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POLITICAL

CZECHOSLOVAKIA

Shortcomings in Research Activity Revealed
24000001 Prague RUDE PRAVO in Czech
1 Aug 88 p 4


[Text] A contribution to the discussion initiated by the article “What Hampers Our Research” by Boris Valnicek, doctor of natural sciences, (RUDE PRAVO 27 June 1988) was written for us by Vladimir Rogalewicz, doctoral candidate, graduate of mathematical sciences, Research Institute for Vegetable Production in Prague-Ruzyné. We present here some of his observations.

Most of the current problems of our science may be attributed to financial funding. As concerns self-financing, we are standing at the very threshold and facing a long period of gathering of experience. Our institute has a tradition of good contacts with agricultural enterprises, but thus far it was offering them all its information (mostly in the form of methodology) free of charge. Now it appears that our enterprises are not prepared for a situation where they are expected to pay for the results of research; moreover, regulations for this expediency are often lacking. In addition, it is a moot question whether a khozraschet organization will be willing to underwrite research projects which may produce applicable results, let us say, in 10 or 15 years hence, and whose outcome is not—and cannot be—fully guaranteed. Short-term assignments whose results may be available in a few months belong more to the area of development than research, and sectional research institutes should deal with them only in exceptional cases.

Our chance to publish our findings are substantially better but even there some problems occur. The time when we had to prove that the Czech language has a vocabulary rich enough to express any scientific communication is past history. Today no one doubts this fact, but I consider publication of scientific articles in the Czech language a waste of our experts' time and energy. Only a very small group of scientists in the CSSR is focusing on each individual specialization. Our achievements should be generally accessible and therefore, they should be published in a world language, namely, in English or Russian. A number of prominent foreign journals today demand that the author's employer pay a modest publication fee. As a rule, our authors are unable to pay this assessment, although it is already a sign of recognition of the high quality of a paper if it is accepted for publication in an international journal. Editorial boards frequently waive the fee and publish the paper, but we are embarrassed that we cannot even pay a fee that amounts approximately to the cost of one night's lodging in a moderately priced hotel.

Dr Valnicek accurately pinpointed the problems with payments in hard currency and with supplier-consumer relations. Nevertheless, I should like to mention another cause of our economic losses. Our society has invested...
considerable funds in every scientist's education which is profitable only if that scientist works in his own field. However, our research institutes seem to regard the scientists' time as the cheapest commodity. Thus, appeals to save money are reflected also in cases where a scientist who is in charge of a team of a hundred or more employees has to travel from Prague to Kosice by train in which he wastes two whole workdays, because his institute will not pay a bit more for his airfare. I estimate that a scientist spends as much as 50 percent of his time on chores other than his specialization, such as—in addition to the waste of time in commuting—the time spent in trying to find a source of various materials, transcripts of texts, and arrangements for foreign visitors' lodgings and travel, in meetings that are not always important, filling out nonsensical reports, and so forth.

Despite the problems mentioned above, Czechoslovak research is producing what can be compared with foreign achievements. Let us do our best to continue this trend, but for that we must also provide the necessary preconditions.

9004/08309

Hard-Line Attack on Emigre Journal Editor

24000008 Prague TRIBUNA in Czech 24 Aug 88 pp 8-9

[Article by Bohumir Molnar: “Worthwhile Confessions of Pavel Tigrid”]

[Text] The “Lessons From the Development of Crisis in the Party and Society After the 13th CPCZ Congress” noted, among other things, the involvement in subversive anti-Czechoslovak activities in the 1960’s by a group of post-February [1948] emigres organized around the notorious Pavel Tigrid whose concepts of “gradual relaxation” of the ties in the socialist system and other “theories” about the inevitable internal disintegration of the party’s leading role provided the bloc of the right-wing revisionists and antisocialist forces with ideological ammunition which it adopted and systematically implemented.

The defeat of the counterrevolution in the Hungarian People’s Republic in 1956 forces the anti-Communist leaders to search for errors in their previous political attitudes toward the socialist countries. The polemics between the then advocates of the idea of armed counterrevolution and the defenders of gradual counterrevolution also resulted in unavoidable reappraisals of the comprehensive global doctrine of the U.S. foreign policy. Moreover, this need stemmed from a change in the ratio of power between socialism and capitalism, due in particular to the victorious revolution in Cuba, the failure of the colonial policies in Suez, and the Soviet launching of the Sputnik. The outcome of the debates of bourgeois theoreticians and politicians, and the conclusions of various analyses by Sovietologists were summarized in the so-called Rockefeller Report, parts of which were published in 1958-61. According to it, the representatives of world imperialism, especially the U.S., recognized that they must adapt themselves to a long period of coexistence of two antagonistic systems. The fundamental factors of the new strategy in foreign policy also agreed with this premise.

The arms race and the preparations for war were to continue, while at the same time the potential for evading a nuclear confrontation was also pursued.

To resolve the disputes with the developing countries, it was recommended to apply economic measures of the neocolonialist policy and if need be, to resort to the so-called limited war.

In relation to socialist countries, comprehensive application of economic and psychological subversion was proposed.

The victory of the advocates of the concept of gradual counterrevolution applied against the socialist countries was stressed by Z. Brzezinski and W. Griffith in their article “For a New Policy Toward East Europe” published in 1961. Its authors claimed that thus far the West had failed to conduct a realistic policy vis-a-vis the socialist countries, and proposed that efforts to organize counterrevolutionary armed uprisings be dropped. Instead, they recommended the following main schemes: “1. To encourage additional rifts within the Communist bloc; 2. To assist East European states in their efforts to liberate themselves from Soviet domination.”

The adoption of a new strategy toward the socialist countries was reflected in J. F. Kennedy’s foreign policy and particularly in the “bridge-building” foreign policy doctrine proclaimed by President L. B. Johnson in May 1964. In his address to the U.S. Military Institute in Virginia he stated, among other things: “We shall continue to build bridges over the abyss separating us from East Europe. An increasing stream of trade, ideas, visitors and aid will flow over these bridges. We are called to use every peaceful means in order to cooperate with our friends and allies so that the whole [of] Europe may be united in one free society.”

It was hardly any coincidence that Pavel Tigrid launched his journal SVEDECTVI in 1956, publishing it first in New York and later in Paris. From the very beginning, on its pages and in several of his books he advocated the concept of gradual counterrevolution. He formulated his theory in the first edition of his book “Political Emigration in the Atomic Age” (1968): “The balance of the ‘nuclear terror’ practically excludes global wars as a means of policy; we have shown that in the end even the best organized, determined and united emigration usually loses if it puts all its bets on a strike from the outside, on military intervention by its protector and ally. On the contrary—and this is the purpose of these reflections—a natural, dependable, indisputable and ultimately victorious ally of every truly democratic and liberal (or
socialist) political emigration—or of emigrants—is a social change toward an open, pluralistic society with parliamentary democracy. To encourage this process of evolution—or revolution, to consolidate it effectively, to influence it, and to join it—that means to join with the major social and political force of our era.”

Tigrid reached this conclusion on the basis of an analysis of the events in the Hungarian People’s Republic in 1956, which he characterized, as can be expected, as a “revolution.” He stressed that those developments offered the Western powers, and especially the USA, a unique opportunity to prove that they were truly dedicated to the policy of “liberation of the captive nations,” and that they should have launched an armed intervention in support of the “insurgents.” Nevertheless, as Tigrid wrote, “in the autumn of 1956 the ‘policy of liberation’ appeared in its full nakedness and complete impotence.”

However, from his analysis of the Hungarian events of 1956 Tigrid concluded—as he wrote in his book “Marx in the Hradcany Castle” in 1960—that they had developed from “sources of intellectual ferment, from revisionist forces within the party, from popular dissatisfaction and material shortages (and obviously, also from excess pressure of national self-awareness).” Therefore, considering this fact, he also emphasized: “The immediate future of the Czechoslovak people is closely connected with the question whether the revisionist forces will succeed in penetrating further and deeper into official positions in the party, mass organizations, trade unions and youth associations, and ultimately, also in the seat of the power in the state—into the CPCZ leadership. Such a successful penetration which would change into a gradual takeover of the power in the state, would prevail only if supported by the masses, not only among workers, but by all strata.”

Nevertheless, all of the post-February Czechoslovak emigration would not accept Tigrid’s focus on the promotion of gradual counterrevolution and particularly his support for the revisionist forces within communist parties. When the first issue of SVEDECTVI appeared, the so-called Council for Free Czechoslovakia, in which the most conservative and militant anti-Communist part of that emigration is united, issued a statement which alleged: “The whitewash of the communists and the creation of false illusions about the reformist forces capable of transforming communism must ultimately confuse the anti-Communist ranks and dispirit the resistance in Czechoslovakia.”

In his polemics with these forces Tigrid defended in particular the concept of gradualism articulated in the late 1950’s, of which he said: “However, gradualism reflected above all the changes and processes through which the communist theory and praxis have passed in recent years. While the ‘relentless’ defenders of solutions from the position of strength consider the communist power unchangeable, monolithic and in fact, victorious, the gradualists regard it as dynamic, changeable, open to laws of development and change, vulnerable, and socially defective... The gradualist concept sees continuous relaxation of international tensions as the very prerequisite for the growth of freedom from inner forces within the countries dominated by the communist party, even from forces among the party cadres.”

Of course, such a counterrevolutionary concept fully agreed with the objectives of the officially declared strategy of imperialist states against socialist countries. For instance, in 1964 W. Rostow, the chairman of the Council for Policy Planning at the U.S. Department of State, said: “Our task is to finish with communism as much as possible in a peaceful way. Thus, it is imperative that we engage in a construction cooperation with the emerging nationalist and liberal forces that may be able at a certain moment to take over the leading role in countries dominated at present by communists.”

Therefore, at the given moment the specialists in the struggle against socialism regarded the counterrevolutionary concept as the most effective. They considered the CSSR the most suitable prospect for its realization, because, after all, Tigrid was not wasting his breath even before 1968 when he said about our press: “If one takes a look at Czechoslovak books, journals and newspapers whose short life ended in February 1948, one is surprised that many analyses, arguments, critiques and warnings expressed at that time reappeared in the reflections of Czechoslovak communists nearly 20 years later.”

For the Sovietologues the failure of the revisionist counterrevolutionary concept in the CSSR in 1968 reopened a problem they had considered resolved. And as after the defeat of the Hungarian counterrevolution, they resumed their search for their main “mistakes and errors” committed in the “Czechoslovak experiment;” however, this time they proceeded far more intensively, thoroughly and comprehensively.

To this topic they devoted quite a few research projects, a great many studies, scientific conferences and seminars. Already in March 1969 Z. Brzezinski organized in Brussels a seminar on “The People’s Democracy in the CSSR After August 1968.” In July 1971 a “Czechoslovak-British seminar” on “The Prague Spring” was held at the university in Reading, England, and similar other programs took place in Vienna, Paris, Rome, Florence, and elsewhere. Not only Sovietologues, including emigres, but also politicians, members of armed forces, representatives of information services, and prominent bourgeois journalists participated in such endeavors.

Although all those activities discussed a wide range of aspects and correlations of the CSSR events in 1968, their very essence was never in doubt because all the participating experts in the struggle against socialism clearly realized what Pavel Tigrid had maintained in 1974 in the second edition of his book “Political Emigration”: “In our opinion, 6 years after the Czechoslovak
spring events which are now definitely past history, neither political nor tactical considerations compel us to deny the most essential fact (although many are still denying it): The Prague Spring signalled the beginning of the breakdown of one party's monolithic power and thereby, also the breakdown of a system which the Soviet (but not only Soviet) vocabulary defines as socialist. Moscow instantly and correctly read that signal. From its viewpoint (judged by its own ideology and by the system based on that ideology) it was right when it maintained that—subjective intentions notwithstanding—the counterrevolution (understand: the dismantling of the Soviet type of socialism) in the CSSR was on the agenda of the day."

Therefore, if the Western experts in question did not dispute that in fact, a counterrevolution had reared its head in the CSSR, then the key question posed at the beginning of the analysis of the given problem was, why could it not be brought "to a victorious end." This question was discussed above all in Reading at the above-mentioned "Czechoslovak-British seminar" whose "Czechoslovak" contingent was represented by emigres and recent "Prague Spring" activists—I Bystrina, Z. Hejzlar, J. Kosta, K. Kusak, A. J. Liehm, A. Muller, J. Pelikan, O. Sik, and others. In their reports they tried to pinpoint the main "shortcomings" of the revisionist counterrevolution in every area. From the conclusions of that seminar Tigrid deduced that its participants faulted primarily the "overly hasty" process of the counterrevolutionary changes, the abolition of censorship which had allowed a free flow of blatantly antisolcialist demands by students, members of the Club of Committed Citizens Without Party Affiliation, social democrats, journalists and "irresponsible" individuals, and the fact that a state of emergency and later, a mobilization had not been declared in the country, etc.

Moreover, on other occasions these and other observers mentioned additional "shortcomings of the counterrevolution" in the CSSR: the achieved socioeconomic changes had not been codified, in fact, the revisionists failed to introduce new solutions to problems, and furthermore, the counterrevolution had not reached promptly its armed stage.

Thus, if today the spokesman of the right-wing revisionist forces are trying to prove that the 1968 events in our country were some kind of a "renewal of socialism" or even "restructuring," they are lying through their teeth. Parasite-like, they are trying to exploit the Soviet restructuring program, to purify themselves, and to defend their bankrupt policies which threatened the very foundation of our revolutionary accomplishments. The testimony of facts is crystal clear.
who have stood and continue to stand on antisocialist positions, who hatefully and vehemently attack all that was created, is being created, and is leading a fruitful life in our society.

[Question] Can you tell us what has changed for the better and what has not worked out in the year since the congress?

[Answer] Our union's work is becoming more democratic, there is open discussion at union meetings. For February of next year we are preparing a conference at which each union member will have an opportunity to say what has changed for the better since the Czech Writers Union congress, what has not worked out and what ought to be done. The conference will provide the most accurate answer to this question.

[Question] But the union's work is only a preliminary to artistic creation. As regards especially the contemporary one all kinds of conjectures are rising up like genies out of the bottle about the alleged disinterest or interest on the part of readers. Reader interest is often equated with the quality of the work. What do you think about all this?

[Answer] I cannot equate reader interest with the quality of the work. Reader interest is often a mere passing fashion; sometimes it can be aroused by an attractive title, at other times by rumors about the author or a certain title. Alas, it does happen that real values often escape the readers or are vindicated only after a passage of time.

