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REPRESENTATIVE RULE UNDER SELF-GOVERNMENT EXAMINED

Sofia POLITICHESKA PROSVETA in Bulgarian No 8, Aug 87 pp 10-18

[Article by Prof Zhivko Milanov: "Self-Government and Representative Democracy"]

[Text] Problems involving the application of the principles of self-government to the organization and activity of the state as a primary organizing force in society occupy a central place in the development of socialist democracy at the present-day stage.

As the report of the BCP Central Committee to the 13th Party Congress says, "The main thrusts in the future development of the socialist state must be the broadening of direct and representative democracy, improvement in the organization and activity of the state machinery, and intensification of control by the people, labor collectives and public organizations over the activity of state bodies." (Footnote 1) ("Thirteenth Congress of the Bulgarian Communist Party: Reports and Decisions," Sofia, Communist Party Publishing House, 1986, p 134)

Accordingly, the problem of the place and role of representative bodies in the system of the self-government of society is of special interest.

Representative bodies are the special element in the socialist state by means of which the state is recast from a general political organization of workers into a state mechanism, and vice versa. They integrate the broad democratic spirit in which state bodies and state policy are formed with high professionalism in the realization of goals.

As representatives of the workers, they reflect the relations between the people and the state, the character of political authority. It is precisely this fact that makes them the political foundation of the socialist state and determines as well the special place of the National Assembly and the people's councils in the government of society.

The National Assembly sets up the system of state bodies, selects the membership of the State Council, the Council of Ministers, the Supreme Court and the chief prosecutor, and by statutes regulates basic social relationships. The people's councils establish the executive bodies in their territory and

supervise their activity, implement state policy in the okrugs, and independently decide questions of local significance.

The representative bodies contain within themselves, in amply developed form, all elements of organizations of popular self-government. What is more, as the CPSU Program points out, they are "the main link in socialist self-government of the people." (Footnote 2) ("Program of the Communist Party of the Soviet Union," new edition adopted at the 27th CPSU Congress, Sofia, Communist Party Publishing House, 1986, p 55)

These qualities of the representative bodies are dictated by the fact that they are elected by all the voters of a given territory; their entire proceedings are most intimately linked with the workers' interests; they are subordinate and accountable to the voters; they have powers and bear responsibility for the exercise of state authority in all areas--the economy, social policy, cultural development; they draw a wide circle of workers not only into the preparation and making of administrative decisions within the latter's sphere of competence, but also into organizing the implementation thereof.

Direct democracy is likewise intimately linked with representative bodies. The National Assembly and the people's councils determine the problems on which a referendum should be held. They entrust to the relevant executive bodies the specific organization of discussion of draft decisions of the representative bodies or the holding of referendums. This is another essential factor in the development of popular self-government through the closest possible tying-in and combining of direct and representative exercise of state authority.

However, in order for representative bodies actually to be able to develop as a key link in the system of popular self-government, new content will have to be introduced into the traditional forms for the representative exercise of state authority; there will have to be a critical reappraisal of the social mechanisms that have arisen in practice, as well as of the prescriptive enactments regulating social relationships in this sphere of political life.

The first group of problems that need reinterpretation and reappraisal concerns the political relations between the voters and the representative bodies. These are problems regarding the formation of the representative bodies, their makeup, their contacts with the public and with labor collectives. The principles of socialist election law--universal, equal and direct suffrage, as well as the secret ballot--are extremely democratic and scarcely need any significant changes. Changes and new solutions are needed in the traditionally sanctioned mechanisms for their implementation and in the juridical norms and public practice defining the procedure for the holding of elections.

To begin with, there is the question of the principles on the basis of which electoral districts are constituted. In our country it is customary to set up electoral districts on a territorial principle, based on a specified number of inhabitants. In addition, electoral districts are single-seat districts, i.e., each electoral district elects one deputy or councilor. This creates some disadvantages. The present electoral districts are artificially constituted electoral communities. They are set up in accordance with one criterion only, and

a formal one at that, namely, number of inhabitants; they do not comprise naturally constituted territorial communities with homologous political, economic, social and cultural problems and interests. The actual processes that need governance do not take place in the electoral districts, but in the cities and villages, obshtinas, regions, enterprises, organizations, institutions. In some socialist countries (GDR, Polish People's Republic), larger electoral districts are formed, which elect not one, but several deputies. A similar experiment is also being conducted in the USSR.

What are the advantages of a multiseat electoral district?

First, it enables the electoral district to coincide with social communities that are naturally set apart, which is a prerequisite if deputies are to participate in solving the real problems in the development of cities and villages and in the inhabitants' practical affairs.

Second, the multiseat electoral districts create more favorable conditions for application of the competitive principle in the election of deputies. If in a given consolidated district five deputies are to be elected but 10 are given on the list, the voters can much more easily express their preferences. Experience has shown that in single-seat electoral districts the competitive principle encounters many more organizational, psychological and even political obstacles. Moreover, they affect both voters and public organizations.

The problem of the method by which electoral districts are set up has another aspect as well. The point in question is whether the territorial electoral district creates the necessary prerequisites for active enlistment of all strata of the population in the organization and activity of the representative bodies. It takes into consideration opportunities of working with the population chiefly in relation to their place of residence. For this reason the active contacts of deputies and councilors are mainly with that portion of the population whose occupation is more continuously associated with their place of residence--pensioners, housewives, workers in the service sphere.

The territorial principle for the setting up of electoral districts disregards the increased role of labor collectives in the country's sociopolitical life. The labor collectives, into which the most active portion of the population is organized, are not directly represented in the bodies of state authority. True, a considerable portion of the candidates for deputies come from among the working class. But they are nominated for election in territorial districts where in many cases they are unknown. This creates a number of disadvantages and hampers relations between the voters and the possible deputy. These persist even after he is elected. In the representative body he represents not the labor collective from which he comes, but the inhabitants in the given electoral district.

The labor collective is an exceptionally important social community. Its active participation in the exercise of state authority is a requirement, absent which there can be no normal development of self-government in the territorial units. This makes imperative a search for more effective forms for labor collectives to participate in the formation of local representative

bodies, in their membership and proceedings. Therefore, the idea of forming electoral districts not only on a territorial principle, but also on the basis of labor collectives merits attention. Larger enterprises where there are enough workers may constitute independent electoral districts. In these cases the voters who will ballot in the enterprise will be excluded from the voter lists drawn up by place of residence.

What can be expected from such a solution? In significant measure, the complex and very formal way in which labor collectives are represented in the local bodies of state authority will be obviated. Direct contact between the people's deputies and the labor collectives will be created that will be of great importance for solving the problems in the comprehensive socioeconomic development of the okrugs and obshtinas. The obshtinas include in their make-up not only territories and territorial communities, but also economic, social and other enterprises and organizations. The workers from all these forms of social organization must participate on an equal footing with rights and responsibilities in the solution of common problems.

The role of representative bodies in the governance of the country depends also, in no small measure, on the personal qualities of the persons who are elected people's deputies and people's councilors. Not everybody combines the qualities of public figure and statesman. The deputy must be well acquainted with the interests and needs of his voters--the problems, opinions and attitudes of the social group he represents. Besides this, he must have the political knowledgeability, professional training and practical experience it takes to participate fully in preparing and making the representative body's administrative decisions. The deputy is a vital bridge between the workers and the system for the governance of the processes in territorial units. Therefore, he must have the closest possible oneness of mind with his constituents and must, in the full sense of the word, be their trusted agent. The entire juridical and sociopolitical mechanism for the holding of elections should be oriented towards this. The election campaign must unquestionably foster the representation of all social strata in the bodies of state authority. For this purpose, appropriate candidacies must be found, however. Devising representation schemes beforehand, as an end in itself, in most instances satisfies neither the voters nor the needs of the representative bodies. That a given person meets specific outward, formal requirements (for example, manual worker, female, under 30) still does not mean that he is able to be a political representative of a social group or territorial community. Historical experience shows that the interests of blue-collar workers and the peasantry have been brilliantly defended by intellectuals.

The principles of popular self-government require resolute intensification of the voters' role in the selection of the candidates. Public organizations have a right to propose candidates, but not to predetermine who will be elected. Accordingly, the practice in the organization of elections must be restructured, too.

It would be impossible for the competitive principle in the selection of candidates to evolve without remedying another aspect of present practice. I refer to the very close tie-in of party and people's-government policy with specific

candidates for people's deputies and people's councilors. In a number of instances, for the lack of an alternative, voters cast their ballot for a given candidate against their will, solely to support the party line.

In all political work with voters during an election campaign three things must be clearly differentiated: first, the political line of the party and the people's government for the development of socialist society; second, the specific program of actions and measures that will be implemented through the seat in the representative body, and specifically in the given electoral district; and, third, which of the candidates have the aptest qualities for implementing the policy and the relevant program. This question has to be decided by the voters. This is their constitutional right. Therefore, many more candidates should file in the electoral districts. Then the right to vote will become really meaningful.

The confirmation of representative bodies as a principal element in the self-government of the people is also directly dependent on those bodies' actual participation in solving the basic practical problems of the country and the individual territorial units. According to the Constitution and the laws, in our country all basic problems must be solved by the National Assembly and the people's councils in their sessions. In practice, however, quite a few forms and methods of bypassing this fundamental principle have been devised. Things are considerably more favorable in the National Assembly. After the April Plenum of the BCP Central Committee, the National Assembly gradually gained recognition as the sole legislative body. Its standing commissions began to work actively too, and its acts are the juridical foundation of the national government.

However, problems are not lacking here, either. The tendency of executive bodies to manage, by orders and rules, public organizations which should be regulated by law still has not died out. Efforts to alter the basic ideas of laws by departmental prescriptive enactments and to adapt the laws to the narrow interests of the respective organizations and institutions are very much alive.

The problem of establishing the decisive role of the people's councils in making administrative decisions is considerably more acute. In reality, whether the people's council will consider and decide a particular question depends on the respective executive committee. It prepares the documents and calls the council in session. That is why practice is quite diverse. There are people's councils that work actively, but there are also those that merely rubberstamp what the executive bodies submit to them.

Note must also be taken of the fact that the decisions which the people's councils make in their sessions are very general, without adequate concretization of goals, organization, executants, responsibilities, target dates, etc. This limits their operation as administrative documents. Actually, the governance of the processes in the territorial units is effected through the decisions of the executive committees and the orders of the chairman, deputy chairmen and secretary of these committees.

The control which the people's councils exercise over executive bodies and economic organizations for implementation of the decisions that they have made is also very weak and ineffective. All this adversely affects the local representative bodies' prestige among the population and suppresses the people's councils' sense of responsibility. In final analysis, these facts impede the development of a socialist democratic spirit in the governance of the territorial units.

Development of the principles of popular self-government in the organization and proceedings of the representative bodies calls for reevaluation of some of the structural and organizational solutions now in effect. First is the question of turning the people's councils into independent, functioning administrative systems. Whereas the National Assembly has its own leadership that organizes its proceedings, the proceedings of the people's councils are left dependent on the volition and reasoning of the executive machinery. To assure normal functioning of the people's councils, their structure should include a permanent leadership element (chairman or bureau) that will assume all the duties involved in organizing the work of the local representative body: calling and preparing sessions, coordinating the work of the standing commissions, working with the people's councilors, etc.

Any administrative structure can operate effectively within the limits of specific quantitative and qualitative parameters. The great number of deputies in the people's councils in most instances hampers, instead of facilitating the work. It is not the number of deputies that determines the level of democracy, but the actual participation in the administration of the processes. It is towards this that the entire organization of the representative bodies, including the procedure for the conduct of sessions, must be directed. What is needed is a calm businesslike atmosphere for the discussion and solution of problems. It is hardly purposeful to turn the sessions into mass meetings in which the councilors are lost among the general public. People's councils are bodies of state authority and it is in this capacity that they discuss and solve problems involving the governance of obshtinas and okrugs.

As V. I. Lenin writes, "Collegiality must go no farther than the absolutely necessary minimum either in respect of the number of members of the collegiums or in respect of the businesslike conduct of its work, the banning of 'speeches,' the speediest exchange of opinions, the reduction of this exchange to information and precise practical proposals." (Footnote 3) (V. I. Lenin, "Collected Works," Vol 39, p 44)

The recognition of self-governance in the local elements of the social system --labor collectives and obshtinas--is of exceptional importance for the development of socialist democracy. The new Labor Code and the Regulations on Economic Activity have created a solid legal basis for self-governance in the labor collectives.

The question of the self-government of the obshtinas is now the business of the day. Comrade Todor Zhivkov gave it special attention in his address to the plenum of the BCP Okrug Committee in Ruse on 19 December 1986. He emphasized that "In the spirit of the decisions of the 13th Party Congress

regarding the obshtinas, it is necessary now to move resolutely forward, to elevate the obshtina to the status of a self-governing organization of the population." (Footnote 4) (T. Zhivkov, "On a New Approach to Territorial Development," Sofia, Communist Party Publishing House, 1986, p 22) He also devoted his address to the 10th Fatherland Front Congress to this question.

The National Assembly at its Fifth Session in July 1987 adopted a special Declaration on the Conversion of Obshtinas into Self-Governing Communities of the Population. This constitutional act grants the obshtinas fundamentally new rights, obligations and responsibilities. These have as their purpose to ensure further development of the economy and the most rational use of local resources, to guarantee the provision of goods and services for the population and to foster comprehensive social services for them as well as preservation and renewal of the environment. It is a right of citizens--through consultations of the electorate, referendums, general meetings, open sessions --to participate in the solution of the obshtina's vital questions and in the exercise of social control over the use and development of the facilities granted them for management.

One of the basic problems in turning the obshtinas into self-governing communities is that of the administrative structures in the administrative-territorial units. The 1959 reform in our country made a transition to a two-stage system of local bodies. Experience has confirmed the correctness of this decision. In just a few large cities of the country (Plovdiv, Varna, Burgas) a third level was created, as represented by rayon people's councils. In some of these rayons, however, there are also municipal councils, namely, in large cities and villages (city of Stamboliyski, Perushtitsa, etc.). Thus, actually, in only scattered cases there are four administrative levels. The problem that inevitably arises in such a situation is what kind of administrative structure should be established for the control of economic, social and cultural processes in the territories that will guarantee self-government and do it efficiently and cheaply.

The abundant experience which our country has accumulated in territorial administration, as well as the experience of the other socialist countries shows that the more multistage and complex the structure of local state bodies, the greater are the probabilities that complications and bureaucratization will spring up in their activity. One of the important facts that must be taken into account in the system of local bodies is that they all have the same object of administrative impact--the processes in the territory. All attempts thus far to attain a precise demarcation of jurisdictions between the different levels of local bodies (okrug, obshtina, rayon, municipality) have failed to yield serious results. In practice, on various pretexts the local body highest in the hierarchy has gradually seized the powers of the lower bodies and concentrated in its hands the decision of all the more important questions in the practical affairs of the cities and villages, as well as their respective material and financial resources. As Comrade T. Zhivkov remarked to the 10th Fatherland Front Congress, ". . . The okrug leaders continue to keep the means and resources in their hands and to channel them mainly to the okrug centers." (Footnote 5) (T. Zhivkov, "Let Us Turn the Obshtina into a Self-Governing Community of the Population," Sofia, Communist Party Publishing House, 1987, p 12)

Quite a few prescriptive enactments have had as their purpose to delimit the functions of okrug and of obshtina people's councils, as well as those of municipal councils. No significant results have been achieved, however. The latest document in this regard is Decree No. 32 of the Council of Ministers, dated 18 June 1986, "On Further Improvement of the Functions and Administrative Structures of People's Councils." It incorporates important ideas on strengthening the obshtina people's councils, but they are very slowly and painfully being put into practice, while some are bypassed. To escape this vicious circle would require seeking fundamentally new solutions in structural organization and functions. The obshtina is a principal element in improving the system of local bodies. "We must pay special attention to the obshtina now," Comrade T. Zhivkov emphasizes; "to begin with, we must turn it into a powerful and viable self-governing territorial community." (Footnote 6) (Ibid., p 14)

This means that the role of the obshtina people's councils as local bodies of state authority and popular self-government must be strengthened; they must be granted enough powers to decide the questions regarding the comprehensive building and development of cities and villages, as well as the supply of provisions and services for the inhabitants. They must become bodies, through which the obshtina workers translate into reality their own organization and state authority in the territory. Therefore, in the future they will also have to be elected by the inhabitants by means of universal, equal and direct suffrage with secret balloting.

Given this situation, the problem of the place, role and character of the okrug people's councils naturally arises. One of the possible solutions is to preserve the present procedure for their management and to restructure their jurisdiction and relationships with the obshtina people's councils in keeping with the new requirements. There are, however, serious grounds for thinking that it will be difficult in this way to overcome the existing realities in territorial government. Another approach is also possible: the okrug people's councils can be set up as a league (association) of obshtinas, as bodies to solve the obshtinas' common problems, coordinate their activity, render assistance and guidance in methods, formulate strategy for development of the region, and maintain contacts with the central state bodies. In such instance the okrug people's councils would have to be formed of representatives from the individual obshtinas, who would be elected at sessions of the obshtina people's councils from amongst their membership. Thus a numerically small okrug body will be formed that will balance the interests of the obshtinas and in a businesslike atmosphere solve their common problems without duplicating or sidestepping them.

The relationships between the representative and executive bodies is the other important sphere in which socialist democracy manifests itself. The development of self-government in socialist society depends to a significant degree on the right regulation of these relationships. We have here, first, the problem of the relationship between direct, representative and professional exercise of state authority in the governance of society. These three forms are an inseparable part of the governmental mechanism of the country and are in a definite hierarchical relationship. Through the forms of direct

democracy the people, with no intermediary, solve the problems affecting their basic interests, rights and liberties, as well as problems involving the organization of practical affairs in the cities and villages.

The problem now is to broaden application of the Law on Referendums of the People in the decision of basic questions in the territorial units, especially in the obshtinas and municipalities. "The general meeting of the inhabitants, especially in the municipalities, must become a higher body of governance." (Footnote 7) (Ibid., p 17)

Representative democracy is the basic form for the exercise of state authority. Through it, state policy is formed at the center and in the territorial units and basic questions of the country's governance are decided.

The main purpose of the executive machinery is to prepare drafts of basic questions for decision by the representative bodies and to organize, on a professional level, the implementation of state policy and the execution of decisions made by representative bodies or by referendum.

Also of fundamental importance for the development of socialist democracy is the problem of combining collegiality and one-man management in the system of executive bodies and in social management as a whole. Ordinarily, collegiality in state governance is regarded as a sign of democratic spirit. On this basis the number of collegial decisionmaking bodies increased significantly in recent years. In addition to representative bodies and their standing commissions, which are traditionally collegial, this principle was widely accepted in executive bodies as well. In the ministries there are collegiums that play an important part in the management of their respective activities. The administrative-territorial units, as well as the executive committees in their respective areas of activities, set up collegial decisionmaking bodies--councils and commissions (Social Council, Council of Cultural Development, etc.). The membership of these councils includes scores and even hundreds of deputies, specialists, public figures. Conferences, plenums and sessions are held; a great deal of effort and money is wasted in organizing them. The problem arises: How purposeful is all this? What is the sense of discussing identical questions in many bodies? Are we not in this manner substituting talk for the job of carrying out decisions? The problem is not new. V. I. Lenin back in the first years of Soviet power took notice of the exceptional importance of solving it rightly. (Footnote 8) (See V. I. Lenin, "Collected Works," Vol 39, p 44)

Experience shows that the establishment of collegial decisionmaking bodies in the sphere of executive activity, in addition to everything else, also creates preconditions for the replacement of the representative bodies in question. Thus, executive committees in quite a few instances replace people's councils. The setting up of specialized councils in the executive machinery of local bodies has in many places resulted in the discontinuance of standing commissions. This tendency does not lead to the strengthening of popular self-government but, contrariwise, to still greater reinforcement of the executive machinery and its transformation into the dominant factor in the administrative process. Only one way out of this situation is possible--resolute

simplification of the system of state bodies and bringing them into conformity with the principles of self-government.

From a territorial perspective the solution of this question must be sought in electing able obshtina people's councils in which all basic questions of the obshtina's practical affairs will be discussed and decided. The functions of the executive machinery must be brought into line with its purpose. In principle, it should be erected on a foundation of one-man management and personal responsibility. It is advisable to retain only the executive committee as a collegial decisionmaking body with general jurisdiction, and with considerably reduced membership at that. Various institutions and organizations must be represented in the people's councils rather than in the executive committee. The smaller obshtinas should even reassess whether to elect an executive committee and whether it is not a good idea to have a head mayor of the obshtina with one or two deputies who would be charged with the responsibility for organizing executive activity and for operating the machinery. The standing commissions must actually enter upon their functions and powers.

The intensification of one-man management in executive activity does not mean repudiation of the idea of involving the workers in administration. However, for this purpose various temporary forms should be used--meetings, discussions, questionnaires, brigades, etc. Experience has shown that the setting up of permanent public bodies for the inhabitants' participation in executive activity is not always the best solution. It often bureaucratizes democracy. In our dynamic times, diverse and flexible forms of evincing the democratic spirit must be used--forms that make possible the inclusion of more workers from all occupations and social circles.

Under the new conditions, democracy has become a fundamental precondition for the normative development of socialist society. Therefore its improvement and enrichment become a constant concern of the party and public organizations, of state bodies, of every citizen. Their attention must more and more concentrate on recognizing the problems of representative bodies--the main element in socialist self-government.

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SUMMARIES OF MAJOR EINHEIT ARTICLES, SEPTEMBER 1987

23000018 East Berlin EINHEIT in German Vol 42 No 9, Sep 87 (signed to press 12 Aug 87) pp 770, 863

[Summary of conversation between Prof Dr Manfred Banaschak, chief editor of EINHEIT, and Prof Dr Otto Reinhold, rector of the SED Central Committee's Academy of Social Sciences; pp 771-780. A full translation of this article, under the heading "Top Scholars Discuss SED-SPD Joint Declaration," is published in this report]

[Text] The Conflict of Ideologies and Mutual Security

A conversation about the document published jointly with the SPD Commission for Basic Values, "The Conflict of Ideologies and Mutual Security." About its significance, on what the parties share and on their ideological, sociostrategic, and practical political differences of opinions, and on the settling of these differences between the two parties.

[Summary of article by Prof Dr Claus Kroemke, deputy department chief in the SED Central Committee; pp 781-789]

[Text] Economic Strategy Points to Boosting Labor Productivity

In accepting as a fact that through the comprehensive use of the key technologies, effective ways are already being taken with success toward rapidly boosting the labor productivity in our economy, the article portrays the importance of flexible automation as a new step in productive forces development as to its social causation and interactions. It is explained that this new technology enhances rather than diminishes the role of man in production and of what great socioeconomic consequence it is fully to use and promote the working people's production experiences, knowledge, and skills.

[Summary of article by Prof Dr Harry Nick, research director at the Institute for the Political Economy of Socialism at the SED Central Committee's Academy of Social Sciences; pp 790-795]

[Text] About the Nature, Effects and Consequence of Flexible Automation

The new mode of social operations, as created by the scientific-technical revolution, gradually leads to the automated factory, a novel technical-technological, organizational, and social organism--fashioned through socialist production relations. How to proceed to pitch each step toward the top efficacy of the total process. What are the fundamental technical-technological changes? What new economic potential is being tapped? In what way do the opportunities for creative, responsible work grow?

[Summary of article by Prof Dr Rudolf Winter, member of the SED Central Committee, general director of the VEB Fritz Heckert tool machine combine Karl-Marx-Stadt; and Dr Gerald Krahnert, deputy general director and R&D director in the same combine; pp 796-801]

[Text] A Pacemaker in Our Industry

The Fritz Heckert machine tool combine has longtime automation experience and bears great responsibility for materially and technically ensuring automation processes in our country and beyond. What steps are being taken toward the automated factory of tomorrow? What demands are being made by the scientific-technical processes and the concomitant economic ones on the management activity and the political-ideological work to direct the social processes correctly?

[Summary of article by Prof Dr Volker Kempe, director of the Central Institute for Cybernetics and Information Processes at the GDR Academy of Sciences and member of that academy; pp 802-807]

[Text] Key Technology in Information Techniques and Basic Research

In view of the enormous rate of development in information technology, high demands are placed on basic research to contribute to economically productive top achievements in science and technology and create long-term leads. How does that call for a new quality of cooperation between research and the practical field? What tasks are tied in with ensuring a science lead? How can we reach a higher degree of concentration in research? What is most important for making research still more efficient?

[Summary of article by Dr Klaus Gaebler, member of the SED Central Committee and director of the SED Central Committee's Propaganda Department; pp 808-814. A full translation of this article, under the heading "Political Training Direction, Techniques Outlined," is published in this report]

[Text] On Raising the Standards and Effectiveness of Ideological Work

With a view to the tasks to be dealt with through massively effective political-ideological party work, particularly in the 1987/88 party school year, it is being shown which substantive questions mark the focal point of aggressive ideological efforts toward further implementing the 11th party congress resolutions and how highly effective ideological work is to be carried out. How are the fighting positions for implementing our economy strategy being shaped? On the connection between ideological struggle and peaceful coexistence.

[Summary of article by Prof Dr Guenter Kroeber, director of the Institute for the Theory, History and Organization of Science at the GDR Academy of Sciences, corresponding member of the GDR Academy of Sciences, and corresponding member of the GDR Academy of Pedagogical Sciences; pp 815-820]

[Text] Individuality and Collectivity in Coping with the Scientific-Technical Revolution

What conditions does socialism create for the development of individuality? About the growing weight of the interactions between individuality and collectivity resulting from modern productive forces development. How can one effectively encourage individual and collective creativeness in science and technology to attain peak achievements; and what role does the promoting of talents play in this?

[Summary of article by Prof Dr Hubert Laitko, division chief at the Institute for the Theory, History and Organization of Science at the GDR Academy of Sciences; pp 821-826]

[Text] Science and Technology in the Marxist-Leninist Image of History

To fully comprehend the social significance of science as a revolutionary force that moves history and to act accordingly, one must know its history. What theoretical-methodological, substantive, and science organizational requirements are derived from that for our historiography? How much headway have we made in it, and what remains to be done on behalf of further advances?

[Summary of article by Dr Dorothea Krause, deputy chief architect in the urban construction office under the Berlin Bezirk building authority; pp 827-832]

[Text] The Looks of a Comfortable Metropolis

Risen from its ruins and prettier than ever, socialist Berlin embodies the humanist nature of socialist society. This contribution explains how that has been expressed in the urban construction and architectural design of the capital and translated, especially in recent years, through various solutions for designing new construction areas and preserving valuable traditional structures: accomplishments that make Berlin's importance as a center with a rich tradition and future visible and perceptible to its inhabitants and guests.

