

4 APRIL 1990



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# ***JPRS Report***

# **East Europe**

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# East Europe

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## INTRABLOC

### Political, German Reunification Views Polled

90ES0553Z Madrid EL PAIS in Spanish 19 Feb 90  
pp 5-8—FOR OFFICIAL USE ONLY

[Text]

#### Europeans 'Vote' for One Germany

The following poll was conducted in eight Western and Eastern European countries: the FRG, Spain, France, the United Kingdom, Italy, Hungary, Poland, and the USSR, and is being published exclusively in Spain by EL PAIS, simultaneously with LIBERATION in France, LA REPUBBLICA in Italy, THE INDEPENDENT in the United Kingdom, and FRANKFURTER RUND-SCHAU in the FRG. It reveals several of the keys to the continent's future. The poll will be discussed during a colloquium, entitled "Where is the East Headed?", which will be held tomorrow in Paris; it will be attended, among others, by Michel Rocard, the French prime minister; Willy Brandt, the president of the Socialist International, and Jorge Semprun, Spain's minister of culture.

Madrid—Europeans roundly approve of the reunification of the Federal Republic of Germany and the German Democratic Republic—with the notable exception of the Poles, who mistrust the new, larger Germany—and believe that the evolution of the Eastern European countries will lead to the establishment of democratic regimes comparable to those in the West, perhaps with the exception of the Soviet Union.

These are some of the overall conclusions that can be drawn from a poll conducted in various Eastern and Western European countries about the collapse of the East-West balance inherited from the Second World War, about the political preferences of Europeans, about their fears, and about the future that they want for themselves.

The citizens of Hungary and Poland, who are particularly well qualified to pass judgment on the political fate of former communist regimes, display a clear-cut conviction that parliamentary democracies will be established in Eastern Europe. Some 76 percent of the respondents in Hungary and 69 percent in Poland feel that the communist systems will be dismantled.

The USSR is a separate case; the largest segment of public opinion there (41 percent) feels that political and economic freedoms will evolve, but that the social structure will remain fundamentally communist.

Among the Western countries, France and the United Kingdom are the ones that are wagering most strongly on a definitive renunciation of communism in Europe (half of the respondents in each country say so). A broad segment of the respondents (ranging from 38 percent in

France to 29 percent in Spain) feel, however, that communism will survive in the East after a reform that will heighten the degree of freedom.

There is greater unanimity in the responses to questions about German reunification. In the FRG itself, 80 percent of the citizens are "strongly in favor" or "somewhat in favor." Somewhat lower percentages, but very high ones in any case, are obtained by adding together these two response categories among Spaniards (a resounding 73 percent), Italians, the British, French, and Hungarians. We should emphasize that among the Western countries, those that belonged to the Allied forces during the 1939-1945 war (France and the United Kingdom) show the highest percentage of negative views on reunification: 27 (15 plus 12) in the case of Britain, and 23 (17 plus 6) in the case of France.

Two countries' responses to this question bucked the trend: Poland and the USSR.

Mistrust is extremely obvious among Polish citizens, as some 64 percent say that they are "quite opposed" or "very opposed" to a reunified Germany, while just 10 percent are undecided. The scant enthusiasm that German reunification prompts in this country could be explained by the long-standing border disputes that Poland has had with the powers surrounding it and its concern, as top-level Polish politicians have recently voiced, about Germany's hypothetical claim to the territory east of the Oder River, where the population is racially and culturally German.

The Soviet case is different and apparently reflects less interest in this issue. The percentage of the undecided among Soviet citizens is very high (19 percent), surpassed only by the number in Spain (21 percent). Nevertheless, the positive view (17 percent "strongly" and 34 percent "somewhat") is held by 51 percent of the respondents, while just 30 percent are opposed to reunification.

The strategic balance resulting from political changes is another issue. Here opinions vary widely. Whereas most Italians (an enthusiastic 58 percent), West Germans, and Spaniards feel that the transformation of Eastern Europe will further peace in Europe, the British, French, and, above all, Poles (49, 50, and 56 percent, respectively) are more pessimistic and feel that this trend "does not lessen the risks of tension."

In Poland, in fact, some 19 percent of the respondents are afraid that the political changes could touch off another world war. In Hungary and the Soviet Union (there are many undecided in the latter country), those who feel that peace is being strengthened and those who think that the risks will persist are almost evenly divided. Those who fear widespread war (leaving out Poland) range from 15 percent of Hungarians to a scant three percent of Italians.

**In your opinion, the recent events in the Eastern European countries suggest that...**

Answer	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
These countries, after a stage of democratization, will return to a traditional communist system	3	5	5	6	4	4	3	5
These countries will remain communist, but with a greater degree of political and economic freedom	36	29	38	34	36	11	20	41
These countries will gradually renounce communism	44	39	50	50	46	76	69	35
No answer	17	27	7	10	14	9	8	19
Totals	100	100	100	100	100	100	100	100

**Are you personally in favor of or against the reunification of Germany**

Answer	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
Altogether in favor	31	48	17	21	41	23	9	17
Quite a bit in favor	49	25	51	40	37	45	17	34
Quite opposed	15	4	17	15	8	16	26	17
Altogether opposed	2	2	6	12	5	6	38	13
No answer	3	21	9	12	9	10	10	19
Totals	100	100	100	100	100	100	100	100

**Do you think that the current evolution of the Eastern European countries...**

	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
Guarantees a period of lasting peace in Europe	44	42	31	30	58	40	17	28
Does not really eliminate the risk of conflict in Europe	31	23	50	49	29	38	56	31
Could provoke another world war	6	11	13	11	3	15	19	11
No answer	19	24	6	10	10	7	8	30
Totals	100	100	100	100	100	100	100	100

**Neither Communism nor Capitalism**

If the above tables show that Europeans do not think that communism as a political system is going to survive the fierce winds of change in Eastern Europe—with the exception of the USSR—their assessment of communism in the abstract is even more categorical, as a broad absolute majority of European citizens regard it as “negative.” Once again the Soviets are a case apart, as 38 percent of them, versus 27 percent, have a positive view of communism. A significant 35 percent declined to come out for or against it, however.

The responses of Italian citizens are also significant, since the Communist Party is strongly rooted there as the number two political force. Some 30 percent of the respondents (the highest percentage, with the exception of the USSR) feel positively about communism, although 60 percent reject it.

But if European citizens at large have issued a death certificate for traditional communism, its economic antithesis, capitalism, does not come off looking much better. Only the British (by 41 to 37) and the Poles (by a resounding 42 to 19) feel positively about capitalism as an idea. There are special circumstances in both cases. In the United Kingdom the values of private property and enterprise that have been exalted during Margaret Thatcher's long mandate have unquestionably been

influential, as she is the visible leader of a “rediscovery” of traditional capitalism in the country in which its fundamental characteristics developed last century.

In Poland, in turn, the devotion to capitalism could be interpreted as the swing of the pendulum away from a massively rejected social and economic system, communism, to one regarded as its opposite.

Communism and capitalism having been rejected, social democracy emerges as the major meeting place of Europeans from the Atlantic to the Urals, according to the findings of the poll. In all of the countries in which the survey was conducted, the concept of social democracy gets an enormously positive assessment, with a broad absolute majority in all cases, except once again the USSR, where a majority (55 percent) prefer not to take a stand.

**Socialism and Democracy**

A less precise concept, because long-standing practical references do not exist, is democratic socialism. This vague idea enjoys wide support, to judge by the responses, even in Poland, although by a narrow 30 to 29 margin. It gets strong backing in the USSR (57 percent), surpassed by the many positive responses in Western countries like Spain, Italy, and above all France. We should emphasize, however, the significant number of those not answering.

Liberalism is also a concept dear to Europeans at large. Once again the Soviets are an exception, as an absolute majority of them are undecided. Oddly enough, so are the British, whose responses were perhaps distorted by the specific meaning of the word in the domestic politics of the

United Kingdom, where liberalism is a specific political option vis-a-vis the Conservatives and Laborites. This could explain the paradox of why the British are favorably disposed towards capitalism but oppose liberalism, which is usually regarded as its direct political embodiment.

**Tell me whether you find the following word basically positive or negative.**

	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
<b>Liberalism</b>								
Positive	69	61	76	38	71	57	47	20
Negative	9	12	14	40	11	13	8	25
No answer	22	27	10	22	18	30	47	55
Totals	100	100	100	100	100	100	100	100
<b>Communism</b>								
Positive	2	17	9	18	20	15	3	38
Negative	81	55	79	66	60	75	80	27
No answer	17	28	12	16	20	10	17	35
Totals	100	100	100	100	100	100	100	100
<b>Democratic Socialism</b>								
Positive	41	58	60	42	58	54	30	57
Negative	30	11	22	30	19	27	29	6
No answer	29	31	18	28	23	19	41	37
Totals	100	100	100	100	100	100	100	100
<b>Capitalism</b>								
Positive	31	24	31	41	25	37	42	24
Negative	40	45	52	37	52	47	19	39
No answer	29	31	17	22	23	16	39	37
Totals	100	100	100	100	100	100	100	100
<b>Social Democracy</b>								
Positive	67	50	60	55	56	68	52	34
Negative	9	12	18	20	19	13	5	11
No answer	24	36	22	25	25	19	43	55
Totals	100	100	100	100	100	100	100	100

**Conservatives in Economics, Social Democrats in Everything Else**

This section of the poll compares some of the current Social Democratic governments (including Sweden's, which just recently stepped down) with free market/conservative governments in an attempt to discern in which areas each has been most successful. Free market/conservative governments win out in economic policy, while Social Democratic governments do better in social policy and civil liberties (by a large majority), and in international relations.

Spaniards alone give the edge in running the economy to a Social Democratic government, which they identify in this case with the PSOE, whose electoral victories since 1982 have coincided (contrary to other European countries) with the uninterrupted world economic recovery throughout this decade. On top of this, the performance of the PSOE can be

compared only to that of the now defunct Democratic Center Union (UCD), whose governments faced the most serious difficulties of the political transition and the worst of the recession in the 1970's. As for social policy and civil liberties, we should also underscore the unusual breakdown of the responses from Spain, as 49 and 48 percent, respectively, of the respondents gave no answer.

**'Models'**

Another question (see the first table in this section) sought to ascertain which European nations, regardless of the government in power at a given moment, have a society that can be identified on the whole as "social democratic." Although most Spanish respondents think about their own country when social democracy is mentioned to them, the country with which they most identify this sociopolitical system is precisely the most prosperous in Europe: the Federal Republic of Germany. Next comes France, the

number two economic power. In third place is Sweden, another country with high per capita income. This seems to indicate that Europeans have an idealistic image of social democracy as linked to abundant wealth and its equitable distribution.

The Mediterranean countries (Italy and Spain) and Belgium are, in contrast, very weakly identified with a social democratic society. In the case of both Spain and Italy, half of the citizens polled (49 percent in the two instances) chose not to mention any country as a model.

**When you think of social democracy, what European countries do you think of first?**

Country	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
United Kingdom	16	7	5	15	4	11	7	10
FRG	57	20	36	36	23	42	26	23
Belgium	9	3	5	4	2	9	2	5
France	35	18	50	24	12	35	30	16
Spain	18	23	18	5	4	10	4	5
Italy	10	8	11	5	11	12	9	8
Sweden	39	6	20	8	10	31	23	31
Others	12	9	9	15	17	26	42	3
No answer	18	49	16	36	49	24	25	35
Totals	*	*	*	*	*	*	*	*

\*Total adds up to more than 100 because of multiple responses

**If you compare Social Democratic governments (for example, Mr. Carlsson's in Sweden, Mr. Rocard's in France, or Mr. Gonzalez' in Spain) with free market/conservative governments (for example, Mr. Kohl's in the FRG or Mrs. Thatcher's in the United Kingdom), which ones, in your judgment, have been most successful in the following areas?**

	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
<b>The Economy</b>								
Social Democratic governments	18	25	29	24	34	18	*	20
Free market or conservative governments	42	19	36	39	32	42	*	33
No difference	22	12	18	7	4	19	*	22
No answer	18	44	17	30	30	21	*	25
Totals	100	100	100	100	100	100	*	100
<b>Social matters</b>								
Social Democratic governments	42	29	54	36	34	40	*	24
Free market or conservative governments	22	11	14	23	22	19	*	20
No difference	18	11	16	7	5	17	*	23
No answer	18	49	16	34	39	24	*	23
Totals	100	100	100	100	100	100	*	100
<b>Civil Rights</b>								
Social Democratic governments	24	26	45	29	34	28	*	29
Free market or conservative governments	24	13	15	26	21	21	*	10
No difference	32	13	23	10	8	29	*	25
No answer	19	48	17	35	37	22	*	36
Totals	100	100	100	100	100	100	*	100
<b>International Relations</b>								
Social Democratic governments	19	26	36	19	30	18	*	25
Free market or conservative governments	27	11	20	38	22	26	*	9
No difference	34	14	24	11	8	34	*	22
No answer	20	49	20	32	40	22	*	44

If you compare Social Democratic governments (for example, Mr. Carlsson's in Sweden, Mr. Rocard's in France, or Mr. Gonzalez' in Spain) with free market/conservative governments (for example, Mr. Kohl's in the FRG or Mrs. Thatcher's in the United Kingdom), which ones, in your judgment, have been most successful in the following areas? (Continued)

	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
Totals	100	100	100	100	100	100	*	100

\*Question not asked

### A Social Democratic Future

Social democracy, which the above tables identify as the "common ground" of the European countries at large, is also regarded by an overwhelming majority as the system of the future. Even in countries like the United Kingdom, in which conservative parties dominate at the polls and the role of government is being reduced, an absolute majority of the respondents see a social democratic future for Europe.

The keys to this high regard for social democracy can be found in one of the tables below, which identifies the basic features of social democracy in the opinion of European citizens.

The table reveals this relative paradox. Although the countries that most identify with social democracy are among the most prosperous on the continent (see the first table in the previous section), very few respondents feel that a high standard of living is one of the main features of social democracy. Significantly, only Hungarians and Poles, but by a very wide majority, make this connection between social democracy and wealth.

When all the categories of responses are added up, it becomes obvious that as far as Europeans are concerned, the major characteristic of social democracy is generalized social protection. The other two major features are a lessening of inequalities and the involvement of wage earners in running companies, in that order.

The building of a united Europe is another characteristic that the respondents attribute to social democracy, in keeping with the answers to prior questions. Egalitarianism and high taxes are, in contrast, mentioned least among the suggested characteristics.

The relationship between Social Democratic parties and unions is the last aspect. In the FRG, the United Kingdom, France, Hungary, and Poland (the question was not asked in the USSR), most people prefer that the two institutions remain independent of each other. In Italy and, oddly enough, in Spain (where the divorce between the party and labor was one of the main reasons for the success of the general strike on 14 December), people prefer "close cooperation" between Social Democratic politicians and labor leaders.

I am now going to mention to you a series of concepts that could characterize social democratic policies. Tell me which ones you find most representative of social democracy.

Concept	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
Social Security for all	64	21	53	39	32	67	28	(1)
High taxes	26	9	32	14	9	17	28	(1)
Lessening of inequalities	41	28	41	37	30	57	39	(1)
Egalitarianism	34	17	12	8	11	12	11	(1)
Shorter work week	30	9	32	13	16	36	20	(1)
Involvement of wage earners in running companies	54	15	37	20	24	45	43	(1)
Government intervention in the economy	15	16	24	23	20	22	15	(1)
High standard of living	19	10	13	28	13	59	57	(1)
Building of a united Europe	25	20	34	33	32	44	37	(1)
A weakening of each nation for Europe's benefit	9	3	10	12	4	8	15	(1)
No answer	—	39	8	17	37	7	17	(1)
Totals	(2)	(2)	(2)	(2)	(2)	(2)	(2)	

(1)Question not asked

(2)Totals add to more than 100 because of multiple responses

**For you and your country, social democracy is basically...**

Reply	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
A system that belongs to the past	13	10	20	24	20	19	60	28
A system for the future	54	45	59	51	55	70	10	34
No answer	33	45	21	25	25	11	30	38
Totals	100	100	100	100	100	100	100	100

**The Social Democratic parties have been very closely tied to a powerful labor movement. In the future which would you personally prefer?**

Reply	FRG	Spain	France	UK	Italy	Hungary	Poland	USSR
Social Democratic parties and unions that cooperate closely	28	54	34	34	50	39	26	*
Social Democratic parties and unions that are totally independent of each other	48	18	54	49	31	50	56	*
No answer	24	28	12	17	19	11	18	*
Totals	100	100	100	100	100	100	100	100

\*Question not asked

**Hungarians and Poles Want To Join an Enlarged European Common Market**

The Hungarians and Poles want to join an enlarged common market with the West. This is their number one ambition when asked what they expect from the West. Their second wish is for investments that will reactivate their economies.

Only 28 percent of the respondents in the USSR want to join a common market. What they expect is financial and, above all, business-related aid in the form of investment. A cutback in Western military spending is another desire they voice. The high percentage of Soviets giving no answer (13 percent) is noteworthy, as is the nine percent who expect "nothing" from the West.

Two other tables are highly significant. The first, which has to do with the political system that Hungarians, Poles, and Soviets find most attractive, confirms their support for social democracy.

The second table, which is much more specific, is a sort of preliminary election poll that could suggest what the political map of Eastern Europe will look like after the series of elections are held there in coming months.

This preliminary poll confirms that the Communist Party has collapsed in Hungary and Poland, but not in the USSR, where a plurality of voters, 30 percent, would vote for it. A hypothetical Social Democratic Party would win a relative majority at the ballot box in Hungary and Poland and would be the number two force in the USSR. An environmental party does outstandingly well: 17 percent in the USSR, 16 percent in Hungary, and seven percent in Poland.

The latter country displays its conservatism by giving 15 percent of its "vote" to both a Christian Democrat party and a free market/capitalist party, which in a hypothetical coalition would have a relative majority. It is noteworthy

that 28 percent of the Poles did not respond; the explanation of this is perhaps the peculiarities of the reform in Poland, where Solidarity has emerged concurrently as the leading political force.

Nationalism seems to have been ruled out as a political option in and of itself; it would get one percent of the vote in Hungary, four percent in Poland, and three percent in the USSR, where, we should remember, the poll was conducted exclusively in Moscow and environs.

Although 44 percent of Soviet citizens did not respond, 38 percent feel that their current situation would be no better if in recent years their country had been governed by a free market/capitalist system, while just 18 percent believe that this system would have been more efficient than communism.

**In your opinion, would your situation be better today if your country had had a free market/capitalist government over the past 40 years?**

Reply	Hungary	Poland	USSR
Yes	63	*	18
No	20	*	38
No answer	17	*	44
Totals	100	—	100

\*Question not asked

**Would your situation be better today if your country had had a social democratic government over the past 40 years?**

Reply	Hungary	Poland	USSR
Yes	71	*	36
No	11	*	13
No answer	19	*	51

**Would your situation be better today if your country had had a social democratic government over the past 40 years? (Continued)**

Reply	Hungary	Poland	USSR
Totals	100	—	100

\*Question not asked

**In the future which system would you prefer for your country?**

Reply	Hungary	Poland	USSR
A communist system	4	1	31
A social democratic system	53	44	35
A free market/capitalist system	24	27	4
Another kind of system	9	3	7
No answer	10	25	23
Totals	100	100	100

**What do you expect most from the Western countries?**

Reply	Hungary	Poland	USSR
Loans for our country	39	49	33
A cut in military spending	49	38	31
Assistance so that our country can better learn the rules of political pluralism	34	16	10
Investments by their companies in our country	66	61	49

**What do you expect most from the Western countries? (Continued)**

Reply	Hungary	Poland	USSR
Applying pressure so that we can enjoy greater freedoms	31	10	18
Building a European common market along with our country	73	68	28
None of the above	2	6	9
No answer	2	—	13
Totals	*	*	*

\*Totals add up to more than 100 because of multiple responses

**If legislative elections were to be held in a few days, for what party would you vote?**

Party	Hungary	Poland	USSR
A Trotskyite party	—	—	1
A Communist party	4	1	30
A Social Democratic party	37	21	23
A Christian Democrat party	13	15	5
A free market/capitalist party	9	15	3
A nationalist party	1	4	3
An environmental party	16	7	17
An agrarian party	10	9	5
No answer	10	28	13
Totals	100	100	100

**Technical Data**

Country	Institute	Sample	Date of Field Work
FRG	Basic Research	914	17 to 30 January 1990
Spain	ECO	1,000	8 to 12 January 1990
France	CSA	1,024	8 to 12 January 1990
United Kingdom	MORI	901	18 to 22 January 1990
Italy	Research International	1,000	8 to 17 January 1990
Hungary	Median	1,193	19 to 26 January 1990
Poland	Demoskop	997	9 to 17 January 1990
USSR	Institute of Public Opinion Studies (Academy of Sciences of the USSR)	969	5 to 14 January 1990

International coordination: Institut CSA, 8 Rue d'Uzes, 75002 Paris, France, Telephone: 33140130290

All of the polls were conducted among a representative nationwide sample of persons 18 and older, except in the USSR, where the poll was conducted in Moscow and environs.

**Military Official Interviewed by Yugoslav Journal**  
90EB0203A Zagreb DANAS in Serbo-Croatian 9 Jan 90  
pp 58-59

[Interview with Major General Jozsef Biro, head of Central Operations Administration, Hungarian Army

General Staff, by Miroslav Lazanski in Budapest; date not given: "Parties Must Stay Out of Barracks"]

[Text] Budapest (from DANAS special correspondent)—Major General Jozsef Biro first told me that he would not have much time for an interview, because, as he put it "he was just coming off duty" and so pleaded for

understanding. This "off duty" in reality referred to a command post for critical situations, in this case the Romanian border. General Biro was born in 1939. He is head of the Central Operations Administration of the General Staff and first deputy chief of staff. The telephone constantly ringing in General Biro's office, in the afternoon at that, was to me emphatic announcement of the euphoria with which Hungary awaited the downfall of the Ceausescu regime.

