

Speeches to the 9th session of the Central Committee of the

**Prime Minister and President
COSTAS SIMITIS**

**and Secretary of the Central Committee
COSTAS SKANDALIDIS**

Athens
January, 8 - 9, 1999

FOREIGN POLICY AND INTERNATIONAL
RELATIONS DEPARTMENT



Congress

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Central Committee

Table of contents

- | | |
|--|------|
| 1. Speech of the Prime Minister and President of PASOK
C. SIMITIS | p. 5 |
| 2. Speech of the Secretary of the Central Committee of PASOK
C. SKANDALIDIS | p.19 |

Speech of the Prime Minister and President of PASOK

C. SIMITIS

Comrades,

Today's session is really important, because with our decisions we will determine our Movement's course to the Congress to a large extent.

The positions and decisions we will decide on, today and tomorrow, will lay down the guidelines in order for the tens of thousands of our membership, the hundreds of thousands of citizens who will contribute their speculation, to crystallise our firm positions for a new course of PASOK and the country.

In the history of socialist parties there are many types of congresses. There are routine congresses, transitional congresses, but there are also congresses performing major interventions, congresses setting the seal on the course of a party and a country.

The character of the Congress will finally be formulated by the dynamism of the participants in our Congress, the dynamic involvement of the tens of thousands of our membership, of the hundreds of thousands of citizens in the great causes of the Movement and the country.

Our duty is to create the best possible conditions for a most comprehensive dialogue within the ranks of our Movement and within the society's strata and classes that we want to express in a pioneering way. We also ought to work so that this dialogue will lead to convincing, substantial and visionary proposals, which will make obvious to every citizen what we represent, what our differences from other parties are.

Our Congress cannot be and must not be an introvert procedure. It cannot be and it must not be a balancing act for the different groups of some party priesthood.

Our Congress cannot be and must not be a hermetic system of cryptic texts and positions for the initiates.

Our Congress must be a matter of importance for the Greek society, an event with catalytic ideological and political effect on the shaping of the political scene in the short and in the long terms.

Today and tomorrow we must discuss the terms and conditions which will help us shape a conceptual framework that will allow us to tackle the most decisive choices we have to make as our country is passing from the 20th to the 21st century.

There are three areas encompassing the range of issues the Congress is called upon to address:

- The ideological processing of the positions on democratic socialism, as the relevant tendencies are currently being formed in Europe and at world level.
- The political positions around which our programme - related political language is articulated.
- The Charter, in which our ideological and political positions are enshrined, endowing our political and organisational scheme of things with a particular structure and dynamism.
- All these three areas have already been long processed and the task of this Session of the Central Committee is to specify them.

However, comrades, ideological processing, programme - related political language and the relevant political and organisational structure run the risk of becoming subjects of partisan formalism unless they are incorporated into a specific political context, unless such simple questions as "where we head to", "what kind of Greece we want", "which Europe we fight for", "whom our policy addresses", "what PASOK wants, can do and strives for" become visible, comprehensible and clear to the last cadre, the last member of PASOK, every Greek citizen.

Comrades,

We provide our own answers to these questions. PASOK has a proud history of 24 years. Its work, either in government or in opposition, has been registered absolutely positively in Greece's modern political history.

In particular since 1993, we have undertaken a heavy task. At the very time when the entire Europe accelerated its integration, during the 1990 - 1993 period the New Democracy administration managed to disorganise the economy, alienate society, intensify inequality, isolate the country and delay Greece in Europe's course towards the EMU.

From 1994 until today, our administrations have accomplished two equally important objectives:

Firstly. We succeeded in reorganising our economy and restricting significantly the most serious imbalances that created long - term development stagnation, deinvestment, social deficit, uncertainty, continuous enfeeblement of our country's international standing, not only in financial affairs, but also in the field of foreign policy.

We have restored trust, we are leading the country to the EMU, we have attained goals that many considered unattainable.

Influenced by the past, some indulge in verbalism concerning nominal and real convergence.

Let us not downgrade the extraordinary struggle of our country since 1993. Our achievement in the field of convergence towards the EMU, the so - called nominal convergence, constitutes a great success for the government, for PASOK, for the country, for the people who trust us.

Nominal and real convergence are no separate realities. Along with convergence, we created mechanisms for real development, at a rate of 3.5% for the last two years, unexperienced by the country for long. All these are reflected in the citizen's standard of living.

Every citizen's relief from financial burdens is real, not nominal. There is relief because inflation is lower, because the citizen's savings are not at risk. A decrease in interest rates has also become a reality. Five years ago, a citizen taking out a 10,000,000 drachmas housing loan had to pay 170,000 drachmas per month for amortisation. Now, for the same amount he has to pay 92,000 drachmas. Now, what is this comrades? Is it a nominal indicator or real monthly relief for the citizen?

Secondly. Not only have we managed to restore the economy; not only have we achieved the comparatively highest development rates in the European Union; but also, in spite of the difficulties, in spite of the great effort we had to make, for these last five years we have been the sole country in Europe that safeguarded and extended the welfare state.

Everywhere else in Europe, the convergence objectives have entailed curtailment of welfare expenditure.

