

**Concluding Remarks by the General Secretary of the RCP (Nicolae Ceaușescu), the
General Secretary of the CPSU (Mikhail S. Gorbachev), and other Participants**

[EXCERPTS]

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[Gorbachev:] Probably we are all worried – and our friends’ concern is also felt by us in Moscow – about the way in which the processes connected with the revolutionary renewal of socialism are developing in the socialist countries. These changes are of a far-reaching – not of a cosmetic, not of a tactical – nature, not changes that are determined by considerations of electoral tactics in order to downplay some acute problem. No, these are indeed processes of far-reaching change.

Thus, we are all observing what is happening there with a great feeling of responsibility and with great attentiveness, since it concerns our fate. And considering the role played by socialism, it concerns at the same time the fate of the world, so that it is natural that our friends seek clarity about all these things and seek to understand what is happening in the Soviet Union. That is understandable.

It seems to me that due to the concern we feel – yesterday, too, this could be felt in the statements – there is a stammering which, it seems to me, is not quite adequate to the problem at hand. In these statements there was not only concern, but also a certain apprehension, a certain fear, even nuances of feelings of panic could sometimes be heard, as if some already have the impression that socialism, the foundations upon which our system is based, will be destroyed. This can be felt at times. I think, however, we are at present so busy with the current processes and problems, we are under such strict scrutiny from the general public, that we do not always have the possibility of assessing from a higher vantage point what is happening, where we stand, at what stage we find ourselves. If we do not grasp this context, we can err in the details. This is completely clear.

At our Politburo meetings and also in larger forums, I always insist that comrades rise above their standpoint and judge the processes that are taking place in the Soviet Union from a higher political and philosophical vantage point.

It seems to me, if one considers the entire context, that a moment has come in the world’s evolution in which it is very important to understand the substance and the direction of the historical process. This is of principle importance, in order to be able to properly define the theory of revolutionary changes and also our policy at this stage.

We have thought about this for a long time, and also verified it in practice, and have come to the firm conclusion that the world as a whole is now in transition from one international order to another. What kind of order that will be largely depends on the processes taking place in the socialist world-system.

Here, there is a yet another connection to our domestic political situation. Together with you, we sense that we are facing the urgent historical task of achieving a new level of progress based on the strictest criteria. Above all, we must fulfill the fundamental task of achieving the highest possible productivity in our socialist work.

From this point of view, I support the efforts made to date within the framework of the CMEA, the Political Consultative Committee and these meetings of General Secretaries and First Secretaries. We have already begun to search for ways to adapt socialism to the new challenges.

If we do not find a solution to the problem of adjusting socialism to the scientific and technological revolution, we will not be able to fulfill the task of achieving the highest possible productivity. Then, we will not be able to solve the historical problem of fully developing the potential of this social order in the interest of the people.

It is traditional for a communist party to assess its own activities in a sober and objective manner. Socialism doubtlessly has historical merits, not only for its own peoples but also for all of humanity. This is obvious. If it were otherwise, we would be living in a different world.

Capitalism, too, has become different under the influence of socialism's achievements, under the influence of the people who have taken the path of socialist development. For this reason, the future world will also depend on how socialism develops. The historical merits of socialism are enormous, but realism and a sense of responsibility require that we must also see the problems and the serious deficiencies that have accumulated. These phenomena have a negative impact upon the development of the socio-economic and thus also the political processes in all of our countries, in the socialist countries as a whole, even if that is expressed in each country in its own way.

In a number of countries we even perceive signs of crisis. We believe that only exact analysis will allow us to act objectively and responsibly and to determine future policy. We must analyze the political activity and development of society. There are signs of

crisis. They show up differently in each country, but they are there. Perhaps less in some countries than in others.

The understanding of this fact has led us, in the Soviet Union, to the firm belief that far-reaching changes are necessary. Why far-reaching changes? Because we see that without changing the conditions of production, the economic conditions in all areas, we will not be able to give today's society a new impulse, a new dynamic. This, in turn, has brought us to consider the issue of conditions of property. In order to properly respond to the challenges of the present times, to take proper account of them, we have come to a new understanding of socialist property, of the many forms of socialist property. Thus, we intend to bring incentives into line with people's interests, to change the individual's status. I believe that we are now, in principle, solving this fundamental problem, which we should have tackled already after October.

Insofar as we recognize that the crux of capitalism is the estrangement of the person from the means of production, we must, through socialist transformation – this is the teaching of our classics – come to the point in which the person considers himself to be the proprietor of the means of production. Overcoming this estrangement is of fundamental importance. Precisely here lies the source, the motivation for higher work productivity, for a new experience of life, for the democratic nature of the conditions of production in socialism. Up to now, we have not succeeded in this.

For decades, the system of administrative directives has ruled; it has estranged people from their property, blocked their initiative and limited their possibilities for realizing their full personal potential.

In principle, of course, democracy is the substance of socialism. It is a social order by the workers for the workers. According to Lenin, there are two respects in which socialism cannot exist without democracy. Democracy prepares the working class, the working population, for socialism. And after they have come to power, the potential of this social order can only be realized if democracy is developed. This task has not been fulfilled.

In this connection, a second task presents itself. We must overcome the estrangement of the people from power. This can only be realized if they consider themselves to be active participants in the whole political process and in the socio-political reform, if they contribute to the development of democracy.

Furthermore, we must solve the problem of overcoming people's estrangement from culture. That is, we must involve them in all spiritual processes, awaken their personalities, their sense of status as citizens.

These are our considerations on the conceptual level, so to speak, based on widespread investigations and a critical analysis of our experiences, which have led us to conclude that a restructuring [*perestroika*] is necessary.