Let me cite a few examples. Fuks's outstanding novel "The Duchess and the Cook" was printed in a small number of copies and for a long time remained unsold; yet it is a novel of a world standard. Chingiz Aitmatov's books were being published for years in our country and almost no one bought them; only in recent time did he become the author who is most in demand.

A recent bestseller was John's "Memento," a fictionalized reportage written in a brisk and readable style. Nothing more. The tremendous reader interest was motivated by the topic which was long silenced. I could go on listing various examples of an often surprising relationship between reader interest and the quality of the work.

One of our union's objectives is also to disseminate and promote the values that have been created. But this is equally a task for the schools, the media, booksellers and cultural institutions: to know how to distinguish between values, how to offer them and create a certain harmony between the quality of the work and reader interest.

[Question] The attitude toward literature reveals considerable extremes motivated by extra-literary influences.

[Answer] Sometimes I am confronted with views which do not recognize our contemporary literature. A "reader" recently wrote me: "I haven't read any of your writings, they are not worth a damn anyway. Or, at the Wolker festival in Prostejov one young lady who had recited his poems said later in a discussion that she does not read contemporary poetry because it is official and bad, and that the best poetry appears in "samizdat" because it cannot be published in any other way. Such a priori negative views have nothing in common with a critique, even when expressing a political viewpoint. They do not recognize any values originating in our society precisely because they originated in it. The negativity of these people is like a roundabout reflection of dogmatism and demagoguery.

[Question] Where do you see a continuity in the contemporary literature with its development in the 1930's and the decades after the liberation?

[Answer] I must add also the 1920's because the October Revolution ushered in a new epoch in our country as well and this opened up a new vision of the world, offered new thinking and liberated a tremendous creative energy. It gave rise to works which were progressive, socially engaged, very specifically related to their time while transcending it. A similarly strong inspiration was imparted to literature by the revolutionary events of the liberation and by February 1948. New vistas opened up for literature, and literature itself helped open them further. Despite various deformations in the 1950's and 1960's the basic progressive current of our literature continued along its path and sustained itself on writers such as Neumann, Toman, Wolker, Sramek, Hasek, Obracht, Vancura, Capek, Nezval, Biebl, Hora, Halas, Pujmanova, Majerova, Rezac, Zavada, Seifert, Holan, Hrubin.... It is from their creative work that our contemporary literature has grown.

[Question] What do you regard as the demonstrable value of the contemporary socialist literature?

[Answer] That it has avoided being infected with some fashionable virus as was in its time existentialism, nihilism, mysticism, or the like. That it has not fallen for literature for its own sake. It is contemporary, progressive, revolutionary—we should understand it as a well-grounded and modern artistic perception of the world. As a poet I would like to highlight especially our poetry which was the one to respond rapidly to the political events and the current social changes. It has become their participant. Literature is gradually shedding various taboos, it begins to uncover the seams of society which for various reasons haven to yet been uncovered. Even though we are still waiting for a great social novel, and even though movement in essay writing and artistic popularization is lagging behind, I can nevertheless maintain that the best contemporary works are conquering another continent of socialist realism.
[Question] How should the new thinking become reflected in literature?

[Answer] The new thinking is essentially no new thinking but rather a return to the dialectical, that is, creative approach to reality; a return to a correct interpretation of Marxist-Leninist thought from the general level into life; an ability to see all layers of reality in their mutual relationships and interconnections. The new thinking in literature is a matter of content, and it is precisely writers who should be a convinced dialectical determinists in order to perceive the world in an artistically new way, who should surprise the reader with persuasive artistic order to perceive the world in an artistically new way, who should transcend conventional limits. Creative freedom is the essence and the precondition. To understand the scope of creative freedom means also to understand socialist democracy. It consists in artistic and political responsibility, in convictions and in commitment to the good causes of our society.

[Interviewer] We thank you for the interview.

13445/12232

HUNGARY

Socialist Pluralism Within Existing Framework Like Squaring Circle

25000013 Budapest NEPSZABADSAG in Hungarian
28 Sep 88 p 9

[Article by Imre Cserhalmi: “Squaring the Circle”]

[Text] Yesterday I was listening to movie director Laszlo Vitezy’s statement on Radio Kossuth. Concerning his current project, he said that it is a shame that we know so little about that period of Hungarian history in which several parties were functioning. He mentioned the Social Democratic party, the coalition era following liberation, the possible and real lessons to be learned from these, all of which very little is known about.

I fully agree with Vitezy, if for no other reason that if people knew more about these matters, there would be fewer illusions concerning those periods. And then, less would be said about a multiparty system being the most important, moreover, the only miracle cure to be used in the “great solution.” Recently I have heard an increasing number of those in public life stating that they want to see a multi party system also express that they do not want to see a party of communists.

Quite naturally, I accept such statements as plausible and legitimate opinion, but I could respect such opinions only if they were part of a framework which already exists in today’s changing political institutional system. Today’s situation, however, is such that an organization may call itself a movement, and may call itself an organization when it de facto amounts to a party.

But I do not want to get involved here in dissecting and analyzing phenomena, which on top of our economic problems and political shortcomings would confuse people concerned with politics. I sincerely hope that at the present session of the CC and thereafter the MSZMP will be able to more clearly define its relationship to these phenomena, and will thereby contribute to the establishment of understandable forms of socialist pluralism, and to one’s finding his way through those formulations.

With this I have arrived at the expression, which, as Laszlo Vitezy stated in yesterday morning’s radio program, he does not understand, or if he does, he does not agree with. We are talking about socialist pluralism. In his view this amounts to the squaring of the circle. In his view we need pluralism from which “there would evolve a certain representative system, one which is desired by the Hungarian people as well as by the various interests groups.”

Accordingly, the question of the form that pluralism should take remains unanswered. And such unanswered questions are very characteristic of our times. This is so, given the colorful whirlpool of various large and small groupings these days, which are busy with a passionate critique of the past and the present. Unfortunately, this may be a timely, extremely necessary and mostly constructive task. But on occasion it does not become constructive because it fails to transcend the denial of matters which they intend to deny.

Perhaps the idea that every social structure tries to use the means of politics for its own good may not be qualified as obsolete and conservative. Accordingly, from my vantage point socialist pluralism means pluralism in the period of socialist construction, in the interest of socialism. I recognize Laszlo Vitezy’s right as a citizen to state on Hungarian state radio, in prime time, that he regards socialism—even if only in this context—as a limiting factor. But I cannot absolve him from under the unwritten rules of public performance. He should be consistently open, he should have stated what kind of pluralism he would like to see in lieu of socialist pluralism.

I believe that Laszlo Vitezy prepared his outstanding documentary motion pictures about the reality of socialist Hungary. I do not know, whether his progressing artistic activities were ever hindered by the fact that Hungary is socialist. Possibly, he may have been hindered. Perhaps others were hindered. And it is possible that those who were hindered held socialism responsible for those limitations. I would rather attribute these limitations to the fact that Hungary is not yet sufficiently socialist.

I am convinced that responsible and mature citizens in socialist Hungary will sooner or later take notice of the fact that from among the many conceptions, endeavors, intentions and thoughts none could provide a better program, a program that provides more than socialism...
does. It is perhaps for this reason that some of these political groupings try to veil their lack of ability to provide a program by raising their voices.

In Hungary there exists the odd situation in which some believe that in thinking of rational and necessary alternatives to the distribution of power, doubt is cast on the ideological system and practical tasks of socialist existence, goals, existential form and building of the future, as a fundamental national interest. This is one reason why I welcome the emergence of the New March Front; it casts its vote for socialism amid today's ideological and verbal confusion whose dimensions are not insignificant. And it does so not by covering up the mistakes and troubles, not by avoiding struggles, with an intent to exclude in advance other concepts, but by assuming responsibility for joint deliberations.

The question may arise—and it does arise in the minds of hundreds of thousands of people—what should be done about when and if such radio statements are made? Should we scold the one who made the statement, or should we blame the media? Perhaps it would be a "good show," but it would make no sense. Shall we allow automatic responses which in such cases are inclined to tend toward so-called solutions which are based on power? God forbid! That way there would be no socialist pluralism. There can be only one timely and useful method for achieving pluralism through denying socialism: Let the committed advocates of socialism make their voices heard courageously on Radio Kossuth in prime time. The time has come that they finally recognize that they too have a voice, they too too have an argument, and that they too have strength.

Let us not forget: If we were to use the media to sing the praises of socialism with shining trumpets with a single voice, that, too, could not replace the stand taken by the advocates of socialism, their readiness to debate and, above all, their own personal conduct. The absence of the latter would make the greatest danger of these days: self-restraint exercised by socialism.

POLAND

Regime, OPZZ Maneuver To Outflank Solidarity
29000001 Paris LE MONDE in French 8 Sep 88 p 3

[Article by Patrice Claude, special correspondent in Warsaw]

[Text] Combativeness in the discreet official labor world of a communist regime... Never in Polish memory had that been seen before. Yet this was the news coming across the teletype machines in Warsaw the evening of Tuesday, 6 September: In a resolution adopted by a plenum of its highest council, the National Trade Union Confederation—in other words, the OPZZ, whose secretary general is a member of the communist party's political bureau—appeals to the labor union deputies in the Diet (Congress) to lodge a motion of censure against the government of Mr Messner and asks all deputies of the assembly to vote in favor of it. There is a second resolution, which perhaps sheds some light on the aims of the first one: The OPZZ does not see any specific reason for legalizing the principle of two labor unions for every company. There go all chances that the former Solidarity will once again be authorized as a labor organization. But given the extremely unsettled atmosphere that currently prevails in leadership circles here, no statements should be sworn to.

The current prime minister, Mr Zbigniew Messner, who confessed his "wrongdoings" before the central committee in a special meeting on 27 and 28 August (see LE MONDE of 30 August), was a condemned man already and owed his salvation to the intervention of General Jaruzelski. Thus, Mr Messner, the "fuse," who was appointed prime minister in 1985, could "blow" as soon as the Diet reconvenes. A date has not yet been set, but it is expected to meet in the third week of September.

New Strikes Possible

In theory, the die have been cast, but as the supreme party leader, General Jaruzelski can still save his government through recourse to a procedure of mandatory voting discipline for all the elected communists in the Diet. What would be his reasons for doing so? Possibly to spare, not Mr Messner, but one of his ministers, General Kiszczak, who holds the Interior portfolio and is the negotiator, if not the initiator, in the recent resumption of dialogue with Lech Walesa and his friends.

Make no mistake about it. The electrician from Gdansk still plays a key role in the crisis. Lech Walesa, that is, and all those around him, who wholeheartedly support his number one objective: to return the first free trade union in the communist world to legal existence.

The official confederation has already taken a stand against the reallocation of its powerful rival. It has hammered the nail in even further with its second resolution. If the principle of one union to a company is upheld, as the OPZZ hopes it will be, Lech Walesa can only create unions where there are none (which is rare) or infiltrate his friends into existing labor committees. This lengthy process, one that would also deprive Solidarity of a spectacular and unquestionable victory, has already been rejected by Lech Walesa.
The 1985 Nobel peace prize winner forcefully reasserted his position Monday night in Gdansk in an interview with Western journalists. "Polish workers want the legalization of Solidarity." If this goal is not met, he "will do once again what he has done before, and do it very quickly," meaning, he will call a strike. The tenor is the same in Warsaw among the intellectuals close to the movement: Jacek Kuron, Bronislaw Geremek and Tadeusz Mozowiecki. Interviewed separately in their homes, the three men were unanimous: "The legalization of Solidarity must come first." The only compromise possible, according to one of them, "would involve the timing of the operation."

The 'Roundtable'

The whole problem, it seems, is whether Solidarity as such will be admitted to the great meeting on pluralism that General Kiszczak promised Lech Walesa, or whether the question will only be brought up later in the discussions. The wrestling continues, partly behind the scenes and partly in front of the microphones. In the wings, Solidarity's people continue to negotiate with the government. "Contacts regarding the modus operandi of the future 'roundtable' are continuing," we were told Tuesday night by Mr Boniслав Geremek. But that was an hour before the OPZZ's "sally" was made public.

A bit earlier in the day, the governmental spokesman, Mr Jerzy Urban, had let it be known, in a long, meandering statement, that the relegalization of Solidarity was not on the agenda. Was he talking over the heads of the journalists present directly to the OPZZ? Whatever the case, in the only limpid passage of his presentation, Mr Urban stated, "Nothing, in relation to the expansion of the labor union model in Poland, will be decided upon without the unions." The official unions, of course....

Given the fact that those same unions have already spoken, and in clear terms, General Jaruzelski has merely to communicate a message along the following lines to Lech Walesa: "Sorry, I would have liked to satisfy your demands, but the official unions will not have you...." Of course, the Polish leader could also make a statesman-like gesture and do justice by the workers of his unhappy country. But, his past actions do not leave room for optimism on that score....

"It's simple," Jacek Kuron said to us. "If the workers do not achieve their goals for Solidarity, there will be a new wave of strikes, followed by another and yet another...." And when it was suggested to him that the legalization of Solidarity would probably spell the beginning of the end of communism in Poland, the most often imprisoned man in Solidarity's circle replied with a smile, "Ha, ha, yes, perhaps. But if they do not do it, it will be over even sooner. So...."

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ROMANIA

Finnish Communist Party in Quandary Over Romania

[Commentary by Janne Virkkunen: "Consistent Moralizing by the SKP"]

[Text] Nicolae Ceausescu's Romania is nowadays quite out of favor among Finns, and rightly so. Romania continues to discriminate against its Hungarian population of about 2 million people, and it's about time for it to be called to account for its policy.

Early this year Finland dismissed, diplomatically and politely, an Omani attempt to gain invitation for its leader for an official state visit. The political parties that have maintained contacts with the Romanian Communists have cooled relations, though not completely severed them.

The Finnish Communist Party felt obliged to send a letter to the Romanian Communists expressing its concern about "the prevalent state of affairs and the fact that it is impeding mutual relations between the two socialist countries of Romania and Hungary and their Communist Parties."

In the SKP's opinion, this is no longer a problem between the two countries but "has an adverse effect on the cooperation between all Communist parties as well as on the credibility of all forces working for democracy."

The course of action chosen by the SKP is extremely unusual. The last time the SKP publicly interfered with internal affairs between other socialist countries was in 1968 when it condemned the occupation of Czechoslovakia.

Criticizing Romania and its ruling Communist Party—for this is what the letter amounts to—was not a very easy thing to do and demanded serious deliberation for at least two reasons.

First, Ceausescu's party supported the Finnish Communist Party when it was under threat of being expelled from the international Communist movement. By condemning the Romanian Communist Party the SKP offended an old friend, regardless of whether the friendship is considered tactical in nature or otherwise.

