests, for the implementation of disarmament, primarily of nuclear disarmament, for the prevention of outer space militarization, for stopping the deployment of new nuclear weapons in Europe, for the elimination and liquidation of intermediate range missiles from our continent and from other zones of the world.

In consideration of these vital aspirations of mankind, for which our country consistently and firmly militates, the trade unions in Romania, all working people have hailed the Soviet initiatives and proposals for the elimination of nuclear weapons, the prevention of outer space militarization, an end to nuclear weapon tests and other actions in the field of international security and detente, considering that the implementation of those measures would be highly significant for the setting up of a climate of peace, security, confidence and collaboration among all nations.

The Congress of the General Confederation of Trade Unions in Romania, the working people in this country, expect the United States of America, the other NATO member countries, to adopt a constructive, realistic stand and a passage to be made, on the basis of proposals presented by both sides, to the achievement of adequate accords on ending nuclear tests, liquidating all nuclear arms and of preventing the militarization of space in order to remove the danger of a nuclear catastrophe.

The participants in the congress, together with our entire people, fully endorse the proposals made by the president of the Socialist Republic of Romania, Comrade

Nicolae Ceausescu, on the working out of a complex programme of general disarmament, which should include nuclear disarmament. It is our firm belief that the carrying out of such a programme, the freezing of military spendings and their halving until the year 2000, the liquidation of military bases on the territories of states, the withdrawal of foreign troops to within their national territory, the simultaneous dissolution of NATO and of the Warsaw Treaty would have a great importance for strengthening the confidence and security of all peoples and countries, for advancing along the road of disarmament and of building a world of peace and collaboration.

Reaching unprecedented levels, the arms race swallows huge funds and this affects the budgets for economic and social development of all states, with particularly dramatic effects on the developing countries. The material and spiritual living standard of the working people undergoes, for the same reasons, continuous worsening in numerous countries of the world. The growth of joblessness and inflation is also caused to a great extent by the huge budgets blocked by the aberrant arms race. The trade union movement all over the world cannot remain indifferent to the channelling of huge sums for destructive purposes, which might be used for the eradication of want and poverty on earth, for the progress of all peoples. We must all intensify our efforts to put a definite end to this situation which puts the present and future of mankind in serious jeopardy.

We also call on you to take joint action in order to determine the holding with best possible results of the Stockholm Conference for Confidence and Security Building Measures and Disarmament in Europe, of the Vienna negotiations on troops and armaments reduction in Central Europe and of the Disarmament Conference in Geneva, to support the efforts for the building of a zone free of nuclear and chemical weapons and without foreign military bases in the Balkans, for the creation of such zones in the north and center of Europe and also in other parts of the world.

A most significant contribution to the cause of peace and security of peoples, to the strengthening of confidence and collaboration among all countries of the world would be made by the definitive elimination of the use of force and threat of force from inter-state relations, the settlement of all international conflicts and problems by exclusively political means, by negotiations. The working people in this country, the trade unions, together with the entire Romanian people express, on this occasion too, their deep concern over the bombing, by the U.S. aviation, of Libya, an independent and sovereignty country, considering that this aggressive act, which cannot be justified in any way, is a violation of the fundamental principles of international law, of the norms that must underline relations among all countries and peoples of the world.

Let us take resolute, joint action for the total elimination of force and threat of force, for inter-state relations to be firmly based on the principles of full equality of rights, observance of national independence and sovereignty, non-interference in the home affairs of states, of the sacred right of every people to decide its own development road. We also call on you to militate more actively for the development of relations among all states of the world, for a greater role of the United Nations Organization in the settlement of international problems, in the interest of detente and peace, of the future of mankind.

The Congress of the General Confederation of Trade Unions in Romania expresses firm belief that the peoples, the progressive, democratic, realistic forces everywhere can, by acting in close unity, stop the dangerous course of events towards confrontation and war, can ensure viable peace, the triumph of the policy of detente and collaboration on the basis of full equality among all countries and peoples of the world.

With this belief and confidence we call on your centrals, on the working people you represent to take joint action in such a way as to make the International Year of Peace mark a new beginning towards collaboration, towards peace all over the world.