[Summary of article by Prof Dr Erich Buchholz, head of the criminal law department at the Law School of Humboldt University in East Berlin; pp 833-835. A full translation of this article, under the heading "New Amnesty, Penal Provisions Explicated," is published in this report]

[Text] Humanity and Legal Security

The treatment pertains to the 17 July 1987 GDR State Council general amnesty resolution for criminals, the abolition of the death sentence, and amendments and supplements to the GDR judicature act, the conditions in our country on which they are based, and the socialist humanism reflected in them.

[Summary of article by Prof Dr Horst Heininger, main department chief at the Institute for International Politics and Economics of the GDR; pp 836-841]

[Text] Multinationals in the Capitalist World Economy Today

The expansion of multinationals has continued in all domains of the capitalist world economy since the early 1980's. Which power shifts among monopolies or imperialist states and centers have come with that? What role does the conflict in the high-tech field play in this? What marks the interaction between cooperation and a higher competitive level among the multinationals? What is the multinationals' influence on the economies in the developing countries? What role do they play in the East-West economic relations?

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TOP SCHOLARS DISCUSS SED-SPD JOINT DECLARATION

23000018 East Berlin EINHEIT in German Vol 42 No 9, Sep 87 (signed to press 12 Aug 87) pp 771-780

["Conversation" between Prof Dr Manfred Banaschak, chief editor of EINHEIT, and Prof Dr Otto Reinhold, rector of the SED Central Committee's Academy for Social Sciences: "The Conflict of Ideologies and Mutual Security"]

[Text] Banaschak: I am wary of attributing historic importance to events. In this case I tend to do so. The joint document from the Academy for Social Sciences of our party's Central Committee and the SPD Commission for Basic Values attests to a developmental process in the relations between the two parties that does justify such a characterization.

Both parties are acting in common despite all their differences in ideology and social strategy that continue to exist, also despite all differences in their answering many practical political questions on the most vital issues-- a consequence of bitter experiences of history and as a precept for our time.

Reinhold: Precisely. Today the main danger is nuclear war, an atomic inferno. It would annihilate all human civilization, extinguish human life as such. It would be the end of mankind. From this insight policy must grow--political thinking and acting appropriate to this world historically totally new situation, to the relentless fact, that is, that mankind today only can either survive together or perish together. That is the assumption in the document. The most essential, however, is that communists and social democrats are raising the question they seek to answer, which inferences result from that for the relations between states with differing social orders, between our parties, especially regarding the ways and means through which the conflict over the diverse ideological and political opinions can be conducted without thereby impeding their joint peace struggle.

Banaschak: As far as our party is concerned--to speak of that first--the inferences drawn from the qualitatively new situation for politically responsible thinking and action and the conducting of ideological controversy evidently reflect its realistic and creative approach to the new situation and document its sense of purpose and its unity of thought and action. It is, after all, not just now our affirmed practical party policy to see to it with all strength and with all who want a turn to improvements to put an end to military history lest it put a full stop to the history of humanity.

Reinhold: Even back at the 1983 Karl Marx Conference, Erich Honecker underscored our readiness to extend a comradely hand to all national-revolutionary parties and liberation movements, all socialist and social democratic parties, trade union associations, and other organizations. Following the sign of the times, he appealed to all political and social forces sincerely seeking peace "to work together regardless of political programs, ideological positions and religious affiliations, beyond class barriers and divisions, to spare the peoples the catastrophe of nuclear war." Therein we see at once the categorical imperative for political thought and action in our time, as it were, and by that our party lets itself be guided in its policy. This policy is aimed at our making our constructive contribution, alongside the Soviet Union and in the community of the socialist states, to implementing the socialist peace strategy, as bold as it is realistic, and as presented, notably, by Mikhail Gorbachev.

Banaschak: The consistence with which our party by its program and conception faces the demands of the time is borne out by equally consistent action. Extreme mobility in view of the dark clouds on the international arena and, at once, equanimity are the cogent signs for it, it seems to me. Also, and especially, in tense situations it has sought to have realism rule in international relations and reason to prevail. I recall, e.g., the 7th Central Committee session in November 1983, at a time that was when through the beginning deployment of Pershings and cruise missiles another exacerbation of the international situation was conjured up. Just then came the word from Erich Honecker to champion "all the more" the safeguarding of peace and consolidation of socialism. Considering that unreason must not escalate and that it is better to negotiate ten times than shoot once, we sought with all energy to carry on the political dialogue--and this with all whose voice is heard and whose action has weight.

Reinhold: What you are saying is good. This involves indeed a political dialogue with all who are assuming the responsibility for the destiny of their peoples and are ready for understanding. That our conversation with the social democrats has become more intensive and fruitful is explained by that they obviously face the demands of the time more constructively. Already in the 1970's the SPD made an important contribution to the detente process in Europe. Its representatives early caught the idea that today peace can be ensured only through concerted efforts. And that is not possible without confident dialogue. What also is likely to play a role here is that, historically, we grew from the same root and are--as is being observed--committed especially to Europe's humanistic legacy.

Banaschak: You are correctly pointing to the developmental process. And the result-oriented dialogue with the SPD did indeed not just start with the discussion of the document now ratified by both party executives.

Reinhold: This document could only come about altogether on the basis of the relations developing between the two parties and of the new atmosphere that came about through dealing with each other. It expresses the growing maturation of this development. Diversified and intensive dialogue preceded it.

Banaschak: What has now been set down thus is not just a declaration of intent; it is already a generalization from experiences.

Reinhold: Just recall the dispute in Bonn, e.g., between representatives of the two theoretical journals, NEUE GESELLSCHAFT and EINHEIT, on Karl Marx' importance for our times, even prior to the Karl Marx Conference.

Banaschak: Which actually ran along the same lines now agreed upon. In this issue-taking we have given nothing away to each other and did not sweep anything of what divides us "under the rug." And thereby precisely we came to be mutually respectful partners in conversation aware as much of their ideological and sociopolitical differences of opinion as of their responsibility to carry them out in such a way that no poisoning of the atmosphere and no further tensions arise, but benefits are created of consequence to peaceful coexistence.

Reinhold: We simply have basic differences in quite essential matters. Everyone knows that. Making a point of that is not new. What is new is that just the same we can talk with each other and, eventually, act jointly. That is shown by the entire process of intensive dialogue. Literally, the document now agreed upon is the outcome of the longtime discussion we have had with the SPD Commission for Basic Values on many important social issues. In it, the proposition arose to summarize the results of the discussion in a joint paper.

Banaschak: However different our answers may be to questions of the past, the present and, above all, the future, and to how to get there, ultimately no one would reach such a future--however we may describe it and the ways to it--if we did not succeed in keeping the access open to it for ourselves and to the future generations by doing all we can to safeguard peace. That has been and is our consensus. And both together are willing to subordinate to it any other questions in the necessarily ongoing intellectual confrontation.

Reinhold: That is it, precisely. It is also the basic idea of the document which, entitled "The Conflict of Ideologies and Mutual Security," in fact establishes the relation between the two requirements. Understood like that, in this spirit, useful results, as has been shown, can be achieved. This stance it has been, exactly, through which the joint SED-SPD initiatives could prosper to set up a chemical weapons-free zone and, furthermore, a nuclear weapons-free corridor in Central Europe.

Banaschak: Subordinating all other issues to the securing of peace does not mean an interruption of the intellectual issue-taking. That could as little be agreed on as forbidding men to think. We are making no secret of that we as communists--as do the social democrats as well--by focusing on the securing of peace as the supreme precept by no means abandoned our other ideals of bestowing on life and fulfilling life with meaning, that thereby, in other words, existing divergencies are to be suspended or even only hidden. We want peace for ourselves and the coming generations. Yet we project the future not only in peace, but in an existence of human dignity which, ultimately, can be ensured worldwide only under social conditions free from exploitation and suppression. That leads me to ask whether that which we share with the social

democrats is limited to the field of securing peace or if in the discussions with the members of the SPD Commission for Basic Values other areas have suggested themselves for common action.

Reinhold: We have our ideals, our ideas of the future of mankind, of an existence in human dignity, which ultimately determines social conditions worldwide that have erased the exploitation, suppression and degradation of men. But without peace, all that is nothing. That then also means that the complex of the struggle for the preservation of peace necessarily is that which belongs in the center of the dialogue and which, due to the joint basic interests, also offers the greatest chances for joint action. That does not mean at all, however, that our joint action must be confined to that. Our differences of opinion are objective yet still should be no obstacles subjectively to consensus in matters that, above and beyond peace, concern the social progress and, altogether, the vital interests of humanity.

Banaschak: What issues are involved here concretely?

Reinhold: We talked about it with the members of the Commission for Basic Values; the results are found in the joint document. Proceeding from the need jointly to ensure peace, many questions are raised there on how, despite the fundamental differences in our contradictory and fragile world, one can live together and get along well. That primarily includes the task, of course, to create an order in Europe and in the world in which peace can be secured without atomic and other forms of military threat. It is quite essential in this respect that ideas as proposed at the conference of the Political Consultative Commission of the Warsaw Pact states in Berlin to a large extent conform with SPD views. That pertains to the proposition to eliminate all nuclear arms by the year 2000 and to the need to draw up military doctrines that serve a defense exclusively and preclude any aggressive capability. That is of course not possible as long as NATO insists on its deterrence strategy. It is also being explained that the number of global problems is growing that can be coped with only jointly, by mankind at large. That includes the problems of the "third world" as much as the protection of nature and still others.

Banaschak: The need jointly to ensure the continued existence of mankind does not do away with the differences, the antagonisms between socialism and capitalism, and hence, the confrontation.

Reinhold: The document has a section that specifically deals with the relations between states with differing social orders and with the relations between the two systems. That makes a point of precisely this realization and rebukes any notions that would in any way suggest a convergence of the two systems.

Banaschak: The question is how can issue be taken in such a way that it does not undermine the joint security or--in other words--how must the peaceful co-existence between states with differing social systems be shaped under prevailing conditions?

Reinhold: Our views on that have long been clear. The 27th CPSU Congress as our own 11th congress, and the countries of the community of socialist states

altogether have made an important contribution to it. The policy of dialogue, our endeavor to set up a coalition of reason and realism across the system boundaries, is an expression of it. And that we were able to formulate together with the SPD certain basic positions is indeed a weighty fact.

The first and foremost of these positions is that confrontation may not occur through military means, but only in peaceful ways, mainly in the form of competition between the two systems. We Marxist-Leninists are firmly convinced socialism will eventually win on the global scale. Yet we have always ruled out an export of the revolution as impossible. The socialist revolution is the outcome of internal contradictions, internal requirements, and of the struggle among the internal forces of the capitalist countries.

Banaschak: Practice has unequivocally confirmed this theoretical realization. That way only will a revolution be victorious.

Reinhold: We have always resolutely fought for safeguarding peace. There can be no doubt about that. In this active peace commitment we also have always assumed that imperialist aggression against socialism, if it could not be prevented, would end with the destruction of imperialism.

Banaschak: But today not only with that of imperialism.

Reinhold: Precisely. The former conception is no longer acceptable. The conditions have changed. At the end of a military confrontation neither capitalism nor socialism would be left; it would be the end of all social development. The document therefore observes quite in this sense that neither system could abolish the other one, from the outside, as it were.

Banaschak: That raises generally the question of the capability for peace. Joint security, as your statement affirms, requires that each side, both social systems, regard each other as capable of peace. This remark, it seems to me, is so important for the practical political struggle that it seems necessary to me to say something more yet about it--mainly on the conceivable question whether this meant that the drive for expansion and violence stemming from the nature of imperialism was suspended.

Reinhold: There is nothing to that, of course. Aggressive expansionist drives are inherent in monopoly power. They will continue to be directed against socialism, as against all social progress as such. Expecting something different would mean indulging illusions that would be very dangerous to practical politics. In talking about the capability for peace we by no means intend to suggest any fundamental change in the nature of imperialism. Rather, it is a matter of whether the drive for expansion and violence is bound to end in a policy of arms buildup and confrontation, war preparation and the pursuit of hegemonial goals by means of military force, whether arms production, militarism, and war are unavoidable conditions for the existence of imperialism. Or, in other words: Can the resistance by the most aggressive forces against a reasonable and realistic disarmament and detente policy be overcome? And this is a question we, and with us all the forces interested in peace all over the world, answer clearly in the affirmative. On the realization that conditions can be

created internationally that prevent a nuclear inferno the socialist community's entire peace policy is built as is the social democratic thesis of joint security. How else would realistic and radical disarmament steps be possible or a nuclear weapons-free world? What sense would there be then in discussing military doctrines? How else could it be possible to secure peace jointly or establish a European home together?

Banaschak: Were we to deny to the other side that it is capable of peace altogether, all efforts on behalf of a worldwide coalition of reason and realism would indeed be senseless. Yet this strategy precisely assumes it is not only necessary but also possible today to preserve peace and successfully oppose the most aggressive imperialist forces. That is possible through the existence of the socialist states, through the growing strength of socialism and of the movements in the capitalist countries directed at peace and social progress, and all around through all the forces that are aware of the dangers and actively champion peace, reason, and realism in international relations. Thereby nothing is changed in the nature of imperialism in that it does not eliminate monopoly capitalist private property which, chasing after monopoly profit, makes for expansion and violence. Yet in the form of the ever broader and more diversified potential of the peace forces an ever more powerful counter-trend is growing up that opposes the expansionist trend of the most aggressive imperialist forces. This counter-trend we must continue to bolster because on it our confidence relies that mankind will have a future. That only means: the safeguarding of peace is and will continue to be a constant militant task. Far from abolishing the class struggle, it only makes new demands on it.

Reinhold: That is the truly decisive conclusion. Joint security and peaceful coexistence can come only as the outcome of a harsh and probably protracted struggle against the most aggressive imperialist forces, mainly against those that are most intimately tied up with the military-industrial complex. Still, that is a perfectly realistic task. Our policy has assumed and does assume that the Soviet Union and the socialist community together with many others in the world can mobilize the power to enforce peace. Even among representatives of monopoly capital, it turns out, the rational understanding is growing that a military attack against the socialist community, the NATO strategy, is bound to lead to suicide. Among them the number of those is growing who, without being friends of socialism, still want no military confrontation and arms buildup. That too reinforces us in the confidence, corroborated meanwhile by many practical experiences, that a broad coalition of reason and realism is possible.

Banaschak: I should like to comment now on some other aspect too: the ever more compelling requirement to expand the collaboration between the two social systems to many other areas for which it is necessary for solving the global problems of our time. That of course connects with what already has been discussed in that, when military confrontation is reduced the chances for such a collaboration undoubtedly improve. However favorable and far-reaching such collaboration may become, though--and we are working for it--it still proceeds within the framework of the basic contradiction of our era, the historic confrontation between the two social systems.

Reinhold: Solving all these problems is inseparable from the comprehensive contest between the systems. That is why the document states: "The contest of the social and political systems should revolve around which of the two systems makes the most effective contribution to solving the overriding problems of mankind and which offers the most favorable social conditions for the development of humanity, which offers men the better chance to enforce their interests and rights and implement their values and ideals."

Banaschak: We are facing this contest and can say with a clear conscience all our party's policy is aimed at serving this humanistic concern. We have all the social prerequisites for it and are using them--as practice confirms--so that it can be perceived every more strongly in the citizens' ordinary life.

Reinhold: Our entire social conception, the shaping of the developed socialist society and our united economic and social policies are fully aimed at making the advantages of socialism, its social and humanistic character, prevail comprehensively for everyone to see. The implementation of this social conception proceeds of course through the contest between the systems, in the dialectics of confrontation and cooperation, which also leads to reciprocal influences. We are not afraid of that. We have every good reason to be convinced that in this contest socialism will ever more clearly demonstrate its superiority, for everyone to see. At all that we take into account that there is nothing static about the two social orders, that they, within the scope of their systems, are capable of development.

Banaschak: But just always within the scope of their systems, without thereby losing their character, their actual identity. That too amounts to a set of problems long under discussion and likely to be discussed further in connection with the material at hand.

Reinhold: Our party program is known to state that the shaping of the developed socialist society is a historic process of penetrating political, economic, social, and intellectual-cultural changes. Since the 1970's. such penetrating changes have in practice taken place this way, and they keep taking place through the creative party activities that are aimed at them. Examples can be found in our switching to intensive expanded reproduction, in the broad application of modern key technologies, or in setting up an efficient economic management and planning system with the combines as the backbone of our socialist planned economy. They attest to the dynamics in the development of our socialist society and are aiming at it--as a condition for the continuity of our party policy, aimed at the people's well-being.

Banaschak: In this process, in the development of our country and of the other fraternal countries, it stands confirmed that socialist society--as already pointed out by Friedrich Engels--is not something finished for once and for all, but can be comprehended only as being in constant change and transformation. It is a dynamic society, constantly developing further. As all other social systems too, it expresses a whole ensemble of germane social relations and connections. Thus it does not become perfect by transplanting alien organs into it, but by making effective its very own impulses and realizing ever more strongly its own inherent advantages.

Reinhold: That is a steady and no doubt most demanding developmental process for management, direction, and organization, with socialist society necessarily developing on its own foundation. And that keeps requiring time and time again that through creative efforts the universal inevitabilities are made to prevail in conformity with the concrete historic conditions and changing requirements and one will always react early on by moving forward to newly arising demands through creative thought and action. Through such creative conversion of what is needed socialism's developmental capability becomes reality, perceptible to all in ordinary life.

Banaschak: Let us now talk about capitalism's ability for development or reform. As far as that goes, I would look at it under two different aspects. For one, under that of the proclivity of the forces that sustain this society basically aimed--of course while considering various adaptation requirements--at further shaping the essence of this very order in the totality of that social order's notorious relations and conditions of exploitation and suppression. But then it is also a matter of the development capability of this society in that the tendency just referred to opposes another one in diametrical opposition to it in the form of the struggle of the workers class, the farmers, and other population strata. What becomes of the conflicting tendencies and how development actually proceeds concretely depends on the efficacy of either tendency and, hence, on the struggle between the forces sustaining them.

That, it seems to me, gives rise to two questions. First: How far does capitalism's development capability and adaptability go? That must be clear because from it sometimes is derived the idea that through steady adaptation capitalism could possibly stay alive forever. All the more necessary it is to become aware that capitalist society through its own internal inevitability, through the contradiction that cannot be suspended within its framework and does in fact keep deepening between the tremendous productive forces development and the private capitalist property relations ultimately is bound to run smack into the limits of its developmental capability. The second question is how the workers class can use capitalism's developmental capability in the struggle for enforcing its own interests.

Reinhold: As to the first of these two questions, you have supplied the answer yourself. Unless we want to devote a whole session devoted to it, I would just leave it that way and endorse it. The second question concerns the nature of the differences between our parties. The SPD is a reformist party. Its ideas of democratic socialism are based on the conception that capitalist society is reformable to the extent that working class interests can be enforced through reforms within the scope of capitalism. Our party is revolutionary. We assume that resolutely enforcing working class interests calls for fundamental changes in the power relations, for the socialist revolution, which we carried out with success in the GDR in that we set up the socialist workers and farmers state and are shaping the developed socialist society. We do not deny, of course, that it is possible--and the struggle of the communists alongside many other parts of the workers movement all over the world of capitalism is directed at it--to enforce important interests and demands, i.e. reforms on behalf of the working people, already within the framework of the capitalist system.

In saying, for instance, that ultimately only under socialist conditions are the prerequisites at hand for a truly humane use of technical progress, we still are not naive enough to contend that under capitalist conditions the struggle for that humane use is hopeless.

Banaschak: There are of course possibilities in capitalist society for at least limiting the abuse of science and technology. The struggle for it will be all the more successful, the more resolutely and cohesively one is engaged in it. And yet, there it is always a matter of mobilizing counter-tendencies against the profit-oriented basic interest of the capital proprietors. And that marks the fundamental difference from socialist society.

Reinhold: In the concrete demands for reforms there are not only points of contact, but much that the two sides have in common, yet not in the question how far reforms can enforce the interests of the working class, of the working people altogether, in fact.

Banaschak: That vastly separates the views of communists from the social democrats. But both assume--and that is exceedingly important--that the joint struggle for common concerns ought to affect the ways and means in which one engages in disputes on controversial ideological and political conceptions.

Reinhold: The common peace struggle does not mean ideological and political differences vanish, the struggle over them could be stopped. Our joint document therefore states: "The quarrel over such fundamentally opposing positions cannot be terminated either by compromise formulas or by appealing to the will to peace. Nor would it benefit anyone to blur the differences. Yet the dispute on basic positions can become a part of a productive contest between the systems if it is carried on in such a way that communists and social democrats respect each other's basic decisions, avoid enemy images, raise no suspicions about the motives of the other side, do not deliberately distort its convictions, and do not discriminate against its representatives."

Banaschak: Particularly on behalf of dispute understood like that I deem it beneficial that the document itself portrays the differing basic positions of the SPD and SED, as between the representatives of the social democratic conception and the democratic socialism and Marxism-Leninism.

Reinhold: Both sides keep reiterating in talks and negotiations that we have identical standpoints in the peace struggle and in many other questions and are known to be offering joint propositions although we represent differing ideological positions. Now we have sought to formulate what these differing basic positions, the ideological contrasts, consist of.

First and foremost of course comes the power question. We Marxist-Leninists assume that the political power of the workers class in alliance with the other working people, based economically on the socialist ownership in the means of production, is the basic prerequisite for truly making possible extensive democracy for all working people, for the entire people in all sectors of life--especially in the economy. This is confirmed by the implementation of that objective in the socialist countries. Overcoming the economic and political power of the monopolies therefore is to us an imperative condition for enforcing in

unlimited ways the working people's political and social interests. We understand democracy mainly as the working people's real participation in the management and shaping, and the control over, the economy and society. That is not possible, though, as long as monopoly capital controls the economic and, thus, the political power and enforces its interests on that foundation.

Social democrats--as I said--in their conception of democratic socialism assume that their ideas in the framework of the existing capitalist system can be enforced without a need for what would be a change of principle in the existing power relations in capitalist society. Their ideas of democracy thus differ fundamentally from ours.

Banaschak: Equally so, communists and social democrats affirm that what all political and social struggles of our era are concerned with is man and his rights, that these interests and needs must remain the centerpiece.

Reinhold: In contrast to the social democrats, we Marxist-Leninists however assume that we have to create the political and socioeconomic bases needed for it. In a society dominated by the monopolies' economic and political power interests, where profit is the measure of all things, in our view--confirmed every day by practical experience--man cannot be in the center. How could a social order ensure the free development of all men and their abilities and talents, if it cannot even eliminate mass unemployment?

Today, the social problems, especially the social ramifications of the scientific-technical revolution, play a special role in this. Communists and social democrats alike demand that the scientific-technical progress has to be socially controlled, the interests of working men be secured, and man must not be pushed to the edge of events. The workers movement in the capitalist countries, especially also the trade unions, are engaged in tough struggle. But as one can see, the deep contradictions in interests keep colliding with each other time and time again in an antagonistic way.

Without wanting to underestimate the potentials in the struggle by the workers movement in the capitalist countries, practical experiences are demonstrating ever more impressively that ultimately only the socialist society, relying on political workers class power and on the public ownership of the most important means of production, can combine scientific-technical progress inseparably with social progress and social security for all working people. That is brought home also by the developments in the GDR.

Banaschak: So it is all the more necessary to continue the arguments on the diverse conceptions--frankly, as it suits decent people, through opposition, as it suits the truth. That is all too understandable and hurts no one. On the contrary, consensus in the question of all questions--the preservation of peace--does not preclude controversy, fierce quarrel even, on other problems and programs. And more yet: It not only excludes the quarrel, it even includes it because patching up antagonistic positions in quite essential matters--from lack of trust in honesty growing out of it--would only be injurious to the consensus in the most important of all questions.

Reinhold: History, practical results will in the end lead to the decision. And we Marxist-Leninists are full of optimism there.

Banaschak: It is helpful that this intellectual quarrel proceeds in civilized forms, we preserving our communist identity while the social democrats preserve theirs, so that it strengthens our common peace effort and lets us find common positions also in other political and social issues. For that it surely is useful that you did not just issue a general appeal and let it go at that.

Reinhold: We attempted to formulate some criteria and conditions for it. They are meant to illustrate what we mean by civilized forms. We assumed we cannot demand of others what we are unwilling to do ourselves. Intellectual controversy must not come with an interference in internal affairs, yet not all criticism must be felt to be such interference. What continues to be important is to do away with long obsolete cliché notions. Mutual predictability and a growing relationship of reciprocal trust likely play an important role there. One condition was emphasized especially: ideological differences must not be carried over to government relations. How could one achieve treaties on disarmament, economic relations, international cooperation on environmental protection and the solving of other global problems, if one first demanded others should think and be the way one thinks and is oneself.

The document is the result of the development thus far of the relations between the SED and SPD, the outcome of many discussions. It fixes our positions in the issues dealt with. It asks us to do what we can for these ideas to be enforced in practice.

Banaschak: You deserve thanks--not only for this conversation, but mainly for the part you have had in bringing such a document about. There will be discussions about it. That can only be beneficial to make the spirit that informs it prevail and conform to the demands of the age of serving the elemental interests of men in peace and social progress.

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POLITICAL TRAINING DIRECTION, TECHNIQUES OUTLINED

23000018 East Berlin EINHEIT in German Vol 42 No 9, Sep 87 (signed to press 12 Aug 87) pp 808-814

[Article by Dr Klaus Gaebler, member of the SED Central Committee and director of the SED Central Committee's Propaganda Department: "On Raising the Standards and Effectiveness of Ideological Work"]

[Text] The party organizations' tasks in raising the level and effectiveness of ideological work in the struggle for strengthening socialism and safeguarding peace--to that topic are devoted the activists meetings of the bezirk and kreis party organizations initiating the 1987/88 party school year in September. Proceeding from the successes with implementing the 11th party congress resolutions in the domestic and foreign policy field, the first secretaries will explain the tasks to the party activists that have to be dealt with in their area of responsibility in the months ahead. The further consolidation of the GDR as a bastion of socialism and peace in the heart of Europe is a big overall social concern that "cannot be coped with without clear heads, firm socialist consciousness, and an unshakable class standpoint,"¹ as Comrade Erich Honecker put it in his speech at the SED Central Committee secretariat's conference with the kreis first secretaries on 6 February 1987. Thus raising the standards and effectiveness of ideological work including, not last, the Marxist-Leninist training for the communists, is a mission assigned to all party organizations. It concerns the party schools about to begin their new school year, the activity of the party's educational institutions, the party study year with its new, differentiated seminars and courses, the activity of all basic organizations, in other words, of each and every comrade in his political mass activity.

Erich Honecker's statements of 6 February about the duty of each SED member to be an active fighter on the ideological frontline are of fundamental importance. The substance, form, and methods of ideological work are to be oriented consistently to the requirements set down in six points. It lends our political-ideological activity, as the core of party work, strong impulses how thereby, from the current vantage point, basic questions are answered about the securing of peace and the confrontation between the systems in our time, the results of our work and the pride in achievement are taken as points of departure for explaining the new, progressing tasks, and issue is taken aggressively with imperialist policy and ideology.