Here, in Greece, thanks to our policy, thanks to PASOK's policy, we safeguarded the social achievements accomplished during the 1981 - 1989 period, which were only threatened by the New Democracy party during the 1990 - 1993 period. And we clearly say: the objective of our Congress, the objective of our government policy is to deepen and broaden our welfare policies. And we are the only ones who can do it, because these objectives are embodied in our political ideology, in our values, they are the objectives we secure through the redistribution of resources achieved by our policy, redistribution to welfare and development expenditure.

The Greece of creation is becoming a reality.

So, "what PASOK wants" and "what PASOK can do" are the simple questions facing our Congress. I answer, equally simply and firmly:

PASOK wants and it can secure the passage of Greece from the economic and social periphery of Europe to a position of dynamic prosperity, development, creation, social cohesion, powerful and reliable presence. This position will transform our country into a pole of stability amidst a world of increasing uncertainty and constant change. Thus, we will be able to face the new problems and respond to our citizens' expectations from a stronger footing.

We are already on a good path. We have grounds to believe that, by the beginning of 2000, we will have overfulfilled all the conditions for entering the EMU on our own merit.

What does this objective mean to us? It means that, until the 2000 elections, we will continue constantly and consistently the policy that we have implemented and has already born fruits. The labour, toil and sacrifices of the Greek people are finally taking effect. We must not hesitate at the last part of the route.

Greece is entering the EMU as an equal member. We neither beg, nor negotiate from a weak position. Greece demands and imposes its presence in the hard core of European decisions.

What does the landmark of 2000 mean to us, to PASOK ? For us, the year 2000 is not merely the sealing of the country's entry into the EMU.

We have repeatedly said that the EMU is not a panacea; that our admission will not solve all our problems; we will not automatically eliminate poverty and economic inequalities. However, we will have acquired a more solid basis enabling us to shape a society more characterised by justice and solidarity, a solid basis for our development process. I will repeat the example of interest rates. By entering a wide zone of monetary stability, we will achieve a descalation of loan rates. The entry into force of the EMU has already resulted, even though we do not participate, in a decrease in interest rates of long - term Greek Treasury bonds.

The interest rates of public borrowing will be reduced after our accession by 2 to 4 percentage points and the same course will be followed by all interest rates at which banks grant loans to businesses, housing loans to families, consumer loans to citizens, loans for studies to the young.

The cost of these loans will be much lower than it is today and, as a result, the disposable income of households will be increased. This fact constitutes an important redistribution of income for the benefit of households and enterprises against the financial sector. There is a transfer of resources from the banking system to investment and broad social strata's consumption.

Now, let me come to the public sector. The annual benefit for the state will be hundreds of billions of drachmas as a result of the reduction of the interest we pay as a country to our creditors. This benefit will reflect the effort we made as a country and as an economy in order to enter the EMU and it will be due to the successful course and conclusion of our effort. This will be the "Accession Package", the result of our effort. It is up to us to utilise it and create more prosperity prospects for everyone. It is up to us to apply it towards investments creating opportunities for the future, towards the funding of a more dynamic welfare policy, with a view to economic development, justice and solidarity at the same time. This will make obvious our effort to achieve fairer distribution of prosperity and to open more opportunities for everyone. Only thus will our double goal be served, namely economic development and prosperity in a society characterised by cohesion and solidarity.

Thus, 2000 will be the year of maturity of the new big policies we will be able to implement, already starting from 1999.

For us, the 2000 elections will not be the sealing of our admission to the EMU, but the starting point for utilising all the opportunities opened by Greece's new position in the European Union.

Comrades,

You certainly have noticed that PASOK does not only face a bad faith opposition; it faces the worst kind of opposition, which is vulgar ignorance.

What has the New Democracy party been doing all this time, but, also frequently, unfortunately, the other parties, too?

They sit at the tiers as spectators and comment while the government fights hard.

New Democracy pursues the policy of the opportunist Hadziavatis in folk shadow play: "PASOK works to get the country into the EMU and I will come afterwards to reap the fruits". These people, comrades, are benighted. They do not understand a thing, not only of PASOK's policy, but also of European policy, as it was proved by the past and by their current stance.

They have not understood anything of the effort of the Greek people and the government during the last years.

They believe that all our achievements were accomplished automatically, by some divine powers and the directives from Brussels. This is why they nurture the opinion that the progress we achieved was automatic. If everything was automatic, why didn't they manage it while they were in power?

These people have not understood that nothing was offered to us, nor will be offered to us. We conquered everything with toil, sacrifices, mastery and skill in constant negotiation, in which consists the European Union. And we will continue with our experience, knowledge and improving effectiveness.

An administration of unwary politicians and image-makers, like those of New Democracy, would pull down in a few months all that was gained in many years. Besides, they showed their inexperience and incapability with their conflicting policies during the 1990-1993 period.

We, on our part, have a clear objective: we will get the country into

the EMU on our own merit and on the basis of parity. And, with the people's vote, we will complete the work of development and prosperity of the country from 2000 to 2004.

PASOK has proved that it can combine the exercise of responsible economic policy with social sensitivity. It has also proved that it has the suitable government officials, who can carry out this difficult task.

