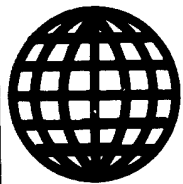


JPRS-EER-92-093
21 JULY 1992



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1968 Letter on Soviet Intervention Published

*LD1607224892 Prague CSTK in English
1723 GMT 16 Jul 92*

[Text] Following is the full text of the 1968 letter by Czechoslovak Communist Party officials, asking for help against the threat of "counter-revolution".

"Dear Leonid Ilich [Brezhnev], being aware of full responsibility for our decision, we turn to you with the following declaration.

"The essentially sound post-January (1968) democratic process (in Czechoslovakia, the correcting of mistakes and shortcomings of the past, as well as the general political management of society have been gradually running out of control of the Communist) Party Central Committee. The press, radio and television, which are virtually in the hands of rightist forces, have influenced public opinion to an extent that elements hostile to the Party are beginning to enter political life in our country, without opposition from the public. They are stirring up a wave of nationalism and chauvinism and are provoking an anti-communist and anti-Soviet psychosis.

"Our collective—the Party leadership—has made a number of mistakes. We have failed to correctly defend and carry out Marxist-Leninist norms of party life, and above all the principles of democratic centralism. The Party leadership is no longer able to defend itself successfully against attacks on socialism, and it is unable to organize either ideological or political resistance against the rightist forces. The very existence of socialism in our country is jeopardised.

"The political means and instruments of state power in our country are now paralysed to a considerable extent. The rightist forces have created favorable conditions for a counter-revolutionary coup.

"In this difficult situation we turn to you, Soviet Communists, leading representatives of the CPSU and USSR, with a request for effective support and aid with all the means you have at your disposal. Only with your help can Czechoslovakia avoid the imminent danger of a counter-revolution.

"We realise that this last step to protect socialism in Czechoslovakia would not be easy for the CPSU and the USSR.

"Therefore, we shall fight with all our might and our own means. However, in case our strength and possibilities are exhausted or do not bring positive results, we ask you to consider our declaration an urgent entreaty and request for your action and all-round assistance.

"In view of the complicated and dangerous character of the developments in our country, we ask you to keep our declaration secret to the maximum. For this reason we write to you personally in Russian."

Signed under the document are Alois Indra, Drahomir Kolder, Antonin Kapek, Oldrich Svestka, and Vasil Bilak.

All the signatories, except for Bilak, are dead. Indra died in August 1990, Kapek committed suicide in May 1990, Kolder died in August 1972 and Svestka in June 1983.

Bilak, the former Czechoslovak Communist Party chief of ideology, told CSTK today the letter may have been forged. "I have not seen the document and therefore I will not comment upon it. But in the past there have been many similar forgeries," Bilak said.

Havel Reads Documents Relating to 1968 Events

*LD1707220292 Prague Stanice Ceskoslovensko Radio
Network in Czech 1600 GMT 16 Jul 92*

[Address by President Vaclav Havel on 16 July in Prague on the documents received from Russian President Boris Yeltsin on the invasion of Czechoslovakia by Warsaw Pact forces in 1968—recorded]

[Text] [Begin recording] There are two letters. The first is the so-called invitation letter, the search for which has been going on for so long. It is written in Russian and I am going to read its Czech translation to you:

Esteemed Leonid Ilich [Brezhnev], fully aware of the responsibility we bear for our decision, we address the following statement to you.

Our, in principle, correct post-January democratic process, the correction of faults and shortcomings of the previous period, as well as the overall political leadership of our society has gradually gotten out of the control of the party Central Committee. Press, radio, and television, which are more or less in the hands of the right-wing forces, have influenced the public opinion of our entire society to such a degree that elements hostile to the country have begun to take part in the political life of our country—and our public does not oppose this. They are fomenting the wave of nationalism and chauvinism; they are provoking anticommunist and anti-Soviet psychosis.

Our collective and party leadership made a number of mistakes. We have not managed to correctly defend and put into effect Marxist-Leninist norms of party work and, above all, the principles of democratic centralism. The party leadership is no longer able to successfully defend itself against attacks on socialism; it is unable to organize either ideological or political resistance against the rightist forces. The very essence of socialism in our country is threatened. Political means and means of state power have already been at present to a considerable degree paralyzed in our country. Rightist forces have created conditions suitable for a counterrevolutionary coup.

In such complex conditions, we are turning to you, Soviet Communists, leading representatives of the Communist Party of the Soviet Union and the Soviet Union, with the request to grant support and assistance by using all means at your disposal. It is only with your help that the Czechoslovak Socialist Republic can be snatched away from the looming danger of counterrevolution.

We are aware that this ultimate step to protect socialism in the Czechoslovak Socialist Republic may not be easy for the Communist Party of the Soviet Union. We will therefore spare no effort to fight with our own means. But in the event that our efforts and options are exhausted or that they do not yield positive results, in that case regard our statement as an urgent plea and request for your intervention and all-around assistance.

In connection with the complexity and danger of the situation in our country, we are asking you to keep this statement of ours in strictest confidence. This is the reason for our writing it in Russian and addressing it directly to you.