We are implementing this restructuring, and we now sense that we are on the right track. In these four years, no alternatives to *perestroika* have been proposed. It is just a question of deciding how quickly to implement the changes in the economy, in the political system, in the areas of culture and information. This is what is being argued about. Here, there are differences of opinion.

Some are apprehensive about how these decisive changes will affect their interests. Here, one very quickly sees who is who. There are attempts to slow this process down. That lies within the logic of the struggle, of the political process. Whenever there are changes, these sorts of things can also be found.

Others would like to solve all problems at once. Like a rider who wants to jump over two hurdles at once. There are ultra-revolutionaries and ultra-radicals. We have enough of these, since so many problems have accumulated in society and people are impatient to feel the effects of *perestroika*, in the form of changed living conditions. The radicals try to misuse these moods. Within the framework of these processes, these colliding opinions, the process of *perestroika* is unfolding.

I wanted to explain this so that you can better understand and judge the information coming from Moscow, from the Soviet Union. I do not want to flood you with information, facts and figures; I only wanted to make clear that there are indeed revolutionary changes happening in the Soviet Union. This is no superficial repair, no fresh coat of paint; these are indeed far-reaching revolutionary changes in the life of society, in all decisive areas.

Given that this society is also multinational, and that many problems have accumulated in this respect as well, you can surely imagine how difficult and complicated all of this is, what complications this process involves.

We can think of no other solution than to seek the answers to all questions connected with *perestroika*, regarding politics, the economy and ideology, within the framework of

the full development of the values of socialism,. Of course, you can tell me that in the Soviet Union others are now appearing on the scene, who are not in favor of socialism, who are fairly indifferent to it. This is true. But these are people who do not even represent a particular current of thought; these are members of some group or the other who feel humiliated because they haven't had a political career, because they have gone off track or are simply too ambitious.

External forces are also exerting an influence. This we must also see. This concerns above all – but not exclusively – the USA, which is openly using its diplomatic and cultural apparatus to influence relevant circles, to promote and support extremism, to circulate anti-Soviet invectives. This is happening, and we are aware of it.

I would, however, like to state our position clearly: only within the framework of socialist values are we looking for an answer to all these questions. This is not only the thinking of the party and the current leadership; this also has to do with the fact that the people are committed to socialism.

Take for example these associations, the cooperatives, which after all do not represent a danger but are rather a way in which interests are being realized. Whenever they go outside of the mainstream and take on a parasitic character, there is such a strong reaction on the part of the working class and the farmers that they are immediately put in their place. This means: approaches that lie outside of socialism are not tolerated. In the party and in society, the predominant sense is that we are continuing down the socialist path, are providing socialism a second wind, so to speak. Our party is gathering strength and seeking new forms, new approaches in all areas of life – in the economy, in politics, in ideology.

We are not always successful in this. On the contrary, we are also unsuccessful at times, in particular concerning the economy. We are saying this quite openly. We have begun to resolutely disband the old structures and methods of steering the economy, but we have not managed right away to build up a new mechanism and make it work. Economic processes have been set in motion that have brought the market into disequilibrium, particularly the consumer market. This is true. It leads to strong reactions from the public, the workers. We are now forced to find solutions to these problems in an accelerated manner.

I think that at our next meeting in the fall, which will be set for two or three days, or however many we agree upon, we will take pains to present our friends with more comprehensive material concerning the processes taking place in our country.

The best guarantee for the success of *perestroika* is that the people have now fully joined in the process. We ourselves felt this very strongly at the time of the elections and at the Congress of People's Deputies. There was a lot of naiveté there, many illusions, and also demagoguery. But on the whole, there were people of quite another sort, people who spoke out in favor of *perestroika* and were prepared to participate actively in the new processes with respect to all problems. Within 13 days, we broadcast this congress across the entire country in the form of a direct broadcast. This has had deep repercussions in society. We can say today that *perestroika* has already become irreversible, precisely due to the active participation of the people.

Now, we are in the most difficult phase. There are strong conflicts of interest. The party realizes that it has to renew itself so that it can continue to play the role of the political avant-garde. Insofar as there is criticism, this is simply due to the fact that in some areas it is lagging behind, and that answers are coming not from the party but are being sought in some other movements. The party is today undergoing major changes and a deep renewal. I believe that the next two to three years will still be extremely difficult.

We are considering moving the party congress forward somewhat. We have not yet reached a final decision, but we will probably hold it in the late fall of 1990. There we will take stock, so to speak, of this stage of *perestroika*. We will consolidate the good things that have been achieved and criticize the negative things, in order to provide a clear perspective for the future.

There will also be changes in the party, in the state, in the economy and in culture. In particular, this will be accompanied by the renewal of the cadres. New policies require new cadres, fresh forces. That will happen, and it now depends not only on us, these matters will now be decided in the democratic process.

Comrade Todor Zhivkov:

[. . .]

The basis for the development of our country is obvious, and we make no secret of it; on the contrary, we support it; it is above all else the experience of *perestroika* in the Soviet Union. At the same time, however, we are also examining the experiences of all the other socialist countries, and are fully and completely adopting what we find makes sense under our conditions.

But we all find ourselves confronted by new realities; we must see this. These are fundamentally new realities both in our domestic development and in the international arena. We have already spoken about these issues as well at this year's meeting. I would like to underscore: We need to know where we are going with this; otherwise, it won't work. Our direction was and remains Marxism-Leninism, its further development. It is not a matter of what has been accumulated, what was done under past conditions, during the stage we have already left behind, but rather what the essence of Marxism-Leninism really contains.