Second, by sending the letter to the Central Committee of the Romanian Communist Party, the SKP contradicted the principle it has upheld and repeatedly emphasized itself, namely that the internal matters of each Communist party are inviolable.
The paradox is that, during the intense internal struggles of the SKP, the party's majority faction appealed frequently to the principles of the international Communist movement and stressed that it had the right to settle its own affairs without interference from the Soviet Communist Party.

However, it is remarkably consistent for the party that is generally very eager to make public statements against injustice to be capable of doing the very same thing when oppression occurs in Europe and on its own ideological turf.

We can hope that the SKP's example will encourage those organizations and activists that have asked for a show of solidarity in the matter of Outokumpu's interests in Chile, as well as those towns that maintain contacts with Romanian towns to recognize oppression where it exists, and to draw conclusions in doing so.

Contemporary Political Novel Discussed
27000115 Bucharest ROMANIA LITERARA
in Romanian 4 Aug 88 p 4

[Article by Emil Manu: "The Political Novel of Today"]

[Text] Although the political novel is not a discovery of our contemporaries (Cantemir's "Istoria Ieroglifica" [Hieroglyphic History] is also—avant la lettre—such a book in a certain sense), only the last half century has defined it as a genre, taking it out of the too general sphere of the social novel. Moreover, such a novel gives the readers satisfactions that journalistic production, on the one hand, and books of contemporary history, on the other, should offer them.

In an interview published posthumously in the magazine RAMURI (No 7, 1980), Marin Preda recognized this, stating: "Today the public seeks in literature what it should find...in the press...." The author of "Morometii" [The Morometes] further asked journalists to satisfy the man in the street through the courage to openly speak truths about the human condition.

In the current sense, the political novel deals with contemporary political themes and discusses contemporary political issues; but if these themes or issues are set in more remote times, although political in its structure, the book is put in the category of the historical novel, without it being considered that the historical setting is often a device, a parable, and the author, on the pretext of a historical subject, can even lampoon his contemporaries. The case of Eugen Barbu's "Princepele" [The Prince].

As a specific category, the political novel is a novel of issues, of discussion, of analysis of man's political condition. A specification is necessary here: It is very hard to distinguish and to separate the political condition from the human condition, since the political aspect is an interpretation of the human condition. It would appear that the best definition of the political novel was given, unmetaphorically, by Andre Malraux, who said that the subject of this genre is, above all, human freedom. Camus also said very nearly the same thing, replacing the word "freedom" with "truth." Of course, the two great writers did not exclude from discussion the aesthetic lie, that is, the parable, the means by which the writer confers a verisimilar realism on reality, because the operation of imitating reality is, in the final analysis, a fraud.

Modern literature too, like postmodern literature, taking into discussion the truth of the human condition, not simply as a meditation on it, cannot but be political. The apology for truth alone, without critical impact, is also a fraud.

Our contemporaries have discussed in poems, in short prose, and especially in novels truths about more remote or more recent periods insufficiently illuminated by journalistic commentary or by historical commentary. From this category of books we mention: "Delirul" [Delirium] and "Cel mai Iubit Drintre Paminteni" [The Most Beloved of Earthlings] by Marin Preda, "Caloianul" [The Rain Doll], "Suferinta Urmasilor" [The Suffering of the Descendants], and "Fiiul Secetei" [The Son of the Drought] by Ion Lancerian, "Ore de Dimineata" [Morning Hours] by Platon Pardau, "Paradisul Pentru o Mei de Ani" [The 1,000-Year Paradise] by Romulus Guga, "Labirintul" [The Labyrinth] by Francisc Pucurariu, "Fetele Tacerii" [The Faces of Silence] and "Orgolii" [Vainglories] by Augustin Buzura, "Galeria cu Vita Salbatica" [The Gallery With Wild Vine] and "Caderea in Lume" [The Comedown in the World] by Constantin Toiu, "Niste Tarani" [Some Peasants] and "Clipa" [The Instant] by Dinu Sararu, "Biblioteca din Alexandria" [The Library in Alexandria] by Petre Salueanu, "Vinatoarea Regala" [The Royal Hunt] by Dumitru Radu Popescu, and "Pumnul si Palma" [The Fist and the Palm] and "Muzeul de Ceara" [The Wax Museum] by Dumitru Popescu, and the list does not end with them. As can easily be seen, the order in which they were mentioned does not follow an axiological criterion.

I listed some of the books that discuss a piece of contemporary history and that pose and try to solve major problems of contemporary man, consequences of the social and political changes that have permeated the half century that we are completing, without resorting just to noisily relating shocking events or, on the contrary, without constituting apologies (albeit metaphorical) for political principles. In its essence, art (literature also belongs to this category) is not ideology (G. Calinescu tells us this) like philosophy, because it does not use ideas foremost, but images; it is able, however, to serve implicitly, in an exemplary fashion, an ideology. Otherwise it would become a product outside the aesthetic sphere.
The above-mentioned novels, to which I would also add the prose of Octavian Paler and Laurentiu Fulga, help to affirm humanity, the truth about the political condition of contemporary man, freedom, man's power to judge by himself his own existence. In “Fetele Tacerii,” Augustin Buzura says it not metaphorically but openly: “People must get used to thinking out loud.” In “Galeria cu Vita Salbatica,” Constantin Toiu speaks of the human condition of a contemporary who, recalling his era, judges if: “Not only by laughing do we dissociate ourselves from the past but also by explaining it with the utmost seriousness. However, this means that you remember as much as possible. It is also a law of intelligence, not of morals alone, to not repeat the error, which you yourself, by yourself and of good will, realize in due time, putting good first.”

In “Caloianul,” Ion Lanceranjan speaks of man’s alienation (and estrangement) through the loss of freedom, through a circumstantial subjection to power. The hero’s return to the rural area, an area from which he has been estranged, becomes dramatic. Alexandru Ghetea can no longer find his lost biography because he has become a robot in a falsely intellectual world, subject to a series of circumstances that force him to deny any personal reaction. The estranged hero subjects himself to a long, daily self-judgment, until he vanishes under the terror of his own inner indictment.

In Marin Preda’s novel “Cel mai Iubit Dintre Paminteni,” the parable of the hero’s life is different. Victor Petriț is not buried under his own meditation, is not the victim of an amatory, political, or professional failure, does not collapse under the burden of his inner universe, but saves himself through creation. The hero is at once a witness and a judge of a piece of history, a witness whose deposition is sincere to the utmost and a judge whose implicit (not direct) verdict is final.

In Marin Preda’s book there is, in his own words, a barbarism of the concrete, a barbarism of sincerity, of authenticity: “I reread this long manuscript of mine, and beyond what it contains, I was amazed by the barbarism of the concrete, displayed at length and with visible pleasure, which I was not able to avoid, being convinced that otherwise I would have tormented myself for a long time, without obtaining spiritually the total liberation of my consciousness from what I experienced.”

We can say that the novel of issues, the novel in which the heroes are not mere chessmen in a game of epic fantasy, has developed in recent decades; the heroes are beginning to judge their era, to become reflective, to discuss the problems of their social and political existence, their position as nonornamental characters.

The character, whatever his profession, becomes a means, a bivalent method of defining the social reality—to express ourselves in the terms prescribed by sociologist Dimitrie Gusti. On the one hand, he expresses the writer’s view of the world and life and his attitude toward history, understood as a process, as evolution, and, on the other hand, he conveys the political message in a specific, artistic form, addressed to the reader whom he would persuade, suggesting to him a certain understanding of history.

The characters in the novels published in the 1944-1964 decades were conceived as pedagogic models, grouped into positive and negative figures, explaining their message through discourses. The theoretical discourse in the new novels, mentioned above by us, has disappeared; the philosophy, nearly invisible yet full of the effects of the work, is part of the artistic act itself. The practical pedagogy in a work, expressed as such, as can easily be seen by rereading the literary output of the era of sociological realism, nullifies the work. The ideas of a literary work become forces, become moving symbolisms, and can have moral and political effects and can even serve social pedagogy only if they are expressed in artistic language; formulated outside the artistic act, they do nothing but compromise valid political views.

The political novel must not be seen as an ideological handbook, but remain a novel, regardless of content, taking the form of a meditation or of a lampoon, of a description of destinies put into a certain equation, of an explanation (one of those possible) of the relationship between man as a historical character and his own consciousness.

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YUGOSLAVIA

Political Scientist Tadic Defends Serbia’s Leadership
28000007 Belgrade DUGA in Serbo-Croatian 3-16 Sep 88 pp 14-18

[Interview with Prof Ljubomir Tadic by Ratko Knezevic: “Democracy Without the People”; date and place not given]

[Text] What is politics?

Virtue (Plato), or a practical philosophy of human affairs (Aristotle)?

The technology of power, a craft, the skill of ruling (Hobbes, Machiavelli), the rule of “raison d’etat” (Machiavelli, Guicciardini)?

The branch of science concerning the statesman and legislation (Adam Smith)?

The concretization of revolutionary activity (Karl Marx)?

A psychological laboratory for the psychology of the masses and the psychology of the instincts (Pareto, Freud, Reich, Fromm)?
In view of so many definitions, is a science of politics, political science, or a sociology of politics even possible? That dilemma was also faced by Karl Mannheim (see "Ideology and Utopia"), and our foremost political philosopher, Dr Ljubomir Tadic, is also dealing with it today in his new book. Tadic gives an answer with the title of his book: “Nauka o Polici” [The Science of Politics] (published by Rad in Belgrade). In fact, Tadic commits himself to the name of German origin (Politikwissenschaft), adding that no political problem can be fully explained without the social context in which it arose and in which it operates, and therefore political science is also the sociology of politics.

We can freely state that this book offers an encyclopedic look into the state of political thought, both through history and today. Critically presenting the results of contemporary political science, Tadic, with his interdisciplinary theoretical approach, has written a clearly innovative work our theoretical literature. Tadic interprets his ideological credo as follows: “...In order for the science of politics to be a theory of liberation, and not a new metaphysics of enslavement, it must be rejected both as an ode to freedom from the standpoint of the privileged classes, and as a fatally one-sided study which sees freedom from material want as the end of the enslavement of man in modern civilization.”

It is on the basis of his readings of Proudhon and libertarian Marxists, primarily Rosa Luxemburg, that Tadic defines his attitude toward socialism and the socialist idea. That attitude could perhaps be best defined through Proudhon's letter to Marx, which Tadic quotes: “But for God's sake,” Proudhon tells Marx, “after we have overthrown all dogmas a priori, let us not, for our part, dream any more about the indoctrination of the people, and let us not fall into the contradictions of your countryman Martin Luther, who, after he overthrew Catholic theology, immediately, by means of many excommunications and anathemas, had Protestant theology established... Since we are heading the movement, let us not make ourselves the leaders of a new religion, even if it is a religion of logic, a religion of the mind. Let us accept and encourage all protests; let us reject any exclusivism, any mysticism, and let us never consider any issue exhausted even when we have used our last argument; let us begin again, if necessary, with eloquence and irony. Under that condition, I will join your association with pleasure; otherwise, no!”

Rule as Deception

[Question] Prof Tadic, even Mannheim asked, “Is politics as a science possible?” For him, politics was action in an irrational area, and for you?

[Answer] Mannheim distinguished politics as action from all other activities. The action, according to him, begins “where a still nonrationalized maneuvering room begins, where situations that are not regulated push toward decision-making.” For me as well, politics is a sort of action, a “praxis.” It is a living, flowing, dynamic process filled with uncertainties because something may appear to be different than it actually is. The politician is really driven by circumstances toward decision-making. The outcome of his action depends upon his skill. In this sense, politics is a sort of skill, an ability to make decisions and a skill for choosing from among alternative solutions. For me, however, politics is not just that. The sphere of politics also includes the management of institutions: Weber's “coagulated spirit” of the bureaucratic machinery and Lukachev's “rigid topicality” of already regulated situations and political relationships...

[Question] How can one avoid the use of political science in the service of the authorities and the service of power?

[Answer] If science were reduced to giving “rational” guidelines to politicians on how to gain or maintain power, then it would only be a servant of the political authorities and their the political power. During the period of absolutism, that sort of science was called an “arcanum,” or the theory of the secrets of how to gain and maintain absolutist rule. It represented a vulgarized edition of Machiavelli's "Il Principe." The arcane science has never disappeared, and it never will disappear, as long as the political authorities seek acclamation, dedication, perpetuation, and stability. Nevertheless, modern times also recognize another kind of political science, which is more a science of politics than it is a political science. This has to do with a critical science of politics, whose basic criterion and purpose is not to serve the political authorities, but to advocate freedom from oppression and the abolition of the rule of man over man, which is a human creation with inhuman consequences. A critical science of politics, however, will be able to distinguish among the historical forms of authority that have arisen. Specifically, tyranny or despotism and ancient democracy are not the same thing, nor, to approach the modern era, are the absolutist and parliamentary monarchy, or liberal democracy, or the authoritarian (totalitarian) and democratic state.

Accordingly, in the historical forms of authority themselves, we find the germs of the substantive differences that are also expressed in their scientific or theoretical articulations. Just as despotic forms of rule exist, there are also theories that more or less justify them. What lie behind these justifications are interests or convictions that the rule of man over man is predestined by fate, since man "is too evil to be free." Conversely, what lie behind democratic critical theories are emancipative interests and the conviction that the oppression of man by man cannot be justified by any rational reasons.

[Question] What should be the relationship between a sociology of politics and the philosophy of democracy? How could that relationship be defined with respect to socialism and our society?
[Answer] The philosophy of democracy lies in the foundations of the critical science of politics. I can only conceive of "socialist society" as a process, and not as a separate socioeconomic form, as it is often conceived and understood. Accordingly, I cannot conceive of that process as an undemocratic and antidemocratic experiment with individuals and peoples. Or rather, I can conceive of it, but only as that type of socialism which has actually occurred in our century, in the form of an alliance between socialism and absolutism. The absolutist and totalitarian oppression of man by man was justified in abstract terms by some future "Arcadia" which could be produced some day, we do not know when, by the decree of some all-powerful and all-knowing Central Committee. The theory of so-called socialist democracy, and especially its absolutist expression in practice, has served only to conceal its absolutist content and discredit political democracy as bourgeois hypocrisy. Therefore, whenever we are assured of the "superiority" of that "socialist democracy" over "bourgeois democracy," we must be aware that this deals with a mere deception.