We believe that the trade unions, which are an important social force of the contemporary world, can and must take a more active part in the struggle of the wide people's masses for the fulfillment of these legitimate aspirations of the working people, of all peoples. As trade union organizations, whose fundamental goal is to defend the major interests of the working people--primarily the safeguarding of peace--we consider that now, in the International Year of Peace, it is our duty to intensify our efforts and to take joint action, before it is too late, for improving the political climate in Europe and all over the world, for imposing the definitive elimination of the danger of nuclear self-destruction, for ensuring the sacred right of peoples to life, to peace, to free and independent development. Let us bring about an early end to nuclear tests which lead to the intensification of the arms race, poison the international political atmosphere and have a negative effect on climate, let us bring about an end to the deployment of new nuclear weapons in Europe and the liquidation of the intermediate range missiles, let us bring about the beginning of a genuine process of disarmament and of using the funds thus released for the progress and prosperity of all countries and peoples. Acting in close unity, it is our power, in the power of peoples, to make reason and political understanding prevail, to secure mankind a future without weapons and wars.

There is no other alternative than to remove war for ever, than a policy of detente, collaboration and peace.

The congress of the General Confederation of Trade Unions in Romania expresses belief that its appeal will draw a positive response from the trade unions' organizations in Europe, the United States of America, Canada and other countries of the world, from working people on all continents and will contribute to intensifying the actions of the international trade union movement, to joining its efforts in the struggle for the defence of the most precious thing mankind has--peace.

/8918

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POLITICS

ROMANIA

PARTY SECRETARY COMAN ADDRESSES LISBON RALLY

PM121831 Lisbon AVANTE in Portuguese 28 May 86 p 7

[Speech by Romanian Communist Party Secretariat and Political Executive Committee member Ion Coman at 22 May friendship rally in Lisbon: "Our Presence in Portugal Is An Expression of Good Relations Established Between RCP and PCP"]

[Text] Esteemed Comrade Alvaro Cunhal, PCP secretary general;

Esteemed comrades:

It is a cause of great satisfaction for us representatives of the Romanian Communist Party [RCP] to take part in this rally devoted to the friendship between our parties and peoples, which is being held in the presence of prominent members of the PCP leadership.

Allow me on behalf of our party and of its Secretary General, Comrade Nicolae Ceausescu, to extend warm greetings of comradeship to those of you attending this impressive demonstration of friendship and militant solidarity between our parties, all Portuguese Communists, your party leadership, and PCP Secretary General Comrade Alvaro Cunhal--the prominent leader of your country's Communist Party.

We have been in your country at the PCP's invitation for several days, and we must say--in all sincerity--that during the visits we have paid, the fruitful talks we have had with your party's leadership, and the meetings with the Portuguese Communists and with other workers, we have been impressed by the affection with which we have been surrounded and by the expressions of warm friendship with which we have been received everywhere.

For all this we express our thanks to the PCP and all Portuguese Communists, assuring them that we will never forget the moments of great emotion we have experienced here with you.

We believe that these demonstrations represent an expression of the good relations of friendship, cooperation, and solidarity existing between our parties, to whose development the meetings and fruitful talks between RCP Secretary General Comrade Ceausescu and PCP Secretary General Comrade Alvaro Cunhal have made an essential contribution.

Dear comrades:

Only a few days ago, our party celebrated in an enthusiastic atmosphere the 65th anniversary of the foundation of the RCP--a juncture which had a particular historical significance and which represented a new stage in Romania's revolutionary movement.

In its first period of existence, 20 years of which were of utter illegality, our party was the organizer and leader of the people's struggle against exploitation and oppression in defense of the country's national interests. In those years, the RCP laid the foundations of broad cooperation with other patriotic, antifascist, and democratic movements, gathering around itself all our nation's progressive forces.

The historic act of 23 August 1944, prepared and organized under the party's leadership and with the extensive participation of the people's masses and the democratic political forces, represented the starting point of the antifascist and anti-imperialist revolution of social and national liberation, which led to profound renovating transformations in the life of society until socialism's victory in our country.

In a relatively brief period of 40 years, in which our party has acted as the leading political force in society, Romania has experienced several historical stages of development. From an agricultural country with an underdeveloped industry and backward agriculture, which the leading circles sometimes claimed should remain a predominantly agricultural country. Romania transformed itself into an industrial and agricultural country with a strong and modern industry, largely equipped with the most advanced technology, and with a thriving agriculture.

I will confine myself to just a few illustrative figures: In comparison with 1944, industrial output was over 100 times greater in 1985, agricultural output over 4 times greater, and the national income over 32 times greater.

Considerable development took place in the fields of science, education, culture, and the political and educational work of educating the new man, the conscious builder of his free future--decisive factors for economic and social progress and for the victory of socialism and communism in Romania.

