East Europe Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS
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EAST EUROPE REPORT
POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

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Prague RUDE PRAVO in Czech 15 Sep 84 p 6

[Article by Miroslav Kubin: "Washington's 'Long Stick'"

[Excerpts] "The hawks," perched on the top of official power in Washington, are trying, with the personal contribution of President Reagan, to give to the American strategy of confrontation with the socialist countries a total character. Their weapons in the "crusade" against socialism and for U.S. world hegemony include reckless economic pressure and commercial war. This confrontation policy of the American militarists greatly impairs international economic cooperation and retards the solution of key problems of world economic development.

In their declaration on the "Preservation of Peace and International Cooperation," approved at the economic summit held in mid-June in Moscow, the highest representatives of the member countries of the Council for Mutual Economic Assistance have stated as follows: "The ruling circles of the United States attempt to use even international economic relations for their political aims. They violate agreements made with countries that resist their pressure and dictate, they organize trade, credit and technology blockades against them, they resort to various methods of pressure, embargo and sanctions, even in food commerce, violating thus the generally accepted norms of interstate relations. They try to enforce the same policy upon other countries as well."

Many facts give evidence of the deliberate nature of such a course of American policy. In March 1983, for instance, President Reagan signed Directive No 75, which instructed the government to attempt to alter the course of foreign and domestic policies of the Soviet Union by commercial, political and economic pressure! Shortly afterwards, Reagan wrote a letter to Congress demanding that the new law on the control of exports give him the authority to adopt stronger measures against foreign enterprises which commit offenses against American business rules. According to that law, whoever would sell to the Soviet Union "sensitive" technology shall not have access to the American market. It is significant that the U.S. Export and
Import Bank stopped granting credits to companies doing business with the Soviet Union. The granting of most favored nation status has been misused by the United States as well for political extortion and even for a certain "grading" and division of the socialist countries into "good or bad."

According to the declaration of the former expert on Soviet affairs in the U.S. National Security Council, Richard Pipes, commerce with socialist countries should be realized only under a simultaneous imposition of political conditions. "Sanctions" which were intended to bring about political changes in line with American notions, were proclaimed by the United States against Poland, when Washington was disappointed that the counterrevolutionary reversal in the Polish People's Republic did not materialize.

The so-called Coordination Committee on Commerce with the East (COCOM), with headquarters in Paris, has up to now been deciding which merchandise the Western industrialized countries are prohibited from delivering to socialist countries. On the urging of President Reagan, the COCOM guidelines became stricter, so that the list of prohibited goods now includes even minicomputers and telecommunications equipment with computer guidance.

The militaristic course of American foreign policy has unfortunate consequences in the developing countries as well. The increasing international tensions, the preservation and fomenting of conflict issues and the cold war atmosphere serve the American imperialists to include those countries into the expansion plans of the United States, to increase the American presence in the willfully declared sphere of "the vital interests of the United States," and to draw those countries into feverish armament.

It is obvious that in such a situation even peace-loving countries have to spend more and more for their defense. Enormous material, financial and human resources are thus allocated for military purposes instead of the development of national economy.

The military expenses in the developing countries as a whole represent almost 6 percent of the gross national product. According to official data, military expenses in those countries amount to 10 to 20 percent of the state budget. In some countries, the armament expenses represent one-third to one-half of the value of investment into the basic funds; in Chile, for instance, 26 percent, and in Saudi Arabia 35 percent.

The highest representatives of the United States pretend from time to time to make "noble gestures" toward the developing countries. They make Congress grant aid of several million dollars. But even Secretary of State G. Shultz disclosed last year in May the real aims and the real character of this aid. While justifying the "aid" to foreign countries before a subcommittee of the House of Representatives, he said that American aid to developing countries is "a first-class U.S. weapon against the Soviet Union and its allies." The figures also show what the weapon in question is: nine and a half billion dollars of this "aid" was designated for military purposes. Moreover, former Secretary of Defense McNamara has already qualified military aid as "the principal instrument of the foreign policy and military strategy of the United States."
Closely related to American military aid to developing countries is the export of weapons. The arms trade has doubled in the United States since 1981, because the Reagan government considers it—as Reagan explicitly said—"an important link of our global concept of defense and an indispensable part of foreign policy." According to the data of the Stockholm International Peace Research Institute (SIPRI), the United States is in first place as heavy armament exporter—airplanes, ships, tanks and missiles. Its share in this export amounts to 39.1 percent. In 1982 alone, the developing countries bought arms for $28.2 billion. Other estimates quote even $48.7 billion.

According to the indications of the FAO (UN Food and Agriculture Organization), in 1980 alone the developing countries imported $19.5 billion in arms; this represents in the same year twice the total value of cereal imports of countries with the lowest income. The import of weapons represents almost half of the liabilities in the balance of payments of developing countries.

The militaristic course of the United States also draws the developing countries into the whirl of feverish armament. Many of them have already started their own arms production and are making great investments for its expansion and modernization. An important part of this production is based on licenses or coproduction with multinational monopolies of the United States, France, the Federal Republic of Germany, Great Britain and Italy. These licenses are mostly related to the production of military vessels, airplanes, guided missiles and armored vehicles.

The confrontation course of Reagan's government has unfortunate consequences in Central America as well. Attempting to describe the situation in that area, the White House and the Pentagon pretend that behind the liberation movements can again be found the famous "hand of Moscow" or of Havana, that it is a confrontation of the United States with "the danger of communism." The Washington rulers frustrated the progressive revolutionary development in Grenada by direct military aggression. Preparations for a military intervention against progressive Nicaragua are in full swing. Allegations are again appearing that in Managua an airport is being built that could serve as a base for Soviet strategic bombers, despite the fact that this airport was enlarged under the former dictatorial regime.

For the area of Southeast Asia and the Pacific, the United States is planning in its financial budget for 1985 an increase of 13.1 percent to $793 million, out of which $314.8 million is earmarked for the purchase of military materiel and $478.6 million for the implementation of a program of "military education and training." The predominant part of the aid—92 percent—is designated for the so-called frontline states—South Korea, the Philippines and Thailand. In the course of the next 5 years, aid for the Philippines should amount to $900 million, predominantly for the maintenance of American military bases.

The Soviet Union and other socialist countries are making consistent efforts to stop the feverish arms race, so that humanity might set out on a journey of vigorous economic growth in conditions of peace, security and cooperation.
among all nations. Among the numerous initiatives of the socialist countries leading to this goal belongs the appeal to NATO countries included in the Political Declaration of the Warsaw Pact member countries of January 1983. This appeal suggested the conclusion of a practical agreement on a decrease in military spending and on its subsequent reduction on a percentage or absolute basis. The declaration emphasized that "resources made available as a result of reduced military expenditures would be used for economic and social development, including aid to developing countries along these lines."

The availability of considerable resources for development purposes would also be enhanced by the realization of a broad scope of suggestions submitted by the Soviet Union and other socialist countries, pertaining to all problems of arms limitation and disarmament.

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CONTRIBUTION OF BLOC PARTIES TO ARTISANS' SOCIAL INTEGRATION

East Berlin ZEITSCHRIFT FUER GESCHICHTSWISSENSCHAFT in German Vol 32 No 9, Sep 84 pp 765-777

[Article by Prof S. Prokop: "Socialist Construction Leading Up to the Fifth SED Congress (1956 to 1958)"]

[Text] The transition period from capitalism to socialism combines traits and features of both socioeconomic forms of society. It is a "period of struggle between dying capitalism and rising communism, or, in other words, between vanquished while not yet destroyed capitalism and the newly born but still quite weak communism." In this timespan of "long birth pangs" the path is not smooth for the workers class, led by the Marxist-Leninist party, and its allies.

More intense class struggle within and pressure from the international counter-revolution, kindled by imperialism, can slow the revolutionary process down temporarily; reversals are not excluded. Decisive for the successful fulfilment of the historic working class mission is that the Marxist-Leninist party, under sharper class struggle conditions, mobilizes most of the working people for a continued thrust in socialist construction and surmounts developmental problems arising while moving ahead. This ability of the working class party to develop enough of a power of the offensive in complicated situations is not only of theoretical but also of topical interest. J. Roessler has pointed out that regardless of the differences in their historic conditions, the African countries with a socialist orientation seek to explore the experiences of the countries in the socialist community and apply them creatively to solving their own present tasks. Penetrating the dialectics in the transition period calls for also facing "complicated, contradictory processes." Then a contribution can be made to drafting a complex image of history and answers can be found for topical questions in the worldwide transition from capitalism to socialism. Special attention is warranted, under that aspect, for the time prior to the Fifth SED Congress, from 1956 to 1958. Developmental problems appearing during that phase were part of a by and large successful policy of the working class party laying the foundations of socialism in the GDR. In several public sectors new and old things conflicted. It was a matter of making decisive achievements of socialism prevail under complicated decisions which were not yet directly perceptible to many working people. More thorough surveys are needed, which this paper means to encourage. This paper concentrates on developments in industry, the building trade, agriculture and culture. The national problem is touched on but not examined specifically.
The communist and workers parties in most of the countries in the community of socialist states at the beginning of the second half of the 1950's objectively faced the task to draft and implement their strategy and tactics for social advance till the socialist production relations would triumph. Thereby, in a whole group of countries the signs of definitively surmounting antagonistic class relations and solving other essential tasks in the transition period from capitalism to socialism, step by step, began to stand out. Notably, determining the ratio between socialist construction in its entirety and the triumph of the socialist production relations was a complicated tasks which the fraternal parties had not yet fully understood in 1956/57.

Paying creative attention to the outcome of the 20th CPSU Congress and its own third party conference in March 1956, the SED worked out some basic lines for its conception aimed at the victory of socialism in the GDR. Its focus on the further development of the socialist political and legal order and the development of socialist democracy, and the alliance policy resolutions of the third party conference turned out to be viable. Maintaining and consolidating the unity and cohesion of the party and the unity between the party, the working class and other working people ultimately would decide on victory or defeat in the stiffening class conflict. The Marxist-Leninist party had equipped the workers class and its alliance partners theoretically and politically for one of the most significant fitness tests in the transition period form capitalism to socialism. Remnants of the former ruling classes within and the aggressive NATO pact, reinforced by the FRG, saw their chances for a roll-back policy and for the restoration they desired of capitalist conditions in the GDR and other socialist countries slip away in the first half of 1956. That explains the extraordinary increase in counterrevolutionary activities and the sharpening of imperialism's Cold War starting in mid-1956. Antisocialist actions in Poland and the counterrevolutionary coup in Hungary foundered on the grown strength and power of the community of socialist states, led by the USSR. The defeat of imperialism's policy of strength in 1956 reflected the fundamental changes in the international power ratio in favor of the forces of peace, socialism and the national liberation movement.

Rebuffed also was the FRG imperialist policy on changing the power relations in the GDR. "Creating confusion and unrest in the GDR, triggering a coup and starting an armed attack on the socialist German state" did not succeed. The stiffening class conflict did, however, affect the tempo in the unified revolutionary process. Tougher imperialist economic warfare against the GDR as well as disorienting activities by revisionist forces mocked socialist construction. Interruption of deliveries because of the counterrevolutionary events and the imperialist aggression against Egypt and the ensuing blocking of the Suez Canal strongly interfered with the rhythm of the GDR economy. Thanks to rapid Soviet aid and extra efforts by the working people it was possible to contain shortages and partly make up for them. Though the 1956 industrial growth production plan was met at only 97.4 percent, industrial gross production showed an increase of 7 percent. That was the smallest annual growth in gross industrial production during the 1950's, however.

Certain forces in 1956 spread the notion the GDR often exported the "chicken that lays the golden eggs." Behind it was the idea it would be more economical to
use high-performance machines at home than to export them. Investment plans in some ministries and administrations followed that line for 1957. Carrying it through would have meant ignoring something specific about the GDR economy, its being highly dependent on foreign trade; it would have necessitated doubling the imports while trimming the export of machine construction products and would have had serious consequences. The machine building industry, with a proportion of 60 to 65 percent in total GDR exports, had fallen behind in its exports in 1956 anyway. That was caused by that until January 1957 export products at a level of Nearly M 200 million could not be shipped out because there was a shortage in some of their parts. Disproportions existing in the production capacities in the branches of machine building had expanded.

Despite considerable efforts in creating new power plant capacities (1956 recorded a growth of 350,000 kilowatt as compared with 1955) rapidly growing industrial energy requirements could not be fully met. Disproportions between the limited availability of important raw materials and the highly developed status of the processing industries blocked the rate of development in the economy. Important investments in the raw materials industries had to be postponed or remained unfinished for some time. The building trade caused disturbances in industry and other economic sectors. The proportion of the socialist sector in the building industry with regard to all construction carried out diminished between 1953 and 1955. In 1956, it went up by 3.5 percent, to be sure, but it took until 1959 to surpass the 1953 level. In 1957 there was a stagnation in construction output, and in the first quarter of 1958 construction even dropped below the 1957 level. The building trade showed an increase of capitalist tendencies. The development of problems in construction "prevented new industrial capacities to be put into operation in time and interfered with raising the working people's standard of living."

There were contradictory processes in agriculture. Agricultural production cooperatives, which had only risen slightly since 1955 (1955=5879; February 1957=6281), took care of 32.2 percent of the acreage. A survey brought out in 1956 that on the average gross output per manpower in individually managed farm enterprises at M 3,349 per hectare was lower by M 542 than in the LPG type III. In 1957 the production cooperatives had somewhat higher average hectare yields in winter wheat, barley and livestock grain than the individual farmers. This then already suggested that by using modern equipment on large areas higher effects could be achieved. Individual farmers still had a higher productivity per acreage and better results in the livestock economy. They held the crucial share in producing agricultural raw materials and foodstuffs. Market production in agriculture at large grew insufficiently—in terms of requirements. That was mainly true of sugar production. Industry had to make extra efforts to cover public requirements by means of increased imports.

Some production cooperatives had developed a good labor organization in livestock production and agriculture and made full use of the equipment; it did not always meet the demands of large-area agriculture. Yet there were too many LPG's that could not exercise any mobilizing model role because of their poor management, loafing on the job, undisciplined handling of cooperative property and an insufficient development of cooperative democracy. In Eichsfeld and in the Uckermark the vernacular referred to them as an "alliance in failure." There were not a few individual farmers who justified their holding on to their way of farming by reference to such cooperatives.
Initial difficulties increased first in many LPG's when the state handed over to them areas of former farmers who had shunned the socialist way of agricultural development by escaping from the republic. Often backward in their economic development, they were, until 1955, combined into OeLB's [local agricultural enterprises]. The state would subsidize LPG's taking over such areas up to M 400 in the first year, M 200 in the second, and M 100 in the third per hectare of acreage as an extra allowance for the additional labor needed or as compensation for the smaller yields that came from those lands. In spite of such support, the increased farm acreage (from 1955 to 1957, some 54 percent of the land worked by cooperatives had belonged to peasants who had defected) brought with it developmental difficulties for many cooperatives. The growth in the number of cooperatives had clearly lagged behind that of agricultural acreage. The number of manpower was no longer in line with requirements.

These problems in the socialist sector of agriculture were aggravated in the second half of the 1950's by revisionist notions, strongly affected by the stiffening of the class struggle on the international scale. The disbanding of the largest part of the agricultural cooperatives in Poland nourished wrong ideas also in the GDR in parts of the peasantry, the agricultural intelligentsia, some party and state functionaries and associates in the Farmers' Mutual Aid Association. Most pronounced was the stand taken by a group of farm economists who, after the Third SED Conference, openly attacked the farm policy principles of the working class party. Their top spokesman, K. Vieweg, director of the Institute for Agrarian Economy under the Academy of Agricultural Sciences in Berlin, called for disbanding the economically weak LPG's and machine-tractor stations and for selling the tractors to individual farmers. Family farming was not only to be retained but further developed and strengthened.

Such views misconceived the true rural class relations and aimed at depriving the working class of its focus on socialist development for its most important allies, the working farmers, so as to turn them into the socialist class of cooperative farmers. By doing away with the machine-tractor stations, one of the most important tools the workers class and its Marxist-Leninist party had for rural political development would have been eliminated. Vieweg's idea had its roots in the theories of right-wing social democratic leaders in the early 20th century. Especially revisionist E. David came out then with anti-Marxist theses in the agrarian issue. He resolutely disputed the chance of a socialist transformation of agriculture. Comparing Vieweg's views with the SPD's agrarian policy guidelines in the FRG in the 1950's also showed far-reaching agreement with them. The 1954 action program of the SPD called for setting up "as many independent and viable family enterprises as possible" and for ensuring the "economic future of the small enterprises."

Vieweg's opinion found resonance in the politically not much developed peasants' strata. It also was able to gain a foothold because associates of state organs not rarely were indifferent to LPG development. Social organizations were negligent in trying to attract individual farmers to the LPG's. The local state organs and the political work in the village did not meet the requirements for LPG development. The concerns of the agricultural producers cooperatives were mostly handled by but one official in the kreis councils, a subsection in the bezirk councils and, on the central level, a main department in the Ministry for Agriculture and Forestry. While some who were responsible for the formation of cooperatives thought it was mainly up to cooperatives themselves to do
it, the state apparatus did not sufficiently assume its function as the chief instrument for socialist transformation. Often developments were left to themselves.