[DANAS] General Biro, did you expect Ceausescu to come to the end he did?

[Biro] I personally expected this regime to come to an end, but probably no one was able to predict that it would happen so quickly and with such an explosion.

[DANAS] Were there any indications? Did your administration have any inkling of what was to happen?

[Biro] There were certain signs. The flight of 30,000 people from Romania to Hungary might be taken as a preliminary indication. Something might also have been inferred from the attitude of the population in Transylvania, from their anger. But I want to stress a highly important fact. All this time, all this year, we were in close contact with the Romanian Army, at the highest level and at lower levels. Romanian officers told us that they were dissatisfied and that they expected some changes. I have a fair number of friends and acquaintances among Romanian officers, and as a result of socializing with them I learned that their thinking is different from what they have to say in official conversations. There are also a goodly number of lessons to be learned from the Romanian case. It was to be seen that the training of the Romanian Army was not at the same level as the training of Securitate members. Securitate had the advantage in weapons, equipment, and personnel. But the army in Romania showed that it is with the people, and this will improve its prestige among the people.

[DANAS] Did the Romanian Army waver at first in its support of one side or the other?

[Biro] Possibly at the very beginning, here you are right, but then the officers resolutely turned their weapons against Ceausescu. But you must understand and consider the fact that behind each officer is a Securitate official watching him to see to whom he speaks and where he goes, following his every movement. It was not easy under these conditions to act against Ceausescu. And the Army did lose its defense minister, General Milea.

[DANAS] Was he killed or did he commit suicide?

[Biro] Our information is that he was killed. By the way, some persons in the Hungarian Army have criticized us for maintaining close ties with the Romanian Army, but now we see that this was all to the good. The Romanian Army presented itself in a good light, and everyone realized that we in the Hungarian Army made some good

predictions. This historic moment must be exploited now by all four ethnic groups who live there together, Romanian, Hungarian, Serbian, and German. They must reach agreement on how to organize the country so that it will be a part of Europe.

[DANAS] Were the helicopters which recently violated your airspace ones of the Romanian Army or of Securitate?

[Biro] We maintain permanent liaison with the top officers of the Romanian Army, and I can tell you that they were brief incursions and the helicopters entered only to rather short distances. We informed the Romanians that we would fire at the helicopters should fresh incidents occur, but they told us that Securitate helicopters, not ones of the Army, were involved. In any event, our antiaircraft defense force is ready and we have sent troops to the border to strengthen it. Some Securitate members may possibly flee toward Hungary and we must be on guard.

[DANAS] Have you captured any members of Securitate yet, or any political figure?

[Biro] In Hungary, not yet, but we will see. But if we were to capture anyone from the old regime, we would turn him over to the new Romanian government. We are afraid that some Securitate units may hold out for a long time in the Carpathians. However, it is the mission of the Romanian Army to search them out and destroy them. You see, Securitate members have plans and information of their own about warehouses of food and weapons in the mountains, while on the other hand the troops are not familiar with the organization of Securitate, its members, installations, and strongpoints. There will still be problems to be solved in this area. The situation is still fluid, but we hope that the new Romanian authorities will stabilize it. We in Hungary have sent help, both to Transylvania and to areas in which only Romanians live.

[DANAS] General Biro, have you in Hungary reorganized the defense ministry and depoliticized the army? How is this process coming along?

[Biro] Yes, we are making reforms in the army, in keeping with the reform doctrine. We have abandoned offensive concepts and have shifted to a defensive military doctrine. We have also separated the defense ministry from the general staff and other operational administrations. The defense ministry now deals with governmental matters within its jurisdiction, while the general staff concerns itself with day-to-day problems and questions of army operations. The defense ministry currently concerns itself more with matters which Parliament used to deal with, social and political questions. And so the general staff deals with training, development, and the combat readiness of the military. We are also shrinking the army by 35 percent, and the weapons which continue to be in operational use will be defensive ones. At the moment we have 1430 tanks, and after the troop reductions we will have around 800. Our reforms

in the Army and reduction of military potential in accordance with the Vienna conventional arms reduction talks are in keeping with the results of these talks and with the projected final outcome. We had a very tough fight in Parliament over the military budget, and it is becoming increasingly difficult to procure new weapons. But even though we are already reducing the size of the army, we will keep the most modern weapons and the best military equipment in operational use. We want to have efficient armed forces. They need not be numerically large, but they must be outfitted with modern weapons.

[DANAS] You have depoliticized the Army. Where are the officers now who dealt with political education of military personnel? How is the Hungarian Army operating now under conditions of a multiparty system in the country?

[Biro] Our Army does not want to and cannot avoid the changes taking place in other areas of Hungarian society. We have also decided that no parties will have positions any longer in the Army.

[DANAS] Did you make this decision voluntarily or were you forced to make it?

[Biro] We were not forced to make it. We had the right to express our opinion about everything taking place in the country. The Army is not to serve the ideologies of different parties. The Army is to serve only what is written in the Constitution and defend the sovereignty of the country and all the decisions made by the parliament and the government.

[DANAS] Is the Hungarian Army again defending the social system?

[Biro] The Army defends constitutional order, but not the social system. The Army will not intervene either in free elections or in the results of these elections. We will accept the results of elections, and the composition of Parliament as well. We will serve the government, coalition or single-party, whichever it may be.

[DANAS] Will Hungarian Army officers be able to vote in elections?

[Biro] They are officers; that is, they are not deprived of civil rights. Consequently, they can all belong to different parties. But because all parties are outside the Army, these officers cannot and may not introduce the ideologies of their parties into the army. So long as they are in the service, officers cannot promote the interests or the positions of their parties.

[DANAS] General, do you think that a person can be a homo duplex?

[Biro] Yes, it is difficult to make a sharp distinction, because ideology does stay in people's heads. However, I think that the Army must concern itself above all with professional military questions. But there must be no discrimination against officers who want to belong to a

particular party. We will not influence our officers to go or not go to elections, nor how or for whom they are to vote. We will not at all ask each other what party the other person belongs to. This is the individual right of every officer, his own personal matter. However, I do think, although no study is being made of the matter, that a high percentage of the officer cadres of our Army will stay out of any party and will not concern themselves with politics. This in turn does not mean that no sympathies will be expressed for the actions of particular parties, either in elections or otherwise. I believe that the political changes that have started must continue and that everything must be done peacefully. Whether everything will in fact be done peacefully and how it will be done at all also depends on the status of our officers, their subsistence, and this is a very serious question. When I say that we are going to reduce the number of Army personnel, I mean that this process will involve the Ministry of Defense up to 1992 and the operational units up to 1994. The political officers were highly educated persons also in the professional, military sense, and we do not want to lose these people; we want to keep them in the Army. We will find more professional missions for them. In addition, we will now have social education officers or agencies in place of political officers.

[DANAS] Does this mean that you are only changing the name?

[Biro] No, that is out of the question. What we want to do is train personnel to be patriotic, from the ethical and moral viewpoints.

[DANAS] Perhaps, but it is easy for you because you are all Hungarians.

[Biro] Please understand me. We want to reduce the size of our Army, but we want to keep good qualified cadres, because we do not after all want to work against ourselves. Those who come out of the Army will have a worthy sendoff.

[DANAS] Will Hungary remain in the Warsaw Pact?

[Biro] We will stay in this alliance as long as NATO exists. However, I want to stress that we will remain in the Warsaw Pact only so that the political nature of the alliance will be paramount and all the member countries will be sovereign, and so that the national interests of the members will be given maximum respect.

[DANAS] In view of the reforms, will you also change things in the way our military intelligence and counter-intelligence services operate? Will these operations now possibly be more defensive?

[Biro] These services will also be reduced, reorganized, and of course undergo major changes in the nature of their operation. We want to live at peace with our neighbors and maintain good relations with them. You see how Ceausescu operated.

[DANAS] Hungary has proposed a 50-kilometer demilitarized zone along the border with Austria and Yugoslavia. What is the current status of this question?

[Biro] This was an initiative by the former Hungarian Socialist Workers' Party, but the government accepted it and it now is a government initiative. It is a question of military steps consonant with our troop reductions. We will withdraw a large number of tanks and other weapons from these zones. Are we to expect similar steps by Austria and Yugoslavia?

To answer my own question, we consider the structure of the armies of our neighbors and come to the conclusion that they will not be able to take similar steps. However, we do hope that our neighbors will find ways and means of matching our steps in this area with certain other measures, such as reducing maneuvers in these areas, inviting guests to visit units based along the border, and so forth. Confidence between neighbors must be strengthened.

[DANAS] What about the Soviet troops in your country?

[Biro] They are gradually withdrawing, and also are leaving the areas along the Hungarian border. This lends even greater credibility to our initiative. But I repeat that the most important measures are the ones strengthening trust between neighbors.

[DANAS] One last, personal, question. What party do you belong to?

[Biro] I do not belong to any party.

## ALBANIA

### Role of Sigurimi, Army Discussed

90EB0209A *Belgrade NIN in Serbo-Croatian*  
21 Jan 90 pp 6-9

[Article by Gordana Ranitovic: "Sigurimi Keeps Quiet and Works Away"]

[Text] The essential question at the moment when the entire socialist camp in Eastern Europe has been seized by fever is—When will it be Albania's turn?

Following the upheavals in the East and the dramatic, but impressive fall of the Ceausescu dictatorship, the attention of the international public has rightly been directed toward the Gates of Otranto. In years of an authentic change of direction in Europe on behalf of human rights, an answer is being sought to the question—Will that change of direction be possible even in the "country of the black, two-headed eagle"?

Even Albanians themselves have come awake, to be sure much more loudly outside Albania than inside. Which is in fact logical, since it is much more difficult for those under the skirt of Ramiz Alia and his "Sigurimi people." Albania has at the same time become a new exercise

ground for the competition of military-political commentators, newspaper publishing houses, and wire services.

### A Closed Country

Late last week several wire services reported that a rebellion had begun even in Albania and that a state of emergency had been established in some places and demonstrations had been suppressed with bloodshed. Others were, however, silent; still others were somewhere in the middle. Official Tirana has denied everything—supposedly, nothing exceptional has been happening in Albania, but rather it is a question of an "anti-Albanian campaign of reactionary circles" in neighboring countries, above all in Greece and Yugoslavia. First to react was the ever-vigilant party daily ZERI I POPULIT, then Foto Chami, party secretary and ideologue on the Politburo, and then finally Ramiz Alia, head of the Albanian party and state, also spoke out. All in unison deny even the smallest conflicts and killing, they are silent about domestic problems as though there are none, and, using the old formula, they launch an avalanche of accusations against others.

What has really happened?

There are no precise official confirmations of rebellion and conflicts, but according to information which can be obtained from military intelligence sources, there were attempts at rebellion in several places in Albania that were mercilessly neutralized. Before they managed to take on any greater proportion, the leaders of the Albanian Workers Party and of Sigurimi, the secret service that is their main pillar of support, having learned from the fate of Ceausescu, left nothing to chance. As a matter of fact, since the fall of the dictatorship in Romania a state of "emergency" has prevailed in the country, although it has never been officially declared. Agents of Sigurimi, a sizable, cruel, and very well organized police, who are incorporated into all the components of the government, from the army to the economy and culture, have been vigilantly monitoring every move by the citizenry, and no sizable attempts at opposition activity could escape them.

It is impossible to say precisely what the situation is in the country today, since such answers cannot be obtained in hermetically sealed Albania. There are no opportunities for communicating with eyewitnesses of events with the exception of rare people fortunate enough to have managed to flee over the Albanian-Yugoslav and Albanian-Greek border. Their stories are terrifying. There are probably exaggerations in the current propaganda warfare, but there is no doubt that a dictatorial and repressive regime is in power in Albania that is somewhat more moderate than in the time of Enver Hoxha (Ramiz Alia has so far not carried out a single purge), but in essence it is the same, at least in domestic policy, as can specifically be seen from the methods now being practiced.

Could there be a repetition of Romania in Albania?

There are many arguments to support a negative response, although in such regimes one can never preclude the possibility of a sudden entanglement which could turn into a blazing fire—as soon as the first good shot is fired.

Romania was a closed country, Ceausescu's dictatorship was merciless and cruel, the secret police was its main instrument, but all of that is still worse in Albania. The system of internal passports is still in effect, so that it is much, much more difficult to organize an opposition. What is more, in a small country with a population of only 3.2 million the opportunities for surveillance are much greater, at least there are enough policemen. At the same time, having learned from the experience in Bucharest, they are keeping a particularly close watch on TV and Radio Tirana.

External factors, except at this point those engaged in psychological propaganda (Albanians do after all watch the television of neighboring countries), cannot have any considerable influence on conditions in Albania. What is more, influential international factors, above all the great powers, do not even have a particular interest at this point in a more radical change of direction in Albania, however paradoxical that might sound.

#### The Interest of "Albanianism"

With its important geostrategic position—it is the keeper of the Gate of Otranto, a strait less than 90 km wide that separates the Balkan and Apennine land masses—Albania was for years the scene of competition between the blocs to capture positions in that country until the status quo came about after Tirana's divorce from Moscow. At present, in this time of disarmament and relaxation of tension in Europe, and when there is even a hint that the blocs may be disintegrating, Albania's geostrategic position is losing its importance. In future, the factor of pressure from the democratic European public for changes in Albania cannot be ignored, but at this point it is not a decisive factor that could carry along a radical change of direction in Albania. Another external factor, the Albanian emigre community, although it has again come awake over the issue of democracy in its homeland, still does not have strength that could seriously shake Ramiz Alia's regime. It consists of numerous diverse alliances which in recent years have been united on only one thing—its attitude toward Yugoslavia, that is, on the struggle for "Kosovo a Republic" within the context of the project for creating "great Albania." What is more, there has even been a tacit alliance on this with official Tirana and its representative authorities abroad. Finally, there are also forces which are rabid opponents of Ramiz Alia and the leadership of the Albanian party and state, and Leka I has also been heard from; he is the son of Ahmet Zogu, the former King of Albania whom the Italians dethroned in 1939, when Mussolini carried out the invasion of Albania.

Leka I, who is asserting his right to the throne which his father lost 50 years ago, almost at the same time when Leka was born, lives in South Africa, in Randburg. A

man who has spent only the first three days of his life in Albania, in his statements to newspapermen has said that he is preparing an uprising against the "tyrannical and atheistic regime" in Tirana. This gray-headed 50-year-old, who is more than two meters tall, who carries a pistol and a dagger in his belt and has a rifle hanging in his office, is now representing himself as the leader of forces capable of dislodging the heirs of Enver Hoxha. He is even announcing formation of a government in exile; and he has been running around seeking help for his mission. In addition to Europe, Asia, America, and Australia, he has also mentioned Saudi Arabia (the late King Faisal was his godfather), and in all this Leka, who comes from a family of Muslim beys, says that he will fight for a restoration of Islam in Albania.

Taking a realistic view, it is difficult to believe that anything can be done by an emigre who spent only three days in his country, the son of a king who himself never won any significant liking on the part of his subjects, and at the same time he has a particular liability in that Ahmet Zogu came to power with Belgrade's help (even though afterwards he turned his back on Aleksandar Karadjordjevic and submitted to Mussolini). Which is why the ambitious heir to the throne is now making emphatic declarations that he will fight for the unification of his nation and that he expects Yugoslavia to allow a referendum in which Albanians will vote to have a unified state on "their own lands."

#### Revolution or Reforms

There is no doubt that radical political changes in Albania depend above all on the will and action of Albanians in Albania. Because of its very high birth rate, this country has a population that is very young on the average, and one would expect that young Albanian men and women could be a factor for change in their country.

There remain, then, the scenarios that changes would come in Albania through a revolution and a showdown within the country's leadership structure or that the top leadership itself would gradually, step-by-step, in order to save itself, carry out reforms in order to extend its life.

Officially, there are no signs of major disputes among the leadership on Albania's public scene, which is logical in view of the nature of the system. Western commentators are inclined to assertions that there is a collision at the top of the country between the reformist and dogmatic currents, with the former tied to Ramiz Alia, head of the party and state, and the latter to Enver Hoxha's widow Nedzmija. Aside from the logical assumption that the combative widow will resolutely defend her husband's legacy, arguments are found in the public statements by Ramiz and Nedzmija, in which one does indeed see shades of difference—Enver's widow really is essentially more hard-line, and Alia can be flexible on occasion.

#### The Widow's Influence

It is true that Ramiz Alia and Nedzmija Hoxha differ, but it would be difficult to find any major dispute

between them. Nedzmiya, as president of the Democratic Front of Albania (a position which Alia turned over to her when he became first secretary of the party) and director of the Institute for Marxist-Leninist Studies, and a deputy in the People's Assembly, and especially as the widow of the "father of the new Albanian state" certainly has essential influence in Albanian political life, but she does not have the strength to be able to influence policy in a decisive way. For years, she has been closely connected to Ramiz Alia, she started out with him in antifascist youth organizations back during the war, and according to certain sources it was she who recommended him to Enver Hoxha.

For more than 20 years, Alia was Enver's faithful shadow as party ideologue, he knew how to wait for his turn patiently and servilely, by contrast with the powerful and spiteful one-time premier Mehmet Shehu, who finally had to come into conflict with the equally powerful and spiteful Enver Hoxha, and the upshot was that the former was killed. Nor should one ignore the family connection—Enver's and Nedzmiya's son is married to Alia's daughter.

Within the party Politburo, Ramiz Alia is not sovereign as Enver Hoxha was, but he has probably managed to consolidate the position of the first party secretary and head of state. The structure that was triumphant in the bloody showdown in 1981, when the Shehu clan was liquidated, has so far stood unchanged. One might rather say, then, that Enver Hoxha's legacy is being decisively preserved by people to whom he left that task as a legacy when he was still alive. When it comes to a more flexible outlook, it is Ramiz Alia and the party ideologue Foto Chami who stand out; as late as this fall, the latter was calling upon writers and artists to express themselves more freely, promising them that there would be no punitive measures, and recently it was he who was given the task of reacting to the "anti-Albanian campaign" from neighboring countries.

One can actually conclude that Enver Hoxha's heirs have held on to the essence of domestic politics, but at the same time, under the pressure of economic difficulties, they have let fresh air into important segments of foreign policy (Albania now has diplomatic relations with 110 countries, and it is especially important that ties have been established with Bonn, which has been quick to supply financial injections at the right moment).

Like it or not, the Tirana leadership will have to go on undertaking reforms if it is to survive, especially in the domain of foreign trade, since Europe in 1992 is going to bring important changes in the economy. It is realistic to expect that they will gradually give up the commitment not to take credits and not to participate in higher forms of economic cooperation with foreign trading partners. Even now, they are entering into cooperative projects with certain countries—indeed an offer has been made even to Yugoslavia to equip a chromium mine, and last year, according to the Bank for International Settlements, Albania was in debt \$151 million to the advanced Western countries.

One should, of course, never preclude the possibility of the existence of a fairly strong opposition of the groups in the top leadership, especially since a regime of this kind particularly deserves it. The problem is that no one dares to "make a peep," since the party holds in its hands a monopoly over politics, personnel, and the economy, and in addition to all that, it has a reliable custodian—the secret police, Sigurimi, which controls everything, indeed even the army.

The assessment is that Sigurimi (officially the State Security Administration) has about 7,000 members in Albania. Several hundred agents are operating abroad, and the secret police also has several thousand informers all over Albania. This is a spider's web in which no one knows who is spying on whom. Recently, great attention has been devoted to radio espionage as well—modern electronic equipment was purchased recently in Sweden.

Sigurimi is more powerful than the Albanian Army—among other things, it is also the task of the Albanian secret police to monitor the top military leadership so that it does not arrange any surprise for the party leaders. In recent years, that is, there have been quite a few signs that officers in the Albanian Army are dissatisfied (and we ourselves have been witnesses that high officers and soldiers are fleeing to our country and Greece; 2 years ago a colonel fled to Yugoslavia with 13 members of his family).

#### The Role of the Army

The Army in Albania was deprived of significant power during the middle of the last decade, when Enver Hoxha carried out a purge among the officers and executed General Becir Baluku, minister of defense, a one-time excellent ally who saved him from the "flood" in the wave of de-Stalinization in 1956. In a wave of eliminating people who were strong, in 1982 Hoxha eliminated yet another defense minister, Kadri Hazbiju (along with Prime Minister Mehmet Shehu and the interior minister Fecor Shehu). Since that time, the Albanian Defense Ministry has been headed by a civilian—Prokop Mura, an economist, a man highly trusted by Hoxha and Alia.

Albanian officers do not have ranks, and great pains are taken to keep them as far as possible from weapons. The Army in Albania has about 42,000 members, 22,400 of them draftees. Western sources estimate that there are about 2,500 Sigurimi agents in the Army, which is objectively a very high percentage if the purpose is to monitor the officer corps.

One other reason for the dissatisfaction of the officers is that Sigurimi agents are much better remunerated—they are entitled to various privileges on a par with high party officials. Another indication of the low importance given to the Army is the neglect of armament, which is at first surprising; mainly it consists of old Chinese and some Soviet weapons, a sizable portion of which cannot be used for military operations, since there are no replacement parts (two tanks, for example, are often used to tow a third). Recently, Albania's Armed Forces have been modernizing with missile systems produced in the West;

there has been some increase in the military budget for that purpose, and the most visible Albanian weapons are the numerous bunkers, but actually they have been designed for internal (propaganda-psychological) rather than external needs.