We believe that we must defend the principle of the unity and indivisibility of socialist property. We would be making a big mistake if we were to diverge from this objective law. The fact that people are now to a large extent estranged from this socialist property and also from power, as Comrade Gorbachev has said, is another matter. It does not mean, however, that we should depart from socialist property. For us, this is the basis, and it must be renewed. But it is unified and indivisible. Taking this as our point of departure, we must not adopt anything from the West that is false.

Regarding the essentials of steering society, our countries are to a large extent similar. When we in Bulgaria speak about the fact that socialist property is unified and indivisible in its multiplicity, we do not mean that we should withdraw within our borders. Of course, we also take account of opportunities presenting themselves in other countries and above all in the Soviet Union.

A second issue concerns democratic centralism. We have identified it as a principle. Was that right? – Of course it was right. But this principle has been deformed, disfigured. I am speaking about Bulgaria. What does the principle of democratic centralism represent? A hierarchy exists, which has disfigured the principle of democratic centralism as foreseen by our classic authors. Seventy to 80 per cent of the power is concentrated at the uppermost level and only 20 per cent in the social sphere. It is clear that a democratic centralism of this kind is disfigured. We do not need it. Democratic centralism is not a mathematical equation, but this proportion needs to be reversed, so that 20 per cent is concentrated centrally, and real rights are ensured at the basis. Otherwise, the estrangement of the people from our socialist system, from power, cannot be overcome.

The next issue is that of linking personal, social and collective interests. Here, too, there was a mathematical approach: one third individual interests, one third social interests, one third collective interests. The personal interests, however, are crucial. If we do not develop the personal interests of a million people, we cannot bring them to work conscientiously, so to speak, with all their force. For people do not work because work,

as such, exists, but because they are paid for it, they can live well on it, etc. Here, something needs to be fundamentally changed. We are trying to do this from our perspective, taking personal, collective and social interests as our point of departure.

I would also like to say something about the role of the party. We must not take the old position that the party is the top level in the directive hierarchy. If this is maintained, then overcoming the estrangement of the people from power is out of the question. As far as Bulgaria is concerned, we want to transfer power to bodies elected by the people. This is a complicated process. We can feel resistance from cadres from the top to the bottom. In the end, power is the power of the bodies elected by the people, and the party is the vanguard. But it cannot be a hierarchy; otherwise, we arrive at the familiar deformations.

The next question: conditions and forces of production. The conditions of production have never run ahead of the forces of production. The forces of production develop first; then come the conditions of production. We imagined that there would always be full correspondence here. We believe that if we were now to give precedence to the social conditions, this would lead to an earthquake, to large-scale shock waves. We would no longer be able to control the situation, since our economy is weak. For this reason, we are trying to maintain a balance between the forces of production and the conditions of production. But we already sense that if we were to proceed in the opposite manner, then I doubt we could make a serious step forward, no matter how significant the conditions of production may be. We all know Marx's dictum, that the conditions of production, for their part, exert a revolutionary influence upon the forces of production.

Perestroika is proceeding with great difficulties and contradictions. The elaboration of the concept and the definition of the basic position is one thing. Implementing this in policies and practical actions is something completely different. Here, a certain syndrome has developed. We have made changes in the government. We have dissolved five industrial ministries. I consider this to be right. We have merged 28 districts into 9 regions, and we have implemented a number of other resolutions. I do not want to name them all here. But with this, we have not yet earned greater trust among the people. A syndrome has developed, an attitude of waiting: is something going to happen or not? This is what we are chewing on, stumbling over. The concept is one side of the matter, but implementing it in policies, and further implementing the policies in practical actions, is a completely different task.

At the present time, we are directing our efforts at solving precisely this problem. Evidently, some of you have certain feelings of apprehension regarding the situation in Bulgaria. We also have the right to be worried about the situation in other countries. As

Comrade Gorbachev has underscored, we are in a phase of transition, and some things are simply impossible to avoid. The important thing is not to give up what is crucial, and what is crucial is socialist society, is the necessity of breathing fresh life into it, of renewing it in a revolutionary manner. There is no other solution, no alternative. Changes have to be made in a revolutionary way. But I will say one thing: changing is not the same as liquidating and deconstructing. These are two completely different things. These are the problems, here are the contradictions, the worries and the difficulties that we share on our way forward.

Comrade Milos Jakeš:

Our society in the CSSR is in a very critical situation. The difficulties we have to solve, and the influence being exerted by the Western countries, especially by the mass media, are considerable.

Society is demanding changes, and we are making corresponding proposals. But not everyone understands that there can be no quick results. They want to change things more quickly, and as a result there are often different proposals from the most diverse sides. These proposals often have no basis in reality. They are rather demagogic declarations, designed to destabilize socialist society.

The people want to see results, and they do not understand, at least not sufficiently, that they can only achieve these results through the work of their own hands; that the central authorities can only offer space for their own initiatives and for their own work. Now, as before, there is an attitude of waiting for the central authorities to solve all problems, the expectation that the people can continue to live quiet lives as they did before.

This is one of the most complicated problems that we must solve and overcome. We have accustomed the people to the fact that we organize everything for them and also solve these problems for them, which, in practical terms, cannot be solved by the central authorities at all.

The only remedy for this is *perestroika*, renewal, strengthening the esteem in which socialism is held. Socialism is now quite logically going in this direction, also in connection with the scientific-technological revolution, which internationally is taking on new proportions. Socialism is entering a new phase. One has to view this in all its complexity, both in the economic sphere and with regard to the further development of democracy. We see this as a renewal in the Leninist sense, as a reaction to the

requirements of development in today's world, as a rejection of all values hostile to socialism and as the overcoming of all obstacles to the new dynamic of our society.