In Zittau Kreis, e.g., top functionaries argued geographic conditions made the conversion to cooperatives unfeasible there.33 The Weimar harvester-thresher plant changed its plan with the idea of halting the manufacture of harvester-threshers and of potato harvesting machinery. Instead of large combines it wanted to produce devices for horse-drawn teams, grass mowers and horse-drawn rakes among others. The Brandenburg tractor plant in 1957 produced some 650 fewer caterpillar tractors than in 1956.34 Neubrandenburg Bezirk completed only 37.7 percent of its rural construction program in 1956.35

In its review, the SED Central Committee report to the fifth party congress said: "In the reporting period there was a time when the socialist transformation of agriculture stagnated. The task for a socialist transformation of agriculture often was no longer even assigned anymore. Frequently there was just general talk about agricultural development without distinguishing between the development of the socialist sector and that of the private farming economy."36

Contradictions had stiffened in the intellectual-cultural sector. Progressive culture had come to prevail in the GDR, to be sure, but the political-ideological disputes in the cultural sector had not yet been concluded.37 1956 showed a trend of "artistic creation remaining behind the requirements of socialist construction."38 Some GDR writers, artists and scientists were politically vacillating during the counterrevolutionary coup in Hungary. They did not comprehend the party's criticism of G. Lukacs, who had expressed revisionist views in a speech before the Budapest Academy. Philosopher E. Bloch and Germanist H. Mayer advocated a "third way," a way where the state would "not exercise a cultural-educational function."39 While Lukacs' influence was widespread in the circles of the art intelligentsia, only a small number of intellectuals took their cues from Bloch. They underestimated the "strength of the masses and the party."40 One reason for the revisionist influence on parts of the intelligentsia was their lack of knowledge of Marxism-Leninism and, consequently, of the forms in which the class struggle manifested itself concretely, of the complicated dialectics between socialist construction and the inevitabilities of the socialist revolution. The intellectuals who misunderstood the contradiction between ideal and reality were mainly those who had not been drawn into the everyday efforts of constructing socialism.

In some newspapers, "anti-Marxist and non-Marxist critics largely dominated the field of literary and art criticism."41 The playbills of theaters, cinemas, radio and television, which started its regular transmissions in January 1956, partly showed just "western entertainment features." In his ideological warfare against socialism, the imperialist enemy had mainly concentrated on the "light" genres of art. The GDR working people, virtually inaccessible to ideological diversion while at work, were to be influenced all the more intensively during their leisure.
The school system showed signs of leniency in facing ideological pressure from the class enemy. Under the pretext of wanting to temper "dogmatic subtleties," revisionist demands were raised for the purpose of neglecting socialist education. Aimed against Soviet pedagogics as the model for developing the GDR school system, it was suggested to take over bourgeois reform concepts in education.\textsuperscript{42} The sharpened class struggle between socialism and imperialism at some colleges and universities affected the relationship between bourgeois scholars and the new intellectuals. Especially in the disciplines of mathematics and the natural sciences, medicine and agricultural sciences teaching staffs were made up of intellectuals trained before 1945. There were scientists who showed no loyalty to the workers and farmers power and promoted exclusively bourgeois-oriented personnel among the young generation of scientists and the students. While the proportion of workers' and farmers' children among the students came to circa 50 percent, among the assistants it came to only 31 percent.\textsuperscript{43} Abusing the 20th CPSU Congress critique of the cult of personality around I. V. Stalin, certain forces tried to impose a debate about mistakes on the working class party. Under the pretext of "struggle against dogmatism," they assaulted the basic social sciences curriculum at the universities of Berlin, Greifswald, Halle, Jena, and Leipzig, at the Dresden Technical College, at the Magdeburg College for Heavy Machinery Construction, and at the Berlin Musical College.\textsuperscript{44} FRG recruiting organizations found fertile ground in colleges and universities.\textsuperscript{45} There were intellectuals who gave way to the imperialist pressure. They dreamt of a "reunification of Germany without class struggle and with toning down or even abandoning further socialist construction in the GDR." They showed a "retrogressive ideological development toward petty bourgeois conceptions that led to the surrender of positions already acquired."\textsuperscript{46}

A number of serious developmental problems had arisen in the GDR in 1956 that invoked a reaction from the working class party and the workers and farmers power. Waiting or delaying a response to the questions that had arisen would have had serious effects on the revolutionary transformation process, might in the end have stopped that advance. In January and February 1957, in the resolution of the 30th Central Committee session, the SED drew appropriate conclusions and set down measures for the further ideological-political and organizational consolidation of the party's fighting strength, the strengthening of the workers and farmers power and the improvement of economic management.\textsuperscript{47} Taking up the resolutions of the third party conference, the SED let itself strictly be guided by the universal inevitabilities in socialist construction. Advocates of a slow-down in socialist construction, who had invoked purely mathematical profitability criteria, were rebuffed. The SED Central Committee focused on disclosing and resolving contradictions and ensuring the continuation of the revolutionary transformation from capitalism to socialism, helped by the organs of state power and under working class party leadership.\textsuperscript{48} Notions of a "conflict-free course" that would disguise the contradictions that existed were ruled out. The SED defined as the main road for solving the problems the continued construction of socialism and the consolidation of the workers and farmers power.
The conditions under which socialist construction took place in the GDR were tough. In his speech at the 30th session, W. Ulbricht mainly referred to the open border with imperialism, an open border between two opposing social systems. An economic contest took place between the GDR and the FRG, the latter being clearly in the lead from the outset because it had more favorable starting conditions in important areas. That facilitated the FRG ruling circles' propaganda against socialist construction in the GDR. They were intent on bringing the idea of socialism into discredit among the citizens of both German states. Explaining the socialist perspectives in the GDR therefore gained significant importance in the SED's ideological work. What mainly mattered was to dispel the widespread illusion in the minds of many citizens that the economically stronger FRG with a, partly, higher living standard "constituted the more vital social order." When the SED at the 30th session and in subsequent sessions and at its fifth party congress further elaborated its conception on the end phase of the transition period, taking account creatively of the experiences of the CPSU and of other fraternal parties, it created the prerequisites for an upswing in the GDR's social development, a process contemporary documents referred to as turnabout, turning point or breakthrough. In his speech before the fifth party congress, W. Ulbricht affirmed: "We extricated the party and state apparatus from the defensive into which we had fallen in 1956 after the events in Hungary."

The key issue in its struggle for an upswing in socialist construction the SED found in consolidating the unity and cohesion of its ranks and in deepening its mass solidarity. Already at its 28th Central Committee session in July 1956 it had decided to increase the party's fighting strength. Above all the Central Committee assigned the task to recruit 50,000 workers into the party quickly. As the outcome of many talks, the relation of trust between the party and the workers class was solidified. Up to the 30th session, 44,811 workers had become SED candidates. The reporting election meeting and the new elections for the executive party organs in the basic organizations, coinciding with the 30th Central Committee session, were used for discussions of the new problems and for focusing on the socialist perspective. Some 71 percent of the party membership took part in the meetings; an average of 29.1 percent took the floor.

The SED bolstered its ranks and its fighting strength. It thereby not only refuted the imperialist propaganda on a "disintegration of the SED," it also managed to deepen its influence in all classes and strata. In connection with the kreis assembly, city deputy assembly and communal assembly elections of 23 June 1957, it instilled high public energy in the working people.

Through implementing the state's organizational laws of 1957 and 1958, the state apparatus was enabled to function as the chief instrument for socialist construction in the final phase of the transition period from capitalism to socialism. Those revisionist forces that had propagated curtailing the state apparatus in the transition period because they regarded as "superfluous" the function of suppressing the classes that had lost their power and did not want to recognize the class character of the new society, hiding behind a worry about "democracy" and "freedom," suffered a rebuff. In that both state power was strengthened and socialist democracy developed, more solid ties were achieved between the broad masses and the workers and farmers power without allowing any scope to the counterrevolutionary forces.
Of essential importance was the increased function of the trade unions in the evolving political system of socialism. Great importance came to be attached to the activity of the volunteer trade union functionaries, especially the shop stewards. In September 1957, the FDGB National Executive Committee decided on regular shop steward meetings which "subsequently turned into one of the most important forums for intra-trade union and socialist democracy." In conformity with the advances in the formation of the workers class as a socialist class and the workers' greater sense of responsibility as the proprietors of the means of production, the SED and the trade unions further developed the production advisory meetings into permanent production advisory meetings, which proved to be massively effective as a form of socialist democracy.

Further economic development according to plan was the key for consolidating the GDR economically. What mattered there was making the complicated decisions on the use of investment funds. For 1957, the ministries and bezirks required M 10.5 billion in state investments. But not more than M 6.5 billion was available.

With the coal and energy program of March 1957, the first complex industrial branch program, came the concentration of means on eliminating the disproportions between the growth of commodity production and the available energy. That ensured the rate of development needed for other industrial branches. In the winter months of 1956/57, the shutdown quota for power plants was greatly reduced. Compared to 1956/57, on the average 200 megawatt electric energy was made available to industry. Thanks to Soviet help, machine building in 1957 got 6 percent more rolled steel than in 1956. It made possible a fuller capacity use, step by step, of machine building and a contribution to economic development in the GDR as well as in other socialist countries. In coordination with the CEMA countries, especially with the USSR, another long-range plan of the GDR chemical industry, approached clarification. Drawing in the working people, the chemical program, as the second complex industrial branch program, was drafted in 1958 and ratified in November. Gross industrial production in the GDR grew by 8 percent in 1957 and by 11 percent in 1958.

In October 1957, the 33rd SED Central Committee session made the significant strategic decision to build a maritime harbor in Rostock. That decision was taken after a dispute using arguments like these: "What's the point of that? When Germany is reunited, Hamburg will be the maritime harbor anyway. Why still another one then?" GDR development has proven that building the Rostock overseas port was the correct consequence of the international decisions made in the "key year" of 1955. In 1957, the first 10,000-ton motor freighters built in the GDR, the first big oceangoing ships, were launched. Creating an efficient merchant marine and the port made the GDR independent in many regards from imperialist shipments which could be used as instruments of economic warfare and were in fact used as such. That then was an important prerequisite for the boom in socialist construction at the final phase of the transition period.

It took till 1958 for opinion to crystallize on the further development of the construction industry. Not until the second half of 1958 was the stagnation the SED had criticized gradually surmounted in construction, and the further perspective became clear. In 1958, the output ratio of the people-owned to total construction output came to being 3.5 percent higher than in 1957.
The third quarter of 1958 brought in 327 new production cooperatives in the building trade. The proportion of apartment blocks in housing construction rose from 12 to 20 percent between 1957 and 1958. The first prefab-assembly line construction in Wittenberg in 1958 was an SED initiative. It saved a lot of money. This method was also tried out on building sites in Waren, Prenzlau and Pirna. Labor productivity rose by an average of 200 percent. The number of newly built and rehabilitated apartments grew impressively from 32,849 in 1956 to 61,125 in 1957 and 63,466 in 1958. Prefabrication allowed a better use of the advantages of the socialist production relations and created further premises for the construction boom.

Among the tasks that still had to be resolved in the transition period from capitalism to socialism, the complete cooperative merger of all the farmers was one of the most complicated and politically most significant ones. Not until the farmers were established as the socialist class of cooperative farmers could the main alliance partner of the workers class proceed toward socialism and could the socialist production relations triumph. Already in the second half of 1956 an SED Central Committee commission explored the chances to increase farm production in the second five-year plan. As E. Muckenberger put it in November 1956, the idea was "to achieve a broad breakthrough in 1957 in the work and promotion of all cooperative endeavors. But that presupposes creating a clear understanding in the village about the farm prospects in the second five-year plan, about using all chances to increase hectare yields and livestock productivity." In the mass political activity that analyzed the 30th SED Central Committee session in the villages and prior to and during the 1957 elections, the state organs and all the political forces united in the National Front managed to familiarize more and more farmers with their socialist long-range plans. In Magdeburg Bezirk, on 26 May 1957, a "rural Sunday," 12,400 agitators called on 9,213 private farmers and discussed with some 34,000 family members of their rural socialist development. Halle Bezirk made the "rural Sundays" still more attractive by sponsoring agitation and play groups, movies, television shows and fashion shows. In Erfurt Bezirk, the state-owned Ruhle watch factory published special editions of its plant paper for five villages which answered questions the farmers had raised. The first village club of the GDR was set up in Adernstedt in March 1957. Nonetheless, many farmers still were reluctant to become members of a cooperative.

New chances for carrying on the cooperative transformation were opened up by the 33rd SED Central Committee session in October 1957. The SED assigned agriculture the goal to raise production so much that it would become possible "to stop rationing next year, further improve the population's livelihood, and diminish imports." The SED Central Committee opened up new ways and means for further cooperative mergers that appealed mainly to most of the middle-size farmers. The prevailing orientation up to then to having farmers join the type III cooperatives was less attractive, above all, to the medium-size farmers. The members would put into those LPG's all areas suitable for agriculture, forestry and water management, all draught-animals, breeding cattle and domestic animals, and all machines, equipment and buildings suitable for cooperative production.
After the 33rd SED Central Committee session it was found that the objective it had issued for preferably setting up type I LPG's, where acres and meadows were managed jointly, and for setting up several cooperatives different in type in one and the same village, conformed more to the ideological and political ties in the countryside. During 1957, 25,029 farmers and rural workers joined cooperatives, and 317 LPG's were newly formed. The rate of cooperative mergers increased greatly in the first half of 1958. While only 872 private farmers had joint cooperatives in the first half of 1957, 18,615 did so in the first half of 1958. This upswing in the cooperative movement laid the cornerstone for the victory of the socialist production relations in the countryside in 1960.

In October 1957, in its culture conference, the SED issued guidelines for carrying on the socialist cultural revolution throughout the second five-year plan. The main task the party formulated was to make its leadership role prevail also in the cultural field. The theses before the conference said this: "Only an artist who sides with the party and places his work at the service of socialist construction will give the people what the people expects of him." For the party members to develop an ideological offensive was of first-rate importance "to create clarity among all creators of culture about the historic role of our workers and farmers state and about our great socialist prospects." The working class party assumed that mainly the intellectuals had trouble coping with the difficulties and contradictions in the transition period from capitalism to socialism. Many of them wishes they lived in a society in which the socialist production relations had already triumphed. Those, as W. Ulbricht said at the 33rd SED Central Committee session, "who attempt to take a leap, as in a daze, to get on top of the difficulties in the transition period, are likely to take a pratfall." Consolidating the workers and farmers power, economic management and fulfilling the production task, he said, was "troublesome also to the working class and the working people. That's just the way it is, if you have the power, you have some worries, too."

After the 33rd Central Committee session and the SED's cultural conference, it became possible to make basic socialist orientations prevail also, above all, in the repertoires of cinemas, theaters and other cultural events. Having a supply available of movie materials ready to be run, the DEFA film studio in 1957 produced more films relevant to the times than in previous years, such as "Lissy," "Patront Berlin," "Berlin-Ecke Schoenhauser," "Sonnenucher," "Spur in die Nacht," "Vergesst mir meine Traudel nicht," and "Maedchen von 16 1/2." At GDR theaters, on the eve of the fifth party congress, a broad commitment developed which indicated that many theater people were beginning to translate the resolutions from the SED culture conference into action. Many houses staged contemporary dramas, Helmut Baierl's "Die Feststellung" (1957) and Heiner Mueller's "Der Lohndrucker" (1958) meeting with special success. Theater ensembles performed plays in enterprises and villages. Agitation brigades prepared programs on topical subjects, including some that opposed the FRC's equipping the Bundeswehr with nuclear rockets and others that aided the socialist rural transformation.

Changes also came for phonograph records, starting in the fall of 1957, especially for the lighter genre. Prior to the culture conference there had been a 40:60 percent ratio between foreign titles from capitalist countries and GDR products; but that changed fast to a 10:90 ratio. VEB Deutsche Schallplatte lost sales rapidly. It indicated that the development of socialist cultural needs among the masses is as lengthy a process as providing many artists with the ability to achieve mass effectiveness and popularity in their artistic work.
Advances were made in the socialist transformation of the school system. Starting in the fall of 1957, some schools introduced one day of instruction weekly on production. While not all experiments worked out, it still was demonstrated that the "road charted by the SED literally opened up unsuspected opportunities for the school system." With the introduction of polytechnical instruction in all general education schools, as of 1 September 1958, the socialist development of the school system picked up speed. Yet it did stagnate still till 1959 in vocational training. Not until lessons were drawn from the fourth session of the SED Central Committee of January 1959, vocational schools were also organized along socialist principles. Between 1957 and 1958 the percentage of pupils taking part in the youth consecration rose from 25 to 43. These developments made clear that the SED's culture conference in 1957 had introduced a new stage in the socialist cultural revolution.

Under the complicated conditions of the stiffer class struggle at the start of the second half of the 1950's, the working class party did not confine itself merely to turning down or defending itself against counterrevolutionary assaults or rebuking revisionist tendencies. It went into the offensive to find cogent Marxist-Leninist solutions for the then ripe developmental problems. 1956 and 1957 were years of testing for the GDR in an extremely complicated international situation. The GDR prevailed and proved itself a factor that would stabilize peace in the worldwide class conflict. The workers and farmers power emerged stronger from this intricate phase. It was vividly confirmed that during the transition period from capitalism to socialism the class struggle acts as the chief driving force in historic development. By taking account of the universal inevitabilities of the socialist revolution and of socialist construction and applying them creatively to the specific conditions in the GDR, the working class party, while the fifth party congress was approaching, succeeded in bringing about an upswing in socialist construction in decisive areas.

