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# **East Europe**

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# East Europe

JPRS-EER-89-126

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## CZECHOSLOVAKIA

### Havel's Ideas, Attitudes Characterized

90EC0053A Paris LE MONDE in French 13 Oct 89 p 2

[Extracts of address at Frankfurt Book Fair by Andre Glucksmann: "Getting Away From Communism Is Returning to History"; first paragraph is LE MONDE introduction]

[Text] Czechoslovak writer Vaclav Havel has been awarded the German booksellers' "peace prize" at the Frankfurt Book Fair. French philosopher Andre Glucksmann is scheduled to pay tribute to Havel during an official ceremony on Sunday, a testimonial lengthy extracts from which we publish today.

The endless stream of people leaving the East has recently been "front page" news. I whisper to every Federal Republic television viewer: You're moved, astonished, shocked; you wonder what can be going on in the minds of those who are abandoning everything without being forced to do so by poverty—the GDR is a sort of economic miracle by communist standards—or being attracted by mirages. Since they have seen Western television programs, these citizens from the other side of the wall have no illusions about the difficulties that await them. They are not looking for El Dorado. Do you want to guess why they are leaving? To gain knowledge of the desires that guide the steps of a "Fluechtling" [refugee]? Read Havel.

He gives you a detailed account of what every new arrival tells you point-blank: "I don't want to die an idiot." The bloody terrors and famines belong to the past or to the exoticism of communism. Their carapace of fears remains. Their current, immediate misery appears to be more moral than material. To breathe! Each of them is trying to escape from the anguish of suffocation. In Prague they say that this disease of the mind transmitted by their post-Stalinist, posttotalitarian existence forms the fabric of Havel's dramatic works and philosophical thinking. "Life in a lie" is the subject he prefers to explore.

It has been quite rightly said that refugees vote with their feet. Let it be understood that their flight is not purely panic-stricken haste; it attests to a maturely considered choice, often pondered over a period of years; it expresses the endurance of a kind of thinking that can resist the wear and tear of time and pressure by the authorities. Nothing intimidates these mothers who are weighing anchor for the unknown with their infants in their arms and their families trailing behind them.

Let us learn to examine the secret intelligence that is behind this movement. It is the soulless soul of our planet. It is the dynamism that will determine how our century ends. Everyone, individuals or peoples, is making that most difficult of choices: risk. These people do not know what the near and distant futures hold in store for them. They are not embarking for Cythera and

they no longer believe in paradise, not even a liberal one. They are solely motivated by consideration of what they are fleeing from. While they are entering our history, while they are coming to join us, it is with a certain reluctance. They no longer idealize us, they have little admiration for us, even though they envy us a great deal, and they are mainly driven by repulsion.

### A Transcontinental Movement

Don't ask a refugee where he's going; ask him where he's coming from. Some with their suitcases, others standing there with written documents and petitions, some alone, others, or the same ones under different circumstances, in concert, all of them reject the slow suffocation of life in a lie. Before our eyes, thousands of isolated sparks are setting fire to the plain. The flight is turning into a reaction of collective rejection; it is turning into a generation's revolt.

Both culturally and intellectually, the GDR's 40th anniversary is becoming an obituary and is announcing the funeral of an outmoded past. Spring 1989, Tiananmen Square, October, Karl-Marx Strasse, young people nursed, educated, and nurtured by the regime vomit this regime, raise the symbolic Statue of Liberty or shout its name. The spirit of protest that each of these humiliated and desperate youths called up in himself has since then stirred up the entire socialist planet. With Havel you celebrate Charter 77, the solidarity of those who are disturbed with their world. They have philosophized in the catacombs. In Prague the tenuous thread of thought could not be broken. It is not an academic debate on ideas. The simple ideas of Marxism must not be opposed with a no less makeshift and artless anticommunist catechism. Behind the ossified dogmas and superannated theories, it is a way of life, a form of existence, a whole world to which the transcontinental movement of 1989 is dealing a death blow. For a long time now, the real socialist countries have no longer been stirred by the flame of revolution, nor governed by regularly repeated blood baths. After persuasion and terror, everything was frozen: institutions, situations, and awareness.

"Totalitarian governments brought bureaucratic 'order' into the living disorder of history, as a result of which they became dead matter in terms of history. These governments, so to speak, nationalized time, thanks to which time was afflicted with the sad fate of so many things that are nationalized: It began to waste away." What is communism for Havel? Answer: the execution of time, the planning of dead time. The socialist citizen lives the end of history in every sense of the term. Major historical events transpire in closed session, minor historical events are precluded and there are neither accidents nor news items, only a sticky duration of time that extends itself, dependent on politburo and communist party central committee sessions and ritual commemorative occasions. Life in a cocoon such as this is the lot of gods and animals; for simple mortals it is a lie.

**Gorbachev's Secret**

Getting away from communism is returning to history, not jumping from one system into another. One never begins to get away from communism; perhaps we will never be finished with it.

To rediscover history! Nineteenth-century Europe contemplated the utopia of communism with the best intentions in the world in the name of production by the society itself and in the name of a glorious planetary destiny that would be systematically realized and would go on to scientifically fulfill promises made since time immemorial. A century later, according to Havel, history is no longer history according to Hegel. It has become a theater of the absurd. People enter it fleeing, as if furtively, not sticking their chests out or flexing their muscles. People find themselves displaced persons in it instead of masters and possessors of their futures. Time has again slipped its hinges and is more Shakespearean than dialectic.

Getting away from communism is not a matter of course; it is the stakes in a mental battle. The totalitarian state says to the citizen: I am the people's democracy. Consider me as your own, respect me as you respect yourself, and obey my orders as you surrender to the impulses of your own heart. Just as people-oriented, this is how the army talks. No less democratic, this is also how the police talk. Every time you scoff at the uniform, you hurt yourself. If you raise your fist at us, you are committing suicide.

Note that 1989 hinges on three blaspheming intellectuals: Aleksandr Solzhenitsin, stripped of his citizenship and finally published in the USSR, Salman Rushdie, condemned to death by an ayatollah, and Vaclav Havel, persecuted in his own country, hailed by the Prague demonstrators and crowned by you. Against them are all the secular and religious fundamentalist movements. Fanatic vice's homage to virtue: Literature is more real than politics. We ask ourselves whether Gorbachev embodies the great transformation and fading away of Soviet totalitarianism. We call on our best economists, strategists, and sociologists for information; we invoke the deepest mysteries of Kremlinology without noticing that the answer to the question is within our grasp in any bookshop. Leaf through "The Gulag Archipelago" in the pocketbook edition and guess the effect reading it is having on the people of the Soviet Union. If, as has been announced and they have begun to do, the work is published in millions of copies in Moscow, everything will change.

Don't try to find the secret of a Gorbachevian future in the coffee grounds of economic forecasts or in the entanglements of social and national issues or in the generation conflict within the nomenklatura. Gorbachev's secret is Solzhenitsin. The reforms are becoming irreversible and getting away from communism will, in the long run, become inevitable if, and only

if, "The Gulag Archipelago" introduces the Soviet citizen to his own history and forces him to swear: "Never again."

**Havel, a Modern Socrates**

I say this all the more readily since a similar confrontation took place right here. In 1945, when photos and films shouted to the world the abomination of Auschwitz. The effect was immediate and painful. Ernst von Solomon gives a subtle account of this in "Fragebogen" [questionnaire]. Overnight, no one dared to invoke the Fuehrer or claim sympathy with the Nazi credo. It was a great first in the history of the world: Never before had a people been so massively, so directly, so visually confronted with the crimes it had just committed or allowed to be committed.

History is littered with many other massacres, certainly less complete, but they were not revealed all at once; time dissipated them before the historians exposed to a few rare readers those responsible for them, who had reached a certain age limit.

In bestowing this distinction on Vaclav Havel, you are extolling an intellectual who is not easy to accommodate, is aware that he is a nuisance, and intends to continue to be one. "Essentially, the intellectual is never satisfied." You are awarding the peace prize to a heretic who, right in the middle of an apocalyptic pacifist boom, insolently declared that the word "peace" produces in him the usual reflex of a socialist citizen: an immense yawn of boredom. You are above all paying tribute to a writer who knows that working with words constitutes an absolute task that no one should spare himself in this century in which every word has become a slogan, in which the cry from the heart has lent itself to so many manipulations, and in which expressions of good intentions vying with one another have concealed a lot of bad actions.

With Havel, a modern Socrates who has been in prison so many times, you are entering a history without illusions, the specter of a radiant future no longer blocks your view, and you keep your eyes fixed on the wrongdoing, which we must admit that we will always be capable of since I myself or anyone like me has at some time or other been guilty of this.

Let us salute a humanist who spares us any sermons, who does not know what man should be, but who indicates what he must avoid doing.

The 19th and 20th centuries in Europe have seen a multiplication of psyche-massaging intellectuals, prophets of happiness, and bearers of still unpublished good tidings. Running counter to them, Havel, a bearer of bad tidings, has joined Tiresias and Jeremiah, the prophets of doom, and assumed the obligation of vigilance. "Sometimes we have to fall to the bottom of the pit of misery to recognize the truth, just as we have to go down to the bottom of a well to see the stars." This is the tone the poet Havel used in this time of distress.

## HUNGARY

### Melting Down of Lenin Statue Projected

90EC0020A Budapest OTLET in Hungarian  
14 Sep 89 p 30

[Interview with Tibor Teri, section head at the Capital Council, by Frigyes Varju: "Will the Lenin Statue Be Melted Down?"; date and place not given]

[Text] Rumor has it that the monumental Budapest statue that was removed in May to be restored will never be replaced. Moreover, some say that the melted bronze will be used for new statues, which, this time, will invoke Hungarian history. You cannot even rule out the possibility, according to gossip, that bells will be cast of this excellent material.

As is known, the foundation of the Lenin statue on Dozsa Gyorgy Avenue collapsed. The pedestal and the red cover of the sculpture had shown signs of deterioration for years.

[Teri] This melting ... it is just gossip; it is not necessarily true. But ... the opposite is not certain, either. So, it is possible that the statue will be put back, however, in today's situation it is also possible that it will not.

[OTLET] Why was it necessary to remove the statue when only the pedestal had problems?

[Teri] Because, although as early as in 1986, during the regular annual checkup, the experts realized that immediate reconstruction was needed, we couldn't start until this spring. By then the pedestal had deteriorated so much that it could not be repaired without complete dismantling.

[OTLET] So, renovation was being put off. Why?

[Teri] Because first the Kossuth statue on Parliament Square had to be renovated. That statue was very close to collapse. Last year, the executive committee of the Capital Council finally approved the 15-million-forint budget allocated for the reconstruction.

[OTLET] From where? From what budget?

[Teri] From the council's budget, naturally. An annual amount of 30 million was allotted for the maintenance of public statues. This budget has been reduced recently; this year we could barely spend 22 million on statues, and next year we'll have a maximum of 15 million. We should have had 15 million from this budget, but there was not enough money left; therefore, we supplemented the available amount with funds from our 1989 budget. Unfortunately, in the meantime, the expected cost of the reconstruction has risen to 17.5 million.

[OTLET] How much has the MSZMP [Hungarian Socialist Workers Party] contributed to this work?

[Teri] Nothing. The maintenance of statues is exclusively the council's responsibility.

[OTLET] Why do you need so much money? Is the statue really in such bad shape?

[Teri] The extraordinarily expensive red granite needed for the cover is available only in Sweden, which adds much to the cost. It was this high cost that prompted many to protest the renovation. The people writing letters and making phone calls think that this amount should be spent on social aid instead. Once the Capital Council received a protest letter with as many as 1,000 signatures.

[OTLET] And no one supported the reconstruction?

[Teri] No. The reconstruction was immediately stopped in the wake of protests.

[OTLET] What will happen now?

[Teri] The chairman of the Capital Council has created a committee consisting of architects, sculptors, and public personalities. This group will define its stance on the statue—whether it should be replaced or not—by 13 September. The executive committee of the council will decide, taking this opinion into consideration.

[OTLET] What alternatives can be expected?

[Teri] First, the monument will be demolished. Then it will be dismantled and put up somewhere else or in its old place near Hosok tere. A compromise is also possible, that is the statue could be put back to its place but reduced. If the pedestal is smaller, the statue would be closer to the ground.

[OTLET] If the decision is that it has to be demolished, will it really be melted down?

[Teri] Well ... nowadays anything can happen, even that. But I have to add that we experienced statue demolition in Hungary during the darkest stalinist period. Now, when we want a state based on law, the employment of such stalinist methods would mean political nearsightedness. This case is not about Lenin but about the elimination of a Budapest public statue that could create a precedent for the future.

[OTLET] When can the final decision about the fate of the Lenin statue be expected?

[Teri] Whatever the decision is, it will not be carried out before next year.

### Final Days of Workers Guard Described

#### Army To Guard Buildings, Weapons

25000511A Budapest NEPSZABADSAG in Hungarian  
24 Oct 89 p 10

[MTI report: "Workers Guard Weapons Under Guard"]

[Text] Beginning on Monday [23 Oct], soldiers of the Hungarian People's Army are on guard duty at several buildings and warehouses previously protected by

Workers Guards. Colonel Gyorgy Keleti, Defense Ministry spokesman, said that following a National Assembly decision based on a recommendation made by the Council of Ministers to discontinue the Workers Guard without legal successor, the Defense Ministry prepared a schedule for the performance of the Workers Guard's assigned tasks. Consistent with that schedule, beginning at noon on Monday, soldiers will perform guard duty at buildings and warehouses which stored Workers Guard weapons in Budapest and in county seats. Keleti also stated that the guarding of other Workers Guard buildings will be implemented gradually.

The Finance Ministry has sequestered Workers Guard property. The Finance Minister appointed Nandor Gruber to become government commissioner in charge of the use of real estate and movable property. A committee to be established by Gruber will announce competition for Workers Guard property utilization.

#### **Workers Guard Disarmed**

*25000511A Budapest NEPSZABADSAG in Hungarian  
26 Oct 89 p 4*

[Text] Trucks with military license plates appeared yesterday in front of several Workers Guard buildings, guarded by soldiers since noon on Monday. The removal of former Workers Guard weapons has begun.

In response to an MTI reporter's question, Ferenc Markovics, head of the Council of Minister's Defense Office, and the government commissioner appointed to direct the development and implementation of tasks related to the abolition of the Workers Guard, said that the abolition of the Workers Guard without a legal successor has begun pursuant to an established schedule. The primary task involves the removal of weapons. This will be accomplished within a short period of time.

In response to a National Assembly decision to abolish the Workers Guard without a legal successor, the Ministry of Finance sequestered Workers Guard property. According to accounting records, the value of real estate and movable property exceeds 11 billion forints. The market value of this property is not the same as its book value. The Finance Minister appointed Nandor Gruber, Finance Ministry main division head, as government commissioner to make use of the property. Responding to an MTI reporter, Gruber said that a committee composed of social and state administrative organs has been formed to implement the tasks related to the liquidation of property. The committee will announce competition for the utilization of property.

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(From our county reporter)

The view from the Route 71 Badacsonytomaj overpass is magnificent: a beautiful, built up segment of the shore behind a solid, grated fence, and behind gates protected by television cameras. The modern building attracts the eye, and it is equipped with all the comforts inside. For

a long time it served as the Workers Guards' base facility. Officially it was called a training center, and a few months ago it became an establishment called Club Tomaj, catering to foreign tourism.

Local folks would like to take possession of the establishment from which they were hermetically sealed off heretofore. This is why the Badacsonytomaj Large Municipal Joint Council convened in special session. The sole item on the agenda pertained to a proposal concerning the transfer of Club Tomaj's ownership to the people of Tomaj, now that the Workers Guard has been abolished. The resolution was adopted and the council dispatched a letter to the prime minister requesting his support for the endeavor.

#### **MSZMP Apparatus Faces Unemployment Uncertainties**

*90EC0114A Budapest NEPSZABADSAG in Hungarian  
27 Oct 89 p 5*

[Interview with Andras Toth, head of the future MSZP [Hungarian Socialist Party] national office: "Labor Is Accompanied by Pains"; date and place not given]

[Text] In many respects the Hungarian Socialist Party is starting from zero. Indifference is often not the only thing that makes organizing activities more difficult. Hostile reception in certain places aggravates the situation, according to Andras Toth, future head of the MSZP National Office, to be established in the near future. Dismantling of the earlier party state, and the building of a party able to function under competitive conditions creates a difficult situation. The changes cause pain and bitterness for many. Some are lethargic about the disappearance of the past situation, others are angry, but fortunately there are some who are taking an active part in building the new party. No small number of people are naive and believe that the MSZP will be organized from the grassroots, by itself. They expect masses of people to pour into new organizations without any particular organization, whereas it is apparent that the last year or year and a half have rendered the MSZMP [Hungarian Socialist Workers Party] membership politically uncertain, and besides, many belonged to the party merely as a matter of formality.

Accordingly, the fact that only part of the past membership will actively pursue political activities is self-evident. Active participation is indispensable to the MSZP, just as it is to any real political party. Throughout Europe only a fraction of the populace plays an active role in political life; the majority express their liking of certain political endeavors only by voting. Accordingly, it is entirely unlikely that the MSZP's membership size would come even close to the size of the former MSZMP membership.

[NEPSZABADSAG] But that one party, the MSZMP, provided jobs for many. The apparatus tied its future to this organization, but today it has problems finding jobs throughout the country. In some places apparatus

workers detect attitudes clearly reminiscent of an inquisition. What does the future hold for apparatus workers here at headquarters?

[Toth] The apparatus is depressed by the situation, and it is one of the great injustices of life that persons who joined the apparatus during the past year or two, or even only a week ago, will constitute the bulk of those who will have to leave, even though they should be blamed least for the political situation that evolved. Nevertheless, we are forced to radically reduce the staff on grounds of both political and financial considerations. We have announced earlier that we count only on those who joined the MSZP prior to 20 October. Of the 350-person central staff, 320 joined the MSZP. Only 30 did not. Many of these also had personal ties to the earlier leaders, others were offended or decided not to join due to some misunderstanding, but there were some who did not join on the basis of principle. We regard the latter as a citizen's right and understand. No one will suffer reprisals as a result.

We chat individually with those who do not make it into the new, much smaller team. A decision will be made during the first half of November as to whom we will terminate, and at the same time we will endeavor to find appropriate solutions for these people. We are going to take advantage of any legal opportunity to help them find jobs.

[NEPSZABADSAG] You received an assignment to plan and then manage the party's national office. When and where will you begin functioning?

[Toth] The organization is continuously developing, and we are working at it. Most likely this center of the movement will operate here, at the headquarters building of the Central Committee. We plan to begin operations with a staff of about 70 on 1 November. The secretariats of the two large platforms—the Reform Alliance and the People's Democratic Platform—have their secretariats already. They are preparing political decisions and attend administrative tasks. Our office will assist the rest of the organizations which are relatively independent, such as the workers and agrarian sections, the representatives of the Hungarian countryside, and the MSZP parliamentary delegation.

Quite naturally, at this time our most important efforts will concentrate on organizing the party. We intend to develop a flexible work organization that is easy to mobilize, and to recruit a team which adapts easily to changing tasks. We are aware of the fact that we agreed to perform and to serve a specific task presented as a result of a specific situation, but we also recognize the possibility that perhaps in the future there will be no need for us.

### **Christian Democrats Begin To Proliferate**

*90EC0089C Budapest MAGYAR NEMZET in Hungarian 27 Oct 89 p 7*

[Text] Local chapters of the Christian Democratic People's Party [KDNP] are mushrooming throughout Pest County. A KDNP local chapter has been established in Godollo, in the footsteps of Nagykata and Mogyorod. We welcome all interested persons who accept Christian values. The party does not receive, and does not expect to receive, assistance from the churches. Any adult Hungarian citizen who accepts the party's program and Christian ideology may become a member of the party, regardless of age, gender, or religion. The address of our organizing office is 15 Petofi Square, 2100 Godollo.

### **TV Editors Protest Personnel Change**

*90EC0089A Budapest MAGYAR NEMZET in Hungarian 27 Oct 89 p 7*

[Text] The TELEHIR editorial committee delivered the following letter to Hungarian Television President Gyula Bereczky: "We protest the presidium's decision by which a new editor in chief was appointed, instead of TELEHIR's managing editor being appointed. To this date, Managing Editor Tamas Lang has not been officially informed of this fact. Members of this newspaper's editorial committee were delegated by the various divisions of this institution. These colleagues are respected and recognized members of Hungarian Television. We believe that the editorial committee still exists, because it operates in the form of a social committee. On this basis we demand that we have a say in the appointment of an editor in chief for our popular newspaper, created as a result of much work. This is underscored by the fact that Tamas Lang's tenure of appointment ends at the end of 1990. We request detailed reasoning as to what motivated this decision. As has been customary at Hungarian Television, the decision disregards people's work and feelings, is offensive, and has a dictatorial character."

### **Severance Pay Given to Pecs Uranium Miners**

*90EC0114B Budapest NEPSZABADSAG in Hungarian 27 Oct 89 p 5*

[Text] State severance pay will be granted for the first time in Hungary at the closing of the Pecs uranium mine. In the recent past, the State Wage and Labor Affairs Office [ABMH] set the upper limit of support at a maximum of the equivalent of 18 months' gross pay, but the miners union demanded 24 months' gross pay. An MTI [Hungarian Telegraph Agency] reporter asked Gyula Pulay, ABMH deputy main division head, about how realistic the higher limit is.