We are taking as our point of departure our own conditions and are fully aware of the negative and positive sides of the experiences of the other socialist countries. The critical assessment of the past must not take the form of nihilism, not consist in a negative attitude toward everything that has been achieved. This would rob socialism and the leading role of the party of their historical justification.

The overriding majority of the people are in favor of socialism. They support our policies and understand them as a protection of our achievements – social security, stability, calm and order in society, as well as our successes.

Of course, the majority also understands that this can only be the result of honest work and cannot possibly be attained by means of commands and resolutions. Experience shows that this is no simple process. Great obstacles need to be overcome – clichés, the habits of the administrative system of command.

We have granted full autonomy to the enterprises. Many enterprises do not want to make use of this at all; they still want problems to be solved by the central authorities. We therefore provided the people with large-scale opportunities to develop their creativity, but this process is only just beginning. The people are gradually taking a more active role in changing the economy and the life of society.

People are making many demands of *perestroika* and of democratization and they have many different ideas of how it should happen and what results we should achieve. The speed of development has to correspond to what is possible, and the solutions have to correspond to the capabilities of our people. They must be realized by the people themselves.

We are basing our approach on broad transparency. But we are not always successful in realizing this in practice. Our party organizations are still isolated in some cases, detached from the workers. In some cases, they are not working enough with the other organizations of society, with the state machinery.

Our starting point is the lessons that we have learned from building socialism in our country. These can be formulated as follows: in developing new forms, the party must maintain its initiative and not lose control over developments. It must always be at the

forefront and resolutely make the changes for which the time is ripe. Otherwise, its place will be taken by other forces with dubious intentions.

We fully and completely understand that the party's leading role in society can only be ensured through positive results, through the strengthening of the relation of trust. No one is likely to believe general promises. The crucial thing is to activate the people factor, both through material interests and on the basis of awareness and active participation in the exercise of power.

That is why we, like the other countries, have embarked upon political reform. Our specific focus is, among other things, on the National Front. We would like to activate it. We have five political parties and a large number of social organizations. They form the basis of the social pluralism of opinions and interests. The role of these parties is growing – also under the pressure of their membership. They are also demanding changes. These changes are not always in the best interests of socialism. But on the whole, one can say that the main direction is more or less such that good conditions for cooperation are ensured.

The initiative of the social organizations that are united in the National Front must grow as well. They must work more independently. The National Front must also play a decisive role in the elaboration and control of policies. Many have kept silent up to now, and now they are playing an active role in developing legislation. Another focus is on increasing the powers and authority of the local councils as bodies of the people's power. One of the most important steps consists in economic independence. Up to now, no one provided the councils, the local representatives of the people, with money, so that they were forced to beg. Now, they will have the possibility of receiving funds and of using these for the benefit of the citizens that elected the local people's representatives.

We also want to improve the federal assembly. We are working on a new Constitution of the CSSR, which will be submitted for public debate and will reflect the principles that are anchored in several international treaties.

In addition to improving the political system, we attach great importance to economic reform, the renewal of the technical basis of production. We have passed the law on state enterprises and cooperation. The ministries and several other economic bodies are being transformed. The basis for this is strengthening the independence of enterprises, starting with accounting and self-management. The directors and the self-management bodies in the state enterprises are elected. Up to now, around 500 enterprise directors have stood for election. Seven per cent were not elected, so that other candidates had to be proposed.

In this way, there is a healthy exchange of cadres. The elections have helped in replacing some cadres who did not understand how to work well with the people. These elections and *perestroika* have changed the attitude of the people towards socialist property and are already helping, in part, to overcome their estrangement. This is happening above all else in the state enterprises. In the agricultural production associations, the change is less pronounced; there, the workers' participation in decisions has always been stronger. We want everyone to feel that they are masters in their own house, owners of their own enterprises; we want this feeling to grow. We will not go down the path of re-privatization. We have a strong cooperative sector in agriculture, in production, in trade and in services.

Regarding the communal economy and smaller enterprises, we are giving some private owners the possibility of becoming active. Our critical self-evaluation shows us that we were formerly too quick to limit these small enterprises. In the GDR, these matters were dealt with more cleverly, more carefully. Today, the people are afraid to take a risk, since they have an assured income.

We have undertaken a reform in wholesale and retail prices and are trying to bring them closer to world market prices. Retail prices remain unchanged. We will change them where they are a cause for social injustice, for someone who eats 30 kg of meat receives considerably less from state subsidies than someone who consumes 90 kg of meat.

The same applies to apartments. There are state, co-operative and private houses and apartments. It is three times more expensive to live in a private house than in a state apartment. On the other hand, in a state apartment, the resident has no interest in it; everything is taken care of for him. People like most of all to live in state apartments, but we must clear up this matter as well.

Efforts are continuing to develop economic levers. Here, legal measures are also being taken. A new law on economic planning is being adopted, which will allow us to switch our whole national economy over to the new economic principles beginning 1 January 1990, a year earlier than we originally planned. This will also cause major problems, of course, for our economic basis is very uneven. We have very old enterprises, which have paid state contributions. Under these [the new laws], new enterprises were set up, which now work under more favorable conditions based on principles of self-management.

We are paying great attention to the fulfillment of the industrial and agricultural plans. In the agricultural sector, we are expecting a good harvest this year. We hope we will

succeed in stabilizing both our internal and our external economic relations, so that our debt does not grow. We hope that this year will be a successful one, so that the situation in the internal market improves, and social and economic development is strengthened without it being necessary to take out major loans in hard currency.