FOOTNOTES

1. V. I. Lenin, "Werke" [Works], Vol 30, Berlin, 1972, p 91


7. Ibid., p 359.


12. The 144 enterprises with state participation that had formed, in accordance with the guideline issued by the third SED party conference, provided for the 12,278 private enterprises the prospects of being more closely drawn into socialist construction (cf. ibid., Berlin, 1962, p 241). The socialist industrial enterprises, to be sure, first did not manage to raise their proportion in gross industrial production (1956=88.5 percent; 1957= 88.4 percent) (cf. ibid., Berlin, 1972, p 113). The not yet completely clarified perspective for the chemical industry facilitated tendencies of reviving the trust ideology (cf. Institut fuer Marxismus–Leninismus beim ZK der SED/Zentrales Parteiaktiv, Berlin [IML, ZPA], IV 2/5/1348).


14. Ibid., p 34.

15. Ibid., p 11.


20. Cf. Zentrales Staatsarchiv Potsdam (ZStA Potsdam), E-1, No 20176.


23. In 1956, e.g., 1,174 harvester-threshers from the Weimar harvester-thresher plant had to be brought up to par through some reconstruction (cf. Zentrales Gewerkschaftsarchiv, Berlin [ZGA], FDGB National Executive Committee, [Buvo], No 2283).


36. "Bericht des Zentralkomitees an den V. Parteitag" [Central Committee Report to the Fifth Party Congress], p 1522.


55. Cf. ZStA Potsdam, L-2. No 3873.


64. Ibid.; IML, ZPA, IV 2/611/21.


70. Cf. IML, ZPA, IV 2/2029/2.

71. Ibid.


74. Cf. EINHEIT, No 7, 1959, pp 951 f.


79. "For a Socialist Culture" (Theses of the SED Culture Conference, 23/24 October in Berlin), Berlin, 1957, p 15.

80. Ibid., p 73.


82. Cf. ZStA Potsdam, E-1, No 7204.

83. Ibid., No 7205.


5885
CSO: 2300/28
CHRISTIAN CONTRIBUTION TO SOCIALIST STATE QUESTIONED

Budapest UJ EMBER in Hungarian 19 Aug 84 p 2

[Article by Tamas Kipke: "What Is a Man Worth if He's a Christian?"]

[Text] The question is not at all poetic. Less so because it is being raised here and now—for the time being and in the present case, we put the question to ourselves. What is a man worth if he's a Christian—in 1984 in Hungary?

In our country, there exists and is more or less active a local church which is "so-so" as far as its historical, sociological and political definition is concerned—an assembly of the Christians appearing in the title question. This local church exists, and is present here and now, with certain achievements and with opportunities for existence and action which can by no means be called full, yet without becoming accomplished even within the limits of the belittled and constrained framework.

What is a man worth if he's a Christian? The time is not yet far in the past (the childhood of today's 30-40 year olds) when everyone understood the response which had never been spelled out publicly: not much. And if he is still worth something, it amounts to being obedient in a terrified manner, keeping quiet and not making any waves. This period is not yet in the too distant past, which intimidated men by the hundreds of thousands and millions. We hope that it is not forgotten by the current holders of the power either, who do not exactly want to intimidate these masses of people today but rather want to mobilize them for reaching, what is said to be, common goals.

And neither are those places in our small country at the end of the world where perhaps yesterday still (not to mention: perhaps today even!) there were certain, but by no means solitary leaders who, in the name of social progress, have harrassed the priest and the parents who signed up their children for religious instruction—as the noxious representatives and servants of the reactionary clerics. (Let us not even mention the cases when defenseless children were humiliated by the teachers because they served as altar boys and attended religion classes.)

We should like to hope that such cases we can only discuss in the past perfect. Of course, with any sense of realism, those involved must also realize that one bad experience can only be neutralized by 10 contrary, pleasant experiences. Well, we are not that far yet. During the past 25 years,
seven-eight good experiences were still accompanied by two-three bad ones... Of course, it also is a good experience if we are allowed to talk about what hurts and what constrains us, what is painful, disturbing and unclear today.

But let us, Christians, also take a clear look. First of all we, Christians, should see clearly the matters concerning our social mission. Nowhere in the Gospel do we find guidelines for huddling somewhere in order to insure our own "survival." Instead, Jesus calls on us to spread the divine Gospel and to pass on the divine love. He also provides lessons and examples of loving our enemies.

We can consider as an enemy only someone who considers and treats us as such. But nowadays relatively few, narrowminded people consider the Christians as enemies—merely for being Christians—in this country. Well, we must love them (if we are indeed Christians) as our enemies. And everyone else we must love as our fellow men.

To explain, we are not doing a favor, we are not capitulating to the powers if we "deign" to work as well as we can and if we are ready to help also where it is not our obligatory duty. We cannot point at the country and its "given" leaders—even if our beliefs and perhaps our opinions greatly differ from theirs—as the man in the joke, when he was urged to have his aching tooth pulled. We cannot say contemptuously, with an outraged voice: "For these?!"

There are no "these" and neither are we "those." At least, not as Christians. Of course, we can have ideas about a system which would be better, in our view, but this could hardly be derived from the Gospel without violating it. That is, if I have different, opposing, "otherwise thinking" political views, those are my own personal views—and not Christianity. Although the Gospel contains political references, nevertheless, it has no political doctrines. What is a man worth if he's a Christian?—The question has been raised many times in a political sense: much or nothing, depending on how far he shares the political views of those in power. But posing such a question can only be false because it is based on misunderstanding.

What is a man worth if he's a Christian?—The "simple" members of society usually do not respond to the question sometimes spontaneously arising within them stemming from statements made by bishops and declarations by church leaders. And this is really a question of how those who call themselves Christians are working and living. What effect do they have on their surroundings?

We would have cause for some self-righteousness. There is also mention of the historical merits of the church on increasingly more responsible platforms and many would find it necessary for the church, with its moral values, to increasingly try to fill the moral vacuum appearing at many places in today's society.

We must be glad that the powers—invoking an ideology which, in many respects, is contrary to our concepts—are already seeing it this way. Nevertheless, we have no cause whatsoever for self-righteousness. On the one hand, since we
are fairly honest, we have to regretfully admit that we do not stand truly unshakeably on our professed moral foundations either. On the other hand, we have to recognize that the non-Christian section of society appreciates the Christians merely according to their "value in use."

If he does not steal but rather works honestly, does not hasten to criticize the domestic sociopolitical system at every step, and adheres to the "rules of the game" imposed on him, then the Christian man is a citizen worthy of respect at home, in Hungary of 1984. And it is considered his private affair to believe in the resurrection.

Can we hope for and can we expect that those exercising the power would acknowledge and recognize that the "value in use" of the Christians will increase when their self-identity is reinforced? That is, the more conscious Christians are, and will be more honest citizens, ready to serve every honest goal. Does the expansion of the church's opportunities for livelihood result in the growth of the inner values of Christians--and thereby of their value in use? We shall find out.

One thing is a fact: we have already arrived this far at least. On the other hand, we must not forget that a bad experience can only be neutralized by 10 good ones. If we create bad experiences for the non-Christians in our daily life, in work, in our relationships with our fellow men, and if we squander our "value in use" (in the purest sense of the word), then we shall prove to be untrue. And in this case, the question: "What is a man worth if he's a Christian?" will be more painful than anything.

2473
CSO: 2500/614
MORE PARTICIPATION, INTEREST RECONCILIATION IN DECISION MAKING

Budapest HETI VILAGGAZDASAG in Hungarian No 35, 1 Sep 84 pp 34-36

[Article by Agnes Tibor: "In the Web of Interests"; interview with Under-Secretary Albert Racz, president of the State Office for Wages and Labor; date and place not specified]

[Text] Today in the practice of Hungarian macroeconomic management, it is still not usual for interest-representing organizations to have a say in the decision making process, although in the past few years interest reconciliation conferences have become more frequent on the national economic as well as enterprise levels. During the course of the preparatory work in connection with the further development of economic management, the question of how to proceed arose, and independent working committees were established to resolve the answer. We asked Under-Secretary Albert Racz, president of the State Office for Wages and Labor, and director of the working committee, "What concrete steps were discussed by the committee and what proposals were put forth?"

[Question] In Hungary, the principle of what is good for the whole is also good for the individual has been dominant for decades. Today, we have a far more differentiated way of viewing interests—nowadays, articles and studies about the assertion of interests usually begin with something to this effect. Even if this conclusion were to be true, unfortunately it is impossible to state even today that there is an opportunity for all the interests arising in many places and in many forms to be represented in legal forums and asserted within an institutional framework. What is your opinion on this?

[Answer] Strictly speaking, you are correct. However, I think that the need for the development of institutional interest reconciliation is not all that old; it came to the forefront as a result of the discussion on the dissolution of the rigidity of wage management. This does not mean that in our socio-economic activities to date, we have not utilized interest reconciliation. Of the conferences of this nature, the meetings held semiannually for years between government officials and the SZOT leadership have already become an institution, where in addition to general economic questions, the most
important issues concerning the standard of living are also discussed and reconciled. Government representatives also meet with the representatives of the Hungarian Chamber of Commerce. The reconciliation of interests within enterprises, which is manifested by the conclusion of collective agreements, is built upon old and well-established practices. I might also add that over the past few years, the national economic plans similarly reach the most diverse interest representing forums and organizations, so that opinions may be formed about them. The government is informed of their opinion through the planning organizations. Also in state administrative work, a regular exchange of opinions is conducted among the trade union, cooperative, youth and other organizations about the tasks to be carried out.

During the course of the current expansion of the macroeconomic management system, we set as our goal the generalized availability of interest reconciliation opportunities and we are integrating it into macroeconomic management as a system. We would like it if the opinions of the various interest representative organizations would not only be formulated within the context of administrative reconciliation—as it has occurred by and large to date—but rather, systematically within the context of predetermined forms and parameters.

[Question] How has the committee separated the reconciliation of interest from the representation and defense of interests? According to many, these concepts are often not only conceptually confused, but also in the activities of functional interest representative organizations.

[Answer] In general, the interest representative organizations convey the interests of the individual classes, groups, and economic strata and also when these become especially relevant in relation to individual measures. The institutional reconciliation of economic interests is the systematized activity directed at the continuous disclosure, confrontation and reconciliation of the financial interests of the interested partners (interest-embodying and -representative organizations) which play a role in the economy. It incorporates information exchanges, the reconciliation of conflicting interests and also agreements which precede decision making. All this is concluded within largely predetermined parameters and regulations. These parameters and regulations are partly determined by the interest reconciling parties and partly by the state. In institutionalized interest reconciliation activity (especially on the national economic level), it is warranted to differentiate between participation in reconciliation forums during the preparatory work for decision making, when proposals and opinions are formulated, and participation in the process of implementing decisions, when the interested parties agree on the manner of implementation of the adopted resolution.

[Question] Today who are the people participating in the interest reconciliation conferences and will their circle be expanded in the future?

[Answer] Three partners participate in the interest reconciliation process: representatives of the state, the employers and the public. In interest reconciliation on a national level, the state is always a party; its participation is indispensable and decisive. Government leaders discuss the
most important issues themselves while at discussions dealing with particular subdivisions, representatives of the government appear as the delegates of the state. Interest reconciliation at the enterprise level, or rather we should say, on the micro level, takes place between the representatives of the employees and the employers. We have developed organizations for the representation of employers and economic unites (enterprises, cooperatives, private companies). Thus there are the Hungarian Chamber of Commerce, the National Council of Production Cooperatives (TOT), the National Council of Industrial Cooperatives (OKISZ), the National Council of Consumers' Cooperatives (SZOVOSZ), the National Organization of Private Tradesmen (KIOSZ), and the National Organization of Small Businessmen (KISOSZ). The trade union is the representative which encompasses the widest and most general strata of the population and reconciliatory mechanism. The cooperative interest representative organizations are also present in the service of certain classes. But the interest representation of the population and the workers should also be present in other segments and structures. As a result, youth representation (KISZ), elderly representation (trade union) and technical-economic intelligentsia representation (MTESZ) all have a role.

I will deliberately stop here. Namely, there is a dispute as to how extensive and differentiated the raising of interests should be. In my opinion, the above listed organizations are capable and able to represent the interests of the populace, e.g., the disadvantaged, those just starting careers, and also the pensioners. All this does not mean that advances in interest representative activities are impossible or not necessary.

[Question] I gather that it is not accidental that you left the intermediate level, the conflict of sectorial and regional interests, for last. As of today, meetings on this level have no precedent in Hungary. Did the committee feel that it was necessary to develop this?

[Answer] There are very divergent opinions on this issue. Some say that there is no need to have any sort of interest reconciliation on this level; others, myself included, believe that, to the contrary, it would also be very important to establish direct contact on the intermediate level. Above all, the partners must be identified. In my opinion, the Hungarian Chamber of Commerce and the trade unions should come to an understanding. In this area, the role of the sectorial trade unions should be specifically reinforced. We are debating the role that the state should have in intermediate level interest reconciliation. One thing is certain, according to me: we should participate in it. This year with the development of the shift bonus and the foundry bonus, we have already found a good case in point. That is, the wage provisions brought at the beginning of the year by the central directive only set the amount of state monies which may be earmarked for this purpose. The responsible ministry, the sectorial trade union, and the Chamber of Commerce worked out which sectors and enterprises would receive how much through interest reconciliation.

On the intermediate level the topics which would be encompassed by interest reconciliation must still be found. This is still uncharted territory for us. We should not bite off more than we can chew. We must be especially careful.
that the agreements concluded on this level do not tie the hands of the enterprises. That is, even in the regulatory process, it is necessary for us to proceed more toward the greater scope of action, and if we curtail this at the intermediate level (either by official government action or through the reconciliation of interests), we will not attain our goal.

[Question] What happens if the parties are unable to agree among themselves?

[Answer] I am convinced that these forums provide sufficient opportunities for agreement to occur. True, it is not certain that the first round of talks will lead to success, but with continuous overtures a mutually acceptable result may be achieved.

[Question] On which issues has the working committee formulated a common position and what measures does it consider necessary in the interests of developing economic interest reconciliation?

[Answer] Since we have established that we must examine the institutionalized reconciliation of interests and determined that on every level the existence of relations between, on the one hand, the economic leadership and on the other, the trade organizations, is of fundamental importance. The interest reconciliation activities of the cooperative interest representative organizations is very important. The interest reconciliation functions of the interest representative organizations of the Hungarian Chamber of Commerce, the enterprises as well as the enterprise managers--after suitable licenses have been granted--must be expanded.

We have also delimited the content of interest reconciliation. We have concluded that above all, the institutional reconciliation should be about the living and working conditions of the workers. This includes the wage system, performance, employment, manpower management, labor safety, working conditions, the various welfare issues and further, the various relationships between consumption and prices.

We endeavored to clarify the relationships of the national economic plan, economic regulation and interest reconciliation. The viewpoint was unanimous with regard to the fact that the national economic plan cannot be a product of an agreement among the various interest representative and state organizations. But the development of societal participation has a fundamental role in the planning. After the completion of the directives and before the completion of the plan, it is absolutely necessary that the social and scientific bodies and the interest representative organizations voice their opinions. While formulating the public administration regulations and also during the course of their operation, we wish to utilize the various modes and forms of interest reconciliation. In the future, the interest reconciliation process in this area must be restricted to the disclosure of interests or the functioning of the consultative mechanism. However, I do not see how the decisions relating to the fundamental issues of regulations would also be derived from within the framework of interest representative agreements.
[Question] I think that not everyone agrees with this viewpoint today; however, with time, the views held about the role of interest reconciliation will perhaps become more convergent. I would think that the issue of independence, expression of opinions, and also, in the strictly literal sense, the legal guarantees of interest representation arose in the committee.

[Answer] According to the working committee, it is absolutely necessary that the implementation of the agreements brought about by interest reconciliation be guaranteed. I believe that it is impossible to create a legal guarantee for every level and every issue. For example, collective agreements have the following guarantee: if either party breaches the agreement, the other party may turn to the courts. On the intermediate level, and in the various interest reconciliation councils and forums, in my opinion, the agreements themselves must stipulate the consequences of breach of contract. It would be very good if in time, the practice of economic coexistence would be developed, wherein the partners themselves would penalize the breach of contract by their own future economic conduct.

[Question] Finally, with what specific proposals did the committee present the government?

[Answer] At the level of the economic units, the system of collective agreements ensures the appropriate form for the reconciliation of interests. If we want the laws and regulations not to restrict the economic managers and trade unions in concluding the necessary agreements, we must modify our current basic position. That is, to date, the law essentially determined what could be covered by collective agreements. We are working on developing labor laws which would stipulate only those basic laws which may not form the subject of enterprise agreements (e.g., legal working hours, vacation, and tariff limits). The economic managers and the trade unions could freely agree on anything that does not affect these issues. At the highest level, the regular meetings and exchanges of opinion between the Council of Ministers and SZOT occur on a continuing basis. During the past few years numerous agreements were concluded at these discussions on issues influencing the public's living conditions, e.g., the introduction of the five-day work week, the principles of wage policy and specific wage actions. In the future we wish to inform the public more fully about all this.