The ineffective opposition of image-makers, which is for show, the opposition of verbalism for mass consumption has nothing useful to offer, either now or in the future. The people already know it well.

Comrades,

As it is natural in times of major world changes, problems become much more complex than they used to be a few years ago.

It is true that during the past 9 years, after the collapse of bipolarity, historic changes have shaken the foundations of structures we used to consider immutably stable.

This gives the main opposition party the opportunity to claim that there are no longer any dividing lines. They couldn't be wronger. There are and they are becoming even more distinct.

Our different notion of society and social development is a dividing line. According to New Democracy, the role of government and the political world is merely to manage problems, to be managers; because, for New Democracy, the organisation of society is given. It only needs to function better within the existing framework. For us, for PASOK, success depends not only on whether society functions better within the existing framework, but mainly on whether reforms are implemented leading to a society characterised by higher prosperity, more democracy, social justice and a higher quality of living. Such are the determinative criteria, the realisation of changes that enhance prosperity, living conditions and the citizen's opportunities. Political action is connected with our vision. Politics is not technocratic management. It is an intervention in the social and economic process, so that we will overpass today and approach our values; improve living conditions; remove barriers and obstacles confining citizens; open more ways for individual prosperity; create an environment of development and justice for all, through education, collective negotiations, development initiatives by the

state, social interventions in health, social security, welfare, for a more open and free society, in which exploitation will be confined and more opportunities and possibilities will be offered.

This is why PASOK's notion of the market differs from New Democracy's. For us, the market is a means for organising society so that our objectives will be accomplished. The market coexists with our objectives. For the Right, the market is the determinative, if not exclusive, way to organise economic and social relations, because, in their view, such relations are underpinned by the pursuit of private profit. Society is directed by the market and private profit, not by other values, such as social justice, cohesion, quality of living in a society.

This is why our notion of the State differs from the Right's. For the Right, the state is a mechanism of power securing the functioning of the market, actually the mechanism of power of the ruling class exploiting the market. This is why the main feature acquired by the Greek state in its course of development has been the patron-client relations system. For us, the state has always been a condensation of a series of social, economic and political relations. It is not neuter, it cannot be neuter, and it can become and it must become an instrument of development and social justice.

Because there are dividing lines, we are supported by different social alliances. We are supported by the people of labour and creation, while they are supported by the advocates of speculation and patron-client relations.

Comrades,

These issues are not merely ideological, having no practical effect on our lives and future.

There is currently an ongoing hard negotiation concerning the "Agenda 2000", that is, the resources of the European Union and how they will be applied. Some countries of the North pretend to ignore that cohesion policies are the foundation of the European Union. They pursue a drastic curtailment and reallocation of resources.

We, our government, together with the governments of Spain and Portugal, are fighting hard this moment to safeguard cohesion policies. We believe that we will succeed.

The Community Support Framework is a challenge and an opportunity to transform Greece dynamically from 2000 to 2006 into a competitive and prosperous economy.

During that period we must solve the problem of unemployment and promote employment; we must also make the agricultural sector viable and competitive.

During that period we must complete all major reforms in administration, education, health, the banking system, the economy, the institutions, so that we will secure all major national objectives for Greece and the Greeks in the 21st century.

Here lies the crucial difference: the Greek government, in negotiating with the European Union and utilising the results of this negotiation, is called upon to answer such questions as who is to profit from development; what the cost-benefit allocation will be; what the conditions and objectives of subsidising will be; or, more simply, among other questions: Will we support education and employment or mainly subsidise private businesses? Does anyone doubt that PASOK and New Democracy will furnish different answers? Does anyone doubt that PASOK and New Democracy will have different practices? No one has examined the way in which New Democracy utilised the First Community Support Framework. It almost escaped everyone's notice. They failed. Can it be that they have changed up to now? Where are their suggestions? They just go around the media channels and pompously show off their deep ignorance.

To this failed party, we answer with our history and our work. We mainly answer to them with our future.

Our work is not merely a matter of government policy. We asked and we convinced the Greek people to work for their future. Our government was fortunate to handle correctly and worthily the toil and efforts of our people.

The success of our work gives us impetus to "charge" towards the future anew. This is the meaning of our Congress. This is the meaning of the upcoming consecutive confrontations. The Euro-elections and the 2000 National Elections are only two intermediate stops in our final effort. Our landmark, PASOK's landmark is the 2000-2006 period; the securing of development and the management of the Community Framework; the great development opportunity of our country, which only

PASOK knows, wants and can realise for Greece. Only PASOK can make it useful for the people and the country.

Comrades,

In the 2000 elections, we will appear before the Greek people having a rich work to present. However, we will not only ask for their vote for what we have achieved, but mainly in order to consummate - all together - the great reforms that we have already started to implement.

The current condition of our economy is particularly positive, but also critical at the same time. After approximately twenty years of stagnation of development, the ongoing improvements at macroeconomic and structural level remove obstacles that blocked the dynamics of Greek economy.

However, we must put the reinforcement of competitiveness and endurance of our economy into perspective. We must constantly create the conditions, institutions and changes that will secure the fairer society we want to offer the country.