In conclusion, I would like to mention one last matter. In our country, certain opposition forces are becoming more active; they are using the reforms to consolidate their own influence and to destabilize society. This concerns also several party comrades, who had to give up their leading functions at the end of the 1960s. They are organizing various groups and are trying to achieve a return to the events before 1968. Černík and Dubček have written letters to the leaders of different countries, demanding a new assessment of the year 1968. They are not prepared to utter a single self-critical word. Recently, enormous opportunities were open to Dubček. He was not liquidated, as he said; rather, he was dismissed in a completely democratic manner seven months after the internationalist assistance, when he demonstrated his inability to lead the party and the state, as a consequence of the great deficiencies he displayed in this regard. If you have received these letters, I ask that you approach them with a corresponding sense of responsibility.

In my opinion these letters do not merit any response. These are expressions of the revived ambitions of these people. We do not desire to intervene administratively; our desire is to further develop the offensive policy of our party and to provide our working population with the correct answers to their questions.

The most important political task, in our view, is to involve our honest people in politics and to inspire them, to win them over for *perestroika*.

The contradictory nature of our times and the complexity of our tasks are also demonstrated by the fact that some not completely stable party members are waning in their activity. People are leaving the party; in fact, this is a growing trend in comparison to previous years. The majority of our party members are workers. The majority of the current party members joined the party after 1970; they are for the most part people without much experience in building socialism.

The age structure of the party is also changing. All of these questions and the situation in which we find ourselves have led us to decide to convene the next party congress earlier than planned. It will take place in May of next year.

A new statute and a new party program are being worked out, as well as the next five-year plan. We think that all of these documents will be submitted for public debate before the party congress. We are of the opinion that we should discuss all of these questions, these processes and our common approach at a joint consultation, as Comrade Gorbachev has proposed here once again.

In conclusion, one remark: it seems to me that *perestroika* is leading everywhere not only to a growth in national consciousness but also in nationalism. No one has ever gotten very far with nationalism. This makes our path forward more difficult. It is a very dangerous path. Not a single one of our countries should take this path. I am referring above all to the mass media, which sometimes blows up such things. One person in the mass media can do great damage to the relations between entire states and peoples. We should all be aware of this.

Comrade Rezső Nyers:

Dear Comrades! Our country is going through a period of political and economic changes, of *perestroika*. We are at the peak, so to speak, or have already passed the peak of society's stagnation and crisis. It began last year, at our party congress in May, where we had a change in leadership. This happened because the rank and file of the party and the internal conditions were quite disrupted. New cadres have entered the leadership – the highest leadership – and the middle level. Thus, problems of transition have arisen. But political reform is happening in our country more rapidly than we expected. We did not foresee such speed, but society reacted to our initiative and demanded acceleration. I believe that we have now already reached the necessary velocity in terms of political reform, although the corresponding conditions still need to be created within the party.

I would like to stress that we are maintaining the same foreign policy as under Comrade Kádár, and that, in the spirit of internationalism, we intend to fully and completely continue pursuing it. In this field we are not undertaking any reforms. There is no need for them. But in domestic policy and in economic policy we are carrying out reforms.

In the party, the situation now is such that last year – 1988 – over 40,000 members left the party. This year, the withdrawal of party memberships is continuing, but no longer at that rate. Currently, our party has 780,000 members, and a process of consolidating the party's ranks has begun once again. Everything depends on whether we succeed in concluding this political process in a satisfactory manner. That will be decided before the party congress and at the party congress itself, which is planned for October 7 of this year.

We are working on a new party statute, based on the demands of the members. Its essence consists in creating direct relations between the base and the top. That is, we want to do away with the middle rungs. These middle rungs – we have experienced this – distort information that comes from below. We must link the principles of federalism and centralism here.

In the highest party leadership, too, there have been difficulties. But we want to weed these out, and I believe we will succeed. It is not a matter of fundamental ideological or political questions but rather differences of opinion among us, which can be reconciled. A close leadership circle has emerged, which we want to maintain in this form until the party congress. We are of the opinion that if greater unity and solidarity is ensured at the top, then this will also have an effect on the party's members. The danger of a party split persists. It is the radical reformists who would like it. This is being supported from the outside by the opposition. They have practically found a common denominator. But I believe we have succeeded in halting this process and in brushing them off. We have succeeded in coming to a unified position in the leadership. There, nobody wants a split.

Regarding the economic situation, you are aware of our economic state. The financial problems of our country are very serious and have to do with the balance of payments and the national budget. We have fundamentally, radically improved our balance of payments. We began in 1988 with a negative balance of 1.5 billion dollars and now we still have 600 million dollars. This means, in practical terms, that we succeeded in improving our balance of payments by 1 billion dollars. But this year, we will not be able to further improve our balance-of-payments situation.

Since we have introduced a world passport for our citizens, those who wish to travel abroad naturally must also be furnished with means of payment, and that has cost us 300 million dollars. This means that if we had not implemented this measure, our situation would have been improved by a further 300 million. We hope that next year we will succeed in this and have an equal balance in 1991. Our ruble accounts are balanced.

We are studying the Romanian experiences, we are studying all experiences, but our strategy for the solution of the problem is somewhat different. I would also like to say why. We Hungarians cannot proceed by removing goods from the consumer market and exporting them. This is impossible. There are unexploited possibilities of offsetting rubles, which unfortunately we cannot use. Unfortunately, we are unable to convert these ruble credits to other currencies. Here we have to seek other ways.

Regarding our state budget, it still shows a deficit. We have not yet succeeded in halting the increase in the budget deficit. Here we are under pressure from the International Monetary Fund. We must say that in the end, they are right, although they are defending their interests, which do not correspond to our interests. It is above all a matter of tempo. They are demanding a too high tempo in the balance of payments.