It is the committee's opinion that it is feasible to expand interest reconciliation between, on the one hand, the leaders of the cooperative movement and the members of the government, and on the other, between the Hungarian Chamber of Commerce and the government.

[Question] With this, has the circle of macro-level interest reconciliation been closed?

[Answer] No. As a matter of fact, the above-mentioned formulas deal exclusively with the most important social and economic policy issues. However, it is necessary to have more forums for raising the factors influencing living conditions and debating the measures relating to these. The National Social
Insurance Council was already established with this goal and jurisdiction at the beginning of this summer. The Wage and Labor Council, which has been in existence for three years, has a similar role. However, it is necessary to expand the jurisdiction and operational procedures of the latter.

[Question] How much say do these councils have in the decisions themselves?

[Answer] I believe that they have and should have a significant role. The fact alone that the opinions of the various interest representative organizations reach the political and governmental decision makers through these councils already represents progress. Just one example: the National Social Insurance Council (OTT) is the opinion- and proposal-making body of the Council of Ministers. It has a right to transmit its opinion to the Council of Ministers on every issue affecting social insurance, and if the Council of Ministers is discussing a topic of this nature, the president of OTT is present at the meeting. Naturally, we must still study the functioning of the formal and substantive elements of interest reconciliation and the manner of conveying the various interests for a long time yet.

9956
CSO: 2500/004
NEWLY CREATED INSTITUTIONS SAFEGUARD CONSTITUTION

Warsaw IDEOLOGIA I POLITYKA in Polish No 6, Jun 84 pp 87-94

[Article by Michal T. Staszewski: "New Institutions of the Polish People's Republic's Political System: The Constitutional Tribunal and The Tribunal of State"]

[Text] Substantial changes are taking place in Poland's political system. These changes are the result of the consistent desire to develop socialist democracy and implement rule by the people. This desire concerns the entire sociopolitical life of the country, including its governmental institutions. As the resolution of the Ninth Extraordinary Party Congress recently emphasized: "...the process of democratization must move from the stage of criticism and postulation to the stage of consistent legalities and activities sanctioned by these legalities. The party is undertaking measures which safeguard the exercise of power over the executive by the legislative."¹ Party Central Committee First Secretary and General of the Army W. Jaruzelski announced at this congress: "Law is the mainstay of the Republic. We are not saying, however, that it should be immutable... The process of improving our laws should strengthen the socialist basis of our country and remove the barriers to effective action. Simultaneously, there is no, and can never be any, great necessity which could justify the violation of our laws. There are no exceptions."²

With the aim of improving the operation of our socialist country, the Sejm 2 years ago established two new institutions: The Constitutional Tribunal and The Tribunal of State. The establishment of these tribunals is a move to strengthen the legal and constitutional position of our highest representative organ of state power, the Sejm. These institutions respect law and order and thus contribute to the development of democracy. These institutions determine the constitutionality of our system's laws and evaluate the constitutional accountability of those individuals holding the state's highest offices. The institutions should also strengthen the discipline of our highest representatives in their activities; they are capable of and required to operate within the framework of our laws, and to respect them. On the other hand, our entire legal system should be based on our Constitution. Thus, the correlation between the legal principles contained in our Constitution and the actions undertaken by our state will be safeguarded. This is the special
guarantee to our political life against abuse of power, voluntarism, and arrogance on the part of the highest state representatives.

The need to establish these institutions is the result of Poland's experiences in shaping a political system and the problems and crises of this process. For added emphasis, the establishment of these institutions accentuates the role of the Sejm as the highest organ of state power and serves to implement more consistently the principle of rule by the people under the conditions prevalent in Poland.

The Constitutional Tribunal

The purpose of setting up the Constitutional Tribunal was defined in a resolution of the Ninth Extraordinary Party Congress. The demand for the establishment of the tribunal had been made considerably earlier by the Democratic Party and in the opinions expressed by legal scientists. The Ninth Party Congress' position was approved by the public. As a result, on 26 March 1982, the Sejm created the Constitutional Tribunal by amending the Constitution of the Polish People's Republic. Such an organ had never been a part of the Polish legal system. For this reason, there were initial problems with the tribunal's specific makeup and scope of responsibility. This institution was supposed to become a permanent element of the socialist political system of the Polish People's Republic. At the same time, it was impossible to look for models of such institutions in bourgeois countries. Legislative efforts specifying the constitutional resolutions concerning the Constitutional Tribunal are still ongoing, but they are just about completed. The country's Constitution has provided the basis for the scope of the tribunal's responsibilities.

The Constitutional Tribunal is an institution set up to study the constitutionality of any law. This means that the tribunal rules on the constitutionality of laws and other normative acts passed by supreme or central state agencies. It has to be kept in mind that the Sejm, as the highest organ of state power, passes laws. These laws are the highest normative acts and play the leading role in our entire legal system. The Constitution occupies the central position among our laws; it is called the basic law. This arises from the fact that the Constitution regulates (defines) the principles of the state's socioeconomic and political system; it establishes the makeup of the state bureaucracy, the general authority of the organs of state power, state control, administration, as well as the authority of other organs, including the courts and prosecutor's office. The Constitution defines the rights, freedoms and obligations of the citizens; it is amended at special sessions of the Sejm by a two-thirds vote, with at least half of the Sejm's representatives present to form a quorum.

The Constitutional Tribunal has an important role to play as the guardian of the Constitution. This is the result of the essence of constitutional norms. The function of verifying the constitutionality of any law defines the great importance and position of the Constitutional Tribunal among state organs. Common laws are supposed to enhance and clarify the
provisions of the Constitution, but may not change or rescind these provisions. Subsequently, the normative acts of supreme and central administrative organs have to agree with constitutionally permitted laws.

In the event that the tribunal rules that a law is unconstitutional (even if it concerns only one sector of the law), the matter is referred to the Sejm for examination. The Sejm is obligated to deal with the tribunal's ruling, but is not required to rule favorably itself. The parliament always has the final say on the issue being dealt with, inasmuch as the Sejm is the supreme authority in our system of state organs.

On the other hand, if the tribunal states that normative acts other than laws, e.g., decrees, resolutions, directives, are unconstitutional when they do not correspond with existing laws, the rulings of the tribunal are final. It is the tribunal which then decides what measures are necessary to make these acts constitutional.

The Sejm appoints the members of the Constitutional Tribunal. Because of the scope and importance of the tribunal's work, the people appointed must be highly expert in legal matters. Once appointed, these people operate independently and are subject only to the Constitution; this allows them to rule on issues without bias and perform their duties only to the benefit of the country.

The Tribunal of State

The institution of the Tribunal of State, because of its origins and development, belongs to the best traditions of Polish constitutionalism. The first Polish Constitution of 3 May 1791 already envisioned the constitutional accountability of government ministers. When independence was gained, the Constitution established the Tribunal of State on 17 March 1921. Both the president and his ministers were made answerable to it. The Constitution of 23 April 1935 also retained the Tribunal of State. A law passed in July 1936 made reference to the tribunal and made accountable not only the president, but ambassadors and senators as well. The Second Republic (1918–1939) brought two ministers before the tribunal: Minister W. Kucharski (17 December 1924) and Finance Minister G. Czchosicz (20 March 1929). Both cases were never settled; political considerations were more important at the time than was justice.

The Polish People's Republic did not introduce the Tribunal of State, even though opinions were expressed and positions taken on the need to appoint it. These opinions grew louder in the years of crisis, 1956 and 1981. People saw the Tribunal of State as an institution which guarded against abuses of power by individuals holding high government positions. The idea for setting up the Tribunal of State was formulated in documents of the Democratic Party in 1956 and 1981. The idea quickly won the support and approval of the ministerial groups of the Polish United Workers Party and the United Peasant Party.³ It was General of the Army Wojciech Jaruzelski who proposed the establishment of the tribunal to the Sejm.
on 30 December 1981. On 25 January 1982, the Sejm recognized the validity of this proposal and resolved to establish the tribunal. The Sejm issued a statement that: "It is necessary to create institutional guarantees which safeguard the people against vitiation in state operations." Concerning the establishment of the Tribunal of State (and Constitutional Tribunal), specific proposals were made to the Sejm with the blessings of the ministerial groups of the Polish United Workers Party, the United Peasant Party and the Democratic Party in July 1982. After discussions, the proposal was accepted by the Sejm in the form of a constitutional law of 26 March 1982. At the same time, the Sejm passed regulation legislation on the Tribunal of State.

In a certain way, the Tribunal of State of the Polish People's Republic is related to its predecessors. However, it was adapted to deal with the political realities of the Polish People's Republic. For this reason and significance, it is a new institution.

The Tribunal of State is a constitutional court of a special kind. It was appointed to rule on the accountability of acts which are incompatible with the Constitution as committed by individuals holding the highest positions in the state. Constitutional accountability concerns only those cases dealing with a violation of the Constitution or existing laws. It may apply and is applied in those instances when traditional forms of political accountability before the Sejm, e.g., dismissal, and a political party (legal punishment) are inadequate.

The Tribunal of State introduces particular accountability for violation of the law (the Constitution or otherwise) by individuals holding the highest state positions. Only such individuals can be brought before the tribunal. Acts which are not crimes are also included under constitutional accountability. This accountability is inherent in the position held, or area of authority, and refers exclusively to a violation of the Constitution or existing laws. Individuals charged with such a violation may also be held criminally liable. However, it must be emphasized that criminal liability is a factor only if the acts of these individuals are offenses recognized by criminal law; in any event, these offenses would still be dealt with as crimes or felonies.

Members of the State Council and government, the president of the Polish National Bank, the prosecutor general of the Polish People's Republic and the directors of central bureaus can be brought before the Tribunal of State. All of these individuals are people holding the highest state positions. And only these individuals may be brought before the tribunal. This means that the law does not recognize the accountability of others before the tribunal, regardless of their positions in the state or political parties. Any other interpretation expanding the circle of individuals to include party activists occupying high positions in central, elected party organs would be contradictory to the Constitution and party statutes; it would blur the differences between legal and political accountability. In a wider sense, it would lead to the "nationalization" of the party by identifying the party with the state and party activity with state activity.
As the highest organ of state power, the Sejm determines when someone is to be held constitutionally accountable. Motions in this direction may be made by: a Sejm commission with two-thirds support, or 50 representatives of its members; the State Council, and the Constitutional Tribunal. The move is then sent through the Presidium of the Sejm to the Constitutional Accountability Commission, a parliamentary organ empowered to conduct a thorough investigation of the matter at hand before it goes to the Tribunal of State. After its investigation, the commission proposes to the Sejm a resolution to bring an individual or individuals before the tribunal for constitutional accountability or to halt the proceedings. At a plenary session, the Sejm then rules on the commission's proposals with a simple majority. If a resolution on constitutional accountability is passed, then the commission's resolution becomes an indictment and the matter is referred to the tribunal. The Sejm then appoints two accusers from among its representatives; these accusers are then charged with supporting the indictments.

The Tribunal of State is associated with the Sejm. It is appointed by the Sejm when the Sejm convenes for the first time at the beginning of its term in office; the tribunal then retains its authority until a new Sejm appoints a new tribunal. The tribunal's chairperson is the first president of the Supreme Court. The tribunal is made up of 22 members and 5 candidate members who are selected by the Sejm from among the Sejm's own representatives. On 6 July 1982 judges were selected for the Tribunal of State. The individuals selected enjoy great moral and public authority and represent basically all socioprofessional occupations, members of political parties, social organizations, Catholic groups, politics and science. They have knowledge, lifelong experiences, and suitable qualifications. It is not inconsiderable that the tribunal's members may not be employed in state administration.

In its rulings, the tribunal can mete out the following punishments: the loss of both the active and passive right to be elected to the Sejm and the people's councils from 2 to 10 years or permanently; a ban on holding leadership positions or exercising duties associated with particular accountability in state agencies and public organizations from 2 to 10 years or permanently; the loss of all or some distinctions and honorific titles, as well as the loss of the right to seek them for a period of 2 to 10 years. The tribunal can impose these punishments either singularly or collectively. In speaking about these punishments, it must be indicated that the tribunal may, with regard to the particular circumstances of a case, confine its efforts exclusively to proving the guilt or innocence of the accused.

If the tribunal examines any cases, which are also considered to be crimes or offenses, the rules regarding punishment are then sought for in the criminal code.

The following principles guide Polish criminal legislation: "lex retro non agit"—a law is not retroactive—and "nulla poena sine lege"—there is no punishment without a law. These are the fundamental principles
which are the result of the humanitarianism of Polish criminal law. In
practice, they signify that if a specific act at a given time is not
criminal (prohibited by criminal law), no one can be held criminally
accountable for it. These principles continue to be honored in the law
on the Tribunal of State as well. Any other interpretation would be
contradictory to the principle of law-abidance and the adopted legal
culture in Poland.

Cases for accountability for mistakes committed in the past are generating
much discussion and may become a subject for a ruling by the tribunal.
This is the result of the fact that the tribunal is exactly that organ
which can also rule on acts committed before it was established, inasmuch
as the acts themselves were forbidden by criminal law at the time of
their commission. If the act consists solely of a violation of the
Constitution or existing laws, the tribunal restricts its activity
to dealing with the committed violations only. The ruling is then just
declarational in character and expresses only a moral position, not a
legal one. It provides a moral and ethical evaluation of the individual
holding the highest offices in the land. It is also of significance
socially.

The Tribunal of State is an institution that serves the future. It is
supposed to guard the Constitution and existing laws against violation.
The reasons for its emergence arose from the experiences of the past and
from the desire to guard law and order in the operations of the state
bureaucracy. By law, the tribunal does not rule on common offenses, i.e.,
those compatible with the principles of equality before the law. These
offenses remain in the purview of the general courts. The tribunal's
responsibility belongs in the area of ruling on cases of an exceptional
character. In this sense and consideration, it is also no asylum for
so-called prominent figures, but is an institution before which these
figures come to account for their actions under specific constitutional
conditions. People holding the highest positions in the land should and
must act in accordance with the Constitution and existing laws; they
cannot ignore them. Otherwise, they must submit to constitutional
accountability before the tribunal.

In October 1982, it was proposed in the Sejm to move on the grounds of
constitutional accountability against the former premier P. Jaroszewicz
and former deputy premiers T. Pyka, J. Szydlak and T. Wrzaszczyk. Later,
former premier E. Babiuch and former State Council member E. Gierek were
indicted. The Constitutional Accountability Commission, after convening
and examining the evidence associated with this indictment, declared its
position in opinions and resolutions. P. Jaroszewicz and T. Wrzaszczyk
were brought before the tribunal, while proceedings against J. Szydlak
and T. Pyka were dropped.

In addressing the Sejm on this issue, Deputy Czeszejko-Sochacki
stated: "This kind of issue has no precedence in the postwar activity
of our country's parliament; fundamentally, this issue is totally
incomparable with any other issues. We are dealing here with crucial
operations on the part of the state in the 1970's. We are also dealing
with acts which far exceed even those of the 1970's.\(^4\) Based on the
commission's resolution, the accountability of P. Jaroszewicz and T.
Wrzaszczyk before the tribunal is highly personal in nature and
associated with their non-compliance with the Constitution and
existing laws in their activities while holding office.

In expressing its opinion on the second case, the commission took the
position that a lack of adequate legal grounds for indictments against
E. Babiuch and E. Gierek existed. These individuals could have been
indicted only for acts committed exclusively while they held their
offices, i.e., E. Gierek was a State Council member from 28 March 1972
until 9 December 1980 and chairman of the Council of Ministers from 18
February 1980 until 24 August 1980. Commenting on the basis of this
position, Reports Deputy Z. Czeszejko-Sochacki stated: "The commission's
proceedings did not conclude that the individuals referred to violated
the Constitution or existing laws while they held the offices indicated.
Only in the case of violation could they have been called to account
constitutionally."\(^5\)

The commission's opinions and resolutions were presented to the Sejm on
6 January 1984. The parliament approved these documents at a plenary
session on 13 February 1984. At the same time, the commission's
resolutions became indictments and were passed on to the Tribunal of
State. The Sejm then selected representatives Zdzisław Czeszejko-Sochacki
and Zygmunt Surowiec to be the accusers in the P. Jaroszewicz and T.
Wrzaszczyk case.

The Tribunal of State will judge the accused. Contained in this matter
is the bitter truth: "dura lex, sed lex"--the law is severe, but it
is the law. This adage affirms the position taken in the report of the
Central Committee commission appointed to explain the causes and course
of conflicts in the history of the Polish People's Republic. We read
in this report: "The party focuses great attention on the efforts and
efficiency of state activity... The state must unconditionally respect
its institutions."\(^6\) The Constitutional Tribunal, the Tribunal of State,
as other existing and operating organs, like the Supreme Chamber of Control
or the Supreme Administrative Court, create a system of institutions
guaranteeing (safeguarding) law and order in our political system.
Their activities should strengthen the conviction in society that every
one is responsible for his compliance with it; individuals who run the
state are obligated to the same degree as other ordinary citizens.

FOOTNOTES

1. "Ninth Extraordinary Congress of the Polish United Workers' Party.
Basic Documents and Materials." Book and Knowledge Publishers, 1981,
p 112.

2. Ibid., p 96.


5. Ibid.

6. NOWE DROGI, special issue, 1984, p 75.

12247
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NEW LAWS PASSED, UNIVERSITIES ESTABLISHED

University of Szczecin Established

Warsaw DZIENNIK USTATW in Polish No 36, 23 Jul 84 p 469

[Law of 21 July 1984 on establishing the University of Szczecin]

[Text] Article 1. 1. The University of Szczecin is hereby established, henceforth referred to as "the university."