"We did not consider the tax conditions when we mentioned the amount corresponding to 18 months of gross pay," Pulay said. "For this reason, in the course of negotiations, the miners' request appeared as fair, namely, to increase the amount because of the taxes.

ABMH realistically recommended that the amount be tax exempt only if it is used for entrepreneurial purposes. Accordingly, if a given worker uses all or part of the severance pay to create a workplace or enter into some entrepreneurial venture, he could reduce his personal income tax base by that amount. The amount representing 24 months of wages is a maximum; only those workers who have spent an extended period of time at a given workplace, or those unable to find work, will be eligible to receive such amounts; and earlier working conditions will be taken into consideration in granting this sum of money."

Pulay had this to say when asked if miners expect sums of approximately 1 million forints in the form of severance pay: "Only in exceptional cases will severance pay be that high. It would be more realistic to count on a few hundred thousand forints. On the other hand, those who plan to engage in some entrepreneurial venture may also count on other financial resources. Thus, in addition to the present 300,000-forint new start loan, it is likely that a nonrefundable loan amounting to a maximum of 200,000 forints may be obtained. The conditions for such loans are being developed. Credit conditions are also stimulating; the ABMH pays interest for 4 years. The Industrial Development Bank, Inc., together with the ABMH and the Mine Workers Union, established a 30-million-forint risk fund in the region, so that coal miners becoming entrepreneurs will not need to look for guarantors or mortgage their real estate. The workers of the closed mine will also be entitled to relocation subsidies, preferential pension benefits, and several other forms of assistance.

#### **New Minorities Collegium on Cross-Border Ties**

*90EC0089G Budapest MAGYAR NEMZET in Hungarian 27 Oct 89 p 6*

[Text] The subcommittee of the Council of Ministers College on National and Ethnic Minorities concerned with minorities residing beyond our borders held its first meeting on Thursday. Consistent with its work program, the subcommittee intends to deal with the situation of Hungarians in neighboring countries, and with those dispersed, including 200,000 persons of Hungarian origin residing in Israel.

Zoltan Szasz, editor of the series "The History of Transylvania," provided a status report to the subcommittee concerning the foreign language translations of the volume. The German, English, and Russian language translations are at an advanced stage, and negotiations concerning French, Italian, and Spanish editions are in progress.

The Ministry of Culture informed the subcommittee regarding the situation surrounding the higher education of youth escaping from Romania to Hungary. Young people requesting admission to universities and academies in Hungary start out with a significant handicap due to differences between the two countries' curriculums and the body of knowledge conveyed. We should

prepare these youths to continue their education by providing preparatory courses. It appears that the preparatory school will be able to accommodate students beginning in the next school year, because the number of students arriving from third world countries has declined heavily.

The subcommittee also dealt with problems in the exportation of Hungarian books and periodicals. It is well known that there are serious concerns in this regard, because price increases in Hungary and the pricing system that prevails in CEMA trade create losses to exporting enterprises. Export subsidies are ensured for the remainder of 1989, but troubles will reoccur next year. They are seeking financial resources to remedy these problems.

The general principles of nationalities policy were also discussed. It was said that in the future we should take into consideration the various contexts related to Hungarians residing abroad, not only in terms of direct foreign relations, but also in the framework of every cultural and economic policy decision made.

In conclusion, the subcommittee expressed its support of a declaration forwarded to the subcommittee by the Estonian People's Front and the Estonian Cultural Fund:

"As finno-ugric people we are linked by our common origins. The joint organizing celebrations first occurred in 1928, and 2 days were dedicated to such celebrations each year. Based on mutual agreement, the third Saturday and Sunday of every October were dedicated to the joint cultivation of the common cultural heritage. It is unfortunate that this positive initiative has been forgotten in the course of years.

"We have called upon every cultural organization, institution, and society to observe the above-mentioned days as the weekend of finno-ugric linguistic relationship by organizing historical and other events."

## **POLAND**

### **Party Organizational Structure Deemed Inadequate To Tackle Crisis**

*90EP0041C Warsaw TRYBUNA LUDU in Polish 14 Sep 89 p 4*

[Article by Jozef Lipiec, professor of social philosophy at Jagiellonian University in Krakow, and member of the Party Labor Commission and Ideology Commission, PZPR Central Committee, under the rubric "What Kind of Party?": "Let Us Move On to a New Era"]

[Text] For some time now, there have been signs of growing alarm regarding the party crisis. However, attempts to formulate diagnoses and point out paths for exiting the impasse have been presented incidentally and as if on the margin of the main, official current of party life. Certainly, important articles have appeared in the press (especially the central press) containing portions

from various discussions, much has been said in CC commissions concerning the need for thorough transformations, and serious remarks were made during the Third National Ideological Conference. (...)

### The Results of the Social Plebiscite

It cannot be denied, however, that before the 10th Plenum, and perhaps even up to the June elections, the proper atmosphere and a coordinated political-organizational campaign were lacking. Problems mounted and more than once reality overwhelmed the need to explain facts. Meanwhile, in various echelons, from top to bottom, and in a large part of the apparatus and *aktiv*, there reigned an unwarranted calm, apathy and confidence in the old style. (...)

The combined statistics notwithstanding, the organizational bond could not replace a real community of activism. This became completely obvious in the new situation, in which the party was to embark for the first time in its history upon a struggle for mandates within the framework of parliamentary democracy. The party of authority exercised on the basis of a longstanding tradition and the letter of the constitutional law has become a party of the struggle for authority, while at the same time being the promoter of authentic system reform and new structural solutions. At the time of the elections, which were in effect a social plebiscite, not only was a picture of the party revealed in the imaginations and opinions of society, but moreover, the party was exposed to the discovery of the weaknesses of its organizational solutions, the shortcomings in its style and methods of operation and its attachment to obsolete dogmas and symbols, so that internal corrections could be made.

The program for the future, the most important element of the strength of every party, likewise turned out to be a weak trump card. Cohesiveness, pragmatism, a breath of freshness and the ability to create an attractive offering for the young generation—all of which are, in principle, the litmus test of the viability of every idea—were lacking.

Everyone knows how long a road the PZPR has traveled since the 1970's, and even the tremendous leap that has been made even since the 10th Congress. On the other hand, it is evident that far too little has been done to mold the main—reform and progressive—intentions into a political driving force for the party's structure and to learn how to present this properly to the people. Today this is the basic contradiction of party life: in a portion of its activity, the party finds itself in a new epoch and in another portion it is fixed in the past, which it is otherwise trying to overcome. Thus, the tendency to formulate contradictory, but, on a certain level, true judgments, is understandable. (...)

Following the June elections, which are described as society's reactions to the entire 40-year period, to the last decade and to today's economic collapse, an understandable reaction occurred within the party itself. It may be said that now society is reacting to that reaction and it is

also reacting self-critically to its current position and to others' perception of it. The example of the situation of the Krakow party organization supplies characteristic proof of this. (...)

### Instead of Apathy—Rebuilding and Revitalization

And so, following the first round of the June elections, there were signs of an increased state of deep dissatisfaction in various POP's [Primary Party Organizations], but also, most importantly, of a state of positive mobilization. The latter gave evidence of the willingness of party members themselves to bear responsibility for the past of the party and, more broadly, of the Polish Left. The effect was somewhat unexpected; instead of an increase in apathy and frustration, an awakening and revival occurred. Among the initiatives that were taken, especially noteworthy is the appearance of a grassroots movement for rebuilding the PZPR. This was evoked by the dramatic 8 June address of the Krakow Polytechnical School Committee, and was then picked up by the whole body of Krakow school and institutional communities. On 27 June, the Program Task Force was appointed. It announced the organization of the Open Pre-Congress Forum.

On 28 June, a meeting of the voivodship *aktiv* was held in the Krakow Committee, during which a discussion was opened on the assumptions of party strategy amid the growing wave of demands for calling the 11th Congress. (...) The author of this article gave the preliminary report.

To summarize my view: of the three variants—a)stagnation, b)reform in the form of "improving" the PZPR, and c)radical transformations with the election of a new party on the base of the majority of PZPR members and today's nonparty Left (particularly from youth circles)—I favor the third solution (I shall not justify my choice here, but it is explained in a speech I gave at the Third Ideological Conference, published in PRZEGLAD TYGODNIOWY and in ZAGADNIENIA I MATERIAŁY 27/28, to be more precise). What is essential is that the opinions of various *aktiv* circles which were not necessarily known for their proreform, radical views, but were expressed during the Krakow dispute, run in the same direction.

Despite the honeymoon feeling of recent weeks, they have yielded a continued growth of activism in party organizations. The grassroots initiatives are expanding their scope and school and workers organizations are joining with them in many parts of Poland (hence the birth of the Warsaw 8 July movement following the Krakow 8 June movement). The process of formulating one's own positions has not bypassed Krakow city section and city-gmina echelons. However, it must be clearly expressed that there the movement is of a grassroots nature. This is understandable, since many people are of the opinion that the crisis in structure and echelon leadership cannot be resolved by regulations handed

down from above. If the process of renewing the Polish Left is to succeed, the path to the congress must be free of organizational routine.

I shall review all the positions that express collective sentiments in detail.

#### What Sort of Group Sentiments Are There?

In the first place, the self-critical portrait of the party has been confirmed. What is of value in it is primarily its human potential, its political achievement and experiences and the ideas and values that accompany the ethos of the Left. What is weakest in it is its structure, its statute, its outdated dogma and the entire post-Stalinist legacy of habits and customs that keep the bureaucratic and essentially undemocratic machine going, alienating party masses. It is said that party sovereignty must be based on the sovereignty of all its members, while participation in democracy at the level of the state and local society requires a freeing from authoritarian-manipulative organizational forms.

In the second place, the attitude to tradition, expressed in practices, symbols and ideological content must be redefined. The PZPR came into being as a Stalinist-type party and, although, since 1956, it has to travel its own, "Polish path" more than once, it has not managed to free itself of the ballast of its own real history and earlier declarations from years ago that weigh it down. Consequently, it has lost the authenticity of the link with the wealth of native currents (especially the PPS) and with the various varieties of European socialism. Thus, the time has come to reevaluate the past and the present, to build a structure of new references from the ground up based on today's categories and modern content for a party program. The party cannot retain the "same, but not the same kind" of formula, but should move cautiously toward a new type of program, as a party that is "not the same" but new in principles and name.

In the third place, the issue of the party's place in the changed political and social structure shapes up differently than in the past. In light of the foreseeable future, the contract of the concessionary mandate pool will expire. Consequently, the PZPR, as it is now, has no prospects for the sudden rush of feelings of voters and an increase in popularity in the democratic game. This is clearly evident from the attitudes of young people, both those that protest and those (I am pleased to say) that have a lively interest in socialism, in the social-democratic and social-liberal options. If, in today's party, groups associated with privileges of position in the old, centralized structure dominate (I am speaking of elitist and egalitarian privileges), then the new party must turn to the growing social advance guard, i.e., to groups that actively recognize their relationship to the means of production and to the working-class and intellectual cadres, related to the newest fields of production and services. The new party can be composed not only of today's PZPR members, but likewise of socialists and

social-democrats from outside its present structure, including former party members and groups recruiting young people.

In the fourth place, the party program must be clear and readable, expressing the interests not only of the collective creating the direct base, but likewise the political interests of the state and the entire society, including the international dimension. Despite all efforts, the PZPR program continues to be thought of as unclear, and its reliability is undermined both by pages from the past and the only partial success of reform solutions in recent years that are still encumbered by neo-Stalinist patterns. Instead of producing positive results, the reform only deepened the economic collapse, but this happened because it was inconsistent and dilatory. The new program of the new party, on the other hand, must be pragmatic and verifiable over the short term, not in the distant future, beyond the horizon of the utopia, which no generation has had an opportunity to attain. The program should include the principle of the real socialization or concretization of property, freeing producers from the insatiable demon of centralistic state control and from the pretenses of speculative privatization. It should also include the principle of democracy, the principle of social justice (in evaluating work and in equality of opportunity and rights) and the principle of the party's sovereignty over other parties and Poland's sovereignty over other states. With regard to the latter, there are many deficiencies to make up. The reason for this is that the PZPR, which has governed for decades under various times, some of which have not always favored national interests, has been perceived by society as a party of incomplete sovereignty or, maliciously, of a complete lack of sovereignty.

In the fifth place, allow me to note a series of issues related to specific problems. Membership in the party should rest upon compliance with the political program, not upon some sort of declarations of philosophical world view. Atheism or religiosity are issues on a completely different plane and they should not be mixed with the criterion of participation in politics. We must stop the practice of using special commissions for "the purity of views" as a sort of control of ideological loyalty. We must resolve the issue of a new organizational setup, moving from the past system based on plants to a system of territorial organizations that logically correspond to the requirements of participation in a democracy. It is said that in addition to a basic structure of strict membership, we must expand institutions of sympathizers, associations and clubs that constitute the party's natural bases. In a word, it is expected that if the party is to live and develop, it should return to civic life and be present there. Thus, today's committees should be opened and aired out.

It is obvious to everyone that Poland needs a strong and dynamic Leftist party that promotes an effective economy and defends the interests of working people. Obviously this means jobs that are real jobs and not pretend jobs within the framework of full employment in

enterprises whose production is expensive and of poor quality, whose items are not worth selling or being proud of. Such a party is needed for three reasons: because of the continuity of the socialist tradition and geopolitical position of Poland, because of the real need of society (in which the majority is firmly prosocialist, although most people favor solutions other than those used thus far, closer to social-democracy than to Stalinist Communism) and, finally, because of the link between Poland's restructuring and general European tendencies. The new Western Europe is approaching democratic socialism from the other side; thus, it would be complete incomprehensible for Poland to allow itself to be pushed aside with its 19th century heritage.

Another matter is a complicating factor along our path. Although the question of economic revitalization and modernization must occupy a prominent position in the Polish socialist program, in order to make a just distribution (i.e., in the spirit of socialist doctrine), there must first be something to distribute. Another complication of the Polish situation is that the process of party transformations and the restructuring of the entire Left are taking place under specific conditions of economic crisis and a specific political structure. Those that call for caution and restraint, warning against the violation of the slim thread of the present structure of the "presidential party" and championing the argument that the PZPR is the "prisoner of the state" are not being unreasonable. However, if one observes more closely the essence of such warnings, it is clearly another conservative bluff. The conservative position reduces the socialist party to the role of annexing a system that functions as an indispensable geopolitical alibi and ornament of the structure, which, in fact, must be completely supported by others, including the opposition.

#### **The Party Organizations Movement Is a Fact**

This progressive viewpoint, which emanates from the currently emerging positions of primary party organizations, engenders a certain optimism. Since all of the resolutions I am aware of, without exception, are in favor of radical changes in the party, since no one wants to function within the framework of the concept of the Great Defensive and since the majority supports speeding up the advent of the 11th Congress and expects that the delegates elected in free party elections will make revolutionary decisions at this congress, then we should treat this grassroots movement with utter seriousness. The "party unity" slogan that has been promoted is valid in every regard, under the condition that the sort of unity we are talking about be made clear—unity in a new, modern political offensive, or unity surrounding old, outmoded schemas, nice for inveterate champions of causes who are ready to give up everything, except for their own position, which is guaranteed by the immutability of structures.

The primary party organization movement is a fact, perhaps a significant fact that it will become the expression of the rebirth of the modern democratic Left.

Not everyone has to be happy that the members of the party are beginning to take matters into their own hands. This is understandable. However, it should be noted that echelon elements cannot replace them in this and that the various men of the hour, who emerge at every turn with their services for the innocent, are not indispensable. People harbor too much bitterness and criticism against teams at various levels—central and voivodship—and have too little confidence in intellectuals. It is good that they are beginning to understand that they should do something themselves—but exactly what is it?

Much has already been said on this subject and the discussions are just beginning. The first draft program documents and statute resolutions are appearing. What is happening in Krakow and in several other locations around the country will undoubtedly spread to the entire party. There is so much to think about and do that there is enough room for everyone in the main current of change.

## **YUGOSLAVIA**

### **New Croatian SAWP Platform Submitted for Public Review**

*90EB0004A Zagreb VJESNIK in Serbo-Croatian  
20 Sep 89 p 8*

[Platform for Croatian Socialist Alliance of Working People (SAWP) proposed by its republic conference: "What Kind of Front Do We Want?"]

[Text] In this present time, marked by crisis in all domains of the life of society, the socialist forces of the Socialist Republic [SR] of Croatia and the SFRY must offer a vision of emerging from the social crisis and for consolidation of the SFRY on AVNOJ [Anti-Fascist Council of People's Liberation of Yugoslavia] principles, as well as answers to the practical questions of our future material, social, political, and cultural development. This is explicitly demanded by the current economic and political processes and relations in Yugoslav society, by changes in the social composition of the population and its motivation, as well as by trends in the development of science and technology, the humanization of society, the bolstering of human rights and freedoms, and the broadening of room for expression of people's creative abilities.

The Socialist Alliance [SAWP], as the broadest sociopolitical organization, is certainly among those called upon the most to answer the challenges of the times. However, the Socialist Alliance cannot meet society's present demands with its present program, pattern of operation, and organizational structure. It is therefore in need of thorough transformation. That transformation respects the basic conditions of our life, above all the SFRY as an equal community of all the nationalities and ethnic minorities of Yugoslavia, its federal system, the socialist self-management of Yugoslavia we aspire to, the policy of brotherhood and unity, as well as the theoretical legacy concerning the

SAWPY [Socialist Alliance of Working People of Yugoslavia], particularly in the writings of Tito and Kardelj.

Under the Constitution and in accordance with its programmatic platform and bylaws, the Socialist Alliance is now "the broadest foundation for the sociopolitical activity of working people and citizens in the socialist self-management system." The Constitution has established that the League of Communists is the "leading political-ideological force in the Socialist Alliance." The Socialist Alliance, led by the League of Communists, together with other sociopolitical organizations and the organized socialist forces, brings about "political unity and unity of action of the socialist forces and guides social development...debates, originates political initiatives, reconciles opinions...monitors the work of government bodies and administrative agencies...expresses its opinions and assessments and exercises public oversight and criticizes their work...."

It follows from this definition that the Socialist Alliance is above all an instrument for bringing about the leading role and policy of the class vanguard, while its own political activity is reduced to originating initiatives, monitoring the work of government bodies and criticizing it, while at the same time it does not have any very independent political role, nor can it have an essential influence on the political life of a socialist society and the functioning of the state with which, through the League of Communists and personnel policy, it is in a relation of complete symbiosis.

If it is to be more fully involved in progressive worldwide, above all European, economic, political, and cultural developments, Yugoslav society must accelerate the process of economic and political transformation in keeping with the market orientation that has already been established and the commitment to a mixed economy as to ownership and to political pluralism.

There is already broad social consensus that the Socialist Alliance needs to be transformed. The question, however, is how to transform it, or what kind of new Socialist Alliance should be organized so that it can offer answers to the questions imposed by the complicated socioeconomic conditions and pluralistic social developments, so that it could bring together, unify, and lead individuals, with their differing, often even opposed, interests, toward resolution of the most important problems they have in common by reconciling the differing interests and needs in their everyday life.

Going back to the historical experience of the Popular Front, its successful rallying of diverse political, ideological, and social organizations, groups, strata, and individuals, to its great results while it operated as a pluralistic organization of the popular movement, room has to be opened up in the present Socialist Alliance for the personal initiative of individuals on a broad platform of socialist development, regardless of their private ideological, ethnic, and religious commitment and social status. To be members of the Socialist Alliance, it is

sufficient that individuals desire to commit their abilities and knowledge to an action to overcome difficulties and to develop a socialist self-managed society, including the kind of political system in which every human being will feel free and equal.

The basic objective of transformation of the Socialist Alliance is to make the organization effective, independent, and politically influential.

The reorganized Socialist Alliance must offer individuals the feeling that this is their organization, an organization in which they can truly exercise their rights and pursue their interests, and that they have a real influence on political decisionmaking. No one can make a present of a new political organization like that to the citizenry, no one can prevent it from above. The citizens themselves must organize it and adapt it to meet their needs. Citizens must use the Socialist Alliance as a tool to realize their economic, political, social, cultural, and other interests and needs, above all within the institutions of the system of socialist self-management, through the law-governed state and the standards of community life that have been adopted.

[No Number 1 as published]

## 2. Changes in the Present Socialist Alliance

On the basis of the theory that has been developed up to this point and practical political experience, the Socialist Alliance of Working People can be transformed by changing the relationship among collective members into an independent political organization of individuals. In that transformation, which is now taking place, the present concept of the Socialist Alliance as a front of the organized political forces, can be further elaborated by changing internal relations and through a different pattern of operation. The collective member would no longer become that automatically, but rather this would be based on its expressed will to join the Socialist Alliance and the decision of a body of the Socialist Alliance. In this case, the collective member would not lose its identity and would retain the possibility of autonomous public activity. The agreement on joint activity would respect principles regulating: (1) criteria for enrollment in the Socialist Alliance, (2) the joint bases of activity—the minimum consensus, (3) decision-making procedure, (4) the method of operation in general elections, and (5) mutual obligations, rights, and responsibilities.

This arrangement of relations among collective members presupposes equality of all the collective entities within the Socialist Alliance and a democratic pattern of their activity, which implies a reassessment of the relations that have prevailed in it up to now and the making of a decision as to which of the traditional and new sociopolitical and public organizations and civic associations can remain in its ranks and under what conditions. The possibilities for achieving political pluralism are considerably greater in such an organization than today.