Regarding the balance of payments, the matter is as follows: if we were to apply our previous mechanisms to the current accounts, they would be balanced; we would have a balance of 0.

What was previously the case? Previously, the government borrowed money from the national bank, and thereby the deficit in the state budget was balanced. We no longer wish to take this path. What is more, so that our state budget balance becomes acceptable in international comparison, we are now publicizing our state debt. In this way, our people will better understand the complicated situation that we are in. We hope that we can achieve better understanding for the existing problems in this way.

Structural changes are, of course, connected with the danger of unemployment. But I think this will not be significant. At present, we have around 20,000 unemployed and around 60,000 unfilled positions. This is the situation. I believe that the number of unemployed will grow. But we will not, of course, allow things to take on the proportions that they have in Yugoslavia. At least we do not wish this to happen.

Concerning prices and inflation, unfortunately, there will be an inflation rate of around 16 per cent again this year, as there was last year. We believe that over the next two years, we will hardly be able to limit the rise in inflation, since our own measures – e.g., the fact that we are exporting excessively – are driving prices up. Excessive exports are always connected to state subsidies, which then lead to inflation. But we are keeping this within a controllable limit; we want to keep them within 16 per cent, and will then begin lowering this rate in two years.

Concerning property reform, this is our most important reform in the economic sphere. We are preparing this and have already begun to realize it. We want to do this particularly for socialist property – i.e., state and cooperative property – particularly within the framework of these two types of property. But we also want to accord private property a greater role than before. This applies above all to small-scale private property, but also to re-privatization processes. For instance, the service sector is very expensive in our country, and costs are also high in the cooperative area. We have embarked upon a program of re-privatization, in which the private sector will be expanded. We are inviting

Western investment capital and, of course, also foreign capital from socialist countries. We would, for instance, accept joint investments by socialist countries with great pleasure. At present, we have active foreign capital on an order of magnitude of 300 million dollars. That is around five per cent of the entire active capital, and this percentage will perhaps still grow somewhat. However, we believe that if we were to use only our domestic capital, we could develop only slowly and would remain poor, for our economy is very strongly dependent upon the external market, on the outside world.

With regard to the elections, the opposition – the opposition groups – is becoming active once again in our country. We now have entered into intense negotiations with them, in order to reach an agreement. First, there is the matter of clarifying when the elections should take place. Secondly, there is the matter of creating certain baselines and points of departure in a constitutional way. The establishment of the office of president of the republic and the election law are questions of this kind. It is not so much a matter of fundamental differences. It is more a difference of tactics between us and these people. The opposition, for instance, does not want to go along with us on the issue of the election law. We are conducting negotiations and consultations and hope that we will reach mutual agreement on this matter. The present opposition will not remain unified, and we are counting on being able to work together. Our assumption is that in the Hungarian parliament, there will be opposition forces. We believe and hope that the party, together with its allies, will be able to gather the necessary number of votes and remain the deciding force. But that depends on whether a new solidarity is achieved within the ranks of the party as well. Then we have a chance.

Comrade Wojciech Jaruzelski:

[. . .]

Regarding the political situation, its specificity consists in the historical and current conditions as well as in the class structure. The crucial factor is that the possibilities open to the party and the rate at which socialism should be built need to be determined on this basis. From the time of our revolution until the present day, our agriculture has comprised a large private sector amounting to 75 per cent. The basis for this, however, is not the exploitation of foreign labor but rather a certain mentality, a sense of ownership.

We also have an urban private sector, above all among crafts- and tradespersons, but also in the service area. For the most part, these are small businesses; this is not a large sector. It accounts for about six per cent of national income, and employs something like six or seven per cent of the urban population.

Comrades, you are familiar with the position of the Catholic Church, which has experienced an unparalleled boost by virtue of the fact that the pope is Polish. Traditional contacts and relations with the West, various cultural ties also play a role. I understand that each of our countries has its own peculiarities, but in our case this peculiarity is particularly prominent and gives rise to particular problems.

When we speak of a universal, a modern approach to the issues of socialism, we need to define more precisely what our goal is and what the present-day realities are. We in Poland, at least, are paying a high price today for the fact that we tried to explain to the people that we already had socialism and were making the transition to developed socialism. The reality, however, was that the conditions under which the workers, the working class, were living were not exactly the best. This contradiction between the theoretical explanation of socialism and reality has led and continues to lead to very unpleasant consequences. We must define more clearly what we are aiming for, what it is that socialism needs to ensure and what paths lead to this goal. We cannot limit ourselves to saying that the current state of affairs is socialism and requires mere cosmetic corrections. No, what we have before us is a long, complicated historical process. Lenin often stressed: In those countries in which socialism is built under conditions of backwardness, disruption and devastation through war, a difficult situation arises. We must assess this with all the necessary realism. I believe that this is the key question that we have to deal with, especially in Poland.

I also believe, however, that this is a general question. How can we make our national economies more effective, so that our productivity can catch up with the developed countries of the West? How can we combine this with the maintenance and defense of everything that social justice and the other achievements of our social order have come to represent? This is very difficult, and all of us are probably trying to find some sort of compromise between economic effectiveness and social justice. In politics, above all in foreign policy, compromises have their place. In the economic field, however, they usually just give rise to painful symptoms and to long, chronic illnesses. The laws of economic development cannot be outwitted. All of us sense this, and measures that go only halfway are also only halfway effective.

Comrade Jakeš spoke of subsidies. I want to tell you that, no matter how large the Polish army may be, we allot the same amount to it in the budget as we do to the subsidies for milk, for example.