2. The city of Szczecin is the seat of the university.

Article 2. The task of the university is to train and educate expert cadres for the economy, education and national culture as well as to carry out research and prepare scientific cadres in the field of humanities, social, economic and mathematical-natural sciences with special concentration on the maritime issues and countries of the southern hemisphere.

Article 3. The minister of science, higher education and technology supervises the activities of the university.

Article 4. 1. The university takes over the Teachers' College of Szczecin and the engineering-economic transportation department of Szczecin Technical University.

2. The minister of science, higher education and technology will determine, by decree, the schedule and guidelines for the takeover by the university of the Teachers' College in Szczecin and the engineering-economic transportation department of the Szczecin Technical University. Instruction in the university will begin no later than the beginning of the 1986-1987 academic year.

Article 5. 1. The initial charter of the university will be drawn and the initial bodies of it will be established by the minister of science, higher education and technology.

2. The length of term in office of the bodies nominated by the minister of science, higher education and technology will be in accordance with general guidelines.
3. The charter given to the university by the minister of science, higher education and technology will remain in effect until it is replaced by a charter adopted by the senate established along the guidelines outlined in the law on higher education.

Article 6. The law takes effect on the day of publication.

Chairman of the Council of State, H. Jablonski
Secretary of the Council of State, J. Szymanek

Bydgoszcz Medical Academy Created

Warsaw DZIENNIK USTAW in Polish No 36, 23 Jul 84 p 470

[Text of 21 July on establishing the Bydgoszcz Medical Academy]

[Text] Article 1. 1. The Medical Academy in Bydgoszcz is hereby established, henceforth referred to as "the academy."

2. The city of Bydgoszcz is the seat of the academy.

Article 2. 1. The task of the academy is to train and educate specialists in the field of medical science, to carry out research and train scientific personnel.

2. The academy takes part in providing health care within the framework of the social health care system.

Article 3. The minister of health and social welfare supervises the academy.

Article 4. 1. The academy takes over the branch department of the Gdansk Medical Academy in Bydgoszcz.

2. The minister of health and social welfare will determine, by decree, the schedule and guidelines for the takeover of the branch department of the Gdansk Medical Academy by the academy.

Article 5. 1. The initial charter of the university will be drawn and the initial bodies of it will be established by the minister of health and social welfare.

2. The length of term in office of the bodies nominated by the minister of health and social welfare will be in accordance with general guidelines.

3. The charter given to the academy by the minister of health and social welfare will remain in effect until it is replaced by a charter adopted by the senate established along the guidelines outlined in the law on higher education.

Article 6. The academy will commence enrollment for the first year of study starting in the 1985-1986 academic year.
Article 7. The law takes effect on the day of publication.

Chairman of the Council of State, H. Jablonski
Secretary of the Council of State, J. Szymanek

Amnesty Declared

Warsaw DZIENNIK USTAW in Polish No 36, 23 Jul 84 p 470-472

[Law of 21 July 1984 on Amnesty]

[Text] On the occasion of the 40th anniversary of the People's Republic of Poland,

--taking into account the progressing normalization of social life and the
strengthening of the state, which has also been expressed in the results of
elections to national councils, and

--guided by the principles of socialist humanism,

--with a view to providing an opportunity for citizens who have committed
crimes on political grounds or other less dangerous crimes and misdemeanors
to take an active part in the life of the country,

the parliament of the People's Republic of Poland decrees the following:

Article 1. The amnesty applies to crimes committed before 21 July 1984:

1. Crimes against the legal order of martial law, defined in articles 46, 47
and 48 of the decree on martial law of 12 December 1981 (DZIENNIK USTAW No 29,
item 154 and 1982, No 3, item 18);

2. Crimes associated with militarization, defined in article 303, paragraphs
3 and 4, article 304, paragraphs 1 and 2 as well as paragraph 3, with the
exception of attempted or accomplished flight abroad, articles 305, 306 and
309 of the penal code;

3. Crimes committed for political reasons or in conjunction with a strike or
a protest action:

   a) against fundamental political interests of the People's Republic
of Poland, defined in articles 123, 128 in conjunction with 123 and
in articles 132 and 133 of the penal code,

   b) against common security, defined in articles 137, paragraph 1;
138, paragraph 1; 139, paragraph 1 and 140, paragraph 1, points 4 and
5 of the penal code,

   c) against health, defined in articles 156, paragraphs 1 and 2; 158,
paragraph 1; 159 and 160, paragraph 1 of the penal code,
d) against freedom, defined in article 165, paragraph 1 of the civil code,

e) against honor, defined in article 178 paragraph 2 of the penal code,

f) against elections, defined in article 189, paragraph 1 of the penal code,

g) against property, defined in article 212, paragraphs 1 and 2, and article 214, paragraph 1 of the penal code,

h) against the activity of state and social institutions, defined in articles 233, 234, paragraph 1, and article 235 of the penal code,

i) against the administration of justice, defined in articles 252, paragraph 1, and 254, paragraph 1 in conjunction with articles 123 and 128 of the penal code,

j) against public order, defined in article 270, paragraph 1; article 271; article 273, paragraphs 1 and 2 in conjunction with article 270, paragraph 1, or article 271; article 275, paragraph 1; article 276, paragraphs 1 and 3; article 278, paragraphs 1 through 3 as well as articles 279; 280; 281 and 282a; 284, paragraph 1; articles 287 and 288, paragraph 1, of the penal code.

Article 2. 1. In cases of crimes mentioned in article 1:

1) the legally adjudicated penalty of the loss or limitation of freedom is pardoned,

2) the legally adjudicated penalty of fine, additional penalties, vindictive damages, payments imposed by courts and costs of the court, as well as indemnities are to be executed;

2. In cases mentioned in paragraph 1 which have not been closed by a legal adjudication, court proceedings are discontinued. In this case, forfeiture is adjudicated with respect to instruments and other items which have been used or intended to be used in committing a crime, as well as items originating directly or indirectly from the crime and also items the possession of which is illegal or requires a permit;

3. The provisions of paragraphs 1 and 2 are invoked accordingly when the penalty is not pardoned due to its execution.

Article 3. 1. If a perpetrator who before 21 July 1984 was not charged with a crime mentioned in article 1 of the present law or in chapter 19 of the penal code, with the exception of a crime defined in articles 134 or 135, or in article 254 in conjunction with articles 122, 123, 124 and articles 126, 127 and 128 of the penal code, voluntarily reports before 31 December 1984 to an organ responsible for prosecuting crimes and makes a statement for the record on ceasing criminal activity as well as reveals the kind of criminal
action and the time and place of it, then criminal proceedings will not commence, and, if commenced, will be discontinued;

2. The provision of paragraph 1 is applied to perpetrators of crimes defined in articles 122, 123, 124, 127 and 128 of the penal code if such a perpetrator also reveals all essential circumstances of the action committed and surrenders instruments and other items, which were referred to in article 2, paragraph 2;

3. In case the perpetrator is sojourning abroad, the actions referred to in paragraphs 1 and 2 should take place at a Polish diplomatic mission or consular office. In such a case, the relevant prosecutor issues a decree on applying the amnesty.

Article 4. 1. In cases of crimes, including tax crimes, other than those mentioned in article 1, committed before 21 July 1984:

1) legally adjudicated penalties of imprisonment for less than 2 years and penalties of limited freedom are pardoned,

2) legally adjudicated penalties of imprisonment for up to 3 years are reduced in half,

3) the provisions of article 2, paragraph 1, point 2 apply accordingly;

2. In cases of crimes referred to in paragraph 1, court proceedings are discontinued if it follows from the circumstances of the case that the penalty which would be imposed is to be pardoned; the provisions of article 2, paragraphs 2 and 3 apply accordingly;

3. When proceedings are discontinued in a case prosecuted on privately filed charges, the private plaintiff is reimbursed for the flat equivalent of the cost of proceedings he has paid, unless a sentence, even if not legally valid, has been pronounced.

Article 5. 1. The amnesty does not apply to crimes:

1) defined in article 136, paragraph 1, point 1 and paragraph 2; article 145, paragraph 2 and article 323, paragraph 2 of the penal code, committed under the influence of alcohol,

2) defined in articles 239, 240 and 241 of the penal code, in article 242 in conjunction with the above regulations and in article 244 of the penal code,

3) defined in articles 221, 222, 223, 224 and 225 of the civil code and in the law of 25 September 1981 on combatting speculation (DZIENNIK USTAW 1982, No 36, item 243),

4) repeat offenses, committed under the conditions of article 60 of the penal code or article 24 of the tax penal law of 26 October 1971 (DZIENNIK USTAW 1984, No 22, item 103);
2. In cases of crimes mentioned in article 1 the provision of paragraph 1, point 4 does not apply.

Article 6. 1. In case the perpetrator of a crime to which the amnesty has been applied commits before 31 December 1986 a new similar deliberate crime, for which the penalty of imprisonment is adjudicated, the decision on applying the amnesty is revoked; in such a case, legal proceedings are resumed, and pardoned or reduced terms are served respectively in total or in part;

2. The organ applying the amnesty is under obligation to inform the person benefiting from the amnesty of the content of paragraph 1.

Article 7. 1. Political misdemeanors or those due to social conflicts committed before 21 July 1984 are forgiven and forgotten, and the penalties not served are pardoned;

2. In cases of misdemeanors other than those mentioned in paragraph 1, with the exception of speculation misdemeanors, the legally adjudicated penalties of arrest and limitation of freedom are pardoned; the provisions of paragraph 2 apply accordingly.

Article 8. 1. In case of a combination of crimes covered by the amnesty, the latter is applied to each one of the combined crimes. In case a crime covered by the amnesty is combined with another crime, the amnesty is applied to the crime thus covered;

2. After the amnesty has been applied, the total penalty is adjudicated along general guidelines, as needed.

Article 9. 1. The provisions of this law are applied to penalties already reduced through an amnesty or pardon with the reduced penalty used as the base. Periods of parole prescribed by individual acts of clemency are reduced until 31 December 1986;

2. If only the total penalty has been reduced through an amnesty or pardon, it is considered that the penalties for individual crimes in the combination have been reduced to the term of reduced total penalty.

Article 10. 1. Amnesty is applied by the court in whose jurisdiction the case belongs;

2. In preliminary proceedings, the amnesty is applied by the prosecutor; however, the court, at the prosecutor's recommendation, adjudicates the forfeiture of items referred to in article 2, paragraph 2;

3. In cases of tax crimes and misdemeanors, the amnesty is applied by the organ in whose jurisdiction the case belongs;

4. With regard to persons serving the penalties of loss of freedom and arrest, if there is no need to adjudicate total penalty, the amnesty is applied by the provincial court in whose district the convict is serving time; in the
jurisdiction of military courts, by a military court; the court rules in session with one judge in attendance.

Article 11. 1. The adjudication of amnesty is performed in the form of a decision, except when the amnesty is applied in the sentence; in cases coming to trial, the discontinuation of proceedings, pardon or reduction in penalty is adjudicated in the sentence;

2. A refusal to adjudicate amnesty may be appealed; an adjudication of amnesty can be appealed only by the prosecutor. In cases referred to in article 10, paragraph 4 the appeal is considered by a provincial court or a military court consisting of three judges.

Article 12. 1. In cases referred to in article 6, the adjudication is made by an organ entitled to try the case in which on the basis of amnesty the penalty has been pardoned and, if the case has been discontinued, by the organ which has so done;

2. The court rules in session, even if the amnesty is applied in the sentence;

3. The ruling may be appealed.

Article 13. Proceedings in the case of amnesty are carried out in accordance with the regulations governing proceedings before the organ carrying out the latter, unless provisions of the present law state otherwise.

Article 14. Persons who are deprived of their freedom should be freed no later than 30 days after the day the law takes effect; women and young people are to have priority.

Article 15. Cases in the State Tribunal involving constitutional responsibility for actions committed before the law of 26 March 1982 on the State Tribunal (DZIENNIK USTAW No 11, item 84) took effect, i.e., before 6 April 1982, are discontinued. An adjudication in this matter cannot be appealed.

Article 16. The ministers of national defense, justice, internal affairs, and foreign affairs, and the prosecutor general, can issue regulations necessary to execute the present law.

Article 17. The law takes effect on the day of publication.

Chairman of the Council of State, H. Jablonski
Secretary of the Council of State, J. Szymanek

9761
CSO: 2600/1274
BOUNDARIES OF NEW PRESS LAW DEFINED

Warsaw TRYBUNA LUDU in Polish 18 Sep 84 p 4

[Article by Jerzy A. Salecki: "Freedoms and Duties of the Press: On the Background of Press Law"]

[Text] The publication by RZECZPOSPOLITA of the commentary on the Press Law that has been binding from July of this year is, to borrow from the subtitle of the brochure, important not just "...for reporters, institutions, businesses, and social organizations."

Every citizen should acquaint himself directly with the commentary on the Press Law, if only to know what rights he has in relation to representatives of the press and what, in specific instances, the obligations that go along with them are, and also, in reading the commentary on the rules couched in legal language, to elaborate for himself his own opinion about the intentions of the lawmakers and about the sense of the measures taken by the Press Law.

The Press Law passed by the Sejm, as we informed our readers in the columns of our paper, is not only a complex legislative regulation which answers the needs of the present age in the technical and technological aspects of the development of the press; the Press Law clearly reflects the changes that have taken place in our public life in recent years. Let us recall that the bill defines the rights and duties of the press vis-a-vis the citizen and the country, makes of the press an arena for the exchange of ideas, dialogue, and agreements among various groups, circles, and the community, and hence the whole nation.

The rules of the Basic Law stipulate, among other things, the separation of affairs of state from church affairs. For if the state, as the highest form of organization of all the citizens, does not wish to violate the cardinal principle of the equality of citizens, it has to be secular in its affairs and activities. The secular nature of the state expresses itself in the equality of rights enjoyed by believers and nonbelievers, in the recognition of all existing religions and creeds, churches and religious communities as having equal rights. Since it has a regard for the principle of equality, the Constitution grants each of us the same civil rights, irrespective of origin, nationality, educations, sex, and race, irrespective of worldview or belief.
There is no way to reconcile with the general principle of the Constitution the suggestion, promoted in certain circles, that the existence of a prevailing religious group determines its right to particular privileges in the sphere of state activities, including the authorization to influence the means of mass communication: newspapers, periodicals, the radio, television, or news films.

In Poland, as in all socialist countries, and as in many capitalist countries, the institutions of the radio, television, and news films are the property of the state. On the other hand, the differentiation among various newspapers and periodicals is traditional, which, in keeping with historical and especially postwar experiences and practice, is reflected in the Press Law that went into effect in July of this year. Article 2 of the law obliges state organs to create, for the press, conditions which are essential to fulfillment of its function and duties.

It is a basic duty to make possible the functioning of newspapers and journals with different programs, themes, and stated attitudes. To put it directly, that rule guarantees the functioning of religious publications as well as atheistic publications, in accordance with the principle of freedom of the press. Accordingly, article 3 of the Press Law prohibits institutions and printing and distribution personnel from limiting or impeding the printing and distribution of legally published titles, irrespective of their programmatic line or contents.

The principle of freedom of the press, stemming directly from the constitutional right of citizens to freedom of speech and print, predetermines two fundamental functions of the press: giving information and influencing public affairs. In giving information about events, expressing an opinion that serves the public interest, the nation's development, the consolidation of human values and mutual relations among socialist people, the press fulfills its fundamental function, which has been formed historically. At the same time it must, through its activities in accordance with the law, realize the principles of the openness of public life and public control, expose and criticize negative phenomena, carry on organizational and interventional activities, enable citizens to participate in public consultations and discussions devoted to the country's problems.

It is evident that the press in a socialist system performs a service for the community. It is not an autonomous power; it exists in order to fulfill public demands—for information, criticism, discussion, consultation, and exchange of ideas. It is also a socially important means of forming opinion.

The regulations of the Press Law guarantee the accomplishment of the tasks cited; these laws regulate the rights and duties of press workers, define their duty of furnishing information, replying to press criticism, as well as the publisher's responsibility for the infringement of rules that safeguard the country's interests (e.g., the divulging of military secrets),
the public's interests (e.g., shocking readers with pornographic material), and the interests of the individual (e.g., the revelation of the intimate life of a specific person).

The Constitution of People's Poland is the source of the Press Law. Article 90 states that "a citizen of the PRL is obligated to comply with the regulations of the Constitution and the laws ..." This general rule, which holds for all citizens, together with article 1 of the Press Law, which stipulates that an obligation of the press is the consolidation of the socialist order, marks the boundaries of the freedom of the press. The boundaries are unusually broad, permitting not only dialogue and an exchange of ideas, but also differences in opinion, arguments, polemics, and discussions.

At the same time, the boundaries of the freedom of the press are defined unambiguously. In accordance with the rules, the appropriate state institutions are authorized to intervene when the content of press materials questions, weakens, negates, or outright threatens the organization of our country, when it stands in obvious opposition to the blinding laws in Poland.