1999 will be the year of the great effort. It is the crucial year of a new big cycle: 1999 - 2006. In 1999, PASOK faces the great challenge:

Firstly, to consolidate and secure convergence and the country's admission to the EMU. We are on a good path, we will succeed in it.

Secondly, PASOK must draft clearly in 1999 the blueprint of development and welfare policy whereby Greece will pass to the 21st century. We are on a good path here, too. We will succeed in this, too.

These priorities must become clear in 1999, so that Greek society will have once again clear and distinct choices before it. 1999 will be the decisive year when our government will intensify its efforts.

In 1999, having created a stable fiscal environment and having completed the computerisation of tax offices, we will be able to consider an overall restructuring of our tax system in the following directions:

- Expansion of the tax-collecting base and parallel reduction of tax burdens, so that we will make Greek economy more attractive for investment, employment and business initiatives.

- In particular, we will consider lightening tax burdens on those who have had a disproportionate contribution to internal revenue for the past years, focusing mainly on the lowest incomes.
- Revision of the objective criteria taxation system * upon completion of computerisation and effective restriction of tax evasion.
- Promotion of simplification, transparency and higher effectiveness of the tax system. The sincere taxpayer should be able to fulfil his obligations without excessive delay and hardship. Thus, the tax system will be relieved of the complicated bureaucratic duties and tax authorities will be able to focus on controlling important cases, tracing tax evaders and expanding the tax-collecting base.

However, comrades, we, in particular, should not forget that participation in common burdens is the only mechanism for fostering social solidarity and accomplishing the objective of social cohesion; that the reason why the conservative forces fight furiously our tax policies is that by them we achieve an elementary redistribution of income in an unfair society.

The tax system is one among many important issues we have to address. We will continue to plan and implement policies for better living conditions, quality of life, the treatment of other major problems of our society, such as the citizen's security and mainly employment. In this category falls the questions of the reduction of working time to 35 hours per week and tax reform, much debated by socialist parties in the European Union. We follow this debate with great interest and we speculate about the solutions discussed and the experiences created. All examine the possible consequences on employment, salaries, competitiveness and development. I have mentioned all four sectors, because all four constitute concurrent and interdependent conditions for the employees and the country's prosperity.

Employment issues are central to our policy. The solutions and policies we will pursue must be safe, firm and active, without prejudicing the basic aspects of our economic and social functions.

1999 is a decisive year for the government, for PASOK, for the country; it is a year of consummation and planning.

* A system introduced for fighting tax evasion, whereby self-employed professionals are charged a minimum tax calculated by the Ministry of Finance.

At this point, I would like to make mention of several ongoing confrontations in Greece, which also used to exist in the immediate past. There are branches that raise claims, pressure, take advantage of their key position in the functioning of the civil service in order to impose their views; for example, the customs officers yesterday, the Olympic Airways pilots today. In their effort they do not consider the social cost, the impact on the citizen's life, the wave of social reactions they cause. This stance is a derivative of the sick and failed notion of the nanny state. These organised groups refuse to relinquish the redistributive scheme they have formed with special regulations, which, however, are plunging the organisations that feed them into debts and a swamp. They refuse to consider other compromises, which are necessary not only for the salvation of their jobs and the agencies they work for, but also for the welfare of society as a whole.

Our promise for a better functioning of society means that we ought to impose a rational and socially fair system of behaviour, with clear criteria and evaluations, with a view to development and social solidarity. Populism, sectionalism and the patron-client system have formed a burden of unreliability for the parties. Their results have been hard to bear. We are breaking with this past.

Only thus will we overpass any remains of ideological and moral illicitness inherited from a distant, but persistent past. Only thus will we create a strong and balanced society.

While for the government 1999 is the year of tracing the country's route until 2006, for our Movement the Congress is of longer perspective. In our Congress in March we must lay the foundations in order to enter the 21st century as a radically renewed political organisation that will trace responsibly Greece's route in the European Union and amidst world challenges.

Comrades,

It is true that we live amidst a crisis of politics. All over the western world, citizens seem to withdraw from the political foreground, parties are rejected and politics itself faces suspicion. However, ten years after the outset of this crisis, some things have become clear.

Firstly, it was proved that the so-called crisis of politics is not such an innocent procedure. It was proved that the degradation of politics is pursued by the most ruthless part of speculative capital.

This part of the capitalist world, in conjunction with the neoliberal devotees of uncontrolled dominance of the market, have been attacking politics for ten years now. They actually attack democracy itself and the concept of people's sovereignty. They attack the politicians, but they actually aim at a politically neuter and socially idle people.

They only want the people to be a consumer of products, not the creators of their own lives.

This pursuit of the degradation of politics would be impossible without today's role of the electronic - mainly - mass media. Mass media have the main ideological mission of degrading politics. The agenda of mass media downgrades crucial matters and advances trivial ones, thus undermining the priorities of politics. We experience it everyday in our country. Politics becomes theatre. This is why personal relations and confrontations dominate in media broadcasts. There is little talk of positions. We must oppose this trend. We, PASOK, must oppose this vulgar version of politics. For us, our strength are always our programme positions. For us, our strength is always our direct relation with the people. For us, our strength is our work.

For this reason, our Congress must present a contract of innovation and rupture with the misery engulfing the party system.