The Central Committee brought out at its 4th session what the advances and experiences have been in this field since. That is attested to by the outcome of the party elections as by the status reports to the Central Committee secretariat by Torgau Kreis Management, to the Central Committee Politburo by Dresden Bezirk Management, and to the Central Committee secretariat by the party organization of the parent enterprise of the Weissenfels VEB shoe combine. What is most important in our ideological work is "that all party members explicate our tried and tested domestic and foreign policy to the working people in personal conversations right on the spot, on the job, in the residential area, in the mass organizations, cultivate the citizens' thoughts, feelings, and actions, develop their initiatives and creative capabilities in dealing with the great tasks in the peace struggle and the further consolidation of socialism and at once oppose resolutely, without hesitancy, all bourgeois ideological influences and imperialist inflammatory propaganda."² Grounded in theory and relevant to life, contemporary issues have to be settled in a class-bound manner. What matters here is to achieve the broadest possible effect and to conduct still more differentiated conversations with workers, cooperative farmers, intellectuals, and the various age and interest groups about politics. All that reinforces and invigorates the bond between party and people and their confident partnership in the further implementation of the economic and socio-political tasks.

Making Our Goals Clear

Further spreading the offensive of the ideas of peace and socialism, to which we are committed by the magnitude and complexity of the tasks in the qualitatively new phase of the shaping of the developed socialist society in the GDR as much as by the dissemination and enforcing of the socialist countries' peace proposals, keeps demanding of us that we make our program, our far-flung political goals, clear. For that, each communist must constantly deal with Marxism-Leninism, it being the theoretical foundation for all party activity in the unity of all its parts. This revolutionary theory enables men to think creatively and work with rich results. It offers no ready-made recipes for answering just any topical question, but the theoretical equipment and methodological set of instruments for settling ripened problems. It makes possible grasping and using in politics the dialectics of the general and the concrete historic particulars, of the national and the international, and of continuity, dynamics, and change. From the historic course our party has taken and from the birth and growth of our socialist fatherland anyone can glimpse how intensive study and the creative application of the Marxist-Leninist doctrine have enabled us, from a national and international viewpoint and firmly anchored within the community of socialist states, to react swiftly to new developments and draw the appropriate inferences for carrying on our policy. Theoretical abstinence and ideological reticence are alien to our party. We have always let ourselves be guided by that without revolutionary theory there can be no revolutionary practice.

The test of the correctness and vitality of a social theory is its practical impact on the course of history. Since the Bolshevik Revolution, the 70th anniversary of which we are celebrating, in the tradition of Karl Liebknecht, Rosa Luxemburg, Ernst Thaelmann, and Wilhelm Pieck, and in fraternal alliance

and a community of friendship with the CPSU and the Soviet people, Marxism-Leninism has fundamentally changed the world. The GDR has made its creditable contribution to it. That is why it is part of becoming clear about our goals to consider the reasons for the success of our course thus far. SED strategy and tactics, ranging into the far distant future, the intellectual appropriation of which is the centerpiece of schooling, took off from the 8th party congress resolutions that resolutely made the meaning of socialism the centerpiece of party work: doing everything for the good of man, the happiness of the people, the interests of the workers class and all working people.

It has to be explained especially to the younger comrades that that party congress, by determining the main task with its integrated economic and social policies, its orientation to the organic link between the scientific-technical revolution and the advantages of socialism, and intensification as the main course for economic growth in the further shaping of the developed socialist society, initiated processes that are crucial for the expansion of the socialist social order and a peaceful issue-taking between the systems. The program ratified at the 9th party congress, which for the first time offered a cohesive picture of the developed socialist society, the shaping of which the SED sees as a historic process of penetrating political, economic, social, and intellectual-cultural changes, is sustaining itself through the struggles of our age. Consequently, its goals remain valid for the future. The more clearly the party organizations bring out these great goals, the overall party policy, and the resources available to us for implementing it, the more they encourage patriotic and internationalist attitudes, and the more the working people's allegiance to socialism and optimism, fighting spirit and dedication will develop toward implementing the tasks assigned by the 11th party congress.

Explicating Fundamental Social Connections

A persuasive explication of the connection between strong socialism and secure peace and its realization in life will always be a basic component of our ideological offensive. Here above all theoretical insight irrevocably links up with practical deeds for strengthening our workers and farmers power which, with its policy of dialogue, the mobilizing of the world's conscience for banning the danger of a nuclear inferno, is making a concrete contribution to the implementation of the Warsaw Pact states' peace program and Mikhail Gorbachev's most recent disarmament proposals. This highly significant connection has found its material expression in the vast movement campaigning under the slogan "My job--my battle station for peace." In doing what we can for the development of the socialist GDR, "we help strengthen the overall potential of socialism in the world, on which the preservation of peace crucially depends."³ Acting in line with that day after day makes a great demand on the civic stance of each.

If in spite of the confrontation and arms buildup course by the most aggressive imperialist circles, with the international situation remaining complicated and tense, there still is the chance to enter a nuclear weapons-free millenium, the credit for it must go, first and foremost, to the increasing strength of radiation of the socialist countries' comprehensive peace program and to the manifold initiatives from the USSR and, not last, also from the GDR. The 4th Central Committee session asserted that the socialist peace policy affected the world political situation much more strongly than ever before. The coalition of reason

and realism gained new political and social breadth. The tremendous growth of the social movements of peace adherents goes hand in hand with the advocacy of more and more states and groups of states in the nonsocialist world against nuclear war danger and for the mobilizing socialist program on disarmament.⁴

The bold peace proposals from the Warsaw Pact states, embracing literally all sides of armaments and international relations, conform to the vital interests of all nations. Still, their effect on the international audience would not be as strong as it actually is if behind them there would not stand the enormous political, economic, military, and intellectual might of real socialism. The task of the party organizations is to trace that connection persuasively, the facts of our life supplying the best arguments for it. It is of great international importance, for instance, that since the 8th party congress the GDR, even under unfavorable external conditions, has ensured stable and dynamic economic development with annual national income growth rates between 4 and 5 percent.

While in 1970 the produced national income came to M 121.6 billion, in the year of the 11th party congress it came to M 252.2 billion, a 207-percent increase. The per capita national income roughly doubled in that period. In 1970, industrial commodity production in our economy per day came to M 900 million, in 1986, to more than twice as much, to M 1.9 billion. Socialist agriculture in 1970 had a hectare yield of 37.2 decitons of grain units, in 1986, already 49.4 decitons.

In line with our integrated social and economic policies, our citizens' quality of life improve in all sectors in our country. That is shown in education and public health, the cultural field, the care for pensioners, mother and child, young couples, secured full employment, in stable prices for basic necessities, rentals and tariffs, in increasingly providing households with durable accessories and, above all, in the housing construction program, the centerpiece of our social policy. Whereas in 1970 a total of 76,088 dwelling units were newly built or modernized, in 1986, there were 215,690, almost three times as many. All that demonstrates that the GDR, on the dividing line between the two opposed social systems and military coalitions, has been and is making its contribution to strengthening socialism and, hence, safeguarding peace. Each party organization, every propagandist and agitator should use these facts to strengthen the conviction that in the socialist state on German soil peace has a secure homestead. Developing it further in the future means daily talks with every citizen about the basic issues of war and peace today and being well informed about those circles that find disarmament and detente do not fit their concept of social revenge and neoglobalism, so as to unmask their peace hypocrisy. That implies constantly deepening among all people, especially the young generation, the love for the socialist fatherland, the pride in its accomplishments, and the will to devote all strength to the further prosperity and protection of the GDR.

Explaining the Economic Strategy and Promoting Economic Thought

The path to the all-round strengthening of socialism in the GDR leads via the implementation of the economic strategy issued by the 11th party congress with

a view to the year 2000. Its core is the unity of economic and social policy, the main battleground of party work. And so it is very important to explain this strategy comprehensively and thoroughly, especially the development and application of the key technologies. "That way alone can the 'time economy' law be controlled and economic thought be fostered, can the technological battle be won,"⁵ Erich Honecker has said. To approach it this way is crucial for the fulfillment and targeted over-fulfillment of the 1987 national economic plan and for conferring on the targets for the 1988 plan.

For all that, economic success depends on how the well known 10 points of the economic strategy can be made intelligible in their various internal connections and be made fully effective. None of the points stands alone for itself; only in their totality do they reflect our strategy in substance. Thus the effective linkage of the advantages of socialism with the scientific-technical revolution is the key to solving all other tasks. Speeding up the boosting of labor productivity must not be confined to saving live labor, which might then even lead to losses under the bottom line through higher costs for material, energy, or expensive technology. The economic results we need demand--according to the time economy law--savings in live as well as in embodied labor. That in turn again is not possible without more enhanced refining and resolute high-grade production. Manufacturing more consumer goods at a quality in demand is a need not derived from the requirements of the domestic and export market but one that is of essential importance also for the effectiveness of the performance principle and, hence, for motivating high performance in all parts of the economy. So one must relate all points to one another because only thereby can the actual linkages and dependencies of all sides of the economic strategy make sense.

A study and broad debate of all these relationships and interconnections by no means amount to some theorizing remote from all practice. This rather amounts to insights, attitudes, modes of conduct, and performance comparisons, factors, that is, that are indispensable for the new quality of economic growth, for intensification throughout and the close bond between science and production. We must therefore also give more attention to political-ideological efforts inside the work collectives. The better one understands the relationships and connections, the more clearly stands revealed the high responsibility each collective bears in coping with its tasks for the economy.

Explicating our economic theory always aims at improving the quality and effectiveness of social labor as the only means for satisfying the working people's growing material and intellectual-cultural demands. A profound theoretical and practically relevant treatment of the dynamics in the material-technical productive forces and the perfecting of socialist production relations, shown above all in the forming and developing of the combines as the backbone of our socialist planned economy and in developing cooperation in our socialist agriculture, have a direct influence on seeking to meet the economic tasks through socialist competition. One cannot talk about the role of man as the chief productive force, the creator, ruler and user of modern technology, without raising the question how in their own sphere of responsibility the working people are being prepared for the new demands of these key technologies, how in one's own enterprise men are being recruited and

prepared for, say, shifting to CAD/CAM terminals, where they have to satisfy higher intellectual demands and a higher responsibility. Conferring about the planned deepening of scientific-technical and economic collaboration with the Soviet Union and the other CEMA countries always demands comments on how one's own commitments to a partner in a fraternal country are being fulfilled. Dealing with the Leninist principle of democratic centralism and its creative application in the socialist planned economy demands always again conclusions about how effective management is in one's own enterprise, how the democratic participation by the trade unions can become still broader, or how the proven maxim, "Join the work, the planning, the governing," can comprehensively be implemented.

Gaining leading positions in the race against time calls for coping with the scientific-technical revolution in the socialist manner, i.e., for the good of men, for improving working and living conditions, with their initiative, constantly enlarging their opportunities for a richly faceted personality development. All should understand this: The technological battle we are engaged in amounts to far more than solving scientific-technical problems. We seek new victories on the main front of the international class conflict.

Equipped for the Intellectual Struggles of Our Era

The direct connection between the peace struggle and the worldwide conflict between the socialist and the imperialist system time and again raises questions calling for persuasive answers from the vantage point of our world-outlook. It is important then broadly to propagate the socialist peace strategy, confirmed at the Berlin conference of the Political Consultative Commission of the Warsaw Pact states, especially by its historic explication of its military doctrine. As is found daily in the international arena, sparing mankind a nuclear inferno is a tough struggle against the most reactionary imperialist circles, the armaments lobby and its lie about the threat, against all those forces which, in violation of equality and equal security, have not abandoned their search for military superiority.

There is no acceptable alternative for the policy of peaceful coexistence between opposing social systems, which conforms to the security interests of all nations and states in the nuclear space age. As long as reason and predictability rule, it can resolve the antagonism between a small minority crazed by atomic insanity and the peace yearnings of the vast majority of mankind. That political compromises are needed for it, is obvious. The policy of peaceful coexistence cannot cancel the antagonism between socialism and imperialism. As no one has "invented" the classes and the class struggle, no one can "abolish" either the international class conflict, the struggle between the opposed social systems. It is absurd for certain people in the West to keep reiterating that peaceful coexistence demanded of the communists to repudiate their conviction that ultimately socialism would gain victory worldwide. No communist demands as prerequisite for the political dialogue, for the coalition of reason and realism, that his partners abandon their political positions and ideological standpoints. The decisive question is in what manner the conflict between the systems proceeds. All efforts of the socialist countries are aimed at totally excluding the means of applying military force from this process and

conducting it solely and exclusively by means of peaceful contest, conducting the inevitable ideological conflict in civilized forms so that it will emit no noxious effects on the interstate relations.

Opposing social conceptions and world-outlooks objectively belong to the nature of the era of transition from capitalism to socialism. That makes a nonviolent conflict in the dispute over political and ideological issues between the two differing social systems indispensable. Any kind of ideological calm would contradict the real intellectual struggles in our age. The more the communists' rigidity of principle and the class-bound position of all working people in our country are pronounced, the larger is our leeway for flexibility in international politics in line with today's requirements. That implies one should leave no leeway for the adversary's ideological influences.

It is an important concern of political-ideological work always convincingly to uncover and explain the opposition and difference between socialism and imperialism due to the two systems. In a world of exploitation of man by man, and caused by it, scientific-technical progress goes hand in hand with unemployment, new poverty, the ruin of the working farmers, welfare cuts, and a massive violation of the most elemental human rights and liberties. We are pitting against that successful efforts in further shaping the values and advantages of socialism, the humanistic character of our social order, the socialist way of coping with the scientific-technical revolution, and the vitality of socialist democracy. The superiority of socialism is to be proved in practice all-around and to be imparted to men through confronting it with crisis-ridden imperialism.

Responsibility of Elected Managements

A much tested experience is that the higher standards and effectiveness of ideological work and socialist consciousness development must purposefully be organized. That task is completely up to the elected managements; it tolerates no departmentalization or automatisms. It implies concentrating the forces on major key points and using all forms of Marxist-Leninist education and political mass activity. That includes an analysis of the ideological processes taken place in any given area of responsibility and the drawing of generalizations from the best experiences.

For toughening the communists ideologically, the bezirk party schools, the kreis and enterprise schools for Marxism-Leninism, and the party school year assume an especially important place in management activity. Commenting on the 1987/88 party school year, Erich Honecker said: "Also for the phase of differentiated studies beginning next fall the leadership by the kreis management secretariats and the basic organization managements decisively controls the effectiveness of the seminars and courses."⁶ He told the kreis first secretaries and other executive comrades to appear regularly before the propagandists and help them in dealing with the topics in such a way that they contribute to fulfilling well the concrete tasks of party work in any given sphere of responsibility. Indeed it depends on the direction and advanced education of the propagandists in the party school year and the FDJ study year, of the discussion leaders in schools for socialist and cooperative work, and on the ideological and political

qualifications of the party advisers, lecturers, and agitators and of other comrades engaged in the ideological sector, how they can solve their responsible tasks in the dissemination and consolidation of our world-outlook. To make them more and more expert in it is the business of all elected party managements. They can get great help in this from the educational institutions of the bezirk and kreis managements and the enterprise party organizations. The standards of propaganda work are enhanced by a systematically conducted experience exchange among the propagandists where one should, not last, draw the requisite substantive and methodological inferences from today's high qualification and educational level of the people attending all the different types of schools.

As to that, it is especially important that those who attend those seminars for executive cadres and party secretaries appear regularly before diverse circles of listeners. They should pass on what they know, the information and arguments, in workers discussions, residential area meetings, forums and through discriminating conversations. Effective ideological work requires the coordination of all the forces active in a given area of responsibility in accordance with a unified plan, starting with the trade unions, the FDJ, and the other social organizations all the way to the National Front commissions. It is part of the responsibility of the elected party managements to lead all the forces into the struggle uniformly and cohesively and smoothly to develop every day the confident dialogue between the party and the masses.

FOOTNOTES

1. Erich Honecker, "Die Aufgaben der Parteiorganisationen bei der weiteren Verwirklichung der Beschlüsse des XI. Parteitages der SED, Aus dem Referat auf der Beratung des Sekretariats des ZK der SED mit den 1. Sekretären der Kreisleitungen," Dietz publishing house, Berlin, 1987, p 98.
2. Ibid., p 97.
3. Ibid., p 7.
4. Cf. Comrade Horst Dohls, "Aus dem Bericht des Politbüros an die 4. Tagung des ZK der SED," Dietz publishing house, Berlin, 1987, p 6,
5. Erich Honecker, op. cit., p 99.
6. Ibid., p 104.

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NEW AMNESTY, PENAL PROVISIONS EXPLICATED

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[Article by Prof Dr Erich Buchholz, head of the Department of Criminal Law at the Law School of Humboldt University in East Berlin: "Humanity and Legal Security"]

[Text] Humanity characteristic of socialism in various ways finds expression in our ordinary life--the socialist humanism which guides all we do. The demand raised by Marx, "to overthrow all conditions in which man is a debased, enslaved, abandoned or despised being,"¹ and grant him elbow room and the chance to develop his personality, has been fulfilled in our country. Based on socialist power and property relations, exploitation and suppression and, hence, social injustice branding the life of the working people for centuries, were eliminated. Our party and government policy is rigorously aimed at securing a peaceful existence for the people and serving its well-being. Implementing and enhancing human rights in their inseparable unity is a precept of the state. Differentiated economic, social, political, cultural, and personal rights, far transcending in substance and scope the rights and liberties set down in the UN conventions, constantly being further developed in line with material and political-ideological premises, offer everyone the real chance freely to develop his personality, his capabilities and capacities.

Such humanity, as it informs our society and ordinary life, also marks the 17 July 1987 GDR State Council resolutions: A general amnesty for criminal offenders on the occasion of the 38th anniversary of the founding of our republic, the abolition of the death sentence, and the amendment and supplement for the GDR's judiciary act.² For the socialist policy objective, committed to the well-being of the people as of each individual, also governs justice and the law. It sets the standard for further improving the socialist legal order.

We can build on good results. While implementing the 11th SED Congress resolutions, the GDR has gone through a politically stable and dynamic development in all domains. The citizens' constitutionally guaranteed basic rights are reliably being protected. Infringements of the inviolability of personality and offenses against socialist and personal property are punished severely. But not only the state sees to the observance of justice and law among us. It attests to the growing consciousness of state and law and the vitality of socialist democracy that today nearly 1 and 1/2 million citizens in many

part-time functions actively take part in enforcing socialist legality--as lay judges, members of public courts, on Workers and Farmers Inspectorate commissions, on inspectorate commissions or People's Police volunteer assistants.

Evidence for it is, not last, that for decades now the GDR has been among the countries with the lowest crime rate. With 666 recorded crimes for every 100,000 citizens in 1986, it has acquired an internationally noteworthy position. The FRG recorded 7,154 crimes per 100,000 inhabitants that year. There the incidence of crime is nearly 11 times as high as in our state. Especially gratifying is that in the last 7 to 8 years juvenile delinquency (the 14 to 18 year age-group), its ratio to crimes at large, and its frequency have clearly dropped--by circa one-third.

Such gratifying results must make no one smug, of course. "It remains a permanent task to extend the good results further and further consolidate or socialist legality, order, and safety."³ The citizens' comfort in orderly and safe circumstances is our criterion. For that reason will the courts in our country continue to convict for criminal offenses severely, judicially as morally, "in the name of the people."

Still, each judicially convicted GDR citizen is a member of our society--a man we take the trouble to help prove himself again a decent member of his society. The explanation of the amnesty resolution states: "It conforms to the nature of socialist humanism to offer also those citizens who have violated the GDR laws a chance to reintegrate themselves responsibly with public life."⁴ The amnesty issued on the occasion of an event important for the republic and all its citizens is a proof of trust, sustained by our humanism, in those who through criminal acts violated the rights and interests of other people or of society at large and have to make up for it. They get the chance, without carrying on the penalty or completing the criminal proceedings, to prove they have already drawn the correct inferences from their offense--the chance fully to reintegrate themselves in public life and accountably use their rights and liberties. So the amnesty does not mean that our state simply forgets about punishment but is explicitly tied up with the demand, the expectation of those amnestied to justify the trust placed in them.

The amnesty also is a high requirement, especially, for the associates of the organs of justice and safety, the local councils, and the enterprises. Its deep humanistic meaning is brought to realization only if the associates of state organs, the work collectives, and of course also the neighbors and fellow-citizens face the amnestied without reservation and sensitively and give them all the possible suitable support and aid so that through such joint efforts their social integration will soon have permanent success. Ex-criminals are neither a "fringe group" nor "socially ostracized" among us. The reintegration of citizens released from an execution of a sentence conforms to the reintegration law of 7 July 1977 and, hence, is an overall social concern.

Which does not turn the amnesty into a privilege to commit future crimes. Unless the amnestied person uses the chance offered him but, with malice aforethought, commits another crime during his probationary period, and again gets a prison sentence, the previous penalty under reprieve also must be reinstated. Nor does an amnesty offer a guarantee for protecting from criminal acts.

Even the most favorable social conditions will not automatically bring about proper social conduct. An individual is liable for what he does and must pay for his mistakes. Our society's basic concern, however, is "to prevent a crime in order not to have to punish it,"⁵ to prevent criminality, keeping people from committing criminal acts, from colliding with the law, the fellow-men, the society, and to exploit ever more comprehensively all the social prerequisites for it. Deep humanity thus pervades our concept of crime prevention.

Also the State Council resolution on abolishing the death sentence is borne by such humanism. The death sentence provided for hitherto in the GDR Penal Code was "due to the historic requirements rigorously to prosecute Nazi and war crimes, crimes against peace, humanity, and human rights and heavy crimes against the sovereignty of the GDR and against the lives of the citizens."⁶ The threat of this supreme penalty was an important way to protect the socialist state and its citizens from such heaviest crimes. It never was an expression of revenge or retaliation, such as along the principle of an eye for an eye, a tooth for a tooth. Archaic ideas like that have always been alien to Marxists. In the course and in the outcome of the great revolutionary transformations--and against the background of an important and constant drop in the crime rate--we were able to reduce further the legally admissible execution of the death sentence as found in the first socialist German penal code of 1968.⁷ Crimes committed in the GDR mostly are less serious; murder and other criminal acts against the lives of people are rare. Because of this changed scope and character of crime, a death sentence has been neither pronounced nor carried out in our republic for years.

Since the GDR from the outset consistently prosecuted Nazi and war criminals, only a few cases of crimes of this sort revealed late were left in recent years which--as practice has shown--with regard to the seriousness of such crimes or the personality of the offenders did not call for pronouncing a death sentence.

The resolution on abolishing the death sentence based on the successful development of socialist society in the GDR and the high law security achieved thus amounts to a judicial conclusion drawn from longtime social reality. It also conforms with UN recommendations on gradually eliminating the death sentence from the life of the peoples.

Finally, the third resolution also documents our respect for human rights in their entirety. Our legal order, especially our code of criminal procedure and the judiciary act, has always contained the requisite regulations and judicial guarantees to make sure no innocent person is sentenced or punished. That includes in particular ensuring the right of defense, a basic constitutional right (as to Article 102 of the Constitution) and a human right under international law.⁸ This right embraces for the accused not only the claim to find out about the indictment and evidence and choose a counsel but, in particular, also the right to come out legally against decisions (court sentences, and even against arrest warrants). These rights are fully guaranteed in the GDR. Thus far, according to the judiciary act, the Supreme Court could decide court cases in the first and last instance; after that, annulment was the only way to revise such sentences. Now, through setting up a Grand Senat

under the GDR Supreme Court, the chance arises for appeals even against decisions of the first instance by the Supreme Court penal chamber. This further improvement of the legality of our republic again underscores the GDR's determination to act in conformity with the recognized norms of international law as to Article 8 in our Constitution.

FOOTNOTES

1. Karl Marx, "Introduction to a Critique of Hegel's Philosophy of Right," "Werke" [Works], Vol I, Dietz publishing house, Berlin, 1956, p 385.
2. Cf. NEUES DEUTSCHLAND, 18/19 July 1987, p 1.
3. Comrade Horst Dohlus, "Aus dem Bericht des Politbueros an die 4. Tagung des ZK der SED" [From the Politburo Report to the 4th SED Central Committee Session] Dietz publishing house, Berlin, 1987, p 57.
4. NEUES DEUTSCHLAND, loc cit.
5. Karl Marx, "Werke," Vol I, p 120.
6. NEUES DEUTSCHLAND, loc. cit.
7. Aside from especially heavy crimes against peace, humanity, and war crimes and especially heavy crimes against the state (Chapters 1 and 2 in the Special Part of the Penal Code), the death sentence as an alternate state sanction was left as admissible only in especially heavy cases of murder (Penal Code Article 112).
8. Cf. Article 14 of the International Convention on Civil and Political Rights, "Voelkerrecht," Part 2, Staatsverlag der DDR, Berlin, 1980, pp 555-556.

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SED'S SUCCESSES, POLICIES SINCE 1976 SURVEYED

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[Article by Prof Dr Rolf Leonhardt, head of a research department at the SED Central Committee's Academy of Social Sciences: "The SED Program--Foundation of our Successful Social Strategy"]

[Text] It was possible to keep shaping the developed socialist society in the GDR with success even in view of complicated international conditions, in particular, despite the confrontation course pursued by the most aggressive imperialist forces. One of the fundamental prerequisites for it was the clearly targeted development of all sectors of society on the basis of the party program issued by the 9th SED Congress in 1976.

The working peoples' activities and initiatives, their industry and dedication, their thoughts and actions serve the strategic task prescribed in the program to keep shaping the developed socialist society in the GDR, whereby to create fundamental prerequisites for the gradual transition to communism. The summary of the Central Committee report to the 9th party congress stated: "Much work surely still has to be done to implement the SED program in the different realms of life. But the results thus far confirm our conviction we shall reach our goal step by step."¹

Relevant to the Present and Oriented to the Future

If one asks why the SED program has proven a sure compass for our social advances and how this program has stood up well for more than 10 years and remains in force also for our course and struggle with a view to the year 2000, one may mention several factors. The most important ones are to be singled out in the following.

First: The preparation of the program was based on extensive analyses of the domestic and external, material and mental conditions under which we are shaping the developed socialist society. Through this program we have the scientific strategy for carrying on the socialist revolution and the further shaping of the developed socialist society in the GDR as a historic process of penetrating political, economic, social, and intellectual-cultural changes. The SED proved able creatively to apply, with scientific precision and businesslike sobriety,

the universal inevitabilities of socialist construction to our specific national conditions. It took account all along of the experiences of the nearly 130 years of struggle by the organized German workers movement and its, up to then, six revolutionary party programs, of insights from socialist construction in the USSR and the other socialist countries, and of lessons of the communist and workers movement.