In the years of socialism an extensive program of industrial, agricultural, and sociocultural development has been implemented, and the face of the country has been changed. Over 80 percent of the population have a new home. As a result of economic and social development, the people's living standard has constantly risen--the supreme goal of our party's overall policy.

Anybody who visits Romania today--and I am convinced that there are comrades among you who have had this opportunity--anybody of good faith, can ascertain the immense transformations which have occurred in the years of socialism in the development of the cities, the villages, the whole country.

All these magnificent achievements demonstrate through the force of the facts and of reality the correctness of the policy of our party, which is always guided by the principles of scientific socialism, creatively applying its truths and main principles to Romania's objective conditions.

Corresponding to the stages of the country's development, the party itself has experienced a complex process of transformation, the methods and forms of its activity being constantly improved.

The RCP, which comprises over 3.5 million members, is a great force in Romanian society, acting in complete unity as the nerve center of our socialist nation, from which the whole nation's creative energies emanate.

Our party has worked and still works consistently for the constant enhancement of socialist democracy, the improvement and extension of the forms of the whole people's active and direct participation in the organization and direction of society, and the multifaceted flourishing of the human personality. This year, in accordance with the 13th Party Congress' decisions, our people began the implementation of the new 5-year plan, whose strategic aim is progression from Romania's current level as a developing country to a higher level, as a country with average development. Within the framework of our activity, particular importance is attached to the attainment of a new quality of work and life for our entire people, and primarily to intensive economic development, the modernization of the industrial production structure and a rise in its technical and qualitative standard, the broadening of the energy and raw materials base, a constant increase in labor productivity and in the efficiency of all activity, and the implementation of the new agrarian revolution, which should lead to a revolutionary transformation of the peasants' very way of working, living, and thinking.

The remarkable achievements recorded and the bright prospects for the country's development, like those of the other socialist countries, confirm the superiority of socialism, which, eliminating exploitation and social and national inequalities, ensures vigorous socioeconomic development and an increase in the living standard, independence, freedom, and happiness of every people, every nation.

Dear comrades:

Our concern to ensure all the conditions for the successful development of socialist building is our main contribution to the general cause of socialism. At the same time, the RCP pays particular attention to activities in the international sphere.

We are deeply concerned about the international situation, which remains grave, and it could be said that it has worsened even further.

Recently, some military conflicts have intensified, recourse has been had to force, and increasingly frequent allusions are made to the need for force for the resolution of problems in dispute. [sentence as received] The arms race, including nuclear arms, is also continuing. We are at a crucial juncture for

mankind's future. The gigantic means of mass destruction, the existing nuclear weapons--which have the capacity to destroy the whole of mankind several times over--could lead, if used, to the disappearance of the whole of mankind and of the very conditions for life on earth.

Nuclear weapons do not represent an additional guarantee for the state which accepts them on its territory; on the contrary, they lead to increased insecurity and to the danger of a nuclear explosion and of the destruction of that nation and other countries and peoples.

Taking into account the great danger incurred by all the peoples of our continent, our party believes that it is necessary to act with the utmost resolve before it is too late, with a view to the abolition of nuclear weapons in Europe and worldwide. It is also necessary that we do our utmost to ensure a halt to all nuclear tests and to the militarization of space. There is no antinuclear defense either on earth or in space.

Even if by chance the technical military means for the destruction of nuclear missiles in the atmosphere could be achieved, the effects of nuclear radiation would not be reduced.

We have a duty to the lives of our peoples and of the whole of mankind to tell the truth!

Taking into account the fact that the problems of the defense of peace and life concern all nations of the world, Romania has issued an appeal to all peoples, irrespective of their size, to pool their efforts and to contribute to the triumph of reason and to the attainment of general disarmament and, primarily, nuclear disarmament.

We regard as highly important and actively support the nuclear disarmament program proposed by the Soviet Union. We believe that it is necessary to adopt a complex general disarmament program, which, while centering on nuclear disarmament, should include chemical weapons and the reduction of conventional weapons, personnel, and military expenditure.

It is our party's conviction, in this crucial period for mankind, that the adoption of a complex disarmament program is a vital necessity for all peoples of the world.

We are working for the successful holding of the Stockholm, Vienna, and Geneva negotiations on confidence-building measures, security, and disarmament.