PASOK does not discover the people through TV screens. In this hall, in every event organised by PASOK in the remotest village of Greece gather the people of labour; farmers and members of cooperatives; small manufacturers and owners of small and medium-sized businesses; scientists and intellectuals; self-employed professionals and civil servants; National Resistance fighters, the Polytechnic School generation *, the Change generation of the eighties ** and the generation of questioning.

We are a party that has come a long way and will go a long way. We will appear at the Congress with clear decisions and solutions, with open and comradely dialogue. Our Congress will serve the party's unity. It will be a Congress representing PASOK in its entirety; a Congress embracing the most dynamic and pioneering strata of Greek society. It will be a Congress of positions, not of "trench warfare". This Congress will promote democratic socialism and perform a major intervention in the country's course in the 21st century. Our Congress will be a

* In 1973 there was a students' uprising against the junta then in power.

** In 1981 PASOK first came to power and remained for 8 years.

procedure open to society, without excluding positions and procedures, which should be democratic and crystal clear. This is what we must ensure and guarantee with today's decisions.

We must mainly make it clear to Greek society through our overall action that our Congress is not an introvert party procedure.

We must make our political planning lucid; ahead lies a Congress of unity and victory.

With the dynamics of the Congress, with the dynamics of our integrated policies we will seek to be the first party in the June Euro-elections. With the power of the Congress's positions, with the dynamics of the consummated policies of our four - year term we will appear at the 2000 elections with a complete plan for development and social justice for the 2000 - 2006 period.

1999 will be the crucial and decisive year for PASOK and the country; a year of consummation and new planning.

We have positions and a vision for PASOK. We have positions and a vision for Greece.

We have a plan, work and prospects for Greece in the 21st century to present.

We will achieve renewal, union and new perspective in our Congress.

We will win the 1999 battle in government and enter the EMU.

We will win the 2000 elections, so that we will lay the foundations for development and social solidarity from 2000 to 2006 with a visionary and planned effort.

I invite you all to this glorious fight for PASOK and Greece. I invite everyone to a quality revolution in our party functions. PASOK knows, wants and is capable of changing the destiny of this country.

Forward to victory in 1999 and 2000 !

We will turn the page to the 21st century,
with a powerful and prosperous Greece,
for a secure Greece,

for a progressing Greece,
for a Greece of social solidarity,
for Greece as an equal member in Europe,
for a proud Greece,
for a PASOK proud of its history and confident of its future !!!

Speech of the Secretary of the Central Committee

C. SKANDALIDIS

Dear comrades,

I would like to start by saying that I am feeling some embarrassment which I would like to share with you. I essentially believe that we should not be frightened by political differences, opinions, essential confrontation; we should discuss them very openly on the way to the congress.

I am mainly frightened by the climate created these days, the way to discuss them and the intention of all of us to reach a real and substantial combination through open dialogue which is certainly not isolated from the broader social and political developments, from the specific conjuncture, from the fact that the contradiction that accompanies us in the last few years continues and has become more acute. I mean that Greece is at a good point of its recent history and, while the country is at the verge of attaining important aims, the common feeling about the forming climate and the course of PASOK does not correspond to the perceptions of Greek citizens who often helplessly wonder about this climate.

Our Congress will take place in this context and, if we do not examine the matters profoundly to reveal the procedure by which the Congress will incorporate in this context, it is obvious that it would be difficult to attain its political aim.

We may have gone beyond the question of whether such a Congress should take place or not, but we have entered a phase in which such course will have a specific result.

I think that the first thing to be taken into account by our Central Committee and each member of the Movement is the political answer to this critical question, which is relevant to our general victorious course and strategy and pertinent to all the aims set by Central Committee for a political and ideological Congress of positions, image and strategy of our Movement.

Wishing to facilitate this procedure and start a substantial discussion with society and because there has been a plethora of motions and contributions, apart from the booklet containing the final decisions following the discussion to be held these two days which will be the body of the pre-congress dialogue, we propose to the Central Committee to issue a separate booklet with all the submitted texts so that the reasoning of all comrades of the Central Committee can reach our overall organisation and so that the spreading of ideals, positions and proposals can be totally free.

As I said before, there have been many motions and contributions, regardless of the fact that the Central Committee's subcommittees did not express this massiveness in their function itself or were led to a discussion that included a relatively few comrades.

The final text of the positions has a very important difference compared to the initial decision of the Central Committee.

This difference is that on the one hand political positions are supplemented and determined on the basis of the features and the character of the party we wish, we want or we propose for PASOK in the 21st century and on the other hand the new charter that the Central Committee had initially found necessary (as an outcome of the discussions in the Executive Bureau) will not be the central point; but there will be a series of political initiatives to be taken by the new Central Committee to be elected by this Congress and in the Congress will be included discussions on functional arrangements and some charter amendments which, as I will explain later, are considered necessary in order for PASOK to make a further step at the organisational level as well.

With these initial observations, I would like to present very concisely - I will certainly not present the texts you have in your hands - more in the form of a political assessment and as an answer to basic questions addressed by our Movement these days, some of the issues which, in my opinion, are made essential by the text of positions that you have in your hands.