Second: The SED program contains the fundamental strategic tasks that clearly outline for a long time to come all the party work in 10 points, which processes must get started or be continued on behalf of the present and future generations, in order to cope with the further shaping of the developed socialist society in the GDR. Here one concentrated on the strategic trends of the political, economic, social, intellectual-cultural, and military developments and deliberately omitted details. So the program allows space for political creativeness and makes possible to react in time and effectively to further changing conditions. And for that very reason it is relevant to the present and, simultaneously, oriented to the future.² Based on the strategy staked out in the party program, the SED would make the necessary decisions on ripened issues with a view to what was possible and necessary and would adapt to the changing situations in international politics and the requirements in the new phase of coping with the scientific-technical revolution. Proceeding from the party program, the SED with its practical policy was always up to date and reacted presciently to constantly new demands.

Third: The program is based on the inseparable unity between theoretical and practical SED activity and on generalizing the experiences gathered since the 8th party congress--which initiated a qualitatively new developmental phase in the history of our party and country. Those experiences corroborated this course. The main task in the unity of economic and social policy has proven the core of this conception, an important impulse for creative work.

The experiences gathered through this policy since the early 1970's also deepened the realization that the shaping of the developed socialist society, through which all advantages and impulses of socialism are being brought to full effect, will take a long time.

Fourth: That the party's general line has stood up so well in life ultimately is based on the fact that the drafting as well as the implementation of the SED program have been the business of all party members and candidates, of all the classes and strata, of the parties friendly with the SED and all the social organizations. The draft program was thoroughly discussed among the people. The program as finally passed with almost 125 amendments and supplements by the 9th party congress bears the signature of all the people, as Comrade Kurt Hager put it at the 9th party congress.³

The SED program resolutely places the realization of the meaning of socialism, to do everything for the well-being and happiness of the people, at the center of all efforts and thereby conforms profoundly to the interests and needs of our country's working people. For that very reason they regard its implementation as their very own business.

Successfully Coping with Challenges

Since adopting the party program, important results were reached in all public domains, valuable new experiences were gathered, and important theoretical insights were gained.

"The struggle for social progress and socialism," the party program says, "and the struggle for peaceful coexistence of states with differing social orders exist in unity."⁴ Proceeding from there, the SED made its constructive contribution in drawing the necessary theoretical and practical inferences from the new conditions of the nuclear space age.

It was taken for granted that peace is today not merely the most favorable external condition for socialist construction, but an existential and only possible condition for the development of humanity, and that includes socialism. Responsibly the GDR derived from it its policy of result-oriented dialogue and acted on behalf of it, tenaciously and flexibly at once, in the international arena. For that policy the successful shaping of the developed socialist society is imperative. It orders us compellingly to raise socialism's strength of radiation and ensure its defense capability through appropriate scientific-technical and economic results. A socialism strong in every way is of crucial weight for secure peace.

In production, science, and technology we are making our contribution to consolidating socialism, whereby to foil all attempts at changing the approximate military-strategic balance in the world for the benefit of the most aggressive imperialist forces. Especially through the increasing results in these fields there also broadens the socialist elbow room for international cooperation, including even with those imperialist circles that do not rely on military confrontation but on realism and reason, being ready to conduct the historically unavoidable contest with socialism in all fields with peaceful means.

"My job--my battle station for peace," with this attitude that captures the core of that strategic connection the GDR working people are satisfying the tasks resulting from it. The integrated economic and social policy course set down in the party program acts as an impetus for dynamic economic development and contributes to the all-round strengthening of the GDR as a bastion of peace and socialism in the heart of Europe.

The past was indeed not poor in challenges that had to be coped with. That pertained particularly to carrying on the policy of dynamic economic growth and, thus, to answering correctly the question about the decisive growth factors, an effective reaction to changing reproduction conditions at the international scale as domestically in the GDR, and the objectively necessary conversion to intensive expanded reproduction as the reproduction type for the developed socialist society. The rapid productive forces development turned out to be the central issue for further shaping developed socialism. In no developmental phase did our party consider slowing the growth rate down. It oriented rather to a properly high growth rate as the basic precondition for social progress. The main task policy was never in doubt. It was always a matter of finding solutions and ways to carry on that policy even under altered conditions.

The economic strategy looking forward to the year 2000, as issued by the 11th party congress, which has its starting point in the party program and through which the basic economic law of socialism is satisfied under the new conditions, expresses the course of the integrated economic and social policies as our main battleground. All economic strategy priorities are aimed at implementing this course, which makes sure that man is the center of all our designs and actions, that his interests and needs are and remain the decisive target of party policy.

Exceedingly important results and experiences were reached or won in implementing the linkage, as charted in the party program, between the advantages of socialism and the scientific-technical revolution. Thus the approach to this problem also is determined by the goal to cope with the scientific-technical revolution in the socialist way, i.e. with the people and for their benefit and use, this being a key question, after all, of the unity of economic and social policy.

The results achieved in scientific-technical progress in the GDR in the last decade confirm that the orientation has fully proven itself which the party program expresses as follows: "Intensification of social production is the main road of economic development in the GDR."⁵ This is how we are making headway. Guenter Mittag emphasizes in this context: "The shift to intensification was made. Production growth in 1986 resulted exclusively from increased labor productivity. The trimming of specific material and energy consumption, of production consumption, has become a decisive source of growth."⁶

The shift to comprehensive intensification gave the chance to contemplate new qualitative goals, mainly the all-round application and use of key technologies, the still closer link between science and production.

Finally, it is among the great achievements of the SED to have prepared the working people, ideologically and intellectually, for the new demands. Effective political-ideological party work was as imperative for it as were qualitative developments in education and the further spread of socialist democracy, especially in the sphere of production. It indicates how much has already been accomplished that we concentrate our thoughts today on how and in which way we can best keep in step with the scientific-technical revolution and which contribution the individual and the collective have to make in the contest against time.

The result of such an approach are the many scientific-technical top achievements and the concrete organization of the scientific-technical cooperation with the Soviet Union and the other socialist states, with the experience confirmed in it time and time again that among us economic and scientific-technical progress--in conformity with the unity of economic and social policy--turns into social progress. The housing construction program, unique in GDR history, the centerpiece of the sociopolitical program, demonstrates that as much as does the job security, the increase in take-home pay, and the stable consumer prices for basic necessities and for rentals, tariffs, and services.

The Proven Political Organization of Our Society

The further shaping of the SED's leadership role in all public domains proved an essential prerequisite for social upward development. The SED always met its responsibility of politically directing social development on the basis of a scientific strategy and tactics. It provided the direction and target for the working people's conscious and planned activity. The SED satisfied its leadership role through the activity of its basic organizations and the active, selfless efforts of its members and candidates in resolutely implementing the party decisions.

SED policy aims at deepening the alliance relations between the workers class and the class of the cooperative farmers, the intelligentsia and the craftsmen and tradesmen, and at a closer collaboration still between the SED and the friendly parties and the working people's social organizations.

The program's strategic statements on the development of the social structure and the shaping of the political organization of the developed socialist society are convincingly corroborated in life.

In implementation of these basic lines, a class and social structure has evolved in the GDR that conforms to the shaping of developed socialism. It is marked mainly by that all classes and strata have longterm perspectives in the further shaping of the developed socialist society. Decisive for the relations among them are some basic matters they have in common: the struggle for peace and the interest in a rising material and cultural standard of living and in a stable political and legal order. At the same time we must tap and use still more effectively as impulses for further social progress the existing differences, specific conditions for subsistence and development, and interests and abilities in the various classes and strata. Directly connected with this development is the perspective for cooperative property in agriculture and in crafts and trades as well as also encouraging further the private craftsmen and tradesmen.

The further development of the political organization of the developed socialist society followed the direction indicated in the party program. A decisive element of this process is further strengthening the socialist state as the chief instrument of the workers class and its alliance partners in shaping the developed socialist society, the main trend being the development and perfecting of socialist democracy. Wholly in the sense of its party program the SED lets itself be guided by that socialism and democracy are inseparably united and that the concrete forms for perfecting socialist democracy conform to the specific conditions that characterize our country.

The citizens' participation in managing the state and the economy, diversified in its forms, is increasingly becoming the decisive characteristic of life in our society. As Comrade Erich Honecker put it in his 6 February 1987 speech before the kreis first secretaries: "We have to draw more and more citizens with concrete responsibilities into the management of state and society in following the proven maxim, 'Join the work, the planning, the governing.'" Life is exhibiting constantly again how decisive the consistent implementation of the Leninist principle of democratic centralism is for the successful

cooperation and activity of all organs of socialist state power. We are letting ourselves be guided by the orientation issued in our party program, incessantly to strengthen our workers and farmers state on German soil."⁷

The results achieved in all public domains since the party program was adopted in 1976 are noteworthy. They strengthen the people's trust in the SED's leadership capacity. The unity of party and people, which is to be strengthened incessantly, will also in the future be crucial for implementing the 11th party congress resolutions based on the party program. As the results of the work "make clear, the party, with renewed fighting strength and firmly linked with all the people, is undertaking the continued successful implementation of our 11th party congress resolutions."⁸

FOOTNOTES

1. Comrade Erich Honecker, "Bericht des Zentralkomitees der Sozialistischen Einheitspartei Deutschlands an den XI. Parteitag der SED," Dietz publishing house, Berlin, 1986, p 83.
2. Cf. Manfred Banaschak, "Peace and Socialism--As Programmed by Our Party," EINHEIT, No 4/5, 1986, p 380.
3. Cf. "Protokoll der Verhandlungen des IX. Parteitages der Sozialistischen Einheitspartei Deutschlands," Dietz publishing house, Berlin, 1976, Vol 2, pp 132 ff.
4. "Programm der Sozialistischen Einheitspartei Deutschlands," Dietz publishing house, Berlin, 1976, p 15.
5. Ibid., p 26.
6. Guenter Mittag, "Die Arbeit der Partei zur Verwirklichung der vom XI. Parteitag der SED beschlossenen oekonomischen Strategie," Dietz publishing house, Berlin, 1987, p 7.
7. Erich Honecker, "Die Aufgaben der Parteiorganisationen bei der weiteren Verwirklichung der Beschluesse des XI. Parteitages der SED," Dietz publishing house, Berlin, 1987, p 81.
8. Comrade Horst Dohls, "Aus dem Bericht des Politbueros an die 4. Tagung des ZK der SED," Dietz publishing house, Berlin, 1987, p 78.

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DEFENSE COMMITTEE MEETINGS

Party Organization Role Emphasized

26000781 Krakow GAZETA KRAKOWSKA in Polish 30 Jul 87 p 2

[Text] On 29 July the Krakow Voivodship Defense Committee met, led by Tadeusz Salwa, president of the City of Krakow. The chairman of the Krakow People's Town Council, Apolinara Kozub, participated in the meeting.

The Voivodship Defense Committee reviewed information on organizational structures and an attestation of work attitudes in the voivodship. Work done and activities undertaken were evaluated positively, and it was stated that these will be prolonged and that the neglect of many years resulting from outdated organizational structures and unverified norms and work attitudes will be slowed down. In addition, in some enterprises this process is delayed by a lack of independence, waiting for instructions from above, and a lack of understanding that this process is not a one-time action, but a continual and systematic improvement of structures, as requirements resulting from the needs of economic reform.

The need to strengthen the inspirational role of party and union organizations, worker self-managements, and scientific-technological associations in the area of reformation and improvement of organizational structures was emphasized, in accord with the needs of work places, resulting from resolutions of the PZPR 10th Congress and the second stage of economic reform.

The committee also familiarized itself with the state of harmony, public order, and security in the voivodship.

Fuel Consumption Control Tightened

Gdansk DZIENNIK BALTYCKI in Polish 29 Jul 87 pp 1, 2

[Text] The Voivodship Defense Committee in Elblag met in Malbork for its outgoing meeting. Since one of the subjects was the state of preparedness for the harvest campaign, the members of the Voivodship Defense Committee inspected several WZGS [Voivodship Association of Rural Communal Cooperatives] economic institutions, including stores, being interested in their supply of field articles necessary during intensive work.

It was ascertained that WZGS and GS [Rural Township Cooperative] units are presently well prepared for harvesting, and so with the acquisition of basic food articles and refreshing drinks, bread, canned fish, dairy products, etc., there should be no problem. The entire stock of goods planned was put in place earlier, and during the campaign shop clerks will not worry about them. During this time all vacations would be deferred, too. If on account of a quirk of fate some rural store is temporarily closed, then a mobile sale of most-needed items would be organized promptly for the local people and harvesters. Another very important matter is the thorough preparation of all stations to receive the grain in order to avoid long and exhausting lines, and also to store up the crop while drying it if necessary. Since the so-called storage area in the voivodship is insufficient for the storage in this socialized purchasing center of the approximately 204,300 tons of consumable grain and almost 70,000 tons of coal anticipated, the preparation of supplementary storage space is needed.

Among other things also discussed were matters connected with the sensible conservation of fuel during the harvest campaign. It was stated that this year the limited supplies of fuel for the region are slightly less than they were the previous year, but in case of wetness, adequate reserves are assured. Still, it is necessary to pay close attention to the actual and allocated use of fuel. Control of the release and distribution of fuel coupons is needed. It is noted that from time to time equipment and machines are used for different goals which are not always in agreement with requirements.

The WKO [Voivodship Defense Committee] was informed of the previous effects of activities aimed at combatting speculation, and indications of waste and thriftlessness. Improvement was noted in this area; for example, there are fewer speculation misdemeanors recorded. It was emphasized, however, that the character of speculative items is changing, and at present there is a switch more to scarce manufactured articles and away from foodstuffs.

Youth Patriotic-Defense Education Stressed

Rzeszow NOWINY in Polish 24 Jul 87 pp 1, 2

[Text] Attitudes toward matters of national defense and the fundamental obligation of military service and respect for the flag and other symbols of this type are the essential criteria for evaluating civic attitudes and responsibilities. These values always had and have a high standing in our society, preserving a glorious, many-year tradition. It is also a fact that in some circles there is an attempt to depreciate it, and because of educational shortcomings and overprotectiveness by adults, a scornful attitude toward these questions and hardly any interest in them are observed among some youth. Why, situations sometimes arise where a young person "does not acknowledge" the national flag and cannot behave himself when the national anthem is played, and where his parents try at all costs to recall him from the military.

These unsettling occurrences, although of limited extent, signal shortcomings in the implementation of the educational program in the so-called patriotic-defense education area. Youth associations and paramilitary organizations

have a large field of action in this respect. Actions and initiatives of this character, especially those undertaken by the Rzeszow ZHP [Polish Scout Union] Troop and ZSMP [Union of Socialist Polish Youth] and LOK [National Defense League] aktiws (for example, the defense sports athletic meets, the "Model Citizen--Excellent Driver" tournament, the ideological-educational work connected with troop patrons, and the activity of 94 specialist scout troops) are popular among girls and boys; there is a need to give them greater momentum so that all teachers and educators and other socio-political organizations feel responsible for this work.

So went the basic resolution formulated during yesterday's meeting of the Voivodship Defense Committee in Rzeszow, which dealt with these problems already once before. Participating in the meeting, which was led by the WKO [Voivodship Defense Committee] chairman, voivod Henryk Ficek, were PZPR KW [Voivodship Committee] First Secretary Franciszek Karp, WK SD [Democratic Party Voivodship Committee] Chairman Jan Switka, ZSL WK [United Peasant Party Voivodship Committee] Vice President Andrzej Kwasny, and representatives from youth associations, LOK [National Defense League], and the school superintendent's office.

Among other things mentioned was the need for increased organization of mass entertainments for popularizing these subjects (shooting matches, model-building and carting competitions, air shows, etc.) and the creation of a suitable technical base for this through greater use of social resources and strengths. In view of this, closer coordination of activities and greater integration of ventures implemented through youth organizations are necessary.

During yesterday's meeting, the WKO also heard about the effects of controls carried out in enterprises and institutions in the Mielec and Lezajsk districts concerning the performance of tasks having to do with national defense, improvement of civil defense preparedness, defense of these institutions, and defense of state and official secrets.

Industrial Productivity Problems Analyzed

Katowice TRYBUNA ROBOTNICZA in Polish 31 Jul 87 pp 1, 8

[Text] At the Oswiecim Chemical Plant yesterday the outgoing meeting of the Voivodship Defense Committee was held, in which the main subject was usage of work time in Bielsko Biala Voivodship industry, with particular regard for the situation in the Oswiecim Chemical Plant.

Vice Premier Zbigniew Szalajda took part in the meeting, which was conducted by chief of the Voivodship Military Headquarters Col Czeslaw Mieszczak, on authority of the Bielsko Biala voivod, WKO [Voivodship Defense Committee] Chairman Stanislaw Luczkiewicz (present at the meeting).

According to data compiled by the Voivodship Statistical Office, the nominal working time per worker in an industrial or developmental group was 2,127 hours in 1986, and was less than in 1979 by 118 hours, or 5.3 percent. This is mainly a result of introducing free Saturdays. From 1979 to 1986 there was also a

decrease in the amount of time worked during normal hours with a simultaneous increase in overtime hours worked (up 65.9 percent) and a 6.8 percent increase in time not worked. Among the more important enterprises, those receiving a lower average (79.6) percent index of nominal working time usage were FSM [Compact Car Factory], Bielska Dzianina, Rytex, Bielkon, Befado, ZML Kety, Lenko, Kentex, Krepol, and several others. On the average, a worker missed 242 working hours in 1986, while in 1979 this index was 226 hours.

Time not worked continues to be a large reserve in the production process. Analysis of the use of machines and equipment installed in Bielsko Biala Voivodship industry also shows it to be very unprofitable.

In comparing indices attained by the Chemical Plant with voivodship indices, one can say that in the Oswiecim plant there exists a lot of reserves. At ZChO [Oswiecim Chemical Plant] there is more time lost per worker because of illness than in Bielsko Biala Voivodship, and more total time not worked.

ZChO Director Jan Babiarz, analyzing the problems of the enterprise in detail, drew attention to the fact that many problems result from the continuing fall in employment and the obsolescence of personnel, which also is conspicuous in the level of technical competence of the workers. Wages at ZChO cannot compete with those in the nearby mines, which absorb work-force resources in the Oswiecim region. A consequence of this is incomplete utilization of equipment. There is also a problem here in the supply of raw materials for production, both of domestic origin and imported. However, hard currency opportunities also pose a barrier, since after recent changes in rules concerning ROD's [retained hard currency earning allowance] are too small in relation to needs. Currently, and still more in the context of planned and implemented investments, central decisions permitting significant raises in pay (this would increase the attractiveness of working at ZChO) and increasing the limit on hard currency earnings would be necessary for improving the situation at ZChO and would have an impact on many branches of domestic industry.

The directors of FSM [Compact Car Factory], the High-Compression Motors Plant in Andrychow, the Non-Ferrous Metals Plant in Kety, and Cast-Iron Foundries in Wegierska Gorka also discussed problems raised by the subject of the meeting. Concluding the discussion in this part of the meeting, Vice Premier Zbigniew Szalajda emphasized that it is impossible to implement individual decisions incompatible with the general principles binding industry with the whole country. Moreover, these decisions would be ineffective in the long run. In planning economic ventures, it is necessary to reverse the line of thought based on accepting existing realities and conforming to them through introducing modern technology as widely as possible. It must assure an increase in production and improve working conditions through real opportunities in the job market.

Based on the material presented and conclusions drawn from the discussion, the WKO [Voivodship Defense Committee] passed a resolution specifying action in the industry of the region ment to improve the indices of work time, labor, machine, and equipment usage, especially at ZChO [Oswiecim Chemical Plant].

Participating in the meeting were PZPR KW [Voivodship Committee] secretary Franciszek Strzalka, the vice-minister for metallurgy and machine industry Gen Div Jerzy Modrewski, WRN [Voivodship People's Council] Chairman Jan Knycz, WK SD [Democratic Party Voivodship Committee] Secretary Aleksander Jura, and Oswiecim city authorities.

APPOINTMENT, REMOVAL OF GOVERNMENT OFFICIALS

Bucharest BULETINUL OFICIAL in Romanian Part I No 43, 1 Oct 87 p 2

[Excerpts] The President of the Socialist Republic of Romania decrees:

Article 1. Comrade Decebal Urdea is appointed chairman of the State Committee for Prices and is relieved of his position as deputy minister of finance.

Article 2. Comrade Barbu Petrescu is appointed minister state secretary in the State Planning Committee.

Article 3. Comrade Gheorghe Cazan is relieved of his position as minister state secretary in the Ministry of Foreign Trade and International Economic Cooperation.

Article 4. Comrade Constantin Stanca is appointed minister state secretary in the Ministry of Foreign Trade and International Economic Cooperation and relieved of his position as deputy minister of foreign trade and international economic cooperation.

Article 5. Comrade Mihai Paraluta is relieved of his position as deputy chairman of the State Planning Committee.

Article 6. Comrade Ilie Salapa is appointed deputy chairman of the State Planning Committee.

Article 7. Comrade Gheorghe Paraschiv is relieved of his position as deputy chairman of the Higher Court for Financial Control.

Article 8. The following comrades are appointed deputy ministers of foreign trade and international economic cooperation:

--Gheorghe Paraschiv
--Gheorghe Badita

Article 9. Comrade Dumitru Alecu is appointed deputy minister of the heavy equipment industry.

Bucharest, 29 September 1987
No 170

Nicolae Ceausescu
President of the Socialist Republic of
Romania

BRIEFS

GOVERNMENTAL PERSONNEL CHANGE--The President of the Socialist Republic of Romania decrees that Comrade Ion Bucur is relieved of his position as first deputy chairman of the Council for Economic and Social Organization. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 40, 18 Sep 87 p 3] /8309

DOLJ COUNTY CHAIRMAN'S APPOINTMENT--The President of the Socialist Republic of Romania decrees that Comrade Matel Gheorghe is delegated to fill the position of chairman of the Executive Committee of the Dolj County Peoples Council. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 35, 1 Sep 87 p 20] /8309

NEW CHAIRMAN FOR COMPETITION COUNCIL--The Council of Ministers of the Socialist Republic of Romania decrees that Comrade Ion Georghe is relieved of his position as chairman of the central commission for socialist competitions among the peoples councils of the counties, of Bucharest Municipality, of the municipalities, of the sectors of Bucharest Municipality and of the cities and communes. Comrade Petre Danils, deputy chairman of the Committee for Peoples Councils Problems, is named chairman of the central commission for socialist competitions among the peoples councils of the counties, of Bucharest Municipality, of the municipalities, of the sectors of Bucharest Municipality and of the cities and communes. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 40, 18 Sep 87 p 3] /8309

TELEORMAN, TULCEA COUNTY APPOINTMENTS--On the basis of Article 97 of Law No 57/1968 on the organization and operation of the peoples councils, the President of the Socialist Republic of Romania decrees that Comrade Constantin Ioan Deaconu is delegated to fill the position of chairman of the Executive Committee of the Teleorman County People's Council and Comrade Gheorghe Nicolae is delegated to fill the position of chairman of the Executive Committee of the Tulcea County People's Council. [Excerpts] [Bucharest BULETINUL OFICIAL in Romanian Part I No 38, 8 Sep 87 p 2] /8309

CSO: 27000009

DRAFT LAW ON NON-AGRICULTURAL COOPERATIVES PUBLISHED

24000001a Prague RUDE PRAVO in Czech 11 Sep 87 Supplement pp 3-4

[Preamble to Draft Law on Non-Agricultural Cooperatives]

[Text] Czechoslovak production, consumption, and housing cooperatives (further, "cooperatives") form an integral part of the economic and social system of the Czechoslovak Socialist Republic.

Next to state enterprises, cooperatives represent one of the fundamental elements of the integrated Czechoslovak economy, an element capable of satisfying the diverse needs of individual citizens and society by utilizing the versatility inherent in smaller organizations and by linking the interests of their members with the results of their activity.

The 17th Congress of the Communist Party of Czechoslovakia has affirmed the importance of the long-range objectives of cooperatives. It has spelled out the requirement that cooperatives intensify their participation in the effort to satisfy the citizens' needs as well as those of society, that they, in particular, participate in the development of special, customer-oriented, and complementary productions, of standard and also highly specialized services, of commerce, travel, new housing construction and housing management.

Implementation of the strategy of speeding up the social and economic development of the Czechoslovak Socialist Republic, as it has been defined by the 17th Party Congress, demands that cooperative activity unfold in a wider frame.

Restructuring of the mechanism of socialist economy--which is the basis of social wealth and of material, social and cultural progress--is the crucial instrument for tapping the creative potential of the nation. It is necessary, in this regard, to exploit all forms of socialist ownership, whether social or cooperative, as well as the spirit of socialist entrepreneurship and of individual work enthusiasm. All such forms require that conditions be created suitable to their progress, that competition with foreign manufacturers be fostered, along with competition with state and community enterprises, with cooperatives and privately producing individuals--all this in the interest of an improved satisfaction of needs, enrichment of the domestic market, and promotion of services.

The Czechoslovak production, consumption and housing cooperatives are concerned with utilizing, as soon as possible and as effectively as possible, the entire considerable potential, means, labor and energy of their more than four-million strong membership which is resolved to go the road of creating additional cooperatives, developing them and utilizing their social impact. They are committed to the furthering of the political-educational activity among their members and enlisting them in the effort to implement the political program of the Communist Party of Czechoslovakia and of the National Front, to engage in social and public work, and to strengthen socialist relationship among individuals.

It is desirable--in accord with the need of accelerating the social-economic development by means of intensifying and raising work productivity in all areas in which our socialist society is active--to spell out, by way of a law, the basic economic and social mission of the production, consumption and housing cooperatives. That means to spell out the legal standing of cooperatives, their organization, and rules governing the use of cooperative socialist property for the purpose of satisfying the needs of members, the population at large, and organizations, always in line with the policies of the Communist Party of Czechoslovakia and of the socialist state.

In all these relations, it is desirable to take advantage of the fact that cooperatives' members, in their role of producers and suppliers of services, of organized consumers and reconstruction organizers, of users and managers of cooperative housing, are directly involved in these activities and that they engage in them while enjoying the advantages of cooperative autonomy.

The draft law issues from the draft law on state enterprises and from the draft law on agricultural enterprises, including their specific provisions.

The draft incorporates emphasis on equality in status of the cooperatives as compared with state enterprises and other socialist organizations. It assumes maximum participation of cooperatives both in the creation of forecasts, conceptual schemes, long and short-range plans for the development of the national economy, and in their implementation in accord with the needs of members, citizens, and organizations. This should give the cooperatives an opportunity to tap more fully their material resources as well as the work potential of their members, with a view to enrich the domestic market and to develop services.

The draft also stresses the leading role of the Communist Party of Czechoslovakia. A resolute affirmation of this role safeguards that the decrees of the highest party authorities concerning the cooperatives are fulfilled, and that members' interests, as well as those of cooperative collectives, are in harmony with the interests of society.

Czechoslovak production, consumption and housing cooperatives relate the idea of restructuring the economic mechanism with the idea of continuous development within the framework of the strategy of accelerating the restructuring of society.