We talk a lot about social justice, but we are always just grasping it in terms of the classical categories – whether or not there is exploitation of the workers. Wherever there is capitalist private property, there is no social justice. This is true. This is the fundamental, classical formula. But do subsidies always guarantee social justice? Those that earn more obtain even more through the subsidies. The subsidies make it possible for enterprises that perform badly to live not badly: we throw them a life-buoy. Is that not exploitation of the enterprises that work well? Is that not also a kind of speculation?

When there is a supply deficit, we bring out merchandise from under the counter for those who pay more, or buy from the smugglers and speculators. Is that not a violation of the principles of justice, not to speak of nepotism and similar phenomena? The questions of social justice must be viewed more broadly in socialism. Economic conditions need to be created that will cause the whole moral superstructure to change, conditions that will make it possible to bring about justice in a way that corresponds with socialism and is worthy of it.

It is doubtlessly important that the working man considers himself the proprietor of his own enterprise. It is a long path to achieving this. The most dramatic problem within our party, I think, is that many members of the working class, above all the young workers, have turned their backs on us. We must do everything to win them back. This cannot be achieved through political agitation and also not through force. For we have repeatedly tried to use force. I personally have also tried to achieve this by force.

The crisis cycles in Poland are becoming ever shorter. The first profound crisis – I am not even speaking about party crises here, these were even more frequent – was in 1956. Tanks appeared on the streets and there were victims. The next crisis of this kind came about in the 1970s. Those were the events on the Baltic Sea coast, but not only there. There had been a space of 14 years between this crisis and the last. The next crisis came just 10 years later in 1980/81. In 1981, tanks again had to appear. And the following crisis actually broke out in 1988, when serious strikes took place in May and August. What is qualitatively new – and for this we are paying a high political price – is that we are trying to solve this crisis without the use of force, without bloodshed. We cannot indefinitely travel a road that brings us into contradiction with the working class, which opens up a rift that can only be overcome with great difficulty, if at all. In this connection there are questions that, I know, are of interest and concern to our friends and comrades.

Yesterday, I spoke of the fact that this international sense of responsibility is quite pronounced among us, not only concerning the situation in Poland itself but also

concerning the extent to which this situation is helpful or detrimental to our friends and the communist movement as a whole. We know that it is detrimental to you.

But we cannot proceed at will. We are trying to find solutions that are optimal under the circumstances that we find ourselves in, that allow us to overcome these difficulties, but in a civilized way, so to speak. I do not wish to speak of the history of the past years and months, not of the so-called roundtable discussions and also not of the results of the elections, although in fact there would be something to say about this. We have arrived at all these measures, not because things are going too well for us, as the Russian saying goes, or because we consider these solutions to be ideal. Rather, these are the realities that we have to take into account.

All of this should not be viewed as capitulation, however. There was a certain pressure to take the offensive that arose together with the need to reform socialism and the functioning of the party and the state in the direction of a more intense deepening of democracy. We need to maintain certain positions so that we can continue to shape developments, on the basis of principles that avoid an aggravation of the conflicts that are so dangerous and potentially fatal, especially under our current circumstances.

And now, comrades, I come to the question of the party, which without a doubt is the crucial question. The party's role under conditions of socialism is to serve as the guarantor of socialism's stability and strength, just as big business is the guarantor of capitalism. Under the conditions of socialism, the party is this guarantor. This determines its particular, its growing role.

But the party is not an absolute monarchy. Of course, I can only speak of Poland. I must, however, admit that in our case we have behaved like an absolute monarch, who is always right, who always knows what is necessary, who commands and orders, a super-official, so to speak, who, although he has the military-security apparatus at his disposal, has suffered a political defeat.

We must rescue socialism and the party, which were incapable of solving these problems through political methods. It is a saddening, paradoxical fact, that even under the umbrella of martial law, in which we made use of the *nomenklatura* and all the other forces at our disposal, the party was unable to develop the energy and the force necessary for the political struggle. To this day, we have not learned – and the elections have shown this – to fight politically. We have held sermons, so to speak, but there was no true fight to win the people over. In this respect, too, there are also telling examples from the time of the elections. For the mandates given to the party, several proposals for candidates

were submitted by the party leaders. The word was: these are the best comrades, this is what the propaganda and the party have been working for. And then it turned out that a large number of them lost in the elections. The ones that won were those that knew how to find a common language with the people, to establish contact with the public. This is a bitter but valuable lesson. Work will be more difficult with these delegates. I am convinced, however, that if our party line wins their trust, they will be more useful and effective in parliament and in the political fight than those who just sat there and raised their hand at our command.

We are still paying today for the fact that we did not cooperate enough with our coalition partners. In difficult times, one can no longer count fully on satellites.

And finally, there is the matter of the opposition. This is a very serious problem, a serious danger, but at the same time it is also an opportunity, even a twofold opportunity. First, as you know, the Solidarność opposition burst upon our lives in 1980-81 like a typhoon, a tornado. It has influenced the working class and thus brought politics into the economy. In the enterprises it has engaged in bad politics.

Now, we have made it possible for the opposition to act legally, including in parliament. Thus, we have, to a certain extent, removed the political struggle from the enterprises. It is difficult, of course, to predict the course of events, but Solidarność is now developing very slowly in the enterprises; it only numbers 1.54 million there, while the class unions have around 7 million members. Currently, there is no political struggle being fought in the enterprises. That is very important and very valuable to us.

On the other hand, in parliament, the opposition – a legal, active opposition – also offers, given the problems that are obvious and comprehensible to us all – I speak of this with a heavy heart – a certain opportunity for political struggle. I understand it this way: an opportunity for political struggle built upon the principles of our social order. Please excuse the metaphor, but if a fat carp is swimming in a pond and one puts in a shark, the carp begins to move more quickly and actively.