12584
CSO: 2600/13
JARUZELSKI MEETS WITH 'NOT' LEADERS, PRAISES ENGINEERS

Meeting Agenda

Warsaw PRZEGLAD TECHNICZNY in Polish No 31, 29 Jul 84 p 3

[Text] On 9 July 1984, a meeting took place at the Office of the Council of Ministers between the PZPR KC [Central Committee] first secretary, Premier Army General Wojciech Jaruzelski, Politburo member, PZPR KC Secretary Kazimierz Barcikowski, Deputy Premier Zbigniew Szalajda and the leaders of the Federation of the NOT [Chief Technical Organization] SNT [Scientific and Technical Association]; Prof Janusz Szosland, chairman of the Main Council, Prof Janusz Kaczmarek, NOT president, Master of Engineering Kazimierz Wawrzyniak, NOT secretary general and Master Witold Gaworzewski, chairman of the NOT Main Council party unit.

During the talks, which lasted more than an hour, several problems of the current socioeconomic situation were discussed. There was also discussion of government plans directed towards the desirable development of Poland and of the activities of the SNT Federation to be initiated by the NOT Main Council and the Main Board during the new term of the authorities extending from 1984 through 1987.

Views were exchanged on the role, the status and the nature of engineering and on the importance of engineering and scientific-technical progress for raising management efficiency and effectiveness. The role of NOT in developing attitudes among the engineering community and throughout society that favor innovation was stressed.

Premier Wojciech Jaruzelski directed words of recognition towards the NOT officials represented in expression of the great achievements of engineering and technology throughout the entire period of the 40 years of People's Poland. It was emphasized during the discussion that the overcoming of present difficulties and the continued development of the national economy require the intensive and accelerated implementation of methods of production that use modern technical and organizational solutions.

The need was noted for considerable improvement in the use of the wealth of knowledge and the qualifications of the scientific-technical cadre in all economic sectors and for the creation of more beneficial conditions for the
development and implementation of native technological knowhow. The raising of the level of the professional and social prestige of engineers and technicians and their attainment of personal satisfaction should emanate from their creative efforts. However, this also requires an increase in financial incentives for the technical cadre and the lifting of their morale.

Reference was made to the 16th PZPR KC Plenum in the statement that at the present stage of technical development, the still closer cooperation of the engineering-technical cadre and the working class is needed. This ought to take the form of the development and the active support of the drive towards innovation and employee rationalization and that of the participation of scientific-technical associations in organizing and perfecting occupational practices and the initial stages of employment.

It was stressed that the work of NOT and of scientific-technical associations is an important element for integrating and activating technical communities and for resolving essential socioeconomic problems, current and future. The need was indicated for working in conjunction with economists on the state of implementation of the economic reform in enterprises from the viewpoint of raising the level and quality of work and production.

Editorial Commentary

Warsaw PRZEGŁAD TECHNICZNY in Polish No 31, 29 Jul 84 p 3

[Article by Witold Ochremiak]

[Text] The July meeting of the representatives of the highest authorities with the leaders of the Chief Technical Organization [NOT] was of an exceptional, particularly warm nature. The greetings extended to all engineers and technicians on the occasion of the 40th anniversary of People's Poland are an expression of real recognition for their role in raising the level of production as well as of hope for continued creativity that materializes in products that serve the development of Poland and raise the level of national life.

Polish engineers have had lasting input into the rebuilding, the development and the modernization of the material base and the production potential of Poland. Proof of the engineering achievements of the postwar years is the thousands of plants and facilities and the industrial and municipal structures and undertakings that have changed the face and character of Poland, making it an industrially developed and expanded state and one of modern, systematically perfected technology. Engineers and technicians, the creators and organizers of new edifices, designs and technologies, innovators and producers of efficiency, are deserving of gratitude and honor.

The professional and social status of engineering is especially important from the viewpoint of improving and modernizing the economy and improving the living and working conditions of society, the material existence of the nation and its future. The unfavorable proportions in the structure and character of the employment of engineers, setting our country apart from others,
including socialist countries, diminish this importance. Too many of our engineers are employed in technical administration, in sectors and positions that are not related directly to the development of technological progress in enterprises and units of the supply base and production. This tends to weaken design and technological bureaus, laboratories and toolmaker's shops and implementational and developmental units.

NOT is embarking upon many activities aimed at the improved preparation and utilization of the engineering cadre, at the attainment of a professional specialization based on recognized creative achievements and the current state of knowledge of new technologies. Currently, discussions also are being conducted on the topic of the ratios and proportions for paying good workers, good technicians and good engineers that would correspond to current requirements with regard to qualifications and to work responsibility and quality. The representatives of the state authorities will be sympathetic to proposals for increasing financial incentives for engineering and technical positions if work performance records in these positions yield concrete, calculable economic benefits and if they bear interest in increased production and in the raising of production quality and innovativeness.

The problem of raising the status and prestige of the engineer and technician is related to the concept and the program of steering the economy and enterprises, to the establishment and observance of principles of the better and better utilization of the skills and potential of the highly qualified engineering, technical and worker cadre. This likewise emanates from the proper understanding on the part of enterprise directors of the sense of creativity and from the strengthening of employee commitment and creativity, as well as from the putting into practice of the discipline that is required by new technical and technological demands. Much attention was directed towards these issues during the meeting of the representatives of the highest political and state authorities and the NOT leadership.

This meeting was preliminary to the work of the PZPR Central Committee concerning party work in the intellectual community, including its largest group, the technical intelligentsia. It plays a responsible role in streamlining and improving the entire material base of social life and in initiating developmental economic undertakings. The economic reform is supposed to increase radically management efficiency in our country. Such are also the hopes of engineers.

We should remember, however, that not only economic-financial mechanisms and principles will determine the success of the reform and of socioeconomic plans, but above all the level of work organization, the observance of production discipline and the attainment of the economic use of raw and fabricated materials and energy. The solution of these problems depends upon engineering knowhow and work.

This was emphasized at the meeting at the Office of the Council of Ministers. The assertion was made that the work of NOT and scientific-technical associations is an essential element not only of the activation of technical communities but also of the solution of socioeconomic problems of importance for the national economy.

8536
CSO: 2600/1257
PARTY CRISIS MANAGEMENT TACTICS ASSESSED

Warsaw ZAGADNIENIA I MATERIAŁY in Polish No 33, 16-22 Aug 84 pp 3-10

[Article by Ludwik Krasucki: "Deeds Back Up Words"]

[Text] The stormy year of 1980 and especially its culmination, the August upheavals associated with the mass strikes in many plants and industrial centers, and also the agreements concluded at the end of that month in Szczecin, Gdansk and Jastrzebie, have become history. These events are not, however, a closed chapter. On the contrary, the party, working class and all of society have a living and still emotional memory of these events.

The PZPR and the political and social currents cooperating with it have comprehensively assessed the origins and causes of that drama. The conclusions thus reached are supposed to serve not only the needs of actual practice but also the calculated needs of the near and more distant future and the entire period of the development of socialism in our country.

The Lesson of Politics and Economics

We are now separated from the events of August not only by four years, but also by other, dramatically rich phases in the development of the situation. In this period, we have gone through incomparably more than ever before. Our collective and individual experience has been enormously increased. Periods in which conflicts, tensions and upheavals are produced by the hard choice between opposite beliefs are the specific school of ideology, politics and economy.

The party's intentions are being consistently realized by the program of the Ninth Extraordinary PZPR Congress, which was convened as a result of the August experiences, and are in no way aimed at covering those experiences with a fog of forgetfulness or reducing the memory of them to a few trivial statements. On the contrary, the party and its allied forces have taken the position that the conclusions drawn from those and later events must take a full and lasting place in political and popular thinking.

The proof of these intentions is found in the substance of successive plenary sessions of the PZPR Central Committee and the National Conference of Delegates as well as the report submitted to the Twelfth Plenum by the commission created to explain the causes and course of social conflicts during the history of the
Polish People's Republic. In his speeches, First Secretary of the PZPR Central Committee Wojciech Jaruzelski has included conclusions about August 1980. These conclusions have resulted in an entire series of laws that are paving the way for reforms.

This shows the principal difference between the development of the situation after August 1980 and that following previous political upheavals. Let us recall that, within a few years of the October 1956 disturbances, there was almost nothing said about them anymore. The lessons of December 1970 were altogether disregarded and any references made to them in the 1970's soon became mere verbiage.

This time, things are being done differently. The party is interested in spreading the truth about August 1980. We have tied all that we are thinking and doing to that. As Wojciech Jaruzelski has said, the last few years were a great lesson of socialism, Marxism-Leninism and the laws of class struggle in a divided world. The lesson has come not from a textbook but from life itself and our collective and individual experiences. It has been a lesson in the defense of socialism and its pure and just form in accordance with general laws and the real conditions of life in Poland.

During the August discontent and working class protest, everything that was important to people and everything that sound and creative about their feelings then has become part of the principles of socialist renewal. These values are a permanent source of inspiration for action by the party and all forces committed to the socialist development of our nation. This is expressed in the statement that "there is and may be no return to either the distortions that preceded August or the anarchy that followed it" and the slogan "the same party but not just the same party."

One of the things we have learned from August 1980 is the need to boldly call out by name what it bad in our society and to eliminate the inclination to whitenash hard and unpopular problems and gloss over reality. The truth must be spoken because if it is not, it will have harmful profound effects and will sooner or later reveal itself like a thunderclap. The party has set itself to speak about August 1980 with the full truth.

The Way to Socialist Renewal

As time has passed, we have better able to see the various approaches to finding a means of emerging from the situation brought on us in August 1980.

We have stood face to face with the increasing dangers caused by efforts to embitter working people, to use their distrust and protest as a charge to blow the edifice of socialist Poland into the air. Such actions had to be effectively countered and cut off. The price paid for these actions, a very high one, could have become tragic not only for Poland but for peace in Europe. The decision to take strong measures in spite of right-wing, opportunistic and capitulationist attitudes was expressed in the Ninth Congress's slogan: "Socialism must be defended as our independence." And socialism was defended along with independence, Polish security, the chances for overcoming the crisis and the realization of renewal.
Dictated by dire needs, the decision reached on 13 December 1981 played a great role in the defense of socialism. Martial law, realized with care and prudence to reconcile political differences and create bridges for understanding, proved itself not only in defense of the Polish Government and alliances but also in the process of reform and the cleansing of actions in accordance with the principles of socialism. Just as much as it was the country's salvation and strengthening, it was also a chance for Poland to realize the constructive aspects of the August movement.

On the other hand, we have developed a tendency to stick the label "counterrevolution" or "attack on socialism" on the very varied and often very innocent concepts and slogans of the broad mainstream of the August protest. Such an attitude stems from the fear of the unknown or even a dogmatic-sectarian limit to one's ability to understand the causes of public discontent. Sometimes, it is even a desire to hide one's own lapses from the party principles of morality and has threatened us with the loss of a common language with the masses, a deepening of the crisis in trust, the social isolation of a party that has acted against Lenin's command of thorough self-criticism of mistakes that have actually been made.

As is usual in such situations, antisocialist extremism and a narrow outlook on socialism have supported each other. On one hand, the quarrelsome element has provided arguments for the doctrinarians who have not wanted to understand that the only means of overcoming the unusually difficult situation that would be in harmony with the interests of Poland, socialism and peace is to unite defense of the government's foundations with extensive transformation of obsolete and ineffective elements of the previous model and to unite constant struggle against counterrevolution with actions aimed at finding and uniting the broadest possible social forces on the principle that that who is not against us is with us. On the other hand, the slogan chanting of people taking on themselves the role of "real communists" has become a convenient pretext for anticommunists who claim that the party and government cannot be reformed and harp on the immanent character of the distortions and mistakes that occurred.

However, in the development of the situation, they have not seen any signs of counterrevolution or doctrinal impetus divorced from reality. The desire to reform the life of the nation on a socialist basis has now taken the upper hand. A self-critical assessment of the sources and the causes of crisis has become predominant within the party along with a desire to make profound changes in the previous policy and fundamental reforms in accordance with the laws of socialism.

The strong desires for reform on the part of the party aktiv and rank and file made themselves felt even before the Ninth Congress but were ignored. Things are different now. At the Ninth Congress which was unprecedented in its scope and passion, the line of socialist renewal under fire from Polish and foreign opponents won a difficult but lasting victory in a climate of sharp polemics and explosive emotions. The highest body of the party has outlined a program for understanding, reform and struggle against the opponents of socialism.
The Permanence of the Line of the Ninth Congress

As we know, the present policy was formed under unusually difficult conditions. The unprecedented attempt facing the party along with the emergence of a crisis that had long been coming showed the extensive neglect and weakness among our ranks and inner life. The party had to concentrate on its own policy due to the dilemmas of the gradual turn of policy, personal experiences, the drama of revaluations and the sharpness of the reckoning, the press of emotions in the wide range of opinions and the disintegrative actions of some of the illegal structures that came into being at this time all. It was losing its control over the public mood which was under massive pressure from the antisocialist forces.

The Ninth Congress made it possible to reverse the state of affairs. In expressing its understanding of the causes of worker protest and recognizing the validity of the main points of that protest, the congress called out for consistent and peaceful realization of the August-September agreements. What this required, however, was opposition to the anarchy and destruction sown by the deeply-rooted antisocialist forces that had come to dominate Solidarity. Therefore, the decrees of the congress met with undisguised and open attacks from the antisocialist forces. And it was this opposition itself that endangered realization of the August-September agreements and created a situation that made necessary the temporary use of unusual measures.

Therefore, we find a continuity in the August protest and the August-September agreements, the precongress discussions, decrees of the Ninth Congress and their consistent realization in the 32 months following the introduction of martial law. This continuity confirms the earnest spirit and responsibility of our party and that it has matched it words with deeds. In accordance with the memorable declaration of W. Jaruzelski, martial law was suspended and then abolished once the elementary conditions were right for this. The end of this chapter, made completely possible by the already advanced conditions of normality and the profound change in the political forces and moods in the country that was demonstrated by the people's council elections, is the broad amnesty declared on 21 July 1984. The amnesty was another proof of the party's sincere attitude to the events and agreements of August 1980 and a consequence of the new course taken.

In the spring of this year, this was strongly emphasized by the national conference of PZPR delegates which praised the Central Committee, Politburo, Central Committee Secretariat and especially Wojciech Jaruzelski for their actions to implement these agreements. The line taken by the Ninth Congress is permanent and in strong force. No one will be able to turn the party off of the road it has taken to win the trust of both the Polish people and our friends abroad.

On the Amnesty

There is no way to avoid discussing certain interpretations of amnesty at this point since they are so closely a part of the nature of the process that has
been under way in Poland for the last four years. One of these interpretations
denies credit for amnesty to those who have worked so hard for normalization
and renewal, to cool down emotions, and spread a feeling of responsibility
realism and good will as well as to those who have begun to take part in these
tasks. Credit for amnesty is, however, given to the pressure exerted by
those who, as they say, "stayed in opposition" or applauded the quarrelsome
actions of the opposition.

This is an assessment that is entirely at odds with the elementary facts of
the matter because amnesty was not a thing that was forced upon the government.
Amnesty was willingly declared in accordance with the desires and expectations
of the public. It was made possible as a result of the weakening and
disintegration of the organized antigovernment forces, their lack of a program
and their increasing social isolation. Amnesty had many co-authors but this
did not include the people that blindly negate Poland's socialist reality or
their foreign supporters.

Another erroneous interpretation of amnesty regards this act as the start of a
period of unity, of a chapter that has only now begun. The facts tell us
otherwise. As soon as martial law was declared, there was already some talk of
a possible amnesty and a desire to see the least possible number of persons
repressed for political reasons for the least possible period. Within a few
months, these memorable words were spoken at the Ninth Congress: "We ask no one
were they came from or what they did yesterday...". The act of amnesty which
was organically a part of the abolition of martial law was broad in scope.
Neither the party, its allied forces, the fledgling PRON [Patriotic Movement
for National Rebirth], nor the government had any intention of locking the door
on anyone wanting to join forces with them.

The door to constructive participation in social life is wide open. The members
of former Solidarity are active in worker self-management organs and make up
the majority of the group of nearly 5 million members of the new, independent
and autonomous union movement. The various levels of union leadership contain
many former Solidarity activists. Many of them are taking a constructive role
in worker self-management, rural social life, science and culture. Creative
associations and unions are open to everyone. There are many people that have,
after long periods of vacillation, have made the decision to join the
mainstream of socialist democracy and many are members of the newly-elected
people's councils.

Thus, the amnesty is not the beginning of a new chapter but the continuation of
a trend that first began in August 1980 when it first began to be felt that
the worker protest striving for the agreements of that day under the motto of
"socialism -- yes, distortion -- no!" was just and sound. This is the trend
that led to the Ninth Congress and the realization of that congress' decrees.
The offer of an understanding did not come into being on 21 July. It was
renewed and has already been carried out with patience for four years. Amnesty
is another proof of this.
Realization of the Agreements

The problems just discussed are of fundamental significance. The essence of the matter can be found if we ask ourselves what we mean when we speak of the consistent realization of the August-September agreements and whether, in their literal formulation and spirit, all of these points are proper, lasting and feasible.

The answer is unquestionably found in the answer to the second question. Realism demands that we take our possibilities into account and measure our intentions in terms of forces and resources while considering the interplay of complex conditions. A feeling of responsibility compels us in our striving for immediate effects to avoid making decisions that may in time lead to harmful and unintended results. This also stems from the very essence of political, social and economic processes which are actually processes and not a one-time act or a declaration of changes. The desired state of affairs can only be reached by the long march, the toilsome road of overcoming conflicts, mobilizing forces and resources, extensive improvement and the accumulation of experience.