There is much speculation as to whether the formulation of positions simply justifies government policy or whether it may affect and bind such policy to a certain extent.

There is speculation as to whether the ideological and political differentiation, expressed by the contributions of our comrades, are alternative strategies or partial differences which may be embodied in a procedure which should precede this entire period in order to get to the Congress and make our final decisions.

This is why I would like to pose some questions and, on the basis of those questions, to formulate some positions included in the text of positions, in order to show these aspects of delimitation of our progressive strategy.

The first question refers to the image of PASOK. There has been a rich dialogue since our previous Congress as to whether we would like to change the Declaration of 3rd September or not, within the context of a critique of a course of continuation or non continuation of the historical course of PASOK.

The positions contained in the texts are clear. 3rd September is our compass. Our principles, our aims, our major strategic choices remain unchanged in this new historical phase of our Movement.

The patriotic, progressive and socialistic character of our Movement wishes to express these principles and relations in this new era.

The means and methods of implementation of our aims, adjusted to the new realities, also show the differences of what is changing in the social and political developments themselves.

To the observations and general activities apparent for a long time concerning the '80s and the continuation or non continuation of PASOK, the position is clear.

The '80s - as the President said earlier and as is widely accepted - was a historically vindicated decade concerning its orientation and choices.

Speculation about PASOK does not aim at overturning or disapproving any aspect of that policy. Nor does it separate the PASOK before 1996 and after 1996.

It is a historically justified decade that gave Greece the ability to make this great leap today. There is also the decade 1994-2004 in which this leap will take place, a leap relating to new realities and the essential elevation of Greece to a progressive power in the European area.

The text of the Reporting Committee contains many more facts concerning this course.

The programme applied today by our Government pertains to the convergence programme that the PASOK Government brought to Parliament and voted in 1994. Certainly, in this unity framework and through our historical course we seek differences and loops -we seek our course.

The second question that I would like to pose is whether the development and our perception of this strategy concerns people and their life or simply

economic indicators. The positions give clear answers concerning which should be today the progressive view of development. For a socialist party, it can only aim at individual and collective well-being and not simply the well-being of figures..

The basic principles which cannot be left out in our development strategy are based on the following points:

First, economic stability is an organic element of the new prosperity because it enables the citizens to protect their income and, at the same time, create very favourable conditions for their own initiatives.

Second, the increase of the economy's productivity is not identical with the quantitative increase of the Gross National Product; The '80s - as the President said earlier and as is widely accepted - was a historically vindicated decade concerning its orientation and choices.

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The basic principles which cannot be left out in our development strategy are based on the following points:

First, economic stability is an organic element of the new prosperity

because it enables the citizens to protect their income and, at the same time, create very favourable conditions for their own initiatives.

Second, the increase of the economy's productivity is not identical with the quantitative increase of the Gross National Product; European model of prosperity which is based on employment, social welfare, the living standards and the quality of life.

We acknowledge that the steps made today are timid in the framework of the reasoning of the socialist governments of Europe; that we will not wait; that we will make essential contributions to their accelerations and, at the same time, we will make essential discussions now about the period after EMU; that we will set basic goals concerning the decrease of working time, the minimum income of each citizen and the modern social state which will have a re-allocating character.

With this course, we believe that the Europe we want to build is clear and that the policy we strategically practice and our contribution to the formulation of a progressive Europe are even clearer.

The fourth question is whether there are plans for the productive use of the funds through the 3rd CSF. The President referred to clear orientations for the modern competitive sectors of economy, the expansion of the productive base, the agricultural sector and the integrated development of the provinces, the emphasis on small and medium size enterprises, the emphasis on quality in production and the services for national infrastructure and certainly and above all, for the training, specialisation and reinforcement of the human potential. This is the position formulated in the text of positions which is put for discussion by the Central Commission.

The next question is whether there is any difference between PASOK and New Democracy in dealing with the state. Here, the positions are clear as well. They talk about the significant ideological difference between a concept of the state as a simple servant of a market and a concept of the state as real and essential headquarters of development. This significant difference expresses the great differences between PASOK and New Democracy concerning structural interventions and changes that we are now implementing towards this goal.

The next point refers to the strategy of employment and coping with unemployment. The positions include a complete and progressive view concerning a confidence agreement on employment which is not content with simple cooperation with the progressive forces of Europe and the issues

concerning social work, 35 hours of work per week, tax reform and the reform of the insurance system in relation to new jobs.

They much more concern our active policies and an integrated view which formulates every day at national level an employment strategy that is not content with the natural reinforcement of employment resulting from major rates, the fast and important rates of our development effort. This chapter is analysed in the text of positions and includes specific policies.

The said text of positions also gives answers to the question about the modern social state; how it will become an organic element of the development procedure, how the reform of the insurance system should combine the principle of universality for all citizens with a minimum level of support of citizens and with the principle of selectivity concerning the especially weak population groups, how it should remain under state control and how the principle of reciprocity is an essential element for the development of cost concerning the modern social state.

The positions refer to a fairer allocation of income and wealth, in the effort of a fairer allocation of the increase of the economy's productivity, the reinforcement of the income of workers beyond protection by securing additional funds, the fairer allocation of wealth in declining and poorer regions where the 3rd CSF should be taken into account and, certainly, tax justice and allocation of burdens.