Assuming those changes, the members of the Socialist Alliance would be:

- sociopolitical organizations, political alliances, and associations;
- specialized, professional, athletic, cultural, and other nonpolitical alliances, associations, and movements;
- individual citizens.

Individuals organized in other sociopolitical organizations and belonging to public organizations, civic associations, alliances, and movements—provided they accept and work for the programmatic goals and operating principles of the Socialist Alliance—become equal members of the Socialist Alliance by decision of a majority in their own organization and a decision of the appropriate body of the Socialist Alliance.

The organizational form of the assembly and activity of the membership of other sociopolitical organizations and of the special alliances, civic associations, and movements would become directly involved in the work of the Socialist Alliance in the particular milieu—the local community, the opstina, the community of opstinas, and the republic, and also, through their representatives, in the bodies and forms of activity of the Socialist Alliance.

All sociopolitical organizations, alliances, associations, and movements brought together in the Socialist Alliance are equal and retain their separateness and the organizational forms of their activity. Within the Socialist Alliance, they express their initiatives, views, and positions in the process of building a joint policy and they contribute to the democratic transformation of the Socialist Alliance. They take part in the preparation, adoption, and elaboration of programs and actions of the Socialist Alliance in the joint bodies (conferences and presidia) and in the forms of activity (councils, sections, committees...).

The decision on expulsion of an organization, alliance, association, or other collective member which violates the principles of the Socialist Alliance as set forth in the bylaws is made by the same body which consented to enrollment in the Socialist Alliance.

The basic form of the organization and activity of the Socialist Alliance is the local organization, in which its members exercise their basic rights and discharge their basic obligations.

The conferences are the supreme bodies of the Socialist Alliance. When a conference is deliberating key issues of its program which are of interest to the broadest membership, following public and democratic discussion of all entities that operate within the Socialist Alliance, decisions are made in a manner that respects the opinion of the majority shaped in the public discussion, in which all individual and collective members of the Socialist Alliance participate on an equal footing, competing with their ideas, their programs, and their projects.

Decisions on other matters in the activity of the Socialist Alliance are made by a simple majority of the members of the conference present.

The Socialist Alliance nominates candidates from within its plural structure who compete with their own specific programs for election to public office on an equal footing.

The financial basis of the operation of the Socialist Alliance consists of dues, voluntary contributions, funds realized from its own activity, especially publishing and propaganda, subsidies from the budgets of sociopolitical communities, and certain contributions of sociopolitical and public organizations for carrying out joint programs and actions within the Socialist Alliance.

### 3. The Socialist Alliance as an Independent Political Organization

#### a) Character and Position

The Socialist Alliance is organized and operates:

- as an independent political organization with its own membership, political program, and bylaws—this kind of Socialist Alliance is the equal of other political organizations;
- as a political organization which by virtue of its internal organization and relations facilitates and stimulates the expression and articulation of a plurality of opinions and activities and guarantees the competition of programs, ideas, and personnel, and in which all members conform to rules which have been democratically adopted. This kind of broadly conceived political organization is appropriate to our system and to the demand that as many people as possible take part in politics. This kind of Socialist Alliance does not have the direct objective of monopolizing power instead of the League of Communists, but of taking an active part in political decisionmaking and in real oversight of government officeholders in the interest of the citizenry and through their direct political activity. This kind of organization of the Socialist Alliance becomes an essential element in authentic political pluralism;
- as an organization which with its political prestige will support and collaborate with other organizations, movements, and alliances which individuals organize for specific needs, provided they do not contradict the goals and programmatic platform of the Socialist Alliance;
- as an organization which places at the center of its activity the resolution of the vital issues, interests, and needs of citizens in the local community and opstina;
- the Socialist Alliance independently nominates candidates who compete for election to government office with their own specific action programs. It monitors the bodies of government and public officeholders and originates an initiative for recall of its representatives or the recall or removal of someone else if they are not carrying out the planned programs or are not yielding the anticipated results in practice;

- the Socialist Alliance of Croatia is a part of the unified Socialist Alliance of Yugoslavia.

#### *b) Membership*

Members of the Socialist Alliance are individual citizens who, independently of their job, profession, and social status, of their religious, ideological, and other views of the world, accept the programmatic goals of the Socialist Alliance and its principles as set forth in the bylaws. They participate independently and on an equal footing in the creation, adoption, implementation, and followup of the policy of the Socialist Alliance and in election of its bodies and officeholders.

The member is issued a membership card on the basis of freely expressed desire to join the Socialist Alliance. He exercises his rights and discharges his obligation as a member in the local organization and the bodies and forms of activity of the Socialist Alliance.

#### *c) Organizational Principles*

The Socialist Alliance is organized on the geographic principle—within the local community, opstina, community of opstinas, and city community of opstinas, the republic, and the Federation.

The basic organizational form and form of activity of the Socialist Alliance is the local organization, in which its members exercise their basic rights and discharge their basic obligations.

The local organization is the basis of the regional organization and structure of the bodies of the Socialist Alliance in the local community, the opstina, the community of opstinas, the republic, and the Federation.

The local organization freely establishes its own forms of activity in accordance with its own needs and interests.

#### *d) Bodies of the Socialist Alliance*

Conferences are the supreme bodies of the Socialist Alliance, and presidia are their political executive bodies. Members of bodies are elected by direct election and local organizations.

The organization's leaders are elected from among several candidates by its members in a secret ballot, and they are accountable to the members. The accountability of the leadership depends exclusively on the results of its work in carrying out the tasks established in the ranks of the membership.

#### *e) The Financial Basis of Operation*

The financial basis of the Socialist Alliance's operation consists of dues, voluntary contributions, income from its own activity, especially publishing and propaganda, subsidies from the budgets of sociopolitical communities.

This kind of transition from the Socialist Alliance of Working People to the Citizens Socialist Alliance is premised on the fact that the Socialist Alliance is today a legal social-judicial entity defined in the principles of the SFRY Constitution and the Constitution of Croatia.

The Socialist Alliance directs its activity toward the citizenry. It is above all an organization of citizens, not of producers or of the working class. The trade union is the organization of workers to pursue their direct economic and social interests as persons employed, while the League of Communists is the political-ideological organization of the working class. This does not mean, of course, that the Socialist Alliance does not take part in pursuing the special interests of the working people and the working class.

The Socialist Alliance is open to all citizens who regardless of their job and social status and their religious, ideological, and other views of the world, want to commit themselves to its own independent program and make their contribution to social development.

This transformation presupposes that the position of the SAWP as a transmission belt will be abolished, but also that other sociopolitical organizations, public organizations, and civic associations for political activity will become independent. Members of those organizations may belong to the Socialist Alliance, but as individuals. Instead of the Socialist Alliance considering all members of some organization or association its own members, just automatically, members of the Socialist Alliance, as citizens, in conformity with law, themselves organize new organizations, associations, or alliances, or they join the ranks of some existing organization or association. In this way, the Socialist Alliance assumes a position on the public scene of cooperating with numerous entities, of supporting them, of fighting for their operating conditions, of fighting for its own programmatic influence in their activity, and of itself putting an end to remnants of the transmission-belt model.

The new Socialist Alliance is the goal of the social developments leading toward ever greater independence of economic and other entities. These are movements which objectively are putting an end to the present model of the Socialist Alliance as an entity that extends over independent organizations and associations. That is why incisions in the present tissue of the SAWP are a prerequisite to achievement of the new Socialist Alliance.

#### **4. Changing the Name of the Organization**

Transformation of the Socialist Alliance also includes a change of its present name. The name of the organization must express its fundamental organizational principles, the status of its members, its political objectives, and the breadth of its platform. The following names are possible in this context:

- 1) Socialist Alliance,
- 2) Citizens Socialist Alliance,
- 3) Alliance for Socialist Democracy.

The names proposed signify both continuity with the Socialist Alliance and the new content and breadth of its activity. An organization with that name could bring together all citizens, regardless of whether they are employed, retired, housewives, peasants, professionals, secondary or university students, employed and unemployed, and so on.

### 5. Programmatic Goals of the Socialist Alliance

The program of the Socialist Alliance takes as its point of departure the present problems of our development and it contains the following main lines of activity of its members, who find in it the basis and motivation for their own commitment:

#### 1) *Future Development of Civil and Political Freedoms, Legal and Social Security of Citizens*

The Socialist Alliance, in opposition to the present domination of the collective over the individual, commits itself to the individual's freedom and rights, and every form of association or cooperation must be exclusively the choice of the individual's personal commitment and his means of expressing his individuality as an independent agent.

Our socialist community must overcome the dogmatic thinking and mistakes about bourgeois democracy and the lack of respect for its values, which have become a civilizationwide standard of man's freedom and rights.

The Socialist Alliance places at the center of its activity the resolution of the vital issues, needs, and interests of citizens and at the same time strives for them to organize themselves to combat bureaucratic behavior, red tape, and monopolistic activity of various municipal and other public services.

#### 2) *The Law-Governed State*

Our conception and practice of achieving socialist democracy over the last 40 years of our development has established social ownership, the power of the working class, and the federal system of the government community, socialist self-management, and the delegate system as basic values in the SFRY.

Within those relations, the prerequisites have been brought about for a certain level of achievement of the democratic rights of our citizens, but establishment of a more effective law-governed state is necessary for broader involvement of human potential in resolving our economic problems and for greater individual freedoms.

It is urgently necessary to establish the kind of law-governed state which through its laws will guarantee the individual citizen rights, full freedom, and initiative in all segments of society—from local communities to the

Federation—and which will bring about new prerequisites so that the individual citizen decides about his own destiny. The law-governed state, presupposing equality before the law and the independence of the courts, establishes the rule of law.

#### 3) *The Relations of Socialist Self-Management*

The blueprint of socialist self-management still remains one of the fundamental goals of our struggle, but now we look on self-management as the means whereby the citizen achieves greater influence on the decisionmaking process in the entirety of social relations. The Socialist Alliance assumes at the outset that this is possible even in a mixed economy, assuming respect for the plurality of ownership and property relations, but also that it should be developed at the level of local communities, republics, provinces, and in the Federation as well.

#### 4) *Brotherhood and Unity of Our Nationalities and Ethnic Minorities, the Federal System of the SFRY, and Consensus*

The principle of the equality of the nationalities and ethnic minorities and the federal organization of the state held in common has been and remains the foundation of life together in the SFRY. Unity can be guaranteed today and tomorrow only by an agreement of all, and here no nationality or federal unit can have a monopoly or greater rights than the others on the essential questions of our community. The Socialist Alliance therefore takes the position that consensus should be retained on those matters in the Federation which affect the integrity and independence of the SFRY, the basic character of socioeconomic and political relations, ethnic equality, and the rights and freedoms of the individual citizen.

#### 5) *Development and Advancement of Science and Knowledge, Culture and Education*

There can be no real progress in development of the productive forces and the social relations of self-management without a different attitude toward knowledge and science. For the Socialist Alliance, this means that it will commit itself to placement of a different social value on science and to its stronger inclusion in the process of material, cultural, social, and political development. It is particularly important that the Socialist Alliance also guarantee through political activity the conditions for eliminating functional illiteracy—from the economy to politics—and that the results of work and real knowledge be the basic condition for the individual's vertical advancement in all segments of society.

Advancement of the culture of everyday life, satisfaction of the cultural needs of the working people and citizens and the freedoms of cultural and artistic creativity are essential determinants of the Socialist Alliance's political commitment. As an integral and inseparable part of the overall development of the productive forces and of social progress on socialist and humanistic foundations, culture and art cannot and must not be treated as a

sphere of consumption. Full freedom of creativity needs to be guaranteed in all the domains and forms of expression of man's perception of nature, society, and social relations.

*6) A Clean and Healthy Environment, Ecological Initiatives and Movements*

Environmental protection is today one of the universal issues with which all humanity is concerned. There is ever greater awareness of the crucial relation between man and nature. This awareness runs counter to bureaucratic and profiteering dictates of development which commit violence against nature for short-term material gains. Ecological movements have so far proven to be "stronger" than the traditional organizations of society in placing these problems before the institutions of government and the public, and their initiative has been very energetic. In its program, the Socialist Alliance takes the actual state of the environment as its point of departure and in social action will do everything to change the present situation. Assuming initiatives that will come from within it, it will at the same time rely particularly on the ecological movements as allies, and it will give them full support.

*7) The Democratic Public, Freedom of the Press, and Publishing*

The Socialist Alliance starts from the premise that a democratic public is necessary for citizens to exercise democratic rights. If politics is to be sensible and effective, it has to be open to public scrutiny and always under the influence of public opinion. Even the Socialist Alliance itself, its personnel, and officers must be under the influence of the broadest public and its own membership. At the same time, the Socialist Alliance also strives for creation of conditions so that a civilized and well-argued dialogue is conducted on all the issues of our development, a dialogue in which the integrity of the individual and the individual's right to privacy will be preserved.

The news media, which must free themselves of pressures from certain centers of political power and take over the role of a democratic force for expression of the authentic socialist public opinion of citizens, have a particular responsibility here.

*8) Direct Elections*

We consider direct elections an essential condition of political democracy. That is why the Socialist Alliance advocates direct elections of delegates and certain officeholders by secret ballot among multiple candidates, which must expound their own program of activities. The monopoly which political executive bodies of sociopolitical organizations and others have held over personnel must be broken. The Socialist Alliance will not take part in a personnel policy that has the features of a monopoly. It must especially nurture democratic practice in election of leaders within its own ranks.

*9) Pluralism in Self-Management and Political Pluralism*

For the Socialist Alliance, pluralism is not a question for political-ideological commitment, but a question of respecting the real conditions of social life. The roots of pluralism lie in the very being of the present-day individual and in his natural right to express his needs, opinions, demands, and expectations. It is beyond question that we are a pluralistic society, with differences in all domains of social life, from the economic to the political, including also the domain of ideology.

Today, there is no basis in constitutional law for legalizing pluralism of political parties. That is why the sociopolitical system of socialist self-management establishes normative institutional mechanisms for free expression of the pluralism of self-management interests. The pluralism of self-management interests also includes political pluralism. The Socialist Alliance takes the view that it is urgently necessary for the Constitution and law to guarantee every individual equal rights of expression of a differing political will and the possibility of forming an association. It is a question of the commitment and decision of the citizens themselves whether that association will culminate in the creation of new political alliances. The Socialist Alliance is in its program and its organization open to all options directed toward bringing about the fundamental goals of socialist development. In that kind of development of political democracy, the Socialist Alliance advocates abolishing any and anyone's monopoly over ideas, opinion, and influence, and it will do everything to guarantee the equality of all entities in conceptualizing and shaping social development.

Social movements in the world today, and in our own country as well, are new forms of social struggle and social commitment of individuals, with significant potential for emancipation. The Socialist Alliance in fact perceives them as an answer to the social crisis and a form of the search for the identity of the individual and the community. It is in the interest of the Socialist Alliance to initiate them itself and to create the social preconditions for new social movements which are an expression of the effort to resolve the issues that arise in man's everyday life and which, as experience in the world demonstrates, are not primarily (or at all) oriented toward the struggle for power. The Socialist Alliance pays particular attention to ecological, feminist, and peace movements as forms of man's struggle for equality of the individual and of the struggle for the kind of material development which threatens neither nature nor its potential, and thus is not a threat to man as a creature of nature.

*10) Business Enterprise and the Integrated Market*

For the Socialist Alliance, the market is a successful mechanism for the allocation of capital, for operation of the law of value, for strengthening the motivation of producers, for better workmanship and more productive labor, and for more efficient management of all forms of

labor and resources. Entrepreneurs—individual or collective, private or socialized—have an essential place in it. Entrepreneurial initiative is one of the basic instruments for emerging from the economic crisis. That is why the Socialist Alliance advocates establishment of an integrated market on which the entrepreneurial ability of all participants in social production will be demonstrated, including the specific role of the state, which, aside from that function, must also develop the social welfare function of citizens.

*11) Improvement of the Social Status of Women and the Family*

Creation of the social conditions for improvement of the social status and role of women is one of the overall issues in the development of society, in its democratization, and in its general human emancipation.

The Socialist Alliance is committed to equality of the sexes in society, under the law, and in the workplace, and in the accomplishment of those goals it will develop various flexible forms in which women can come together and act on the basis of their particular special interest.

*12) Improvement of the Position of Private Farmers and Rural Development*

The Socialist Alliance favors stronger development of agricultural production for the market and rural enterprise and abolishing the maximum landholding as essential conditions for the market orientation of the private sector of agriculture and its contribution to the overall development of society.

In the pursuit of those commitments, the Socialist Alliance will strive to strengthen the economic and social security of private farmers, to create the preconditions for improvement of the general, cultural, and other living and working conditions in rural areas and to strengthen the position and influence of private farmers in the socioeconomic and political system.

*13) Debureaucratization of the Social System of Self-Management*

The excessive regulation of the life of society that has prevailed up to now is contrary to the fundamental idea of self-management, which presupposes independent managerial activity on the part of the citizens themselves, and it has had adverse social consequences. Normativism has contributed to the bureaucratization of government and of the social system of management. That is why the Socialist Alliance resolutely commits itself to the fight against normativism and in favor of deregulation of the economy and debureaucratization of the system of public administration. It favors creation of socialist institutions that will help individuals to exercise their rights and in which they will all be equal before the law, and the government administration will be professionally competent and will be accountable to the public.

*14) Abolishing Privileges*

The Socialist Alliance takes the view that no one can have privileges which are the product of monopoly, social status, or the holding of public office. Only work and the results of work, an advantage brought about through competition of knowledge, can be the basis for material differences between individuals. In its political action, the Socialist Alliance will fight to do away with monopoly and privilege, starting with personnel policy in the broadest sense of the word, and extending all the way to establishment of an effective tax policy and supervision of government bodies over the functioning of the institutions of the system.

**The SFRY's Active Foreign Policy, Nonalignment, and Integration in Present-Day Economic, Scientific, Cultural, and Other Developments in Europe and the World**

The Socialist Alliance takes the view that linkage to Europe and the world is urgently necessary for economic recovery and more rapid development of Yugoslav society and that every exclusiveness stands in the way of resolving the urgent problems of our crisis. It is particularly essential to our overall prosperity that the SFRY and every part of it establish scientific-technological, economic, and cultural links through existing and new forms of cooperation—from the EEC, EFTA, and CEMA to the Alps-Adriatic Work Community and others.

The Socialist Alliance will advocate that the SFRY consistently respect the international conventions and treaties that have been signed—from the UN Charter to the conclusions of the Helsinki Conference. Various forms of peace initiatives will be developed within the framework of the Socialist Alliance, and its support will also go to those demands of citizens who organize in order to concern themselves with the problems of peace as a basic prerequisite of humanity's existence.

[Box, p 8]

**Survey Questionnaire**

In connection with the proposed version of the Platform for Transformation of the Socialist Alliance, please answer the following questions:

1. a) Is the proposed platform definite enough?

YES—NO

b) Are the proposals acceptable?

YES—NO

2. Which of the two proposals of the platform for organization of the Socialist Alliance do you advocate, or do you propose a third solution?

a) I favor a change in the present Socialist Alliance

b) I favor the Socialist Alliance as an independent political organization

(If you accept one of the two proposals, circle "a" or "b")

3. State which of the three names of the Socialist Alliance offered you favor:

- a) Socialist Alliance
- b) Citizens Socialist Alliance
- c) Alliance for Socialist Democracy

If you have another suggestion, write it here.

4. If you do not accept either of the two proposals, then state:

- a) your own proposal for organization of the Socialist Alliance
- b) the kind of political organization you would like

5. Do you want to be a member of the Socialist Alliance (regardless of the name under which it operates as an independent political organization)?

YES—NO

6. Do you want to do political work as a volunteer in organizing the members and carrying out the platform and program?

YES—NO 7. Do you accept the programmatic goals of the platform that are offered, or would you like to supplement or change them?

YES—NO

If you want to add new topics to the program or change and improve the content of those offered, please do so:

8. If you have any constructive proposals related to the organization, concerns, and independence of activity of the Socialist Alliance as a political organization, please state your opinion and attach it to this questionnaire.

[Box, p 8]

#### Length of the Public Discussion

The public discussion of this document will last until approximately 15 October 1989. In addition to the discussion of the platform in your community, we call upon you to send your opinions and proposals directly to this address: Republic Conference of the SAWP of Croatia (Council for Initiatives, Programs, and Actions in the Area of Building and Developing the SAWPC), 41000 Zagreb, Setaliste Karla Marxa 14.

Republic Conference of the SAWP of Croatia

## GERMAN DEMOCRATIC REPUBLIC

### Defense Minister Interviewed on Future of Army

90EG0008A East Berlin ARMEE RUNDSCHAU in  
German No 9, Sep 89 (signed to press  
27 Jul 89) pp 7-13

[Interview with Army General Heinz Kessler, member of the Politburo of the Central Committee of the Socialist Unity Party of Germany and National Defense Minister, by ARMEE RUNDSCHAU reporter Karin Matthees: "A Good Distance Away"; date and place not given]

[Text] [ARMEE RUNDSCHAU] Our Republic is decked out for its 40th birthday. You, Comrade, experienced the birth of the German Democratic Republic as a 29-year-old in a Blue Shirt, as one of the Secretaries of the FDJ [Free German Youth] Central Council. What special recollections do you have from those turbulent days?