On the fourth anniversary of the August events, there is no lack of people who will say (and some have already said) that little has been done to implement the agreements, that the "authorities" have not kept them. It is an elementary fact that this opinion is above all championed by the disappointed, by those persons who, despite their calculations, have been unable to erode the foundations of the government or take it out of the Warsaw Pact Alliance, out of socialism as it is understood not abstractly or in the clouds but realistically with its feet on the earth. The thing that worries this type of critic is that people can only rejoice if they think soberly. For Poland, there are no other constructive solutions outside of socialism. The August agreements contained no points that would erode the government's authority. Sometimes the letter of the agreements is interpreted and manipulated to read anarchy and destruction.

This is what happened in the case of the important point about the independent, autonomous trade union movement. Through the gradual take-over by extremist antigovernment forces of key positions within Solidarity and the chance to create a new and independent trade union needed by workers, Poland was put to a very sore trial. Destructive actions had to be stopped but the chance for creating an independent union was not ruined. We have taken the psychologically difficult road of painful rebirth and reinforcement of a union movement which we trust will not repeat the same bureaucratic errors and distortions, formalization and stagnation of the era preceding August 1980 but will also not return to the rough road taken by the people who do not think over the real meaning of their claims and demands, demagoguery and the madness of strikes.

We can certainly find as well critics who, silently or loudly, will say that the agreements were a false step, that we had to divorce ourselves from them after martial law was introduced or even "invalidate" them. Aside from all that they say, these "principalists" do not understand or even want to
understand that Poland has a great force of workers and people attached to the pure mainstream of the August protest and the main substance of the agreements made at that time. The party does not see this negatively. On the contrary, its desire is that this attachment become an increasingly greater inspiration to participation and activity in the socialist democracy now being broadened, in the development of various public initiatives, in a movement to increase the quality of work and management which is and will for a long time be the greatest need of our nation, the "task of tasks." It is also the party's desire to see this attachment to the ideals of the August protest find active expression in efforts to preserve the principles of social justice and struggle with all evils.

The party, all PRON forces and the government respect the August agreements not because they fear to do otherwise but because they feel that they are proper. This belief comes from deep reflection over the complicated experiences of the last four years and the entire 40 years of People's Poland.

Thinking About the Balance

Regardless of what the critics of the right or "left" say, we should ask ourselves whether we could have done more after the August agreements. We are certain to see that we could but this is true about others as well.

With regard to the party, its leadership, the political forces governing the nation and state authorities, one of the chief conclusions from our past experiences is that we must abolish the peculiar dogma of the infallibility of certain decisions and actions. The politics of the post-August period were based on confrontation with life, the study of real conditions and analysis of moods and opinions. A system of sober and binding consultation has been perfected and the daily use of indispensable criticism and self-criticism has ceased to be a meaningless slogan. In the entire history of the PZPR, there have been no such critical Central Committee sessions as now. This is one of many guarantees against complacency and one of the chief sources of readiness to correct decisions, improve activities and increase demands.

The balance of the realization of the August agreements and socialist renewal comprises many points. The realization of the agreements and the process of renewal have already begun and are more and more clearly demonstrated by the practice of economic reform. The position of worker self-management bodies has been strengthened. Economic policy, cleansed of its credit and investment surrealism and strategically reoriented for cooperation with the USSR and other socialist states, accents the public goals of production and management. A restructuring of wages is being implemented in cooperation with workers.

An agricultural policy has been worked out jointly with the ZSL. With the situation of limited resources, steps were and are being taken to protect economically weaker groups of workers from the effects of the crisis.

A strong source of enrichment to our political life is the new relationship between the PZPR, ZSL and SD and the concepts and practices of PRON. There have been implemented a series of legal acts aimed at democratization,
decentralization, reinforcement of the rule of law, state efficiency and social discipline. The new situation of people's councils is of special significance. The fight against corruption, bribery and illegal privileges has been sharpened. There have been established new forms of control over bureaucratism and social evils.

Following the breakdown caused by the crisis, housing construction began to be expanded and housing policy and management was improved. The expansion of education and health care has gradually gained priority. The sharpness of the political battle has not placed any restrictions on scientific and cultural policy. Its open character and democratic premises of broad partnership and autonomy have found much support.

A policy is being conducted to encourage participation by people regardless of their religious persuasion and beliefs and to develop relations between the state and the independent church. The progress that will now be made in this area depends above all on the attitude of the church authorities.

The class and worker aspect of the agreements are of special significance. The Sixteenth Plenum of the Central Committee, the first of its kind in the history of the PZPR, reconfirmed the course of the working class and efforts to realize the principle that the party is with the workers and the workers are with the party.

Everything Depends on Us

Any assessment of the realization of the August agreements must refer not only to our good wishes but also to the situation which is, at this time, complex and bristling with both objective and subjective difficulties. The statement that much has been done under these conditions but that still more could be done in some areas refers not only to those "at the top" but also to all work forces and circles, the entire working class and all of us.

The agreements have been erroneously and naively understood by people who feel that the state must give while workers take, that life is a fable that will give up its treasures when we say "open sesame." This is how many people felt in August 1980. This was the result of the preceding decade's typical paternalism that led to a distortion of the attitudes of both the governed and the governing. But there were also people that deliberately championed such an understanding of the agreements. We remember the words "now we must go back to work" and the contradiction of those words in the form of increasing strike madness and constant deterioration of the economy.

The August agreements touched upon not only the division of goods but their manufacture. We remember that a substantial source of worker discontent was the deterioration of the economy, the "spasmodic" and nervous rhythm of production, continual changes of plans and assignments and the ever sharper discrepancies between the strategy and practice, the plans and the reality of work establishments.
Realization of the agreement entails consistent reform-based decisions on economic policy, reinforcement of disciplined worker self-management and putting into proper order processes of production and management, every factory, every division and every work post. The ideas of the August agreement can only be successfully realized on the principle of first production, then division.

We cannot dress up or overpraise anything. We know what this is and what it will lead to. But in throwing out such window-dressing, bureaucratic optimism and distorted "success propaganda," we have the right and obligation to appreciate the things we have done. Poland, always the same, is still somehow different than it was four, three, two years ago or last year.

We are becoming a nation of political normalization and sociopsychological stabilization. The principles of socialist renewal specify and bring this into practice. The process of democratic reforms is already advanced. We are overcoming our economic difficulties step by step. There is a chance that the present three-year plan will be the second one in the last 40 years to become not only fulfilled but exceeded.

Poland's position and credibility in the socialist community and in international affairs is quickly being restored. The attack on the Polish link in socialism was an attack on socialism itself, the Soviet Union and the entire socialist community. This attack was turned back by our own forces in our own Polish interests and in the interests of internationalism. Poland has again become a strong and active link in socialism. The policy leading to this and the concrete contributions that it has made are appreciated and have been respected and acknowledged.

Our share in the defense of peace today has grown and Poland's voice is being heard more clearly and is better heard. President Reagan has not been able to dodge this and recently had to admit that Polish affairs seem to be on the mend.

Many factors have gradually improved our self-awareness but nothing comes easy. We live in a time best described in the words: "The most dramatic events are behind us but the hardest times are still ahead of us." The most important thing to remember is that we are moving ahead but that the steepest part of the road is that which leads to the end. The force of our march is not in feverish haste but in consistency, stamina and in striving for the goals of full overcoming of the sources and causes of crisis, comprehensive realization of of the principles of agreement and struggle, democratic reform, socialist renewal and the strengthening of Poland's international position. We have a full opportunity to attain new heights of achievement on the already 40-year-old road of socialism, a road leading "from the day before yesterday to the day after tomorrow" as it was said on the 22 July national holiday.

We think of August 1980 with this in mind. There will be no return either to that which gave birth to the protest nor to that which distorted the proper substance of those protests into a dangerous trend for Poland and Poles. For that reason, let us return to the lessons of August not only on the coming anniversary of those events but in our everyday activity.

12261
CSO: 2600/1272
BENEFITS OF IMF PARTICIPATION EVALUATED

Warsaw ODRODZENIE in Polish No 35, 28 Aug 84 pp 1, 4

[Article by Michal Lytko: "Poland at the Threshold of the International Monetary Fund"]

[Text] "The Polish Government expresses its hope that the Polish application for admittance to the International Monetary Fund [IMF] and International Bank for Reconstruction and Development [IBRD] will be considered by the ruling bodies of that agency according to the procedure in force and to generally accepted principles, with understanding of Poland's economic problems, particularly exacerbated by the sanctions.

"We are determined, however, to reject the connection made by the United States between Poland's membership in that international agency and the implementation of amnesty in Poland. This would be another attempt at illegal interference in Polish internal affairs, contrary to the UN Charter, in order to pressure it politically. It would also constitute an attempt at political interference in the affairs of an international organization with which Poland is about to negotiate its membership.

"The amnesty in Poland was a sovereign act of the Polish Sejm. It gives additional proof of internal stabilization and of a policy of national reconciliation. The manner in which the amnesty has been implemented conforms to Polish law, and remains within the exclusive prerogative of Polish authorities.

"Any attempt to set up political conditions for the approval of the Polish application for membership in the IMF and the IBRD clearly indicates that the United States has not given up its usurped claim to such an interference. The United States has no such right, neither political nor moral.

"All attempts to infringe upon our sovereign rights, or to use political dictate toward Poland, have been, are, and will be firmly rejected."

(Excerpts from the declaration by the PRL Government, in reply to an announcement by U.S. authorities concerning their readiness to lift some of the sanctions)
Romania (since 1972), Hungary (since 1982), as well as Yugoslavia, the People's Republic of China, and Vietnam are at present among those socialist states which belong to the IMF. Poland, which in July 1944 took part in the founding conference at Bretton Woods—along with, inter alia, the USSR and Czechoslovakia—and had ratified the agreement (24 February 1946), withdrew from the fund in March 1950. Would it today—burdened by foreign debts totaling some $27–28 billion and under specific difficult circumstances of domestic economic troubles—stand a chance of applying for readmittance to the IMF? What would be the true significance of such a step? And what advantages derive from these obligations?

What Is the IMF?

The International Monetary Fund, established immediately after World War II on the wave of ambitious initiatives (including the American White Plan) for creating an improved world economic order, has become a specialized financial agency of the United Nations; at present it has 146 member states. Throughout the postwar period the IMF has provided a sui generis institutional framework for operating an international monetary system, at first during the period of the so-called fixed-exchange rates, and since August 1971 within the present system of the so-called fluid or flexible rates as well.

How could one describe more precisely the role and the duties of the IMF? To avoid boring the reader with too detailed listings, one might say that mainly they amount to:

--Creating the conditions necessary for financial and economic stability in its member states;

--Maintaining regular monetary relations between its members;

--Promoting the abolition of foreign-exchange restrictions, and possibly introducing a system of multilateral settlements.

The IMF carries out those tasks through financial assistance—from its own amassed funds, as well as from additional sources—for member states with a disturbed balance of payment, including both current, temporary difficulties, and the so-called structural deficits in the balance of payments, leading to long-term foreign indebtedness. In the 1950's and 1960's the IMF supervised mechanisms which provided for stable exchange rates (within deviation limits of ±1 from the so-called monetary gold standard). For obvious reasons, after 1971 there was a conversion to floating conditions. At present the main task of the IMF—for several years now under professional guidance of its managing director, J. de Larosiere—has been restricted to coordinating multiple actions aimed at solving complex financial problems of debtor states, in particular of the Third World countries.

A closely related institution which supports the IMF in that respect, is another UN agency, the International Bank for Reconstruction and Development, widely known as the World Bank. Established together with the IMF,
it grants long-term investment loans—for terms ranging from several years to 25 years—bearing market-level interest, for the implementation of specific projects related both to production and to the infrastructure (i.e., in the area of energy generation and transport).

The principal part of the IMF assets consists of direct payments by its participants, the so-called member dues. Part of such dues—one-fourth—is paid now in convertible currencies (formerly in gold), the remaining three-fourths in the national currency of the newly admitted members. For new members the dues are calculated in a most complex manner, which takes into account, inter alia, the size of the national income and of foreign-currency reserves, as well as the level of imports and exports. Every 5 years the IMF revises the dues, raising their general level. According to mid-1984 data, the joint sum of IMF member dues has amounted to 89.2 billion SDR\(^1\); the United States, Great Britain, the FRG, and France have the highest contributions (see table below).

<table>
<thead>
<tr>
<th>IMF Member Dues</th>
<th>Billion SDR</th>
<th>% of total value</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>17.9</td>
<td>20</td>
</tr>
<tr>
<td>Great Britain</td>
<td>6.2</td>
<td>7</td>
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<tr>
<td>FRG</td>
<td>5.4</td>
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<td>France</td>
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<td>Saudi Arabia</td>
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<td>Canada</td>
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<tr>
<td>PRC</td>
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<td>Netherlands</td>
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<td>3</td>
</tr>
</tbody>
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The amount of its member dues determines the level of financial assistance any country can expect from the IMF. Nota bene, in practice this assistance assumes the form of an agreement granted by the IMF ruling bodies to a member country, to purchase from the fund the amounts of foreign currency it needs, in exchange for its own currency (under the condition that the operation would be reversed within a fixed period of time). Since the purchased sums bear interest—the same for all the members, and considerably below the going market interest rate—this can be regarded as a credit granted by the IMF, to be paid back within 3 to 5 years.

Each country can fairly easily obtain IMF assistance for up to 125 percent of its member dues—within the limits of the so-called first reserve sum (25 percent), followed by higher credit sums (100 percent). The conditions stipulated by the IMF are relatively liberal ones (the applying member has only to determine the probable duration of its payment imbalance, and to submit a schedule for economic stabilization, listing the measures undertaken).
But the requirements of the IMF ruling bodies are considerably steeper if a member state applies for the use of additional credit rights, such as the so-called compensatory financial facilities (used since 1963 to compensate for a fall in exports revenue), to finance raw materials reserves (since 1969), the so-called enlarged facilities (since 1974), as well as supplementary facilities (since 1979, also known as the "Witteveen facilities," so named after the then IMF managing director). At present, the total amount of loans granted to a given country for 3 years or more cannot in principle exceed 305 percent of its member-dues contribution, but in special cases the IMF ruling bodies might agree to extend the limit up to 375 percent.

If necessary, the fund's own assets can be supplemented by borrowed funds and by SDR units emitted by the IMF since 1969. The Special Drawing Rights amount to a fiduciary (i.e., based on mutual trust only) international credit currency, artificially created to increase the currency reserves; every several years they are automatically distributed by the IMF among its members, in proportion to their member dues. In the first two allocations, in 1970-72 and in 1979-81, the sum total of 21.3 billion SDR was distributed. The value of an SDR unit--currently close to the U.S. dollar--was at first fixed in gold; between 1974 and the end of 1980 it was based on a "basket" of 16 currencies; and at present it has been based on a currency "basket" of only 5 major exporting countries (U.S. dollar, Deutschmark, pound, yen, and French franc).

In 1983—the 40th year of IMF operations—a record was set: the fund granted its member states credits amounting to the not inconsiderable sum total of $20 billion, nearly three times more than in the previous year, and much more than in the previous record year of 1981.

As previously mentioned, in recent years the fund has focused mainly on dealing—in cooperation with private commercial banks—with threats to the international financial and banking system, caused by the growing foreign debts of many countries all over the world. The IMF has played a major role, inter alia, in defusing the crisis caused by the approaching insolvency of some Latin American countries, Brazil, Mexico, and Argentina. It was thanks to the IMF initiative that an innovative approach was first applied to the most threatened countries; it consisted of a multilateral, coordinated rescue by international financial institutes and private banks (such operations have become known as "financial rescue packages").

Precedents and Experiences

It might be worthwhile to look at the experience some socialist countries have gained in their cooperation with the IMF. The most relevant for us would seem the precedents of Romania and Hungary.

Romania has belonged to the IMF since 1972, and its member dues amounted at first to 190 million SDR; by 1983 they had finally gone up to about 540 million SDR. By June 1984 the sum total of IMF credit assistance for Romania had already reached some 1,063 million SDR (including 76 million SDR obtained through its participation in the second SDR allocation in 1979-81).
Despite such an impressive record, it can be generally stated that up till now Romania has used the IMF assets most sparingly.

A policy much more expansive in this respect has been followed in recent years by the Hungarian authorities; Hungary joined the IMF in May 1982 and the World Bank in July 1982. To a certain extent that might have been due to its greater readiness to initiate institutional changes in the economy, as recommended by the IMF, but probably also to the acute balance-of-payment crisis that country was faced with in 1982-83 (in those years there was a rapid net outflow of capital from Hungary, amounting to some $1 billion, as well as a 60 percent fall in reserves). During just one and a half years of its membership, i.e., till the end of 1983, Hungary has obtained IMF financial assistance to the tune of 547 million SDR, plus a World Bank credit of $240 million, followed by a consortium credit from the World Bank—together with some Western commercial banks—of $270 million; other major loans granted by private banks alone are not included. The additional IMF credit assistance for 1984 is estimated at some $450 million (plus another World Bank loan of $200 million, granted in April 1984, and loans by private banks totaling another $200 million or so). Thanks to those measures aimed at restoring the external balance of payments, the Hungarian credit standing, that is to say, its payment credibility, is by now again rated very highly on the international financial markets.