It is obvious that the time is coming when Ramiz Alia will have to be much more concerned about domestic than foreign enemies.

## HUNGARY

### 'New Compilation of Hungarian Laws' To Be Published

25000674G Kaposvar SOMOGYI NEPLAP  
in Hungarian 7 Feb 90 p 1

[Article by Ferenc Biro: "A Path Cut in the Jungle of Legal Provisions; Up-To-Date New Compilation of Hungarian Laws"]

[Text] During the past decades the creation of legal provisions has become sort of a supplemental function in government. A decree was promulgated whenever something did not function well in society. Thereafter, another decree was published to discontinue the side effects of the previous decree. All of this was like treating a sick person's multiple symptoms.... This upper level regulatory bumper crop overregulated the country's life so that it was not reviewable, and increasingly hindered development. Steps taken in the direction of a market economy alone rendered hundreds of legal provisions unnecessary and as mere formalities. Thinning out this jungle of decrees is the purpose of a review of legal provisions and economic deregulatory work that started last year, and that by now has extended to the area of government administration. This large-scale rearrangement of legal provisions rendered the latest edition of the "Compilation of Legal Provisions in Force" useless.

Even those who applied the laws could no longer follow the large number of changes. For this reason the unprecedented venture being undertaken by Unio Publishing House is particularly significant. It will publish a "New Compilation of Hungarian Laws" in 14 volumes.

The publication, scheduled to appear in June, was presented at a Budapest press conference yesterday by Bela Horvath, managing director of Unio Publishing House.

Horvath told journalists that this is not just a compilation of legal provisions that reflects the results of deregulation, is clearly organized, and is easy to use. A publication of this nature would be bound to once again fall behind the changes shortly. The publisher has undertaken to continuously maintain the compilation, and also to forward replacement pages reflecting changes once a month, or more frequently if necessary, in the framework of a subscription system. The new binding method allows the one-step exchange of pages containing provisions which lost force. The basic work reflects changes that were made prior to 31 March, and have

already been rendered formal, and it lists legal provisions still not invalidated by title only, while the text of other provisions whose continued application is appropriate is published in full.

Horvath also reported about a self-imposed sanction instituted by the publishers. The subscription fee will be reduced if they mail the replacement pages to subscribers with a delay, and if the "lapse" exceeds two weeks, no payment at all has to be made. He stated that such delays are not expected, nevertheless this gesture will reassure those who apply the laws.

Deputy Justice Minister Dr. Tamas Sarkozi was present at the press conference. He is the government commissioner for deregulation and also the head of the editorial board for the new compilation of laws. According to his report, more than 1,500 lower level legal provisions have been changed since last September; this has taken place purely on the basis of recommendations made by the various ministries. It is stunning that by the end of the year between 4,000 and 5,000 such legal provisions and outdated orders will be discontinued. These numbers alone make it apparent that without an up-to-date compilation of laws the workings of legal professionals would sooner or later become impossible.

The legislative proposal for deregulation will be presented to the National Assembly in February. Once adopted, it will render some 50 other laws unnecessary.

The deputy minister also mentioned the evolving trend by which the number of laws created by Parliament are on the increase, while the number of decrees has been reduced in drastic proportions. In essence, this means the discontinuation of the omnipotence of the overly centralized party-state direction, and the broadening of the sphere of movement for a parliamentary democracy. Along with this, it means a recognition that an overregulated market economy would produce the same results as before.

### Parties and Platforms: Election Overview

90EC0360A Budapest MAGYAR NEMZET  
in Hungarian 13 Mar 90 pp 6-7

[Report by Jozsef Kiss, Eva Kovacs, Judit Stefany, Beata Tari, and Istvan Janos Toth: "Preelection Panorama"]

[Text] Historians attempting to analyze the story of our "negotiated" revolution are faced with a particularly interesting task after four and a half decades of quiet public life. Several associates at the Political Science Institute of the Hungarian Academy of Sciences made a commitment to perform this task. They record the establishment of new parties and the disintegration of election prospects on a daily basis. They are "writing" a book; they are preparing an election almanac of the events of our days. This work may be of help to us, not only in finding the way through our everyday lives, but

also, decades hence, so that we will not have to rely merely on our memory if we want to recall the events of these days.

The 1989 election law divided the country into 176 voting districts. Of these, 20 correspond with the larger county boundaries. As we know, according to the law with its 32 voting districts Budapest has the largest number of residents and voting districts, and Nograd County, with its four voting districts the fewest. In individual districts, 1,627 candidates are competing for votes, so that they may represent the electorate in Parliament. This means that in each voting district the most suitable candidate must be chosen from among nine candidates, on the average.

Residents of five voting districts (Borsod County district No. 5, Pest County No. 7, Nograd County No. 2 and 3, and Somogy County No. 5) have the most difficult task because they must choose from among 14 candidates for the first time on 25 March. It is possible that many would prefer to move for the elections to Budapest districts No. 17 or 31, where voters must choose only one out of four candidates. In viewing the average number of candidates per county, we find that the largest number of candidates entered the fight in Nograd (12 per voting district) and in Heves (11 per voting district), while the smallest average number of candidates struggle in Budapest (seven per voting district). The first multiparty elections in a long time will be a men's competition. Women may be found only here and there among the candidates; their number is less than 100. Most women were summoned to fight by the successor organizations of the old state machinery (the Hungarian Socialist Party [MSZP], the Hungarian Socialist Workers Party [MSZMP], and the Patriotic Election Coalition [HVK]).

In grouping candidates by age, we find that there is no single age group one may point to as being the one that entered the struggle for power. The still surviving leaders and members of the coalition era became activated, and so did those persecuted for political reasons in the 1950's, as well as others who were forced to emigrate. Undoubtedly, a decisive majority of groups having resumed political activity seek their place in the historic parties.

As long as we are talking about age groups... We must not forget about the political role played by the most faithful followers of the former state party, because they established new parties and organizations for the defense of the "old principles" (e.g. the Ferenc Munnich Society).

Another large group consists of people who were active in 1956. Now at the age of 50 to 55, they envision an opportunity for a different type of sensible political activity. These individuals may be found in the greatest variety of parties, ranging from the Hungarian October Party to the Alliance of Free Democrats [SZDSZ]. It appears that the truly great opportunity is available to persons of age 40, the members of the "great generation." They constitute the main force of the newly

formed, strong parties. The youngest ones, between the ages of 20 and 30, also seek a place for themselves in the new system. As compared to any other older generation, their advantage is that they start with a clean record in public life. No one investigates their past; they have nothing to hide. The Association of Young Democrats [FIDESZ] is the most visible example of the role played by this age group. (Incidentally, every party is making an effort to establish its own youth organization.)

The grouping would be different if we tried to analyze the ages of candidates by parties. Age, however, was not a decisive factor anywhere.

In the course of previous elections they tried to enforce from the top that occupational, age, and gender distribution existing in the populace be reflected in the composition of Parliament. They did so in the name of socialist democracy. Prior to the 1985 elections the Hungarian Parliament was working class oriented. We might feel that the mandatory nomination of multiple candidates in the seemingly more democratic elections of five years ago may have contradicted this principle, but from a practical standpoint the running of candidates reinforced the same principle: One had a choice between two similar candidates (such as between two women in their thirties, both of whom held degrees).

By now it has become apparent that political activity is an occupation expressly for the intelligentsia. More than 90 percent of the candidates are members of the intelligentsia, mainly jurists, economists, university professors, and physicians. Within the agrarian parties we find members of the applied sciences and the agricultural intelligentsia. Although in the context of the elections it seemed to everyone as if an entire "cast of actors" would appear in Parliament, in reality their number is very small. It is obvious that the campaign has drawn increased attention to them.

A large number of the representatives in the previous Parliament do not contend for additional "laurels" in the field of politics. Most of those still inclined to pursue a politician's career became members of Parliament as spontaneous candidates in the 1985 elections, and in the course of interim elections.

It is a very exciting effort to predict the chances of the 12 parties that are running national slates, but no predictions can be made based on the number of candidates. In and of itself the number of candidates running individually is meaningless unless one knows how many nominating slips support these candidates: 750 or 7,500.

No one should think that the months-old election campaign will come to an end all at once, come 26 March. This is because no one would venture to say who will acquire the necessary minimum number of votes in the first round of the elections from among the average nine candidates running in each district. The minimum number of votes to be acquired is half the total number of votes cast plus one vote. The selection is going to take place in the second or third runoff elections, when

plurality will suffice. And it will take quite some time before a new parliament and the government are established....

Only this much may be regarded as certain for the time being: There will be a few rounds of elections.

**Parties and Programs**

In this dissertation we will analyze the contents of the election platforms and program statements of nine Hungarian political parties. First we will seek an answer to what predecessors these parties rely upon, how these parties view themselves, and what values they profess as their own. Thereafter, based on the analysis of values, as well as of political and economic goals, we will determine how these parties compare with one another. Finally, in light of the previous findings, we will assess the various coalition possibilities available to these parties.

With the elections approaching, by year's end 1989 and early 1990 the parties and party programs one must count on in the first election cycle of the future parliamentary democracy have been established. The political palette composed of more than 50 parties by now is far more colorful, of course, than the sense provided by the nine parties we chose could convey. Nevertheless, the most significant factors of the future government and the future opposition appear to be the following parties: FIDESZ, the Independent Smallholders, the Agricultural Workers and Citizens Party [FKgP], the Christian Democratic People's Party [KDNP], the Hungarian Democratic Forum [MDF], the Hungarian People's Party [MNP], The Hungarian Social Democratic Party [MSZDP], the MSZMP, the MSZP, and the SZDSZ.

**The Parties' Self-Portrait**

Aside from specific program points, statements made by parties about themselves play a definitive role in the election platforms of the various parties. As compared to self-definitions contained in organizational statements, which sound similar, an increasingly pronounced profile of the various parties has been evolving during the past year or year and a half. The organizations are trying to fit themselves into the European and Hungarian political trends of the first half of the 20th Century.

**Watchwords**

KDNP	With God for the Country and for Freedom!
FKgP	Wine, Wheat, and Peace! God—Country—Family
MDF	A Clear Atmosphere for the Hungarian Future! MDF Is the Calm Force!
MNP	With the People for the People!
SZDSZ	With a Clean Past for a Clean Future! For a Modern Hungary!
FIDESZ	Here and Something New!—Give the Future a Chance! With a Clean Slate!
MSZDP	Our Past Is the Collateral for the Future! Freedom! Justice! Solidarity!

**Watchwords (Continued)**

MSZP	Homeland and Progress—Progress and Security
HVK	Dignity—Work—Security
Agrarian Alliance, ASZ	European Life Also for the Countryside!
Entrepreneurs' Party	Be Effective, Create, Accumulate, and Light Will Shine on the Country

Among the organizations examined, we find both pragmatic parties and parties which project an outlook on the world. The former state party which has become pragmatic by the 1980's—the MSZP and the dissident MSZMP, which took the place of the MSZMP—once again organizes itself on ideological foundations. One is able to discover parties corresponding to the a liberal outlook (SZDSZ, FIDESZ), the social democratic outlook (MSZDP, MSZP, SZDSZ), and the global Christian outlook (KDNP, FKgP, MDF), despite the fact that neither the MDF nor the MSZDP may regard themselves as program parties organizing on an ideological basis. Consistent with the late 20th century social structure, most parties envision their functioning as people's parties; only the MSZMP claims to be the party of the working class.

**Predecessors, Historical Roots**

In defining predecessors and historical roots, a majority of the organizations invoke some kind of an ideal or party. It is remarkable that, as compared to their earlier statements, the election programs do not discuss the parties' "more proximate past," as the MDF could refer to the circle of populist writers and the SZDSZ to the democratic opposition. The emphasis is on the long past, on the present, and on the postelection future. Only the MSZP identifies itself as the organization of the reform forces within the old MSZMP.

Also remarkable is the fact that in the initial statements of intent we could read about the ideals of European and Hungarian revolutions which serve as historical roots, while today we read more about ideologies and national legacies. These changes reflect the consolidation of the "postcommunist transition" and the professionalism, the "breaking in" of political action.

Supported by orthodox communist forces, the MSZMP, which for the past 40 years has professed an ideology of hegemony, is trying to render its election program more attractive by showing a linkage with social democratic traditions. The MSZP does the same with the only difference that in close conjunction with its reform endeavors it also reaches back to the Marxist ideological system, as compared to Leninism and Stalinism. Having renewed itself following internal strife, the MSZDP has an easier job. Supported by the Socialist International, it can claim the European progressive social democratic movement and the MSZDP prior to the 1948 party fusion as its predecessor.

Democratic populism and a popular religious conservatism emerge as a political tradition from the MNP and the MDF program statements. (We may regard the fact that the MDF also claims the environmental protection movement as its predecessor as a tactical election measure.)

The SZDSZ and FIDESZ find their ideological roots in radical-liberal democracy. The program statements of both the SZDSZ and the MDF demonstrate the political division within the opposition. In both these statements one may discover the presence of several trends (SZDSZ: social democracy, social liberalism, liberal conservatism; MDF: democratic populism, national liberalism, popular religious conservatism). Popular religious conservatism alone is the historical root of the KDNP, but the election text of the FKgP also contains such elements. And yet, the FKgP did not designate any ideology as its political tradition; it mentions only the Smallholders Party that won the elections of 1945. This may be explained by the fact that the Smallholders Party was not organized and is not organizing on an ideological basis, but rather as the "party of a stratum."

#### *Self-Definition*

In examining statements given by parties concerning themselves, we find three characteristic endeavors:

(1) On the classic scale of left, center, and right, the MSZP views itself as a left wing party, the MSZDP as a left wing, left-of-center party, and the MDF and the SZDSZ as centrist parties. The scale is incomplete and lopsided: Not a single organization claims to be extreme leftist, and being on the right it totally missing as a political category. This may be the result of the fact that in Hungary today it does not "pay" to be openly on the extreme left, while, as a legacy of the past 40 years and because of the total lack of liberal conservative traditions, the prejudice continues to survive: a right winger is a reactionary, a fascist. Public opinion does not treat the left, center, and right scale without values. Therefore parties which are in reality right wing parties prefer to call themselves a "historic party" (FKgP), or a "religious people's party" (KDNP). Third, before the elections we may observe that parties are shifting closer to the center, supposedly for reasons of election rhetoric ("We are in the center, to the right of us ... to the left of us ...") and greater opportunities for coalition.

(2) There are also parties that define themselves from an ideological point of view. Thus the MSZMP regards itself as Marxist, the MSZP as socialist, the MSZDP as social democratic, the MDF as national, and the KDNP as Christian. The SZDSZ, the party of "freedom and solidarity," provides an explicit ideological definition: Socialist-communist collectivism is to the left of them, while national conservative collectivism is to the right.

(3) Election platforms are also different from another standpoint: the way they view their potential voters. They view voters as individuals (MSZDP, MDF, SZDSZ, KDNP); as a certain community, stratum, or

group (MNP, MSZMP); or they address the nation as a whole, the people (MSZMP, MSZDP, MNP).

#### *Enemies*

Virtually no organization questions the need for a systems change in Hungary today. The communist party-state's, that is the state socialist system's, inability to function and its illegitimacy have become apparent to the public by 1990. And as in any system change in the 20th century (let us just think of the Horthy or the Rakosi system!) a pronounced enemy image has become an organic part of political identity and consciousness (Judeo-Bolshevist plutocrats in the former, and Schwabians, kulaks, class aliens, the intelligentsia, etc. in the latter). In today's situation the hopelessness, or at least the difficulty of outlining the country's future, as well as the intent to shake up and to politicize public opinion, increasingly strengthens the tendency that in their election programs parties pay great attention to the definition of the enemy. This is particularly characteristic of the MSZMP and the MSZP both having a workers movement ideology, of the citizen democratic and modernizing liberalist MSZDP, the SZDSZ and FIDESZ, as well as the "middle-of-the-road" MDF. This is not characteristic of the traditionally conservative KDNP, or of the less ideology oriented FKgP. In a majority of the party programs the basis for the enemy image is the critique of the existing system:

(1) The rejection of communism, Stalinism, and state socialism from an ideological standpoint (MSZP, MDF, SZDSZ); and

(2) The rejection of dictatorship from the standpoint of possessing power (MSZP, MSZDP, SZDSZ, FIDESZ).

We must also call attention to some other elements of the enemy image, however. These differ from the above:

(1) The MSZMP, which we may certainly assume is not interested in the same kind of systems change than the rest of the parties, and which reaches back to the "accomplished achievements of socialist construction," regards "bourgeois restoration" and the "restoration of the capitalist system" as its chief enemy, but on a class basis it also finds a scapegoat in the wealthy minority. (This enemy image is not unknown in Hungary: It recurred frequently in the communist phraseology of the past 40 years.)

(2) The MDF, which calls itself a "national center party," contradicts itself when it delimits itself not only from chauvinistic, but also from nationalistic trends. Hungarian public opinion is burdened by heavy prejudice with regard to nationalism, in a manner similar to the already mentioned right wing outlook. The parties pretend as if nationalist sentiments would have to be denied in today's Hungary, and instead talk about the seemingly less dangerous "national feeling." We treat this as a category that is devoid of value.

(3) The political strifes of the past months may explain why the MDF and the SZDSZ in their election programs regard those who "overbid" and "threaten"—one may suspect that this also includes the SZDSZ and the MDF respectively—as enemies.

Summarizing what has been said thus far, we may state that the enemy image is an organic part of the parties' political identity consciousness. The reason for this may be traced to the fact that the mistakes and crimes of the Kadar era are still too close, they are too vividly alive in public consciousness, and protesting the system appears to be sincere. But since a majority of the parties examined do not stand on the ground of nationalism, whose indispensable element is an enemy image, we may assume that as a result of the mutual assessment to be pronounced by the elections, and with the further consolidation of political life, a pronounced image of the future will take over the place of the enemy image, so that by the millennium we may talk about the subsequent ideological verification of the social situation that has evolved, and about the decline of program ideologies.

#### **The Political Map in a Few Regions**

Hungary is divided into 20 electoral regions. These include the 19 counties and Budapest. It would be too lengthy and boring to the reader if we were to present a full preelection panorama and ponder the chances in each of these regions. For this reason we thought we would try to draw a picture of today's party politics in Budapest and in four counties located in different parts of the country, having different sizes and different political features. In the following reports we describe these counties from different perspectives, on the basis of existing data.

#### ***Budapest***

With its more than 2 million residents and 32 voting districts, Budapest is the largest electoral region. There is no accurate data concerning the number of people who wanted to get on the list of nominees, but this much is certain: At least 400 persons wanted to run in the elections. Of this number, 237 persons succeeded, which means that on the average there are seven contenders for each mandate. Residents of the 17th and the 31st voting districts will have the easiest job: On 25 March they will have to select the most appropriate candidate only from among four. In five voting districts nine candidates vie for a seat in Parliament.

All nominees sponsored by FIDESZ (25), the MDF, the MSZP, and the SZDSZ remained in the race. From among the parties which also established a national slate, the FKgP, the KDNP, and the MSZMP are not too "strong" in Budapest. The MSZDP presented a weak performance. The MNP and the Entrepreneurs' Party did not acquire the number of nominations needed to run a candidates in the elections. The Agrarian Alliance did not seek the right to run candidates, obviously as a result of the organization's character.

It seems clear that virtually every party—small or large—wanted to conquer Budapest. The most spectacular failures in this regard were recorded by the small parties, even though they tried to forge coalitions for the sake of success, and for this reason they are damning the election system. The fact that forging such coalitions will not be possible turned out to be true at quite an early stage of the gathering of nominating slips. For this reason, most of the small parties quit the Budapest election race, claiming one or another reason. From among those who remained in the race, the Independent Social Democratic Party [FSZDP], the Hungarian Independence Party [MFP], the National Smallholders and Citizens Party [NKgP], and the Social Democratic Party [SZDP] succeeded in running candidates (2-1-2-1). The fact that the Green Party of Hungary ran candidates in all but a few districts, and that Budapest was not moved by the party of the environmental protectionists, makes one wonder. In a manner different from the national average, relatively few independent candidates are running in the Budapest elections (16). Certainly the reason for this may be found in the fact that people do not know each other in Budapest the way they do in the countryside. Thus, perhaps the parties' campaign activities are defined more in Budapest; people handed in their nominating slips mostly for parties and for nationally known persons.

#### ***Baranya County***

The free celebration of 15 March 1989 represented a turning point in Baranya County's political public life. The demonstration with torches and the holiday's eve celebration, which mobilized almost 10,000 Pecs citizens, prompted the already existing and functioning Pecs opposition to take an open stance. There has of course been opposition political talk and discourse before, but most of that has remained within the walls of the Pecs-Baranya Intelligentsia Club. The club, which served as an intellectual and public life movement ever since its establishment in January 1988, significantly helped the evolution of new, opposition political organizations.

Had we drawn a political map of Baranya in late fall, 1989, we would have already found 17 parties and almost 50 associations, circles, and societies. With regard to most of these organizations, we assumed that they could have become part of the election struggle which just began. Also in Baranya the question was the same: Which of the organizations that could be regarded only as preparty organizations would be stronger than the others?

By now we know that five parties achieved 100-percent results in the course of advance election struggles and nominating contests. These are the MDF (seven), the SZDSZ (two), the FKgP (five), the MSZP (six) and the HVK (one). We arranged the sequence of the parties not in the order of their numbers on party slates, but according to the sequence in which they were established. In addition to the above, five other national parties were able to establish county slates. These are

FIDESZ (four), the MSZDP (nine), the KDNP (three), the MSZMP (10), and the ASZ (eight). After successfully running four candidates, Village Alliance, the sole "truly" local-regional party, did not establish a regional slate, even though it could have done so.