Toppling Into Precapitalism

[Question] The ideological myth of the conflictless nature of socialism is also one of those deceptions. With the prolonging of the social crisis, social conflicts in our country are gaining in significance, and a social situation has arisen in which parts of the population of Yugoslav society are at opposite ends of the scale on the distribution of material goods and political power. Such a situation has fostered latent antagonisms, and now, as we are seeing, is leading to an open but more or less controlled conflict. Are we on the threshold of serious social conflicts?

[Answer] A long time ago "socialist" ideology had already proclaimed the societies in the so-called socialist countries to be conflictless societies or ones in which "friendly classes" had merged with each other. Such theories appeared precisely at the times of terrible struggles with the "united" ruling party itself. The totalitarian restraint and terror has momentarily relaxed enough for conflicts to surface to an extent not known to contemporary developed capitalist societies. This clearly shows that the "societies" of the so-called socialist countries have remained essentially antagonistic societies.

All of the harshest types of social and ethnic conflicts have come to the surface, surprising even the participants themselves, on whom the ideology of conflictlessness has left its mark. Our society has also not been spared these corrosive upheavals, since for a long time it led its imaginary life in a "happy" intellectual and political lethargy of self-satisfaction, without noticing the ugly face of real life.

The systematic struggle against "leveling," which dates back to Stalin, has been continued, developed, and intensified with its own national "characteristics" in all of the so-called socialist countries. It has supposedly curbed the "parasitical" desire to equate labor and idleness, but has actually stimulated the participation desired by the regime in a chaotic labor process. Thus, "social differences" have gradually emerged, and in socialism have created privileged strata of society under the patronage of the ruling oligarchies. Instead of abolishing private ownership, in accordance with the program of Marxist socialism, "socialist" society has toppled back into the precapitalist world of privileges and perquisites.

[Question] And now the veil has been removed and it has become apparent how much the working class, in whose name people have ruled, has been robbed...

[Answer] Yes, the crisis that has been ruthlessly buffeting this country for the last few decades has revealed all the weaknesses of the ruling order and has sundered all of the veils of an embellished reality. The working class, which has been led along the byroads of the "self-management" ideology for years and decades, and whose embittered columns march to the Federal Assembly demanding justice in the heat of the summer, is shouting, "Thieves, thieves!" Doesn't this remind us of the cries of the Parisian proletarians, who also shouted 140 years ago, "A bas les voleurs, a bas les assassins!"? The workers, sobered by the crisis, no longer believe that the same people who "got" the people into the crisis can get them out of it. And what are the "organized socialist forces" doing in the face of the demands from the unorganized ones? Aside from a few "people on duty" in the Assembly, who delivered a few anemic speeches and distributed a few sandwiches and water to their uninvited guests, in order to calm them down at least temporarily, all of the rest are successfully calling the people names, especially through their editors and commentators in the official media.

Destruction of the People

[Question] In a socialist country, and until recently a people's country, the people are being accused of "forcing their way into" politics? Those bearing the prerogatives of power simply cannot understand that the people have seen through their politically embellished lies...?

[Answer] That should not surprise you. The vociferous defenders of the existing system, who have elevated it to the highest level of historical and political achievements, wonder in surprise what the "people" is and what that people wants. They are used to having that "people" voluntarily, and actively, subordinate itself to its leaders; these reasoners continue, explicitly or tacitly, to tolerate only certain activities by the people in political life. Popular action as a protest and a demonstration against the poor activity of the leaders is perceived by the apologists of the system as undemocratic behavior and "pressure," and furthermore, "pressure from the streets"!
According to them, the people first have to learn “democratic behavior,” and that “behavior” is nothing other than for that obedient people to continue waiting uncertainly and patiently for a system that has proven sterile than for that obedient people to continue waiting uncertainly and patiently for a system that has proven sterile, for a system that no longer has any vital juices within it. This political ideology can conceive of the people only as a mass which acclaims its leaders.

[Question] “The people,” as Karl Schmidt, one of the leading Nazi theorists, wrote 60 years ago, “cannot advise, decide, or discuss; it cannot rule, administer, or standardize; it can only sanction some standardizing project that is proposed to it. Above all, it cannot raise questions, but only, through its yea or nay, respond to proposed issues.” (This is from his article “Volksentscheid und Volksbegehren,” p 37—comment by Ljubomir Tadic.) Now I wonder: what is the difference in principle between Schmidt’s ideas and our official theory of democracy without the people?

[Answer] The original concept itself of a republic (res publica) implies the active participation of the people in political affairs, its self-determination, since the Latin word “publicus” (public) comes from the word “populus” (people)... The people, of course, cannot be on the street every day, since the people in question work, and unfortunately work less for themselves than for the nonworkers. The people go out onto the street only in times of a profound crisis and rebellion against a system that is not capable of satisfying their basic needs, even though it may satisfy the needs of society as a whole. Going out onto the “street” is the sole right of a people without the privileges to articulate its demands. Arriving in front of the Yugoslav Assembly is only a sign that the “people” wants its own assembly, in which it will be able to express its will and its interests democratically. Whoever does not understand it has been trampled by the inexorable march of time...

[Question] A long time ago, you were already asking, “Is Nationalism Our Fate?” (1971) You characterized ethnic relationships in our country by the European term, “Balkanization.” In light of the recent events in Kosovo and Slovenia, how great is the possibility of the outbreak of an ethnic conflict in our country?

[Answer] An ethnic conflict has existed for a long time now. I use the term “Balkanization,” i.e., senseless division, to describe the ethnic conflict which has lasted for a long time on Yugoslav territory, fatally corrupting the political life of both Yugoslavians. I think that life has never been so poisoned as it is today, and in fact, I think so because I see no clear and rational way out of this diabolical situation.

Since, experience shows ethnic conflicts are among the most bitter social conflicts, and since in our society the ideologues of the national oligarchies, whom I call natio-nalists, persist from day to day in sowing their hatreds, we can have little hope for anything good. And here the system, whose protagonists have boasted for decades that the national question in our country has been solved better than anywhere else, is demonstrating a complete inability to channel, much less regulate, ethnic conflicts. It cannot do so, precisely because it has incorporated a new stone of national injustice in its latest political variant...

The Strategy for Breaking Up Yugoslavia

[Question] It is evident that ethnic relations in our country have been settled on the basis of the reception of Bolshevik federalism, which was expressed in Lenin’s and Stalin’s theory of the nation (which they adopted, in part, from Bakunin). Thanks to the Comintern, that theory became the formula for resolving the national question in the socialist countries. To what extent did the 1974 Constitution provide a legal basis for such a Bolshevik-Cominternist federal system based on national principles?

[Answer] The reception of this doctrine began very early, through the Comintern. For a long time, opposition to a rigid dogmatic scheme which held that the national question in Yugoslavia could only be resolved by revolutionary means was offered by Sima Markovic, who felt that it could be resolved by constitutional means in a democratic state (without waiting for a revolution, since in the 1920’s a revolutionary situation did not exist).

Among other things, the Comintern and the Communist Party of Yugoslavia [CPY], from the beginning, prompted the strategy of breaking up Yugoslavia, and that strategy was in force until the war. Along these lines, the CPY assisted all the anti-Serbian and anti-Yugoslav nationalistic movements, and during the period from 1932 until the murder of King Aleksandar, until 1934, it openly supported the Ustasa movement in Croatia. It is interesting that in the same issue of PROLETER, the CPY organ, in which the news of the Marseilles attack against the “monarcho-fascist” dictator Aleksandar was published, the self-critical “Statement of Milan Gorkic,” the CPY general secretary, was published because of his support of the Ustase, although Stalin himself, who became involved in 1925 in the dispute over the national question in the CPY, concluded his polemic with Sima Markovic with the “moderate” view that secession did not have to be the only means of resolving the national question in Yugoslavia. Nevertheless, the policy of breaking up Yugoslavia as a “creation of Versailles” was continued, that is, until the war itself.

The Comintern’s policy, which insisted upon autonomous national states, and had either a hostile or an indifferent attitude toward Yugoslavia (with the exception of the period which I call “partisan Yugoslavism”),
represents a vital framework for the CPY’s policy in resolving the national question. The confederalism established by the 1974 Constitution naturally has its roots in that tradition. Of course, the Comintern’s policy on the national question converges with the earlier concepts of the non-Serbian and anti-Serbian nationalist movements. There are clear international influences.

[Question] That Constitution obviously creates obstacles to settling many of the issues in the crisis “arsenal.” To what extent has the Constitution been consistent with the strategy of “a weak Serbia—a strong Yugoslavia”? 

[Answer] The strategy of “A weak Serbia—a strong Yugoslavia,” which was discovered by Kolisevski, represents the ideological and political basis for the confederalism established by the 1974 Constitution. That constitution is a historical, constitutional, and legal absurdity, but an absurdity which is in effect and which requires submission.

[Question] To what extent were some of Kardelj’s solutions (if we take him to be the key theoretician of Yugoslav society) due to a reading of Lenin and Stalin, of whom we spoke a little while ago, and to what extent were they due to the reception of other thinkers, e.g., Sorel?

[Answer] I do not know whether Kardelj read Sorel; I believe that he had not even heard of him. It is certain, however, that Kardelj-Sperans built his theory of the Slovene national question on the basis of Bolshevik doctrine, particularly Stalin’s. And from 1943 to 1974, Kardelj was the principal architect of all constitutional solutions in Yugoslavia. There is no doubt that in connection with all the constitutional changes, his mind, like the minds of many prominent Serbian leaders, was decisively influenced by the animosity which had been created for decades toward “Greater-Serbian hegemonism.”

In spite of the partisan war, in which the Serbian partisans played by far the greatest role, the phantom of “Greater-Serbian hegemonism” remained the lasting psychological basis for all the numerous political reorganizations of Yugoslavia. That phantom contradicts all the facts, and today represents a firm basis and the psychological rationalization for the current flourishing of Serbophobia in Yugoslavia. Just listen to the concert of chauvinistic “chants” that are reaching our ears from the west of us. Just recall the letter from the old Slovene Communist Klopcic to NIN after the discovery of the separatist movement in Kosovo in 1981, and then the reactions of Ljubljana’s DNEVNIK to the visit by the Kosovo Serbs to the Assembly (“Trains of Nationalism”), up until the present day, when such things can no longer even be counted.

The anti-Serbian disposition has rapidly grown into the unbridled hatred being spread by many Slovene nativists. Under the trademark of the “civil society” (CD), the real meaning of which they often do not even know, and with self-congratulatory devotion to democracy and a legal state, on the one hand they attack “Serbian fascism” and the “Serbian mass movement,” and on the other hand, they flaunt their devotion to European civilization, which, according to their narcissistic belief, ought to be a “terra incognita” to the Serbian people.

If one can believe Zagreb’s DANAS, which has mobilized all its resources in the struggle against the Serbian myth, summoning all of its sympathizers from other areas to Kosovo for the struggle against the Serbs, Veljko Rus, the “pardoned” Slovene sociologist, is daily sounding the alarm against the Greater-Serbian danger, among other things as the DANAS contributor from his DELO. He is a sociologist-natilogist who harangues to create or attempt to create chauvinistic public opinion, and to mobilize heterogeneous nationalistic passions in the struggle against the “Greater-Serbian phantom” which is now personified by Slobodan Milosevic.

Chewing Gum of Anti-Serbianism

[Question] One also should not forget his ideas, i.e., the “cultural criticism” observations on the Serbian Orthodox atmosphere at the Youth Day celebration in Belgrade...

[Answer] That makes the picture of his intellectual and political profile quite clear. Since our eternal lawgiver is no longer alive, and Veljko Rus is closely associated with AVNOJ [Antifascist Council for the National Liberation of Yugoslavia], in view of the breadth of views and the “wealth” of ideas that he has expressed, we can conclude that he is a candidate as heir of our immortal lawgiver, since only that sort of Slovene can firmly guarantee that the 1974 Constitution, which has in any case been declared unchangeable, will never be changed—in spite of Milosevic, and, as Rus puts it, “his destructive policy.” And the powerful call of the trombones in the current anti-Serbian concert is represented by the recent MLADINA, which published the disturbing article, “The Maoization of Serbia,” and which had Slavoj Zizek claiming in the same issue, in the article “On Differentiation in Slovenia,” that the Serbs, as those responsible for real changes, would lead to the “Romanianization” of Yugoslavia!

[Question] Prof Tadic, in some circles the Serbian intelligentsia, most of which has had an international orientation, is being accused of expressing nationalism, and these accusations are being associated with SANU [Serbian Academy of Sciences and Arts], the Writers’ Association, and recently with certain philosophers and sociologists. What is really involved here?

[Answer] The best example is last spring’s farce published in DANAS, in connection with the proposal from the association of Serbian writers, philosophers, and sociologists concerning the democratic reform of the
existing system. The same is true of the SANU Memorandum. It has become a real chewing-gum in the mouths of all of the proponents of the struggle against so-called Serbian nationalism, even though that document has never been published in full. Thus, the weekly DANAS represents a special chapter in the intensified process of exposing the "Serbian nationalist danger." That newspaper seems to have no other program and task. Today, DANAS is the most reliable ideological editorial office defending the Yugoslav federation. The ever-alert eye of its editors carefully notes all tectonic upheavals which occur on the "solid" Yugoslav territory as a result of the disruptions caused by the current "shifts" in Serbia "proper." DANAS's literally "exaggerated tolerance," with which, if I may use Rus's terminology, it "monitors the destructive policy of Milosevic and his team," can be seen in the series of articles in which it has "systematically" incited fraternity and unity.

Standing by the deathbed of the Yugoslav confederation, DANAS is striving with might and main to be the militant organ of the ruling Yugoslav coalition, whose basic strategy is to preserve the status quo in Kosovo and in the country, since it believes that changes in the relationships in Serbia which were created by the 1974 Constitution would threaten freedom and independence, i.e., the sovereignty of other republics. This conservative position cites the positions and conclusions of the highest party forums, in which, according to DANAS, "there is an explicit desire that the changes in the Serbian constitution be made while respecting the principle of consent by the provincial assemblies." That is why DANAS is against a referendum, and, in a threatening tone, reports that the "procedure for changing the Constitution has been specially and explicitly regulated."

Shameless Cynicism

[Question] In your opinion, what positions are the basis for such coverage?

[Answer] Those are the positions of the ruling coalition, which has linked its "to be or not to be," its fate, with the immutability of the 1974 Constitution, which raised the privileges of all the non-Serbian national oligarchies to the level of immutable principles, axioms. It is those "axioms," however, which have been shaken by the wave of movements and protests from the ethnically oppressed Serbian populace from Kosovo, which, as a socially oppressed working class, has begun to demand justice.