The draft is based on the assumption that all activities of the cooperatives and by the cooperative organizations stem from the long-range economic and social program of the Czechoslovak Socialist Republic, from the state plan for the development of the national economy in specific time intervals, and from the policies by means of which the state guides the progress in the particular areas of social activity--which includes the guidance of production, consumption, and housing cooperatives by means of economic instruments, by laws, and by universally binding legal decrees.

Along with this assumption, the draft is based on the requirement that cooperatives anchor their activities in the principles of socialist entrepreneurship and economic competitiveness in such a way as to satisfy the needs of their members, other citizens, and socialist organizations most effectively and most economically.

Furthermore it is assumed that cooperatives will react with flexibility to newly arising needs of citizens and organizations, and that they will make full use of their independence, cooperative self-administration and self-financing, as well as of *khozraschet* and its implementation within the cooperative.

The draft specifies rules for establishing, changing and dissolving a cooperative, and for its liquidation. In view of the fact that national committees, which are responsible for the overall development of a region, have a special interest in making use of the cooperatives' activity for satisfying the citizens' needs, the draft anticipates that the appropriate national committee will express its views when a cooperative is to be established.

The draft contains the most important basic points which must be included the statutes of a cooperative, especially matters concerning membership, members' rights and responsibilities, and regulations concerning the functionaries of the cooperatives.

The proposal of how to set up the management of a cooperative is spelled out in more detail, especially detailed is the formulation of its economic plan, its financial resources, and the creation of its assets.

The draft emphasizes the duty of a cooperative to introduce findings of science and technology into its operations. This is related to the duty of a cooperative to modernize on an on-going basis and reconstruct its technical equipment and to utilize various ways of combining science with production.

The draft contains directives concerning assets and setting-up of prices, directives which are in line with the principles of the restructuring of the economic mechanism.

It is desirable for the cooperatives and other cooperative organizations to be able, within prescribed conditions, to participate in economic activity abroad.

The draft gives careful attention to the urgent need to protect the environment and spells out the cooperatives' duties as regards active participation in the environment's creation and protection.

In view of the fact that cooperatives may hire workers, it is necessary to regulate their legal labor status in the same way as with other organizations. The draft assumes that cooperatives will make use of the expertise of the workers in cooperative organizations, of workers in social organizations, especially the Revolutionary Trade Union Movement and the Socialist Youth Union, and that they will heed their suggestions and comments.

The draft directs cooperatives to cooperate with the national committees in the interest of the comprehensive economic and social development of the regional sectors. They will cooperate also with other groups and organizations.

The draft specifies the activity of individual types of cooperatives, that is, those in production, consumer goods and housing, and makes use of those of their up-to-date experiences which have proved successful, but assumes that there may arise new needs for new types of cooperative activity, and that they may call for the establishment of new cooperatives.

The draft issues from the fact that the basic unit is the cooperative and that it is the cooperatives themselves which establish, within the Czech and Slovak socialist republics and within the framework of cooperative autonomy, unions of cooperatives that are set up according to the type of their activity. The task of the cooperatives' unions is to aid the member unions professionally, to coordinate their activity, to work out conceptual proposals for the development of individual activities of the cooperatives, and to create viable conditions for their realization. The cooperatives' unions will deal with issues the member cooperatives have in common and, on such issues, will represent them externally, especially in their relationship to the authorities of the Czech and Slovak socialist republics. They will put together their mutual special-purpose funds. The cooperatives' unions will ensure planned utilization of all resources which are allocated through them by the state to the cooperatives. The draft formulates basic points which will form the substance of the statutes of the cooperatives' unions, especially the activity and jurisdiction of their organs, including the control function.

The draft views the Central Council of Cooperatives as the supreme organization of the cooperatives, whose members are the cooperatives' unions. The task of the Central Council of Cooperatives is to create favorable conditions for the overall development of the cooperatives, to coordinate activity of the cooperatives' unions, and to ensure the exchange of experience and information between unions.

The Central Council of Cooperatives represents the cooperatives in external matters. It deals with mutual issues of cooperative organizations and, in such matters, represents them, especially vis-a-vis the authorities of the Czechoslovak Socialist Republic. The Council is the representative of the cooperatives in the area of foreign relations.

The draft gives the Central Council of Cooperatives the right to organize the foreign trade of the cooperatives, in so far as it is not carried out directly by the cooperatives.

The draft sets up, as it does for the cooperatives' unions, the basic points which will become the substance of the statutes of the Central Council of Cooperatives.

The draft recognizes the right of the cooperatives and of cooperative enterprises to combine their resources and activity. The draft sets out the rules for the establishment, activity, and dissolution of such associations.

DRAFT LAW ON PRODUCTION, CONSUMER, HOUSING COOPERATIVES

24000001b Prague RUDE PRAVO in Czech 11 Sep 87 Supplement pp 5-11

[Text] Production, consumer and housing cooperatives (hereafter cooperatives) are an important part of the economic and social system of the CSSR and play a significant role in its economic and social development. They assist in augmenting the wealth of socialist society and the achievement of its major objective, which is the ever increasing satisfaction of the material and psychological needs of the people and increasing their standards of living. Through their political education, cultural and social activities cooperatives contribute to the development of socialist social relations.

Cooperatives fulfill their role in line with the economic and social program of the CPCZ. The party organizations active within cooperatives are the political core of member collectives and coordinate the efforts of all employees toward the fulfillment of cooperative objectives in accordance with the interests of society. Through their economic operations and social programs cooperatives contribute to the implementation of the policies of the CPCZ, the National Front, and the socialist state. They implement the state plan for economic and social development and participate in satisfying the needs of the general public. Cooperatives are based on principles of internal cooperative democracy and cooperative self-administration. In the interest of developing an environment for the full exploitation of the potential of cooperatives, increasing their role in the acceleration of the socio-economic development of the CSSR and the increase in the living standards of our people, the following law is proposed:

Part I. General Provisions

Section 1 Purpose of the Law

- (1) The purpose of this law is to codify the standing and legal position of cooperatives as equal participants in the economic and social system of the CSSR.
- (2) This law codifies the standing and position of cooperatives, unions of cooperatives, and of the Central Council of Cooperatives.

Section 2. The Mission of Cooperatives

(1) The operations of cooperatives are based on the program of the CPCZ, which establishes the goals of socio-economic development for our society, and the means and resources needed to achieve these goals. The economic operations and social programs of cooperatives contribute to the implementation of the policies of the CPCZ, the National Front, and the socialist state, and to meet the needs of our citizens and of the socialist society.

(2) Cooperatives mainly provide:

- a) the production of consumer goods, production of custom goods, repair and other services to the public and organizations, the growth of artistic trades, as well as effective cooperation with state enterprises at the national level.
- b) services in the areas of retail trade, public cafeteria operations, travel services, supplementary foodstuff production, and the procurement of certain agricultural and forest products.
- c) organizing preparations for construction, handling the construction project itself, operating the completed housing facility and developing the services needed for full time occupancy;
- d) other activities and services to meet the needs of the public and the national economy.

(3) Cooperatives involve individuals with altered work abilities in the work process.

(4) In their social operations cooperatives support the work initiatives of members and employees and depend on the activities of their social organizations. They conduct political education, cultural and social programs.

(5) Cooperatives try to facilitate a systematic increase in the political and professional knowledge of their members, to improve their living and working conditions and social environment consistent with the possibilities offered by the cooperative's economic performance. In cooperatives where the Revolutionary Trade Union Movement is active, the cooperative management works in close conjunction with it.

Section 3. Cooperative Property

(1) The property of cooperatives, unions of cooperatives and the Central Council of Cooperatives is defined as the things and property rights acquired by the cooperative during its founding and ongoing operations. All property is under cooperative socialist ownership.

(2) Cooperatives, unions of cooperatives, and the Central Council of Cooperatives manage all their own property. They are responsible for protecting it, enhancing it increasing it and utilizing it efficiently and purposefully.

Part II. The Cooperative

Section 4

The cooperative is the basic unit of the cooperative program.

Section 5. Position of the Cooperative

(1) A cooperative is an independent socialist organization in which citizens and in some cases organizations merge their talents and resources

in order to better satisfy their own needs as well as those of other citizens and organizations in line with the interests of a socialist society.

[2] Through its political education, cultural and social programs a cooperative contributes to the development of socialist social relationships.

(3) A cooperative is an independent legal entity.

Section 6. Cost-Accounting and Self-Finance

A cooperative conducts its operations on the basis of full cost-accounting and self-financing. It manages its own resources and covers costs from its own revenues. A cooperative bears responsibility for the results of its management. Economic performance determines compensation levels for members and employees.

Section 7. Cooperative Self-Administration

Cooperatives operate on the basis of cooperative self-administration. Cooperative members make decisions on all matters related to the cooperative, participate in controls of the fulfillment of adopted resolutions, and elects the officials of the cooperative.

Section 8. Socialist Legality

Cooperatives operate in accordance with laws and generally valid legal regulations. They respect the interests of the state, the rights of citizens and their social organizations, and may not place their own interests over those of the society.

Section 9. Independence of Cooperatives

(1) There may be intervention in the affairs of a cooperative only under conditions and in ways specified by this law and generally valid legal regulations.

(2) A state agency that causes material harm through intervention in the affairs of a cooperative is required to compensate the cooperative for them.

(3) If a cooperative causes material harm to the state or another organization through its operations it is required to compensate that entity for the damage to the required extent.

Section 10. Cooperation among Cooperatives

Cooperatives may cooperate with each other in the conduct of economic and social programs if such cooperation will enhance their mutual ability to provide for their requirements and the demands of socialist society. With this in mind they may also cooperate with state enterprises and other organizations.

Part III. Establishment and Disbanding of Cooperatives

Establishment of Cooperatives

Section 11.

A cooperative may be established by incorporation, merger, or division.

Section 12,

The incorporation of a cooperative requires:

- a) a statement of intention by a group of citizens to engage in operations under this law, with a minimum number of ten required;
- b) approval of statutes and election of cooperative offices, establishing the member meeting of the cooperative;
- c) a statement of acceptance from the national committee governing the territory where the cooperative proposes to be located, and a recommendation of the union of cooperatives;
- d) an entry in the enterprise register. The application for an entry must include the day on which the cooperative is to be entered into the enterprise register, and attached to the application must be the resolution of the member meeting establishing the cooperative, the cooperative statutes, a list of the members elected to the statutory offices, the statement of acceptance from the national committee and the recommendation from the union of cooperatives.

Section 13. Cooperative Statutes

(1) Cooperative statutes must contain mainly:

- a) the name and headquarters of the cooperative, with the name making it clear that this is a cooperative;
- b) a statement of the main activity of the cooperative;
- c) regulations governing the establishment and termination of membership, and the rights and responsibilities of members.
- d) the amount of a member share, or the basic membership contribution, the way that it must be paid and how accounts are squared away when membership terminates, as well as what will be done once the cooperative disbands.
- e) offices of the cooperative, means of election to them, their authority and rules of order, the length of terms;
- f) principles of management, with special attention paid to division of profits and sharing of any losses;
- g) detailed statutes governing the disbanding, merging, or subdividing of a cooperative.

(2) The member meeting of the cooperative approve the statutes and any changes to them.

Section 14. Disbanding a Cooperative.

(1) A cooperative may be disbanded either to merge with another cooperative, be divided up, or to be terminated.

(2) A cooperative disbands:

a) by resolution of the member meeting concerning merger, division, or termination, following prior consultations with the union of cooperatives and the national committee in whose territory the cooperative has its headquarters;

b) by decision of the appropriate state agency, in the event a cooperative is not fulfilling its mission under this law.

(3) When a cooperative is divided all members, property, rights and obligations of the divided cooperative are transferred to the newly established cooperatives.

(4) When a cooperative merges with another one the members, property, rights and obligations of the disbanding cooperative are transferred to the cooperative with which it is merging.

(5) When terminating a cooperative the cooperative goes into liquidation; this involves naming the liquidators and establishing a means of liquidation. The entry into liquidation is entered into the enterprise register. Entry of the liquidators in the enterprise register terminates the functioning of the offices of the cooperative. The task of the liquidators is to close down the operations of the cooperative, put its affairs and obligations in order, and to return shares to the members to the extent that these shares have not been needed to settle accounts.

Section 15. Notification Responsibilities

The cooperative that has acquired the property and obligations of a disbanded cooperative is required immediately to notify organizations affected by the disbanding of the cooperative. When a cooperative is being liquidated this is the job of the liquidators.

Section 16. When Disbanding Takes Effect

The legal consequences of disbanding a cooperative commence of the day the cooperative is deleted from the enterprise register.

Part IV. Members and Employees of Cooperatives

Section 17. Cooperative Membership

(1) Members in a cooperative may be citizens and, in some cases organizations if cooperative statutes permit this.

(2) Membership in a cooperative is voluntary.

Section 18. Member Rights

(1) Members have these rights;

a) to participate actively in the administration and management of the cooperative, to participate directly or through elected officials in decision making on cooperative matters, and to monitor cooperative activities;

b) to elect and be elected to offices of the cooperative; in cases where the cooperative member is itself an organization it has the right to name its representative to these offices;

c) share in the results of cooperative operations;

d) in cooperatives where a job description is part of membership a member has the right to work under the agreed upon conditions and to receive compensation commensurate with the results of the work performed; to participate in medical and social security programs.

Section 19. Responsibilities of Members

Members have these responsibilities:

a) comply with statutes and adhere to decisions of cooperative officials;

b) acting in a way that actively and creatively contributes to fulfilling the tasks and facilitating the development of the cooperative;

c) protecting, augmenting and improving cooperative property;

d) in cooperatives where a job description is part of membership, working under the agreed upon conditions;

e) provide guarantees against potential cooperative losses in the manner set forth in the statutes;

f) fulfill all other responsibilities of a property nature that are involved in membership.

Section 20. Cooperative Employees

(1) To facilitate the completion of its tasks a cooperative may hire employees who are not members of the cooperative.

(2) In its operations a cooperative must utilize the experiences, professional skills and creativity of all its employees and social organizations, and especially of the Revolutionary Trade Union Movement [ROH] and Socialist Youth League [SSM].

Part V. The Offices of a Cooperative

Section 21. Cooperative Offices and The Decision Making Process

(1) Members manage and administer a cooperative either directly or through elected cooperative offices.

(2) Cooperative Offices are:

a) the member meeting;

b) the board of directors;

c) the control commission;

d) other offices according to cooperative statutes.

(3) The term of office for elected cooperative officials is five years, unless the statutes specify a shorter period.

(4) These official cooperative groups are authorized to make decisions with two-thirds of their members present. Resolutions may be adopted by a simple majority vote of those present.

Section 22. The Member Meeting

(1) The highest office of the cooperative is the member meeting. If the size of the cooperative makes it unrealistic to convene a member meeting the statutes may provide that the tasks of the member meeting are to be carried out by an assembly of delegates elected by cooperative members.

(2) The board of directors convenes the member meeting as needed, but at least once a year.

(3) The member meeting makes decisions about all important cooperative affairs, including:

a) adoption and changes to statutes;

b) the election and recall of board of director members and members of the control commission, as well as the means of election of all officials;

c) discusses and approves reports of the board of directors and control commission related to cooperative operations;

d) approves the economic plan of the cooperative, the formation of funds, the year end accounting figures, and makes decisions about the disposition of profits and how to deal with potential losses;

e) decisions related to appeals and complaints related to board of director and control commission resolutions;

- f) approval of any consolidation plans for the cooperative;
- g) decisions concerning the disbanding, merger, or division of the cooperative.

Section 23. Board of Directors

(1) The board of directors is the executive and statutory office of the cooperative. It manages cooperative operations and makes decisions on matters that are not the province of their offices. It implements decisions of the member meeting, reports to the member meeting on its activities and provides written reports periodically.

(2) The board of directors elects from its members a chairman who organizes and manages the activities of the board and the cooperative, as well as other functionaries. The board determines the method of election.

(3) Statutes determine the ways in which the board of directors deals with external affairs; when there is a legal action in a prescribed written form that must be executed by the board, signatures of two board members are required.

Section 24. The Control Commission

(1) The control commission is the control office of a cooperative. It monitors compliance with cooperative statutes, the implementation of member meeting resolutions, board decisions, and overall cooperative management. It submits an opinion concerning the year end accounting figures and on proposals for distributing the profits or covering the losses of the cooperative.

(2) The control commission elects a chairman from its ranks; the means of election are decided upon by the commission.

Section 25. Offices in Small Cooperatives

In cooperatives with small memberships the statutes may provide that the functions of board of directors and control commission be carried out by the members meeting, which will also elect a chairman and other functionaries directly from its ranks.

Part VI. Economic and Social Operations of Cooperatives

Section 26. The State Plan

Through economic policy and planned national economic development the state establishes the environment within which cooperatives must operate. The state facilitates their effective growth, supports their economic initiatives and their programs to meet the needs of members and the society as a whole.

Section 27. The Economic Plan

(1) The cooperative sets an economic plan as the fundamental mechanism for guiding its operations.

(2) The economic plan provides for implementing the objectives of the state plan; it is supported by contracts, customer orders, market research findings, and internal cooperative objectives. The plan must comply with existing constraints and standards, and respect both the public interest and the needs of territorial units.

(3) In compiling the economic plan the cooperative exploits useable funds and facilities, applicable R&D results, progressive standards for labor consumption, raw materials, materials, energy and fuels, lays the groundwork for reductions in production costs, increased labor productivity and disposable profits.

(4) A cooperative establishes its economic plan with the broad participation of all members and employees. All members and employees then must also play an active role in the fulfillment of the designated objectives and controlling progress towards them.

Section 28. Contracts

Consistent with the interests of suppliers and customers the cooperative signs contracts for deliveries of products, labor, and services.

Section 29. Socialist Entrepreneurship

(1) A cooperative operates under the principles of socialist entrepreneurship and economic competition with no territorial limitations. Its overriding objective is always to meet the needs and requirements of its members, other citizens and the socialist society as a whole in the most efficient, cost-effective and highest quality manner possible.

(2) A cooperative provides an environment with full incentives for its members and employees.

Section 30. Year End Accounting Figures

Cooperatives are required to compile year-end accounting reports.

Section 31. Financial Resources

(1) The financial resources of a cooperative include entrance fees, shares, member contributions, revenues from cooperative operations, loans and other revenues.

(2) A cooperative uses its revenues first of all to discharge its obligations to the state (transfer payments, taxes, fees, etc.), to pay off any outstanding loans, and to make contributions to the funds it has established.

(3) Disposable net revenues (profits) are the exclusive property of the cooperative and may be used as the cooperative sees fit.

(4) The state may support a cooperative by providing specifically targeted subsidies, or other advantages to facilitate the attainment of state socio-economic objectives. It may transfer certain state property into temporary or permanent ownership of the cooperative, or provide other assistance on a case by case basis.

Section 32. Wages and Compensation

Cooperatives generate wages payable resources based on their economic performance. They compensate members and employees based on performed work and in line with generally valid wage regulations. It should reinforce the role of those components of wages and bonuses that reflect the true merit of the contribution of individuals and collectives to final cooperative performance.

Section 33. Funds

(1) A cooperative forms funds to finance comprehensive capital replacement, to finance expenditures on cooperative social programs, to finance essential unplanned requirements and expenditures, to defray economic risk, and for other potential purposes.

(2) Balances in cooperative established funds may be carried over from year to year without restriction.

Section 34. Socio-Economic Information

Cooperatives are required to maintain and provide to designated agencies socio-economic information as defined by generally valid legal regulations.

Section 35. Internal Cooperative Organization

Cooperatives are divided internally into organizational units. These divisions are based on individual cooperative circumstances and depend on available labor, cooperative objectives, size, level of specialization, concentration, and how operations may be combined.

Section 36. R&D Work

(1) The practical application of R&D findings is a major objective of cooperatives.

(2) Cooperatives must operate with a view to improving constantly the technical sophistication and competitiveness of its products, the quality of its labor and services, to meet the growing needs of its customers and the socialist society.

(3) Cooperatives are required to explore various ways of combining research with production in order to speed up and intensify R&D progress.

Section 37. Product and Service Quality

(1) A primary responsibility of a cooperative as well as a precondition for its further economic and social growth, and for meeting future needs of society, is an orientation to increasing the quality of its products, labor, and services.

(2) Cooperatives are required to provide spare parts, service and maintenance for their products.

Section 38. Materials and Equipment Resources

(1) Cooperatives are responsible for obtaining the materials and other items needed for their product line and other activities. They may cooperate with other organizations to accomplish this but the end result must be the effective conduct of their economic operations and social programs, and the cost-effective management of all resources and inventories.

(2) Cooperatives must organize their supplier network with this objective in mind and plan their deliveries with a view to optimizing the movement of products, raw materials and work in progress. In specific instances cooperatives may deal with its supplier network in cooperation with specific central agencies.

Section 39. Prices

(1) Cooperatives propose or set the prices for their products, labor and services in accordance with the principles of state pricing policy. As

long as these principles are observed a cooperative may set negotiated prices with suppliers or consumers, or may deviate from established prices.

(2) When setting prices cooperatives are required to document their economic justification.

(3) Cooperatives bear full responsibility for compliance with state price management regulations.

(4) Profits obtained by a cooperative through violation of pricing regulations is unjustified material gain. The cooperative must return the amounts in question either to the entity concerned or to the state budget.

Section 40. Foreign Economic Operations

A cooperative may be granted the right to engage directly in foreign trade. This right is granted under standard legal regulations.

Section 41. Cooperative Participation in Territorial Socio-Economic Development

(1) Cooperatives cooperate with national committees and participate in the socio-economic development of their respective territorial areas. Cooperative operations must respect national committee decisions. Cooperatives must cooperate with other state agencies.

(2) Cooperatives are responsible for the efficient utilization and renewal of natural resources needed to carry out their objectives. They must protect the environment from harmful influences and organize their operations in a way that minimizes their impact on the environment.

(3) Cooperatives must provide, within the realm of their operations, for the full use of mineral, water, and other natural resources, make efficient use of agricultural and forest lands, and allocate their own resources to measures protecting all aspects of the environment.

(4) Cooperatives must budget for facilities for environmental protection and provide for their ongoing operation as part of any projects that involve the expansion, rebuilding or modernizing of production facilities or other construction projects.

(5) Cooperatives must work in close conjunction with the appropriate national committees when implementing any measures related to environmental protection or when exploiting any natural resources.

(6) Cooperatives must pay any and all fees connected to the use of natural resources.

(7) Under current laws a cooperative must pay compensation for any environmental damage that may arise from its operations.

Section 42. Training and Development for the Work Force

(1) Cooperatives must provide for the professional training and education of its work force. It must offer comprehensive support and assistance to schools and educational facilities, above all related to the modernization of training curricula for future occupations, obtaining the necessary equipment, and increasing the sophistication of trainee work skills.

(2) Unions, with active cooperative support, carry out all tasks connected to professional training and education of apprentices in cooperative secondary trade schools.

Section 43. Control.

Only those offices empowered to do so by law may engage in control functions within a cooperative.

Section 44. Consolidation Programs

(1) In the event that a cooperative proves unable to fulfill its functions under this law a consolidation program must be formulated.

(2) A cooperative formulates a consolidation program with input from the member meeting, the union of cooperatives, the Czechoslovak State Bank, and other partners that have participated in the operations of the cooperative.

(3) A consolidation program is a set of economic, financial, organizational and other measures designed to renew the ability of a cooperative to perform its legal functions.

(4) A cooperative is required to fully implement a consolidation program within the time frame allotted for this procedure.

(5) If a cooperative does not succeed in implementing the consolidation program then it will be disbanded under the provisions of Section 14.k of this law.

Part VII. Types of Cooperatives

Section 45.

Under this law cooperatives are defined to include production cooperatives, consumer cooperatives, housing cooperatives, and other cooperatives engaged in the satisfaction of the needs and interests of citizens and socialist organizations.

Section 46.

(1) Production cooperatives are engaged in the production of consumer goods, custom production items, maintenance and other services for citizens and organizations, production related to the trades, crafts, and fine arts, and other production for domestic and foreign markets.

(2) Production cooperatives may engage in retail operations in their own network of sales outlets and showrooms.

(3) Production cooperatives are responsible for their own equipment and facilities base and make use of local raw materials and materials.

(4) Production cooperatives employ citizens with altered work capabilities in their operations.

Section 47.

(1) Consumer cooperatives provide services in the area of retail trade, public eating places, housing, travel and recreation, and are responsible for the accessibility, quality, and sophistication of these services.

(2) Consumer cooperatives are responsible for developing the equipment and facilities base to support increases in services for the public and socialist organizations. They operate their own wholesaling operations and engage in foodstuff and other production activities related to their main businesses.

(3) Consumer cooperatives also procure agricultural products and free growing crops raw materials and homemade articles, as well as other items that will improve and expand upon the services they offer to the public.

Section 48.

(1) Housing cooperatives participate in improving and expanding the housing stock and in the development of services related to housing. The main objectives of housing cooperatives is the preparation and conduct of apartment construction in cooperative housing projects and the construction of single family houses, the rebuilding and modernization of housing property, building garages, maintenance and repair centers, and other non-residential facilities related to housing. These cooperatives handle the operation and administration of cooperative housing projects, their maintenance and upkeep. They assist in assuring that the use of apartments, houses, and common areas complies with the rules of socialist living. They provide services connected with residence and perform service for a fee to socialist organizations as well.

(2) Within the context of cooperative housing construction, housing cooperatives also handle cooperative construction of apartments, single family houses and garages and the sale of these facilities to individual citizens.

(3) These cooperatives also produce materials, construction components, some equipment, products and activities related to apartment construction. They are also involved in the modernization of older apartments and in the expansion of residential services.

Section 49.

Other types of cooperatives may provide various other services to citizens, cooperatives and other socialist organizations. These include, inspection and accounting services, software development, planning and execution of capital construction, legal services for cooperative organizations, etc.

Part VIII. Unions of Cooperatives

Section 50.

(1) Cooperatives join unions of cooperatives to better provide for their own growth in line with the interests of society, to enhance mutual cooperation as well as cooperation with other economic and social organizations.

(2) The establishment of a union of cooperatives requires a resolution of a congress in favor of such a union, the adoption of statutes, and the election of union officials.

Section 51.

(1) A union of cooperatives is a legal entity.

(2) The member cooperatives have equal rights, equal responsibilities, and pay dues to fund union activities at agreed upon levels.

(3) The union statutes govern the establishment and dissolution of the union, the rights and responsibilities of members and the means of union operation.

Section 52.

A union of cooperatives:

a) develops in the area of its authority an environment for the full development of cooperatives. In particular it assists cooperatives in the professional aspects of meeting their objectives, organizes

exchanges of expertise between cooperatives, assists in the implementation of R&D findings, formulates strategies for developing individual spheres of activity, and lays the groundwork for their implementation.

b) handles joint affairs of its member cooperatives and represents its members in outside dealings on these matters;

c) establishes special purpose funds according to the specific requirements of member cooperatives; the remaining balances in these funds may be carried over from year to year;

d) conducts management reviews as provided for in general laws and analyses of cooperative operations, as well as other consulting activities as decided upon by the member organizations.;

d) performs other tasks under this law.