[Kessler] I remember a lot as if it were just yesterday. It was an exciting time of a new beginning. And young people were full of great expectations, full of an impatient desire for action. I vividly remember the now historical torchlight procession of the FDJ. According to my recollection, it was our then FDJ Chairman, Erich Honecker, who first spoke of considering the election of Wilhelm Pieck as President of this new German State as a reason for a public demonstration of Youth from all parts of this country. The indescribable enthusiasm of the 200,000 FDJ at the torchlight procession at August Bebel Square in Berlin on 11 October 1949 proved how right this thought was. The foundation of the GDR, which opened broad perspectives for the young generation and instituted a new epoch in the history of our people, had been tumultuously received. Of course, whoever was there can no more forget it than I can.

[ARMEE RUNDSCHAU] The following year, 1950, you donned a People's Police uniform. The former defense minister of the GDR, Army General Heinz Hoffmann, noted in his memoirs of Heinz Kessler that you did not enthusiastically do this. What compelling force effectuated this?

[Kessler] This compelling force was linked with the foundation of the GDR and the ensuing consequences. Even at this time certain groups were making plans to cut the throat of our young State by military means. Protecting our GDR required the build up of appropriate organs. FDJ members—primarily from working youth—had to be won over for this. Who else was supposed to protect the new anti-Fascist order? Even I was recommended—not especially to my delight at the time—because I was a wholehearted FDJ Official. I considered myself insufficiently talented for the new task as a military superior. I was much too much a civilian to say it casually. I also grasped quickly that special knowledge would be expected of me in the future. I was certainly apprehensive of not being able to achieve what was expected of me.

[ARMEE RUNDSCHAU] What else would you have liked to become if circumstances at the time had permitted it?

[Kessler] I wanted to become a typesetter after my schooling. I was not allowed to do this in Hitler Germany—my parents were combative anti-Fascists. Thus, I learned to be an engine fitter; I enjoyed that, too. I already said I was active as a Youth Official in the FDJ after 1945; I would have liked to continue that for a time. I also would have liked to become a teacher. This is due to my inclination to be active among young people.

[ARMEE RUNDSCHAU] Let's return once again to Heinz Hoffmann's memoirs. When he made your acquaintance in a Soviet prisoner of war compound in the winter of 1941-42, he emphasized the following of your characteristics: "If he didn't understand something, he made no secret of it. He expressed it immediately, asked and asked and thus learned very quickly." The questions from that period are certainly answered. What questions are there for you today?

[Kessler] Basically, they all subordinate themselves to the most important question: What can we do better jointly with all sensible people to eradicate warfare as a political means once and for all from people's lives? Then—more than 1 year after the first encounter with Heinz Hoffmann—I was able to participate in the founding of the "Free Germany" National Committee. Speaking from the viewpoint of a 23-year-old; I addressed the question of how to go about shielding German youth from the influence of their corrupters—Hitler Fascists. Today, problems affecting the whole world have come into being. Our earth is burdened with insane accumulations of nuclear weapons. It would be the last day of humanity if they were utilized. It continues to be the most aggressive forces of Imperialism that we must repel. We must restrain their contention for military superiority. We must monitor neo-Fascist phenomena extremely vigilantly and combat it most decisively. These are today's serious questions.

[ARMEE RUNDSCHAU] Some people think that need not be taken quite so seriously anymore in view of the reduction of tension which has been set in motion: peace has prevailed in Europe for 44 years. Why is there still compulsory conscription? Won't it be superfluous soon?

[Kessler] We will certainly need it for quite a while yet, and I will say why. We are safeguarding socialism at the most forward line of Imperialism. The strongest NATO contingents are located to the west of this line. The FRG is the country with the greatest density of nuclear weapons in the entire world. Annually, American, West German, and British troops but also French, Belgian, and Dutch troops practice waging warfare against socialism; in other words against us and also against those who ask for it. They practice mobilization, quick reinforcement of their military force with reservists and units transferred from overseas. They practice what we want to and must avoid with all our strength. Thus, we

need military forces adequate for the situation which must be primarily capable of staunch defense. This can only be an army based on general compulsory conscription under our conditions with a high portion of career soldiers and volunteers serving extended terms and with a number of trained and individually trained reservists corresponding to the requirements. Anything else—even a professional army—would exceed our economical possibilities. Aside from that, I am of the opinion that it is the self-evident right and the duty of every citizen to be capable of safeguarding the security of his Socialistic Fatherland, for peace and security.

[ARMEE RUNDSCHAU] Your strict defensive character is emphasized in our military doctrine. One could read everywhere: The National People's Army is being reduced by 10,000 soldiers, and the defense budget is being reduced by 10 percent. More than 11,000 members of the military are working temporarily in the National Economy. What about battle readiness requirements?

[Kessler] We have ceremonially declared that Socialist countries will never begin a war under any circumstances. However, we left no doubt that we will not be attacked or overrun without defensive measures. On the contrary: we will steadfastly defend socialism. For example, this will require even more future battle readiness from the forces in the on duty Air Defense system because the tactical and technical characteristics of NATO's air attack capabilities permit greater possibilities of penetrating our air space. We must protect the lives and peaceful work of our people dependably, not in an ill-prepared fashion. We may not and cannot lack great vigilance, preparedness, and defensive capability as long as there are forces in close proximity to our Republic that would like to introduce the kind of social order again that led to two terrible wars—namely capitalism.

[ARMEE RUNDSCHAU] Even the soldiers of our army are prepared to wage war through rather hard training. The highest representatives of the Warsaw Pact were the first to declare in Prague in 1983 that there can be no victors in a war today. How are these points consistent?

[Kessler] However, they did not declare that there can be no more wars today. Wars are still being waged: In Afghanistan, in the Near East in South Africa. As much as we desire, we may not deduce there can be no military conflict between both these sides from the justifiable assumption that there would be no victor in a modern war between NATO and the Warsaw Defense Coalition—whether with or without nuclear arms. We may not overlook that there are not only still forces that want to eradicate Socialism by force of arms, but that also seek territorial conquest. Hard training is indispensable in view of this. It must be clear to a possible aggressor what such a misanthropic deed means for him. Everyone will certainly agree with me: It is better for sweat to flow in training than for a single drop of blood to flow in war.

[ARMEE RUNDSCHAU] What is your opinion? Could it be that we will need no army one day? What life perspective does an officer's career have under such an aspect? Whoever decides on an officer's career would certainly like to know whether he will still be needed as an officer in the year 2015.

[Kessler] Even if the negotiations in Vienna make fast progress and even if the military coalitions in Europe dissolved before the year 2000, as long as the capitalist social structure exists on the other side of our State Border, it will be necessary to protect our socialist homeland; naturally, only with the forces and means appropriate for this. Whoever selects an officer's career or another military career in the GDR—and I am unwaveringly convinced of this—need not worry about his future. His training is absolutely stable: Officer's College or Military Academy with a diploma, cadet school with a technical school degree or Non-Commissioned Officer's School with a master qualification. Even if he decides for one reason or another to leave the Army prematurely, he can immediately enter corresponding civilian careers. He is also socially supported in every way so that he incurs no disadvantages or losses.

[ARMEE RUNDSCHAU] In this context one question that our readers always ask of us: Isn't the requirement that soldiers—army members in general—are not even permitted to wear a mustache outdated?

[Kessler] The beard question is, in fact, as old as our Army, but today probably more current than earlier because more men and apparently women also like beards. Previous regulations—that is, military service without a beard and with a short haircut, mobilization training even with a full beard such as among the battle groups—have generally prevailed. However, I will soon consult with other comrades regarding your question; let's see what they say about mustaches. I am of the opinion that it is expedient for many reasons to go through daily soldier's life with a smooth shave.

[ARMEE RUNDSCHAU] Pursuant to our unilateral disarmament measures you made the challenge in your Order of the Day on 1 March 1989: "Whatever is necessary for the defense of socialism must be done well and even better." Would you expand on that for us?

[Kessler] I see you even read Orders of the Day. But joking aside. We want to expend no more means and also no more time for national defense, but rather utilize the intended means and the intended time more effectively—perhaps even guarantee the required defense capability with less means, less time, and fewer people! The simple truth—there is nothing so good that it cannot be done better—also applies to the Army, starting with the national defense minister to the soldier, not to forget the civilian comrade in arms. We must always ponder how we can better organize work on all levels. Where there is wheel spinning, playing a double game, or even

sloppiness, this must be overcome. I know many examples of how army members faithfully sought the best solutions to optimally utilize technology, for example. To name only this: our pursuit fighter forces need less propellant—compared to other armies—to attain the highest aeronautical qualification. The increasing utilization of simulators also helps save enormously. A considerable amount of work still lies ahead of us to utilize modern computer technology and the computer with which units have been and are being outfitted sensibly and with the best outcome. Quality in the work of everyone at his workplace, be he a pursuit fighter pilot or a motorized rifleman, sailor, cook, or military motor vehicle operator, soldier or general; that's what I meant with this challenge.

[ARMEE RUNDSCHAU] It becomes more comprehensible when put in relation to the considerable reductions in our army. Some 10 per cent less expenditure for national defense—that is a lot of money. Our readers are interested in what it is being used for.

[Kessler] Let's talk about the people first. The National People's Army is being reduced by 10,000 soldiers by the end of 1990. That means 10,000 men remain at their place of employment, earn a profit for our national product, continue to earn good money and—this is most important for most of them—they stay with their loved ones, their family.

Let's talk about technology now. Let's take tanks as an example. A government commission has been formed, which determined the following: after the turret and armaments have been dismantled and then scrapped, a part of this former tank is converted for national economic purposes. Focal point coal and energy: These powerful giants will be a great help for mining the huge capping masses and for laying tracks in the strip mines. This also applies to the construction industry, forestry, and to other areas of the national economy. The remaining tanks will be demolished. We demonstrated that on 21 June; the world press was a witness. And now the money. The National People's Army no longer claims this money—it flows into the government budget.

Thus, it is disposable for, e.g., the expansion of a competitive electronics industry, for housing construction and for health care. Pensions are being raised on 1 December. Nobody gave us the billions for this. However, every reduction of expenditures for national defense makes it easier for us to take such cheerful and necessary steps.

[ARMEE RUNDSCHAU] The GDR proves how serious it is when disarmament is at stake—not only by these measures. The efforts for a dialogue are not less important. You, Comrade Minister, have repeatedly demonstrated your preparedness to talk with the defense minister of the FRG. This did not succeed, and it wasn't our fault. How do you evaluate the current conditions for such conversations to materialize?

[Kessler] I consider them more favorable than they were at that point in time, since we suggested this to former Minister Scholz. I see the reasons for this as follows: Negotiations pertaining to conventional weapons disarmament are in progress in Vienna. You know that the participating countries of the Warsaw Pact initiated a concrete suggestion for this—a 3-stage plan—and strive for equal upper limits for both sides. In addition, the suggestions of the President of the United States came close to our suggestions at the most recent NATO summit meeting.

He announced the willingness of the United States and of NATO to include operative-tactically utilized combat helicopters and bombers in these negotiations—they had previously refused this. This offers sensible starting points. Unfortunately, however, NATO clings to its refusal of a zero solution for tactical missiles. As a result, NATO is also temporarily impeding appropriate negotiations. It must be noted that the Government of the FRG declared—for whatever reasons—it is for negotiations on tactical missiles, and it pleads for a considerable reduction on both sides. I believe all this is not a bad prerequisite for a discussion between the defense ministers of the GDR and the FRG.

[ARMEE RUNDSCHAU] As a Minister with the rank of army general, respect and regard is given you everywhere. What do you take your hat off to? What performance, what demeanor impresses you?

[Kessler] I respect all work. However, Gagarin once said, "The nicest thing is the person who loves his work." That is true. Orderly work carried out with a sense of responsibility and love always commands my respect. Honesty is an attitude I consider among the biggest merits, along with partiality, trust in working people and steadfastness in representing their interests and the politics of our party.

[ARMEE RUNDSCHAU] Lenin encouraged us communists to not forget how to dream. Do you still have dreams?

[Kessler] It is my dream and my fondest wish that both my grandchildren—and all children—should have a life in which they can exploit their possibilities to the fullest to achieve something sensible. They should never experience such misery, such affliction, as I and my generation had to experience in this deplorable second World War. I know millions of simple working people have this dream of a world without wars. It is our duty not only to dream of this, but to fight for it. It may be that some people became communists because of such dreams and goals; it was that way with me. I became a communist because I wanted the world to be more humane and just. I did what I could and was able to in my position to make this dream become reality.

[ARMEE RUNDSCHAU] In a few days we will be celebrating the 40th birthday of our Republic, full of pride for what we have achieved. Is there anything you

would say on such a joyful day of mutual congratulations: Too bad we have not achieved that yet?

[Kessler] Above all I wish the banishment of all types of danger of war. Our wishes are surely diverse. One needn't be an important specialist to imagine the prosperity we could live in if we didn't have to sacrifice a significant portion of our hard earned common wealth for defense. NATO's Tornado pursuit bomber aircraft costs dozens of millions of West German marks for 1 unit. And our aircraft are also not inexpensive. Our vision of a world without weapons—how humanity could live and what wishes we could fulfill—if that were finally achieved.

[ARMEE RUNDSCHAU] Comrade Minister, how do you spend your free time, your evenings? How do you relax? How do you entertain yourself?

[Kessler] Of course, among and with my family. I don't have a hobby. However, I can't live without friends. We meet regularly to discuss everything concerning us. We sit until late night, talk about past times, discuss current issues, worry about this and that and have disputes. And

we sing together: that's nice. I need my friends, but I also like to be alone occasionally. I have something to read every evening, and I swim three times a week for half an hour—very disciplined. I gather mushrooms and am easily convinced to play scat.

When sports are on, I sit in front of the TV as one of millions—all very normal.

[ARMEE RUNDSCHAU] Comrade Minister, when you were still an engine fitter, you were able to say rather exactly at the end of your shift: I accomplished this and that. What does your daily evaluation as a minister look like today? Are you always satisfied?

[Kessler] I always have the feeling I am never finished. When I drive home, I feel I have only interrupted, but not completed, what there is to do. I know this enervates the comrades who work with me. However, that is just the way I am.

Unfortunately, I cannot stand aside. I always ponder a lot. For that reason, I never properly relax. However, to be frank, I have no desire at all to relax....

## CZECHOSLOVAKIA

### Strategic Enterprise Management Discussed

90EC0033A Prague PODNIKOVA ORGANIZACE in  
Czech Jul 89 pp 290-298

[Article by Prof Zdenek Soucek, doctor of science, corresponding member of the Czechoslovak Academy of Sciences [CSAV]: "Strategic Enterprise Management"]

[Text]

#### New Characteristics in the Management of Our Enterprises

Our enterprises have entered a new stage in their development. There are two reasons for this. The first is developmental trends in the world economy. The second is the internal conditions of our economy.

Developments in the technology for transmitting and processing information, and in other R&D processes has caused the world, as it were, to become smaller, and certain processes on a worldwide scale to become much more closely interconnected and rapid. For this reason the enterprise today must take into account worldwide political, social, economic, ecological, scientific and technical developments. The recognition of fundamental worldwide trends and their sensible incorporation into enterprise management has become one of the most important tasks placed on managers at the present time.

We will now outline the probable developmental trends in the worldwide environment of our firms.

#### Enterprise Environment

Several trends are currently active worldwide that have a significant impact on our enterprises.

These trends in worldwide economic development may be called internationalization, intellectualization, informationization, acceleration, elasticization, ecologization, humanization, and intensification.

The process of internationalization is causing all economic processes to be more and more integrated across national boundaries, groups of countries, and even continents. International division of labor is increasing in the areas of science, research, development, production and distribution. Various types of cooperation are evolving rapidly. All economic processes are connected and integrated to an ever increasing extent.

This process continues to expand and intensify. Beginning in 1992 all barriers between the EHS member countries will disappear. Measures are also being formulated within the CEMA to open the borders between member countries to a greater extent and to increase their economic integration.

There will also clearly be more contact between the CEMA and the EHS. Additional international economic relationships will also likely develop.

The world market will be significantly influenced by the rapidly increasing pace of scientific and technical development. It is estimated that the amount of scientific and technical knowledge doubles every five years and that in the near future this growth rate will increase sharply. Moreover, new scientific findings are incorporated very rapidly in commercially available products. The world market is seeing more and more nonprice competition. This is the attempt to dominate a market based on state of the art specifications, rapid, flexible adaptation of manufacturers to customer requirements, the complete and totally reliable fulfillment of all accepted obligations, and excellent service.

Excess capacity in most economic sectors of capitalist countries results in constant, intense, and merciless competition on world markets. On the world market, supply exceeds demand for high quality products based on state of the art scientific findings.

The center of world population has shifted. New countries are entering world markets which we recently considered to belong to the Third World. Now, however, they produce modern, high quality, yet relatively inexpensive products. These countries include the "little tigers", South Korea, Hong Kong, Singapore, and Taiwan, all in Southeast Asia. Some of these countries are themselves large markets as well.

These processes are causing many economic changes in the functioning of world markets and the CEMA market. They will result undoubtedly in further internationalization of our economy, and in a sharp increase in customer expectations for quality, price, reliability, delivery, service, and supplier flexibility. Every enterprise will be influenced more and more by a truly worldwide environment.

Intellectualization refers to the increased importance being attached to activities related to creative human work. This means an increasing role for activities such as capital project management, organization of product distribution, software development, design services, financial, scientific, research and educational activities. Advanced countries are attempting to limit materials intensive production and to concentrate on organizational, R&D and business activities. In the production process itself preparations for and organization of production is becoming more important than the production activities themselves. These procedures are being performed to a greater and greater extent by computerizing machines and integrated systems composed of such machines. So-called computer aided systems, known by the acronyms CAD, CAE, CAP, etc. are increasingly taking over routine human tasks in the fields of design, technologies, and production preparations. They free humans for more creative work and also allow the achievement of great production efficiency.

The intellectualization process involves significant structural changes that are occurring now in the economies of economically advanced countries. More and more

employees are shifting from the primary and secondary spheres to the tertiary (services) and fourth-level (science, education) spheres. In economically advanced countries there is already a very low percentage of the total work force employed in the primary and secondary spheres. The modern tertiary sector should not be viewed solely as providing services to the general public. A significant portion of the activities of this sector involve supporting production processes, such as providing project management services, organizing all types of services, handling financial transactions, distribution activities, etc.

The tertiary and fourth-level spheres are becoming one of the largest consumers and "producers" at the same time. The development of science is creating immense demand for high quality scientific instruments of all kinds. The educational system has become an important consumer of equipment, computers, and teaching aids. Cultural organizations represent one of the fastest growing markets, because the staging of cultural events has come to depend more and more on modern equipment. The same is true of health care. Products of the highest possible quality and top notch service for them are the keys to winning orders from the tertiary and fourth-level spheres. These levels of the economies of developed capitalist countries have increasing amounts of equipment and facilities at their disposal.

In addition, the development of a scientific and educational system is generally considered the most important factor in the development of a modern society. All developed countries in the world are devoting as much attention and resources as possible to the development of these sectors in the fourth-level sphere.

The process of intellectualization is also causing significant structural changes within processing industries. Production in developed countries is focusing more and more on production based on science and containing a high quotient of creative labor. For instance, in machine building these countries concentrate on custom work (turnkey units) that involve low amounts of material production. These countries often order the physical unit from other, less developed countries and enhance it through design, engineering, organizational and software activities. When these countries engage in mass production they use highly automated production techniques with low amounts of manual labor, but significant amounts of creative labor related to the design and organizational preparations for this production.

The transition to research based products brings significant savings in materials and energy. It is estimated, for instance, that materials costs account for only three percent of the production costs of microchips, but 40 percent of the production costs of an automobile.

Products such as software, organizational plans, cultural activities, which represent primarily intellectual activities, have still lower materials and energy requirements.

Informationization of the economy and society is being caused by the stunning growth of techniques and equipment for transmitting and processing information and the completely new possibilities that these advances offer. These developments have, for practical purposes, overcome time and space constraints on the management of an enterprise. Any information in the form of graphics, words, or numbers can be transmitted instantaneously to almost any part of the world. Information processing is possible in times that seemed unbelievable just a short time ago. Projects that were unthinkable just recently are now being implemented. For instance, the GEOSTAR satellite can monitor heavy truck movements to within 400 meters (in 1990 the capability will increase to 20 meters).

Information processing techniques that make use of the latest techniques for the transmission, processing, and storage of information are penetrating all human activities. The use of a new generation of transmission equipment (communications satellites, fiber optic cable, electronic switching stations, modern data terminal equipment, etc.) and information processing equipment bring totally new possibilities for communications systems. These include data transmission between data centers and users, Teletype communications, document imaging in the telephone network, the distribution of graphical and text information, linking phones, televisions and computers, public computer and data networks. Some countries are putting together a digital network of integrated services that merges the telephone network with all other information networks into a single telecommunications network that can be used to transmit voice, text, data and graphics, offering high quality transmissions and the capability to handle large volumes of information. These new information transmission techniques allow customers to contact suppliers in new ways, including across borders and continents, reduces to a minimum the time needed to transmit information, and significantly increases flexibility when reacting to changes in demand.

This equipment allows information on stock exchange activity to circle the globe in a few seconds, thereby influencing activities on all world markets. For example the information network of Reuters connects the 75 largest world exchanges and transmits, with a delay of a maximum of four seconds data on foreign currency exchange rates and stock prices in New York, London, Frankfurt, Zurich, and Tokyo, including data and graphs showing past and projected future developments in these rates and prices. This requires extremely quick reactions by international businessmen, whose operations are based more and more on computers. The findings of the new field, financial engineering, are being applied more and more to this area. Financial engineering integrates knowledge from the fields of finance, foreign trade, information science, and mathematics.