When the political leadership of Serbia saw that the demands of that populace were both justified and legitimate, and was able to announce this publicly, and direct its policy toward satisfying the basic needs of that people, the coalition surged up, feeling that its "acquired ruling rights were threatened."

The DANAS weekly zealously reflects that fear of the ruling coalition.

They dispute the rights of the Serbian nation and Serbia as a republic that they themselves gained through the 1974 Constitution. They see limited sovereignty for the Serbian Republic as a guarantee of their own unlimited sovereignty. By attacking Serbian "unitarism," they only defend the republic and provincial unitarism established by their constitutions. Under the pretext of defending national equality, and explicitly or tacitly citing the danger of "Greater-Serbian hegemonism," they deny equality to the Serbian people, even within the nominal limits of the republic of Serbia.

While verbally condemning Albanian separatism, they actually offer full support to a provincial regime which has instituted ethnic discrimination within its domain. Without recalling Vladi, they constantly emphasize that the state is not important; what is important is only self-management, while they defend their state, their polycentric etatism, with tooth and nail.

They are supposedly opponents of a "national" state, while supporting an "ethnic" one. "It is an illusion," DANAS opines, "to think that a national state and any eventual 'pacification' of Kosovo could ensure more legality and order in the province." When columns of humiliated and deprived Serbs come to the Federal Assembly and ask nothing more than a legal state, then these are merely nationalistic demands. Bloodthirsty chauvinistic malice has now become apparent, under the guise of indifference to the fate of the Serbian people in Kosovo. DANAS's warning to the Serbian political leadership that its demands for a change in the Constitution should respect the "principle of the consent of the provincial assemblies" is equivalent to shameless cynicism, because those assemblies do not want any fundamental change. They want to remain states within a state.

[Question] Obviously, then, this is a question of the "use of politics," manipulation of the highest order...

[Answer] In its unbridled hatred of the Serbian intelligentsia, DANAS is doing a great deal of manipulation. It is adroitly publishing all sort of rubbish. The article by Zivko Vnuk about the Serbian writer Dobrica Cosic, published last spring in DANAS, is equivalent to the rubbish published by Nazi pens. Can one recall any Serbian newspaper ever publishing anything similar about any Croatian writer or intellectual? The people at DANAS know quite well that the Serbian intelligentsia has never been homogeneous, as they have tried to portray it to the uninformed. Most of the Serbian intelligentsia has had and has maintained an independent attitude toward its rulers. The independent heads among the Serbian intellectuals can never sing in a chorus in which some people constantly sing loudly in praise of their ruling regimes.
[Question] The rallies at which the people have clearly and loudly said what they want are being labeled as nationalism, and painted in the blackest of colors. People are going so far as to say that such rallies are a "masochistic ecstasy"...?

O Tempora, O Mores!

[Answer] All those who say so, and the rest, know quite well that the rallies and the "single-nationality gatherings" in the July and August heat were the consequence of an angry dissatisfaction, and not unruliness and disorder. Fuad Muhic, who I see is a regular contributor to DANAS and DUGA, a prominent gunslinger among the Bosnian apologists, gave an interview to that same DANAS, in which he used the superficially gleaned terminology of critical psychology to shade the simple truth.

Fu-Mu calls upon the Serbian people in Kosovo to continue to bear their sufferings, and to resolve them through the legal state! What insolence! It is equal to that other insolence which boldly claims that the assumed Serbian nationalism and national authoritarianism is "seeking unlimited expansion even beyond its historical region."

Fu-Mu’s false constructs are joined in by the aged ideologue of Montenegrin usury, Savo Brkovic, who in the same newspaper explains the “identity of the Montenegrin people” by means of “the dialectical method of historical materialism,” which he undoubtedly became quite familiar with in his party courses. He cites Tito, in order to attack “bourgeois historical science,” which, according to him, has remained in the service of "Greater-Serbian hegemonism." Incredible.

Since we are talking about Montenegro, however, I see that the “nonaligned” Montenegrin Central Committee thought of allowing a rally in the Montenegrin capital, naturally, with many reservations and subsequent condemnations in the spirit of the conclusions adopted by the leadership. But poor Baco Jovanovic, who has had more revolutionary accomplishments than most of the current rulers, was not permitted by the latter to speak before the people who elected him. O tempora, o mores!

[Question] How would you define the political struggles that are obviously being conducted with respect to Serbia and within Serbia?

[Answer] In systems in which social antagonisms have been concealed for a long time, and in which there are no reliable mechanisms for regulating them, those antagonisms sooner or later come to the surface of society. That is why the struggles regarding Serbia display little respect for the parliamentary rules of the game. But why is there a call for parliamentary rules of the game in a country in which parliamentarism has been condemned and persecuted for a long time? Those in Yugoslavia who are using all possible means to settle accounts with the Serbian political leadership do not have the right to lecture that leadership, or, as they say, that “leader,” on democracy. Such rights are possessed only by the disenfranchised people and by those who have proven through their lives and careers that they are devoted to democratic principles. The non-Serbian nationalists consider “acceptable” only a Serbian official who attacks “Serbian nationalism,” either real or suggested, on a daily basis, like a morning prayer. But someone who advocates the rights of his people like all other national representatives, no more or less, has to be denounced as an authoritarian dictator. All of this is a consequence of the stereotype of “Greater-Serbian hegemonism,” which is always portrayed as desiring to expand beyond the borders of its historical region.

[Question] You were recently elected the president of the Serbian-Jewish Friendship Society, which, in fact, is being founded. Why hasn’t that Society gained the right of citizenship?

[Answer] The Belgrade SUP [Secretariat for Internal Affairs] did not register our society, because the Federal Conference of the Socialist Alliance of Working People of Yugoslavia [SAWYP] “advised” it that the “achievement of the goals and tasks of the Society would be opposed to the policy of the equality of the peoples and nationalities of the SFRY.” I ask you—the goals and tasks of the Society include the expansion of friendship between these two peoples, and it can only occur to some sick mind or the unfathomable principles of some secret diplomacy that a society without any selfish goals could be opposed to the principle of equality. Our society has been founded in order to affirm friendship among peoples at a time when hatred has gained the right of citizenship, so who are we bothering?
GERMAN DEMOCRATIC REPUBLIC

Commentator Alleges New U.S. Nuclear-Biological-Chemical Facility

Nuclear-Biological-Chemical Facility

23000003 East Berlin AR ARMEERUNDSCHAU
in German No 9 Sep 88 pp 6-9

[Article by Siegfried Franke, DSc]

[Text] In February of this year the wire service teletype machines reported that, at the Dugway Proving Ground (United States), a new facility for testing biological weapons was being established. The purpose of this facility is to create more favorable conditions for biological warfare research and for the testing of lethal, genetically altered micro-organisms. It is a fact that the Pentagon financed research directed toward the selective destruction of agriculture, pets, and grazing animals by biological means as early as the 1950's. And the Dugway Proving Ground, or DPG, is the U.S. Army's testing and training center for biological and chemical weapons and their use. In the middle of a barren salt desert, the testing grounds extend across an area measuring 3,850 square kilometers, or approximately the size of the Suhl district. It was taken over by the U.S. Army Chemical Warfare Corps in 1944. Since the late 1940's, in addition to chemical and technological departments, there have also been departments for developmental research in epidemiology and biology. For this reason, the entire area is carefully sealed off from the outside and monitored from the air. Warning signs posted at the only entrance point out that it is forbidden to move about the area as an "unidentified object", and that, in the interests of safety, one should constantly indicate one's location. The safety measures even go so far that the residents of the nearby community, Basque, feel they are watched as closely as those of Easy Area on the base, the residential area for the families of the 1,600 military and civilian personnel who work at the test site. These measures are easily understood, because since 26 Mar 1975, the "Convention on the ban against the development, production, and storage of bacteriological (biological) and toxic weapons and their destruction" has been in effect internationally. To be sure, this convention does permit governments to conduct research in the interest of defense against biological agents, and to unlock the mystery of unknown diseases. Referring to these rights, the United States continually spends ever-increasing sums on such research in the area of military biology, and a large portion of these monies flows to Dugway.

In the past, troops posted to active duty at the Dugway test site were never aware of the tests conducted there. These troops came from all branches of the Armed Forces, and they were all stationed at Dugway for brief periods of time. As a result of the strict secrecy surrounding the tests and the concealment of the actual function of this gigantic facility, hardly anything reached the public concerning that subject until 13 Mar 1968.

After what was purported to be the testing of an airborne spraying device, 6,400 sheep grazing in Skull Valley, 43 kilometers away from Dugway, died. Not until October was the affected area for a distance of up to 73 km reopened. The official version of the U.S. Defense Department was that the chemical weapon, VX, had been released at the DPG. Approximately 7 kg had been released by accident when a plane ascended to a higher altitude. In this way, the lethal cloud crossed a mountain that was 900 meters high and drifted down into the valley.

Shortly after the incident, those responsible at Dugway had an explanation ready to answer possible questions. In the statement, it was said that no other species exhibited any indications of harm, even though horses, cattle, dogs, birds, and rabbits were found in the same area. None of the people living in Skull Valley suffered from any ill effects. If, in fact, Weapon VX had escaped, the other animals and people would have experienced the effects of poisoning.

At a later "hearing," the Chairman of the State Investigative Agency, District Attorney Osynthorpe, said that treating the sheep with atropine, a well-known and effective antidote to nerve toxins, was not effective after one administration. Higher doses caused motor disturbances in the animals. They tried to stand, but they died.

Two days earlier, the DPG's scientific director, M. Rothenberg confirmed that the symptoms were not typical of those induced by nerve toxin-based weapons and that no tests with VX had been conducted at the DPG since July 1967. In the House Investigation Committee's hearings to determine the risks to humans and the environment inherent in the open-air testing of chemical and biological weapons, the members H.J. Reuss, R.D. McCarthy, and G.V. Tagt asked, in conjunction with the Skull Valley incident, whether biological weapons had been tested. The large-scale incidence of disease among sheep that occurred later seemed to support this possibility. A single release of VX would have killed the sheep in a shorter time. The great distance between the DPG and Skull Valley, and the size of the area affected there led to the conclusion that only biological agents that affect sheep exclusively could have been at work. The epidemic spread of the disease made it necessary to leave the sheep where they were, and to bury the carcasses there.

Sheep are more resistant to disease than other ruminants. What was it, then, that killed the sheep? The clinical picture described among the sheep, the swayed back, the paralysis of the legs, the continuous outpouring of urine, pointed at first to damage to the central nervous system, and caused suspicion of poisoning, but the syndrome was in keeping with that of the visna virus.

The visna viruses have a longer incubation period. When combined with other viruses, cellular hormones, and other additives, this period can be shortened. In the late
1970's, the visna virus gene had been transformed into an easily managed “building block” by the genetic engineers. New micro-organisms can be constructed of this gene, or certain characteristics can be manipulated in such a way as to occur in viruses or bacteria that occur naturally.

Biological weapons that affect man are very difficult to test in the form in which they would be used in a war due to the danger that the infectious agents pose, namely that they could break loose uncontrollably and cause infections. For this reason, the United States used substances that imitated the actual infectious agents during the 1950's in order to study the behavior of biological weapons. From 1950 until 1966, such tests were conducted in eight cities in the United States. In 1966, for example, the New York subway was the target of a “biological attack”. A fragile container with easily identifiable micro-organisms was thrown from a moving train into a subway tunnel in order to study the spread of the organisms throughout the entire subway system.

In the fall of 1981, Fidel Castro pointed out that the dengue fever epidemic that was raging in his country, which has claimed 113 human lives thus far, is part of a biological war that the United States was waging against Cuba. In Havana, Fidel Castro said that the American intelligence service, the CIA, was using biological agents “that posed a threat to humans, animals, and plants. In less than 3 years, our country has experienced 5 severe epidemics. Sugar cane and tobacco plantations were attacked by diseases, and heavy damage was done to the herds of swine. Yet, worst of all is the fact that epidemics have been spreading among the populace, namely dengue fever and—more recently—hemorrhagic conjunctivitis.” In this regard, the leader of Cuba's revolution cited a series of official documents from the U.S. Congress and statements from the American press which plainly showed that plans for biological aggression against Cuba existed.

In addition to the civilian population, the goals of biological weapons also include combat troops. For this reason, an attempt is made to make the “effectiveness” of such a weapon “measurable.” Dugway is set up for such experiments.

At the present time, the United States's military biological research is concentrating on viruses that cause little-known, exotic diseases. Antidotes in sufficient quantities, if available at all, exist for only very few of these viral diseases. For many years, large sums have been invested in the area of recombinant DNA research projects. Civilian institutions, military institutions, and institutions outside of the United States have been involved in these projects. One of these is the Israeli “Weizmann Institute.”
GERMAN DEMOCRATIC REPUBLIC

GDR Supports Efforts To Limit Baltic Pollution
23000009 East Berlin
WASSERWIRTSCHAFT-WASSERTECHNIK in
German No 6, Aug 88 pp 125-127

[Article by Hubertus Lindner, Chamber of Technology, director of the Coastal Water Management Administration-Stralsund: “The Contribution of the GDR to Implementing the Convention on the Protection of the Marine Environment in the Baltic Sea Area”]

[Text] The Convention on the Protection of the Marine Environment in the Baltic Sea Area of 22 March 1974 (which went into effect on 3 May 1980 following ratification by the seven Baltic states) is the first agreement of this kind in the world relating to all sources of pollution, both from land and from ships. Thus, for example, the agreement prohibits all dumping into the sea and also contains a ban on all pollution in conjunction with exploiting the floor of the sea and research.

The cooperation between the Baltic states in implementing and fulfilling the goals of the Baltic Sea Convention should be judged as a good example of fruitful cooperation—based on common interests—between states with different social structures in the spirit of peace and detente, and for the good of the nations.

The Baltic Sea coastal area—and thus also the marine environment of the Baltic Sea area—is of major economic and cultural significance to our republic. For example, this area is:

- The area of residence and settlement of a large percentage of the residents of the Rostock bezirk.
- The commercial area for numerous enterprises and institutions, especially those involved in the marine and harbor economy, fishing and shipbuilding.
- GDR sea-borne transports have reached a volume of more than 12 million tons per year.
- The movement of goods in the harbors in 1985 amounted to 25 million tons.
- Fishing yields in the Baltic Sea in recent years have come to about 1 million tons.
- A vacation center for approximately 2.7 million vacationers each year and approximately 11 million weekend and half-day visitors.
- To an increasing extent, a destination for tourists from neighboring countries.

It should be remembered that protecting the Baltic Sea also involves preserving a valuable ecological brackish water system with characteristic flora and fauna.