Section 53.

A union of cooperatives provides for the planned use of all resources provided by the state through the union to cooperatives by way of assisting in the attainment of national objectives for the cooperatives.

Section 54.

The highest office of a union is the congress of member cooperatives. This congress establishes the main objectives for the development of the cooperatives and the union, approves and changes union statutes, elects members and candidate members to the union central committee and members and candidate members to the union control commission. The congress establishes election procedures.

Section 55.

(1) The central committee of the union of cooperatives monitors the fulfillment of the tasks established by the congress and of other major tasks within the realm of authority of the union. It elects the union board of directors which is the executive office, a chairman and vice-chairman of the union. The central committee establishes election procedures. It may appoint other committees to assist with task fulfillment. (2) The union statutes define in more detail union offices, the rights and responsibilities of its members and the means of union management.

Section 56.

(1) The control commission is the control agency of the union. It monitors compliance with union statutes, fulfillment of congress resolutions by member cooperatives, the central committee and the board of directors, as well as the management of the union and union funds.

(2) The control commission elects from its membership a chairman; the control commission establishes election procedures.

Section 57.

(1) A union of cooperatives is authorized to:

a) stop the implementation of a resolution by a cooperative, if that resolution is in conflict with either the law or cooperative statutes;

b) cancel a resolution of a cooperative office for which implementation has already been stopped, if the cooperative does not take corrective measures in a reasonable period of time.

(2) Unless this law or other laws provide otherwise, the union of cooperatives is not permitted to interfere in cooperative affairs.

Part IX. Central Council of Cooperatives

Section 58.

The central Council of Cooperatives [CCC] is the supreme organization of the Czechoslovak Cooperative program. The CCC is composed of unions of cooperatives, which pay dues to fund its activities.

Section 59.

The CCC:

a) sees to the full development of cooperatives and handles their general affairs;

b) coordinates the activities of all unions of cooperatives, exchanges of expertise and information among them, and handles their general affairs;

c) represents the Czechoslovak cooperative program in dealing with federal agencies and foreign relations;

d) manages the operations of its enterprises including those of cooperative foreign trade enterprises.

Section 60.

The congress is the highest office of the CCC. Delegates to this congress are chosen at congresses of the unions of cooperatives. The congress establishes the main objectives for the development of cooperatives, approves and changes the statutes of the CCC, elects members and candidate members to the CCC and members and candidate members to the control commission. The congress sets election procedures.

Section 61.

(1) The CCC Committee monitors fulfillment of the tasks set by the congress and other major tasks of the cooperative program. It elects the board of directors of the CCC, which is the CCC executive office, and the CCC chairman and vice-chairman. The committee sets election procedures. It may appoint other committees to assist in these tasks.

(2) The statutes of the CCC set forth the details concerning the CCC offices, the rights and responsibilities of its members and management regulations.

Section 62.

(1) The CCC control commission is its control office. It monitors compliance with CCC statutes, fulfillment of congress resolutions, the committee and the board of directors of the CCC, as well as management performance and audits of CCC funds.

(2) The control commission elects a chairman from its members. The commission establishes election procedures for this.

Part X. Cooperative Enterprises and Associations

Section 63. The Cooperative Enterprise

(1) A cooperative enterprise is a socialist cooperative economic organization that operates on the principles of profitability and self-financing, and fulfills an established economic and social function. A cooperative enterprise manages property that is under cooperative ownership, has the right to use this property to further its mission.

(2) A cooperative enterprise may be established by either a cooperative, union of cooperatives, or the CCC.

(3) The appropriate provisions of the law concerning the state enterprise apply with any necessary modifications to the establishment, management and dissolution of a cooperative enterprise, as well as to its relationship to its founder and participation of its work collective in management.

(4) A cooperative enterprise, the mission of which is above all to satisfy the needs of cooperatives and their members, and the statute of which states explicitly that it does not operate on the profitability and self-financing principles, is called a special purpose cooperative enterprise. The founder of this type of enterprise covers its operating costs for the activity it was set up to pursue.

Section 64. Associations

(1) Cooperatives and cooperative enterprises may voluntarily associate resources and or operations to further their mutual objectives.

(2) Such associations are undertaken based on contracts of association. These contracts specify the purpose and activity to be pursued by the association, the way this objective will be implemented, the rights and responsibilities of the members, the amount of each share being contributed to cover the costs entailed in the designated activity, the way that profits will be distributed, the way that losses will be covered, the guarantees to be given for association obligations, the consequences of violation of contract provisions, the procedure for settling accounts after dissolution of the association, as well as the conditions under which a participant may leave the association.

Section 65.

A contract of association expires:

- a) when the objective of the association has either been attained or shown to be unattainable;
- b) when the period of the contract expires;
- c) by agreement among association participants.

Part XI. Joint and Concluding Provisions

Section 66.

The statutes of cooperatives, unions of cooperatives, and the CCC must be brought into conformity with the provisions of this law no later than six months after it takes effect. The same applies to statutes of cooperative enterprises.

Section 67.

The provision of Sections 76-96 of the commercial code as amended by decree under No 45/1983 Laws of the CSSR are hereby repealed.

Section 68.

This law takes effect on 1 January 1989.

DRAFT LAW ON AGRICULTURAL COOPERATIVES PUBLISHED

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[Text of the Draft Law on Agricultural Cooperatives]

[Text] The CPCZ Central Committee, the CSSR Government, and the Central Committee of the Union of Cooperative Farmers hereby present for public discussion a draft law on agricultural cooperatives. Citizens, agencies, and organizations may submit their comments and suggestions to the CPCZ Central Committee, the CSSR Government, the Central Committee of the CSSR National Front, the Federal Ministry of Agriculture and Food, or to the Central Committee of the Union of Cooperative farmers. The discussion period will end on 31 Oct 1987.

Preamble to the Draft Law On Agricultural Cooperatives

I. Political-Economic Background to the Draft Law on Agricultural Cooperatives

The conscientious implementation of CPCZ agricultural policy since the 14th CPCZ Congress has brought a number of significant successes. Our level of self-sufficiency in temperate zone foods has increased to the point where we are fully self-sufficient in a number of food products. There have been major changes in the social area as well. These include the convergence of the living and working conditions in agriculture and those in industry, as well as overcoming differences between towns and the countryside. This allowed the 17th CPCZ Congress to note the stabilizing role of agriculture in the economic and social development of society.

Systematic attention devoted by the party and the state to the development of agriculture has laid the groundwork for an ongoing increase in the amount and quality of agricultural production, and for the ever wider application of R&D advances in agricultural enterprises.

Our agricultural sector is staffed by qualified professionals and equipped with modern machinery. This enables us to make full use of its under-utilized capacities, to continue to develop new ways to meet fully public

requirements in terms of the structure and quality of the food supply, and to improve systematically the efficiency of agricultural production. Improving efficiency is in fact the main task facing agriculture. This sector must play a major role in the intensification of the economy, in implementing the strategy of accelerated socio-economic development that was outlined by the 17th CPCZ Congress. To accomplish this the groundwork must be laid within agricultural cooperatives for a restructuring of their economic mechanisms.

In order to develop a uniform socio-economic environment for these changes the management mechanisms in agriculture must be based on the general principles applicable to the entire economy. This uniformity is especially important for taxes on wages and profits, approaches to socio-economic planning, price formation, and the like.

There are also unique aspects to agricultural production caused by differences in natural conditions. These require the use in agriculture of additional management tools, such as agricultural taxes and differential payments.

United Agricultural Cooperatives [JZD] and joint enterprises [JE] are playing and will continue to play an important role in the growth of agricultural output. Their performance clearly shows that there are advantages to agricultural cooperatives structured along the lines of the leninist cooperative plan, adapted to our conditions.

We need to develop certain political, economic and organizational structures to support the future activities of JZD and JE in this new socio-economic environment. These will take the form of new laws that must codify the basic principles of a socialist economy operating under a leading role of the party, a managerial role for the socialist state, democratic centralism, and the principle of distribution based on work performance.

These principles, along with the comments received at the 10th National JZD Congress, served as the basis for the draft of a new law concerning agricultural cooperatives. The primary politico-economic objectives of this law are;

- to further strengthen socialist agricultural cooperative organizations, allowing them the opportunity for entrepreneurial activity based on full cost-accounting responsibility, as well as increasing their responsibility for meeting national needs for food supplies; A combination of agricultural and non-agricultural activities will be used to achieve this objective, involving the integration of pre-production and post production stages of agricultural and foodstuff production, and the introduction of advanced equipment in agricultural operations;

- to better integrate the interests of cooperative farmers, cooperatives and cooperative collectives with those of society by effectively utilizing their work initiatives, public involvement, and responsibility;

-- to codify the regulations governing the establishment and development of specific forms of agricultural cooperatives, cooperation and integration, including the development of international cooperation;

-- to strengthen cooperative democracy and the new concept of the relationship between the state, its agencies, and agricultural cooperative organizations.

II. Background to Main Parts of Draft Law on Agricultural Cooperatives

Enterpreneurial Activity by JZD

The law allows agricultural cooperatives to choose from a broader range of socialist entrepreneurial activities aimed at the full and effective satisfaction of public requirements, the satisfaction of the socio-economic requirements of cooperative collectives and individual cooperative members.

The fundamental responsibility of a cooperative continues to be the increasing of agricultural output consistent with good soil management practices and environmental protection.

The draft law states that foodstuff production is also an activity for cooperatives. This includes activities that meet the preproduction and postproduction needs of agricultural and foodstuff production as well as auxiliary service activities. The law also allows cooperatives to sell what they produce.

Cooperatives may engage in other economic activities as well, as long as these activities do not interfere with its primary agricultural production, and provided that the appropriate state agency has approved the activity in question.

The economic activities of cooperatives in addition to their primary agricultural production will be conducted in the same economic environment facing organizations elsewhere in the economy, including transfers to the state budget.

The draft law contains, in other words, a comprehensive definition of cooperative activities, as well as their role in the social division of labor not only within the agro-food complex, but outside of this realm as well, e.g. the international division of labor. It thus provides for better utilization of the production and work potential of cooperatives and participating enterprises.

JZD may not use their economic position to gain unjustified advantages at the expense of the state, organizations, or citizens.

Relationship of JZD and JE to the State

The responsibility to society of JZD and JE is expressed above all by their relationship to the state. The draft law provides for a strengthening

of the conceptual component of the work of central agencies and an increase in the role of economic techniques of management. State agencies will implement state economic policy in several ways:

- through the state plan for economic and social development, which sets the long term standards, specific critical tasks, and constraints on limited resources;

- through rules governing the use of generated resources, using a system of taxes and transfer payments to allocate these resources between a cooperative and society, as well as through rules for the formation and use of the development fund, and the allocation proportions between accumulation, personal and enterprise public consumption;

- by setting prices and rules governing their formation and change, principles for the application of the remaining economic mechanisms and basic principles of supplier-consumer relations;

- through their rights when JZD are established and their right to restrict operations and authority under special management structures in cases where a cooperative has shown itself incapable of effective self-management over the long term.

The state will not be involved in the operations of JZD and JE and will therefore bear no economic or legal responsibility for their management.

The draft law also directs agricultural cooperative organizations to cooperate with national committees in the development of specified territorial entities. National committees will use the authority given them in the national committee law in their dealings with JZD.

The state will monitor compliance with socialist legality through the appropriate agencies. Control or inspection commissions of the JZD or JE will participate in the control activities of state agencies as needed, in the interest of obtaining information, improving their expert knowledge, and strengthening the fact finding and problem solving function of controls. The control and inspection commissions of the JZD and JE do not have the right, however, to involve themselves with the responsibilities of the external control agencies. By the same token, the state agency is not authorized to get involved in the operations of the JZD or JE beyond the bounds of their legal mandate.

JZD and JE under the draft law are required to provide socio-economic information to state agencies. Special regulations govern the right to request this information and the uses to which it may be put.

Position, Economic and Social Relationships of JZD and Joint Enterprises

The property of JZD collective is under socialist cooperative ownership. The JZD collective manages this property independently, and therefore also bears the economic risks inherent in this responsibility.

The JZD collective meets all its obligations to other organizations on the basis of this property. The property is composed of everything that has been contributed to the JZD (with the exception of its land) and everything that the JZD has been able to create.

In an effort to strengthen the protection mechanisms for JZD property, the draft law includes a provision governing extraordinary uses of JZD property, delegating all decisions about such extraordinary uses to an elected group. Excess property is defined as that property which the JZD no longer needs for the completion of its economic and social obligations. Unservicable property is property that is either fully depreciated or obsolete, and which therefore cannot fulfill the production role for which it was designed.

The draft law also establishes priorities for the use of production and revenues. These regulations give top priority to obligations to the state and to contractual commitments. Only after satisfying these commitments can a JZD allocate resources to internal capital asset replacement or to meet the public and individual needs of its members.

Because of the cooperative form of ownership and management, the law mandates only the establishment of a development fund. The creation of other funds and the rules for managing them are under the jurisdiction of the JZD.

In line with the above comments the draft law provides for stronger connections between compensation for work and the economic performance of a JZD. A JZD may not allocate more resources for compensation than it has generated by its own efforts. Moreover, members only receive compensation that reflects the role their work has played in final economic performance.

JZD establish specific forms and techniques of compensation in their regulations, which are approved by member meetings. JZD have the authority, under general principles yet to be issued, to set the conditions for the awarding of payments in kind. The regulations governing the operation of private plots have also been modified to conform to the merit principle.

In cases where JZD over extended periods of time prove incapable of independent financial management the draft law provides for the imposition of a special management structure. Under such a special structure the state may provide the JZD with financial resources to solve its problems and consolidate management. In such cases however, the pertinent state agency has the right partially to restrict the rights of the cooperative. In particular it may participate in decisions on the use of the provided resources, and provide input on organizational changes and material incentives. If the implementation of such a consolidation program does not result in improved managerial performance, the cooperative may be dissolved.

A high level of work and public commitment is required of all cooperative farmers and employees of JE, if the demanding tasks of the new economic mechanism are to be successfully completed.

Basic party organizations active in JZD and JE will coordinate and direct these public efforts, carry out personnel policy, monitor the implementation of CPCZ policy in all activities of JZD and JE. In line with the constitution, therefore, the draft law also refers to the leading role of the party in economic and public activities of all agricultural cooperative organizations. Public organizations associated through the national front, primarily the Union of Cooperative Farmers and Socialist Youth League, also seek to develop work and social initiatives on the part of JZD farmers.

Cooperative Democracy

Increases in the authority of the member meeting as the executive office of the JZD is the clearest expression of the intensification of cooperative democracy. Specifically, in addition to their current exclusive areas of responsibility member meetings will now be charged with administering cooperative funds, establishing the regulations governing their formation and use, and with making decisions concerning the soil stock of the JZD.

The authority of the member meeting will, then, cover all critical issues in the development of JZD. This will, in effect, provide all members with an opportunity to speak to these issues, to make decisions concerning them, and to monitor the fulfillment of the adopted decisions and resolutions.

Part of this extension of cooperative democracy is improving the election system for JZD offices. The secret ballot is used primarily. One new feature is a shift in the right to elect members of the representatives committee to the work collectives of the basic organizational units. The reason for this change is to increase the sense of responsibility of the members of the representatives committee for their own work collectives while at the same time increasing direct participation of a broad member base in the discussions and decision making of an elected office, and in the implementation of its resolutions.

The position and function of chairman has been spoken of as that of the sole responsible leader. In this view the chairman is fully accountable for the implementation of the resolutions of the elected offices of a cooperative, and is given the opportunity to choose the means and resources for this implementation. At the same time it recognizes the need to allow the chairman and the officers of a JZD to choose their closest coworkers. This is why the draft law provides for the naming and recall of leaders of basic organizational units of a JZD by the officers.

The authority of leaders of basic organizational units will be established so that within the context of an approved economic plan, regulations and resolutions of JZD offices, these functionaries will be able to manage

their sectors independently, without further limitations. Their guidelines and decrees are binding on all members, and these managers will have the legal power to force implementation of their decisions. The task of the leaders of basic organizational units is to manage the area under their control, to fulfill planned tasks for the cooperative and resolutions of its offices. Proposed nominations and recalls may be made to the board of directors of their collectives.

The draft law also codifies the position of the Union of Cooperative Farmers as a public organization of JZD members and as a partner of central state administrative offices in the asserting of national interests. Central state offices are responsible for discussing with the Union of Cooperative farmers fundamental questions of the economic and social life of the cooperative. The activities of the Union of Cooperative Farmers will be bound therefore by this law and by the regulations of the Union as approved by the nationwide JZD congress.

Because the basic principles of agricultural cooperatives, i.e. the relationship of the state and the cooperative, the conditions for founding a cooperative, disbanding it and managing it, cooperative democracy and independent operations, and the relationship between a cooperative and its members are described in the text of the law no generally binding legal standards will be issued, such as model statutes, organizational and work codes for JZD, etc. The draft law also makes it possible to eliminate 22 generally applicable regulations, thereby simplifying the current legal code of cooperative agriculture.

Joint Enterprises [JE] and Associations

The draft law codifies the relationships, position, tasks and offices of joint enterprises and associations.

JZD, and sometimes in conjunction with them other socialist organizations, are the founders of joint enterprises. The founders establish JE on the principle of voluntarism and economic advantage. The JE may carry out those activities set out for them by the founders in a contract approved by a state office and entered in the enterprise register. The founders must spell out the basic conditions of establishment, operations, and the responsibilities of the JE in these contracts.

The founders bear the chief material responsibilities for these entities, and therefore play a major role on the board of directors. This board represents the will of the founders and the work collective. Every founder has one representative. The work collective elects one-third of the board from its ranks by secret ballot. The same procedure is followed for the inspection and control commissions. For these reasons important decisions require a 60 percent majority for approval. The contract can spell out any other matters that come under the jurisdiction of the board of directors. According to the above principles the board of directors fulfills the function of the highest representative, self-administrative and executive office of a joint enterprise.

It is expected that existing joint agricultural enterprises will adapt their operations to this new concept of a JE within the time allotted by the new law. This will require, among other things, a complete review of all existing contracts related to cooperation in the field of agriculture.

To avoid ambiguity, the law provides that only officially employed persons may do the work of a JE. Their rights and responsibilities are therefore judged under labor law regulations, not cooperative regulations. The founders may make decisions concerning the rights of JE employees, under generally applicable principles (such as concerning the sale of products of the JE, of the founding JZD, etc.)

Other Provisions of the Draft Law

In addition to the above changes in the fundamental questions of economic and social life of a cooperative and the working conditions of its members, the draft law contains a number of other changes. Chief among these is the introduction of a trial period prior to full membership, the establishment of basic member rights and responsibilities by the draft law, a shortening of the period of notice required before leaving a JZD, an expansion of the legal reasons for expelling a member from a JZD, the introduction of arbitrational management, the improved management of land and buildings that are not adequate for mass production operations, and an updating of JZD disciplinary codes.

The draft law presupposes certain changes in the rights governing cooperative use of plots and other real property of a JZD. These changes will need to be incorporated into the amended law No 123/1975 Laws of the CSSR [Sb.], governing the use of land and other agricultural property in production.

After evaluating the input from public discussion the draft law will be revised and presented to executive party and state agencies. Plans call for the Federal Assembly of the CSSR to discuss the law in the first half of 1988, and for the law to take effect on 1 Jan 1989. In the period prior to the implementation of the law JZD will have to draft their statutes and other internal regulations so they will conform to the law when it takes effect. This will also make it possible to conduct preparations for the Ninth 5-year Plan in 1989-1990 with the new legal code for agricultural cooperatives already in place.

The CPCZ Central Committee presidium and CSSR Government have stated their conviction that in the spirit of increasing the democratic nature of our society the discussions on the draft law will serve not only to improve its quality, but also to aid the fulfillment of the tasks of the Eighth 5-Year Plan by cooperative farmers and employees of the agro-food complex.

Draft Law on Agricultural Cooperatives

Agricultural cooperatives are an integral component of the socialist economic system of the CSSR. Their primary mission is to meet the requirements of our society for food.

The acceleration strategy established by the 17th CPCZ Congress requires agricultural cooperatives substantially to increase the growth rate of their labor productivity and to increase the efficiency of the overall capital replacement process through the intensive application of R&D findings, the expansion of the international socialist division of labor, the creative application of experiences and the creative energies of cooperative farmers.

United agricultural cooperatives and joint enterprises carry out their economic and social tasks in line with the policies of the CPCZ. Party organizations, operating in united agricultural cooperatives and joint enterprises, are the political core of their collectives. By applying political leadership techniques they coordinate the efforts of cooperative offices and collectives, and the National Front social organizations active within them, to meet national requirements. They handle the implementation of CPCZ personnel policies and exercise the right of party control.

National Front social organizations active in united agricultural cooperatives and joint enterprises in accordance with their statutes participate in developing creative worker initiatives and in increasing worker responsibility for the result of economic and social activity.

The legal code of agricultural cooperatives must meet the demands of these new requirements. It will do so by being based on the principles of voluntarism, cooperative democracy including socialist self-administration, the formation of a unity between the interests of members and those of the united agricultural cooperative and entire society, planned operations, and the protection of socialist property.

The following law is proposed, based on these principles of socialist agricultural cooperatives.

Part I. Introductory Provisions

Section 1.

(1) A united agricultural cooperative [hereafter cooperative] [JZD], established through the voluntary association of its members for the conduct of agricultural, foodstuff production and other activities, is a socialist producer of goods that conducts its entrepreneurial operations in accordance with the state plan of economic and social development [hereafter the state plan], the principles of cost accounting management (full khozraschet), and cooperative democracy.

(2) A JZD manages property under its own ownership (cooperative collective ownership), under cooperative ownership, or property which is being put to some other form of socialist use. It is responsible for increasing this property, improving its quality, fully, efficiently and economically utilizing this property, and protecting it, paying particular attention to the need for environmental protection.

(3) The JZD collective, as the manager of the cooperative, runs its affairs through member meetings and elected offices in accordance with the legal regulations and statutes of the JZD. The JZD is responsible for its own economic affairs, including the risk of possible losses. It bears full responsibility for the results of its operations. The income of the entire collective and its individual members also depends on the economic performance of the cooperative.

(4) A JZD is also a social organization contributing to the development of social relationships and assisting through its operations in satisfying the social and cultural needs of its members.

Section 2

A JZD assures, in line with the state plan, the development of socialist agricultural mass production;
makes full use of all land and other production resources and assets to meet the growing needs and requirements of a socialist society;
increases the intensity and efficiency of production by implementing R&D findings and introducing advanced techniques and forms of organization and management;
supports work initiatives of its members in meeting the targets set for the JZD and creates conditions for their participation in the management and administration of JZD affairs based on principles of cooperative democracy;
assists in improving and expanding the political and professional qualifications of members; and
strives to satisfy the socio-economic and social needs and interests of members in line with the interests and needs of society.

Section 3

(1) JZD may set up among themselves or in conjunction with other socialist organizations [hereafter 'founders'] effective cooperative programs in the interest of improving the environment within which they meet their objectives.

(2) Such cooperation is implemented according to the principle of equality and mutual economic advantage and other principles of agricultural cooperatives. It must be based on written contracts concerning JZD cooperation. It is expected that this will mainly take the form either of a new organization (a joint enterprise), or a form under which no new organization appears (an association).

Relationship of JZD and Joint Enterprises [JE] to the State

Section 4

(1) The state allocates economic resources and issues legal regulations to form the environment for the economic and social development of JZD and JE.

(2) JZD and JE are the direct recipients of state plan directives. These take the form mainly of economic standards, specific tasks and constraints. The state plan specifies which of these are binding.

(3) State agencies may direct the activities of JZD or JE only under conditions and in ways specified by law. A state agency that causes material losses through its intervention in the operations of a JZD or JE is responsible for compensating for the losses. The conditions and scope of this compensation as well as the instances in which compensation is not warranted are established in a special regulation.

(4) JZD and JE are required to document their performance and maintain socio-economic information. They must provide the appropriate state agency and the Czechoslovak State Bank with their year end accounting information. The extent to which economic information may be requested from JZD and JE and rules governing the presentation of this information are contained in specific regulations.

Section 5

(1) JZD and JE develop their operations according to the principles of socialist entrepreneurship and economic competition. Socialist entrepreneurship is understood as making use of all opportunities offered by the legal code, and especially the rights and responsibilities of this law, to satisfy the food needs of a socialist society comprehensively and effectively, and at minimal cost.

(2) JZD and JE may not use their economic position to gain undeserved advantages at the expense of the state, organizations or citizens. They must account for any unjustified increases in their material wealth.

Section 6

(1) State agencies monitor compliance with socialist legality in JZD and JE. They exercise these functions as needed and in conjunction with the control and inspection commissions of JZD and JE.

(2) Controls and inspections may be conducted in JZD and JE only by agencies authorized by law to perform such functions. Controls and inspections must contribute to increased efficiency in the economic and social activities of JZD and JE.

Section 7. Conferences and Congresses of JZD

(1) Conferences and national congresses of JZD are convened to discuss the economic and social programs of the cooperatives.

(2) The CSSR Government usually convenes a national JZD congress once every five years, on the request of the Union of Cooperative Farmers [hereafter Union] Central Committee.

Section 8. Cooperation with National Committees

JZD and JE will cooperate closely in all phases of their operations with the appropriate local (city) national committees to facilitate the

economic and social development of the territory administered by that national committee. They are required to comply with all decisions of their local national committee in their operations.

Part II. Establishment, Operation, and Liquidation of JZD

Establishing JZD

Section 9

- (1) A JZD may be established by incorporation, merger, or division.
- (2) Establishment of a JZD requires:
 - a) a resolution of establishment from an incorporation meeting;
 - b) adoption of JZD statutes;
 - c) election of JZD officials;
 - d) approval of the appropriate state agency.

Section 10.

- (1) A JZD assumes its public rights and responsibilities on the day when it is entered on the enterprise register.
- (2) The board of directors submits the entry to the enterprise register, and must attach to this entry both the JZD statutes and the approval of the appropriate agency.

Section 11. JZD Statutes

- (1) The JZD statutes, which the JZD formulates in accordance with this law and other legal regulations constitute the fundamental internal cooperative regulation.
- (2) JZD statutes must contain:
 - a) the name and location of the JZD;
 - b) the main business of the JZD;
 - c) the rules governing the formation and use of JZD funds;
 - d) the rights and responsibilities of members;
 - e) the internal organization, management and administration of the JZD;
 - f) the social programs of the JZD and its divisions;
 - g) designation of the offices in charge of discipline and their authority;
 - h) other definitions of authority as required by this law.
- (3) A JZD may codify other issues in its statutes if local and internal circumstances make this desirable.