According to our data, the total number of candidates running for nomination was 107. Of these, 69 were actually nominated. This also means, among other matters, that there is an average of 10 candidates for each voting district. The eligible voters of the more than 420,000 residents of Baranya County must not complain after this. At this time they really have a choice. But who can they choose from?

From among those who by now have become actual nominees, the overwhelming majority (75-80 percent) consists of members of the intelligentsia having completed academies or universities: jurists, teachers, physicians, and a few engineers. These are followed by merchants, entrepreneurs, and farmers. One chauffeur and a miner constitute specimens only. The number of female nominees is four. There could hardly be fewer. Characteristic is the fact that seven MDF, four SZDSZ, and three Smallholders nominees hold doctoral degrees obtained at universities. The parties have educated nominees, while we, the voters, will have representatives learning for a long time to come.

The degree of county/regional organization and power conditions prior to the elections are supported by three sets of data. The first set pertains to the membership size of the various parties. According to our data, the MSZP had 1,450 members; the MSZMP 1,120; the MDF 1,100; the ASZ 980; the FKgP 961; the SZDSZ 600; the MSZDP 220; FIDESZ 150; and the KDNP 140. The second important set of data pertains to the number of local-municipal organizations: the Village Alliance: 97(!); the MSZP: 38; the FKgP: 37; the ASZ: 33; the SZDSZ: 23; the MNP: nine; the MSZMP: seven; the KDNP: five; FIDESZ: four; (and other local groups). And finally we may take a look at individual candidates. As we indicated before, the five "large" parties were able to run candidates in all seven districts. The remaining parties follow in this order: FIDESZ: four; MSZDP: five; KDNP: four; MSZMP: four; ASZ: four; MNP: one. Two parties: the Greens and the Entrepreneurs, got stuck in this not overly stringent prefiltering process, and were unable to run even a single candidate. The number of independents was 19, and ended up as nine.

Anyone who expects us to predict the "certain" election outcome will be disappointed. We do not know what that will be; at best we may surmise. We are most certain of the fact that there will be many, many surprises. Here in Baranya and elsewhere.

#### *Borsod-Abauj-Zemlen*

With its 13 voting districts, Borsod-Abauj-Zemlen County takes second place after Pest County (16) in the order of magnitude. Residents of the county were able to chose from among 10-15 candidates per district in the

nomination contest. Thirteen parties remained in the contest after gathering nominating slips, i.e. they are entitled to establish regional slates. Twelve of these are parties which established a national slate, while the Hungarian Green Party is the thirteenth.

On 25 March 1990 134 candidates will compete for 13 individual mandates. Thus, in each district the choice of who should represent the voters will be made from between eight and 14 candidates. In a manner similar to the national situation, the MDF, the FKgP, and the SZDSZ proved to be strongest in preliminary battles, followed closely by the KDNP and the MSZP. The remaining parties which run a national slate are placed in the center field: e.g. the MSZDP acquired more support in the cities, while the MNP found more supporters in the countryside. The Hungarian Green Party may be regarded expressly as one "of Miskolc" within the county, because it acquired the right to nominate, and thus the right to establish a regional slate within the four voting districts of the county seat. Although the Association of Political Prisoners [POFOSZ] ran a candidate for nominee (within the city limits of Miskolc), and so did the Party of Transylvanian Hungarians registered in the county, they dropped out of the election race. In addition to the aforementioned parties, the Hungarian Democratic Christian Party, the nonregistered New Democratic Party, and the Social Democratic Party are domiciled in the county. None of these parties ran candidates for nomination, according to our data.

In addition to the local parties one should mention that the establishment of local organizations by parties of a national scope followed the nationwide trends.

Twenty-one of the 29 candidates aspiring for the independent title may run in the elections. It is of interest that in districts within the city limits of Miskolc not a single independent candidate remained in the race.

#### *Jasz-Nagykun-Szolnok*

Szolnok County is one of the medium-sized election regions of the country (eight voting districts). It is a characteristic Great Plains, agricultural county. In the course of running candidates for nomination, voters could choose from among 10-15 persons per voting district. Since the completion of gathering nominating slips, 79 persons are running in the elections, i.e. an average of 10 (seven-12) candidates are competing for mandates.

Party strength conditions are evolving consistent with the national trend, in that 11 parties running national slates were able to acquire the right to run regional slates. The KDNP is the exception. Although it tried to run candidates in five places, none of these were able to gather 750 nominating slips. One wonders who took the voters away from them. As usual, the MDF, the MSZP, the SZDSZ, and the FKgP may claim full success. They were able to run nine candidates in eight voting districts. Also in this county the MSZDP and the MNP barely crossed the threshold.

Two small parties of a national scope—the Homeland Party and the Freedom Party—tried unsuccessfully to nominate candidates. The local For A Hungarian Countryside Party, organized in Tiszaderzs, was able to nominate one candidate.

All 15 of the independent candidates running for nomination may take part in the elections, moreover, from among the 15, four are competing for votes in the same voting district.

#### *Zala County*

With its five voting districts, Zala County is among the smallest. Fifty-six persons endeavored to collect nominating slips, and a large number of these—48—obtained the required number.

In the order of parties, the KDNP, the MDF, and the SZDSZ are leading, followed closely by the FKgP and the MSZP.

Also in this county 12 parties may run regional slates, but the MNP is not among these. Its place was taken by the Freedom Party. It was able to nominate two candidates to run in the elections. Altogether, three independent candidates were willing to gather nominating slips, and two of these succeeded. But these candidates are not just anyone! One of these is Ferno Nagy, the daredevil of light music. He is seeking a mandate in Lenti. The other candidate is Dr. Laszlo Czoma of Keszthely, whose name we may recall from the election scandal of 1985. At that time he was able to fight to the end and win, but he will also have a tough fight on his hands at this time: His opponent is Denes Csengey, one of the MDF leaders.

#### **Parties Which Established a National Slate**

The gathering of nominating slips decided who will be able to run at all in the first multiparty elections after 43 years. This election system did not favor small parties. Nevertheless, one must count on the continued existence and strengthening of quite a few of these.

Many of the parties establishing national slates evolved from organizations which announced themselves and became activated in early 1989, at the latest. We may also include here the successor organization to the monolithic party-state.

Now that we accurately know who will run in the 1990 parliamentary elections, many are interested only in the "winning" parties.

#### *Agrarian Alliance*

The Agrarian Reform Circle Movement, which unfurled its banners on 2 May 1989 and assumed a nationwide scope, and later the Association of Agrarian Reform Circles, officially established on 16 May, have as their goal to establish a sector-neutral forum independent from parties, the government, and interest groups, to unify endeavors aiming for agricultural reform. On 3

December 1989 in Godollo they established the Agrarian Alliance, so that it could run as a party in the elections.

The Alliance's goal is to represent the interests of the Hungarian peasantry and the entire countryside vis-a-vis what has been the party-state thus far, and the present government. They demand that proprietary reform and the preparation of the legal and economic conditions for ventures be accomplished with the participation of producers, political parties, and representatives of the agricultural economy. They reject the charge which holds that they are the party of the "green barons," i.e. the presidents of producer cooperatives. They offer to ally with nationalities. They count on the votes of agricultural voters and villagers.

They may have about 20,000 members at present. They have local organizations functioning in every county.

The party was unable to nominate even an individual candidate in Budapest and in Heves County. Its greatest strength is in Borsod County. In the rest of the districts it may be regarded of having medium strength. It will run 83 individual candidates and 15 regional slates in the elections.

#### *Association of Young Democrats*

FIDESZ was established on 30 March 1988. The purpose of the initiative was to form a new, independent youth association, to attract politically active, radical youth groups and individuals. University students and young members of the intelligentsia were its founders. In April 1988 the police declared the organization to be in violation of laws. At their first congress (2 October 1988) they adopted the association's organizational and operating rules, elected a 13-member steering committee, and on 20 November drafted a statement approved by the congress. They regard nonviolence and respect for human and citizen rights as their most important political principles. FIDESZ underscores the importance of openness, and provides room for social liberal-social democratic, and populist-national trends, as well as for trends having an alternative outlook. At the same time, FIDESZ claims to be unified with regard to its conceptual radicalism, in the representation of liberal, democratic values. From their standpoint, radicalism means the importance of a change in the system, rather than violence. In terms of economic policy they advocate rational reprivatization. They assign special importance to the support of so-called nonproductive branches.

Since its establishment, FIDESZ has expressed an opinion with regard to all domestic and foreign policy issues that have arisen in the country. They took part in the workings of the Opposition Roundtable. They regard the SZDSZ as their natural ally. Their establishment as a party was made necessary by their running in the elections. FIDESZ is supported by the Soros Foundation and the HUNGARIAN ORANGE is their biweekly newspaper. FIDESZ is able to run candidates in 80 individual

districts and on 20 regional slates. It is primarily and "urban" party, strongest in places where institutions of higher education exist.

#### *Independent Smallholders, Agricultural Workers, and Citizens Party*

Originally established in 1930, the FKgP renewed itself on 12 November 1988 in Szentendre, asserting historical legal continuity. It is to this party's "merit" that the concept and organization of a multiparty system was renewed. The FKgP does not primarily follow or create a program ideology, but wants to continue its own traditions that were severed in 1945. For this reason, party politicians of the coalition period weigh heaviest among the leading politicians of the Smallholders Party. This fact, and the intent to follow traditions, necessarily sharpened personal and platform arguments within the party.

Despite party strife, as of very early in 1990 the FKgP is the largest civil opposition organization: It has 40,000 members. Not even the separation of the "national" smallholders wing, the party rift of late December 1988, was able to break this organizational expansion. The FKgP's party policy goals include the establishment of human and civil rights, autonomous villages, a neutral, democratic Hungary, and a constitutional state. Among the economic goals restoration of the private ownership of land, the market economy, entrepreneurial freedom, etc. weigh heavily. It has already become apparent that smallholder perceptions concerning "land ownership settlement" consistent with 1945-47 land registry data will be the subject of heated debate. The FKgP regards itself as a "right-of-center," or historic party.

In nominating candidates, the party showed weakness only in Budapest and in larger cities of an industrial character. Public opinion survey results and the distribution of regions and settlements in which they were able to run candidates demonstrated the same: The Smallholders Party is the party of villages. They are running candidates in a total of 165 individual voting districts and on 20 regional slates.

#### *Patriotic Election Coalition*

The Patriotic People's Front [PPF] established the Patriotic Election Coalition in December 1989. The PPF is a social mass organization and wants to stay that way, but because of requirements spelled out in the election law it had to establish a party framework. As an election alliance, it wants to attract party outsiders, mass organizations not functioning in the framework of parties, churches which avoid party strife, nationality and friendship associations, minorities, and disadvantaged strata and groups. They support the seating in Parliament of independent candidates, so as to be able to establish in Parliament a neutral political force, independent from parties. The coalition wants to prevent "independent forces" from gaining power (the so-called principle of negative force).

After the elections they want to form a government based on the grand coalition of parties and on cooperation by professionals. They have a so-called reconstruction program which contains their perception of resolving the most important economic problems. Reconstruction should be a result of Hungarian ownership and hard work, according to the coalition.

Although they received sufficient nominations to establish slates in every region, as far as individual candidates are concerned they cover every voting district on in Vas, Hajdu-Bihar, Győr-Sopron, and Baranya counties. Nevertheless, they are running candidates in all of the 20 regions and in 122 individual voting districts.

#### *Christian Democratic People's Party*

The Christian Democratic People's Party is a historic party that was reorganized on 12 March 1989. Its predecessor is the Democratic People's Party (Barankovics' people's party) organized in 1944. It achieved second place in the 1947 parliamentary elections and received 60 mandates in the Parliament of those days. The party's leaders were forced to emigrate in 1949, and the party itself disbanded. The Aron Marton Society, formed on 10 December 1988, committed itself to the legacy of the Democratic People's Party and organized itself as a party under the name of the Christian Democratic People's Party. Its leader is the party's former parliamentary representative.

The KDNP is an ideological party; it is the repository of the Judeo-Christian outlook and morality, but it is not tied to any religion. In their view it is the purpose of the state to uplift and to serve the individual by establishing public good. Moral goals and values are more important than politics. In the KDNP's name the term "people's party" signifies that they do not wish to become spokesmen for a social class or for the interests of certain strata. Their program includes the harnessing of inflation, limited private property, and the achievement of peaceful transition. They treat environmental protection, market development, and problems related to the political culture as matters that are above party politics.

After evaluating the nominating slips it was found that the party is strong in Budapest, the northern counties, the Western Transdanubian region, and Tolna County. They were unable to gather a sufficient number of nominating slips in a large part of the plains counties, as well as in Fejér and Somogy counties. Altogether they are running 105 individual candidates and 15 regional slates.

#### *Hungarian Democratic Forum*

Following lengthy, preliminary organizational work, the MDF was formed on 27 September 1987 at Lakitelek. The fundamental conclusion reached at the second Lakitelek meeting was that they must become an independent Hungarian movement. The establishment of parties in the meantime represented a political and organizational challenge to the MDF. The internal

debate was decided on 24 June 1989. The party presidium that took the place of the founding organizers announced on that day that "the MDF is becoming a political party while retaining its name and goals." They stressed in their statement that "There is a Hungarian Way!"

The interim elections of July and August 1989 produced sweeping victories for the MDF. From then on the MDF began to proclaim with real conviction that "everything will be decided at the elections." As one of the participants and directors of the "negotiated revolution," the MDF demanded that National Assembly elections be held as soon as possible. The symbolic victory of the Godollo "united opposition" was followed by a seemingly paradox internal crisis and confrontations between the parties which followed the trilateral negotiations. Prior to the end of 1989, early 1990, it appeared it would be impossible to catch up with the timing and sociopolitical advantages gained by the MDF. This was shown by the growth of the MDF membership and of the number of local MDF organizations.

The MDF easily negotiated the obstacles in the path of nominating candidates: It finished in first place with 174 individual candidates and 20 regional slates.

There is one real question with regard to the MDF's election chances: whether the political halt and the visible dissolution of the MDF will be reflected in judgments exercised by voters. This question is not simple and cannot be answered easily, but it is certain that there will be an answer.

#### *Hungarian People's Party*

As a historic party, the MNP announced the renewal of its operations on 11 February 1989. The immediate antecedent of establishing the people's party was the organizing of the Peter Veres Society [VPT] in 1986. Development of the network in the countryside began in the framework of the VPT. The half a century old tradition of the National Peasant Party and of the 1956 Petofi Party, i.e. the commitment to the new and old party proclaimed in the 11 June 1989 program statement, appeared in the form of a policy for all Hungarians. In a political and organizational sense the real question is what and how, and mainly whom they will accept from the several possible legacies. The people's party had to, and will have to resolve further problems in order to remain a power factor in party politics.

The way we see it: Along with several factors, these basic problems explain the party's more modest results in nominating candidates.

The party nominated candidates in 90 percent of the individual voting districts, but barely 30 percent, or 43 persons, were able to acquire actual nomination. Some counties are not covered at all (Gyor-Sopron, Heves, Komarom-Esztergom, Nograd). In other counties—Baranya, Veszprem, Zala—they were able to nominate only one or two candidates. They are running 12 regional

slates altogether. In the rest of the counties the nominating ratios correspond with the social and sociological facts, even if they do not correspond with the expectations. The lack of People's Party's accomplishments in the first Budapest interim elections held on 9 December 1989 proved that an election campaign demands mostly self-confidence, in addition to money and activists.

#### *Hungarian Socialist Workers Party*

The MSZMP congress that began on 17 December 1989 declared that the party is alive, and that it continues its operation as the legal successor. The newly starting MSZMP is the only organization in the evolving multi-party structure which claims to be the party of a single social class—the working class. The MSZMP is the rallying point for orthodox communist forces and proclaims the hegemonic ideological and political principles of the past 40 years. It tries to make its election program more attractive by intending to establish a linkage with social democratic traditions. If nowhere else, it wants to do so in the organization and operation of the party itself. Therefore, they repeatedly distance themselves from mistakes made and crimes committed by the party-state which distorted socialist goals.

The party reached a decision in January 1990 to take part in the National Assembly elections. Despite the short time available, and despite strong negative emotions and political pressure against the party, the 80,000-member MSZMP was able to show nominating results which exceeded its actual strength. The results produced in Pest County, which has a peculiar structure and a radical mood, were just as bad as those produced in Budapest were good. In a manner similar to Budapest, the party appears to be strong in Fejer, Csongrad, Bekes, Szabolcs, Borsod, Heves, and Nograd counties. This list of counties does not hold any surprises. Most certainly, from among the 12 parties the MSZMP is the only "large" party whose base and possible electoral constituency may be described with the greatest certainty. We feel that in considering regional chances the results of the popular referendum may provide guidance. The MSZMP is running 95 individual candidates and 10 regional slates of candidates.

In making a preliminary estimate of the conditions of power in the elections, the big question is whether there will be, whether there could be, a continuation like this.

#### *Social Democratic Party of Hungary*

The MSZDP is a historic party charted on its path on 9 January 1989. The party was formed on 7-8 December 1890 and reorganized on 21 December 1944, and it established the Hungarian Workers Party [MDP] on 12 June 1948 by merging with the Hungarian Communist Party [MKP]. An independent Social Democratic Party briefly existed once again in 1956.

Beginning on 17 September 1989, until it became a party, social democracy functioned as a movement, and although conflicts within the party existed virtually since

the beginning, the schism occurred at the November congress only. On 6 November 1989 the MSZDP's dissident splinter parties, the Independent Social Democratic Party and the Social Democratic Party, were established.

The MSZDP professes itself to be the party of social democracy and is an advocate of a welfare state brought about as a result of a social market economy, and of liberal socialism based on social solidarity. Their goal is to integrate the country with Europe. Their fundamental values are freedom, justice, solidarity, and tolerance.

The MSZDP views proprietary reform as the most urgent task, and demands active state policies concerning the labor market, wage reform, and redistributive social policies underwritten by the state. The party stands for a multiparty parliamentary democracy, a constitutional state, the enforcement of environmental protection concerns, and a foreign policy based on considerations of national interest.

An evaluation of the nominating slips shows that the MSZDP did not receive sufficient nominations to establish a slate of candidates in Szabolcs-Szatmar and Vas counties, while in other districts it barely surpassed the threshold needed to establish slates. Thus, with its 74 individual candidates the MSZDP is able to run 18 regional slates.

#### *Hungarian Socialist Party*

Soon after the May 1988 party conference that produced a half turn in power, the MSZP [as published; should be MSZMP] experienced open crisis and began its organizational disintegration. No small contribution was made to the disintegration of the state party and the party state by members of the already organizing reform circles of the party opposition. Therefore it is no coincidence that the new left wing socialist party formed at the October 1989 congress designated the reform circles as its immediate antecedent. The MSZP regards as its most important goal the achievement of "democratic socialism," and firmly delimits itself from the bureaucratic and dictatorial socialism of its party-state legal predecessor, as well as from the new MSZMP established in December. In its political program, the MSZP tries to reconcile the ideological principles of democratic socialism with the pragmatic goals of maintaining the capacity to govern. In this sense, then, the MSZP is a program party. The MSZP's functioning and organizational structure as a people's party are still defensive and primitive. The party's election strategy is also fundamentally and strongly stigmatized by a fear that voters will recognize in the MSZP not a renewed party, but the Communists, the heirs to the party-state. This fear is not without foundation.

The party may regard the results achieved at the pre-filter stage of nominating candidates as a significant success. They are running 170 individual candidates and 20 slates. The socialists scored in the best possible way in

Budapest; they missed some opportunities only in Bacs-Kiskun, Bekes, Borsod, and Nograd counties, i.e. mostly in places where the MSZMP also scored high. Even in the absence of detailed membership and occupational data it can be well seen that the MSZP's main force in Budapest is composed of the age group in its forties, and of white collar workers.

Despite these results, it seems that after the first multiparty elections, slated to be a dress rehearsal, this party will have to be "recreated." This will have to be accomplished if they win, as well as if they lose. The evolutionary process of a modern socialist party is far from complete.

#### *Alliance of Free Democrats*

The party that became known as the SZDSZ declared its establishment on 13 November 1988 following some internal debate. As compared to their program statement written at that time, they no longer address in their party program their "recent past,"—that of being in the democratic opposition. In the shorter and longer versions of their text, known as the program for changing the system, they understandably emphasize the long past, the present, and the postelection future. The ideological roots of the SZDSZ (and of the very closely related FIDESZ) are provided by the concepts of radical-liberal democracy. Within the party that places itself in the "center" we may discover the simultaneous, and for the time being peaceful, coexistence of several trends (social democracy, social liberalism, liberal conservatism).

The very consciously planned and organized election campaign of the SZDSZ was successful. They ran candidates for nomination in every individual voting district, and, as it turned out, successfully (yielding 169 individual candidates for election). Thus the 20 regional slates and the national slate of candidates also reflect the party's sense of self-assuredness.

The publicly released global data concerning the nomination of candidates is not suitable for the analysis of essential area-wide and regional differences. Far more can be learned from the comparison of slates: The slates very accurately show whom the party wants to see seated in the new National Assembly.

#### *Entrepreneurs' Party*

The Hungarian Democratic Club of Debrecen and the Hungarian Private Entrepreneurs' Union of Kapuvar decided to merge, and thus, on 22 October 1989, the Entrepreneurs' Party was established in Debrecen.

The Entrepreneurs' Party is not a political party. Their goal is to provide interest representation to every entrepreneur, which means about half a million people. They disagree with the government's financial and economic policies; they find the invigoration of the domestic market and of the economy to be indispensable. They demand policies that are friendly to entrepreneurship and to free initiative.