The positions give answers as to whether we have a policy for the protection and safety of the defenseless citizens, with a series of issues concerning their every-day life, with special emphasis on the protection of individual rights and the coping with immigration streams and the problems their presence creates in the social and economic life of the country with a really integrated and progressive view.

Moreover, they give answers to a critical question discussed every day in our Movement, concerning namely the correspondence of social forces with political forces and whether the social base of PASOK has changed and dividing lines have been abolished.

It is clear that we are not talking about the overturning of our basic and strategically initial position concerning the non privileged people and national people's unity. We are talking about the determination of a new social alliance under present circumstances where the opposition front is the forces of cosmopolitanism, world-wide profiteering, counterproductive economy, parasitism and corruption. This is the main objection in the framework of

universality, where the basis of this social alliance are still the forces of work, these strata which have always been the main body of our social correspondence.

In the framework of the new procedure of knowledge, of new social forces for the reorganisation and productive modernisation of the economy, we want to include in and expand this alliance to the biggest possible extent to such forces. And certainly, we want to include in the social majority that it expresses, all those forces that fight for modern claims in ecology and quality of life, all new trends relating to the improvement of life on the planet and life in this country.

Therefore, the forces of work, production, culture, ecology, science and social solidarity that make up the set of forces of the alliance, constitute the progressive social coalition whose interests PASOK wants to express in this historical phase.

The next point, which is very critical and also concerns questions posed and discussed today in our basis and everywhere, is **how** will this social alliance be articulated into a political force. There are essential differences from old times which should be underlined. Certainly, the focus is always the citizens, not the masses. It is the citizens in the sense of their life, their routine, the fact that they are the subject of history itself.

We are not talking about doing away with separating lines. On the contrary, we are talking about specific separating lines that relate to social organisation and confrontation of conservative and progressive forces; on the basis of these separating lines, national, progressive and social fronts are delimited. And certainly it is these lines, the lines that will go to the future, that will essentially formulate the fields of a new political culture.

We want to clarify a self-evident reality according to which the circumstances were different in the seventies compared to 2000 concerning the dominant side of our struggle which cannot arise anymore from the state alone; it should arise from the development of the active forces of society and, therefore, the return of politics to the private field and the citizens in which framework these forces should develop.

Certainly, the respective structured massive movement with all its agents, trade unions, local government, non governmental organisations, rallies, chambers, citizens' unions, should develop developmental agreements at local, regional, national and European level, not on the basis of a formal consensus, a formal dialogue, a simple allocation of the pie, but on the basis

of the integrated perception on development, which also entails competitiveness and productiveness and employment and social welfare and quality of life.

The policy of PASOK and the image of PASOK are formulated today on the foundation of these basic positions. We have two levels here. The one concerns the question whether our policy on our alliances changes; we clarify that PASOK wants to operate and does operate in a field of political stability.

That its plans are victory in the next national elections. Therefore, with its course and using the same election system, it wants to win the next four years in order to complete by 2004 the decade 1994-2004 and make the Greek leap concerning its participation in European developments and the upgrading of a powerful and modern Greece.

That we believe that a stable political system should always provide a powerful and stable government and that there is no special reason for Greece to become the field of government instability in accordance with other models.

That, certainly, the social coalition is not identified with and does not have any party, any ownership of social forces with the limits of a party subject. That the convergence of the progressive forces for this reason should have a strongly social character, should be a profound social process and not simply political negotiations for the allocation of power.

That it is clear that the programme convergence on the major issues of this country comes first and, for this reason, PASOK has a policy of open doors, open doors to the progressive forces so that a convergence course may arise without prerequisites, which could lead to broader collaboration later.

As far as PASOK is concerned. We essentially restore the aim, the permanent and long-standing aim. We are talking about a period of more than 10 years, the essential revival of the Movement, the essential need for revival of PASOK, of the Movement of Change, as ideological positions say. This has been a historical demand for many years and, today, this revival becomes synonymous with the new unity of our party, the need of historical connection of our forces, our revival, victory and perspective.

A basic condition to this end is that this should occur with terms of the present and the future and not with terms of the past, not with terms of old relations, compromise and procedures.

This could be and indeed is a really qualitative leap. PASOK has a clear

image; it is a modern, patriotic, socialist, democratic party; it is open to people and society; it should be representative of the social forces that make up the progressive, social coalition of which we have talked about.

And naturally, we always want to express the central body of the political system, a big unified political and social majority trend of change and reform, on the basis of which and on the basis of our practice towards which our progressive image, perception and practice are judged.

It is clear that, in the framework of the broader unification of the progressive forces, PASOK, as a modern political formation, moves in the field of broader progressive forces, of the forces of democratic socialism; it participates actively and creatively in the formation of the new European left-wing; it wants a progressive and united Europe at the fastest possible pace because it will also safeguard our national interests and expresses in the world of open borders a movement of real social solidarity that wants to formulate a new model of prosperity and social solidarity.

In this framework, it strives for universal solidarity in Socialist International, accelerates the formation of the European socialist party because it is an element of the political integration of the institutions of the European Union in relation to the respective deficit and, certainly, tries to reform its international relations to support a strong and active policy that defends our national interests and pursuits.