Section 12. Purpose of JZD Operations

- (1) JZD operations have three purposes:

a) the efficient management of the land, forests and ponds used by the JZD;

b) the production of agricultural products and foodstuffs, and the operation of all related support activities;

c) the sale of goods produced by the JZD.

(2) Upon approval of the appropriate state agency a JZD may operate in other businesses, as long as these businesses do not detract from the effective use of agricultural land and its overall agricultural operations.

JZD Management

Section 13.

(1) JZD operate according to their own economic plan. This plan must provide for meeting all binding targets and constraints of the state plan, and must be supported by signed contracts. This plan applies to all divisions of the JZD and all its members.

(2) A JZD must use its production and revenues to meet obligations first of all to the state, then those obligations stemming from contracts. Once these obligations are met, the JZD may use production and revenues to provide for capital replacement, and finally to meet the social and individual needs of its members.

(3) JZD are required to establish a development fund earmarked for the financing of R&D and investment. The formation of other funds is at the discretion of the JZD.

Section 14. Use of JZD Property Outside of Normal Operations

(1) A JZD may make use of the property of other organizations or individuals outside of its normal operations. It may pay a fee for this use only if it requires the property to fulfill economic or social tasks. Such fees must be in accordance with price regulations.

(2) A JZD may transfer excess property or unusable property to other socialist organizations or to an individual, as long as it has no use for these items.

(3) A member meeting (representatives or committee) makes all decisions concerning the use of property outside of normal operations and the transfer of excess or unuseable property. JZD statutes may specify conditions when the board of directors must make these decisions.

Section 15. Special Structures of JZD management

(1) A JZD that is not capable of independent management over the long term may receive financial assistance from an appropriate state agency. The use of these resources is tied to the imposition of special management structure.

- (2) Special management structure involves primarily the designation of:
- a) a method for developing and monitoring the fulfillment of consolidation programs;
 - b) changes in the organizational structure of the JZD and economic incentives.

Disbanding a JZD

Section 16.

- (1) A member meeting may decide to disband a JZD
- a) because of ongoing losses of workable land;
 - b) in order to split it up or to merge with another JZD;
 - c) in cases where there has been long term inability to manage the organization effectively and special management structure has not improved the situation.

(2) Disbanding a JZD for reasons b) or c) above may occur only after exhaustive analyses have been performed which clearly demonstrate that these decisions will have demonstrable advantages to the society as a whole.

(3) A JZD may be disbanded under reason c) above only after special management structure has been in place for at least three years.

Section 17.

(1) JZD that are merging to form a new JZD cease to exist, but are not liquidated, on the day when their former name is deleted from the enterprise register. The same is true for JZD that are merging into an already incorporated JZD.

(2) A new JZD, or a JZD that is absorbing other JZD, assumes the rights and responsibilities, as well as the property, of the disbanded JZD. The members of the disbanded JZD become members of the merged JZD.

Section 18.

(1) When a JZD is splitting up, the member meeting determines how many new JZD will be created, how these new entities will divide up the rights, responsibilities and the property of the former JZD, and to which of the new JZD each member will belong, taking into consideration as much as possible individual preference.

Section 19.

The legal consequences of disbanding a JZD take effect on the day that the JZD is deleted from the enterprise register or with refusal to make an entry in the enterprise register.

Part III. Management and Organization of JZD

Management of JZD

Section 20.

(1) The elected offices of a JZD include the representatives committee, the board of directors, the chairman, the control and inspection commission, and the arbitration commission. Elections are by secret ballot.

(2) All groups mentioned in paragraph 1 hold office for five years, with the exception of the representatives committee, which holds office for three years.

Section 21,

(1) The composition of the elected offices must correspond to the internal structure of the JZD and the social composition of its membership.

(2) The representatives committee must have a number of members that is greater than that of the board of directors by at least a factor of five. The board of directors must have 7-29 members, while the other elected commissions may have 3-11 members.

(3) JZD statutes determine the exact numbers of members for each elected office.

(4) Member meetings and all elected commissions may make binding decisions with more than 50 percent of the membership in attendance. To pass, a resolution must be approved by two-thirds of the members present.

Section 22.

Member Meetings

(1) The highest office of a JZD is the member meeting. It is here that members exercise their rights to manage and administer JZD affairs and control its operations.

(2) Member meetings convene as needed, but must meet at least once every six months. If a JZD chooses to elect a representatives committee, the member meeting must convene at least once each year.

(3) A member meeting must be convened if this is requested by at least one-third of all JZD members or by the control and inspection commission.

(4) Member meetings have the authority to:

- a) elect and recall JZD offices and their individual members, with the exception of the representatives committee;
- b) adopt the JZD statutes, as well as changes and supplements to them;

- c) approve medium term and implementational economic plans and strategies for future JZD development;
- d) establish JZD funds;
- 3) approve year-end accounting figures;
- f) make decisions regarding the soil stock of the JZD;
- g) make decisions about the merger, division or disbanding of the JZD;
- h) make decisions on other important issues related to the JZD and its operations, to the extent allowed by this law, by the JZD statutes, and to the extent that the member meeting has demanded decision making power in specific areas.

Section 23

Representatives Committee

(1) JZD statutes determine whether or not a representatives committee will be established. When established these committees have all the rights of the member meeting except:

- a) the right to elect and recall officers;
- b) the right to approve JZD statutes;
- c) the right to approve year end accounting figures
- d) the right to decide on mergers, divisions, or disbandment of the JZD.

(2) The representatives committee meets as needed, but must meet at least quarterly, with the exception of those quarters when there are member meetings.

Section 24

The board of directors convenes and prepares the agenda for member meetings and meetings of the representatives committee.

Section 25

Board of Directors

(1) The board of directors carries out and monitors the implementation of resolutions adopted by member meetings representatives committees and informs these groups on a regular basis on its activities.

(2) The board of directors meets as needed, but at least monthly. It must be convened by a state agency when the JZD has violated a law or by a control and inspection commission if shortcomings noted by these commissions have not been corrected in a reasonable amount of time.

(3) The board of directors makes decisions on all JZD affairs between member meetings (representative committee meetings), to the extent that these decisions have not been assigned to other offices by either legal regulations or JZD statute.

(4) The board of directors carries out the duties of all commissions that must be established by law until such time as these commissions are formed.

Section 26.

The Chairman

(1) The chairman, as the sole accountable manager:
a) assures that board resolutions are carried out;
b) chairs member meetings (representative committee meetings) and board meetings;
c) organizes and manages daily JZD operations;
d) represents the JZD in all its external affairs;
e) maintains the accounts for the activities of the member meetings (representative committee) and the board of directors.

(2) the chairman manages the basic organizational units of the JZD, usually through the managers of these divisions. These managers may represent the JZD in external dealings related to their tasks as managers, as long as JZD statutes permit;

(3) Legal actions taken by the chairman which exceed his authority and interfere with the authority established either by law or by JZD statute for other offices of the JZD, are binding on the JZD if the other entity could not be aware of the infringement. This is also true of infringements of authority by managers of basic organizational units, if the JZD did not agree after the fact or did not conduct itself according to the decision.

4) In the absence of the chairman he is represented by a vice-chairman. This person is elected by the member meeting or the committee of representatives, and may also be made responsible for managing certain basic divisions.

Section 27.

Control and Inspection Commission

(1) The control and inspection commission controls all economic and social programs of the JZD and handles complaints from its members and employees. It operates in direct cooperation with control agencies of the state and Union. It is independent of JZD officials and reports only to the member meeting.

2) The control and inspection commission is required to conduct an annual inspection of economic and social programs and JZD accounts. It reports the results of this audit to the member meeting.

3) The commission informs the appropriate managers of JZD officials of any shortcomings and requests that they take care of them. The chairman of the control and inspection commission is elected by the member meeting

4) Every member of the JZD has a right to approach the commission in all matters affecting the JZD and its members. The control and inspection commission is required to investigate all such complaints, require corrective measures, and to inform the individual submitting the complaint of the results of its investigation.

Section 28.

Arbitration Commission

(1) The arbitration commission deals with:

- a) conflicts between the JZD and its members concerning all aspects of the rights of membership;
 - b) appeals of members for the repeal of imposed disciplinary action;
 - c) conflicts related to compensation for damages caused by criminal activity on the part of a member of the JZD when no other steps have been initiated to compensate for damages and/or no decision has yet been made on compensation by other official;
 - d) conflicts between a JZD and its members related to their jobs.
- This may include conflicts related to b) and c) above if an employee requests or agrees.

(2) The arbitration commission does not get involved in conflicts related to the initiation or termination of either membership or employment at the JZD. Nor does its authority extend to conflicts between the chairman, vice-chairman, members of the board of directors, the control and inspection commission, and the arbitration commission itself.

(3) The arbitration commission only handles conflicts that have been submitted to it during the period of membership or employment of an individual at the JZD, and only if the resolution of the conflict in question does not come under the authority of any other agency by law.

Section 29.

Members of any other elected group (with the exception of the representatives committee), close friends and relatives of these individuals, managers of basic divisions, economists and accountants for a JZD, and members whose contracts involve material responsibility may not also be members of the control and inspection commission or of the arbitration commission.

Section 30.

Other commissions

(1) Member meetings (representative committee meetings) and board meetings may decide to establish other commissions as need arises. They may be either temporary or permanent commissions.

(2) The members of such commission are elected or named, and also recalled by the office that establishes the commission.

JZD Organization

Section 31.

A JZD is usually divided into basic organizational units by JZD statutes.

Section 32.

Work Collective of a Basic Organizational Unit

(1) The work collective of a basic organizational unit [hereafter collective] is composed of those JZD members assigned on a permanent basis to that unit.

(2) The collective discusses operational and social matters related to the work of the basic organizational unit and is authorized to make recommendations on these matters to the board of directors. The board must in turn inform the collective of its decision.

(3) The collective elects for terms of three years, and recalls, members of the representatives committee. The number of representatives for each collective is set in the JZD statutes. Members of the representatives committee inform the collective on a regular basis of the activities of the representatives committee and of the decisions that have been made. The collective also nominates candidates for election to the other offices of the JZD.

(4) The collective meets as needed, but at least four times each year. Either the chairman or an agreed upon member of the board of directors must be present at all such meetings. The foreman of the collective convenes and chairs these meetings.

(5) The collective may conduct business if two-thirds of its members are present. A resolution is adopted if more than 50 percent of those present vote in favor of it.

Section 33.

The statutes of the JZD set forth the details of the management and organization of a JZD, and in particular the details for electing its official groups, the composition of each, areas of responsibility and operation, the managerial chain of command, as well as the proceedings of the collective.

Part IV. Membership and Labor Relations Within a JZD

Establishing Membership

Section 34.

(1) Every citizen may become a member following completion of compulsory education. Under section 8 of the civil code permission of a legal guardian is required if membership is requested before attaining legal age.

(2) Membership is established by a resolution of the board of directors to accept a citizen as a member of a JZD based on that individual's written application.

(3) Any application in which a citizen places conditions on his entrance into the JZD will not be accepted.

Section 35.

(1) A resolution to accept a citizen for membership may stipulate a three month trial period if that citizen is not adding land to the JZD. Such a trial period requires the written agreement of the applicant.

(2) During the trial period both the board of directors and the applicant may terminate membership at any time upon written notification. No reason for the termination need be given.

Section 36;

(1) In the resolution of acceptance of membership to a JZD the board of directors must include, based on talks with the prospective member, a day when membership will commence. The day when membership commences may not be a day when the new member still maintains membership in another JZD or is an employee of another organization.

(2) If the membership resolution does not establish a date when membership begins, then membership is considered to begin on the day of the resolution. In the event that the resolution is adopted prior to the termination of membership in another JZD, of employment with another organization, or before the completion of compulsory education, then membership is said to commence on the first day following termination of membership in another JZD, the first day after terminating a job with another organization, or the first day after the completion of compulsory education.

Section 37.

Basic Rights and Responsibilities of JZD Membership

(1) A JZD member has the following basic rights.

a) to work at the JZD, be compensated for his work in accordance with the economic performance of the JZD and his role in it.

b) To participate in the management and administration of the JZD, to vote, to be elected to JZD office (with the exception of members who have not yet reached legal age).

c) to make suggestions for improving JZD operations, to make comments to and requests of JZD officials and to be informed of their disposition.

d) to receive assistance from the JZD in improving and expanding professional and political qualifications consistent with the needs of the JZD.

e) to share in the benefits provided by the JZD for its members based on legal regulations and JZD statutes.

(2) A JZD member has the following responsibilities.

a) To work personally within the JZD, comply with all legal regulations and statutes of the JZD, with all resolutions and measures of the JZD offices, with directives from managers, and to comply with the principles of comradely cooperation;

b) to exert all possible efforts to strength and develop joint cooperative operations, to protect and enhance JZD property;

c) to take responsibility through his compensation for the economic performance of the JZD, in some cases this compensation will take the form of a membership share;

d) to transfer remaining production equipment to JZD ownership to the extent that the JZD needs the equipment;

f) to improve and expand professional qualifications consistent with the needs of the JZD.

Termination of Membership

Section 38.

(1) Membership may terminate:

a) at any time during the trial period;

b) by mutual agreement;

c) through resignation

d) through resignation with shortened notice period

e) through firing

f) by death

g) through disbanding of a JZD under Section 16, paragraph 1 a)

and 1 c), and Section 19.

(2) If membership is to terminate through a legal decision by a member who has not yet reached legal age, then permission of the legal guardian is required.

Section 39.

(1) The agreement to terminate membership is made in writing between the board of directors and the member in question.

(2) The agreement must specify the day of termination of membership. When requested by the member the reason for terminating membership must also be given.

(3) JZD statutes may further specify that an agreement terminating membership must be signed by the JZD chairman as well.

Section 40.

If a member resigns from the JZD and the resignation is not with a shortened notice period, then membership terminates six months after submitting the resignation. This period begins on the first day of the calendar month following the submission of written notice of resignation by the member.

Section 41.

(1) Resignation of a member from a JZD with a shortened notice period is possible:

- a) if the member is determined by doctor's evaluation or a decision of the state health care administration to be unfit for performing either existing or other work for which the individual is qualified at the JZD;
- b) if a member has been appointed to a competitive position, as defined in special regulations;
- c) if the member is following a husband to a new residence, or if a young member of a cooperative is going with parents to a new home.

(2) Other appropriate work for a member is defined to mean work commensurate with the health and abilities and, to the extent possible, to his qualifications.

(3) The notice period in these instances is shortened to three months. It begins on the first day of the calendar month following the submission of written letter of resignation to the JZD. The written letter of resignation must contain the specific reason for resigning with a shortened notice period, as provided for in paragraph 1.

(4) If a JZD rejects the reason given for resigning with shortened notice given by the member, it has thirty days from receipt of the notice of resignation to submit to a court a request to make a decision in the matter.

Section 42

An notice submitted to the JZD may be appealed only in writing and with the approval of the board of directors.

Section 43.

(1) The board of directors of a JZD may fire a member

- a) who has been convicted of a crime and sentenced to a loss of freedoms for a period longer than one year; or for premeditated crime committed in the course of fulfilling member responsibilities or in direct relationship to them and sentenced to a conditional loss of freedoms for at least six months.
- b) for consistent and flagrant violation of JZD disciplinary regulations.

(2) The board of directors may decide to fire a member up to three months from the time when the JZD learned of the cause for discharge, and no more than one year from the date of commission of the dischargeable action.

(3) If the behavior of the member under paragraph 1 b) requires investigation by other agencies the three month period specified in paragraph 2 begins on the day that the JZD receives a report of the other investigation.

(4) The decision to fire a member from the JZD must include a reason consistent with paragraph 1. This reason may not be changed at a later date. Membership ends on the day when the decision to fire is given to the JZD member.

(5) If a member does not agree with the decision of the board of the JZD to discharge him he may within 30 days submit a request to the court to find that the firing is invalid.

Section 44.

When a membership terminates the JZD conducts an accounting and listing of mutual rights and responsibilities no later than one month after acceptance of the year end accounting figures for the calendar year in which the membership terminated. In any event this accounting must be completed by 31 March of the following calendar year.

Labor Relations

Section 45.

(1) Only JZD members perform the work of the JZD. Work may be assigned to members more than 15 years old.

(2) The work relationships between the JZD and its members are governed by this law. They are governed by another law only to the extent defined in this law or another regulation.

(3) In certain cases a JZD may employ citizens who work elsewhere or in another capacity allowed by labor law.

(4) The board of directors makes employment decisions. In cases where the time of employment will be 30 days or less the JZD chairman may make the decision.

Agreement on Working Conditions

Section 46.

(1) An agreement concerning working conditions is established to further define the rights and responsibilities pertaining to both the JZD and

its members that are implied by the right of a member to work and his responsibility to work within the JZD.

(2) This agreement on working conditions is made in writing, and contains agreements concerning type of work, the place where this work will be performed and the day when the member will start to work.

(3) Agreements concerning working conditions are not made with JZD members who are full time students, members who have been freed of their work responsibilities in order to perform public functions or other tasks for public organizations or to work temporarily for other organizations, members who receive pensions or support for invalid conditions, members who are not working in the JZD because they are taking care of children, or with members who have been named managers of basic organizational units.

(4) If a JZD cannot offer a member year-round work or full time work, the agreement on working conditions must contain statements outlining just what role the member will play in JZD operations throughout the calendar year.

(5) Unless other provisions are made it is assumed that the agreement concerning working conditions is made for an indeterminate period.

Section 47.

(1) From the day set in the agreement concerning working conditions as the first day of work.

a) the JZD is required to assign the member work according to this agreement, and to pay the member commensurate with his work performance.

b) the JZD member is required, under JZD regulations, to perform this work personally according to the agreement concerning working conditions within the work period standard for the JZD, and to comply with labor discipline.

(2) When starting work a JZD member must be informed of safety and health rules in the workplace, and must comply with these rules when working.

Section 49.

(1) If no agreement is made concerning working conditions then the board of directors decides the work assignments and participation of the members in the work of the JZD. The member assignment made by the board may be changed only on the same conditions as those applicable to a change in the agreement concerning work conditions. The board may repeal its decision only under the same conditions as apply to making changes in the agreement concerning work conditions.

(2) If a JZD cannot provide full-time, year round work for a member it is required to make it possible for this member to work part time for another organization.

Section 50. Work Assignments of Managers of Basic Organizational Units

(1) Managers of basic organizational units are named to their jobs and removed from them through written decisions of the board of directors.

(2) The JZD board which has removed a member from a managerial position must work out with that person a work assignment consistent with his abilities, qualifications, and the needs of the JZD.

(3) Jobs that are based on being appointed to a position are otherwise subject to the same rules as other positions.

Section 51.

JZD offer their members vacations at health resorts to the extent, and under the conditions permitted by the labor code.

Section 52. Compensation

(1) A member of a JZD is entitled to compensation for the results of his work for the JZD. The amount of compensation is based on the performance of the JZD as a whole and the role of the member in achieving this performance.

(2) A JZD defines compensation in its statutes in a way that will be consistent with national economic objectives, correspond to the conditions and objectives of JZD growth, and that will take account of the merit principle.

Section 53.

(1) A JZD and its members are required to protect JZD equipment.

(2) With regard to avoiding damages and responsibility for damage within the JZD, the provisions of the labor code apply. The term employee under this law is understood to mean a member of the JZD, and fulfilling work responsibilities is understood to mean fulfilling membership responsibilities.

Cooperative Discipline

Section 54.

(1) Members are required to comply with cooperative disciplinary regulations.

(2) Cooperative disciplinary regulations are understood to mean the provisions of this law, JZD statutes, resolutions of JZD offices, directives of senior managers, and legal regulations.

Section 55.

Criminal Penalties

(1) For flagrant or repeated violations of cooperative discipline JZD members may be punished in one of the following ways;

- a) reprimand
- b) public reprimand
- c) a reduction, or complete cancellation of a share in economic performance or other variable portions of compensation.
- d) transfer to lower paying work for a period of time up to three months in length, or reduction in basic monthly compensation by up to 10 percent for a three month period.
- e) transfer to a lower paying position for a period of up to six months, or reduction of basic monthly compensation by up to 20 percent for up to six months. The penalty will be imposed if a member flagrantly violates cooperative discipline again during the period when still serving out an original penalty.

(2) Punishments may be impose only up to two months from the day when the JZD learned of the violation of discipline, and no later than one year from the time when the violation occurred. For punishments imposed by the member meeting, however, the two month limitation is extended to five months.

(3) If the behavior of a JZD member containing violations of regulations is also the subject of an investigation by other agencies then the deadline for the imposition of punishment begins on the day when the JZD is informed of the final results of the other investigation.

Section 56.

(1) Punishments may not be imposed for violations of discipline if the member has already been punished by another agency or if the member has been convicted of the act in a court of law.

(2) A JZD member may not be punished for failing to carry out an order that is in conflict with legal regulations.

Section 57.

(1) Punishments are levied mainly by the chairman of the JZD.

(2) Punishments as noted in Section 55, paragraph 1.e) may be imposed only by the board of directors.

(3) Punishments may be imposed on the chairman, vice-chairman, members of the board of directors and members of the control and inspection and arbitration commissions only by the member meeting or the representatives committee.

(4) A reprimand, public reprimand, reduction in bonuses or other variable forms of compensation tied to personal performance may also be imposed by the manager of a basic organizational unit, if this right is given to him by the statutes of the JZD.

Section 58.

(1) Before imposing a punishment the facts of the situation must be reliably determined and the member being accused must be given a chance to defend himself.

(2) The above proceedings must be summarized and the decision to impose a punishment must be put in writing and delivered to the JZD member in question.

(3) When imposing punishments the chief concern is the degree to which the rules were violated, the amount of damage that occurred, the level of fault and the circumstances of the violation, as well as the general attitude of the member to the fulfillment of his membership responsibilities to the JZD.

(4) If a JZD member violates no other rule during the period of one year from the imposition of the first punishment, then that punishment is stricken from his record.

(5) Prior to the period of time cited in the preceding paragraph the board of directors or the member meeting (representative committee) if these bodies levied the punishment, may decide to remove the punishment from the member's record in instances where the member has been exemplary in fulfilling his membership responsibilities in the JZD.

Section 59.

(1) If a member does not accept the imposition of a penalty he has from 15 days from receipt of the written notice to submit a request for repeal of the decision to the arbitration commission.

(2) Submission of this repeal request postpones the imposition of punishment with the exception of punishments involving reductions in or cancellations of bonuses, shares in economic performance and other variable components of wages tied to individual performance.

(3) The arbitration commission will hear the request to repeal the punishment and decide whether to uphold or repeal it. The same is true if a court hears the request to repeal a punishment. The hearing involves the JZD whose member imposed the punishment and the member of the JZD who has been sentenced to punishment.

(4) Once a decision of an arbitration commission or court to repeal a punishment has taken affect the chairman, board of directors, or member meeting (representative committee) may impose a new punishment within 15 days. However, they are bound by the legal opinion of the arbitration commission or the court.

Part V. The Right to Cooperative Use

Section 60.

(1) A JZD has the right of cooperative use over plots of land merged under joint cooperative management, and in some cases over plots that have been placed under auxiliary use while they are being improved for future use (hereafter associated plots).

(2) The right to cooperative use is unlimited in terms of time and does not require that fees be paid. It entitles a JZD to use all associated plots for the fulfillment of any of the tasks in which it is engaged.

(3) In particular a JZD may:

- a) make improvements to those plots to make them workable or to increase the potential yield from their use;
- b) change the status of associated plots and use them;
- c) establish on associated plots facilities needed for JZD operations as well as housing, in accordance with special regulations.

(4) All trees and vegetation on associated plots is the property of the JZD.

Section 61.

(1) In specific cases a JZD may, based on a member meeting resolution (or resolution of the representatives committee) transfer associated plots to other agricultural organizations, joint cooperative enterprises, forested plots to forest management organizations, or associated ponds with fish populations to state fisheries organizations. The transfer of associated plots must be confirmed by a written contract.

(2) The use of associated plots as described in the preceding paragraph is governed by paragraphs 204 of Section 50 above.

Section 62

A contract for the transfer of associated plots may be cancelled. The annual cancellation deadline is 31 Dec of the current year, unless legal regulations or the agreement between the two organizations specifies something different. This does not apply to plots where permanent structures have been built.

Section 63.

(1) Associated plots which are not appropriate for socialist agricultural mass production may be placed by the JZD, with a resolution of the member meeting or the representatives committee, into temporary use. This requires also a written contract. Temporary use may assume the following forms:

- a) state or cooperative organizations may use the plots for agricultural or non-agricultural use;
- b) public organizations may use the plots for agricultural purposes;
- c) members or other citizens may use the plots for agricultural purposes with the exception of associated forest plots and associated ponds.

(2) A user who has been granted temporary use of a plot for agricultural purposes may, with the approval of the board of directors, make improvements to the plot and put on the plot temporary structures necessary for the agricultural use. Any temporary structures erected by the temporary user on this plot, and any stands of vegetation that he plants are under his ownership.

(3) In the agreement on the transfer of the plot to temporary use an appropriate fee may also be stipulated. If the plot is transferred to temporary use to a citizen, then any fees must be negotiated under price regulations.

(4) The temporary use of associated plots and plots under JZD ownership ends when the agreement ends. After completing the temporary use the user is required, if requested by the JZD, to return the plot to its original state.

Section 64.

(1) The right of cooperative use terminates with the transfer or shift of an associated plot to socialist public ownership or upon the disbanding of a JZD because of long term managerial incompetence. The right of cooperative use is not affected by any other change in ownership.

(2) The approval of the member meeting (or representatives committee) is required for a contract transferring a plot over which a JZD has the right of cooperative use. This is not true if a transfer to the state is involved.

Section 65.

(1) A working building or other structure that the JZD no longer needs [hereafter working building] may, upon request of a member or his legal representative and approval of the member meeting or representatives committee, be returned to a member who turned the building over to the JZD when becoming a member, or to his legal representative.

(2) If this working building had been improved by the JZD the person acquiring the building is required to reimburse the JZD for reasonable costs incurred in improving the building.

(3) If need be a decision to return a building may also include as nonassociated property the courtyard space of the structure.

(4) If payment was made to the original owner for the building, then the person acquiring it must return that amount to the JZD.

Section 66.

Private Plot Agriculture

(1) A JZD may assign to its members, above all those working in primary agricultural production, a private plot with a maximum size of 0.25 hectares of arable land per member. In mountain and foothill regions the maximum size is 0.50 hectares, with 0.25 hectares of this space being arable land. The size of any nonassociated gardens is included with calculating the size of a private plot.

(2) The allocation of private plots cannot be at the expense of existing land that is already being used for mass agricultural production. Neither forests nor ponds may be a part of a private plot.

(3) JZD statutes define in greater detail the conditions governing the issuance of private plots, their size, as well as the providing of agricultural products, and the numbers and types of animals that a member may raise. The statutes strive to assure that the working of private plots and the raising of animals will not be at the expense of the fulfillment of member responsibilities.