Terminals and computers are becoming common in households, as facilitators of contact with suppliers, data bases, educational systems, etc. Along with other factors,

this is having a profound impact on personal consumption and the best way to meet these needs. Educational and cultural requirements are increasing rapidly as well. They are expected to comprise the highest growth area of personal consumption in the near future.

Informationizing processes on the one hand allow us to solve problems that previously had been beyond the bounds of human capability. On the other hand they are causing serious fluctuations and variations on world markets. At the same time individual economic systems are becoming more flexible, which allows them to react rapidly to unfavorable trends and help combat them.

Acceleration of processes is another characteristic of the current period. This is the result of the current pace of scientific and technical development, which is by far the fastest in the history of humanity. All new findings are very rapidly superseded by still newer ones. This causes machinery and equipment to become obsolete very quickly, new materials and technologies to be introduced constantly, customers to change their requirements more frequently, and the number of manufactured products to increase as well.

Electronics, and especially microelectronics, is the leading force in the present evolution of scientific and technical progress. Currently the so-called fourth electronics revolution is under way. This involves the use of very large integrated circuits, and the initial use of extremely large integrated circuits (the first electronics revolution was the discovery of electronics, the second the discovery of the transistor, the third the development of silicon integrated circuits). Electronics is getting established in all fields and is changing the world. This is most evident in the comprehensive automation of the production and nonproduction spheres. Robots are playing an increasing important role, especially robots that are freely programmable, have multiple degrees of freedom, can see, hear, have a sense of touch, and can learn.

Computer based production management systems are being introduced into operations in all economic sectors. These include CAD, CAM, CAE systems, and others.

Integrating these systems results in CIM systems (Computer Integrated Manufacturing), which use computers to provide integrated management of all processes, beginning at the preproduction phase, through the actual manufacturing process, to the quality control of finished goods.

Evaluations of the effectiveness of such systems differ widely. Some sources assert productivity increases of 160 percent, up to 300 percent better utilization of equipment, a reduction in average production time of up to 60 percent, quality improvements of up to 400 percent, reductions in reworked output of up to 50 percent, inventory reductions of 30 percent, etc. Other sources report much less impact, and some report complete failures when these systems have been introduced into environments that were not ready for them. It does appear, though, that the introduction of these systems

will be one of the focal points of R&D efforts related to production in upcoming decades, that they will have a strong impact on the character of production and preparations for it in all production sectors. It will also definitely have an impact on a number of other aspects of the operations of economic organizations.

The introduction of these systems significantly improves the flexibility of production systems, the capability of suppliers to react rapidly to changes in customer requirements. They significantly shorten production cycles and substantially reduce unit wage costs. Restructuring production on these systems will require minimal time and cost. It will therefore no longer be necessary to determine minimal production runs. In other words, the economical production quantity is approaching one unit. Production systems of this type will also allow the production of a greater variety of products. The numbers of new products therefore increase rapidly (Soviet figures indicate that currently the number of products doubles every ten years). By the same token it will be possible to reduce significantly production runs without any negative impact on efficiency.

This has a number of important implications for production specialization (including international specialization), for the organization of economic entities, for cost calculation and price formation techniques (minimal direct wage costs and significant costs and depreciation writeoffs for software). There will have to be changes in inventory management and distribution techniques. Personnel qualifications will change dramatically, as will incentive and compensation systems.

While there have not yet been mass introductions of these systems anywhere in the world, rapid progress is being made. There have already been several attempts to build "factories of the future", i.e. factories with minimal numbers of employees, with the employees engaged in managerial and controlling operations.

The CSSR has also taken steps to develop such systems and we have had some isolated successes.

The issue of computer development is closely related to the above mentioned systems. Upcoming generations of computers offer completely new application options. They will be able to handle general concepts and complex relationships, perform logical operations, understand human speech, use information presented in graphs and drawings, find information on data bases located anywhere in the world, translate almost synchronously from one language to another. The speed of computational operations is also increasing rapidly. Artificial intelligence has become a reality.

Computers are being applied to more and more areas of white collar work. For instance, computer-aided design [CAD] and computer-aided engineering [CAE] systems make it possible to design new products much more rapidly and efficiently, to develop production techniques

for them, to reconcile rapidly engineering and production techniques, and significantly increase labor productivity of designers and engineers. Preparations are under way in the CSSR for the mass introduction of these systems.

Research laboratories in developed countries are currently working on designs for supercomputers capable of performing substantially more operations (one to ten billion per second) and fifth generation computers that move beyond the sequential calculation principle to capabilities that approximate those of the human brain.

The new generation of computers should be able to work with general concepts and complex relationships, perform logical operations, understand normal speech, utilize information from graphs and drawings, and search for needed information on data bases located throughout the world.

New information systems are characterized by natural communication with users, access to immense knowledge bases, and an "automatic inference" capability. This new capability makes it possible to move from existing information to other information not explicitly stored in the system, which therefore cannot be retrieved by conventional means. This gives rise to so-called knowledge engineering, which is concerned with acquiring and using knowledge that is essential for making inferences.

Artificial intelligence has become a reality. Expert systems are coming to be used in all aspects of life. These systems make it possible for individuals with average educations to make decisions using the knowledge of world class experts in a field.

The structure, sources, and quality of work pieces is changing dramatically. The large scale use of secondary raw materials has begun. Using secondary materials results in significant energy savings and has a positive ecological impact. Artificial and other new materials are appearing with previously unknown properties (plastics, composites, ceramic materials, aramide and glass fibers, amorphous metal alloys, biologically active pharmaceutical and foodstuff synthetics and fibers, etc.).

Many new products with heretofore unknown properties have been developed and marketed. This has significantly reduced materials and raw materials consumption. For instance, 50 kilograms of laminated glass fiber cable carries as many phone conversations as 1,000 kilograms of copper wire. There are many comparable examples. This decline in standard materials consumption has resulted in relative sufficiencies, and even some excess supplies of raw materials on world markets, and therefore to relatively low prices for them. This is at variance with predictions from the early 1970s.

Completely new properties are being sought for materials. For instance a textiles fiber has been developed that has medicinal properties in addition to its normal characteristics. It is important that many of the most

advanced new products are produced using raw materials that Czechoslovakia has in abundant supply. This is one area of significant potential for our future economic growth.

Significant changes are taking place in technology. In particular, materials and energy conserving technologies are being developed. Linking technological operations is making it possible to reduce the number of processing steps. Various technologies are being combined more and more frequently (for instance machining in conjunction with chemical or biological treatments). Findings from new branches of science will continue to be implemented, including plasma, impulse, membrane, and other technologies. The use of energy rays (electron beams, lasers, or water beams) to perform technical procedures is growing and will completely change production.

Biotechnology and genetics will play an ever increasing role. Biotechnologies will be used in a wide range of industrial sectors that current use chemical or mechanical technologies.

The third agrarian revolution is taking place in agriculture, in conjunction with the application of genetics. In plant production biological techniques will be used increasingly for the fixation of atmospheric nitrogen. Biological plant protection techniques will be used with greater frequency. In livestock raising genetic engineering techniques will be used across the board, including embryo transfer, managed animal reproduction, and health protection programs. Genetics will make it possible to improve the quality of both plants and animals.

In food production, as in electronics, there is talk of a fourth generation of products. Completely new types have been developed that make it possible to produce food more rapidly and inexpensively. Moreover the food more nutritional, is easy to preserve and store, and has a number of other advantages.

Technology problems must be solved in close conjunction with plans to automate production. Experience has shown that production cannot be effectively automated while retaining the same technology. Automation can have a significant impact only when decision making concerning production technologies, materials handling, and information needed to manage the production process are made in an integrated fashion.

Application of the latest findings in automation, transmission techniques, computers and information science will probably influence opinions concerning a strategy for building the facilities and equipment needed for production. The production of certain products will be more efficient when performed in a larger number of locally dispersed units, with each unit located close to demand centers. These production units will be of a size that allows optimal use of production equipment. Administrative offices and divisions responsible for production preparations will use modern capabilities for the

transmission of information to connect to the production units. This allows them to be in other locations from the production facilities.

There will clearly also be large changes in the structure of primary energy resources. There will also probably be large fluctuations in their prices. The relationship between the production of national product and energy consumption will change so that the technically advanced countries will be able to increase their national product while reducing their energy consumption.

The health care system will be able to solve a number of problems that have so far seemed unresolvable. This will improve the health of the general public and extend the average life expectancy. On the other hand there is the danger that new, as yet unknown diseases will appear, and suppressing them will be a permanent task of mankind.

Space technology will probably become an important aspect of scientific and technical progress by the end of the 1990s and the beginning of the next century. It is already starting to bear fruit in the production of medicines and of other special purpose materials and products. The development of an electric motor smaller than the diameter of a human hair and a television camera weighing 60 grams indicate the potential uses of this technology (in health care and other sectors).

Elasticization is caused by the increasing frequency of change throughout the world. The needs of customers are constantly growing and changing. In the area of final consumption, for instance, there has been a shift in demand from food and consumer durables to an increased demand for products and services related to health, education, and culture. In production consumption demand changes rapidly in line with scientific and technical progress, which demands that manufacturers continually install newer types of machines, equipment, tools and materials. The production sphere is reacting elastically to the introduction of flexible manufacturing systems which make it possible for them to adapt to the changing needs of their customers. A highly trained work force is an important factor in facilitating the elasticity of production systems, because educated employees adapt more readily to change.

Ecologization is one of the current trends that is more and more in evidence and manifests itself with more and more urgency. It is no longer a matter solely of industrial emissions. Other concerns include, for instance, the expansion of the so-called ozone hole, excessive exploitation of tropical rain forests, uncontrolled dumping of chemical and radioactive wastes. All these have reached horrific proportions. A continuation of current practices will threaten the further existence of humanity. This is why the ecologization of all human activity is one of the most pressing global problems for everyone. More and

more frequently ecological criteria are defined not only at a minimal economic level, but also to include other issues.

The same is true of criteria for the humanization of labor, which must lead to the development of the human personality. We are currently going beyond many of the earlier techniques of labor organization, which is leading to exaggerated specialization of production operations and a trend to more and more sophisticated qualifications. This is not only a precondition of a high level of motivation to achieve excellent work performance, it is also one of the conditions for developing the human personality, and therefore one of the main objectives of a socialist society.

The process of intensification stems from efforts to obtain more and more performance from every unit of resources. This includes all kinds of resources; the labor force, finance, raw materials and materials, capital equipment, foreign currency, etc. The rate of reduction in standard consumption of resources of all types is the best it has ever been, at the same time that products and services have improved. This has been achieved through the comprehensive use of the findings of world science (chemistry, physics, biology), applied technical sciences, and the social sciences (economics, psychology, sociology, management theory and others). For this reason employee qualifications and incentives for employees to engage in creative activity are assuming an increasingly important role in the intensification process. The educational level in economically advanced countries is continually increasing and the goals these societies are formulating for the future will result in still higher levels of education and cultural sophistication. Incentive techniques for employees to perform their best work are also being improved.

The processes of internationalization, intellectualization, informationization, acceleration, elasticization, ecologization, humanization, and intensification interact among themselves, mutually support or retard the development of each other.

All the above processes contribute to a situation where every enterprise is influenced more and more by its literally worldwide and highly demanding environment. Under these conditions our enterprises must reach a point where they can generate the financial resources themselves to pursue their long-range development.

The transition to full cost accounting and self-financing therefore necessarily leads to a situation where enterprises must concern themselves with their own future more than ever before, and that they must pay much more attention to their worldwide environment. On the one hand the enterprise must react flexibly to changes in this environment, while on the other hand trying to influence the environment with its actions. For this reason one of the most important activities of upper

management will become the formulation of an enterprise strategy that will assure that our firms are competitive on world markets, and that they will be able to develop and become more efficient.

Strategic enterprise management (meaning the management of its fundamental developmental processes) must become the basis for the entire management system of the enterprise. Enterprise strategy must become the starting point for all enterprise activities. All short term and medium term decisions must be based on the enterprise strategy, amplifying and specifying it.

Strategic management is a demanding activity. It is not just the mechanical application of the usual techniques of short and medium term management. The fundamental criteria for success is an understanding of the specific characteristics of strategic processes and a mastery of the principles of strategic thinking.

### Strategic Processes and Strategic Thinking

Strategic processes have a number of characteristics. Among the most important is the fact that strategy is affected by literally a worldwide environment. Another characteristic is that we can predict the evolution of the factors affecting strategy over the strategic period (15-25 years) only with a certain degree of probability. This means that we can make serious mistakes in our estimations of how any of a number of factors may develop. Strategic processes, in other words, contain uncertainty and risk. Another characteristic is that there are complex feedback linkages throughout the course of strategic processes that may not be sufficiently evident over the short term, but which may be of great importance over the longer term. In addition, the efficiency of strategic measures may appear differently over the short term and over the longer term.

One of the fundamental conditions of correct strategic management, therefore, is being fully aware of these characteristics of strategic processes and mastering thought techniques that take them fully into account. In other words, it is necessary to master a way of thinking that we will call "strategic thinking".

We will now illustrate briefly the fundamental principles of strategic thinking.

One of the most important principles of strategic thinking is the variant principle. This means that every strategy is developed in several variants. Strategy variants are necessary because it is impossible to obtain accurate information about future developments, since human knowledge is always limited to history. This forces every strategy to be built on a number of hypotheses, which inevitably contain elements of uncertainty. The greatest uncertainty concerns the external environment, and especially the international environment. Strategy variants must enable the strategist to master all situations with a large probability of occurrence, as well as having measure ready to deal with a "strategic surprise" and to avoid "strategic traps".

The principle of uninterrupted work on strategy is very important. Work on strategy never stops. The level of uncertainty of specific processes declines over time, but at the same time other "uncertain" trends appear. Strategy must therefore constantly be evaluated, fine tuned, specified, and at the same time developed further.

Employees working on strategy must also master the principle of aggregated thought. Strategy must be developed primarily in certain aggregated figures. Attempts to develop strategy in detailed groupings corresponding to the needs of operational or tactical management cannot be successful, and are therefore, with some exceptions, a waste of time.

One of the primary characteristics of strategic thinking is creative thinking. This is expressed in the form of new, nontraditional thoughts, suggestions, and solutions, which usually have a significant impact. Experience has shown that the greatest impact is from the implementation of completely new, revolutionary ideas (for example the theory of relativity, the use of nuclear energy, genetics), not the improvement of the status quo.

The principle of combining exact and intuitive methods when formulating strategy is closely related to creative thinking. Formulating strategy is creative work. For this reason when it is being developed one must use a broad range of intuitive, creative techniques the importance of which will continually increase. In order to make the necessary calculations, however, one must also utilize econometric and mathematical techniques, especially simulation techniques which on the computer allow one to explore the consequences of certain strategic (for instance investment versus noninvestment) measures.

Another principle of strategic thinking is the effort to achieve world class results that will allow us to rise above other worldwide producers.

For many reasons economies tend to waste resources. We are well aware of this phenomenon from our own capital construction. One of the main principles of strategic thinking is the principle of concentration on the most important.

Strategic processes play out over a long period of time. For this reason time is very important in strategic thinking. Time is always expensive and lost time can be replaced only with difficulty, and always at a price of significant excess costs. Strategic operations must therefore be implemented at the proper time and must be perfectly synchronized. The principle of thought over time, which includes all the above aspects of understanding strategic processes in terms of their development over time is another essential condition of competent strategic management. The principle of thinking in terms of feedback is closely related to this. In large economic systems there are numerous interconnected and complex feedback linkages. Understanding how they function and what impact they have is one of the conditions of the successful management of complicated socioeconomic processes.

The functioning of feedback linkages usually extends beyond the boundaries of sectors, branches, regional units and even sometimes the country. The comprehension, quantification, and expression of the time sequences of feedback processes is therefore highly sophisticated and difficult.

The principle of interdisciplinary thinking is also important to the quality of strategic management. This demands that knowledge and techniques from multiple scientific disciplines (if possible) be used to formulate strategy. Experience has shown that decisions made by joining the knowledge of different fields of science always make the most significant impact.

The principle of a national perspective when making decisions about strategic problems plays something of an integrating role. Every strategy must be focused on the fulfillment of sociopolitical objectives of a socialist society, and be based on economic and social policy.

In conclusion it is important to emphasize the principle of a worldwide systemic approach that was mentioned above. This is one of the most important principles of strategic thinking. The implementation of this principle determines the success or failure of enterprise strategy in the contemporary world. To repeat once again, the principle of a worldwide systemic approach means that it is essential to take into account worldwide political, social, economic, ecological, and scientific and technical developments when formulating strategy.

The principles of strategic thinking constitute a certain "philosophy" of strategic management. To implement this under the conditions of a specific enterprise requires the building of a strategic management system to become an integral component of the management system of that enterprise.

We will now follow the process of the practical formulation of an enterprise strategy and the introduction of a strategic management system.

#### Practical Approach to Developing an Enterprise Strategy

Two groups of employees participate in strategy formulation. These may be called the "development team" and the "strategy team". The "development team" is made

up mainly of specialists in strategic management. These teams are usually made up of consultants from colleges or research institutes. Because strategic management requires a worldwide, extraenterprise perspective and because these consultants can be objective and disengaged, their participation in strategy formulation is very efficient and almost essential at the initial stages of the process. This team gradually involves enterprise employees in its work. The scope of this participation increases with each step of the strategy formulation process. The fundamental task of the "development team" is to set the foundation for the discussions of the "strategic team." The "strategic team" is composed of the entire upper management of the enterprise (chaired by the enterprise director), other key enterprise employees, and certain members of the "development team".

The chairman of the "development team" usually serves as moderator of meetings of the "strategic team". His role is to make sure that conditions are maintained to allow for creative approaches, the free exchange of ideas, and other conditions of effective team work.

The enterprise director must participate in sessions of the "strategic team". This expresses his support for the importance of strategic management and his personal interest in the results achieved. The director must respect the principles of team work. This means that he must not adopt any preconceived, authoritarian positions. He must not only permit, but actively facilitate the creation of differing opinions and creative ideas. Successful strategy formulation to a large degree depends on adherence to correct psychological techniques!

One important condition of success is that sufficient time be allocated to study, discuss, and fully develop these foundations. There must be an appropriate time interval between the presentation of a certain block of preconditions and the meetings of the "strategic team". By the same token the "development team" must have enough time allotted to prepare the requisite conditions. This implies that strategy formulation requires several months of intense work by highly qualified people.

Figure 1 depicts the individual steps in work on an enterprise strategy and the introduction of a strategic management system.

Figure 1.

Foundation Blocks	Strategic Team Discussions
First Foundation Block	First Strategic Team Meetings
Principles of strategic thinking; system of strategic enterprise management	Discussion of principles of strategic thinking and concept of strategic enterprise management
Second Foundation Block	Second Strategic Team Meetings
Information on worldwide environment	Determining factors affecting enterprise strategy
Conclusions from information on worldwide environment	Determining strengths and weaknesses of enterprise
Information on central agency objectives	Determining specific enterprise priorities
Information on enterprise strategic starting point	Determining criteria for including products in production program

Figure 1. (Continued)

Foundation Blocks	Strategic Team Discussions
Methodology and results of interenterprise comparisons	
Proposed methodology for analysing strengths and weaknesses and for formulating specific enterprise priorities	
Results obtained from self-financing model	
Methodology for formulating rational needs provided by the enterprise	
Foundation for determining factors affecting enterprise strategy	
Third Foundation Block	Third Strategic Team Meetings
Formulating factors affecting enterprise strategy	Evaluation of scenarios
Formulating strengths and weaknesses and specific advantages of the enterprise	Formulating global strategic objectives
Variants of scenarios	
Strategic information system	
Proposed global strategic objectives	
Fourth Foundation Block	Fourth Strategic Team Meetings
Proposed strategic operations	Specification of basic strategic operations
Fifth Foundation Block	Fifth Strategic Team Meetings
Evaluating consequences of strategy variants	Evaluating concepts of individual strategies
Optimizing strategy variants	Selecting strategy variants for implementation and backup strategies
Formulation methodology for individual strategies	
Concepts for individual strategies	
Sixth Foundation Block	Sixth Strategic Team Meetings
Comprehensive strategic studies of enterprise	Approval of comprehensive strategic study
	Evaluation of quality of study
Seventh Foundation Block	Seventh Strategic Team Meetings
Identifying deviations from original foundations	Decide on measures to react to deviations
Proposed measures to react to deviations	

### First Foundation Block

This block contains those foundation elements an awareness of which is required for the successful fulfillment of all following tasks. Experiences have shown that a mastery of the principles of strategic thinking is fundamental precondition for successful strategic management. For this reason this block contains a detailed formulation of these concepts. This block also contains the description of the strategic management system that will be implemented in the enterprise.

### First Strategic Team Meetings

The main topic of these meetings is the principles of strategic thinking. These principles must be discussed thoroughly. Most of all there must be clear answers to the questions that normally arise from the previous management techniques. Discussions often focus on questions such as these: "How can strategy be formulated at all under conditions of uncertainty?" "Why be concerned with the worldwide environment?" "How can we get information on the evolution of the worldwide environment?" "How can we formulate strategy if we

cannot predict the future?" "Will central agencies guarantee the long term stability of inputs and transfer payment obligations?", etc.