It is important to note here that the total drainage area of the Baltic Sea is approximately 1.6 million km² in size, of which the GDR’s share is about 24,000 km², or 1.5 percent. The GDR’s share of the generalized total coastline, measuring approximately 9,000 km, is approximately 340 km, or 3.5 percent (Figures 1 and 2).

In all the necessary measures to protect the Baltic Sea area, our fundamental premise is the national economic interests of the GDR and our international obligations.

Figure 1 (left) Share of Baltic Sea Drainage Area Accounted for by Individual States (total drainage area is approximately 1.6 million km²) Figure 2 (right) Share of Baltic Sea Coastline Accounted for by Individual States, in Percentage (total coastline length is 9,000 km)
The protection of the GDR's Baltic Sea coast is not the only thing that is an acknowledged matter of concern in the area of environmental protection in the GDR; the government of the GDR is devoting special attention to preserving and improving the marine environment of the Baltic Sea area as well.

Because the Baltic Sea is very small compared to other seas in terms of volume of water, it is very sensitive to anthropogenic influences (Table 1).

Table 1—The Baltic Sea Compared With Other Seas

<table>
<thead>
<tr>
<th>Area (in percent)</th>
<th>Volume (in t/yr)</th>
<th>Average Depth (in percent)</th>
</tr>
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<tbody>
<tr>
<td>Baltic Sea without Kattegat</td>
<td>370</td>
<td>22</td>
</tr>
<tr>
<td>Caspian Sea</td>
<td>436</td>
<td>77</td>
</tr>
<tr>
<td>Black Sea</td>
<td>423</td>
<td>537</td>
</tr>
</tbody>
</table>

For this reason, it is important that all Baltic states bear responsibility for:

- avoiding harmful effects on the living resources of the Baltic Sea
- ensuring the ongoing utilization of the Baltic Sea—including its recreational use by people

Within the framework of work by the Helsinki Commission, the permanent working organ for the protection of the marine environment in the Baltic Sea area, situational assessments have been drawn up by scientists from all Baltic states. Accordingly, the following pollutants are found in the Baltic Sea:

Table 2—Yearly Introduction of Pollutants Into the Baltic Sea (Selected Values)

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>GDR Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSB₅</td>
<td>1,704,450</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>530,000</td>
</tr>
<tr>
<td>Phosphorus</td>
<td>49,000</td>
</tr>
<tr>
<td>Mercury</td>
<td>5</td>
</tr>
</tbody>
</table>

Based on the duty to protect the Baltic Sea area and on the responsibility for preserving natural resources and their usefulness, the GDR has created both extensive material-technical preconditions and an effective legal foundation.

Legal Foundation

Besides ratifying the "International Convention on the Prevention of Pollution by Ships" (Marpol 73/78) and the "Convention on the Prevention of Pollution of the Sea by Dumping Garbage and Other Substances," other steps have been taken in the area of national culture and of environmental protection, including protection of the waterways, through passage by the People's Chamber of the GDR of the National Culture Act on 14 May 1970 and the new Water Act on 2 July 1982. The scope of these legal regulations extends fully into the territorial waters of the GDR and into the internal maritime waters, so that the stringent stipulations pertaining to water pollution on land are also fully applicable to these areas. The Water Act, together with its follow-up provisions, is supported by a multitude of state standards containing the obligatory application standards for certain special cases. In order to combat water pollution damage to ships on the Baltic Sea, the Council of Ministers passed another legal foundation in the "Ordinance on Combating Water Pollution Damage to Ships in the Baltic Sea" on 11 March 1982. This legal ordinance clearly covers the obligations in reporting contamination with water pollutants and in combating damage to ships. At the same time, the ordinance contains compulsory regulations governing activities to combat water pollution damage to ships in the Baltic Sea, both for state organs and for competent enterprises. Explicit reference to the Baltic Sea Convention is made in the preamble to the law.

The administrative duties involved in implementing the legal provisions pertaining to preventing water pollution are performed by the State Waterways Supervisory Board of the GDR, while the State Waterways Supervisory Board of the Coastal Water Management Administration is responsible for preventing pollution of the Baltic Sea.

As the state organ for supervising use of the waterways and monitoring compliance with legal provisions concerning the use and protection of the waterways and of the water, it has a great deal of authority in this regard and can issue compulsory conditions to the user of the waterways. Of particular interest here is the implementation of measures needed to keep the Baltic Sea clean. Another focal point of the work of the State Waterways Supervisory Board is the monitoring of compliance with the limits pertaining to sewage lines feeding into waterways. Within the domain of the territorial waters and the internal maritime waterways, five large monitoring ships are continually at work, while another five can be deployed in the internal maritime waters. In addition, these waters are monitored by airplane at certain intervals.

When it is determined that water pollutants are being introduced into the waters, evidence is secured and monitoring compliance with legal provisions concerning the use and protection of the waterways and of the water, it has a great deal of authority in this regard and can issue compulsory conditions to the user of the waterways. Of particular interest here is the implementation of measures needed to keep the Baltic Sea clean. Another focal point of the work of the State Waterways Supervisory Board is the monitoring of compliance with the limits pertaining to sewage lines feeding into waterways. Within the domain of the territorial waters and the internal maritime waterways, five large monitoring ships are continually at work, while another five can be deployed in the internal maritime waters. In addition, these waters are monitored by airplane at certain intervals.
GDR Programs on Protecting the Marine Environment of the Baltic Sea

In the GDR, the Baltic Sea Convention is being implemented through an extensive national program to keep the Baltic Sea clean. This program comprises a multitude of measures aimed at reducing pollution of the Baltic Sea, both from land and from ships. In this regard, the government has adopted resolutions in which each existing program is supported by concrete measures for a period of 5 years. As a result of the realization of this program, the construction of sewage treatment plants in focal areas where waste water is fed into Baltic Sea tributaries has brought about considerable improvements in the purification of municipal, industrial and agricultural waste water.

Measures on Land

While a reduction in the volume of sewage of 540 tons per capita was achieved between 1975 and 1980, it was possible to reduce the volume of sewage by another 440 tons per capita from 1981 to 1986, including measures on ships and in harbors. This result can be attributed to the startup and expansion of 22 municipal sewage treatment plants. Notable here are large-scale projects in, among other places, Sassnitz, Boltenhagen, Kuehlungsborn, Wismar, Rostock, Stralsund, Schwerin, Neubrandenburg, Pasewalk, Malchin-Stavenhagen and various smaller plants in rural areas. When industrial enterprises are established, it is guaranteed that the necessary waste water treatment plants will also be completed by the beginning of production.

The current program for the period from 1986 to 1990 provides for a further reduction in the volume of sewage being introduced into Baltic Sea tributaries through the establishment of biological sewage treatment plants in large cities, such as Rostock, Wismar, Guestrow, Schwerin, Bergen, Ribnitz-Damgarten and other places. In addition, there will be an effective improvement in the waste water situation through intensification and rationalization measures, as well as reconstruction.

Measures in Harbors and Ships

As an essential precondition for improving the handling of water contaminated with oil, the bilge and ballast water treatment plant at the Rostock seaport was put into operation. Using this treatment plant, up to 7,000 tons of oil a year can be recovered from waste water from ships. The delivering ships are not charged any fee for this. In this way, ship captains are motivated to dispose of oil, monitoring entry from the air and reducing the entry of oil, monitoring entry from the air and reducing the introduction of pollution from municipal sources and from agriculture.

The observance and implementation of these recommendations is furthered by the all-encompassing monitoring activities of the State Waterways Supervisory Board of the Coastal Water Management Administration and by the imposition of relevant conditions on users of waterways.

The realization of the recommendations is supported by the specification of corresponding measures in the permanent working committee “Baltic Sea Convention” and by way of the competent ministries.

Baltic Monitoring

Through monitoring the Baltic Sea (recording hydrological, chemical and biological data in the Baltic Sea), the GDR is actively contributing to the realization of the Baltic Monitoring Program (BMP) agreed to by the Baltic Monitoring
states. Scientists and researchers from the Institute for Marine Studies of the Academy of Sciences of the GDR (IFM) in Warnemünde are prominently involved in this. Other scientific facilities and institutions cooperating in fulfilling these international obligations are the Wilhelm Pieck University in Rostock, Department of Biology; the Karl Marx University in Leipzig, Zingst Marine Observatory; and the State Office for Atomic Safety and Radiation Protection of the GDR (SAAS).

The Baltic Monitoring Program is one of the central tasks of the “Convention on the Protection of the Marine Environment in the Baltic Sea Area” (Helsinki Convention), and its primary function is to draw up periodical assessments of the quality of the Baltic Sea area. Each year, the Institute conducts five internationally agreed-upon surveys in the Baltic Sea area in which extensive data are gathered, in particular with respect to primary production, as well as the content of nutrients, trace metals, oil, and chlorinated hydrocarbons.

Finally, it should be noted that all the measures—on the utilization and preservation of the coastal landscape and of the coastal waters and the Baltic Sea—ultimately serve to improve the working and living conditions of our citizens. Making them increasingly effective for the good of man defines the meaning and purpose of our activities for environmental protection in the Coastal Water Management Administration.

Literature

- “Geschuetzte Ostsee” [Protected Baltic Sea], brochure of the Ministry for Environmental Protection and Water Management of the GDR.

Water Pollution Control Measures Applied to Saale River

[Article by Guenter Franke, director of Saale-Werra Water Management Directorate: “Results and Further Efforts in the Implementation of Efficient Water Use and Water Resources Protection Based on the Example of the Saale River Basin”]

[Text] The road toward economic growth with conservation of resources, which was begun in the early 1970’s under the economic policy of our government and party leadership, has also been provided since 1980 with clearcut objectives regarding water resources in the form of the “Directives on Efficient Water Use During the 5-Year Planning Period.” Since that time, the term “efficient water use” no longer means only the intensive utilization of available basic water management funds for water storage, supply systems, and wastewater treatment, but also reducing water use in all areas of production, reclaiming usable substances, more aware handling of water resources, wastewater and water contaminants, as well as water resources protection.

The results achieved to date in implementing efficient water use are, therefore, a yardstick for the level of intensive reproduction achieved in the national economy, for an assured stable water supply and disposal system and for water resources protection as an integral part of environmental protection.

It is evident that this task can only be realized through a comprehensive approach, both within the scope of national economic planning and in terms of coordinating economic and social development with planned environmental structuring.

This means new demands in terms of management activities in industry, agriculture, local agencies, and the State Water Resources Board (SWRB) of the Water Management Directorate as the state supervisory body.

An additional factor is that production which conserves resources is advantageous over the long term with regard to enterprise economics as well as environmental protection, and that territorial planning of productive forces and of the infrastructure must be more closely bound to long-term environmental structuring. It is also necessary that the SWRB turn the corner on the largely regulatory and administrative end of water resources law enforcement and focus its attention on the consulting and supervisory functions related to scientific acceptance, planning, preparation, and implementation of efficient water use measures. This in no way precludes consistent water management enforcement action when the laws are broken.

Regarding the Study of the Saale River Basin

With a length of 329 km inside the territory of the GDR, including 149 km within the Gera bezirk and 155 km within the Halle bezirk, the Saale is among the largest and most widely used rivers in the GDR in terms of water management.

Its watershed area includes 36 kreises with a total population of 2.53 million (1986 - Statistical Yearbook of the GDR, 1987).

Important industrial sites, such as the VEB CFK Schwärz, the VEB Maxhuette, the VEB Leunawerke and the VEB Chemical Works Combine in Buna, have high water-use requirements in terms of quantity and quality.
Reasons for Achieving Good Results in Terms of Efficient Water Use and Water Resources Protection

Based on the net results regarding water quality and quantity, the following points are crucial in terms of managing the available Saale water:

1. The degree of productivity of the Saale, i.e., the ratio of water demand to natural availability, is extremely high.

   - In the Gera bezirk:
     - the annual average is 0.7
     - the average in the month of August is 2.87

   - In the Halle bezirk:
     - the annual average is 2.79
     - the average in the month of August is 8.88

2. Productivity losses, also called water consumption in the net results, exceed the natural availability of the river and are as follows:

   - 112 percent of August availability in the Gera bezirk
   - 210.7 percent of August availability in the Halle bezirk

Table 1 provides a summary.

<table>
<thead>
<tr>
<th></th>
<th>Gera Bezirk</th>
<th>Halle Bezirk</th>
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</thead>
<tbody>
<tr>
<td>Saale Figure</td>
<td>Total</td>
<td>Saale Figure</td>
</tr>
<tr>
<td>Trend in absolute water requirements in industry</td>
<td>-6.2</td>
<td>-3.6</td>
</tr>
<tr>
<td>(millions of cubic meters/year)</td>
<td>-2.3</td>
<td>+0.9</td>
</tr>
<tr>
<td>Trend in absolute water consumption in industry</td>
<td>-0.4</td>
<td>-0.3</td>
</tr>
<tr>
<td>(millions of cubic meters/year)</td>
<td>-0.2</td>
<td>+0.8</td>
</tr>
<tr>
<td>Increase in available water from high dams, reservoirs, and diversions in millions of cubic meters/year</td>
<td>18.45</td>
<td>1.21</td>
</tr>
<tr>
<td>Reduction of organic matter in wastewater introduced into water system in TEGW [expansion unknown]</td>
<td>262</td>
<td>3694</td>
</tr>
</tbody>
</table>

Table 2—Objectives To Be Met in 1986-90 Time Period in Saale Region

<table>
<thead>
<tr>
<th></th>
<th>Gera Bezirk</th>
<th>Halle Bezirk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saale Figure</td>
<td>Total</td>
<td>Saale Figure</td>
</tr>
<tr>
<td>Trend in absolute water requirements in industry</td>
<td>no increase</td>
<td>-24.9</td>
</tr>
<tr>
<td>(millions of cubic meters/year)</td>
<td></td>
<td>-7.3</td>
</tr>
<tr>
<td>Trend in absolute water consumption in industry</td>
<td>+0.9</td>
<td>no increase</td>
</tr>
<tr>
<td>(millions of cubic meters/year)</td>
<td>+0.8</td>
<td></td>
</tr>
<tr>
<td>Increase in available water from high dams, reservoirs, and diversions in millions of cubic meters/year</td>
<td>6.04</td>
<td>0.56</td>
</tr>
<tr>
<td>Reduction of organic matter in wastewater introduced into water system in TEGW</td>
<td>202</td>
<td>75</td>
</tr>
<tr>
<td>Reclamation of usable substances in metric tons/year</td>
<td>55,735</td>
<td>64,000</td>
</tr>
</tbody>
</table>

3. Intensive water use in the various branches of the national economy is reflected in a high waste water level in the Saale, and the Halle bezirk produces more than its share.