The party held its first congress on 20 January 1990. Its program was developed at that time. The centerpiece of that program is the protection of private property, and the establishment of a market economy. Among their demands one finds the earliest possible achievement of reprivatization, and credits which provide an opportunity also for development.

It is the purpose of the Entrepreneurs' Party to seat representatives in Parliament, and that the interests of the growing strata of entrepreneurs be taken into consideration in framing legislation.

Based on an evaluation of the nominating slips acquired, the party is running 64 individual candidates, and has won the right to establish 13 regional slates. The party is exceptionally strong in Szabolcs-Szatmar and in Komarom-Esztergom counties. With the exceptions of Budapest, Baranya, Bekes, and Vas counties, they were able to nominate candidates everywhere.

### Foreign Policy: Outspoken Horn Presents Summary View

25000680F Kaposvar SOMOGYI NEPLAP  
in Hungarian 8 Feb 90 pp 1, 2

[Interview with Foreign Minister Gyula Horn by Laszlo L. Lengyel; place and date not given: "We Broke Old Taboos"]

[Text] [SOMOGYI NEPLAP] The political map of Central-Eastern Europe has changed substantially during the past months. Hungary played the role of a catalyst in the processes. It earned rather great respect for itself in foreign policy. How do you assess the significance and effects of this opening in several directions?

[Horn] Two fundamental viewpoints served as our guide. One was to establish and to secure the international prestige of our country. In order to do so, we had to break many old taboos, prejudices, and dogmas. Four or five years ago it would have been inconceivable to establish relations, moreover diplomatic relations, with South Korea, against North Korea. I will add: When we restored diplomatic relations with Israel last September, we took into consideration the extent to which the 1967 decision was appropriate. We reached the conclusion that the decision was fundamentally mistaken; it was accompanied by negative consequences. I am convinced that the step we took last September regarding the renewal of diplomatic relations have been proven since in real life. Not only because an intensive dialogue could evolve with the Israeli leadership concerning a Middle East settlement, but also because since that time we have built up a rather good system of relationships between our two countries, and this serves the interests of both sides. Another example: For many long years we rigidly separated ourselves from establishing any kind of relationship with South Africa, but by doing so we were not able to influence in any respect the policy of apartheid. In our judgment, whenever we establish relationships we

are much better able to influence the policies of a given country, and I mean influencing in the positive sense of the term.

The other fundamental reason for our opening up is that a small transit country like Hungary must endeavor to establish the broadest possible relationships in order to win international confidence, in order for it to have diversified international relations, and to avoid being in a situation of one-sided dependence, because, unfortunately, this is what has characterized past decades. We can achieve this only if we render our policies credible, if we progress without taboos and prejudice in every area that is important to the Hungarian Republic.

I believe that Hungarian foreign policy played a pioneering role in this regard. A year or a year and a half ago, for instance, they were cursing us because we established relations with an "anticommunist organization" like the Council of Europe. The old, adverse ideological reflexes manifested themselves forcefully in those days, and many Warsaw Pact countries felt that we were betraying socialism. At this time, however, our neighbors are getting in touch one after another with the Council of Europe, moreover: They want to join that organization. Hungary's historical role and merit is that it was first to recognize the new realities, and the one who takes the first step has an advantage; his example will have an encouraging effect on the rest.

[SOMOGYI NEPLAP] The system of relationships between East European countries is also being reconsidered as a result of the rapid changes. What changes in relationships do you count on? How do you regard the perspectives of cooperation with our immediate neighbors?

[Horn] I think that also in this regard we must transcend quite a few things. It would be impossible to sustain indefinitely the ideological motivations and requirements for this. Under no circumstances could we say—as we did earlier—that we are natural allies. Why would we be natural allies? To what extent was old Romania a more important ally of ours than, for example, Western Europe? Our Eastern partners were "quasi allies," and I must say that by nature, Hungarian foreign policy endeavors were closer to the West European countries than to Romania within the Warsaw Pact, or to the leadership of the previous Czechoslovakia. These principles and requirements were forced upon us, and were essentially related to the Stalinist ideology: They were anachronistic and outdated, and therefore they must be not only done away with—a path we have begun to follow. We must also reassess our entire system of relationships. At the same time, it is in our existential interest to maintain good relations with our neighbors. We can guarantee the security of Hungary only if these relations are based on the principle of mutual interest. This, however, presumes that we free our relations from all ideological and political considerations which relate to some abstract ideals. If, for example, we want to have good relations with Czechoslovakia, we must define the

minimum requirement which serves as a condition for normalized relations. Notably, we must define the fact that we guarantee the national and nationality rights of Slovaks residing in Hungary, and that in exchange we demand the same for Hungarians residing in Slovakia, including the opportunity for autonomous governance by Hungarians in the cultural, educational, and other fields.

The same applies to the Lower Carpathian region, to Transylvania, and to the Vajdasag region. I am convinced that our relationships cannot be settled in a satisfactory manner without our neighbors adopting normal nationality policies.

Another rather important matter is the fact that perceived political consideration must not acquire an advantage in the broader sense relative to issues of cooperation. For example, with regard to Bos-Nagyvaros, the actual professional, ecological viewpoints should decide the future of the investment, rather than stating that continuation of the barrage is the basic condition for continued Czechoslovak-Hungarian relations. The principle that was announced sounded as if we were each other's natural allies in any significant foreign policy issue. This is not true. There are instances where our interests do not coincide, and others where one or another country has separate features, and its own traditional relations. In other words, it is impossible to force upon our countries the idea that we present a unified view before international forums. All of this, of course, presumes the rearrangement of conditions within the alliance, and I regard this as particularly important.

[SOMOGYI NEPLAP] Considering what you just said, in what way will Hungarian-Soviet relations be reassessed?

[Horn] For decades they did not permit us to normally discuss the problems that exist with regard to this subject, even though some very severe concerns emerged within our relationship. I do not want to discuss separately the restriction of our political sovereignty, because the view of this has changed in the Soviet Union since Gorbachev took power. But, for example, we must be aware of the fact that Hungarian-Soviet economic relations present increasingly severe problems to Hungary. The Hungarian surplus amounted to about 800 million rubles in 1989. This represents a terrible burden to the Hungarian economy, because we cannot provide credits to such a huge country. Soviet oil and electric power deliveries decreased continuously, and increasing concerns are emerging about the delivery of other goods. These problems cannot be resolved merely on the basis of political consideration, subordinate to political consideration. They must be resolved in the course of very specific, tough negotiations, complete with the clashing of arguments. It is for this reason that we urge a changeover to settlement in convertible currencies. In summary: The approach to be taken in various fields of relations must be placed on entirely new foundations.

[SOMOGYI NEPLAP] One of the very important issues of bilateral relations is the removal of Soviet troops stationed in Hungary.

[Horn] Yes, negotiations are now beginning in this regard.

Our delegation has the assignment to urge the removal of Soviet troops by the end of this year. This is a realistic demand in my view, and if the intent exists on the part of the Soviets, there should be no obstacle in the path of reaching an agreement in the near future. I am convinced that the stationing of foreign troops either in Eastern Europe or in Western Europe is not warranted either from a political or a military point of view. Not to have foreign troops stationed in its territory is part of every country's national sovereignty.

[SOMOGYI NEPLAP] The Hungarian-Romanian relationship plays a special role in the relationship with our neighbors. How is this relationship going to evolve, in your view? Don't you think that initial hopes following the December revolution were exaggerated?

[Horn] At Christmas, 1989, we took the position that nothing was more important than to overthrow the Ceausescu regime. We had nothing in common with the Ceausescu system. That regime threatened not only Hungarians in Romania, but Hungary itself, because that insane adventurer could have taken any unpredictable step. Accordingly, beginning on 23 December it was in our existential interest to render all possible assistance to the new Romanian leadership to free itself from dictatorship. It was our goal to establish new foundations for Hungarian-Romanian relations. These new foundations were established. Since then it has been proven that taking further steps represents an extremely difficult, tormented process. There are fewer democratic traditions in Romania than there are in Hungary; actually, such traditions do not exist in Romania. We must start everything from the beginning. Another problem is that the base for nationalism has not ceased to exist; it continues to live on in Romania. For this reason we are making extremely difficult progress in Romania with regard to normalizing our relations. We have already been struck in the head by being told that we were impatient, even though in our judgment at present we should not waste a single day in rebuilding relations. I have no doubt that the leaders of the National Salvation Front are prepared to settle the relationship; at the same time, however, this is not happening in practice, and we find that they are not reacting to our specific initiatives. I am unable to judge from here whether this represents conscious sabotage, because I do not believe that all of this represents the intent of the leadership. Still back on 29 December, in the course of our Bucharest discussions we spelled out a few, very specific matters to which we requested immediate response. We told them several times that unless we take specific steps, the intent to improve relations will remain a mere declaration. Experience well demonstrates how many things the earlier

Hungarian leadership passed up by waiting for a response while failing to act.

[SOMOGYI NEPLAP] Reverting to our relations with East European countries: Do you regard conceptions urging closer Polish-Czechoslovak-Hungarian cooperation as realistic?

[Horn] In a political sense I regard the development of closer consultation among the three countries, and further the evolution of closer consultation on certain economic issues, as realistic. At the same time, however, it is my view that opportunities for development should not be sought in this direction. I feel that the Polish economy is in a catastrophic situation. Czechoslovakia also has its own concerns; without discounting the significance of trilateral cooperation, I do not see this as the Hungarian economy's path out of the crisis. I much rather see that path in establishing as close relations as possible with economies that are at a higher level of development, the ones that are capable of performing.

[SOMOGYI NEPLAP] How do you view Hungary's possibilities for neutrality? To what extent does this issue relate to changing our present system of alliances?

[Horn] It comes as natural that one of our future goals must be the achievement of neutrality. At the same time this matter cannot be resolved by way of unilateral declarations. This requires tough, serious efforts and, above all, new approaches. Just what do I have in mind? It is apparent that as long as the two opposing systems of alliance exist, the two leading powers in those alliances will insist on maintaining those alliances. The idea of simultaneously disbanding the two alliance systems is a noble goal, but in and of itself this will cause nothing to happen. Therefore, new methods and means must be sought to achieve this. I would find it useful to initiate a rapid approach and cooperation between the Warsaw Pact and NATO. I would not find it inconceivable for Hungary to become a member of a few political organizations of NATO, thus transcending the limits of belonging to our bloc. I also find it conceivable that in the future the multilateral obligations would not primarily prevail among the Warsaw Pact member states, but instead relations would be based on bilateral agreements. This would enable us to reach a series of bilateral agreements with the NATO countries, just as with the Soviet Union and with other Warsaw Pact member states.

[SOMOGYI NEPLAP] In the spirit of approaching the West, for which NATO countries could we expect a mutual relaxation of visa requirements in the near future?

[Horn] This is a difficult matter because the visa practices of some NATO countries are very rigid.

Here I do not mean only the length of time it takes to issue visas, but also the fact that some states have rules as to which border crossing points Hungarian citizens may enter by. Meanwhile the Hungarian visa system is as liberal as possible; we do not establish any conditions or

requirements. In my judgment the agreement we reached with Italy abolishing the visa requirement is of great significance. We hope that this will produce a domino effect in NATO countries. Accordingly, I am optimistic in this regard, and trust that within a year or two the need to obtain visas will be discontinued for all NATO countries.

[SOMOGYI NEPLAP] To what extent does Hungarian foreign policy express demands established by political forces operating in Hungary? Has the government of the Foreign Ministry reconciled its views with opposition organizations?

[Horn] The essence of Hungarian foreign policy activities today is in harmony with the foreign policy endeavors of the various parties. We consult with opposition forces on every issue of major importance, thus, for example, with the Hungarian Democratic Forum, the Alliance of Free Democrats, the Association of Young Democrats, the People's Party, and in general with parties which play an important role in domestic policy. I consider it to be very important that from among the various ministries the Foreign Ministry was the first to seek the views of these parties. I regard these consultations as very significant and useful, because we not only conveyed our perceptions, we also received useful advice. I must tell you frankly that they suggested a series of things which escaped our attention before. There were, of course, issues we had tough arguments about, but things do not go otherwise.

There are, of course, also some extremist views. The Sacred Crown Society, for example, criticized me because I journeyed to Romania in late December and negotiated with the new leadership. One can of course express extremist, even revanchist views, but these do not help the country, they cause harm. The one who tries to enforce Hungarian national claims while disregarding international realities will cause very severe damage, primarily to the Hungarian people. In the present situation the establishment of extremist, unrealistic demands presents life-threatening danger.

[SOMOGYI NEPLAP] To what extent could Hungarian foreign policy change after the elections, after a new government assumes power? What is your view?

[Horn] I do not know what government will take power after the elections, but in my judgment foreign policy is the field where no government will be able to make substantial changes. Our present foreign policy is open; it has reality as its starting point; it acts as a catalyst. Accordingly, in my view, only this foreign policy line may be carried further.

#### **State Secrets Revealed by Police Officer**

*25000677B Budapest NEPSZABADSAG in Hungarian  
28 Feb 90 p 6*

[Text] The head of the Budapest Police Headquarters [BRFK] filed a complaint Tuesday against police First

Lieutenant Istvan Bajcsi, on grounds that he had violated the state secrets law. Bajcsi is a former officer of subdivision III/III [counterintelligence] of the police headquarters. In a statement provided to the radio program 168 HOURS and to the newspaper BESZELO he revealed information that qualifies as a state secret according to law. In his complaint the BRFK chief asked that the exact circumstances of the violation of the state secrets law, and the possible responsibility of other persons involved in the case, be established.

## YUGOSLAVIA

### Proposal by SFRY Presidency for New Constitution

90EB0248A Belgrade BORBA in Serbo-Croatian  
28 Jan 90 pp 1, 3-5, 8, 11

[Constitutional amendment proposal of the SFRY State Presidency in Belgrade on 25 January 1990 for submittal to the Federal Chamber of the SFRY Assembly, signed by Dr. Janez Drnovsek, president of the SFRY State Presidency, including the proposal of the State Presidency of Socialist Republic Slovenia concerning the Federation and relations in the Federation: "A New Constitution—A New State"]

[Text] Mindful of the proposals and initiatives of citizens and working people, their organizations and communities, expressed both in the discussion over several years of the functioning of the political system of socialist self-management and in the 1988 Amendments to the SFRY Constitution, and also of the clearly expressed concurrence of the competent bodies of the Federation, the republics, and provinces, and the conclusion of the Federal Chamber of the SFRY Assembly dated 22 October 1988 as to the need to draft a new SFRY Constitution, and in view of the need to contribute by adopting an entire new constitution since the present one does not afford sufficient basis—to the more rapid economic and cultural progress of the Yugoslav socialist community and general advancement of its civilization and to consistent appreciation, dissemination, and enrichment of human rights and freedoms and full equality of the nationalities and ethnic minorities, the SFRY State Presidency, in session on 25 January 1990, decided on the basis of Article 399 of the SFRY Constitution to submit to the Federal Chamber of the SFRY Assembly a proposal that it undertake to change the SFRY Constitution by adopting a new constitution.

### I. REASONS FOR ADOPTION OF A NEW CONSTITUTION, ITS BASIC OBJECTIVES, AND CONCEPTION

Full agreement has been expressed in the broadest political, scientific, and professional community that adverse processes in the economic, social, and political relations of Yugoslav society can be overcome only by an all-encompassing and radical social, and thereby also constitutional, reform that would in turn facilitate and

guarantee stable and successful economic and social development, democratic social relations, full protection of human and civil freedoms and rights, and equality of the nationalities and ethnic minorities.

That kind of social reform requires construction of a consistent economic and political system that would facilitate and stimulate creation of conditions for the greatest possible creativity, work, and motivation of every individual and of all the social forces, and thereby for more successful material and spiritual development of the entire society as well.

This is premised upon the belief that enactment of a new constitution is necessary in order to ensure further development, enrichment, and strengthening of the basic values on which the Yugoslav Federation, founded on the principles of AVNOJ, is based: socialism, self-management, democracy, human and civil rights and freedoms, equality of the nationalities and ethnic minorities, the federal character of the community, the country's independence, nationwide defense, promotion of peace and cooperation in the world and equality of all men, peoples, and countries. The new Constitution should contribute to democratic resolution of social contradictions and to our country's stable and more rapid physical and social development, and this should in turn make it possible for the country to become part of world economic and social progress on an equal footing and to preserve and further strengthen its independence, prestige, and influence in the world.

The basic aim of adopting a new SFRY Constitution is to find solutions in the constitutional arrangement that will contribute to the further development of Yugoslav socialist society as a society that is economically successful, democratic, progressive, and humane.

The new Constitution should enrich and consistently protect human and civil rights and freedoms and should guarantee free association, including political association, democratic relations, ethnic equality, and full equality in other respects, which in turn presupposes not only further development of diverse forms of socialist self-management, but also political pluralism. As the basic and supreme document, above all a legal document, the SFRY Constitution should guarantee the existence and functioning of a law-governed state, which will be both socialist and democratic.

The constitutional changes must ensure respect for individual and collective rights and obligations of citizens and working people and the independence and motivation of economic entities in the context of a market economy with diverse forms of ownership. The Constitution should preclude any form of informal and illegitimate influence of the political factor on decisionmaking concerning the conditions of economic activity and concerning expanded social reproduction.

The new SFRY Constitution should guarantee the country's defense and security, its independent position, its

openness to the world, and its inclusion in the progressive currents of civilization and scientific-technological development, as well as preservation and protection of the environment.

All of this should also serve as the basis for development of a socialist democratic community and for the functioning of the economic and political system.

Mindful of the purpose, character, and scope of the changes which are to be made, and especially of the need that they be consistent, the SFRY State Presidency believes that the constitutional changes should be made by adopting a new SFRY Constitution and that it should retain those arrangements in the present SFRY Constitution which are in harmony with the conception and objectives of the new SFRY Constitution.

The new Constitution should clearly, concisely, and consistently express the legal and political essence and framework of Yugoslav society and of the Socialist Federal Republic of Yugoslavia as a federal state and socialist democratic community and should in that context be free of superfluous declarative elements of political ideology.

It should set down the foundations of an economic and political system which will open up the largest possible opportunities for the individual's creativity and motivation, the freedom of economic entities, and people's freedom to organize their own organizations and communities. The SFRY Constitution should in addition set forth in detail human and civil rights and freedoms, the relations in the Federation, and the powers and organization of the Federation. In keeping with the uniform foundations of the economic and political system, it should in particular guarantee the right of self-organization of the socialist republics.

To do this, it should contain the necessary legal means so that it can be enforced as an act of supreme legal force and authority.

The SFRY Constitution should establish a more efficient procedure for its amendment, a procedure requiring mandatory consent of all the socialist republics.

ALTERNATIVE 1: The procedure for amendment of the SFRY Constitution would also envisage consent of the socialist autonomous provinces.

ALTERNATIVE 2: The new SFRY Constitution would establish a more efficient procedure for its amendment.

## II. BASIC CONSTITUTIONAL PRINCIPLES AND THRUST OF THE CHANGES

The preamble should state in capsule form the way in which socialist Yugoslavia was born. The preamble should also state briefly the basic elements of the social and constitutional system of the Socialist Federal Republic of Yugoslavia.

### A. Basic Constitutional Principles

In its introductory normative section, the new Constitution should state in compressed form the basic principles and basic elements of the social and constitutional system of the Socialist Federal Republic of Yugoslavia:

1) Yugoslavia is a socialist federal republic of peoples who have united voluntarily and are organized into socialist republics based on peoples' right of self-determination, including the right to secede, and a socialist democratic community of citizens and working people of equal nationalities and ethnic minorities.

ALTERNATIVE: After the word "republics," add the words "and socialist autonomous provinces within them."

2) The constitutional provisions concerning the social status of man and citizen and human and civil rights and freedoms should be premised upon the proposition that man, his freedom, and his personal happiness are the highest value and goal of socialism. The human and civil rights and freedoms set down in the Constitution should guarantee the individual's physical, moral, spiritual, and political integrity.

3) The principle of constitutionality and legality should be the criterion applied to the behavior of each and every one and the criterion applied to relations between legal enactments, signifying that the powers of government and self-management are based on the Constitution and law, that arbitrariness and violence, subjectivism and arbitrariness on the part of individuals and their associations, on the part of government bodies and those of self-management, and on the part of those exercising other public authority are precluded, and that individual and collective rights are effectively protected by the Constitution.

Constitutionality and legality, as well as the protection of civil rights and freedoms, are also guaranteed by the courts, as independent bodies that perform their function on the basis of the Constitution, laws, and general enactments.

4) Relations in the production and distribution of material goods and nonmaterial things are shaped by the commodity character of production and by the market and by diverse forms of ownership of the means of production, which function as capital under equal economic conditions and in free market competition, full legal security, and equal legal protection. Consistent with those conditions, the position and function of all creators of material goods and nonmaterial things are established in the various forms of management, decisionmaking, and influence on working conditions and the results of work, in order to restrict and overcome economic exploitation and political subjugation.

Consistent with the entirety of these commitments, it is also indispensable to define the role of the state in regulating the relations of production, exchange, and distribution.

5) The point of departure in designing the political system should be the commitment that the citizens and working people are the basic vehicles of government and management and also in achievement of the ethnic equality of the nationalities and ethnic minorities. The new Constitution should facilitate the further development of democratic socialist relations. The freedom of citizens and working people to express and pursue their interests and needs through various forms of political and other organization and association should be guaranteed in the political system.

Citizens and working people elect the members of all the assemblies of sociopolitical communities by free and direct elections and the secret ballot. The possibility is to be examined of retaining the method of election of delegates to the chamber of republics and provinces that has existed up to now.