Our country declares itself in favor of an end to any military activity and to the use of force or the threat of force, and of the resolution of problems among states solely by means of negotiations. To this effect we believe that the Tokyo declaration adopted by the seven states on the so-called problem of terrorism represents a great danger which could lead to new acts of military aggression against independent countries. It is well known that terrorism has not represented nor could represent in any circumstances a form of political struggle and of national liberation; however, it must be realized that the elimination of terrorism also means the elimination of the causes encouraging it.

Acts of military repression against civilian populations--men, women, and children--bombings, or other forms of state terrorism are no way to combat terrorism also means the elimination of the causes encouraging it.

We also support the organization of an international conference on the Middle East, with the participation of all the states concerned, including the PLO. We deem it necessary to reach a just and lasting peace, which will ensure the Palestinian people's right to self-determination--including by means of the setting up of their own independent state--and to the same extent guarantee the integrity and security of all states in the region.

We are in favor of an end to the military conflict between Iran and Iraq, the renunciation of any kind of military action, and a start to negotiations for a just solution to all the problems in dispute.

We support with all our determination the national liberation struggle of the Namibian people and of the South-West African People's Organization, and adopt a firm stance against its neighbors. We condemn South Africa's apartheid policy with the utmost vigor.

Developments in international economic life and the exacerbation of the crisis have caused an exacerbation of the situation of the developing countries, whose foreign debts now total about \$1,000 billion.

We deem it necessary for action to be taken by means of the creation of a new international economic order, with the aim of resolving comprehensively the problem of the developing countries' debts.

The RCP develops relations of broad solidarity with all communist and workers parties, and declares itself in favor of strengthening their unity on the basis of full equality and respect for each party's right to formulate its own political line, in accordance with each country's conditions and without external interference. At the same time, our party works for the strengthening of active solidarity in the struggle for peace and social progress with the socialist and social democrat parties and with all forces which declare themselves in favor of socialism, and for united action by all democratic, progressive, and anti-imperialist forces in the struggle for peace and for each nation's free development and independence.

Esteemed comrades and friends:

Our presence in Portugal is an expression of the good relations established between the RCP and the PCP.

We in Romania are determined to work for the constant development of these relations, which is fully in keeping with both sides' interests and is also a contribution to the cause of mutual understanding, peace, and progress and to the unity of the anti-imperialist forces in the world.

We follow with keen interest and understanding your efforts for the satisfaction of the workers' aspirations for progress and prosperity and for the implementa-

tion of renovating transformations in your country's political and social life and Portugal's free and independent development.

We wish you complete success in the attainment of the aims you have set yourselves.

Long live the friendship and solidarity between the RCP and the PCP!

Long live the friendship between the Romanian people and the Portuguese people, between Romania and Portugal!

/8918

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POLITICS

ROMANIA

SCIENTIFIC SESSION MARKS BRASOV TRIAL ANNIVERSARY

AU050934 Bucharest AGERPRES in English 1824.GMT 5 Jun 86

[Excerpt] Bucharest AGERPRES 5/6/1986--A jubilee scientific session was held in Bucharest on June 5 to mark 50 years since the trial of communist and antifascist campaigners in Brasov, arranged by the National Council of Science and Education, the "Stefan Gheorghiu Academy" and the institute of historical and socio-political sciences. The session was opened by Ion Ursu, member of the Executive Political Committee of the CC of the RCP, first deputy chairman of the National Council of Science and Education. Papers were read by Ion Coman, member of the Executive Political Committee, secretary of the CC of the RCP, Constantin Olteanu, member of the Executive Political Committee of the CC of the RCP, first secretary of Bucharest City RCP Committee, Gheorghe Oprea, member of the Executive Political Committee of the CC of the RCP, first deputy prime minister, Ion Stoian, alternate member of the Executive Political Committee, Secretary of the CC of the RCP, Ion Popescu Puturi, member of the CC of the RCP, director of the institute of historical and socio-political studies and Diamanta Laudoniu, member of the CC of the RCP, deputy chairman of the National Council for Science and Technology.

The papers evoked the traditions of struggle of the Romanian Communist Party along its 65 years of existence, part of which was the Brasov trial that went down as a highly important moment in the struggle of the Romanian people against exploitation and oppression, of fascism and war, to safeguard the country's independence and sovereignty.