While in the Gera bezirk the river water in quality classes 2 and 3 still largely meets the requirements for industrial and irrigation water use and, because fishing is possible in it, provides for human recreation, the introduction of municipal wastewater in the Halle bezirk, together with the high mineral content added by the Unstrut River, places a heavy burden on the water flowing between Naumburg and Bad Duerrenberg (quality classes 3 and 4). When it enters the industrial conurbation of Merseburg-Halle, the river is excessively polluted (quality classes 4 and 5) and thus usable for industrial purposes only at a very high cost for water treatment.

4. The severe pollution of the river, especially during longer periods of low runoff, leads to water use restrictions in the Halle bezirk. In addition, every violation of
wastewater regulations or accident involving industrial, agricultural or municipal water treatment plants leads to tangible economic losses for the water users located downstream.

5. Without continuously backing up the Saale's own available water through reserves held behind high dams and through diversions from other river basins, current water use along the Saale could no longer be ensured either in terms of quantity or in terms of maintaining specific minimum quality parameters for industrial water use.

The water management directorate must, therefore, manage several systems for continuous hydrological monitoring, for testing through laboratory analysis and for operative control of runoff by regulating high dams and water removal.

These types of monitoring and control systems begin as far back as the headwaters of the river in the form of artificial aeration at the Bleiloch dam in order to obtain the benefits of power supply, fish production and local recovery, and end at the lower course of the river with control of the mineral content based on the benefits to large-scale chemical industries and power plants.

In addition, the mineral content of the middle stretch of the Saale was able to be lowered substantially by installing a chloride water line at the Mansfeld combine.

In 1987, 64,000 hectares of agricultural land was opened up to irrigation in the area under consideration, as opposed to 43,800 hectares in 1980. In order to provide overhead irrigation to these areas, the Saale-Werra water management directorate in 1987 approved 67.3 million cubic meters/day of irrigation water as opposed to 44.2 million cubic meters/day in 1980.

With these results from the period 1981-85, all of the goals of the directives on efficient water use were achieved and improvements within the quality classes were achieved in some sections of the river; local environmental pollution was also reduced.

The priorities with regard to the Saale river basin are as follows:

- Reduce industrial water demand and consumption in order to cover increasing agricultural demand for irrigation using these "freed-up" water supplies.
- Implement specific wastewater treatment measures and reclaim usable substances in order to stabilize existing industrial water use in terms of quality.

These two measures have the combined objective of requiring less water from the dam in order to dilute the amount of wastewater and of lowering treatment costs for the water made available.

These results, which are to be achieved by 1990, although keeping pace with the trends regarding use requirements on the one hand, are not yet, however, leading to a detectable improvement in terms of water resource protection and of alleviating the situation during periods of low runoff. Complying with the directives regarding efficient water use and water resources protection in the Saale region by 1990 will require even more intense effort. In assessing the fifth central seminar of the council of ministers on 16 Jun 1987 regarding implementation of efficient water use, the work of the SWRB, particularly in terms of its specific methods with regard to industry, was concentrated on the following priorities:

1. Increasing the board's influence on the combines and enterprises as early as the planning stage for measures regarding efficient water use and water resources protection by issuing 981 guidelines for future water consumption and reclamation of useful substances, 332 of them for the Saale river basin. The guidelines are derived from the water resources net results regarding quantity and quality and future use requirements.

2. SWRB enterprise inspectors in large combines and enterprises, e.g., in the VEB CFK Schwarza, VEB ZPR Blankenstein, VEB Combine Carl Zeiss JENA, and the chemical combines in Leuna and Buna, are more closely monitoring the planning and implementation of measures for efficient water use and water resources protection, advising water users and orienting them toward specific applications of water-saving and resource-protecting technologies. At the spirits and yeast factory in Bernburg, for example, it was therefore possible, using simple methods and with little effort, to reduce the wastewater burden by 273 TEGW within 2 years by diverting the wastewater with high levels of organic pollutants into the water treatment plant at the VEB Sodawerke [soda factory] in Bernburg. The advisory function of the SWRB also extends to having a consistent influence with regard to establishing technological discipline and production safety within the enterprise as a prerequisite for stable operation of the existing water treatment plants with highly effective waste breakdown. An example of this is that the causes of severe fluctuations at the inlet to the central treatment plant at the VEB chemical works combine in Buna were able to be discovered following several days of deep-water testing. The result:

- stable continuous operation of the biological treatment plant with 98 percent waste breakdown
- elimination of losses related to raw materials and intermediate products
- concrete working instructions regarding the operating regimen for production plants with in-house wastewater parameters

3. Influence is also exerted with respect to integrating the measures for efficient water use and water resources protection derived from the guidelines into the annual economic plans of the combines and enterprises by
means of annual SWRB consultations with the users of water resources for purposes of monitoring and coordination. Records are kept of the results. Conditions imposed with respect to water rights are likewise monitored. Warnings are given regarding fines. In the case of the primary water users who determine the net results, these consultations for monitoring and coordination purposes take place at the level of the director general and head of the SWRB of the water resources management directorate.

An example of the effectiveness of this process is the substantial reduction in the amount of heavy metals discharged by the VEB Eisleben combine in Mansfeld in the past few years.

4. Work is currently under way on the expansion of a general computer-aided SWRB workstation for improving management and planning of water-resources board activities and for streamlining the administrative efforts of the SWRB. Operative data bases such as “Efficient Water Use—Indicators and Actions Up to 1995,” “Supervision of Water-Polluting Enterprises,” “Water-Use Register for Enterprises Obligated to Pay Water-Use Fees and Wastewater-Dumping Fees.” Work is progressing on the introduction of net-result models for water quantity and quality according to respective river basins. Testing is soon to begin on the use of water management models for controlling the saline content in the Unstrut-Saale region by increasing the availability of existing reservoirs to provide infusions of additional water for maintaining the water quality needed in the lower Saale.

In addition, the work of the SWRB to implement efficient water use and water resources protection is characterized by the following:

- Widespread publicity through training sessions and presentations at workers collectives in industry and agriculture. In 1987 in the Saale region alone, 67 events were held involving approximately 1050 participants.
- Close cooperation with local councils, their public water resources oversight commissions, reservoir advisory boards, drinking water protection commissions, working groups on the water-resources budget, fishery advisory boards, permanent commissions on environmental protection and water resources management, commissions on catastrophic events, working groups on reclamation of waste products, etc. In 1987, 3,400 working hours were spent on these efforts in the Saale region.

The 127 honorary SWRB assistants are an important link in the cooperation with the populace and the users of water resources in the Saale region. They assist in the continuing supervision with regard to maintaining wastewater discipline:

- They promote competition among collectives, enterprise departments, cities, and communities for the title of “Model Enterprise/Territory for Water Resources Management.” In 1987 alone, the following enterprises and communities won the title in the Saale region:
  - ZGE Fattening shoat production Remda
  - the communities of Burkersdorf and Doeschnitz
  - VEB Brauhaus [brewery] Saalfeld
  - VEB Vereinigte Sodaerwerke [soda factory] “Karl Marx” Bernburg

- By consistently enforcing the terms of socialist water-rights laws, 2,400 decisions on water rights were clarified or newly handed down in the Saale region in 1987, 32 administrative penalty proceedings were carried out against violators of wastewater regulations, administrative penalties were levied against 39 enterprises, and 26 million marks in sanctions were levied for exceeding the limit values.

The SWRB inspectors, like all the other work sectors within the water resources management directorate, are currently working intensively to establish additional, more highly placed objectives with respect to efficient water use and water resources protection for the 1991-95 time period. The determining factor here is jointly to coordinate and record concrete project-specific measures.

The conceptual approach of the SGA in this regard is as follows:

1. The expansion of wastewater treatment plants, together with reclamation of usable substances in enterprises such as the VEB ZPR Blankenstein, VEB CFK Schwarza, VEB Chemical Pulp and Paper Factory of Merseburg, VEB Leunawerke “W. Ulbricht,” VEB Chemical Works Combine of Buna.

2. Water-saving measures at the primary users, VEB Maxhuette Unterwellenborn, VEB Combine Kali, VEB Chemical Works of Buna.

The purpose of these measures is to take over some of the burden from the existing control systems for providing water, to lower costs to the state and the enterprises for water treatment, and to obtain improvements in water quality which are visible, particularly in the headwaters of the river and in the Merseburg-Halle industrial conurbation.
Warnemünde Receives Newly Constructed Floating Dry Dock

23 October 1988

[Article by Manfred Bork: “A Steel Colossus To Repair Large Ships”]

After a 5-day journey across the North Sea and the Baltic on the towropes of two Belgian deep-sea tugs, the floating dry dock Warnowwerft II, which was built at the Boel shipyard in the industrial town of Temse in northern Belgium, arrived in the early morning hours off Warnemünde. From 1100 on we are present to see how the last stage of the transfer is carried out and how the giant is brought from the shipping roads into the shipyard.

The weather is favorable, the calm of an offshore wind at strength 4. Five tugs from the Dredging, Towing, and Recovery Fleet go out to tow the dry dock, which is 230 meters long, 50 meters wide and almost 16 meters high, through the sea channel to its anchorage next to the cable crane site of the Warnemünde shipbuilding operation. The tugs, Yak and Ur, assume the task of pulling. Arni and Darsser Ort act as guide tugs, and the Oldendorf is there to give additional support in the towing maneuver. On board the dock, the pilot, Konrad Michaelis, and the senior pilot, Gerhard Wulf, guide the action, linked by radio with the men on duty in the Central Transport, the Sea Emergency Rescue and Icebreaking Office of the GDR’s Navigation Office, and the Warnemuende Pilot Station.

At 1250 the office gives permission to move. The towing begins. Slowly the colossus approaches, glides safely past the mole through the 80-meter wide channel, between the two beacons at the harbor entrance and after a 2-hour journey, it has reached the shipyard. Mooring at the jetty takes about an hour, once more requiring precision work from the five tugboat crews.

Among the personnel present from the Boel shipyard are coordinators Pieter de Backer and Francois Nielandt. They assure us that the construction of the dock, in light of the shipbuilding crisis in Western Europe, was a very welcome major order from the GDR. They told us that this floating dock, the second one built in Temse, was one of the most modern in Europe and, from the conclusion of the contract at the fall fair in Leipzig in 1986 on, through the laying of the keel in mid-September 1987, and the launching in mid-May this year to its transfer, it had been built in a commendable spirit of cooperation with their partners from the GDR. “Now it is up to us to carry out our jobs conscientiously in the final fitting and testing of the dock,” stresses engineer Francois Nielandt. Fitted out with various technical installations from GDR industry, ships with a bulk of up to 23,000 tons can be lifted out of the water in less than 90 minutes using the dock. Large ships of up to 75,000 tgdw [tons deadweight] can be repaired. Control and monitoring is carried out from a control booth, for example, checking the 24 huge tanks for lifting and lowering is carried out by means of a computer. Future dock master Fritz Geyer tells us: “With this modern dock we can perform all kinds of work, with the help of 12.5-ton cranes from Barleben, which will be mounted on board in the next few days, with various automatic equipment systems and underfloor vehicles for removing rust and corrosion proofing the ships.”

In a few weeks, after all the energy systems from the shore supply mast have been fully connected to the steel colossus and it has been finally fitted out, the first test docking will be performed. As the Warnow shipyard director, Walter Behlich, says, the yard’s repair capacity will be substantially increased with this significant investment, and the largest ships in our merchant fleet, and the train ferries on the Mukran-Klaipeda line can be serviced and repaired in our own country.

9581

HUNGARY

Economists Discuss Feasibility of Debt for Equity Sales To Ease Burden

22 Sep 88 p 5

[Interview with Peter Felcsuti, deputy division director at the Hungarian National Bank, and Gyorgy Matolcsy, an associate at Financial Research, Inc., by Ivan Wiesel: “Shall We Sell Our Foreign Debts?”]

[Text] During the past five years several developing countries sold a modest part of their foreign debts. More accurately: debts were converted into equity. This idea has forcefully gained strength in Hungary during the past several months as a means to ease our debt burden. The idea has evoked great debate. We would like to present the flavor of this debate with the help of Peter Felcsuti, deputy division director at the Hungarian National Bank, and Gyorgy Matolcsy, an associate at Financial Research, Inc.

[Question] Although this newspaper has dealt with the debt conversion of individual developing countries a number of times, it would be useful to once again briefly describe the technical substance of this process.
The idea of selling debts is not new. It is as old as the secondary capital market. The best known form in which debts are bought and sold is the promissory note, but bonds, and even credits are bought and sold. The only new feature in this transaction is that one commodity—money—is linked to another commodity—equity—as part of the financial transaction. In simple terms, as a result of this new linkage a barter transaction takes place. A triangle is thus created. The debtor stands in one corner of the triangle. The creditor is in the other. In the third corner we have a person who wants to invest money. The creditor offers demand for credit to the third party. Purchase at a lower price represents a clear advantage from the investor's standpoint. The debtor may be forced to enter into such transaction because he cannot comply with the debt service requirements, and tries to catch a breath of air through a forced sale.

Who are involved in such transactions when they take place in the United States? As a result of such transactions the creditor can free his financial resources, in other words: his demand is satisfied. It could happen that the creditor sells his demand at face value, simply because he needs money, or is concerned about the debtor's deteriorating credit or, as it is in our case, about the debtor's credit standing that has already deteriorated. Purchase at a lower price represents a clear advantage from the investor's standpoint. The debtor may be forced to enter into such transaction because he cannot comply with the debt service requirements, and tries to catch a breath of air through a forced sale. Accordingly, one could say in very simple terms that the conversion of foreign debts into equity is a process produced by constraint, in the course of which liquid capital becomes operating capital—in the form of stock or some other security—while incurring a loss.

The constrained nature of this course is well indicated by the fact that developing countries have used this "weapon" only since the beginning of the indebtedness crisis, and only after debts were rescheduled a number of times.

Yes, it has a character of constraint, nevertheless it is a process which in its content represents business. In the United States for example, many companies are forced to sell out, yet the sale does not take place at face value. This is so because the market envisions some potential in the enterprise, and the company's market value is established at a level higher than its book value. These companies have hidden assets which promise high returns on investment under new management, a modern organizational form, etc. The fact that a similar solution represented economic success after 1931 makes one think twice. At that time we repaid one third of our foreign debt in pengos [pre-World War II currency].

Is there an example for this kind of conversion of debts into capital in international practice? Not that I know of.