Like Hungary, Yugoslavia has followed an equally expansive policy of drawing on IMF assets: at the turn of 1980-81 it obtained from the IMF joint assistance amounting to some 1.7 billion SDR, while its member dues equaled 416 million SDR (in April 1984 the Yugoslav commitment to the IMF already exceeded 1.9 billion SDR).

The level of member dues not only restricts the potential amount of assistance given to each country, but also directly determines the number of votes granted it in the IMF ruling bodies. According to the IMF statutes, each member has at its disposal 250 votes plus 1 vote for every 200,000 SDR of its member dues. A higher contribution is therefore followed by a larger vote in the IMF.

The IMF makes all its major decisions by a qualified majority of votes. For instance, the decisions on exclusion, on quota changes, on introduction of general principles for currency exchange rates, as well as those which determine the management structure of the IMF, etc., require 85 percent of all votes. Some other decisions (e.g., on purchase by a member state of its own currency) require 75 percent of votes. Such voting restrictions prevent, on the one hand, the imposition of decisions contrary to the interests of a majority of members; on the other hand, however, they allow in practice a few members with a large number of votes to block every major decision. The latter possibility virtually grants a veto power within the IMF to the United States in particular (19.85 percent of the votes) and to the EEC countries jointly (at present about 24.9 percent of all the votes).

It is true, however, that decisions made by the IMF are usually reached in fact without any formal vote, by consensus, that is to say, after a
discussion which leads to an agreement. But this does not change the fact that both the general and the current IMF policies are run by a Board of Directors appointed by member states, and the weight of their votes is determined by the sum total of votes of the states they represent. The board consists of 23 directors; each of the six major IMF member states—its largest contributors—has the right to appoint one director (this includes the United States, Great Britain, the FRG, France, Japan, and Saudi Arabia). The remaining states jointly elect the other 16 directors. It is the Board of Directors which decides on the manner and the extent of the assistance the IMF gives to its member states, as well as on the terms of recommendations submitted to them on the use of certain instruments of economic policy.

In light of those considerations, the nominal correlation of forces within the IMF—and specifically the voting strength of various member states—should by no means be disregarded.

This correlation undoubtedly assumes major importance whenever the IMF membership is being applied for.

Poland has submitted a formal motion for readmittance to the IMF in November 1981. In the meantime, in 1981-82, many working sessions with IMF representatives have taken place in our country (i.a., in February 1982 a most detailed questionnaire on the state of the Polish economy and finances, as well as the laws which regulate the principles of our currency policy, was prepared and sent to the IMF ruling bodies). Because of the well-known political obstacles—raised by the U.S. Government—the IMF authorities have not, as yet, set the proceedings for accepting Poland's membership in motion.

Will that be possible now, at the annual IMF session in September?

Under the assumption [of a positive decision], it might be worthwhile to look closely at the immediate as well as the much broader, long-term implications of such a step.

First of all, one should begin by trying to assess the probable level of Polish member dues in the IMF (let us repeat once more: this will have an impact on the size of possible credits). Three years ago it was estimated at around U.S.$700-750 million. At present one might guess it will amount to U.S.$800-1,000 million. It has to be stressed that only one-fourth (actually, in fact, just 21.3 percent) of this sum (that is to say, about U.S.$170-200 million) has to be paid to the IMF in convertible currencies, and the remaining part in Polish zlotys. What is more, the currency payment will in no way curtail our reserves, since this amount will formally be included in Poland's global foreign-exchange reserves as a so-called reserve position in the IMF. The actual member dues will be fixed through direct negotiations between Poland and the IMF.

Second, Polish accession to the IMF will almost automatically open our application to rejoin the World Bank, handed on 10 November 1981 to its
president, Mr A. W. Clausen. The Polish contribution to the World Bank will come to 54.46 percent of our payments to the IMF, and in that case our country would have to pay just 1 percent of its nominal member's deposit in convertible currencies, 9 percent in our national currency, while 90 percent will consist of only legal safeguards for the World Bank's commitments. If we accept as a departure point the above-mentioned maximal estimate of Poland's member dues to the IMF—U.S.$1 billion—our contribution to the World Bank would total U.S.$544.6 million, including U.S.$5.4 million in "hard" currency, and the equivalent of U.S.$49 million in zlotys. After joining the World Bank, Poland would automatically get a place on its Board of Directors.

The Advantages of Membership

Membership in the IMF imposes on a member state definite duties (described in Article 6 of the IMF Charter), which include chiefly the avoidance of currency restrictions and discriminatory practices in this respect, as well as assuring—at least as a target—the convertibility of the national currency. Without delving too deeply into details of those obligations, it has to be said that in the postwar period many of them for a long time were regarded as a formal barrier, unacceptable to any socialist country. That included, inter alia, such matters as the need to supply the IMF with information on the balance of payment and on the state of reserves, etc.; the requirement for gradual liberalization of payment transfers and introduction of temporary restraints only with IMF permission; and finally, the right of the IMF to participate in determining the economic policy of those member states which have had recourse to IMF assistance.

As authors of many recent publications have pointed out, most of these arguments have become obsolete (the information problem, for instance, as demonstrated by the Hungarian experience, but also by some Polish ones, related to credit negotiations with Western banks), while the most substantial, last charge depends, after all, on the size and the kind of our commitment to the IMF.

In this author's opinion, in Poland's case the balance sheet of potential commitments and advantages involved in our membership in the IMF is undoubtedly advantageous. It includes both calculable (expected credits) and incalculable, though by no means less important, advantages.

The long list of advantages accruing from Polish access to the IMF may be concisely presented as follows:

--Direct credit assistance by the IMF and the World Bank: about U.S.$1-2 billion within 1 or 2 years after admittance, and a total of U.S.$3-5 billion within the first few years; most of it would consist of relatively low-interest credits (in FY 1983, 6.6 percent annually on the average as far as the IMF's own assets are concerned, plus a one-time commission of 0.5 percent);
Access to the IMF by itself, as well as additional profitable cooperation with the fund in restoring our financial and economic situation, might bring considerable improvement of Poland's payment credibility and of the credit standing of our country and of Polish banks (on the "Institutional Investor" classification list, Poland's credit and payment ranking among over 100 ranked countries went up from place 100-101 in 1982-83 to place 97 in March 1984); this might create a chance for obtaining new credits from Western private banks as well;

IMF membership would provide for quicker progress in our negotiations with the "Paris Club" on rescheduling and payment modalities of our debts guaranteed by the Western governments; it might open up an opportunity for new guaranteed credits;

Indirectly, it would promote new advantages for Polish exports, both to the United States (restoring the Most Favored Nation clause) and to other Western countries, as well as for the Polish foreign trade in general; in this case some payment facilities would also become possible, in connection, for instance, with at least a partial abandonment of the disadvantageous (for us) form of imports-safeguarded letter of credit (in fact, a cash transaction), and its replacement by documented collection of payment;

A chance to give up drastic imports curtailments; it would promote, most radically, quicker development of Polish production for the domestic markets and for exports;

It would provide a major drive for the gradual introduction of genuine economic calculation in our country, including bringing the rate of exchange of the zloty closer to its real value in relation to "hard" currencies (cf. a similar development in Hungary), as well as, ultimately, the most profitable elimination of the current enormous gap between the official and the black-market rates of exchange;

An equally substantial drive for determining long-term measures—spread, it is true, over many years—to promote full convertibility of the zloty; this would contribute to the spontaneous shaping of Poland's exports specialization, as well as to "enhancing respect" for the domestic zloty and increasing the opportunity for acquiring "hard" currencies inside Poland, on currency accounts and for internal exports;

Finally, the severe conditions frequently imposed by the IMF on its member states' authorities, in particular on those with the highest debts, while not easy to carry out, might well concur in essence and in time with the needs of our domestic economic policy, and thus intensify the effects and strengthen the mechanisms related to the economic reform inside the country, and in due time even make it more credible.

Eventual admittance to the IMF—endorsed by a sufficient majority of all the member countries—cannot, obviously, become a miraculous "golden remedy," a panacea to cure all of our ills. By no means will it relieve us of our own everyday efforts, and of an increased concern for appropriate,
optimal utilization of every dollar and every mark (to say nothing of thousands, or even millions, of dollars and marks). It will not substitute for an autonomous, more rapidly implemented economic reform, nor will it spare us ongoing significant personnel changes or unavoidable improvements in the efficient management of our economy. Years are bound to pass before the accumulated efforts of our membership become visible.

In my opinion, and I would like to stress the point, Poland's access to the IMF has been generally perceived as, above all, another--after the recent amnesty--courageous and effective measure undertaken by our state administration. Even assuming that this "milestone" on the road to economic reality is not all-embracing, and will not cure all the other ills (will not substitute, for instance, for the efforts to democratize our political and social life), it might prove to be of significance, at present hard to overestimate. In its ultimate effect it should, after all, bring about an improvement of our current living standards, hardly acceptable from the societal point of view, and contribute to raising the living standards of our compatriots to an extent that would tangibly ease up the gray everyday life of the average Pole (at least in this one measurable respect). Thus it might contribute to laying the foundations of hope for a better future, in particular as far as the younger generation of Poles is concerned.

From the point of view of the most broadly conceived Polish raison d'etat, it might be worthwhile to use this chance.

FOOTNOTES

1. SDR = U.S.$1.08 (on 29 June 1984).


3. Cf., inter alia, the article by J. Kranz: "Let Us Argue About the Fund," ZYCIE GOSPODARCZE, 1980, No 49, as well as several papers by K. Zabielski.

4. Cf. this author's treatment of the subject in a discussion article: "Convertibility of the Zloty: A Dream or a Chance?" RYNKI ZAGRANICZNE, 28 February 1981.

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YUGOSLAVIA

DIZDAREVIC ADDRESSES NONALIGNED MEETING

LD012150 Belgrade TANJUG Domestic Service in Serbo-Croatian 1714 GMT 1 Oct 84

[Text] United Nations, 1 October (TANJUG)--Raif Dizdarevic, federal secretary for foreign affairs, spoke at the 3-day ministerial meeting of nonaligned countries which opened in New York today. In his speech, which was received with attention and approval, Dizdarevic said:

Our meeting is taking place at an important and difficult moment in the crisis of international relations. The situation in the world continues to deteriorate, tension and mistrust between the great powers are increasing, there is no progress toward settling international problems and hotbeds of crisis, and the arms race is growing in intensity. The crisis of international economic relations is most directly affecting developing countries, threatening their stability and more and more frequently undermining their independence.

In this situation it is indispensable that the movement of nonaligned countries should be even more active and its actions even more concrete. Proceeding from the decisions of the seventh summit in New Delhi we should make our voice heard at this meeting and encourage fresh initiatives aimed at relaxing tension and reviving talks. We must persist in asking the great powers to behave with more respect and responsibility for the interests of the international community concerning the key questions of peace, security, and development. We cannot reconcile ourselves to the use of force, interference and interventions and to violations of the inviolable right of every people to determine its own destiny. This represents the only alternative to the further confrontation between the blocs which is leading the world to the brink of war and pushing the whole of international and economic relations into a state of crisis.

Our meeting provides an opportunity to exchange views on what we can do at the session of the General Assembly to overcome the present unfavorable and dangerous situation. In this connection I think that it is indispensable that we call on the great powers to start having talks and making their long-awaited contribution to the revival of detente and working together with all of us for the realization of universal detente. I am convinced that just like until now, nonaligned countries are ready, through cooperation on an equal footing with the great powers and all other members of the international community, to take an active part in creating more favorable conditions for dealing with the hotbeds of crisis and the difficult problems which confront the developing countries.
This kind of approach would enable this General Assembly and the Security Council to open more favorable prospects for the just settling of the most important problems of our time, because the United Nations is the best framework for multilateral talks on an equal footing.

In the field of our mutual cooperation we have until now already achieved significant results in a variety of spheres. At the ministerial meeting in Malta we laid the foundations for comprehensive, mutual, and broader cooperation with the aim of strengthening peace, security, and trust in the Mediterranean. The meeting in Valletta showed that nonaligned countries can cooperate successfully through more frequent consultations on their activity on the basis of our common principles and also of our specific interests, which represents both the contribution and a part of the involvement of the whole movement.

Since the summit in Delhi we have also improved cooperation in the fields of information, culture, labor, health, and some other fields. We think that we should continue to follow this road. We attach particular importance to the regular ministerial conference due to be held next year in Luanda, Angola. It gives us pleasure that the host of that meeting is making great efforts to make sure that the conference is held on time and is successful. We are prepared to extend full support and aid to Angola in this respect. The conference in Luanda should assess past activity and trigger off new joint actions whose main directions will be the consolidation of peace and security, tackling the hotbeds of crisis, relaxation of tension, economic development and disarmament.

Along with the political crisis, the international economic crisis jeopardizes peace and security. The grave economic situation, heavy indebtedness and, in general, relations based on inequality hinder the development of numerous countries which are exposed to pressures and to attacks on their independence. It is, therefore, indispensable that we get together and devote ourselves to resolving acute economic and financial problems by means of talks. Also of great importance is our action aimed at convening an international conference on money and the financing of development. We think the report of a group of experts set up in this connection at the initiative of the president of the movement, Indira Gandhi, is very useful. Our meeting should provide the initiative for further joint efforts to hold this conference in the near future.

Consultations are in progress among developing countries, including my own, on the basis of the Delhi summit's recommendations, on the way to resolve the debts problem. The action of Latin American countries and their joint activity represent a great contribution to this aim. The unbearable burden of debts not only prevents development, but it is also in an increasingly dangerous manner threatening political security and even the independence of many nonaligned and other developing countries. In the document which we shall adopt we must express our common attitude and approach to resolving this problem.

War between two countries, friendly to us and nonaligned, Iraq and Iran, regrettably still goes on. We are encouraged by the results so far achieved under the aegis of Secretary General Perez de Cuellar. This should encourage us at this moment to strive together, all of us, to find and propose those steps which will lead to a halt in hostilities and to a settlement of all the questions through negotiations and on the basis of respect for the legitimate interests of both sides.
The increasingly complex situation in the Near East is exacerbated still further by the aggressive and expansionist policy of Israel and the support extended to it. There can be no solution to this crisis without the participation on an equal footing of independent, united and powerful PLO, the only legitimate representative of the Palestinian people. At this meeting we must once again express our resolute support for the just struggle of the Palestinian people for its inalienable rights, including the right to its own state. We consider that the committee for Palestine consisting of eight nonaligned countries, which acted successfully in critical times, should start fresh initiatives in this direction. I think that at the same time we should here consider what should be done to create favorable conditions for the convening of an international conference on the Near East under the auspices of the United Nations.

We are in favor of the problem of Namibia being urgently returned to the United Nations so that the latter can fulfill its obligation with regard to the acquisition of independence by that country without any strings attached. To this end it is indispensable to continue to extend and to intensify comprehensive support for SWAPO, the sole and authentic representative of the people of Namibia, which is persistently struggling to attain that aim. We must also continue to extend aid to the liberation movements in southern Africa—the African National Congress and the Pan-Africanist Congress of Azania in their struggle against the inhuman system of apartheid. As until now we continue to show solidarity with the frontline countries, Angola, Mozambique, Zimbabwe, Tanzania, Zambia and Botswana in their efforts to consolidate their independence, reduce tension in the region, and eliminate the remnants of colonialism and the regime of apartheid.

We, nonaligned countries, should even more firmly take the side at this meeting of the peoples which are struggling against foreign occupation, interference, interventions and pressures, from whatever quarter they happen to come, in Central America and the Caribbean, in Western Sahara, Cyprus, in Southeast Asia, wherever such things happen.

At this session the General Assembly should also adopt decisions on the manner and nature of the celebration of the 40th anniversary of the United Nations. I think that our meeting provides us with an opportunity to agree on how our movement can most effectively contribute to the essence of the celebration of the 40th anniversary of the United Nations, to the affirmation of the principles of the charter and to the strengthening of the role of the world organization. The presence at and participation in the jubilee session of the General Assembly of the greatest possible heads of state or government from nonaligned countries would be of great significance in this connection. We believe that by doing so we would also prompt the heads of state of government from other member countries to attend. Such a gathering at the highest level would make possible an exchange of views and, we hope, new initiatives for settling acute international political and economic problems.

The responsibility for the future of the world lies with all of us. We cannot allow decisions on questions which concern the destiny of every one in our country to be made without our participation and against our interests, the same as we cannot stand aside on any question on which the development of international relations and progress in the world depend.
BRIEFS

ARMY CADRE POLICY—Belgrade, 3 October (TANJUG)—The SFRY Presidency held a session today, with Veselin Djaranovic in the chair, at which it considered a report on the implementation of cadre policy in the Yugoslav People's Army. Stress was placed on the high level of moral-political and military preparedness of its cadres. The presidency supported the orientation of the Federal Secretariat for National Defense and its involvement in the further military and moral-political development and training of cadres in the armed forces for the successful implementation of tasks in defense of the independence and territorial integrity of the SFRY. Support was also expressed for the policy and practice so far followed and for new measures and activities aimed at ensuring the appropriate representation of all the nations and nationalities and all the socialist republics and socialist autonomous provinces among the officer cadre of the Yugoslav People's Army. [Text] [Belgrage TANJUG Domestic Service in Serbo-Croatian 1457 GMT 3 Oct 84 LD]