This letter is hand-signed by Alois Indra [then secretary of the Czechoslovak Communist Party, CPCZ, Central Committee], Drahomir Kolder [then secretary of the CPCZ Central Committee], Oldrich Svestka [then member of the CPCZ Central Committee Politburo], Antonin Kapek [then candidate to the Presidium of the CPCZ Central Committee], and Vasil Bilak [then first secretary of the CPCZ Central Committee].

At the beginning of this week I received other documents from the Russians, including the minutes of the Warsaw Pact summit in Moscow on 18 August 1968.

At this meeting Leonid Brezhnev announced that he had received a request for help by all available means, including military help, from the Czechoslovak comrades. At the same time he announced that the CPSU Central Committee Presidium had already decided in favor of military help one day before this meeting.

The minutes reveal that the request with which Brezhnev acquainted the participants in the meeting is, with the exception of minor language and stylistic variations, identical with the authenticated photocopy of the original that I have received today. Brezhnev just did not give the names of the signatories of the letter. He proposed to change the address of the letter, omit the last paragraph in which the signatories asked for as strict confidentiality as possible, and use the letter for political justification of the intervention.

All the participants in the meeting—Ulbricht, Gomulka, Zhivkov, and Kadar—agreed with this and the letter was indeed subsequently used in this way.

Brezhnev said he had been handed this letter at the Warsaw Pact meeting in Bratislava on 3 August 1968.

I immediately handed over the letter I received today to the prosecutor general of the Czech and Slovak Federative Republic. I am going to hand over its copy to a commission of historians studying the 1968 events.

The second letter contained in today's dispatch is a letter from Antonin Kapek to Leonid Brezhnev asking for help separately on his own behalf.

As President Yeltsin told me yesterday, these documents were marked with a stamp saying: Never to be opened.

On behalf of our public, I would like to thank President Yeltsin for passing to us this and all other archival documents concerning Czechoslovakia, for which I asked him.

I have said on many occasions that getting to know the truth about our recent history and opening up the path for justice is in our intrinsic interest. I am glad to have been able to bring my own contribution toward this course. [end recording]

Yeltsin Call to Havel, Letters on 1968 Events

LD1607211192 Prague Federal 1 Television Network in Czech 1730 GMT 15 Jul 92

[Text] Russian President Boris Yeltsin telephoned CSFR President Vaclav Havel today at 1540 to say that he uncovered two very important documents related to the 1968 events. Boris Yeltsin also told the Czechoslovak president that he would hand both documents to him in the next few days.

[Bratislava Rozhlasova Stanica Slovensko Network in Slovak at 1500 GMT on 16 July adds: "Russian President Boris Yeltsin's personal envoy in Prague today presented Vaclav Havel two letters from 1968, the president announced at a news conference. One letter, signed by Alois Indra, Drahomir Kolder, Oldrich Svestka, Antonin Kapek, and Vasil Bilak, was addressed to Leonid Brezhnev and contained an appeal for help by all available means. The letters say that right-wing forces have created suitable conditions for a counterrevolution in Czechoslovakia. Leonid Brezhnev read excerpts from this letter at the Moscow consultation of representatives of five communist parties on 18 August 1968, where it was decided to intervene in Czechoslovakia. The second letter was signed by Antonin Kapek alone."]

Czech Foreign Minister on Domestic Situation

AU1507124692 Prague MLADA FRONTA DNES in Czech 10 Jul 92 pp 1-2

[Interview with Czech Republic International Relations Minister Jozef Zieleniec by Petr Novacek; place and date not given: "Let Us Not Terrify the World by Our Bickering"]

[Text] [Novacek] For the first time, the Czech Republic has a Ministry of International Relations, and you were appointed its head. How will you begin your work?

[Zieleniec] I believe that it is a task of utmost urgency at this time to formulate the Czech state interests in foreign relations and prepare international political conditions for the creation of a modern Czech statehood. The domestic political situation requires that we immediately get to work. At the same time, however, we must develop a completely new institution of the Czech Ministry of International Relations.

[Novacek] Your ministry must immediately get to work, but the Federal Ministry of Foreign Affairs still exists, and so does the Slovak Ministry of International Relations. Are you afraid of some rivalry on their part?

[Zieleniec] I believe that it will not get as far as that. The powers of our ministry are precisely defined by law, and we are not going to transgress them. Of course, the best possible cooperation with the Federal Ministry of Foreign Affairs and the Slovak Republic Ministry of International Relations will be necessary. We must not travel around the world and tell some awful and untrue stories about one another. On Wednesday [8 July] I met with CSFR Foreign Minister Jozef Moravcik. We developed a rare rapport regarding the utmost importance for the Czech Republic and the Slovak Republic ministers and their political representatives to appear in their relations with the world as partners capable of reaching an agreement. We must make certain that no misunderstandings or clashes occur between the Czechs and the Slovaks at the Czechoslovak representative offices abroad. Such matters would certainly not escape notice, and they give the impression that we are a bickering bunch that cannot agree on anything.