From the way these questions are phrased it is clear that they come from a lack of comprehension of the principles of strategic thinking. This is why enough time has to be allocated to pay full attention to these issues and to respond to them.

The moderator of these meetings plays an important role. He must be a trained expert in these matters. He must be able to provide qualified answers to all the above questions.

Members of the "strategic team" must leave the first meeting convinced that formulating an enterprise strategy and implementing a strategic management system is both a vital necessity for them and that it is possible.

The first foundation block and first meetings of the "strategic team provide a theoretical base for all further

work on strategy formulation and implementing a strategic management system. All future activities must be undertaken based on this "philosophy".

### Second Foundation Block

This block involves generating materials required by ongoing work to formulate an enterprise strategy. The first foundation element needed for this effort is information on the worldwide environment affecting enterprise strategy. As stated above, this information is an essential requirement for developing a quality enterprise strategy. Enterprise employees, because of the nature of the current management system, have naturally never paid sufficient attention to this information. They did not even have sufficient opportunity to do so because obtaining this information from various sources is fairly difficult and takes a lot of time. At the same time, many of these factors have an impact on the strategies of all of our enterprises. For this reason the Center for Scientific, Technical, and Economic Information [UVTEI] has developed a publication designed to provide employees working on strategy formulation for their enterprises with summary information on the evolution of our worldwide environment. This publication has been developed to fit into the context of the strategic management system that we are describing here. It contains information on the impact of the international political situation on economics, of developmental trends in the world economy, on measures adopted in the areas of foreign trade and international integration, on demographic developments worldwide and in the CSSR, on basic trends in scientific and technical development, on developments in the main economic sectors, and on several other issues important for formulating an enterprise strategy.

This publication, which will be updated annually to keep pace with rapid world developments, provides enterprises with an important aid that will give them in a few pages relatively comprehensive information on the worldwide environment, information essential to the formulation of an enterprise strategy.

The above information that is necessary for all enterprises must be supplemented by additional information related to enterprises in specific sectors and fields. So far UVTEI has developed a set of information necessary for strategy formulation by machine building enterprises. This publication presents information on expected demand for machinery products, on developments of new materials for machinery, information on research, production and engineering facilities and equipment, on evolving requirements for employee training, on issues of specific interest to machine building firms (introducing flexible manufacturing systems, computer supported systems, etc.), and international comparisons of Czechoslovak machinery products.

The "development team" in enterprises in those sectors for which similar information has not yet been assembled must take the responsibility for obtaining this information.

In all instances the development team will reach conclusions regarding the implications of worldwide trends it discovers for the strategy of their enterprise. These conclusions, the formulation of which requires top professional qualifications (and conformance to the principles of strategic thinking) are of great importance for discussions of the basic objectives of enterprise strategy.

In formulating its strategy the enterprise must make decisions based on information concerning the strategic objectives of central agencies. For this reason this information is a major component of this foundation block. At present there is no rational flow of this type of information between the center and enterprises. Therefore one of the tasks of the "development team" is to obtain all possible information of this type and compile it in a way that facilitates strategic team discussions.

The "development team" must also obtain information concerning factors that affect the development of the specific field in which the enterprise operates. It can accomplish this task in conjunction with the scientific, technical, and economic information of the enterprise. The "development team" should however take steps to make sure that this information is more accessible. The use of modern information transmission equipment can have a positive impact here. For instance, the development team could provide constant availability of information that is updated weekly from an easily accessible terminal. More importantly, this information is essential to the formulation of a quality enterprise strategy!

Another component of this block is information on the strategic starting point of the enterprise. This primarily involves data on the current position of the enterprise and its recent performance. Also of interest here is data describing the innovative capabilities of the enterprise, any important advantages (i.e. sources of inexpensive raw materials, ability to hire seasonal employees, ownership of important patents, etc.).

Data on the strategic starting position of an enterprise serve as input data for a model that is used in later phases of strategy development to test strategy variants. This information is also used to analyse the strengths and weaknesses of the enterprise and in all discussions about the future of the enterprise.

Most of this information is available within the enterprise. The "development team" must classify it to meet the needs of strategic management. To accomplish this it can use the methodological guidelines developed by a collective of employees of the manufacturing economics department of the College of Economics.

One requirement of an effective strategy is an awareness of enterprise performance relative to the performance of

similar firms. To learn this an interenterprise comparison must be performed, the results of which form another element of this foundation block for the enterprise. The manufacturing economics department of the College of Economics in Prague has developed a methodology and the necessary software for performing such a comparison. The software makes it possible to conduct rapid and useful comparisons of enterprises with the necessary predictive capability.

Every enterprise has strengths and weaknesses. The strengths are those aspects of its operations that the enterprise easily performs better than its competition, or for which it is better suited than other firms. Weaknesses are those activities that other enterprises do better. Enterprises are frequently not fully aware of either their strengths or their weaknesses. When formulating strategy however it is essential to make a full analyses of both. This analysis must include a search for ways to eliminate barriers to more effective performance, the identification of limits and constraints, but also of underutilized capacities.

This analysis of enterprise strengths and weaknesses requires highly qualified personnel. It should be performed by a group composed of proven experts of the enterprise as well as by external experts who are not saddled with "professional blindness" or subjective biases. The analysis must also take into account the psychological impact of relationships among employees. Employees are often not willing to admit their strengths, because these constitute a form of underutilized capacity. They are still less willing to identify the strengths and weaknesses of other enterprise divisions. A methodology has been developed, therefore, for analysing strengths and weaknesses that takes into account these reservations. The enterprise director requests that individual employees make a list of the strengths and weaknesses of the enterprise, then submit these lists anonymously to an external colleague, the chairman of the "development team". This person processes the responses and presents the results at a meeting of the "development team" where they are discussed.

Experience has shown that some employees will identify a certain fact as a strength, while others consider it a weakness. Such conflicting input can be resolved during discussions of the "strategic team". These meetings use brainstorming techniques to identify strengths and weaknesses that were not brought out by the initial analysis.

The strengths and weaknesses analysis forms the basis for the identification of the so-called specific advantages of the enterprise. In view of the stiff competition on world markets an enterprise will be able to compete effectively only by being better than all others in a specific area. This can be accomplished only by utilizing or developing a set of "specific advantages". Developing specific advantages is one of the main objectives of enterprise strategy formulation. The strategy must create

a profile of the enterprise that defines it and differentiates it from other enterprises. A highly efficient enterprise must be like an assertive personality; it must stand out from others for a specific reason. The enterprise, for instance, can be totally dedicated to product quality, or it can pride itself in always being at the forefront of innovation. Another enterprise can focus on maximizing cost cutting related to its products and on meeting the needs of less demanding customers. Yet another enterprise can be distinguished by its exemplary service.

The strengths and weaknesses analysis and formulation of specific advantages are closely related. Usually the greatest strengths of the enterprise are the starting point for identifying its specific advantages.

The task of analysing strengths and weaknesses and identifying specific advantages is a relatively new one for enterprises. For this reason the "strategic team" members must comply with methodological guidelines for analysing strengths and weaknesses and formulating specific advantages of the enterprise.

An additional foundation element of the second block is the results obtained from the so-called self-financing model. This model makes it possible to establish a profit level that the enterprise can generate in a certain period under certain conditions. This level of profits can then be compared with the minimum profits needed for the enterprise to meet its transfer payment obligations to the state budget and to provide the requisite allocations to its own funds. This model, which uses the information contained in the "strategic starting point of the enterprise" has been developed and programmed by the manufacturing economics department at the College of Economics.

The results obtained from this model indicate the projected financial potential of the enterprise for the upcoming period, allowing those formulating a strategy to focus on realistic objectives.

An important foundation element of this block is the methodology for formulating rational needs to be met by the enterprise. The volume and structure of national needs for the products produced by the enterprise are among the critical factors in formulating an enterprise strategy. Determining these needs, however, is relatively complicated. For this reason the members of the "strategic team" must come up with a proposed approach to this issue. This means that it must develop a production program.

The "strategic team" must constantly monitor during its activities the evolution of factors affecting the behavior and efficiency of the enterprise and transform the impact of these factors into strategic decisions. First, however, the team must identify and define the factors affecting enterprise strategy. This is a relatively new task in enterprise managerial activity. Therefore the "development team" should develop guidelines for determining

the factors influencing enterprise strategy in this preliminary phase. The main purpose of these guidelines is to focus discussions of the "strategic team" on this issue.

### Second Strategic Team Meetings

At the beginning of these meetings the factors affecting enterprise strategy should be identified. These factors come from the foundation elements prepared by the development team. The goal is to determine which of the practically infinite number of factors affecting an enterprise (everything is related to everything else) are the most important. Two criteria are used. The first is the change in the impact on enterprise behavior caused by a change in a given factor. The second is the amount of time the enterprise needs to adapt to a change in a given factor. The greater the impact and the longer it takes to adapt the more important the factor in formulating enterprise strategy. Sometimes seemingly remote and at first glance unrelated factors have a significant impact (for instance the divorce rate has an impact on the porcelain industry!). For this reason we have found it useful for the external development team members to make the first attempt at identifying the critical factors. Enterprise employees can then expand on or shorten this list at meetings of the "strategic team". The synthesis of the views of these two differently focused groups usually brings positive results.

When identifying the factors that affect enterprise strategy the tendency is at first to identify a large number of factors. When the impact of each is considered, however, the list is usually shortened. In one medium sized machine building firm the first list identified 120 factors, of which 40 were subsequently chosen as most important. This reduction is essential because it is impossible to work with a large number of factors, the forest gets lost in the trees, and in conflict with the principles of strategic thinking we begin to get bogged down in detail instead of dealing with the fundamental, most important problems. For this reason as well, it is vital that true experts be involved in identifying factors. The importance of a given factor is not limited to its apparent importance, but may involve a range of true impact on enterprise behavior. The importance of some factors is often overestimated, and that of others underestimated. This is especially true of the impact of psychological and sociological influences, and all factors related to the creative activity of people.

A large and probably critical role in determining the factors affecting strategy is played by intuition. It is also possible, however, to use exact methods, i.e. structural balances or simulation models. One such model is a model of dynamic behavior.

Identifying the factors affecting enterprise strategy facilitates above all the formulation of the strategic information system for the enterprise. This system must contain information about all these factors and the enterprise must be able to track the evolution of all the factors constantly.

Another subject for strategic team meetings is the determination of the strengths and weaknesses of the enterprise. These meetings discuss the proposal submitted by the development team. The proposed strengths and weaknesses are discussed, conflicting opinions are resolved, and new, modified suggestions are derived. These discussions have to focus on the greatest strengths and greatest weaknesses of the enterprise. Clarifying these strengths and weaknesses is of great importance for further work on a strategy.

The greatest strengths that are identified serve as the basis for defining the specific advantages of the enterprise. Correctly identifying these advantages is also a very important part of the foundation for an enterprise strategy. When formulating specific advantages the "strategic team" must be able to identify the internal factors of their own enterprise as well as the status and evolution of its environment. This environment, mainly the enterprise's customers, must accept these specific advantages, recognize their social contribution, and be willing to pay for them. Only when this is true can specific advantages be implemented; only when this is true do they make sense.

In the final phases of these meetings, the "strategic team" determines the criteria that will serve as the basis for evaluating future products for inclusion in their production program. These criteria, after all, have a significant impact on future work on formulating an enterprise strategy. After this, the next step is to define the social needs to be met by the enterprise. This is then used as a basis for determining the basic production program.

This completes the second round of meetings of the "strategic team". It should be emphasized again that these meetings must be conducted in a spirit of team work. For this reason enough time has to be allocated to these meetings. Attempts to implement decision prematurely cannot be permitted. All ideas have to be thoroughly studied and evaluated.

The conclusions reached in these meetings serve as the starting point for the future work of the "development" and the "strategic" teams. The conclusions reached so far should not, however, be viewed as definitive. As the strategy formulation process continues the need may arise to further refine, modify, or even change some of the conclusions reached in the preceding stages. This is common in strategic management. It stems from the process of growing awareness of the processes involved in strategic management.

### Third Foundation Block

The "development team" first evaluates very carefully the results of the discussions of the "strategic team". It reformulates issues as necessary to make them more precise, looks for constraints that were not identified by the "strategic team", for ideas that were proposed but not fully developed, then develops these ideas and puts them into the general context.

The first component of the third foundation block is a "definitive" formulation of the factors affecting enterprise strategy, its strengths, weaknesses, and specific advantages. The word "definitive" should be understood here in the sense of the principle of permanence of work on strategy.

Based on these foundation elements, several variant scenarios are formulated. Each scenario consists of hypothetical conditions and the probable evolution of the factors that affect enterprise strategy. The first step in this procedure is to establish several variants of the future evolution of the factors influencing enterprise strategy during the period covered by the strategy. Then probabilities are assigned to each variant and a so-called paired comparison of the significance of specific factors is conducted. Based on this analysis several scenarios are developed. Each scenario develops a variant of the most important factors affecting strategy. The manufacturing economics department of the Prague Economics College has developed a methodology for developing these scenarios as well as software that computerizes the process.

When the scenarios developed to cover the evolution of the most important factors affecting enterprise strategy are of high quality they can provide important information, information that is essential for developing good enterprise strategy.

Identifying the factors affecting enterprise strategy is the first step in building a strategic information system. This system must contain information on the evolution of all of these factors. Building this system is one of the tasks of the "development team". System maintenance must then be assumed by whatever enterprise division is assigned the task.

The final foundation element of this block is a proposal of strategic enterprise objectives. The general goal of every enterprise operating in the new economic mechanism is to finance its own operations by meeting national needs.

The determination of concrete objectives must be based on several factors. The first is the volume of resources the enterprise is likely to have available for implementing its strategic objectives. A strategy that is not based on a realistic assessment of anticipated resources is nothing more than a "wish list"! For this reason a primary consideration is the volume of disposable resources that the enterprise is likely to produce during each year of the period covered by the strategy. This figure can be obtained using the self-financing model developed in the second foundation block. In addition consideration must be given to anticipated available labor, water, energy, raw materials, information, and other specialized resources needed to implement strategic objectives (for example license availability).

Objective formulation must also naturally be based on the scenarios that express the evolution of factors affecting enterprise strategy. Also important is the starting position of the enterprise. This information

should already be available by this stage of the process. Another important foundation element for determining strategic objectives are the strengths and weaknesses analysis and the specific advantages of the enterprise.

### Third Strategic Team Meetings

The first step is to evaluate the various scenarios covering the factors affecting enterprise strategy. The strategic team searches for that variant which it considers the most probable. The extent to which the members of the "strategic team" have mastered the information on the environment of the enterprise, interdisciplinary thinking, and their capability for adopting a worldwide systemic approach to the completion of this task will all play critical roles in the variant that is chosen.

After clarifying the implications of the formulated scenarios, the next step is to formulate global strategic objectives. The starting point for this determination is the proposal of these objectives made by the "development team". The second starting point is the opinions of the members of upper management, which they submit to the team. Reconciling these two viewpoints is very useful. Senior enterprise management state their views on the basis of their profound knowledge of the issues. Their positions, however are logically influenced by their personal attitudes, fears of the difficulty of the tasks (currently expressed as a general mistrust of suppliers) and relatively little knowledge of the wider environment. In contrast, those working on this problem who come from outside the firm see enterprise strategy in a broader context and, because they will not be personally responsible for implementation, tend to propose more ambitious objectives.

Reconciling the biases of both of these groups can therefore have very positive outcomes. Achieving these results, though, again depends on the ability to work well as a team.

Specific strategic objectives can differ widely from enterprise to enterprise. Examples of strategic objectives include becoming competitive on demanding international markets, achieving a certain market share within the CEMA, full satisfaction of domestic customer demand, etc.

There should be a very small number of strategic objectives, so that resources may be focused on their achievement. The goals should be consistent with each other, so that achieving one goal will facilitate achievement of the others. The goals must be clearly formulated. They must be clear to every enterprise employee, so that enterprise collectives can be motivated to work towards their fulfillment.

In conformance with the principles of strategic thinking, global strategic objectives should be developed in several variants.

#### **Fourth Foundation Block**

Strategic operations are then proposed on the basis of the global strategic objectives defined by the "strategic team". Consideration must be given throughout the process to the availability of resources of all types to carry out each operation. The result is several proposed variants for achieving each individual objective.

For each major strategic operation estimates are made of the time it will take, how much it will cost, and what the expected outcome will be.

#### **Fourth Strategic Team Meetings**

These meetings define basic strategic operations. The approach to their formulation is the same as the approach used to formulate strategic objectives. The process involves reconciling the proposals of the "development team" with those of upper management. As a rule, development team members make decisions reflecting their broad, interdisciplinary knowledge, while the managers advocate strategic operations that reflect their deep knowledge of their own business.

These meetings result in establishing variants for basic strategic operations to implement the identified global strategic objectives.

#### **Fifth Foundation Block**

The development team evaluates first of all the results of individual strategy variants adopted at the strategic team meetings. They can do so utilizing models developed for this purpose at the manufacturing economics department of the Prague Economics College. These are mainly so-called strategic operation economic parameter models. They can be used to provide computer simulations of the outcomes of various strategies both for critical extensive enterprise indicators (profit, output, loans, etc.) as well as for relative indicators showing basic elements of economic effectiveness and enterprise self-finance.

The Prague Economics College has also developed dynamic behavior models that can be used to further evaluate specific variants. These models can be used to simulate the outcomes of various strategic activities, such as investment projects, new product introductions, etc.

In addition to evaluating economic outcomes the different variants are also evaluated in terms of their ecological, social, and human factor impact. Decision analysis can then be used to assess their feasibility, risks, conditions needed for successful implementation. The variants can then be ranked in order of acceptability, and an "optimal" variant can be identified.

The development team then works out a proposed methodology for working with individual strategies (sales, supply, R&D, organization, personnel, etc.). At the same time it develops concepts for individual strategies.

#### **Fifth Strategic Team Meetings**

This round of meetings begins by evaluating the concepts for individual strategies proposed by the "development team", primarily from the viewpoint of their mutual consistency and relationship to the global objectives of the enterprise. After approving the concepts for individual strategies the meetings move to selecting specific strategy variants for implementation and other variants as backups. These decisions are one of the most important decisions made by enterprise management. All variants, after all, must be compatible. This means that the enterprise must be able, if necessary, to shift from one strategy to another while retaining its self-financing capability. This strategic flexibility is one of the main characteristics of strategic thinking and requires highly qualified managers to be done well. The requisite conditions for strategic flexibility have to be created in the facilities and equipment, information system, marketing, supply, and personnel strategies of the enterprise.

#### **Sixth Foundation Block**

This block of foundation elements involves a comprehensive strategic study of the enterprise that will articulate its strategy. The comprehensive strategic study consists of all materials developed in the preceding steps. In other words, it includes the various scenarios covering the evolution of factors affecting enterprise strategy, its global strategic objectives, basic strategic operations, evaluations of each variant, the specifics of the strategies selected for implementation, the backup strategies, and the individual strategies. The study also includes measures to educate enterprise employees concerning the strategy and to provide incentives for them to complete the tasks implied by the strategy.

While preparing the study attention must be paid to providing the links between the individual strategy components. The objectives must be supported fully by the basic and individual strategic operations, and these in turn must be supported with the necessary resources. The resources necessary to implement backup strategies must also be readily available.

#### **Sixth Strategic Team Meetings**

This round of meetings discusses and approves the comprehensive strategic study. These meetings also evaluate the quality of the strategic study.

One important outcome of these meetings must be the formation a unity of opinion among upper management and the work collectives on the adopted enterprise strategy. The strategy must become a document from which may be derived all other enterprise activities, a document that can focus the efforts of the entire work collective on the fulfillment of strategic objectives.

The technique for approving this strategy by supervisory offices will depend on the economic management mechanism.

### Seventh Foundation Block

This block of foundation elements evolves during strategy implementation. It is developed periodically, usually on an annual basis.

This block consists mainly of an enumeration of deviations from the originally projected evolution of factors affecting enterprise strategy, and from the original plan of strategic operations to be implemented by the enterprise. These deviations are obtained from the strategic information system of the enterprise, which fulfills the role of an "early warning system".

Once these deviations are analysed, measures are proposed to react to the deviations. In the case of serious deviations this process is completed in a short period of time.

### Seventh Strategic Team Meetings

These meetings also are held periodically, usually annually. When necessary they are held more frequently.

These meetings are held to approve measures proposed to deal with deviations. These are very serious decisions that can have a critical impact on future enterprise development. This is because even when conditions change it is possible to maintain an original strategy. In other instances, however, it makes more sense to shift to a backup strategy. Instances may arise where the changes are so extreme that a completely new strategy has to be developed. This is usually the case, however, when there have been serious economic losses and indicates a failure to master strategic management.

### Conclusion

The approach described in this article will enable an enterprise to develop a high quality strategy and implement a strategic management system. The method considers both the complexity of this task and the real advantages that it offers.

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## POLAND

### Voivodship Congress Task Force Calls for Early Congress Meeting

90EP0041A Warsaw *TRYBUNA LUDU* in Polish  
13 Sep 89 p 2

[PAP article: "Voivodship Congress Task Force Created in Tarnow"]

[Text] Tarnow—On 12 September in Tarnow, the first organizational meeting of the Voivodship Congress Task Force of the Tarnow party organization was held. During the 4-hour discussion, the most vital issues related to the activation of party work and the present and future role of the party in the sociopolitical and economic life of Poland were discussed.