Acting under the umbrella of military protection has led to a situation in which the party lost its bite, so to speak, and became less active. We have for a long time been living under the theoretical illusion that criticism and self-criticism within the party could be a substitute for criticism from the outside. Unfortunately, this was not the case; this has not worked. We had and we still have certain processes of calcification within the party, processes against which, especially from within, there is too little resistance.

If we succeed in keeping the opposition within certain limits and in winning allies, if we succeed in creating a grand coalition, so to speak, for the solution of major, common problems, for working out and adopting a joint program, in particular for implementing economic reform, then we will be able to compensate, at least in part, for the damage that we are feeling now.

Without a doubt, whatever happens in the socialist states affects Poland as well; the same goes for other external factors such as the West, imperialism and so on. We have no illusions in this regard. On the other hand, I often admonish those comrades who want to blame all of our woes on the fact that there is an enemy that is fighting against us, both in our country and outside of it. They say: What are we unfortunates to do in this situation? I urge them to think, on the contrary: What are we doing to make sure that the enemy has no opportunities to get into contact with the working class, with the workers? It is only our mistakes that provide the enemy with such opportunities, and it uses them. The above-mentioned comrades are thinking like the West. When something happens there, it is immediately the supposed hand of Moscow. If something happens here, we immediately think that it is the hand of Washington. But this hand only becomes active if something was done poorly by us. We certainly observe that the hand of Washington is becoming active in Poland and penetrating deeply; here, our indebtedness is already a factor with which it has us by the jugular, so to speak. This allows the West to attempt to interfere in our affairs. We do not, of course, permit limits to be transgressed that concern our state interests. But, unfortunately, we are forced to live under these conditions.

How will things proceed? The most important thing now is to allow the fighting force of the party to develop again and to grow. Before the end of the month, we plan to hold an extraordinary plenary meeting of the CC to assess the situation and the elections and to determine our tasks in this new stage. We further foresee that this plenum will make preparations for the XI. Party Congress, at least regarding organizational matters. This party congress must in any case be conducted earlier than originally planned, probably at the beginning of next year. It is a matter of strengthening cooperation within our coalition, attempting to form a broad coalition, resolutely implementing reforms and strengthening the foundations of state power.

The state has solid foundations, and by building on them we can solve many problems. We are aware of the fact that the socialist state must be defended against everything that could represent a direct threat to it.

At the same time, we consider it extraordinarily important to strengthen the unity of the socialist countries, to overcome everything that divides them. We must look for what

unites us amidst all this diversity, conduct exchanges of views and experiences, so that no serious differences develop between individual countries. I can say here with great satisfaction that the various problems that have arisen between Poland and its neighbors are being solved in a spirit of internationalism together with our comrades from the GDR and the CSSR – for example, environmental problems.

I am not even speaking of our relations to the Soviet Union. These have never been as good as they are now, precisely on the basis of mutual respect and the removal of all unhealthy elements from the past, through the development of various contacts and cooperation. I thank all the comrades for the understanding that they have shown for us, for their support, for their attitude of hoping for the best for our party, for our country. In this regard, I would like to recall that our difficulties were compounded, so to speak, by the fact that we have a very considerable, positive foreign trade balance with the socialist countries. This is different for each of the countries. Overall, it would be very advantageous for us if you would meet us halfway here, so that we can achieve a better balance. That would be of great help to us.

In conclusion, I would like to say that what is most important for us all is that *perestroika* should be victorious. There is no doubt for any of us as to the historical stature of the Soviet Union. This is a great opportunity for improving the reputation of socialism in the entire world. For this reason, I have also followed with great attention everything that Mikhail Gorbachev has said here today and which, it seems to me, fully and completely does justice to the present stage of the establishment of socialism. At least we, as Polish communists, understand this conception and support it, although we are working under different historical conditions and in a different situation. I would also like to thank Comrade Gorbachev for the fact that, particularly lately, he has, at the international level, above all on the occasion of his most recent visits and contacts, so worthily and effectively represented not only the interests of the Soviet Union but also our interests, the interest of all the countries of socialism.

Comrade Nicolae Ceaușescu:

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The problems that Comrade Jaruzelski has touched upon here testify to the fact that the existence of a strong private sector in agriculture and also in industry is doubtlessly of significance and plays a certain role regarding the nature of the problems that exist in each of our countries.

No matter how we analyze the principles of Marxism: When, in socialism, we speak of linking the working class with ownership, we are never thinking of making the working class holders of private property. On the contrary, we are thinking of letting them become the collective proprietors of the means of production. We must find a way to let the people indeed have the feeling that they are the collective owners of the means of production. We must find such forms of material participation but also of moral recognition, and further develop the forms of democratic management.

We are interested in the search that is underway in your parties regarding this matter. Of course, we must try to find the best forms, but I believe that this must in no way lead to a greater number of political parties or to dispensing with the leading role of the party. The party must not, of course, fulfill its leadership role through a system of administrative commands, but rather in the closest contact with the all the people.

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In the spring of next year, elections to the Grand People's Assembly will take place in our country. This will be a good occasion for active work among our entire population. Moreover, the documents that we have drafted will be published and submitted for public debate. Since April of last year, on the basis of the points developed by the political executive committee of the CC of the Romanian Communist Party, meetings have been held across the country. We are particularly stressing the self-government of districts, cities and communities. Each territory sets up its own program of socio-economic development, because we want to ensure that all citizens take part in all aspects of the further development of society, self-government and the socio-economic development of each territory. This is a necessary requirement for building socialism in our country, for developing workers' democracy.

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[Translation from the German by Ursula Froese]