The organization and functioning of the political system is based on the principle that all those holding government positions, public office, and other posts in society are elected, may be replaced, and are subject to democratic oversight.

6) Relations in the Federation are to be built on the principle that the citizens (and working people), nationalities, and ethnic minorities exercise their sovereign rights within socialist republics and in socialist autonomous provinces, consistent with their rights and duties as set forth in the Constitution, and in the Federation—when in the common interest this is established by the SFRY Constitution.

The principle of realizing the common interests of the people should be expressed by specifying in the SFRY Constitution those issues which are of decisive importance to ethnic equality and on which decisions are made by consensus of the socialist republics as federal units and states.

The socialist autonomous provinces, as sociopolitical communities, are also appropriately represented in the Federation, consistent with their specific interests and with guaranteeing the equality of the nationalities and ethnic minorities. The basic rights of autonomy in the Yugoslav Federation are set down and protected by the SFRY Constitution.

The Federation must be an effective state, and a condition for that is that it possess its own economic and other functions and powers and possess effective means of realizing common interests over the entire territory of the SFRY.

7) The new Constitution should express the conception of nationwide defense as the country's defensive strategy

to protect freedom, independence, sovereignty, territorial integrity, the system set down by the Constitution, the unity of the system and national defense, the unity of the armed forces and their place and role, and the rights and duties of citizens and other public entities in this area.

8) Yugoslavia establishes its international relations on the principles of respect for the sovereignty and equality of all countries, nonintervention in the internal affairs of other countries, independence, nonalignment, and peaceful settlement of international disputes. In active cooperation with members of the international community, Yugoslavia adheres to the United Nations Charter and other international legal acts and instruments. The SFRY strives for respect of the rights of ethnic minorities, including the rights of segments of the nationalities of Yugoslavia living in other countries.

### B. Basic Thrust of the Constitutional Changes

Consistent with the basic principles, changes should be made in the SFRY Constitution in the following directions:

#### a) Human and Civil Liberties, Rights, and Duties

1. Premised upon the need to add to and improve the provisions of the present SFRY Constitution, the new Constitution should express still more consistently the position that human freedoms and rights achieved up to this point in history are embraced as an achievement of civilization and as the result of general human emancipation and development. The entire economic and political system is founded upon and springs from those foundations. Human and civil rights and freedoms at the same time constitute a limit on the activity of government bodies and agencies, a limit that must be made to serve as a guarantee of those freedoms and rights.

The further humanization of human relations necessitates constitutional amendments that would provide the basis for achieving the social and material prerequisites for broadening the scope and enriching the content of human and civil freedoms and rights and for their respect and effective protection.

2. Individual human and civil rights, freedoms, and duties need to be set forth completely, consistently, and precisely, but the principle of realism should at the same time be respected by guaranteeing only those rights and freedoms which can in fact be exercised and enjoyed.

The following are necessary to that end:

- to proclaim that in principle all is permitted which is not explicitly prohibited by the Constitution or law and also that the limits of freedoms and rights are defined only by the respect for those same rights and freedoms of others and by the restrictions established by the Constitution;
- to broaden constitutional provisions in this area to include certain new rights which, as the result of

advances of contemporary civilization, have been proclaimed even in international documents (environmental protection, rights in the domains of culture and information, the right to personal and social security, and other rights);

- to establish harmony of human and civil freedoms, rights, and duties with changes in property relations, commodity production, and market-oriented economic activity, and also with changes in the political system;
- to guarantee the equality of all citizens regardless of political and religious conviction and nationality, including the individual's right and freedom to declare himself as a Yugoslav or not to declare any nationality;
- to draft the provisions concerning rights and freedoms in precise language of constitutional law and thus to eliminate the possibility of subjective and arbitrary interpretation either in the enactment of laws and other regulations or in their enforcement by government agencies, but also so that bodies and organizations, by virtue of THEIR VERY position or through unlawful use or abuse, are unable to do harm to civil rights and freedoms (all holders of information, the press, radio, television, and similar organizations);
- to guarantee through the Constitution that in the exercise and enjoyment and broadest protection of constitutional freedoms and rights the citizen is an independent legal, economic, and political entity. There is a particular need to facilitate judicial and other protection of rights and freedoms guaranteed by the SFRY Constitution on the part of federal judicial and other authorities. Here, an examination should be made of the possibility of transforming the present mechanism of protection and adopting new ones, including uniform protection in criminal law, i.e., accountability for those who violate constitutional rights and freedoms, as well as special forms and institutions to protect civil rights;
- to broaden the principle of direct application of the SFRY Constitution and to establish the principle that the specific rights and freedoms guaranteed by the SFRY Constitution can be restricted only by the Constitution or, if this is indispensable, by federal law, but under the condition and within the limits precisely prescribed by the SFRY Constitution.

**b) Constitutionality and Legality, the Judicial System, and the Constitutional Courts**

3. The constitutional arrangements must build on and guarantee the necessary prerequisites for consistent respect of the principle of constitutionality and legality by all legal entities and their effective protection. This also presupposes precise establishment of the limits on exercise of authority by the bodies of government, by the agencies of the state, and all other bodies and organizations and precise establishment of the foundations of their accountability under the Constitution and law.

Real and consistent application of constitutionality and legality presupposes above all the unity of the country's constitutional and legal system. This also requires that conformity of all other legal enactments with the SFRY Constitution be guaranteed on behalf of uniform application of federal laws and the equal position of all legal entities over the entire territory of the SFRY. It is also indispensable to guarantee the primacy of federal law, should it be contradicted by a republic or provincial law, until a decision is rendered by the Constitutional Court of Yugoslavia.

4. The basic principle should be established that every sociopolitical community have the powers to enforce its own enactments, powers which it can delegate to other agencies, but covered by the inalienable right of the body adopting the general enactment to see that it is enforced. While the position should be retained of abolishing hierarchical relations between the bodies of different sociopolitical communities, their relations should be arranged on the principle of a hierarchy of enactments on behalf of more effective and consistent enforcement of laws and other enactments.

The Constitution should regulate the relation between government law and self-management law more flexibly.

On behalf of consistent protection of constitutionality, the possibility should be eliminated of the validity of legal norms after a decision of the Constitutional Court of Yugoslavia establishing that they do not conform to the Constitution or that a republic or provincial law contradicts a federal law, thereby eliminating from the legal system the possibility of perpetuating an unconstitutional or unlawful state of affairs.

The character and legal effect of the position of the Constitutional Court of Yugoslavia that a republic constitution or provincial constitution is contrary to the SFRY Constitution should be stated precisely. The constitutional courts should also retain the obligation to monitor trends which have a bearing on achievement of constitutionality and legality and to undertake the necessary activities to protect them.

5. In order to guarantee a higher degree of uniform protection of constitutional rights and freedoms over the country's entire territory and on behalf of effective performance of the judicial function, the new Constitution should set down the principles of the judicial system with respect to shaping the jurisdiction and composition of the regular court and the election and dismissal of judges.

The constitutional changes should confirm and express more consistently independence and self-sufficiency in performance of the judicial function as an essential element and guarantee of constitutionality and legality. It is an essential condition for independent and self-sufficient performance of the judicial function that judges be guaranteed appropriate immunity and that a clear commitment be expressed that the regular courts are bodies of government power and at the same time of

the social community as a whole. This can be ensured by making the present constitutional provisions more precise, especially concerning election of judges without restricting reelection, by setting forth the precise conditions under which they can be dismissed, and by institutionalizing the accountability of those who threaten the independence of judges in any way.

The need for self-management courts under the new conditions should be examined.

6. In keeping with the powers of the Federation and its obligation to guarantee uniform enforcement of federal enactments over the territory of the SFRY and to protect certain human rights and freedoms guaranteed by the SFRY Constitution within the limits set forth in federal law, the need to transform the federal court into the supreme court of the Federation should be examined.

7. It should be established that public prosecutors' offices perform their function solely on the basis of the Constitution and law. The role and authority of the federal public prosecutor should be spelled out, especially in guaranteeing uniform enforcement of federal laws.

8. Fuller and more effective protection of constitutionality and legality should also be guaranteed through further affirmation of the role of the constitutional courts, in keeping with the changes in the political system, in the powers of the Federation, and in the domains of human and civil rights, freedoms, and duties. The principles of constitutional courts should also be set forth in the SFRY Constitution.

Consistent with the desire for a more comprehensive protection of certain constitutional rights and freedoms, the jurisdiction of the constitutional courts should be broadened in all cases when they have been violated by an individual act or action, if no other court is responsible for that protection.

Also, upon demand or on their own initiative, the constitutional courts should evaluate the constitutionality of the programs and other documents of political parties and other forms of organization and association of citizens.

### c) The Economic System

9. In order to facilitate the greatest possible freedom of economic entities, the economic system ought not to be regulated in detail in the SFRY Constitution, nor should it prescribe the obligation of establishing legal and self-management norms where the independent initiative and freedom of activity and self-organization of economic and other entities, motivated by economic logic, is indispensable and desirable.

Proceeding from the relevant constitutional amendments in the domain of the economic system which are now in effect and experiences of countries with the most successful economies, the SFRY Constitution should

establish solutions which will bring about prerequisites for construction of a modern market-oriented economy capable of guaranteeing full economic efficiency and more successful social and economic development of the country and its intensive inclusion in world economic developments on an equal footing, so that it rapidly and effectively adopts and applies the results of scientific-technical progress, and so that it is exposed to the influences of the world market.

10. The Constitution should regulate economic relations in keeping with the commodity character of the economy, with the market as the basic mechanism for the coordination of production, trade, distribution, and consumption, on which all factors of production and results of work are evaluated. This presupposes freedom of movement of the factors of production (goods and services, capital, manpower, and knowledge) on the undivided Yugoslav market, which is open to the world market. Accordingly, full freedom of choice of the forms of business organization and activity should be facilitated and guaranteed. That is why the new Constitution must guarantee the freedom of enterprise of all forms of ownership and the principle that every economic activity and work activity is permitted unless it has been explicitly restricted or prohibited by law.

11. Guarantee in the Constitution the performance of economic activity on the basis of a pluralism of ownership and equality of all forms of ownership. The Constitution should protect and guarantee the right of owners to management and appropriation.

In the domain of the economic and social infrastructure facilitate state ownership as well as other forms of ownership.

If the state is one of the economic entities in a particular economic activity, its position must not be privileged compared to that of other economic entities participating in that activity.

The Constitution should guarantee the right of foreign persons in their investments and in conduct of business on the Yugoslav market.

One of the preconditions for a market economy is a different formal treatment of social-ownership relations in the form of ownership with a particular entity endowed with the rights and responsible for the obligations. Those relations should be spelled out clearly in the new Constitution. While respecting the market and economic laws, the Constitution must prevent a transformation of socially owned property that permits uncontrolled and economically unjustified siphoning off of socially owned property into private property and consumption.

12. Self-management should be differently defined even in the Constitution. On the basis of work, employees should participate in management of the enterprise, which would principally be done by investors of capital.

Accordingly, from the standpoint of the individual self-management means self-management, that is, influence on management. Work and the results of work, achieved through creative ability and innovativeness, should be an independent basis of appropriation. The Constitution, then, must guarantee the right to share in profit on the basis of work and on the basis of resources, that is, invested capital—in proportion to the real contribution and the resources invested.

It is necessary to ensure a pluralism of the forms and content of self-management, of participation in decision-making and influence by employees, that is, of management under the conditions of a market economy and a pluralism of ownership.

The state should protect and encourage appropriate forms of self-management and codetermination in the various forms of organization of economic and other entities.

In connection with establishment of the self-management rights of the workers, care should be taken that their socioeconomic and self-management position ensure motivation and material incentive and thus be made to serve a growth of production, a rise of business efficiency, and higher productivity of labor.

The constitutional changes should take note of the independent and responsible role of the professional management function and distinguish it clearly from self-management in the process of management of the enterprise and other organizations and institutions.

13. The new Constitution should clearly define the economic functions of the state. It should guarantee that in the process of social reproduction the state does not violate the independence and freedom of economic entities. Its basic function is by definition to guarantee the independence of business entities and to ensure competitive conditions for the functioning of the market for all the factors of production. The state should have economic powers, then, above all with respect to protecting the market against monopoly and disloyal competition, in infrastructural and other activities of particular social interest, in the domains of the environment, adoption of standards, financial control, etc.

In order to guarantee the unhindered functioning of the undivided Yugoslav market and equal economic conditions, the possibility should be created for the Federation—in the common interest of the republics and provinces—to prepare and conduct a particular macroeconomic and stabilization policy—which also presupposes its corresponding powers in the domain of the credit and monetary system, the foreign exchange system, the foreign trade system, the tax system, and the system of distribution, as well as the opportunity to guide society's economic development through social planning.

14. The new Constitution should retain the obligation and responsibility of the republics and autonomous

provinces for their own development and the development of the Federation, but with due respect for comparative values, differences, and specific features as verified by the market. The new Constitution should set forth arrangements that will stimulate the country's economic unity and should eliminate solutions which allow the existence of so-called national economies.

The Constitution should guarantee the right of citizens and working people in the republic and autonomous province to decide on their work and the results of their work.

Citizens and working people in the republic should freely dispose of natural resources, in conformity with the SFRY Constitution and the constitution of the republic, and in the province in keeping with the constitution of the autonomous province as well.

15. The SFRY Constitution should set forth the principles of solidarity and reciprocity in order to guarantee the social security and welfare of the working people and citizens and the country's more harmonious economic and social development.

16. The SFRY Constitution should establish arrangements in the planning system that meet the needs of a modern state in which the economy is based on market-oriented conduct of business.

Social planning should be indicative, so that planning documents do not contain outright obligations for economic entities. The republic should have the opportunity to collect revenues through taxes, including revenues for so-called "development funds" through which they can cofinance various economic programs on the basis of competition and in this way influence the direction taken by development.

There is a need to bring about an up-to-date relation between the market and planning so as to preserve the autonomy of economic entities. It should be established in this connection that the function of the planning system is to guide socioeconomic development and that the planning of operation and development is the right of all economic and other social entities, as well as of sociopolitical communities, and a law should specify which entities have an obligation to do planning.

17. The social services, as productive factors of labor and development and at the same time as spheres in which people satisfy needs in their lives, should realize income or profit in keeping with their contribution, through funds, from pooled resources, from a budget, or on the basis of the sale of products and services on the market. Depending on the nature of the activity and the type of product or service, the resources of the different forms of ownership can be called upon in the social services, and in this connection the opportunity should be opened up for diverse forms of organization and management.

18. In certain infrastructural areas which have importance to the entire economy and society, such as fuel and

power, the railroads, highways, water management, and so on, the opportunity should be created for the introduction of mixed forms of ownership and for establishment of so-called public enterprises and other enterprises representing diverse organizational forms of management, along with the appropriate regulatory, antimonopoly, and oversight function of the state.

The Constitution should grant the state the authority to guarantee the organization of large systems in the domains of the electric power industry, railroad transportation, and postal and telegraph service over the territory of the entire country in order to guarantee technical functionality in operation, the technological unity of the work process, and the optimum and efficient functioning of these systems over the entire territory of the SFRY, which presupposes that it exercise a regulatory, antimonopoly, and oversight function.

19. In view of the importance of resources of general interest (such as land, forests, water, streams, the sea and the seacoast, resources in general use, as well as real estate and other things of particular cultural and historical importance), there is a need to set forth solutions which will guarantee their effective protection, use, and management.

20. The Constitution should set down the principle of the voluntary nature of all forms of organization and association around interest in the economy and the social services, including economic chambers and other associations of the economy.

21. Protection and improvement of the environment should be established as one of the most important factors in overall social development and an integral part of production cost, and rights, obligations, and responsibilities should be established in keeping with an up-to-date approach and scientific knowledge concerning this area.

#### **d) The Political System**

22. Within the framework of the principles and basic solutions in the area of the political system, changes should be carried out to establish mutuality between the elements of economic and political equality which should guarantee individuals and the nationalities and ethnic minorities of Yugoslavia the basic social conditions without which the guaranteed political and other rights cannot be exercised. It is indispensable that the political system be optimized in its institutions and legal prescriptions.

23. Further development of the political system presupposes the following:

- that the basic entities of the political system are the citizens and working people in the conduct of government and the management of other social business, and the nationalities and ethnic minorities in the achievement of ethnic equality;
- that the citizens and working people, directly and through their representatives, are to take part in

decisionmaking on matters of broad social interest, so that democratic and effective adoption and implementation of public decisions is fully realized, along with public scrutiny and oversight of the work of all those who perform functions and exercise authority in the government, public institutions, self-management, and other areas of society;

- clear delineation of state authority from self-management decisionmaking in organizations of labor, sociopolitical communities, and other organizations and communities.

24. The new Constitution should affirm and elaborate more consistently the inalienable rights and freedoms of trade union, political, and other organization, association, and activity. The right and freedom of political organization also presupposes organization of political parties. Diverse forms of political and other organization and association can establish their legitimacy and influence on decisionmaking in the law-governed state solely on support of the citizens and working people, expressed in free and democratic elections.

The Constitution must furnish the legal means, including protection through the constitutional courts, to guarantee the freedoms and rights to trade union and political organization and activity, as well as effective means for preventing their abuse. It should be established that all forms of organization and association must be based on democratic principles, including public scrutiny of their work and public oversight of sources of resources and the manner in which they are financed.

The freedoms of political and other association and activity may not be used to threaten the human and civil rights and freedoms guaranteed by the Constitution, to incite ethnic, religious, and racial enmity, nor may they be used for forcible change of the constitutional system or to threaten the country's territorial integrity and independence, to weaken its defensive capability, nor to threaten the values established in international documents which our country has ratified.

25. On behalf of further development and protection of the socialist self-managed society and its basic values, a consistent and effective system of responsibility of all entities should be elaborated, especially concerning the accountability of those who perform functions and exercise authority in the government, public institutions, self-management, and other social positions, and its consistent realization should be guaranteed. To that end, their rights and duties should be limited and provision made for well-organized social oversight over their work, including a simpler and more effective procedure for election, dismissal, and recall of all those who hold office in the government, public institutions, self-management, or other social institutions.

26. A more precise functional division should be made among the bodies representing the legislative, executive, and judicial branches. The assemblies, as the basic

bodies of government, should be legislative bodies which make decisions and exercise democratic political oversight and supervision over executive and administrative bodies, which should have appropriate independence and responsibility.

Application of the representative principle should be ensured in the election, organization, and functioning of the assemblies of sociopolitical communities. The principles of representative democracy should be applied concerning a chamber of citizens, but if a chamber of labor is formed in the structure of assemblies, the delegate principle could also be retained.

27. Broader authorities are to be given to the executive bodies of government, their accountability is to be enhanced, and they are to be given greater independence in their operation, but in such manner as not to diminish their accountability to the assembly (which includes its right to dismiss the executive body).

The Constitution should bring about the prerequisites for institutional creation of responsible, rational, competent and efficient administration and organize it on the principle of individual responsibility.

28. It is especially important that the constitutional amendments guarantee and protect full democratization of the election system, in which the voters, political parties, and other forms of organization and association will freely and directly propose, nominate, and elect in secret elections their representatives from among several candidates and protagonists of diverse programs.

29. In order to democratize the decisionmaking process, the constitutional changes should guarantee broader use and influence of caucuses of citizens, popular initiatives, referendums, and other forms whereby the working people and citizens influence the exercise of power, as democratic institutions through which they directly express their will in decisionmaking on the essential issues of social development.

The Constitution will in particular regulate the use of the referendum extending over the entire country.

30. The SFRY Constitution should establish the principles to govern organization of the opstina as a self-governed community in which the citizens will in a democratic way and consistent with self-management pursue their various interests and satisfy their diverse needs. At the same time, the opstina should be defined as a sociopolitical community in which certain functions of government as set forth in the Constitution are organized, performed, and financed.

With respect to size, level of development, and local conditions, the possibility should be opened up for creating several types of opstinas and also diverse forms of their association to comprise municipal and other communities, depending on the needs and interests of the working people and citizens.

Within the framework of the opstina's position in self-government, the local community is a form whereby citizens organize democratically through self-government and meet their needs.

31. Certain rights of citizens, the working people, organizations, and communities, and their bodies may be restricted in case of extraordinary conditions only by specifically authorized bodies of government. Emergency conditions are proclaimed when the order established by the SFRY Constitution is threatened, but the SFRY Constitution should state precisely when they may be proclaimed. Emergency conditions over the entire territory of the SFRY or a portion of it is proclaimed by the SFRY State Presidency.

#### e) The Federation and Relations in the Federation

32. The new SFRY Constitution should guarantee that the Socialist Federal Republic of Yugoslavia functions as a democratic federation in which human freedoms are consistently respected and the rights and duties of all its citizens are exercised and enjoyed, the ethnic equality of the nationalities and ethnic minorities is achieved, and the common interests of the citizens, working people, nationalities, and ethnic minorities are worked out democratically. Accordingly, there must be constitutional expression of the development of society in the direction of democratization and degovernmentalization, freedom of economic entities in the context of commodity production and exchange on the market, and fuller realization of the rights of sociopolitical communities to organize themselves.

Proceeding from the uniform principles and foundations of the economic and political systems set forth in the SFRY Constitution, the socialist republics, and the socialist autonomous provinces proceeding on the basis of the provisions of the constitution of the republic as well, will independently and freely regulate economic relations, the institutions of the political system, and their own internal organization.

The principle of self-determination of a people also contains the right to secede. The procedure for possible secession should be precisely elaborated in the SFRY Constitution.

33. The Federation, as a democratic socialist state and community, possesses full governmental, legal, and political authority within the limits of the powers, that is, the rights and obligations, established by the SFRY Constitution, which presupposes that it possesses legislative, executive-administrative, and judicial powers whereby it will see that those rights are exercised and obligations discharged effectively and soundly.