Andrzej Tutal from the Tamel FSE [Electric Car Factory] in Tarnow stressed the importance of the fact that the party has become a constructive, and not an oppositionist-destructive force. Stanislaw Latowski from WZRKiOR [Provincial Union of Farms and Agricultural Circles and Organizations] said that it is important to create a grassroots program of renewed party work on behalf of society, not waiting for guidelines from above. This program should be attractive to young people, above all. In the opinion of Marek Morwicki from Niedomice, the party should look to the future if it wants to win socialism for the people. However, it will take a renewed, fully democratic party to do this.

All participants in the discussion agreed that the 11th Congress should be held soon, and that the documents adopted at it—the ideological declaration, the statute and the program—can facilitate the implementation of this main idea. The issues of electing delegates to the congress, a possible referendum and the party's name were also discussed. These issues, as well as the Tarnow plan of preparing for the congress, the program, the declaration and the statute will be formulated during subsequent meetings of the Voivodship Congress Task Force.

### Practicality of Future Use of Groszy as Currency Viewed

90EP0062A Warsaw *GAZETA BANKOWA* in Polish  
No 37, 11-17 Sep 89 p 2

[Article by Zbigniew Kwasniewski: "Is the Grosz Still Legal Tender?"]

[Text] Can a state bank refuse to accept a cash payment accompanied by a form showing the amount in zlotys and groszy? The question, on the surface, seems to be nonsensical and banal, considering the current value (or rather lack of it) of groszy coins and, as a result, the already general practice of not using these coins. However, in certain state banks (I will give examples on request), notices have even been posted informing customers that "...the bank accepts all payments only in full zlotys—legal basis, *DZIENNIK USTAW* of the National

Bank of Poland (NBP), 1989, No 1, item 1." And now the entire matter becomes somewhat more complicated.

In the monetary system in effect in Poland, based on the 28 December 1950 law on the change of the monetary system (DZIENNIK USTAW No 50, item 459, with later changes), the legal tender in Poland is zlotys and groszy. Thus far, no regulation has deprived the Polish groszy of their legal-tender standing. If that is so, then a debtor has the right to make payments in any kind of money in circulation, and the creditor cannot refuse to accept this money and should accept it in the amount calculated according to the value shown on the legal tender (see "Civil Code With Commentary," Warsaw, 1989, p 279). In light of the nominal-value principle which ensues from Art 358 of the Civil Code, it makes no difference what kind of money (in circulation) the debtor offers, although it is also permissible for contracting parties to stipulate that payments will be made only in the legal tender specified in the contract.

Finally, Art 16, par 2, pt 1 of the banking law in effect (DZIENNIK USTAW, 1989, No 4, item 21) requires banks to accept cash payments without setting any restrictions or exceptions in the type of legal tender used to make these payments.

Therefore, how do banks justify their refusal to accept payments which are not made in full zlotys? Well, the notices posted on this matter in the banks cite NBP DZIENNIK USTAW 1989, No 1, item 1, as their legal basis. This item consists of Directive No 1/89, dated 14 January 1989, issued by the president of NBP. This directive, which went into effect on 1 January 1989, changes the directive on uniform principles of banking accountancy. In section 1 of this directive changes were made in the text of section 23 of the NBP president's directive dated 10 February 1983 on uniform principles of banking accountancy (NBP DZIENNIK USTAW 1983, No 1, item 1). As a result, par 3 in section 23 now reads as follows: "Postings are made in full zlotys." At the same time, a new par 4 was added, which states that bookkeeping entries made in zlotys and groszy will be rounded off to full zlotys. Further changes made in January 1989 in the NBP president's 1983 directive deal with the formulation of concrete rules for this rounding-off.

Both the 1983 directive itself as well as the changes made in it this year, were based on a legal delegation, in which reference was made to Art 52, pt 3, of the banking law dated 26 February 1982 which was in effect until 9 February 1989 (DZIENNIK USTAW No 7, item 56). This provision states that the NBP president establishes the uniform principles of banking accountancy and reporting. It appears that it can be said that the scope of this legal delegation authorized the NBP president to direct that postings be made in full zlotys and that bookkeeping entries be rounded off to full zlotys.

The above-mentioned executive regulations issued by the NBP president, therefore, authorize the banking apparatus to take the actions specified in these regulations, but only in the performance of the bank's internal operations. In no way can they constitute a legal basis for the refusal to accept customers' bank payments which, in addition to zlotys, were also made in groszy. Otherwise, the sanctioning of such refusal would constitute an indirect refusal to treat groszy as legal tender in Poland, and Art 52, pt 3, of the 1982 banking law, did not give the president of the NBP the authority for such conduct.

The banking law in effect provides in Art 121, par 1, that until new executive acts are issued the present ones are binding, but for no longer than a period of 6 months. On 9 August 1989 (6 months have passed since the banking law went into effect), therefore, the above-mentioned directives on uniform principles of banking accountancy became invalid. The banking law in effect no longer provides that the NBP president will be legally delegated to establish uniform principles of accountancy. Such delegation is now provided by Art 52, pt 1, of the law dated 31 January 1989 on the NBP (DZIENNIK USTAW No 4, item 22).

It seems that in taking advantage of this delegation the NBP president should explicitly define the principles for making bookkeeping entries and for rounding them off, so as not to create the appearance of the existence of a legal basis for refusing to accept payments which were not made entirely in full zlotys. The fact that groszy are ceasing to be actually used in transactions, does not yet constitute a basis for official bank announcements that all payments will be accepted only in full zlotys.

## GERMAN DEMOCRATIC REPUBLIC

### Court Review of Administrative Decisions Explicated

23000237 East Berlin NEUE JUSTIZ in German Vol 43, No 9, Sep 89 pp 363-367

[Article by Prof Dr Gerhard Schulze, GDR Academy of Political Science and Jurisprudence: "Judicial Review of Administrative Decisions by the People's Police and Interior Ministry Organs"]

[Text] According to the Law on the adjustment of regulations concerning legal appeals procedures that are available to our citizens and the establishment of court jurisdiction to review administrative decisions (Adjustment Regulation) of 14 December 1988 (GBl. [LEGAL GAZETTE] I, No 28, p 329), and in accordance with the regulation by the same name (Adjustment Regulation) of 14 December 1988 (GBl. I, No 28, p 330), it is possible since 1 July 1989 to request a court review of the following administrative decisions of the People's Police (VP) and Interior Ministry organs of the competent local councils, based on the Law on court jurisdiction and procedures for reviewing administrative decisions (GNV) of 14 December 1988 (GBl. I, No 28, p 327):

1. Decisions with regard to claims for damages sustained by citizens in the course of assisting the VP.
2. Decisions on denying permission to organize or stage an event or on canceling it.
3. Decisions on granting state approval of an association, on repealing state approval, and on permitting citizens to become members of international and foreign associations.
4. Decisions on registering citizens who are at risk of becoming criminals and on stipulating conditions for them.

In addition, special legal regulations provide for the judicial review of cases in which permits for foreign travel and permanent exit visas have been denied.

### Compensation Claims for Damages Sustained While Assisting People's Police

In accordance with paragraph 11, section 3 of the Law concerning the duties and powers of the GDR People's Police (VP Law) of 11 June 1968 (GBl. I, No 11, p 232), as amended by the 14 June 1971 Law to revise regulations concerning legal ways of seeking redress against decisions taken by state organs (GBl. I, No 3, p 49), and of the Adjustment Law of 14 December 1988, the VP is obligated to prevent or ward off immediate dangers and take care of any disturbance that threatens human life and health as well as social and personal property, or impairs public order and safety in any other way. To accomplish this, the VP has the right to demand effective measures or to take such measures themselves, even at

the expense of the person responsible for the situation, whenever correction of a threatening incident requires prompt action.

In efforts to uphold order and safety, the VP may approach the following individuals (paragraph 9 of the VP Law):

- if the disruption or threat is caused by one person, the person causing the condition or one who is responsible for that person;
- if the disruption or threat is caused by an object, the legal entity, owner, holder, administrator or any person who has effective control over the object;
- and other persons if the threat or disruption cannot be staved off or cleared up in any other way.

### Preconditions for Involving Other Persons in Assisting the VP

Paragraph 4 of the VP Law states the inviolable dictate that the VP, in carrying out their duties and authority, must protect and respect the dignity of the individual, his freedom and his rights. The VP may only interfere in citizens' rights to the extent that this is legally permissible and absolutely necessary to maintain order and safety.

In support of measures to implement legal regulations, ward off dangers or eliminate disturbances, the VP may call on citizens if those causing the threat or disturbance cannot be reached—or cannot be reached in time—or if their own strength and means are inadequate, provided the life or health of the person called on is in no appreciable danger or other important duties are not affected (paragraph 11, section 4, VP Law). Such requests may be made to prevent, or dispose of, cases of averages and catastrophes or to deal with the results of traffic or other accidents.

In approaching him, the VP calls on the respective citizen to discharge his citizen's duty by performing certain tasks to resolve specific dangers to, and disturbances of, public order and safety. The type and extent of discharging this task depend on the specifics involved and on current legal regulations. In doing so, special legal regulations override general regulations under the VP law. The request for assistance may be made orally, in writing, or by way of signals. Written requests must be justified and include instructions on legal redress (paragraph 11, section 5, VP Law).

### Establishing a Claim for Compensation

If a citizen who was requested to assist the police suffers any damage, compensation will be paid in accordance with paragraph 18 of the VP Law. The citizen is entitled to reimbursement for his expenditures as well as for the loss he suffered while dealing with the dangers and disruptions, which were in addition to his expenditures and the unexpected and unintended consequences of the assistance he has given. Expenditures mean financial

damages that have been consciously incurred to provide the required support. The degree of compensation is based on civil-law regulations.

No compensation is payable in cases where the citizen was approached for help to eliminate some danger or disturbance of which he himself was the cause.

The compensation claim must be submitted to the VP office that had requested the citizen's assistance (or whose officers had done so). The complaint against the decision taken by the competent VP office with respect to the compensation claim must be submitted in written or verbal form, and it must state the reasons for the complaint.

The complaint must be submitted within 2 weeks and has no suspensory effect. Likewise, a decision on the complaint must be made within two weeks. If during that period the complaint has not—or not fully—been sustained, it must be forwarded through official channels to the supervisory manager for decisionmaking, and the claimant must be so advised. The supervisory manager has another 2 weeks to render a decision (paragraph 19, section 4, VP Law, as amended by the Adjustment Law of 14 December 1988).

The citizen may then petition the district court, in whose jurisdiction the VP office requesting the assistance is located, to review the decision on his compensation claim. Instead of the VP, the court itself may then make a decision on the matter.

#### **Decisions on Applications To Travel Abroad**

In line with the International Convention for Citizens' Rights and Political Rights dated 16 December 1966, and the final document of the Vienna Conference for Security and Cooperation in Europe [CSCE]'s followup conference of 19 January 1989, the Regulation on Foreign Travels by GDR Citizens (Travel Regulation) of 30 November 1988 (GBl. I, No 25, p 271) and its first implementation regulation of 14 March 1989 (GBl. I, No 8, p 119) stipulate the preconditions and procedure for official, tourist, and private travel permits and permanent exit visas. These statutory provisions expand and facilitate tourist travels. Thus the regulations on private trips pay particular attention to humanitarian concerns and the many diverse family relationships between GDR citizens and their relatives abroad.

#### **Applications for Permits for Tourist and Private Travel**

Tourist travel is organized by the GDR Travel Office VEB [state enterprise], the FDJ [Free German Youth] "Youth Tourist" travel office, or the FDGB. These institutions must forward the applications to the Interior Ministry or the competent VP office—Passport and Registration Department—in their area. In cases where the tourist travel must be handled by designated facilities of other states in the GDR, the citizen may file his

application at the VP office—Passport and Registration Department—in the area where he resides (paragraph 5, Travel Regulation).

In the absence of other regulations, applications for private travel to the People's Republic of Bulgaria, the Korean People's Republic, the Mongolian People's Republic, the People's Republic of Poland, the Socialist Republic of Romania, the CSSR, the USSR, and the Hungarian People's Republic may be submitted without specification of the reasons why the trip will be made (paragraph 6, Travel Regulation). Private travel to other countries may be undertaken in accordance under the relevant conditions listed in paragraph 7 of the Travel Regulation and its first implementing regulation. They include family relations, relations by marriage, and other humanitarian events, unless there are no reasons to deny the request under paragraphs 13-15 of the Travel Regulation.

Eligible are citizens of the GDR and stateless persons with permanent residence in the GDR on attaining the age of 18 (paragraphs 7, sections 4, 21, Travel Regulation).

Applications for private travel must be submitted to the VP office—Passports and Registration Department—that is competent for the citizen's principal or secondary residence, respectively. The office may ask for documents, official certificates, or official medical papers in order to verify that the travels are permitted by law (paragraph 7, section 5, Travel Regulation). Employees may be required to provide the written consent of their employers (paragraph 8, section 2, Travel Regulation).

Applications for private travel must not be submitted until 3 months prior to the start of the travel. Decisions on such applications are generally made within 30 days. In urgent cases, a decision on the application is made within 3 working days. Competent for making the decision is the chief of the Passport and Registration Department of the respective VP office accepting the applications (paragraph 16, sections 1 and 2, Travel Regulation). The citizens must be advised of the decision made. If the application is turned down, he must be informed in writing of the legal reasons for doing so (paragraph 17, Travel Regulation). Once the reasons for the denial are no longer valid, a new travel application may be submitted (paragraph 20, section 1, Travel Regulation).

#### **Applications for Permanent Exit Visas**

Permanent exit visas may be granted for the humanitarian reasons listed in paragraph 10, section 2 of the Travel Regulation. There are, however, reasons for granting permanent exit visas other than those listed in paragraph 10, section 2, provided they do not affect any social interests and the rights of other citizens in terms of their quality of their life, especially their support, receiving care, and their welfare, and if they cause no negative effects on the economy or public order (paragraph 10, section 3, Travel Regulation).

According to paragraphs 13-15 of the Travel Regulation, the reasons for refusing applications also apply to permanent exits.

Eligible to submit an application are GDR citizens and stateless persons, after they have reached the age of 18 and whose permanent residence is in the GDR. Parents or legal guardians may file applications for minors. Such requests require the notarized agreement of the minor who is over the age of 14. Such a notarization cannot be waived by the government authorities (paragraph 11, section 2, Travel Regulation).

The application for a permanent exit visa must be submitted in writing. If the permanent exit is intended to be for the FRG or West Berlin, then the application should be addressed to the Kreis, respectively, City Council—Department for Internal Affairs—which has jurisdiction over the applicant's principal residence. In the case of permanent exit visas to other foreign countries, the application must be submitted to the VP office—Passports and Registration Department—which is competent for the applicant's principal residence (paragraph 11, section 1, Travel Regulation).

In the case of humanitarian reasons under paragraph 10, section 2 of the Travel Regulation, decisions on applications for permanent exit visas must be made within 3 months; in the case of other humanitarian reasons, under paragraph 10, section 3 of the Travel Regulation, it must be made within 6 months (paragraph 16, section 3, Travel Regulation). The decision is made by the chief of the Internal Affairs Department of the competent Kreis Council or City Bezirk or, respectively, by the chief, Passport and Registration department, of the competent VP office. The applicant must be informed of the decision. In the case of a negative decision, the legal reasons must be stated in writing. A new application may not be submitted until after 6 months at the earliest, if the reasons for denying the application are no longer valid.

#### **Reasons for Denying Foreign Travel Permits and Permanent Exit Visas**

Applications must be turned down in cases where it is necessary to protect our national security or national defense (paragraph 13, section 1, Travel Regulation). Permits may be denied if:

- the applicant has not yet completed his active military or equivalent service, or has not served in the military reserve, and is not yet 26 years of age;
- the applicant is currently serving in the protective and security organs;
- the time period after his release from the service, as established by the competent organs, has not yet passed;
- it is necessary to maintain public order in the GDR or protect other state interests, especially in accordance with the conditions listed in paragraph 14, section 1 of the Travel Regulation.

Beyond that, applications for permanent exit visas may be turned down to protect the rights of the citizens, the principles of socialist moral standards and social needs. These reasons are listed in paragraph 14, section 2 of the Travel Regulation.

Finally, permits may sometimes or permanently be denied, if there is no guarantee that the interests and legal rights of GDR citizens are not protected during their stay abroad (paragraph 15, Travel Regulation). This may, for instance, apply when the travel request is to areas where the military situation is tense.

#### **Requirements for Appeals Process and Court Review**

An administrative decision based on the Travel Regulation may be legally appealed. The decision must give existing means to seek redress (paragraph 18, Travel Regulation).

Complaints concerning the denial of private or tourist travel permits or of permanent exit visas abroad (except for the FRG and West Berlin) should be addressed to the Director, Passport and Registration Department, of the competent VP office. The complaint may be filed either in writing or verbally, within 2 weeks after receipt of the decision; it has no suspensory effect. The complaint will be handled on the basis of paragraph 19 of the VP Law. If the director of the Passport and Registration Department has not sustained it within 2 weeks, the complaint must be forwarded to the chief of BDVP [bezirk office of the German People's Police], who will then make a final, respectively, definitive decision (in this case of paragraph 13, section 1, Travel Regulation) on the complaint within 2 more weeks.

Complaints about the denial of permanent exit permits to the FRG and West Berlin should be sent to the director of the Internal Affairs Department of the competent kreis or city bezirk council. The complaint must be submitted in writing within 2 weeks after receipt of the decision. It does not have a suspensory effect. If the department head fails to settle the complaint within 4 weeks, it will be forwarded to the chairman of the competent kreis council or the mayor of the city bezirk, respectively. He must make a final decision on the matter within an additional 6 weeks (paragraph 18, section 2, Travel Regulation). He also makes the definitive decision with respect to denials under paragraph 13, section 1, Travel Regulation.

The applicant must be informed in writing of any final, definitive decision on his complaint, stating the reasons for the decision.

The citizen has the right to ask, within 2 weeks after receipt of the decision, for a court review of the administrative decision. The request must be made to the bezirks court in the area the competent VP is located, or to the kreis or city council that produced the first decision. The only basis for such a request is to claim that the decision violates the law. No court review is possible in cases where travel applications were denied

for national security or national defense reasons (paragraph 19, Travel Regulation).

#### Decisions Concerning the Organization of Events

Freedom of assembly is guaranteed as part of the basic principles and objectives of the GDR Constitution (Art. 28 of the Constitution). Citizens may make unrestricted and creative use of this right, if it serves peace, socialism, democracy, and international understanding. However, it is unconstitutional to abuse this right, e.g., for militaristic, revanchist or neonazist propaganda, for war mongering, and for expressions of religious and racial hatred as well as hatred against other nations (Article 6, section 5 of the Constitution) or other antidemocratic and antisocialist activities. The conditions for applying this basic right and their protection from abuse are set out in the regulation concerning the organization of events (Events Regulation—VAVO) of 30 June 1980 (GBl. I, No 24, p 235), as amended in the Adjustment Regulation of 14 December 1988.

#### Filing a Request

Events in the sense of paragraph 1, section 1, VAVO, are assemblies or other organized gatherings of persons and public events. Not included are family celebrations and other get-togethers related to the socialist way of living in the homes of citizens or on their properties and in communal facilities in tenant and residential communities (paragraph 1, section 3, VAVO).

Events held in buildings are subject to registration, and public dances and outdoor events (paragraph 3, section 1, VAVO) require a permit. Excepted from this requirement for registration and permit issuance are events staged by political parties, state organs, mass organizations represented in the National Front, combines, enterprises, cooperatives and plants, the committees of the National Front as well as the church, to the extent that these events are within the scope of the purpose of these organizations and are held in their premises or out-of-doors (paragraph 3, sections 5 and 6, VAVO).

The organizer or person in charge must apply for permission at least 10 days prior to the date for which the event is scheduled (paragraph 3, sections 2 and 4, VAVO). If holding the event requires special measures, e.g., traffic management, roping off streets, or similar needs, registration or the permit must be applied for at least 4 weeks prior to the planned event (paragraph 4, section 1, VAVO). In both instances, issuance of the permit may be linked to conditions or requirements to observe legal regulations and guarantee public safety and order (paragraph 7, VAVO).

The application must be submitted:

- to the VPKA [kreis office of the People's Police] for events within a kreis;
- to the BDVP [bezirk office of the People's Police] for events covering several kreises within a bezirk;

—to the Interior Ministry for events covering several bezirks.

#### Reasons for Blocking an Event

Events requiring registration or a permit can be blocked if:

- a) the organizer or other persons in charge do not meet the registration or permit deadlines, in accordance with paragraphs 3 and 4, VAVO;
- b) the organizer or other persons in charge do not comply with established conditions and requirements;
- c) the event violates the basic principles and goals of the Constitution;
- d) the event violates existing laws or other legal provisions;
- e) the event disrupts or endangers public order and safety (paragraph 8, section 3, VAVO).

Based on the reasons listed under b) through e), the VP may also prohibit an event already authorized, or it may break up the event. The same applies if the event was not registered.

Nonobservance of certain VAVO regulations may lead to legal charges of violating public-order regulations (paragraph 9, VAVO).