The shape of such a party cannot not be the return to the party of masses of the seventies, of the old traditional left-wing type, nor can it complete a course of conversion into a party of officials, to which direction it seems to be going these days.

As a formation of autonomous and active citizens, it should first of all safeguard its autonomy towards the interwoven interests and relations of these days; it should be structured on conditions of political unity and conjunction of different views, positions and trends, free and democratic ideas; it should deny the party-federation, the party of representation and organised trends or the party that gathers vertically structured groups or personal strategies; it is judged by its ability to show the collective dimension of politics and use all the modern means relating to a political subject that communicates with social forces and is not distanced from them.

This means a different relation with the state and with society, a disengagement from the state. This means that politics should return to its base. This means decentralisation of any form of power both in the form of government and operation of the state, and within the party.

Certainly, such a Movement is structured on the basis of the principle of direct democracy. Such a Movement includes in its structures another modern institution with composing bodies which should always express collectively and decisively and organise the policy and a movement of citizens open to society, with its local composition, self-action and activity.

The PASOK that we describe in these positions cannot be structured only with organisational terms. It needs a constant ideological, political and organisational restructuring, a really new formation, structure and operation.

The need for a new charter to respond to this form of the Party is self-evident and also concerns an older decision of the Central Commission.

We believe that in order to lead PASOK towards this direction, ideas should be clarified through discussion in our Congress, the progressive strategy should be delimitated in our positions and, at the same time, the organisation should be developed and should be based on the spirit and the letter of our charter. It should include the necessary functional adjustments which will pave the way for this social process that will lead to the desirable result of a really profound change in the framework of the image of the existing PASOK.

There is a proposal for functional adjustments and charter changes which I will not analyse since you have it in your hands. I will only discuss 3-4 elements concerning this proposal.

The first element is that it wants to confirm that all executive, representative, programme, mass bodies at all levels of the Movement are formulated through conditions of combination, that they not express only one trend, that they are not bodies gathering some trends or groups.

What we call new collectivity should express exactly this and the combination should be expressed through one leadership and express one PASOK. This is the first start.

The second element results from the need to revive the political procedure in the Movement. We have been having a major discussion for some time as to whether the government applies policies and the party simply becomes a breakwater of such policies or supports them or opposes to them; we have been making a traditional discussion in PASOK as to whether politics or politicians take precedence. We certainly say that politics takes precedence over the people exercising politics.

Still, in the procedures of our Movement, although we discussed and make

decisions initially, we did not safeguard as institutions the structures that generate politics.

This is the field of another function of the Central Commission, another function of the regional bodies, another function of the base organisations.

Therefore, a series of adjustments in the spirit and letter of previous decisions of our Congresses should safeguard and impose these structures that collectively process, formulate and propose policies.

A central change is a different composition in the same logic of the policy sectors of the Movement.

The third guideline wants to bring about a clear, simple and discrete correspondence between the organisation of the Movement and its development with the productive, developmental, administrative structures of a modern, decentralised and democratic state.

This is the origin of the organisation at the level of municipality at the primary level of the Movement; this is the origin of the mode of operation of the Prefectural Board, the Prefectural Committee and, according to proposals, the Regional Committee and the Regional Board; this is the origin of the essential response of the Central Committee to such needs.

In order to implement it, and this is the next guideline, we should realise a need.

Up to now, we said that the Central Committee is leading and we make policy sectors with hundreds of comrades that we brought from down upwards, we made Prefectural Committees that gathered all the active potential from the base at the level of Prefectural Committees in working groups etc. and, essentially, we weakened - while we talked about decentralisation of the party power - any concept of organised base of the Movement that had its own sufficiency, self-action and executive composition.

Therefore, the prerequisite to put in practice such a structure is to move the executives towards the base, to place them in areas of specialised action at primary level and not to gather them in central and prefectural staffs.

Moreover, the network of PASOK's base organisations should not follow each person's wishes; the content of the base organisations should be totally determined so that we may use a rationalism that will overturn the logic of composition of the base organisation according to different aims. Naturally, the membership should be redetermined according to modern circumstances

and this should be decided in regular intervals by the base organisation itself; it should not concern any other body beyond the base organisation.

In other words, the personal presence is safeguarded, the membership register is reviewed every six months and all required action is taken so that we may leave behind the logic that we experienced in the last few months and in the last few years.

I believe that such a base for discussion may give our Congress an essential character. I believe that we should clarify, and I make a motion today for a relevant decision of the Central Commission, that all matters concerning basic elements of the legality of the Congress, the procedures etc. should be handled by the Central Commission of Ethics and Observance of the Charter from Monday onwards. We should resolve today all requests or problems or any concern or distrust concerning the procedures of the Congress. We should discuss such matters today and tomorrow so that, on Monday morning, the organisation may start undistracted its pre-Congress dialogue and give its opinions. We propose that the report of the Central Commission, to be given one week before the Congress - during the relevant meeting of the Central Commission - should include our own proposal to you and embody all this discussion in improving proposals arising from the speeches, so that our Congress will have a clear and predetermined discussion, aims and possibilities to choose our decisions. Thank you very much.