34. The SFRY Constitution regulates the relations of the socialist republics as states and federal units in the federal state. The equality of every nationality and every ethnic minority is guaranteed within the context of protection of the civil rights and freedoms afforded by the SFRY Constitution.

35. The SFRY Constitution guarantees the political-administrative autonomy of the socialist autonomous provinces, which is based on their specific characteristics as sociopolitical communities, deriving both from the ethnic composition of the population and also from the socioeconomic, historical, and cultural peculiarities, and as such they are represented in federal bodies and agencies in the manner and to the extent that the SFRY Constitution provides.

The provinces would be directly represented in federal bodies and agencies and would decide on an equal footing with the republics on those matters in which their specific nature is manifested, and equality in the exercise of the rights of citizens is guaranteed regardless of their nationality.

36. The new Constitution should establish that the Federation, under the conditions set down in the SFRY Constitution, guarantees human and civil rights and freedoms, the principles and bases of the economic and political systems, the country's sovereignty and territorial integrity, security and defense, its international position and relations with other states and international organizations.

The Federation should be endowed with powers that guarantee equal business conditions, that is, which afford uniform regulation and protection of the undivided Yugoslav market and equality of business entities within it, which also presupposes establishment of basic mechanisms for macroeconomic guidance, such as the following: the policy and system in the fields of credit and money, taxes, and foreign exchange, as well as foreign economic relations. The unity of the Yugoslav market also presupposes establishment of standards in certain fields, but respecting European and world criteria.

In this context there is also a need to define the jurisdiction of the various federal bodies and agencies in the areas of guaranteeing freedom and independence in the organization of business activities on the market, guaranteeing their competition, and preventing monopoly and all forms of market exclusiveness.

37. Development policy, and the criteria, mechanisms, and means of its implementation, which is in the common interest of the republics and provinces, are established on the basis of their consent.

The obligation and responsibility of the Federation to stimulate the faster development of the economically underdeveloped and to guarantee more optimum solutions that will be more effective and successful in the common interest should be established.

38. Within the limits of the principles set down in the Constitution and the foundations of the economic and political system, the Federation would also regulate the system of environmental protection of interest to the entire country.

39. It is indispensable that the new Constitution guarantee a more effective system for financing the functions of the Federation, and in particular of the YPA within that framework, by furnishing adequate sources of the Federation's own revenues.

40. On behalf of achieving consistent and uniform application of federal laws and guaranteeing the legal security and equality of all legal entities, the Federation has to be endowed with fuller and effective power to facilitate their enforcement, regardless of who is enforcing them and whether or not they are responsible for their enforcement.

41. The new Constitution should provide precise division of jurisdiction, more optimum organization, and more efficient functioning of all federal bodies and agencies and appropriate relations and more precise division of jurisdictions among them.

42. As for application of the political-democratic principle and the nationality principle in constituting federal bodies and agencies, the following would be formed in the SFRY Assembly:

- the Chamber of Citizens, whose deputies would be elected in geographic electoral units on the principle of proportional representation of all citizens of Yugoslavia.

ALTERNATIVE 1: Add at the end of the previous paragraph the words: "and which with appropriate adjustment would also guarantee a certain minimal representation of each federal unit."

ALTERNATIVE 2: Replace the text in the previous paragraph by the following text: "A Chamber of Citizens in which, depending on the jurisdiction of the chambers of the SFRY Assembly, the delegate might possibly be elected on the principle of parity representation, with the same number of deputies coming from each republic and a smaller appropriate number from each autonomous province, but still on the principle of proportional representation."

- the Chamber of Republics and Provinces, which would be composed on the principle of parity representation of the republics and appropriate representation of the provinces.

ALTERNATIVE with respect to the structure of the SFRY Assembly: In addition to the Chamber of Citizens and Chamber of Republics and Provinces, in keeping with the social-class principle, a Chamber of Labor would also be formed in the SFRY Assembly, to which working people would be elected on the principle of functional representation of the various domains of labor.

43. The principle of unicameral decisionmaking would be retained in the SFRY Assembly. Bicameral decisionmaking would be established for the cases envisaged in the present SFRY Constitution (Article 288).

The SFRY Constitution should set forth those matters of essential importance to ethnic equality on which decision would be made in the Chamber of Republics and Autonomous Provinces on the basis of consent of the assemblies of the republics and autonomous provinces. The Constitution should state precisely on what issues consent of the assemblies of the socialist autonomous provinces is not required.

44. The Federal Executive Council [FEC] should in principle be set up and instituted in the Constitution as the executive body of the SFRY Assembly, with elements that would strengthen its position as a government body. Accordingly, it should elaborate the rights, duties, and responsibilities of the Federal Executive Council and federal administrative agencies in the area of initiative for adoption of measures and especially in the adoption of sublegal enactments and the enforcement of federal statutes.

The advisability of incorporating the institution of delegated legislation should be examined in the framework of relations between the Federal Executive Council and the SFRY Assembly.

On the basis of the mandator designated by the SFRY State Presidency, the Federal Executive Council should be elected by the SFRY Assembly, to which it is accountable and which can pronounce lack of confidence in it.

45. The Constitution should assert the SFRY State Presidency more strongly as a body of the Federation and accordingly envisage the following possibility:

ALTERNATIVE 1: that its members be nominated by the assemblies of the republics and provinces and elected by the SFRY Assembly;

ALTERNATIVE 2: that its members be elected by the assemblies of the republics and autonomous provinces and that it be proclaimed by the SFRY Assembly;

ALTERNATIVE 3: that it be elected by all citizens of the SFRY, with the provision that every republic and province be guaranteed representation by one member of the State Presidency.

46. Aside from the powers pertaining to guaranteeing the equality of the nationalities and ethnic minorities and the pursuit of joint interests in the Federation—especially in the domain of national defense, state security, and foreign policy—the SFRY State Presidency ought to retain the function of the supreme collective body for direction and command of the Armed Forces of the SFRY in peacetime and wartime.

The powers of the SFRY State Presidency should be supplemented with authority pertaining to proclamation of emergency conditions and adoption of the relevant appropriate measures necessary from the standpoint of the country's security and defense and protection of its constitutional order.

There is a need to reexamine the present relationship of the SFRY State Presidency with the SFRY Assembly and the Federal Executive Council.

### PROPOSAL OF THE STATE PRESIDENCY OF SOCIALIST REPUBLIC SLOVENIA CONCERNING THE FEDERATION AND RELATIONS IN THE FEDERATION<sup>1</sup>

#### Alternative

1. Relations in the Federation are based on the voluntary principle, equality, and consistent respect for the differences, specific features, and independence of the members of the Federation.

It is the sovereign right of the nationality, that is, of the member of the Federation, to independently determine its own political status and regulate matters pertaining to its economic, social, and cultural development.

Only those powers of the Federation should be exercised at the federal level which have been transferred to it by all the republics on the basis of an agreement constituting consensus, and these are foreign policy, defense, the joint foundations of the economic and political system, the common market, and financing the jointly agreed functions. All other matters are regulated and dealt with by the citizens, the nationalities, and the ethnic minorities in the republics and autonomous provinces.

The members of the Federation may by mutual agreement jointly regulate and deal with other matters within their jurisdiction as well.

2. The nationalities and citizens in the republic enjoy the permanent, complete, and inalienable right to self-determination, which consists of the freedom to establish political status and the freedom to see to their own economic, social, and cultural development, which also contains the right to secede and to form associations.

The SFRY Constitution should include the provisions of republic constitutions concerning secession procedure. Secession may be proclaimed on the basis of a referendum in which more than one-half of all the citizens of the republic who have the right to vote have voted in favor of secession.

3. The point of departure in defining the economic functions of the Federation should be that the Federation is not an entity with its own economic interest, but that the republics are the authentic and sovereign holder of economic interest in their own development and in joint development within the agreed scope.

When the joint foundations of the economic system are being determined, respect should be paid to the need to provide for a common market of goods, services, capital, and manpower and within that framework guarantee the freedom, equality, and competition of economic entities on the market, prevent monopolies, and other market abuses and prevent the closing off of the market, and to

guarantee as well the principle that decisions at the level of the Federation may not redistribute income among enterprises and among members of the Federation.

On the basis of these criteria, the republics reach agreement on elements of the monetary, foreign exchange, customs, and foreign trade systems and the status of economic entities. All other basic elements of the economic system may be joint foundations only to the degree on which the republics specifically concur in this. Such an agreement also contains the authority to implement it in accordance with the procedure established by the Constitution in the bodies of the Federation.

The Federation may finance development tasks (especially in the domain of the infrastructure) only on the basis of specific authorization and on the basis of consent of the republics and provinces. No emergency power is allowed in decisionmaking on these matters.

4. The basis of solidarity at the level of the Federation is the voluntary principle and consensus with respect to establishing criteria and the extent of aid, and respect in advance for the economic capability of the republic furnishing the aid.

5. The principle of majority decisionmaking is the democratic method of decisionmaking in monoethnic communities. However, this does not apply to decisionmaking in multinational communities, especially in multinational federal communities. The contemporary development of democracy requires respect for the nationalities and protection and security of minorities through inclusion of the principle of consent of the members when decisions are made in the Federation.

This means that decisions in the Federation which have essential importance to the position and equality of the nationalities should be made on the basis of consensus.

Therefore, with respect for appropriate protection of minorities—both ethnic minorities and those who think differently—majority decisionmaking on the principle of “one man, one vote” cannot be in dispute in the republic or autonomous province. However, this principle can by no means be accepted in our Federation, since it could result in the less numerous nationalities and republics being outvoted in perpetuity. On matters of vital importance to the nationalities and federal units, then, it is indispensable to provide for the institution of decisionmaking by consensus. Departure from this principle can threaten the very existence of our multinational community.

Commitments concerning the vital interests of the nationalities and the federal units in the present Constitution should also be the basis for establishment of the new Constitution.

6. The Assembly of Yugoslavia should be unicameral and composed on the principle of parity. Whenever the

assembly of any republic so demands, it should always decide on matters within its jurisdiction on the basis of consensus.

7. The federal government should be elected by the Federal Assembly. The State Presidency of Yugoslavia should nominate possible candidates for prime minister, who would then have the status of mandator and would nominate the other members of the government. Within the limits of its jurisdiction, the federal government is independent and accountable to the Assembly of Yugoslavia, which may recall it at any moment or vote a lack of confidence in it.

The ministers should be assigned to the administrative bodies in a particular area and should direct their operation. There should also be direct linkage with and accountability of federal administrative agencies to the Assembly of Yugoslavia.

8. The State Presidency of Yugoslavia is the collective chief of state, which should reflect the federal arrangement of the state. The members of the State Presidency of Yugoslavia should be elected by the republic assemblies, and the republic constitutions should establish that they be elected directly by citizens in the republics and provinces. The State Presidency should have precisely stated integrative, representative, and protocol functions.

The State Presidency should as a rule make decisions by consent of all the members, but exceptionally, in the cases set forth in the Constitution, by a three-fourths majority.

9. Because of their specific historical development and ethnic composition, the autonomous provinces have become a constituent element of the Federation, and development of their autonomy should be guaranteed for that reason. Since these sociopolitical communities are not states, they may not have representatives in the State Presidency of Yugoslavia, nor judges on the Constitutional Court of Yugoslavia, nor in the Yugoslav Assembly may they take part in decisionmaking on the basis of consensus, but rather they make decisions solely as part of the delegation of SR Serbia.

10. The various federal institutions should be located at various points all over Yugoslavia (in keeping with needs and possibilities and with a view to efficient organization of operation). A solution should also be reexamined whereby the region in which federal bodies are located should be exempted from the legal regime of the republic and of establishing a special regime for it. Thought should also be given to the special status and legal regime of the capital of Yugoslavia.

11. Since the basic issues concerning the use and development of the Yugoslav People's Army and concerning development of the military industrial complex are dealt with by the Assembly of Yugoslavia on the basis of consent of the republics, as the commander in chief of the Armed Forces of the SFRY, the State Presidency of

Yugoslavia should propose the bases for the strategy and development of defense and should see that defense policy is implemented.

The Assembly of Yugoslavia, in agreement with the assemblies of all the republics and autonomous provinces, adopts the decision proclaiming a state of emergency. The Assembly of Yugoslavia may proclaim a state of emergency over the entire territory of Yugoslavia or on the territory of an individual republic or province on the recommendation of the State Presidency of Yugoslavia, if an exceptional general danger threatens the existence of Yugoslavia or its constitutional system. The proposal is adopted in the State Presidency of Yugoslavia if all the members have voted in favor of it. The Assembly of Yugoslavia, in agreement with the assemblies of the republics and autonomous provinces, establishes in a law which measures may be adopted in a state of emergency to temporarily restrict various constitutional rights and freedoms. The application of emergency powers in a state of emergency is ordered by the Assembly of Yugoslavia or by the State Presidency of Yugoslavia on the basis of its authorization, in agreement with the state presidencies of the republics and autonomous provinces.

In case of war or an immediate danger of war, if the Assembly of Yugoslavia is unable to meet, the State Presidency of Yugoslavia proclaims a state of emergency and adopts emergency measures, but it must submit its decision for approval to the Assembly of Yugoslavia as soon as the latter is able to convene.

In taking the initiative to change the SFRY Constitution, the SFRY State Presidency believes that the entire procedure for adoption of the new SFRY Constitution should be an impetus for finding the most appropriate solutions that

will open the way to constant progress of the SFRY as a whole and of all its parts on socialist foundations.

The SFRY State Presidency deems it necessary, in accordance with the procedure established by the Constitution, to institute and conduct the broadest public discussion of the solutions contained in the new Constitution. The State Presidency expects that all the organized socialist forces, above all the Socialist Alliance of Working People of Yugoslavia and delegations and delegates in assemblies, will commit themselves to creating the conditions for the broadest democratic expression and creative contribution of the working people, of the most creative scientific and professional thought in constructive elaboration and in finding constitutional solutions that will contribute to our country's successful development and progress in the future.

It is indispensable to achieve full coordination of efforts on the changes of the SFRY Constitution and the efforts to change the constitutions of the republics and the constitutions of the autonomous provinces, in order to organize a unified sociopolitical and democratic action around the constitutional changes, and to build harmonious constitutional arrangements in our constitutional system as a whole.

#### FOOTNOTE

1. In view of the fact that consent of all the assemblies of the socialist republics and socialist autonomous provinces is required for a decision to be made to institute proceedings to amend the SFRY Constitution, the SFRY State Presidency has decided to offer the proposals of the State Presidency of Socialist Republic Slovenia as alternative solutions within a single text, its purpose being to achieve continuity in work on the new Constitution and to find the best solutions concerning these issues in the coming phases, especially during the public discussion.

## GERMAN DEMOCRATIC REPUBLIC

### Economic Reform Sought To Alleviate Agricultural Problems

90EG0200A East Berlin KOOOPERATION in German  
Feb 90 pp 49-51

[Article by Gerd Graef, Stefan Seidel, and Grit Soeffing: "Thoughts About Economic Reform in Agriculture"]

[Text] Economic reform is the core issue of renewal in our society. The administrative centralist economic leadership could not cope with the worldwide changes in the material conditions of production resulting from the scientific and technical revolution. On the contrary, it hindered economic development and led to a waste of energy and material. The less visible conflicts in the economic foundation form the objective background for the strong political arguments of our times. Thus, the economic reform is of a complex nature and encompasses all areas and segments of the national economy, including the subsistence system.

The agriculture of the GDR is one of the stable areas of our national economy. It guarantees a considerable level of subsistence, albeit not always quality-oriented and an assorted supply. There have been no agricultural crises in the 40-year history of the GDR. The cooperative path which gave farmers in this country a secure perspective also belongs to the highlights. One may not risk this and other achievements of our development without giving it a thought when agricultural reform is at stake.

A glance across the border at the FRG shows that the single farmer business cannot solve the future problems of agriculture. Even their agricultural experts estimate that they need farm sizes which can be streamlined and in which technical progress can be introduced and continually developed. There are still too many farms for which the only possibility of rationalization is rationalizing the whole farm away.

However, thoughts of economic reform in the agriculture of the GDR also require a critical and realistic analysis of the development of this area. Thus, it cannot be overlooked that many steps along this path did not heed economic necessity but rather subjective arbitrariness. It was often implemented against the will and interests of the farmers. Such phenomena were especially noticeable in the 1970's with the orientation to industrial production and organization of agricultural production by product and technology. Overstated and one-sided precepts for concentration and specialization mixed up organically grown and proven agricultural structures. This resulted in gigantism, schematism, and ill-fated operational separation of plant and animal production.

Unsatisfactory performance development and constant production price increases in other segments of the national economy which provide advance production for agriculture also had consequences. For this reason it was necessary to increase agricultural producer prices several

times, further opening the gap toward consumer prices. Subsidies for foodstuffs consumed increasingly larger portions of the national income and lessened its productive application. A critical exposition of an inaccurate agricultural policy did not take place even as these distortions in the agriculture became incalculable at the end of the 1970's. There was continued talk of continuity, even though extreme exaggerations were tacitly and halfheartedly corrected without getting to their underlying causes and eliminating them. The results today are, in fact, relatively high but simultaneously very expensive and slightly pro-environmental agricultural production that fetters considerable national economic resources in the subsistence chain, a long lasting but not to be overlooked distinction in economic performance development of the farms and a renewed stagnation in production and effectiveness increases at the close of the 1980's.

This serious stock-taking is a required consideration of economic reform in this area of the national economy. Its matter of concern must be to remove distortions and their causes step by step and to find a new, more effective way of economy. What considerations are at issue?

#### Make the Transition to Economic Regulation

We see the core component of economic reform in the transition from administrative supervision to economic regulation of agriculture.

Of course, this will not happen from one day to the next if economic losses are to be avoided. On the contrary, well thought out and balanced steps that make this transition possible with little disruption are necessary. Daily subsistence must be guaranteed.

##### 1. *The valuation law forms the basis of economic regulation.*

Its effectiveness conditions were systematically distorted by the administrative commando economy and the effective basis of all other economic laws of socialism in this area were forcefully limited. Socialist production is production of goods, whereby the value—as an expression of the necessary expenditure of working time by society—represents a societal correlation according to which the relationships between independent manufacturers of goods are regulated. The expenditure yet to be made under unfavorable location conditions to guarantee subsistence is socially necessary. The distribution of collective work by society among different areas, branches, and segments of the national economy and in the international division of labor is dictated by the value. It determines the application of work by society for the satisfaction of the manifold needs of production and consumption that develop dynamically in their qualitative and quantitative proportionality. Finally, the complex performance evaluation on which work productivity, economy of time, and the performance principle are founded are based on it.

Money as a most general equivalent of goods ceased to be a regulator of economic processes and degenerated

into a mere settlement unit due to the disruption of economic relationships by the administration between independent manufacturers of goods. This situation can be overcome when a market where independent manufacturers of goods enter a relationship with one another and where goods—determined by supply and demand—determining their prices primarily by value is restored. The methodicalness of the socialist economy may thus not offset the market, but must affect manufacturers of goods with economic methods in such a way that a proportional development of the subsistence system is guaranteed with the lowest energy and material utilization.

*2. The effectiveness conditions of the valuation law guarantee economic sovereignty to goods producing factories.*

They carry the economic responsibility and therefore require the right of decision pertaining to all reproduction matters. Therefore, all input and limitations of State administration on companies must be eliminated step by step. Only then will the conditions for complete development of Socialist manufacturer enterprise ensue.

State supervision must learn to steer toward a scientific, production-technical, and demand development through economic means, based primarily on strategic work. Credit, interest, subsidies, tax regulations, customs stipulations, and—if applicable—chronologically limited norms, financial ceilings and upper and lower price limits are part of this. Credit, interest, subsidies, and customs stipulations are suitable tax components for guaranteeing consumer goods required by society according to amount, quality and assortment. In this regard, there will have to be certain allowances with respect to key goods and State influence on price development. These can be limited step by step and later rescinded to the extent the market regains its functionality.

Economic regulation of the economy enables economic laws to be utilized in a particular location and thus guarantees all companies equal competitive conditions. Step by step, location distribution of agricultural production will reorganize itself, and products will be produced at the location where they can be produced and generated most cost effectively. Production geared to demand and product cost reduction become definite criteria of economization.

The currently predominant expenditure and profit oriented intensification strategy which is identical for all locations will give way to a strategy which takes into consideration the distinctiveness of the locations that are geared to preserving resources and environmental compatibility. Intensive production procedures will then be combined with comprehensive sensible ones. In this context, it is necessary to influence resource preservation and ecology conscious economization, allowing for differentiated intensity levels, primarily with tax regulations. Administrative management of the agriculture cannot live up to all of this. It unwittingly promoted mediocrity and an often less effective utilization of energy and money.

*3. Economic performance will become more and more a responsibility of the companies under economically regulated agricultural production, and internal company self-administration will develop increasingly.*

The planning process, which was previously supervised by State administration, will shift to the companies with demand and market oriented production. In light of the current level of division of labor and socialization of production, this will subject them to new forms of intercompany cooperation with economically determinative functions in their own interest and on their own responsibility.

These types of phenomena already appeared in the past with agricultural-industrial alliances and cooperative associations. They did not just take shape "from the bottom up," following the economic interests of the companies and the necessity of their realization. On the contrary, they were frequently created "from the top," succumbing to administrative thinking. For that reason, they should not be eliminated but reorganized into genuine economy determining organs of the companies in their own interest and on their own responsibility.