#### Requirements for the Appeals Process and Court Review

Under paragraph 19 of the VP Law and paragraph 8a of VAVO, as amended by the Adjustment Regulation dated 14 December 1988, the organizer or the person in charge has the right to appeal the administrative decision made by the competent VP office. Stating reasons, the complaint must be filed, in writing or verbally, within 2 weeks after receipt or notification of the decision, with the VP office that has made the decision. The complaint has no suspensory effect. If no redress has been made, the request must be forwarded to the supervisory chief within 2 weeks. The person submitting the complaint must be notified of the decision in writing, and the reasons must be stated.

After a decision has been made, a legal decision may be requested at the kreis court, in whose jurisdiction the VP office that rendered the first decision is located, in order to appeal denial of a permit to stage the event and its breakup. Here again, the request for court review has no suspensory effect.

In cases where there are reasons to cancel or break up an event, the request may be expedited, in accordance with paragraph 6, section 3, GNV [expansion unknown], and an individual judge may make the legal decision, even without a verbal hearing.

A request for court review may not be submitted if an event, which had been registered or for which a permit had been requested, was prohibited and canceled, and if

the right to appeal the decision or measure was not exercised. This also applies to the cancelation of an event, for which neither a registration nor permit application was filed.

#### Decisions Concerning the Approval of Organizations

As a necessary element of socialist democracy, the right of citizens to assemble is a basic right guaranteed by the Constitution (Article 29). It permits our citizens to form organization based on the principles and goals of the Constitution, to join them and to work for them unhampered within the framework of our laws and other legal provisions as well as in line with the objectives set out in their organization statute. The provision regulating the establishment and activities of organizations (Organization Regulation) of 6 November 1975 (GBl. I, No 44, p 723), as amended by the Adjustment Regulation of 14 December 1988, provides more details on this basic right.

Unlike social organizations, the Organization Regulation defines organizations as "organized citizens associations to pursue common interests and achieve common goals" (paragraph 1, section 1, Organization Regulation) in, e.g., scientific societies, organizations in the social area, cultural societies, the association of freethinkers, professional associations, hunters clubs and other specialized organizations.

The regulation does not cover organizations—and, according to paragraph 14, expressly excludes them—that are political parties, mass organizations represented in the People's Chamber and their working and interest groups, clubs, circles of friends, specialized groups and those of the National Front, state organs and institutions, management organizations, combines, enterprises, cooperatives, and working and interest groups that are part of institutions, clubs, and creative art circles and groups. By the same token, the regulation does not apply to citizens associations under paragraph 266, etc., of the ZGB [civil code], as well as associations and societies which address economic issues on the basis of specialized legal provisions. Neither are churches and religious communities, covered by competent administrative state organs, included in the Organization Regulation, except for the certification that they are a legal entity.

#### Filing an Application

In order to pursue their activities, organizations must be approved by the state. The competent technical body of the kreis or bezirk council or of the competent central state organ—whose work is affected by the type and objectives of the organization—must be informed of plans to establish an association. Confirmation of the registration, which must be obtained within a 3-month period, is mandatory before any actions that are necessary in connection with the establishment, especially the appointment of organization managers, and the elaboration of a statute can be undertaken (paragraph 3, Organization Regulation).

Requests for state approval are decided in accordance with paragraph 2, section 2 of the Organization Regulation:

- for organizations within a city or land kreis, by the deputy chairman of the Council for Internal Affairs;
- for organizations covering several city and land kreises, by the deputy chairman of the Council for Internal Affairs;
- for organizations extending over several bezirks, that are of international importance or will be established in the GDR by citizens of other states, by the head of the Central Department for Internal Affairs of the Interior Ministry.

#### Requirements for, and Legal Effects of, State Approval

The organization must be advised in writing of the decision that state approval has been granted, i.e., that it has become a legal entity (paragraph 7, section 2; paragraph 2, section 1, Organization Regulation). Similarly, changes of, or amendments to, the organization statute—the nature of which is outlined in paragraph 5—will only take effect, if they were submitted to the competent administrative body within a 4-week period and approved by the person who is authorized to make the decision (paragraph 8, Organization Regulation).

State approval requires the organization to show, in accordance with paragraph 1, section 2 of the Organization Regulation, that:

- its character and objectives are in line with the principles of the socialist social order;
- there is an intellectual-cultural or other need for its activities;
- its activities do not violate laws and other legal regulations.

If these requirements are no longer met, the person who is authorized to make the decision may repeal state approval of the organization (paragraph 9, section 1, Organization Regulation).

If state approval is denied or repealed, the organization must immediately cease its functions and take the necessary steps to disband its activities. An organization which discontinues activities by itself must advise the local council's competent body and the competent central state organ accordingly (paragraph 9, sections 2 and 3, Organization Regulation).

Those in violation of any provisions of the Organization Regulation may be held accountable under the law (paragraph 16, Organization Regulation).

#### Requirements for the Appeals Process and Court Review

Administrative decisions may be appealed under paragraph 12 of the Organization Regulation, as amended by the Adjustment Regulation.

The appeal must be submitted, in written or verbal form, within 4 weeks after receipt of the decision, to the administrative body that made the decision that is being appealed. The request must state the reasons for the appeal. The appeal has no suspensory effect. If no redress has been granted, the appeal must be sent on to the head of the supervisory organ within 2 weeks. Within another 4 weeks, the latter then renders a definitive decision. The competent administrative body must inform the complainant in writing of the results of the appeal and of the reasons underlying it.

After a final decision has been made on the complaint, the citizen may request a court review, in accordance with section 12a of the Organization Regulation, as amended by the Adjustment Regulation; that is:

- of decisions on whether an organization should be approved by the state (paragraph 7, Organization Regulation);
- of the repeal of the state approval (paragraph 9 of the Organization Regulation); and
- of the denial of permission for GDR citizens to become members of international or foreign organizations (paragraph 11, Organization Regulation).

The request for court review does not have a suspensory effect. Responsibility for the process rests with the kreis court in whose area the administrative organ, which made the first decision, is seated.

#### **Decisions on Registration of Citizens at Risk of Becoming Criminals**

Fighting and preventing criminal acts is the concern of all citizens (Article 90, paragraph 2 of the Constitution). That means, among other things, that the local councils, the heads of enterprises and facilities, and the chairmen of cooperatives are always on the lookout for signs indicating that citizens are at risk of becoming criminals. This is an integral component of their legal responsibility to maintain order and safety (cf. articles 56, 79 of GoeV [the Law on Local People's Representations]; paragraphs 8, etc., section 1, 32, part 3, Combine Regulation; paragraph 24, section 2, LPG-G. [Agricultural Producers Cooperatives Law]). Details of these duties are contained in the Regulation on the responsibilities of local councils and enterprises for educating citizens who are at risk of becoming criminals (Regulation on Citizens at Risk) of 19 December 1974 (Gbl. I, 1975, No 6, p 130), as amended by the Second Regulation of 6 July 1979 (Gbl. I, No 21, p 195) and the Adjustment Regulation of 14 December 1988.

#### **Prerequisites for Registering Citizens Who Are at Risk of Becoming Criminals**

Citizens are considered to be at risk of becoming criminals, who demonstrate serious characteristics of workshy behavior, although they are capable of working, who show other indications of developing an antisocial life style, or who continuously violate the work discipline as

a result of continued alcohol abuse, or disrupt the social life of the citizenry. This may also involve young citizens who leave the care of the youth organizations on attaining the age of 18, but require continued education in light of their socially abnormal behavior (paragraph 2, Regulation concerning citizens at risk of becoming criminals).

The education of citizens who are at risk of becoming criminals requires first of all that he be registered. Relevant decisions are made in city kreises without city bezirks, by the Lord Mayor's deputies for internal affairs; in city bezirks, by the deputies of the city bezirk mayor for internal affairs; in cities and communities, the mayor's deputies for internal affairs or other full-time council members responsible for internal affairs (paragraph 3, section 1, Regulation concerning citizens at risk of becoming criminals, as amended by the Adjustment Regulation). Before a decision on a registration is made, a thorough review must be done of the causes and circumstances of the criminal risk, of personality changes and living and working conditions. The law requires that a conversation be conducted with the citizen in question in order to establish whether he is in fact criminally at risk (paragraph 3, section 3, Regulation on citizens at risk of becoming criminals).

If there are no longer any reasons for considering the citizen at risk of becoming a criminal, the registration must be rescinded. Enterprise directors, chairmen of cooperatives, worker collectives and social forces have the right to request rescission of the registration. Such a decision is made by those authorized to make registration decisions. The citizen must be told of the decision in a final meeting (paragraph 5, section 4, Regulation on citizens at risk of becoming criminals).

#### **Establishment and Implementation of Conditions**

The education of citizens who are registered as being at risk of becoming a criminal is primarily done through regular work on the basis of a job, through job training for young citizens and control over meaningful leisure-time activities. To support these citizens, the local councils designate fellow workers to assist in an honorary capacity, as necessary.

Based on the Regulation concerning the registration of citizens at risk of becoming criminals or on the Court Decision on state control and education supervision, according to paragraph 249, section 3 or 5, StGB [penal code], the above-mentioned decisionmakers may impose conditions on the citizens involved. They must help educate and control the citizens at risk of becoming criminals and coordinate with those involved in the education effort. The following conditions, among others, may be considered, in accordance with paragraph 4, section 3 of the Regulation on citizens at risk of becoming criminals:

- Working at the assigned job and not making a chance without authorization;

- Continuing and completing their education or continued education in school or in their profession;
- Moving to assigned housing within a specified period of time and not leaving without authorization;
- Complying with established reporting requirements vis-a-vis the local council;
- Not associating with certain persons and groups of persons and staying away from certain localities or places;
- Paying off financial obligations (rent, etc.) within a reasonable period of time. Making support payments to the family, paying alimony and other financial aid, and presenting documentation to that effect to the local council.

The members of the kreis councils, city councils, and city bezirk councils for labor are authorized to assign jobs to citizens at risk of becoming criminals in order to integrate them into the work process. Even without the risks of becoming a criminal, the requirement that the person involved report for assigned work or start a job may be imposed as part of the education, supervisory and support measures (paragraph 3, section 4, Regulation concerning citizens at risk of becoming criminals).

The citizen at risk must be informed in writing of the requirements and of instructions on legal recourse available to him. The competent heads of enterprises and facilities as well as chairmen of cooperatives must be informed of these conditions. In cooperation with the social forces, they must take effective steps to implement these conditions and further the education process.

The results of the education must be evaluated on the basis of the established conditions—at least semiannually—with the participants in the education process, particularly representatives of enterprises and cooperatives. It will then be determined which conditions can be lifted or must be continued, and which should be added.

The citizen at risk who deliberately does not comply with, prevents or impedes any of the imposed conditions, may be held legally accountable (paragraph 12, Regulation on citizens at risk of becoming criminals).

#### Requirements for Appeals Process and Court Review

Registration of citizens at risk of becoming criminals and the imposition of requirements may be appealed within 2 weeks to the administrative body making the decision (paragraph 11, Regulation on citizens at risk of becoming criminals, as amended by Adjustment Regulation). Complaints against registration as a citizen at risk of becoming a criminal have a suspensory effect. Complaints against requirements, on the other hand, have not.

The complaint must be decided on within 2 weeks. In case of nonredress, it is submitted, in the case of administrative decisions by the deputies of the chairman for

internal affairs and the members of the kreis councils, city or city bezirk councils for labor, respectively, to the chairman of the respective council, and in the case of decisions made by municipal mayors, to the chairman of the kreis council. The respective chairmen will then make a final decision on the complaint within 2 more weeks. Complainants must be informed in writing of any rejection and the reasons for the denial must be stated.

After a decision on the complaint has been made, the citizen has the right to ask the kreis court, in whose jurisdiction the administrative body that made the first determination is located, to review the matter (paragraph 11a of the Regulation on citizens at risk of becoming criminals, as amended by the Adjustment Regulation). Here, too, a request to the court to review a registration as a citizen at risk of becoming a criminal has a suspensory effect, but this does not apply to imposed conditions. There are no court fees in either case for the court review process.

#### Emigres Describe Motives for Fleeing Homeland

90EG0012A Hamburg DER SPIEGEL in German  
No 41, 9 Oct 89 pp 24-25

[Text] Volkmar Stellmach has made it. Instead of being in his home at Spremberg near Cottbus (Lower Lusatia), he is now with his wife and two small children in Dingolfing (Bavaria), calling it "inconceivable" and "incomprehensible."

Like that of the almost 300 other GDR emigres who arrived at this small Bavarian town by way of the FRG embassy in Prague, his accommodation for the time being is a public housing apartment. The driver believes that he already knows the difference between the GDR and the FRG, "Over there people live in order to work. Here people work in order to live."

For years, Stellmach, 31, and his wife Carola, same age, had been talking again and again about whether they should stay or leave. At first, his wife did not want to go, then it was he who did not have the courage to take the plunge, "At that time I was still attached to the small garden house I built for myself."

Some weeks ago, after an all-evening discussion, the two finally made the decision, "That's it, we are going to do it." The Stellmachs applied for a visa to Hungary. But that would take time, and "in all likelihood they wouldn't even have issued us one." Hence, off to Prague, without any special papers. The plan was to leave on Saturday a week ago, at 7 am.

The evening before, at 8 pm, they heard in the ARD [FRG radio and TV] daily review that the nearly 4,000 refugees, who had assembled inside and in front of the FRG embassy in Prague, had received permission to leave. Stellmach goes on, "My wife was just sitting in the bathtub. We woke the children and dressed them, packed our bags, took along two broilers, two soft drinks, and a pot of coffee, and off we were. I drove like mad."

That very same night, Michael Koblitz, 21, machine and steel construction mechanic, from Freital, Dresden district, had also started on his motorcycle trip to Prague. He brazenly told the border guard that he was only going to "do some shopping" in the Czech town of Teplitz—and they let him pass. He left his motorbike somewhere in Prague and his helmet at the embassy. He had not told his parents. Koblitz said, "It just isn't possible to talk about these things in advance."

Some 50,000 inmates of Honecker's state have emigrated since early August: some of them panic-stricken that they might miss the boat, others after carefully weighing the pros and cons. Like the post-World War II expellees, they find their first shelter in empty barracks, Red Cross shelters, refugee camps, and houseboats throughout the FRG: in Hamburg and Hanover, in Giessen, Alsfeld, in small towns such as Dingolfing and wherever space can be found to accommodate them.

Ralph Heine, 22, a trained gardener and recently employed as a doorman at a disco in Zwickau, and his colleague Herbert Lutz, 22, left quickly and discreetly to go to Dingolfing via Prague. He had not told anybody that he would be leaving either. One evening, the two men "simply left the disco, still wearing tie and jacket." They told the border guard at the Czech border a tall story, "We want to visit the disco at Chomutov, that's very nearby. We have three dolls there and they are waiting for us."

For years, GDR citizens could only enter Poland if they had a passport and visa. Hence refugees, who did not have the papers, crossed the Sudeten Mountains and then it took them another 5 days to get to Warsaw, on foot or by hitchhiking. Others, carrying their children on their backs, crossed the GDR border into Poland near Goerlitz by swimming through the Neisse River. And here too, excuses were sometimes the only way for them to get on the road to Warsaw.

For instance, at first, the GDR border guard would not permit Ursula Guska, 38, a dressmaker with four children, and her sister Monika Mlynarski, 40, with two children, to pass although they had valid visas. They fibbed that they had a verbal invitation to a wedding. The suspicious border guard demanded to see the wedding present. That, the sisters argued, would be bought in Poland—and finally they were allowed to pass. Ursula Guska's hands were trembling with fear, "I was unable to push my ID back into its cover." The only baggage she carried from the FRG was "a rucksack for first aid."

Similarly, pipeline mechanic Erich Denecke, 37, simply closed the door to his "bungalow," four times seven, garden plot in Weimar, and started out for Poland, leaving everything behind.

Not everybody understands the full implications of what he has done. "The children are worn out, my wife is crying all the time," said somebody in Hanover, himself close to tears, "We still have to come to terms with it ourselves."

What made them do it? Monika Mlynarski does not seem to understand the question. She shakes her head, raises her shoulders and says in a voice that seems to be somewhat louder than intended, "Freedom."

To Monika Mlynarski, for example, freedom means "being able to get together and talk with one another without having to look over your shoulder to check whether somebody is listening in." Having state security people "in the street in front of the house by day and night," being suspicious of neighbors and colleagues, and being careful to freely express one's opinion even within one's own family—that above all is what has driven the emigres away.

"Everywhere," disco doorman Ralph Heine notes, "they put pressure on you to join the Youth Pioneers, join this and join that." In civics, "all they tell you is 'snow,' nobody believes them," he adds, "You think you're surrounded by loonies."

The state's ideology was "thrown out" a long time ago. Socialism, according to Ralf Lamara, 29, who came from Prague, accompanied by his wife and son, is okay "in some respects," but the economy is on the wrong track. Many of his friends had just finished building their own home, he said, and yet they left. "They are also leaving because here in the capitalist countries the strategy is better."

Arguments against the emigres that they only have come to benefit from economic prosperity, that what they mean by freedom is freedom to consume, are not seriously challenged. "That," welder Norbert Richter admits, "is partly correct. Whoever doesn't admit that, is lying to himself."

The new FRG citizens ask for understanding when they recount the odysseys they experienced in efforts to take care of their daily needs. Heine comments on his shopping experience in the GDR, "You go downtown because you need a pair of pants. You have to go downtown 10 times and try and find a pair of pants. The last time, the saleslady explains, 'Well, my dear, I have a jacket here.' So I say, 'Okay, then I'll take the jacket.'"

Now they are beginning to understand what one can do with money. In a bank in Hanover, an East Berliner is pensively turning some keys in his hands, "My first set of keys in the FRG." They are keys for three travel bags he bought for himself shortly after he arrived. He had spent almost half of the DM750 he received in cash as welcome and transition money.

In Ingolfing, Volkmar Stellmach is, for the time being, satisfied with purchasing a jogging suit, for DM10 it's almost a giveaway. The label reads "Dreams of San Francisco." Ralf Lamara, who went with him to the supermarket, stands in front of the shelves, with "his knees trembling," moaning, "This selection here, it's crazy." He has been at Dingolfing for a week, "but we are still shaky; it is going to take some time before we can once again think normal thoughts."

Reality, now in the FRG, is gradually coming closer. Many newly arrived average consumers view the price of DM4.00 for a pack of cigarettes a joke—in the GDR, the inexpensive “Karo” sells for only M 1.60. Pipeline mechanic Denecke phoned a company he to offer his services and got the curt reply to submit a written application as usual. That, he says, was “a reprimand of the kind I used to get in the GDR.”

Before sorting out these new realities, many emigres dream of their wishes and hopes. For instance, GDR doorman Heine has figured out that with a pay of DM16 an hour, i.e., DM1,800 a month, he will “never get ahead”; he needs “a little bit more” because he is “keen on a sports car.” At any rate, “sitting around and working as a gardener in such a desolate village for the rest of my life, that’s not at all what I want.”

Some people ask themselves whether it would not be better for them to go on to Australia. Unfortunately, a rumor making the rounds in Hanover has it that all planes to Australia have been booked out for weeks and are full of GDR people hired by Australian recruiters.

Whether to go to Australia or—it does not make any difference—first to Augsburg or Aurich: the emigres reject the idea of ever returning to their homeland. Nearly every second word is, “Never again will I go back to the GDR,” and they all appear ready to join in with one of their friends from Thuringia who vowed, “I’ll never regret this step in all my life.”

## HUNGARY

### Central European Languages at Karl Marx University

25000457b Budapest *MAGYAR NEMZET* in  
*Hungarian 4 Sep 89 p 6*

[MAGYAR NEMZET interview with Lajos Bodis: “Will the Central European Language School Continue at Econ. U?”; date and place not given]

[Text] In higher education, for a long time only students of linguistics on the humanities faculties have been allowed to study the languages of Central Europe. For the past year, in response to an initiative, the Czech, Polish, Romanian and Serbo-Croatian languages are also being taught at the Karl Marx University of Economic

Sciences. One of the initiators of the program, Lajos Bodis, was interviewed regarding the program.

[MAGYAR NEMZET] Will it be possible to sign up for the semester which is about to start?

[Bodis] Yes, I am glad to say that this possibility will continue to be available. At the language institute of the university, they are of the opinion that the current liberalization of language instruction—with the result that instruction is now better adapted to the students’ demands than before—will not necessarily make Western languages totally dominant at the universities and other higher educational institutions. Certain small groups of university students might be interested precisely in the neighboring minor languages—either because of ties of friendships or family, or because of interest in some special topic, or even because of the feeling of shared fate among the peoples of the region. Satisfying this demand makes the program of our educational institution definitely richer and more colorful.

[MAGYAR NEMZET] Who can participate in this type of instruction? Only students of economics?

[Bodis] No, it is also possible for students of other universities and colleges to study these languages at the University of Economics under certain conditions, even in the place of the languages taught at their own institutions. Moreover, with sincere intentions of studying, one can even enroll from the “street.” Anyone can participate in the lectures as long as place is available in the groups.

[MAGYAR NEMZET] How much is the tuition?

[Bodis] Thanks to the support and help of various foundations and institutions, there is no tuition.

[MAGYAR NEMZET] What beginning classes will be launched this semester?

[Bodis] In addition to the advanced classes, the plans include the teaching of Czech, Polish and Serbo-Croatian at the beginning level, but, if there are sufficient numbers of interested people, they would gladly organize instruction in Romanian, Slovak, Slovenian, and eventually also Estonian, Latvian and Lithuanian. The 6-hour weekly instruction is supplemented by lectures on cultural, historical and political topics once every week. These are, of course, given in Hungarian, at least for the time being.