/8918

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POLITICS

ROMANIA

BRIEFS

CAPE VERDE PRESIDENT VISIT--Bucharest, AGERPRES, 16/6/1986--Upon the invitation of the General Secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Nicolae Ceausescu, and Mme Elena Ceausescu, the secretary-general of the African Party for the Independence of Guinea and Cape Verde (PAIGC), president of the Republic of Cape Verde, Aristides Maria Pereira, and Mme Carlina Fortes Pereira will pay an official visit of friendship to Romania in the last decade of June. [Text] [Bucharest AGERPRES in English 1715 GMT 16 Jun 86 AU] /8918

BRITISH EMBASSY RECEPTION--Bucharest, AGERPRES, 13/6/1986--On the National Day of the Kingdom of Great Britain and northern Ireland, Philip McKearney, that country's ambassador to Bucharest, gave a reception on Friday. The attendance included Nicolae Giosan, chairman of the Grand National Assembly, Aurel Duma, minister secretary of state at the Foreign Affairs Ministry, chairman for Romania of the Joint Romanian-British Governmental Commission of Economic Collaboration and Industrial and Technological cooperation, executives of other ministries, representatives of central institutions, men of letters and artists, journalists. Present were also heads of diplomatic missions accredited to Romania. [Text] [Bucharest AGERPRES in English 1556 GMT 13 Jun 86 AU] /8918

CSO: 2020/153

POLITICS

YUGOSLAVIA

#### BOSNIAN YOUTH CONGRESS REFLECTS DIVISION, DISAGREEMENT

[Editorial Report] According to reports in Belgrade BORBA in Serbo-Croatian of 9 June 1986, page 3, and 11 June 1986, page 5, 1986, the leadership of the Socialist Youth League [SSO] of Bosnia-Hercegovina was seriously challenged but not defeated at its 11th congress held 7-8 June in Sarajevo. Unlike incomplete reports in Sarajevo OSLOBODJENJE, Borba gives some indication of the disagreement that arose in attempts to introduce new names on the list of candidates for the SSO presidency.

Indicating its view of the congress as a reflection of the current situation, BORBA inserts in the report the following quote from a member of the Bosnia-Hercegovina LC Presidium: "If the school, instead of creative engagement, stresses conformity..., if youth is a witness to the ever more obvious gap between legal and actual wealth gained without working, and to social stratification, to the moral crisis, and the radical disruption of the ideals of the revolution, then it is understandable that today youth finds itself in a situation in which it is typically a homo-duplex."

The Congress, BORBA said, "expressed the unanimous view that there is no alternative to self-management in our society. But without broad democracy, the affirmation of work and creativity, the greater valuing of knowledge and creativity, and more responsibility, there is no self-management. As a result, it was demanded that changes must also be made in the youth organization. We want the SSO to be an organization for the widest membership and not for forums and narrow leaderships, an organization for equal democratic dialogue of all structures in the young generation about all questions regarding one's own position and the development of society. The future belongs to the brave and uncompromising."

A different picture, however, emerged in the election process, as reported in BORBA, when a minority tried unsuccessfully to put new names on the lists through the procedure of sending the lists back to the opstina base.

"After the congress was concluded, a constitutive meeting of the [SSO] Republic Conference was held with its new composition of 165 delegates. It was to have elected a new leadership for the youth organization. But this did not happen, to put it mildly, because of the irresponsible relationship of a number of the conference members who after the [meeting's] break did not

return to the hall. So since there was not a quorum, it was not possible to elect a new presidency, a president, or secretary, or delegates to the Yugoslav SSO Central Committee.

"The question remained open as to whether the reason for this was a minor clash or trouble which broke out for a while during the almost 3-hour discussion on the candidates nominated for the new presidency. The first demand from a group of delegates was that the list with 25 candidates (as many as there are seats) for the presidency be again returned for "certification" to the opstina conferences of the SSR; this demand was rejected by the majority. The view was taken that the members of this body should endorse a broader list containing 40 names. Those who proposed the expanded list rejected the criticism that this list could bring into question implementation of the social agreement on cadre policy especially that relating to the national, sex, and social structure of candidates. Practically speaking, the quality of the candidates was a peripheral matter, because, as was openly said, instead of those who have been students for years and carrying out the professional political functions [of the organization], young, capable, and ambitious cadre would have come into the leadership."

On 11 June BORBA reported that the constitutive meeting had been reconvened and had elected Momo Sevarika as president but that "the stormy discussion showed that the elections in the youth leadership of this republic were not completely conducted in a democratic way. The majority asked why the old presidency had proposed the candidates for the new leadership" and why insufficient time had been given to study the lists. It was conceded that the presidency was responsible for breaking up the last meeting and for the fact that the final list violated the principle of territorial representation. Alos, BORBA says, the best illustration of the way the elections were conducted was the admission by one delegate that although he was on the candidate list, he had never been nominated.

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