I have no information to that effect either, but the examples within the United States may serve as a model for us.

The fact that foreign exchange rates are involved in this transaction may make a substantial difference, I believe. Foreign exchange rates are not involved in such transactions when they take place in the United States. This is true, because if the debtor offers his stocks "below price," he actually devalues his own currency within the transaction. From the standpoint of the domestic economy this may have an inflationary effect or a destructive effect on the market, and the cost of new foreign credits—if such credits become available at all—will automatically increase.

This holds true only if a given country is in great trouble, and there are no alternatives by which capitalization pursuant to the American model could take place, along with the injection of other stimulants, while preserving the exchange rate. On the other hand, the constrained forcing of the foreign trade balance also leads to continuous devaluation and to the deterioration of the exchange rate without attracting foreign capital into the resolution of the indebtedness problem.

Professor Robert Triffin made this recommendation at the most recent conference in Szirak: Let the United States convert its international debt into capital. Triffin expects that the value of the dollar would stabilize as a result.

The indebtedness problem of the United States is qualitatively different from that of other developing countries and of Hungary. The possible economic measures the United States may take do not serve as guideposts for us, by a long shot.

This narrowing down does not mean, however, that we would not be able to convert part of our indebtedness into equity with a relatively small loss. The beginning of debt conversion broadens the sphere of action, it encourages creditors.

In order for us to accomplish this we must first examine how the banking world views our credit rating. If we properly manage the credits we receive, and if we are able to produce at least the interest as a result of real processes (i.e., the current balance of payments is balanced)—this would amount today to approximately one billion dollars—then the constraint we talked about before no longer exists. The banking world does not want to force Hungary to reschedule its payments.

Accordingly, is there some time sequence involved with respect to rescheduling and the conversion of debts into equity?
[Matolcsy] A dramatic situation exists when a country no longer receives credits, and when its actions are dictated by constraints. Hungary has not yet arrived to that point. I believe that there is still a chance to avoid a dramatic situation by following this model. We are approaching that dramatic situation. Within two or three years a series of constrained actions will be unavoidable if we fail to act in time. This is so because under foreseeable conditions the Hungarian economy will not be able to extract from its foreign trade assets the one billion dollars of interest due. Foreseeably the amount of debt and the debt service will become unmanageable.

[Felcsuti] An initiative like this necessarily evokes anxiety in banking circles. They have difficulty understanding why we wish to deviate from traditional policy concerning foreign credit at a time when no one demands that we do so. Gyorgy Matolcsy's ideas may represent a theoretical possibility, but if someone raises the possibility of debt conversion today it will be assumed (and rightfully so at this time) that the debts cannot be repaid or that the debtor does not want to repay the debt when due. Thus, perhaps, the concern of bankers may be understood.

[Matolcsy] This is true. But according to my proposal during this period we should not turn to commercial banks, but to investment banks.

[Felcsuti] I do not understand why this matter has to be made so complicated, and why we want to provide a "premium" to the creditor (because creditors in general do not expect such premiums, "all" they want is that their money be repaid together with the interest). Accordingly the question still remains unchanged: why should a two-sided transaction—debt service and capital investment—be pressed into a three sided debt conversion transaction. We must also address the question of what kinds of investors we have in mind. Within the international marketplace one finds portfolio investors whose only interest is income on securities and who count only on risks related to changes in the current value of securities. And then there are others who want to actively participate in some kind of venture capital with ownership participation and in other ways. Thus far the latter became characteristic in Hungary because we did not even have a real capital market.

[Matolcsy] I agree with this statement, but I feel that we should endeavor to achieve market conditions in which portfolio investors also become interested in our stocks. And this type of investor is primarily seeking return on his shares. In contrast there are investors who want to produce and to sell in Hungary. These investors examine very many economic indicators in addition to the current value. They look at the book value and the market value of a firm, its profitability, the product and the market structure, the tax and regulatory conditions, etc.

[Felcsuti] I am glad to hear this because thus far it appeared that your viewpoint is centered around current value, as if the factors you just mentioned would not even play a role in the model.

[Matolcsy] This could have been a misunderstanding.

[Question] Based on your assessment of Hungarian economic conditions, what is more likely to appear: the influx of foreign capital into production and sales, or the emergence of the investor who clips coupons?

[Felcsuti] Theoretically there is a chance for the appearance of both, particularly if rapid progress can be made in modernizing the economic institutional system. But the portfolio investor's outlook is qualitatively different. Capital provided by portfolio investors does not necessarily represent permanent investments. This kind of capital always seeks to optimize risk and return, and the area in which such capital is invested encompasses the whole world. Accordingly, one may count not only on the influx, but also on the outflow of capital. Moreover, one must count on that with the assumption of some very rapid changes.

[Matolcsy] Yes, I agree. This kind of investor may purchase Hungarian "property" directly through debt conversion, but he also may invest in Hungarian investment institutions.

[Question] After all, the two standpoints are in sharp conflict. Thus far no compromise suggestion has emerged; moreover, I am not prepared to suggest a compromise. If I understand the matter correctly, Gyorgy Matolcsy believes that if we were able establish market conditions and sell our foreign debts, this could result in the possible avoidance of the dramatic situation, or it may halt the process of deterioration. Peter Felcsuti is of the opinion that the idea proposed by Gyorgy Matolcsy could be realized only after a campaign for rescheduling our debt payments, but that rescheduling would only accelerate the process of deterioration and would produce such unfavorable conditions regarding debt payments that the price to be paid would cripple the people's economy. Let's get back to some quantitative analyses.

[Felcsuti] Amounts play a decisive role in evaluating the feasibility of such transactions. During the past five years the impact of such transactions affected only two or three percent of the total indebtedness of the countries which resorted to such transactions. This year the impact is even smaller. It affected less than one percent of all the indebtedness of these countries. This is negligible even from the standpoint of an ability to obtain new credits, and it appears that the result does not play an essential role in ameliorating the debt crisis.

[Matolcsy] Yes, this is true. But it is equally true that new credits may be obtained by resorting to such transactions. The purchase of debt indicates confidence on part
of the investor, which may result in the availability of new resources. I am talking about a significant change in form. Following their sale, credit obligations are moved under the aegis of the private sector, and no longer represent an obligations of the state. We would be indebted to owners who have a maximum interest in seeing to it that the enterprise which they invested in works efficiently and profitably. And this is a rather important motivating factor.

[Felcsuti] There is yet another important difference in perception between the two of us. You believe that foreign capital should be attracted on the basis of some trick, and that this would then accelerate an end to our distorted market conditions. In my judgment we should first establish market conditions which attract foreigners to invest in Hungary under classic conditions, without any tricks. It appears to me that we somehow make a fetish out of foreign capital. Foreign capital will survive, moreover, it will thrive also under "distorted" conditions. If confronted with an inappropriate market environment, foreign capital will not necessarily force a change in those distorted conditions. From the standpoint of the recipient country foreign investment at best will not produce better results than domestic resources, moreover, foreign investment would have the potential of creating a loss. Unfortunately, we have examples for situations like this.

[Question] What are the market conditions mentioned most often?

[Felcsuti] First of all we need price and wage systems which properly reflect changes in the marketplace. Second, we need a tax system which does not stifle entrepreneurship. Third, we need financial institutions and a money market which operate in a flexible manner. I could go on listing these factors, but I consider it very important that foreign investors value political stability highly.

[Matolcsy] We agree on these points.

[Question] In Szirak, Janos Fekete stressed the significance of the legal and organizational framework.

[Felcsuti] Yes, those are important too. The legal and organizational framework includes among other items modern corporate law, a well functioning stock market and capital marketplace, a regulatory system which at the minimum guarantees the functioning of foreign capital without discrimination, and the establishment of an accounting system which shows entrepreneurial results in a manner that is understandable throughout the world, as well as an institution of independent auditors who control that accounting system, along with the mandatory publication of the results produced by enterprises.

[Matolcsy] We have been discussing these matters for a long time, yet they are still not available. These factors cannot come about as long as there are no interested owners in the Hungarian economy who are dependent on the efficient workings of assets. One such proprietor is the foreign investor who may play the role of catalyzing healthy market conditions in the economy. Needless to say, we need more than just foreign proprietors. There also is a need to radically change the Hungarian system of ownership.

[Question] Once again I shall revert to the matter of quantity. Peter Felcsuti said that in developing countries the conversion of debts was of marginal significance. How significant could the results be if we were to follow the Matolcsy model?

[Matolcsy] Provided that we have the appropriate market conditions, and we convert our debt in this manner into some other form of demand, we could annually convert one billion dollars worth of debt into equity, and we could continue to do so for a period of five years. This would mean that even if we were to attract new resources, a significant part of the indebtedness would be freed from under the constraint of debt service.

[Felcsuti] I have no idea what basis there is for this optimistic assessment. Relative to the influx of operating capital, I view the possibility at the level of $25 million annually. This is such a negligible amount that it could be exceeded by the damage caused by disturbing the marketplace under this construction.

[Question] During those five years we would transfer 50 percent of our industrial assets to foreigners.

[Matolcsy] I narrowed the issue down to the state owned industry. What we have to offer is far greater, and thus the 50 percent figure is greatly exaggerated. I estimate that the figure would be 20 to 25 percent by the end of the fifth year. We must also take into consideration that the value of hidden assets is large in Hungary also; take for instance industrial real estate or fixed assets which have been depreciated to zero.

[Felcsuti] I do not wish to get involved in these calculations. The fact is that whenever an enterprise is liquidated in Hungary, the assets never cover the debts. I do not want to get involved in international comparisons either, I will just ask this question: what's the basis for
the optimism which envisions that foreigners will stand in line to acquire Hungarian property?

[Question] I believe that the volume to be offered is not sufficiently great for foreign investors to take a "bite." I do not know whether there exists an enterprise whose real profitability could produce enough profits to make it worthwhile for a foreigner to take the risk.

[Matolcsy] The foreign investor views not only direct dividends, the interest to be earned. He also takes into consideration the additional profits he may earn by mobilizing the hidden assets. He can do so, because he is capable of mobilizing those assets by virtue of his organizational, management and other skills. I am convinced that in the interest of mobilizing those assets the foreign investor would be willing to even make additional investments. For this purpose we must establish Hungarian investment companies which could offer stocks for sale.

[Question] It would be very interesting to continue this debate, but I feel that from a practical viewpoint Peter Felcsuti does not envision a broad opportunity for the sale of our foreign debts, and considers such sale as dangerous from the standpoint of normal credit transactions and our credit standing. Gyorgy Matolcsy would be introducing a model which Hungarian enterprises and banks, as well as to foreign investors and banks would have to be taught to implement. I would not rule out Matolcsy's approach, at the same time, however, I would not call that approach the conversion of debts into equity, a practice that is pursued at present in the international money market. I do not believe that it is advantageous to confuse the two processes, because that could foster false illusions in Hungary, and disturbances abroad.
GERMAN DEMOCRATIC REPUBLIC

Hospital Facilities Described
23000005 East Berlin PRESSE-INFORMATIONEN
in German 1 Sep 88 p 6

[Text] Citizens of the GDR have 541 hospitals, clinics at university medical institutions, and special clinics of the Academy of Sciences of the GDR, with a total of 174,370 beds, available to them. That is a ratio of 104.8 beds per 10,000 citizens as an average for the republic. In 1987, 2,776,909 in-patient treatments were carried out in these hospitals.

Twenty-nine of these institutions are bezirk hospitals, and 161 are kreis hospitals. There are an additional 126 clinics at university medical institutions and 75 special clinics.

Diagnostics, treatment, drugs, and hospital stays are free in the GDR to every insured person and their relatives. Each year considerable financial and materials means are provided from the state budget, in 1987 it was M4.2 billion just for hospitals, and almost M1.1 billion for medical institutions in the university and technical school system (universities and medical academies) and clinics of the Academy of Sciences of the GDR.

The 29 bezirk hospitals, in addition to their job of providing basic in-patient medical treatment, have to guarantee specialized medical treatment and, in concert with the Ministry for Health, they also undertake some assignments in highly specialized medical care. At the same time, in each bezirk a hospital was given the responsibility of continuing education and training for doctors, as well the schooling and continuing education and training of medical technical school cadres.

The 161 kreis hospitals have the responsibility for basic stationary medical treatment in their area and they are supported in this task by the bezirk hospitals and clinics at the university medical institutions. Only a few of the kreis hospitals have an expanded, specialized care function that is not limited to the area of the particular kreis. This ensures treatment that is as close to each citizen as possible.

It is characteristic of in-patient medical treatment that sick people are treated who require the constant, guaranteed around the clock, immediate presence, and availability of doctors and nurses, as well as laboratory personnel and workers in other diagnostic disciplines to monitor and treat the course of the illness.

Endoprothesis implants, pacemaker implants, the transplanting of organs, such as kidneys, heart, bone marrow, and heart-lung machine assisted operations are carried out in highly specialized clinics. About 13,000 doctors, nurses, attendants and other personnel contribute their skill and personal involvement.

Modern hospitals matching the state of scientific knowledge in diagnostics, therapy, and patient care have been built since 1981 in Cottbus, Frankfurt, Potsdam, Schwein, Karl-Marx-Stadt, Nordhausen, and Gera. The quality of medical care has been improved in the area served by these hospitals. In addition, many hospitals have been renovated. Medical care has been improved by employing modern methods of treatment, thereby reducing the average time of hospital stays.

With new construction and the renovation of hospitals, new equipment suitable for their medical care functions is being installed, for example, in the operating wings, clinical-chemical laboratories and the X-ray departments.

The close immediate combined efforts of diagnosis and therapy are essential, especially in centers of specialized and high specialized care, such as the chronic hemodialysis of those suffering from kidney disease, oncological care (treatment of malignant tumors), radiation therapy, heart surgery and organ transplants. By using the newest findings from research both in diagnostics and in therapy, certain interventions have now become possible, less risky and less traumatic for the patient. In 1987 more than 280,000 chronic hemodialyses were performed. All 5,481 patients requiring them were fitted with pacemakers through implantation.

In the last few years 23 computer tomographs—at least one machine in each bezirk—for radiological tests, a magnetic resonance tomograph and a kidney stone lithotripter (equipment for shattering kidney stones) were provided for patient treatment. Among the uses of modern therapeutic procedures the use of laser beams and ultrasound should also be mentioned.

Work with individually designed standards of nursing care and visits in the hospitals has proven its worth in giving patients the necessary guidance and support during their recovery from operative intervention, or in the preventive or therapeutic control of illness. This includes a permanently respectful and empathetic behavior on the part of all health workers toward their patients.

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