Part VI. Basic Forms of JZD Cooperation

Section 67.

(1) The founders who signed a contract concerning JZD cooperation [hereafter contract] are responsible for the joint operation of their property, according to the relative sizes of their respective shares or contributions. Their share in the economic performance of the cooperative venture is relative both to their shares of the equipment stock and to the relative amounts of work that each contributes to the final results.

(2) A contract can be signed if the founders agree concerning all the matters contained in this law. All founders must agree to make any changes in this contract.

(3) For a JZD to sign a contract, approval is required of the member meeting or the representatives committee.

The Joint Enterprise

Section 68.

(1) A contract establishing a joint enterprise [JE] must contain:

- a) the name and location of the founders
- b) the name and location of the JE
- c) the main business and internal organization
- d) the rights and responsibilities of the founders
- e) the form and amount of member shares
- f) provisions covering compensation for costs incurred related to the main business, the method for dividing profits, and if need be a provision covering the handling of losses,

- g) the procedure to be followed in cases where responsibilities to the founders are not fulfilled;
- h) designation of the offices and their areas of authority,
- i) how obligations will be handled should the JE disband or should one of the founders back out or be discharged.

(2) The founders may cover other contingencies in the founding agreement.

(3) The establishment, management, organization, and disbanding of a JE is governed by Sections, 9, 10, 13, 14, 16, 17, 18, 19, 26.3, 31, and 32 of this law.

Section 69.

- (1) The offices of a JE are
 - a) a board of directors;
 - b) a control and inspection commission;
 - c) a chairman.

(2) Other offices may be established by mutual agreement, along with their area of authority.

Section 70.

(1) The board of directors is composed of elected and in some cases appointed representatives of the founders and elected representatives of the work collective of the JE. The main duties of the board of directors include:

- a) electing and recalling by secret ballot the chairman of the JE and the members of the control and inspection commission;
- b) approving year end accounting and financial information, the division of property among the founders, and the collective agreement.
- c) approving medium term and implementational economic plans,
- d) accepting new founders into the JE and handling requests by founders to leave the JE,
- e) making decisions regarding the discharge of a founder, the disbanding of the JE, or a potential merger with another entity.

(2) The board of directors makes its decision by resolution. Two-thirds of its members constitutes a quorum. Resolutions related to matters in paragraph 1 a) - 1 e) of this section may be adopted with a yes vote of 60 percent of the members at a meeting of the board. In other matters a simple majority approves a measure, unless the JE statutes make other provisions.

(3) One-third of the members on the board of directors are representatives of the JE work collective. These representatives are elected by the JE work collective from its ranks for a term of at least three years. Elections are by secret ballot. The representatives must keep the collective informed of their activities. Section 32, paragraph 5 governs the adoption of resolutions.

Section 71

(1) The control and inspection commission is the control division of a JE. It is authorized to monitor all of the JE operations. It reports to the board of directors.

(2) The control and inspection commission is required to conduct an annual audit of JE operations, and to make a report to the board of directors on its findings.

(3) There must be at least three members on the control and inspection commission. At least one-third of the members must be representatives of the JE work collective who are elected for terms of at least three years.

Section 72.

(1) The chairman of the JE acts as the sole accountable manager in accordance with legal regulations, the resolutions of the board of directors, and the contract.

(2) The chairman may speak for the JE on all matters. Managers of the basic organizational units of the JE may speak for the JE only on those external matters directly related to their basic organizational unit.

(3) The chairman is required to inform the collective groups of the JE of his activities on a regular basis.

Section 73.

Only people employed by the JE may perform the work of the JE.

Association

Section 74.

(1) The association contract, which governs the merger of the resources and in some cases the activities of the founders must contain:

- a) the names and headquarters of the founders
- b) the purpose of cooperation;
- c) the rights and responsibilities of the founders;
- d) the methods, organization and management of the joint venture;
- e) a list of the property being contributed, a statement governing the management of that property, and provisions covering the ownership (administration) of both associated property and any property that may be generated by the JE;
- f) provisions for distributing the property in the event that the JE is disbanded or one or more founders leave the association.

(2) The work of the association is performed by association members, and in some cases by employees of one of the founders.

(3) Operations of the association are considered to be operations of the founders.

Section 75.

JZD and JE may cooperate as well with other legal entities using other forms of cooperation that conform to legal guidelines.

Part VII. Foreign Economic Operations

Section 76.

JZD and JE may have the right to engage directly in foreign trade activities. This right is granted based on special regulations.

Section 77.

(1) JZD and JE have the right to establish a foreign currency fund (conforming to foreign currency standards) from i) foreign currency revenues from exports of goods, ii) foreign currency revenues from cooperative deliveries and sales of licences, iii) savings of received foreign currency resources, and in some cases of foreign currency subsidies.

(2) The resources of the foreign currency fund may be used to fund the development of the JZD or JE, to cover import requirements, to pay foreign currency obligations, and to repay foreign currency loans.

Part VIII, Union of Cooperative Farmers

Section 78.

(1) The Union of Cooperative Farmers, which is associated within the National front, operates programs to support the economic and social activities of JZD, the political, work related, and social activities of its members, and in the area of maintaining and improving their living and working conditions.

(2) The basic organization of the Union is a JZD the member meeting of which has voted to join the Union. The offices of the JZD, namely the board of directors, the member meeting or representatives committee, the chairman and the control and inspection commission are by the same token also offices of the basic Union organization.

Section 79.

Agencies of the central government discuss draft laws and legal regulations related to basic issues of economic policy for JZD, important rights and responsibilities of their members, as well as social, cultural and health care issues for JZD members with the Union.

Part IX. Joint, Transitional, and Concluding Provisions

Association of Plots

Section 80.

(1) JZD members

a) must transfer to joint cooperative management all land (including wooded land and bodies of water) which they own or work at the time when they enter the JZD, as well as any land that they may acquire after entering the JZD;

b) must transfer to the JZD all capital equipment provided that the JZD requires it for its operations.

(2) Certain property is not transferred to joint cooperative management of JZD ownership, namely;

a) land and capital equipment which the JZD is already using at the time the new member enters the JZD, or property acquired subsequently by a member but which is already being used by the JZD or another socialist agricultural organization;

b) land on which already stand houses, working building with courtyards which the JZD has not taken, as well as gardens within geographical town limits and which are not larger than 0.10 hectard. JZD statutes determine the conditions under which gardens larger than this size may remain under individual member control.

Section 81.

(1) A JZD member also transfers to the JZD other personal property. He must hand over working buildings and other structures only if the JZD demands them. These production assets are transferred by assumption to JZD ownership.

(2) Each new member must make a nonrefundable deposit upon joining a JZD equal to 20 percent of the transfer price of all personal property, working buildings and other structures assumed into JZD ownership.

(3) The remainder of the transfer price of the personal property is paid by the JZD to the member (or his legal representative) under conditions and over a period of time established by JZD statutes.

Section 82.

(1) The provisions of the commercial code govern the legal actions of JZD in relation to other socialist organizations, unless this law contains other provisions.

(2) The provisions of the labor code govern calculation of time, length of waiting periods, serving of documents, representation and the calculation of standard compensation for work in member and labor relations, unless this law provides otherwise.

(3) Legal transactions between the JZD and its members related to establishing and terminating membership and in labor relations will be governed by the provisions of the labor code, with the caveat that if this law establishes a form of legal action that legal action will be null and void if the law is violated.

(4) All other types of legal transactions between a JZD and its members are governed by the provisions of the civil code.

Transitional Provisions

Section 83.

Unless what follows specifies otherwise, legal relationships entered into prior to 1 Jan 1989 will be governed by the provisions of this law. However, the establishment of these legal relations, as well as claims against them that occur prior to 1 Jan 1989, will be judged according to the provisions in place when the claim is made.

Section 84.

(1) All current JZD statutes, labor organizational and decision making procedures will cease to be in effect no later than 31 Mar 1989.

(2) JZD must approve statutes developed under this law no later than 31 Mar 1989.

Section 85.

(1) Joint agricultural enterprises and cooperative associations established under prior regulations automatically become JE and Associations on 1 Jan 1989.

(2) The founders must modify their contracts concerning JZD cooperation to conform to this law by 31 Mar 1989.

(3) On the day when a JE is established its employees cease to be members of a JZD.

Section 86.

(1) An agreement concerning working conditions concluded between a JZD and a manager of a basic organizational unit terminates on the day the statutes are approved.

(2) Violations of JZD discipline occurring prior to 1 Jan 1989 will be judged according to the provisions of this law if no decisions concerning them have yet taken affect prior to that time.

(3) Arbitration proceedings initiated prior to the validity of this law will not be continued.

Section 87.

Implementation regulations may be issued to facilitate the introduction of this law. They will codify:

- a) details concerning the development fund, and the conditions governing the provision of subsidies in special cases;
- b) details governing the use of JZD property outside of normal operations and on arbitration proceedings;
- c) details on extraordinary management structures and on changes in agreements concerning working conditions, on the transfer of a member to another job, on the transfer of a member, on the termination of agreements concerning working conditions, on work assignments after return to work within a JZD, and on work assignments for JZD members whose work capabilities have changed.
- d) principles for the giving of certain agricultural products to JZD members.

Termination provisions

Section 88.

The following regulations will cease to be in effect:

1. Law No 122/1975 Laws of the CSSR [hereafter Sb.], concerning agricultural cooperatives, as amended by law No 111/1984, Sb.;
2. CSSR Government Resolution No 137/1975, Sb., which contained Model Statutes for JZD and codified an approach to the development and approval of JZD statutes, their changes and supplementation;
3. CSSR Government Resolution No 138/1975, Sb. which implemented certain provisions of law No 122/1975, Sb. concerning agricultural cooperatives;
4. CSSR Government resolution No 140/1985 Sb., concerning principles of finance and financial management for JZD;
5. Federal Ministry of Agriculture and Food [FMZvZ] resolution no 159/1975 Sb., concerning forms of cooperation in agriculture, as amended by decree No 100/1983 Sb., and decree No 25/1986 Sb.;
6. FMZvZ decree no 160/1975 Sb., on arbitration procedures within JZD;
7. FMZvZ decree no 137/1979 Sb., which implemented certain provisions of law no 122/1975 Sb., concerning agricultural cooperatives, vacation time, and the economic responsibilities of JZD members;
8. Decree No 120/1985 Sb., issued by the FMZvZ and the chairman of the Czechoslovak State Bank concerning the financing of capital asset replacement in JZD and JE;
9. FMZvZ decree No 121/1985 Sb., concerning the financing of noncapital expenditures on R&D on JZD and JE;
10. FMZvZ decree No 24/1986 Sb., concerning the JZD cultural and social needs fund;
11. FMZvZ decree No 26/1986 Sb., concerning the contingency fund on JZD and JE;
12. FMZvZ Guideline file No FM 01 - 668/13/75, on the procedure for changing a JZD into a state agricultural organization (reg)--Part 24/1976 Sb.;

13. FMZvZ Guideline file No FM041-2003/85 concerning the financing of working capital in JZD and JE (reg)--Part 1/1986 Sb.;
14. FMZvZ Edict, file No FM015-681/1976, which contained sample organization charts, decision making procedures, and labor codes for JZD (reg)--Part 18/1977 Sb.;
15. FMZvZ Edict, File No FM01-183/13/73 on the direction of development of compensation for work and the distribution of agricultural products within JZD (reg)--Part 8/1974 Sb.;
16. FMZvZ Edict, file No FM01-1422/81, concerning the awarding of bonuses to JZD members on important labor and national holidays (reg)--Part 20/1982 Sb.;
17. FMZvZ Edict, File No FM01-625/1983 on cafeteria operations on JZD (reg)--Part 29/1983 Sb.;
18. FMZvZ Edict, file No FM01-1721/85 Sb., concerning compensation for members and employees performing blue-collar jobs on JZD (reg)--Part 5/1986 Sb.;
19. FMZvZ Edict, file No FM01-1722/85, on compensation for employees and members performing technical and managerial functions on JZD (reg)--Part 5/1986 Sb.;
20. FMZvZ Edict, File No FM01-1687/85, on the allocation of resources to compensation for JZD work (reg)--Part 5/1986 Sb.;
21. FMZvZ Edict, file No FM01-1986/85, on the allocation of wages payable resources on JZD and improvement cooperatives (reg)--Part 5/1986 Sb.;
22. FMZvZ Edict, file no FM01-2115/85, on awarding of annual bonuses to senior functionaries and certain senior employees on JZD (reg)--Part 5/1986 Sb.

Section 89.

This law will take affect on 1 January 1989.

9276/9190

STATISTICAL PROFILE OF WORKERS SELF-MANAGEMENT

26000001 Warsaw WIADOMOSCI STATYSTYCZNE in Polish No 7, Jul 87 pp 15-17

[Article by Maria Basta, Department of Labor and Wages of the Central Office of Statistics: "Employees' Self-Management in the State Enterprise in the Light of the Results of Statistical Research"]

[Text] This article presents the results of the third study done by the Central Office of Statistics on the performance of the self-managements in state enterprises during the period of 1 November 1985 to 31 October 1986.

Recall that self-management, in the broadest sense of the provisions, consists of all of an enterprise's employees who have the right to vote in elections to the self-management bodies. The employees' self-management bodies are: the general meeting of the enterprise's employees (of the internal organizational units making up the enterprise), the workers' council of the enterprise (of the internal organizational units making up the enterprise). In light of art 1 par 2 of the law on employees' self-management of an enterprise (DZIENNIK USTAW No 24, 1981, item 123). "The employees' self-management of a state enterprise has the right to make decisions on important enterprise issues, to express opinions, to undertake initiatives, and to make recommendations, and to monitor the enterprise's operations." In performing the above mentioned activities, the self-management reconciles the employees' and enterprise's interest and the interest of society as a whole. The self-management performs its tasks (art 1 par 3 of the above law) "... independently of the state administration and civic, youth, union, and political organizations. . . ." The workers' council cooperates with the trade unions and the political, youth, and civic organizations operating in the enterprise.

As mentioned above, this is the third study of the employees' self-managements carried out by the Central Office of Statistics. The first covered the period from January to December 1983. The next two cover 1 November 1983 to 31 October 1984 and 1 November 1985 to 31 October 1986.

The statistical study for 1986 covered state enterprises and budget plants that work directly for the benefit of the national economy, are included in the material production sphere, and are covered by the law on employees' self-management. Scientific and research institutes which until 1985 could form employees' self-managements beginning on 1 January 1986 are no longer covered

by the law on employees' self-management (law of 25 July 1985 on research and development, DZIENNIK USTAW No 36, item 170). Those plants whose supervisory bodies have judged them to be working directly for the benefit of the national economy are considered budget plants working directly for the benefit of the national economy.

Enterprises With Employees' Self-Managements

The employees' self-management bodies, or the workers' councils of the state enterprises, began to be formed in 1980-81. At the end of 1983, employees' self-managements were operating in 6,126 enterprises; at the end of October 1984, in 6,387; and in 1986, in 6,400 enterprises. In 1986 this number was nearly 88 percent of the total number of state enterprises and budget plants (1) in which they could be formed. In comparison with 1983, the number of enterprises in which employees' self-managements are operating has increased by 274 and in comparison with 1984, by 13. As Table 2 shows the majority of enterprises in which self-managements have been formed are in industry (2,118), construction (1,460), and agriculture (1,362).

The percentage of the enterprises in which the employees' self-management bodies are operating of the total number of enterprises of a given ministry in which these bodies can be formed is as follows (2):

| | |
|--|------|
| 1. Ministry of Domestic Trade and Services | 99.0 |
| 2. Ministry of Materials Management and Fuels | 98.9 |
| 3. Ministry of Construction, Regional and City Planning | 97.7 |
| 4. Ministry of the Chemical and Light Industries | 97.2 |
| 5. Ministry of Metallurgy and the Machine Building Industry | 96.1 |
| 6. Ministry of Health and Social Services | 94.2 |
| 7. Ministry of Transportation | 93.8 |
| 8. Ministry of Mining and Power | 90.0 |
| 9. Ministry of Culture and Fine Arts | 86.0 |
| 10. Ministry of Agriculture, Forestry, and the Food Industry | 77.9 |

The enterprises with employees' self-management on 31 October 1986 employed 6.079 million workers, of which 75.2 percent are workers. In 1984 employment in these enterprises was 5.548 million of which 74.6 percent were workers.

Members of the Workers' Councils

In October 1986 in state enterprises and in the plants and other internal organizational units of the enterprises in which the statute calls for the formation of employees' self-managements, there were 12,115 workers' councils of which 6,400 were in enterprises and 5,715 were in internal organizational units of enterprises. In comparison with 1984 the number of workers' councils has increased by 907 of which 13 are in enterprises and 894 in internal units of enterprises. Characteristically, the workers' councils were formed primarily in relatively small enterprises, i.e., those with 1,000 or fewer employees (78.4 percent). In enterprises with more than 1,000 employees the majority of workers councils were formed in transportation (49.6 percent) and in industry (39.0 percent). Table 1 shows the percentage of workers' councils in particular sectors of the materials area of the national economy.

Table 1. Workers' Councils in State Enterprises by Number of Employees
as of 31 October 1986

| Sector of the National Economy | Percentage of Workers' Councils in Enterprises with | |
|-----------------------------------|--|------------------------------|
| | fewer than 1,000 | more than 1,000 employees |
| Total | 78.4 | 21.6 |
| Industry | 61.0 | 39.0 |
| Construction | 82.3 | 17.7 |
| Agriculture | 93.9 | 6.1 |
| Forestry | 81.8 | 18.2 |
| Transportation | 50.4 | 49.6 |
| Communications | 76.9 | 23.1 |
| Retail Trade | 76.4 | 23.6 |
| Other Branches of | | |
| Material Production | 96.3 | 3.7 |
| Municipal Services | 93.9 | 6.1 |

Source: Personal calculations from data of the Central Office of Statistics.

The number of members of workers' councils at the end of October 1986 was: in enterprises 95,900 individuals, in internal units of enterprises 41,500 individuals. In comparison with 1984, most of the increase in the number of members, which was higher than 15 percent, occurred in the internal units of enterprises; in the enterprises, however, there was an increase of 0.1 percent. In 1986 employees in worker jobs constituted the following percentages of the membership of workers' councils: in enterprises, 50.8 percent; in internal units, 60.2 percent. In 1984 these percentages were respectively: 51.3 percent and 65.4 percent.

The profile of the level of education and age of the members of the workers' councils was created using the general data, i.e., including the members of workers' councils of enterprises and members of workers' councils of internal units of enterprises in spite of the fact that members of workers' councils can also be members of the workers' councils of enterprises.

As regards education, the largest groups in the workers councils consisted of members with a secondary vocational education (30.3 percent) and a basic vocational education (25.4 percent). Workers with a higher education made up 13.0 percent. The smallest group consisted of members with a general secondary education (6.4 percent).

The study of the age of the members of the workers' councils shows that the largest group in 1986 consisted of workers 30 to 39 years of age (45.9 percent), then 40 to 49 years of age (29.7 percent), and 50 or more years of age (15.2 percent). The smallest group consisted of those 29 years of age or less, which made up 9.2 percent of the membership of the workers' councils. Women constitute a small portion of the members of councils (19.8 percent).

Table 2. Number of Enterprises With Employees' Self-Managements (ESM),
31 October 1986

| Sector of the National Economy | Enterprises with ESM | Employment (a) | | Mem. of Workers' Councils | |
|---|-------------------------|----------------------|---------|---------------------------|-------------------|
| | | Total (thousands) | Workers | Enterprises | Internal Units |
| Total | | | | | |
| 1984 | 6,387 | 5,547.7 | 4,140.1 | 95,803 | 36,013 |
| 1986 | 6,400 | 6,079.1 | 4,571.1 | 95,904 | 41,463 |
| Industry | | | | | |
| 1984 | 2,138 | 3,174.0 | 2,475.3 | 36,836 | 12,559 |
| 1986 | 2,118 | 3,607.0 | 2,857.9 | 37,109 | 15,331 |
| Construction | | | | | |
| 1984 | 1,450 | 904.3 | 644.7 | 21,227 | 1,919 |
| 1986 | 1,460 | 904.4 | 632.9 | 20,782 | 1,702 |
| Agriculture | | | | | |
| 1984 | 1,454 | 563.0 | 428.7 | 20,337 | 17,687 |
| 1986 | 1,362 | 549.1 | 419.4 | 19,014 | 16,548 |
| Forestry | | | | | |
| 1984 | 33 | 24.2 | 16.8 | 512 | 230 |
| 1986 | 33 | 23.9 | 16.8 | 511 | 137 |
| Transportation(b) | | | | | |
| 1984 | 104 | 193.0 | 142.8 | 1,711 | 1,451 |
| 1986 | 117 | 291.9 | 210.2 | 1,974 | 4,451 |
| Communication | | | | | |
| 1986 | 13 | 10.4 | 8.7 | 199 | 38 |
| Retail Trade | | | | | |
| 1984 | 423 | 355.8 | 180.8 | 5,315 | 1,269 |
| 1986 | 416 | 362.2 | 180.7 | 5,283 | 2,146 |
| Other Branches of Material Production | | | | | |
| 1984 | 60 | 38.7 | 21.5 | 674 | 235 |
| 1986 | 82 | 19.8 | 5.1 | 906 | 216 |
| Municipal Services | | | | | |
| 1984 | 725 | 294.7 | 229.4 | 9,191 | 663 |
| 1986 | 799 | 310.4 | 239.4 | 10,126 | 894 |

(a) Employment--Part and full time employees in their chief place of employment

(b) Transportation--For 1984 transportation and communication

Source: Personal calculations from data of the Central Office of Statistics

Among the members of the workers' councils employed in non-worker jobs, who make up 46.3 percent of the overall membership of the workers' councils, engineers and technicians are the largest group (63.8 percent), while management personnel make up 43.7 percent.

The relationships in the structure of the profile of the educational level, age, and sex of the members of the workers' councils have not changed significantly in comparison with 1984.

Operations of the Workers Councils

The workers' councils in the view of art 23 of the law on employee self-managements of state enterprises can form commissions and permanent groups as supporting bodies for the duration of the term in office of the workers' councils. The members of the commissions and groups can be members of the workers' councils, other employees of the enterprise, or individuals not employed by the enterprise.

At the end of October 1986, there were 6,100 commissions and permanent groups (5.9 percent more than in 1984) with 28,800 members (7.4 percent more than in 1984).

In 1986 on the basis of art 24 of the law on employee self-managements of state enterprises, workers' councils adopted 104,700 resolutions; 82 percent of them were adopted by workers' councils of enterprises. In comparison with 1984 the number of resolutions adopted increased by 17.6 percent; the number of resolutions adopted by workers' councils of enterprises increased by 12.3 percent, and the number of resolutions adopted by workers' councils of internal units increased by 49.4 percent.

In light of the regulations (art 10 and art 24 of the law on employees self-management), Bronislaw Ziemianin (3) divided the resolutions of the self-managements into four categories.

"According to the author, the first category includes resolutions in which the self-managements establish general acts, for example, the statute of the enterprise, the statute of the employee self-management, or the work rules. These resolutions are normative. They are binding not only for the director but also for the employees. . . .

"The second category includes resolutions addressed exclusively to and executed exclusively by the enterprise director. They concern issues like the distribution of income and profit, investment, plant housing and communal construction. In this category of resolutions, decisions on enterprise issues is two-staged. First, the appropriate self-management makes a decision, and then on this basis the director is obligated to make a decision. . .

"The third category includes resolutions in which the self-managements express agreement to particular decisions or actions by the director. These include such issues like the formation of an association or a joint or mixed venture, the sale of unnecessary machinery or equipment, making gifts, naming or

removing deputy directors and chief accountants. These resolutions themselves do not settle any issues, but only authorize the director to make particular decisions. . . .

"The fourth category includes resolutions not addressed to the director of the enterprise but to other subjects. They also include such issues as the merging or the division of the enterprise, employee referenda, election of the representative of the workers' council to the association council, naming and removing the director. These resolutions are quite varied in nature. Some are decisions; others, authorizations for other subjects to make decisions. . . ."

Besides adopting resolutions the workers councils under art 28 of the law on employee self-managements of state enterprises have the right to audit the whole of the enterprises' operations, especially the concern for the efficient use of the enterprise's property. The audits include in particular: study and evaluation of the performance of planned tasks and the execution of contracts and agreements made; analysis of the annual report and financial statement; analysis and evaluation of the periodic and special reports by the enterprise director; monitoring the execution of the resolutions of the workers' council, the appropriate use of labor resources, the correct management of materials and finances, and protection of the environment; and--in cooperation with the trade unions--monitoring the observance of labor standards, work discipline, and wages. A completed audit refers only to those that end with recommendations to the enterprise director or whose results formed the basis for a resolution by the workers' council.

From 1 November 1985 to 31 October 1986, there were 11,100 audits of which 81.1 percent were conducted by the workers' councils of enterprises. In comparison with 1984, the number of audits conducted by workers' councils increased by 5.6 percent. The number of audits conducted by workers' councils of enterprises increased by 1.5 percent; the number of audits conducted by workers' councils of internal units of enterprises increased by 52.4 percent.

During the period under study, 187 disputes were submitted for settlement; 80 of them were presented to the arbitration commission and 107 were presented to the courts. Of the total number of disputes, 48.7 percent were submitted by the workers' councils; the rest by the enterprise directors. Among the issues presented to the arbitration commission, 78.8 percent of the disputes were presented by the workers' councils; while among the issues presented to the courts, 26.2 percent were presented by the workers' councils. There were 58 unsettled disputes at the end of October 1986 from the period of 1 November 1985 to 31 October 1986; of these, 29.3 percent were presented by the workers' councils and the rest by the enterprise directors. In comparison with 1984, the number of disputes submitted increased by 142.9 percent; of these, 57.1 percent were submitted to the arbitration commission and 79.2 percent were submitted by the workers' councils of the enterprises. Disputes not settled by the end of October 1986 increased in comparison with 1984 by 65.7 percent. It should be noted that both the workers councils and the enterprise directors submit disputed issues in cases in which the decision made by the workers' council or the enterprise director violates the general social interest in a significant manner. Disputes between an enterprise's workers' council and

director are settled by an arbitration commission (Under art 45 of the law on employee self-management) that consists of representatives of the enterprise's workers' council and a representative of the enterprise's director and an invited arbiter with legal training who serves as chairman. The dispute is considered settled if both sides agree to the judgment of the arbitration commission. If the arbitration commission does not settle the dispute, the workers' council or the enterprise director, under art 44 and 46 of the law on employee self-management, can submit the issue to the courts within 14 days.

FOOTNOTES

1. Further references are simply to "state enterprises."
2. This applies to the ministries with the largest number of enterprises in which employees' self-managements can be formed.
3. Bronislaw Ziemianin, "Resolutions," ZYCIE GOSPODARCZE, No 8, 24 Feb 1985.

13021/7358

- END -