In the future, the planning process between independent manufacturers of goods associated by a division of work should be organized autonomously. The most important planning element will then be a long-term contract (if possible) worked out according to the principles of economic accounting. While independent economic relationships between production companies, processing, and trade could develop relatively quickly, this may be more difficult between key agricultural production and the industry that manufactures the means of production. However, future competitiveness of agriculture will be determined most lastingly by this.

The collectives which manufacture agricultural means of production hold a monopolistic position with regard to users that barely challenges them to produce cost effectively and with customer orientation for the domestic market. This contradiction could be solved on the one hand by accessibility of agricultural companies to international markets and by a continual representation of their interests vis-a-vis the industry on the other hand.

Since the former may not be achievable so quickly for all companies, the focal point should be the formation of an association of the LPG [Agricultural Producer Cooperative] and/or of agricultural organizations, possibly even within the VdGB [Peasant Mutual Aid Association] for the time being. In addition to other tasks, it could represent user interests and decisively influence production means testing and production price structuring. Such an association would also have important tasks in scientific development in the agricultural sector, the union of science and production and the education as well as continued education of personnel. This also requires contractual relationships with scientific and educational facilities pursuant to the principles of economic accounting.

The significance of banks in management of the economy increases due to this economic regulation. They become significant business partners of companies in harmonizing societal and company interests.

*4. Reformed management of the economy demands adequate company management.*

Until now, company organization was hardly challenged by the development of technical production and socio-economic conditions. Production, means of production and forms of organization were largely regimented by the State. The autonomous decision which justifies market requirements and high operating efficiency is a big challenge to the creative capability of managers and collectives.

First of all, the step by step overcoming of the separation of plant and animal production represents a focal point. It is necessary because both partners do not encounter each other as independent producers of goods, but are inseparably joined by a natural reproduction process—the substance flow soil/plant/animal/soil—with oftentimes unmarketable products. The company division loses its economic independence in this economic organism. Clarification decisions must always be made from the complex economic standpoint of the uniform reproduction process.

This has repercussions with regard to clear management, planning and accounting of this economic organism.<sup>1</sup> It is important in this regard that the step by step surmounting of the separation is decided solely by the farmers themselves. The boundary/utilization analysis already developed by Thuenen gains significance in business management with the economy paradigm geared to the market and highest economy. Not the highest intensity, but rather the most cost effective production of the consumer goods unit is sought. A "calculating business management" is thus required more than ever. Expenditure is only increased to the point it is still economically feasible. Thus, exact knowledge of profitability increasing and decreasing factors as well as technical accounting principles for a multiple simulation in a computer dialogue similar to operating conditions is required.

Transformation is also required in the content, form and style of company management. The administrative management style prevalent in society often formed management/collective relationships in the factories. Here and there, the farmer's bond with his soil—and above all to his cooperative property—was relaxed...not least because of this. The union of decision and economic responsibility required for the concern in society must continue directly in the company. That is a requirement of modern agricultural production that challenges the creative, actively formulating workman where the discipline of the technological process is no longer a sufficient performance incentive.

Thus, the individual, family, and collective contract also gains significance in our LPG's and in our VEG's [State farm]. In compliance with company internal economic accounting, it is supposed to entrust the decision about

the economically founded utilization of means of production and employees to the manufacturers. The responsibility for bringing in the means for release, accumulation and consumption should be transferred to the contract partners. All this could give a hefty boost to the rationalization of the production processes, the spirit of competition and the development of socially effective collective relationships. The thoughts about direct economic sharing of cooperative property are also interesting and worthy of consideration in this context.<sup>2</sup>

The often still prevalent hierarchical character of management would be overcome with the increasing independence and economic autonomy of manufacturers and collectives. Counseling the collective becomes an important function of management. More decisions and economic responsibility on behalf of the workman—perhaps coupled with tenancy property—is the basis for active democracy in all company matters. In this manner, the proven forms of collective participation in the LGP's are stimulated. The General Assembly and its preparation then become a realm of harmonization of individual and collective economic interests.

It will be necessary to develop all forms of collective management for active vocalization by the owners and to overcome some formal characteristics. Activation of owner functions requires long term decision preparation which includes everyone, that everyone can put himself into and that motivates everyone. In this manner, favorable conditions for the realization of decisions that guarantee success ensue.

It is self-evident that the workman himself is more strongly challenged and developed as an owner personality in such a democracy. Especially the personality of the modern farmer is the guarantor of efficient economization. For the science of business management this means shaping this discipline ever more tangibly as a socialist management and leadership doctrine.

#### Footnotes

1. G. Graef: "Eliminate Unwarranted Differences in Performance—A Challenge to Economic and Company Management," *KOOPERATION*, 24, 1990, 1, pp. 5-7.
2. W. Gampe, F. Blum: "Interest for Shareholders," *NEUE DEUTSCHE BAUERNZEITUNG* 30, 1989, 49, p.4

## HUNGARY

### Berend Swan Song: Economic Recovery Viewed, MTA Career Ends

#### Call for Marshall Plan

25000674C Budapest NEPSZABADSAG in Hungarian  
5 Mar 90 p 3

[Interview with Ivan T. Berend, chairman of the Hungarian Academy of Sciences [MTA], in Rome, Italy, on 4 March by Gyula L. Ortutay: "There Is a Need For a

Program Like the Marshall Plan"—first two paragraphs are NEPSZABADSAG introduction]

[Text] The more than six-decades-old Hungarian Academy of Rome has never seen so many economists as were at last Friday's conference on the economic transformation of Central-Eastern Europe and the role to be played by the West.

In addition to four Hungarians (Ivan T. Berend, Kalman Mizsei, Gabor Oblath, and Ivan Szegvary), Tadeusz Kowalik of Warsaw University, Mario Nuti of the Europe Institute of Florence, Franz-Lothar Altmann from the South-East Institute of Munich, Senator Silvano Adriani from the Italian Cespe Foundation, Giuseppe Boffa of the CeSPI research institute, Tito Favaretto of the Trieste-based ISDEE institute, Wladimir Andress from Paris, Renzo Daviddi from the Brussels headquarters of the EC, and Stuart Holland from London contributed with their remarks to the success of the conference. This list of attendees is far from complete; persons like Italian Foreign Trade Minister Renato Ruggiero and Italian Communist Party shadow government Foreign Minister Giorgio Napolitano also spoke. Ivan T. Berend made comments to this newspaper about the experiences gained and lessons learned at the conference.

[NEPSZABADSAG] Mr. Professor, participation by Italian economists at the conference, in addition to the Hungarian and Polish speakers, was extremely spectacular.

[Berend] Indeed, Italian professional participation was very strong, and it took place at a very high level, with a high degree of competence. This is an obvious result of Italy's interest in the East European changes and in regional cooperation, a subject much discussed in the political sphere in recent months. The Italian left is another factor. It examines how the future of being from the left wing may evolve in Europe in light of the transformation in the East. The problem cluster presented by German reunification, or more accurately, the possible disadvantageous effects of German reunification on the present East European breakthrough attempt, evokes great interest. We found that the Italians are also preoccupied by a Germany which has the potential of becoming a global economic power.

[NEPSZABADSAG] Several individuals provided an analysis as to why the socialist economic model collapsed. And yet, this issue was addressed most forcefully by your remarks.

[Berend] Milton Friedman mentioned quite a few years ago that capitalism had learned a lot from communism, its competitor. But we did not learn our lesson in turn. The basic problem of the model was its inability to renew itself. As a result of the rigid structure, the limited nature of the political superstructure, and the lack of democracy, it was unable to adapt itself to the technological systems change, particularly beginning in the 1970's. In my presentation I conveyed the sense that retrospection is indispensable to finding a way out. After all, originally

the East European model contained a possibility for modernization, moreover some temporary success is also tied to it. The lesson to be learned from the fiasco of the Hungarian reform process is that political and ideological barriers, the quasi-solutions constantly burdened with compromises, derailed the economic system, and did not make it flexible enough to accept new challenges. This is the economic system which perhaps provided the most to the populace in all of Eastern Europe.

[NEPSZABADSAG] Let us return from the recent past to the present. In the end, the most exciting issue debated at the conference was the matter of how to proceed.

[Berend] Central and Eastern Europe are returning to the Western path: to the construction of a market economy, to the transformation of proprietary conditions, to privatization, and to the liberalization of commerce. All of this serves the purpose of returning to Europe by way of integration. No one at the conference argued about the fact that this path visibly represents a return to capitalism. On the other hand, the question remains: To what kind of capitalism? To the raw, brutal capitalism of the 1930's, or to the Western socialist, social democratic welfare society model? In my presentation I conveyed the sense that unfortunately a danger exists that the first alternative will prevail, and this would undoubtedly lead to tragedy. We sacrificed efficiency on the altar of socialist principles; now, as a result of this, it seems as if socialist values are being erased even from the dictionary. Nevertheless, I would like to hope that one cannot view the socialist achievements of the past four decades as if they had not been accomplished. Or, that if in the short run raw capitalism were nevertheless to resurface, that the need for social security would emerge with the force of the elements.

The present Polish Government is capable of guiding the transformation process only with the "tacit agreement" of the working class, according to Professor Kowalik. An element of the remarks of several Italian speakers was noteworthy: There is no quick solution; instead we must find a well considered process accompanied by sacrifices. The British Stuart Holland himself reminded us that a mixed economic model prevails in the West, with a significant publicly owned sector and with offsetting measures enforced by government policies which serve the interests of social justice. To accomplish the same we would have to achieve a level of development, one we cannot hope for in the short term. And if we do not succeed in remedying the present economic crisis situation, we may experience further decline, and frustration may manifest itself as a result, which may strengthen the concepts of extremist nationalism and isolationist trends. This would be tantamount to severing the path of our sole opportunity to accomplish a breakthrough, to the integration with Europe, to the return to the international economy.

[NEPSZABADSAG] What could and should the West do so that Central-Eastern Europe does not slide to the

periphery of development, and so that it is not forced to choose the path of raw capitalism?

[Berend] I am not the only one to convey the sense of the threat of a declining Eastern Europe. There was agreement at the conference with regard to the fact that the distribution of instant aid must not be the remedy. The need calls for some kind of a comprehensive, planned program, because in Hungary's case even a \$1 billion per year aid would not represent a solution when its debt burden amounts to between \$2 billion and \$3 billion per year. The problem has been placed on the table. The United States invokes its huge budget deficit when it rejects the idea of financing the recovery all by itself. Japan has done a lot, but one cannot expect that country to play the role of the savior of Central-Eastern Europe from that distance. The issue is a European sense of responsibility. But we heard Professor Altmann say that the FRG—a country which has manifested the greatest understanding in the past years—will be preoccupied in the upcoming period with the consolidation of East Germany, because it regards that as the key to the resolution of the entire East European issue. After all, as he said, the entire populace of the German GDR would move to the FRG, which in turn would ultimately destabilize CEMA, the Central-East European system of economic relations.

Not only I, but also others at the conference were thinking in terms of the need for an assistance program similar to the Marshall Plan, one that could come about within the EEC, and the OECD, composed of developed countries. In my presentation I made reference to three elements. Firstly: cooperation in financial stabilization, which would help overcome the threat of inflation. Secondly: amelioration of the indebtedness crisis, a temporary reduction in the repayment of the debt burden; a pause to catch our breath, to be necessarily accompanied by avoiding the added burden that results from rescheduling. Thirdly: the rapid linkage of Eastern Europe with Western and international economic and financial institutions, including, by logic, some form of membership in the Common Market; governmental infrastructure development programs and the stimulation of private investments. Moreover, there is a need for a kind of budgetary support which ensures the sociopolitical safety net, indispensable in the given situation, in order to avoid tragedies in society.

The West must clearly understand that Central-Eastern Europe is incapable of resolving the problems by itself: There is a need for a comprehensive crisis management program. The fact that the initiation of a regional integration supported by the Italians was stressed evolved not only because the conference was held in Rome, but also as a result of developments in recent months. By now Czechoslovakia is also prepared to join in a quadrilateral Italian, Austrian, Yugoslavian, Hungarian cooperation, which may hold out the possibility that the process will begin to follow an institutional, organizational path; and so that Western involvement will

amount to more than grandiose measures made by individual states, which have the value of gestures only.

### Plans To Resign Chairmanship

25000674C Budapest NEPSZABADSAG in Hungarian  
7 Mar 90 p 4

[Interview with Ivan T Berend, in Budapest on 6 March by Jozsef Farago: "Ivan T. Berend To Retire: Weakening of the Academy Is a Great Blow to Science"—first paragraph is NEPSZABADSAG introduction]

[Text] Ivan T. Berend, chairman of the MTA [Hungarian Academy of Sciences], announced at Tuesday's board meeting that he does not want to be nominated for the post of chairman. We requested a statement from him over the telephone on Tuesday evening.

[NEPSZABADSAG] What will you do from now on?

[Berend] During the past 30 years of my life I have worked as a teacher and a researcher; I have published regularly, and this is what I would like to continue doing.

[NEPSZABADSAG] Here or abroad?

[Berend] This I have not decided, but I can say this much: I have offers.

[NEPSZABADSAG] You enjoyed the advantages of being chairman for years. You want to leave precisely at a moment when the Academy is under attack. Don't you regard your resignation as desertion?

[Berend] I believe that I was not primarily a beneficiary of the system, because I worked through these five years with a high intensity, more than eight hours a day. True, I traveled a lot. Whenever I did so at the expense of the Academy I negotiated this in every instance in the interest of the Academy, so that we can integrate with Europe as soon as possible. Quite naturally, I also frequently traveled abroad independent of the Academy, that is, I had to satisfy a number of professional invitations. Do not forget that I occupy leadership positions in several scientific societies.

[NEPSZABADSAG] In your letter to the chairman of the nominating committee you wrote that deflecting political attacks aimed at weakening the Academy are outside the pale of your possibilities. Why would you think that another nominee could fight with more success?

[Berend] I believe that the Academy will be attacked in part based on political motivations. These may be repelled by an appropriately chosen chairman. On the other hand, being offended would obviously cause conflicts, because many people have a stake in this. I believe that weakening the Academy would be a blow to science, but I am also biased with regard to this matter, and therefore judging the earlier role and present situation of the Academy is not my job.

### **German Joint Venture in Banking Data Support Established**

*90EC0341A Budapest NEPSZAVA in Hungarian  
30 Jan 90 p 12*

[Article by "(kocsis)": "Duna-Data Established"]

[Text] At their joint news conference on Monday [29 Jan], the Dunabank Corporation, the TAU Kutato-Fejlesztő [TAU Research and Development] Limited Liability Corporation, and the BB-Data GmbH, which is the sixth largest financial institution in West Germany, announced the formation of the Duna-Data Szamitechnikai [Duna-Data Computer Engineering] Limited Liability Corporation.

The purpose of the new joint venture, headquartered in Budapest, is to support Hungarian banks in introducing computer and bank automation systems. The joint venture's capital is 10 million forints, half of it contributed by the West German firm. Its first order, worth DM2.5 million, is from the Dunabank Corporation, for supplying a computer and automation system that meets West European standards. This will enable the bank to provide the level of financial services to which foreign customers and the partners in other joint ventures with Hungary have been accustomed in the West.

### **Commentary on Kornai's 'Passionate Pamphlet'**

*25000674H Budapest FIGYELO in Hungarian  
1 Mar 90 p 8*

[Article by Vilmos Falubiro: "The Kornai Mirror"]

[Text] Recently a series of state and party programs aiming for "national salvation" were published in Hungary. The pamphlet's merit is a schedule based on social psychology. The main goal is to avoid a lengthy fall. One should not have to wait until the inflationary deterioration becomes intolerable. It cannot be true that a crisis program can be made acceptable to the populace, the parties, the (future) parliament, and the government only if it presents a slow approach, and only if we have reached an unbearably low point.

The negative positions taken by certain representatives of the sciences are surprising. Reading their arguments, one cannot escape noticing the subjective overtone of several critical remarks. Compared to that, some counterarguments of a theoretical flavor, that are difficult to verify, appear to be obstinacy. For example, the article entitled "The Lonesome Fighter," by Istvan Csillag and Karoly Soos (FIGYELO No. 4, 1990), permits one to presume an antagonistic conflict between Sachs and Kornai, whereas the way this is stated is not true. Similarly, proving the reduction in supply that is taken for granted by the pamphlet because of the moderation in input demand is not convincing either, because this process could be influenced by the influx of foreign capital in ways that cannot be calculated. It would amount to hair splitting to comment on the small number of references that are in agreement, after all the

"reference" section of the book enumerates 58 sources. Objecting to the author's self-characterizations as "swimming against the tide" and the "lonesome fighter" cannot be reconciled with good taste either. What seems to emerge is the fact that those who comment are competing for the trophy of a "noble beast."

It seems that no one takes the courage to measure himself in the mirror presented by Kornai, and to take the consequences of what can be seen in that mirror. The time has come to take a step forward: Efforts should concentrate on pushing back or excluding the factors which work against the pamphlet.

It seems that trade unions continue to incite unfortunate work stoppages also condemned by the pamphlet. There is no hope for an association that rejects strikes and abstains from wage demagoguery.

It is not in the interest of the parties to join the breakthrough program, which is not popular anyway. After all, it is possible to acquire fame by creating scandals in public life. In general, the more fragile the political balance conditions are, the less one may expect parties to risk votes by standing up for causes which are so rational but unpopular.

Parliament is still only beginning to have the necessary force and professional experience to liquidate wasteful areas in the state budget. And this situation is likely to get worse in the new parliament. Due to the delay in starting the crisis management program, the entire functioning of the government prevails contrary to the program, willingly or unwillingly.

### **Volkswagen Versus Hungarian National Bank in Foreign Exchange Fraud**

*25000679A Budapest HETI VILAGGAZDASAG  
in Hungarian 24 Feb 90 p 22*

[Text] The recently pronounced criminal judgment convicts the Volkswagen [VW] company's former foreign exchange division head on charges of foreign exchange manipulation. This incident created a dust storm three years ago. It included the misuse of the Hungarian National Bank's [MNB] name. VW is nevertheless continuing with a civil suit against the Hungarian bank, according to the VW spokesman's response to our question.

The court of Braunschweig in the FRG pronounced a sentence on 8 February in a suit which dealt with that country's largest business crime, and in the documents of which the MNB's name appears frequently. The foreign exchange case, which became infamous as the VW Scandal, came to light in 1987, and the recent judgment of the court put an end to the criminal aspects of the case. Burkhard Junger, the auto manufacturer's foreign exchange division chief, and Hans-Joachim Schmidt, an independent foreign exchange broker from Frankfurt, pleaded guilty to all charges, and, on the basis of a kind of plea bargaining, each received six years in prison for

forgery and for continuous fraudulent breach of trust. But the civil suit between VW and the MNB is far from having come to an end. It has been going on for three years with no less than 270 million Deutsche marks at stake.

Here are the facts in brief: The automobile giant's foreign exchange division was authorized to trade in foreign exchange, based on speculations of making profits on exchange rates. But the division speculated incorrectly, and incurred a huge loss as a result of a drop in the value of the dollar from three Deutsche marks to 1.70 Deutsche marks. Since the speculation resulted in a huge loss amounting to half a billion [currency unspecified] to the company, according to some press reports—an amount more or less the size of the company's annual profits in that year—Junger did not admit the mistake to his superiors. He played a waiting game, hoping for a change in the trend manifested by the exchange rates. To prove the whereabouts of the funds, he acquired fictitious invoices from the Frankfurt foreign exchange broker. He also made several contacts with the MNB with regard to foreign exchange purchases since 1984. The false invoices showed the MNB as the partner. But VW internal auditors found the loss that was meant to be covered up.

Foreign Exchange Division Chief Junger first tried to pin the blame on the MNB, while Schmidt escaped. He was arrested almost half a year later by the FBI in a Florida luxury hotel. Since then the two main culprits have changed their stories from denial to admission—several subordinate VW officials were more or less involved in the case—and thus in the course of the criminal proceeding they admitted that from the outset the VW employees had colluded in manufacturing fake invoices, while all along the MNB was unaware of this.

We might think that this is the happy ending, but the civil suit between VW and the MNB continues. The case began in 1987 when the MNB, offended a number of

times in press reports, filed suit against VW to protect its good reputation and to avert possible liability for damages. VW filed a counter suit, charging the MNB with "three stages" of wrongdoing. The first two stages were not sustained, namely that the MNB was aware of the abuse or—the second stage—that the MNB may be held responsible for Schmidt's abuse, because allegedly Schmidt had the authority to consummate foreign exchange transactions on behalf of the MNB without case-by-case authorizations. In the course of the Braunschweig criminal proceeding, the defendants admitted that both were aware of the fact that Schmidt did not proceed with regard to the questionable transactions as an agent of the MNB. Thus VW had the third stage of its defense left, which claims that in the course of the unusual business transactions the MNB had manifested negligence, and thus provided an opportunity for Schmidt and Junger to perpetrate fraud. The case in point pertains to the fact that during the period at issue (1985-87) the Hungarians consummated foreign exchange transactions at prices higher than the market price. These transactions were reconfirmed by telex by the MNB to VW's foreign exchange division. But according to the car maker's lawyers, such confirmations should have been made at higher levels of the VW hierarchy. Accordingly, it is this third stage of the counter suit that awaits adjudication at the moment. The stakes are high, because VW seeks 270 million Deutsche marks in damages from the MNB.

At present, MNB officials are hopeful that after completion of the criminal case the civil case will be brought to a favorable conclusion during this year. Although the judgment of the criminal court need not be considered by the Frankfurt court, the Hungarians are fully vindicated by testimony presented there [as published]. But the case must be pursued to the end, even more so because, insofar as the MNB is concerned, moral victory is not the only thing at stake, it also wants to recover almost 2 million Deutsche marks spent on legal fees.

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