[Novacek] By the way, have you seen some signs of conflicts between the Czechs and the Slovaks at the Czechoslovak representative offices abroad?

[Zieleniec] No, fortunately none so far.

[Novacek] Have you made any contacts yet with your Slovak counterpart, Milan Knazko?

[Zieleniec] Not yet, but together with Minister Moravcik we will propose to Mr. Knazko a regular trilateral consultative meeting to prevent any occurrence of conflicts based on a lack of information or a misunderstanding.

[Novacek] What do you consider to be of cardinal importance for Czech foreign policy?

[Zieleniec] We must proceed with the integration into the West European institutions—the EC in particular—at a steady pace. The relationship between the Czech Republic and its German neighbor is a part of this task. It is of utmost importance that the treaty between the CSFR and the FRG remain valid regardless of the developments in the constitutional arrangement, and that the positive elements of cooperation be further developed.

[Novacek] You are obviously aiming at the international law status in the event that the Czech Republic becomes

independent. Prime Minister Meciar, however, significantly “softened” his sovereignty plans for Slovakia plans recently. Do you think it possible that he is changing the line?

[Zieleniec] I do not believe that the unequivocal goal of reaching the complete sovereignty for Slovakia recognized by international law has disappeared from the Movement for a Democratic Slovakia plans. It is just a tactical maneuver on the part of Mr. Meciar that can be linked to the domestic discussion of the constitutional arrangement, and perhaps also to the succession rights to the Czechoslovak state. In other words, it pertains to his endeavors to obfuscate the whole picture and complicate the process of talks between the two national councils.

Speed Versus Procrastination in Negotiations

Havel Criticized

92CH0720A Prague MLADA FRONTA DNES in Czech
15 Jun 92 pp 1-2

[Interview with Zdenek Jicinsky, first deputy chairman of the Federal Assembly and member of the Czech Socialist Democratic Party, by Jana Bendova; place and date not given: “The Parliaments Will Decide on a Referendum”]

[Text] [Bendova] On Thursday, Milan Knazko, deputy chairman of the HZDS [Movement for a Democratic Slovakia], stated that a referendum could be declared during the last quarter of this year or at the beginning of next year. Toward this end, I asked Prof. Zdenek Jicinsky (CSSD [Czech Socialist Democratic Party]), first deputy chairman of the Federal Assembly, how realistic this claim was.

[Jicinsky] Currently, a disproportionate degree of hysteria is coming into being in public and I consider that to be very bad. We had free elections and no one doubted their legitimacy or their results. The organs elected during the elections have not yet met, they have not yet begun to work, and they are already confronted with a virtual accomplished fact. We should give them sufficient time to constitute themselves and to begin their negotiations. I believe that, in this regard, the president was overly hasty and took some steps which did not have a good influence upon the political scene. It is only up to those organs to decide how and whether a referendum should be held, for example. Right now, the only people negotiating are representatives of two of the strongest parties representing approximately one-third of the voters in each republic. They are in no position to make commitments for the Federal Assembly, nor for the Czech National Council, nor the Slovak National Council.

[Bendova] After the legislative bodies are constituted, what would be the time sequence of the various steps?

[Jicinsky] The constitutional law regarding a referendum in no way commits the parliament to any kind of time

limit. It merely states that the president must proclaim an all-people's referendum within 15 days of receiving such a proposal and that the referendum must then be conducted within 90 days. The results of a nationwide referendum regarding the form of constitutional arrangement then takes on the weight of a constitutional law.

[Bendova] Do you believe that it would be better to proclaim a referendum on a national basis or only in one of the republics?

[Jicinsky] A national referendum would make sense only to deal with the form of constitutional arrangement. As far as I know, nobody in the Czech Republic wants to proclaim the separation of the Czech Republic and therefore, in the Czech Republic, only the initiation of a nationwide referendum would make sense. However, in view of the political situation in Slovakia, a referendum there could be proclaimed to deal with the subject of secession.

[Bendova] After the secession of Slovakia from the federation, would the Czech Republic be the successor country?

[Jicinsky] In view of the fact that Czechoslovakia, as an existing entity under international law would cease to exist, the nature of many obligations would be changed to such an extent that they would essentially have to be reformulated. Despite the fact that, for example, the Czech Republic could be the successor of the defunct CSFR, this would not automatically mean that it would take on all of the federation's contractual relationships. And the Czech Republic would, in a number of cases, have to act, irrespective of whether it was recognized as a successor or not.

[Bendova] Even after its disintegration, Yugoslavia has remained as a member of the international community, for example, of the United Nations, and the new states, Slovenia and Croatia, had to submit requests for such membership again....

[Jicinsky] Following a possible unilateral secession of Slovakia, the Czech Republic would have a clear advantage in this specific case by not having to again apply for membership in international organizations.

Havel's Reply

92CH0720B Prague MLADA FRONTA DNES in Czech 16 Jun 92 p 1

[Interview with Vaclav Havel by (pch) on 16 June; place not given: "Woeful Consequences of Postponement—Vaclav Havel Responds to MLADA FRONTA DNES Question"]

[Text] [pch] What do you say to the contention by Zdenek Jicinsky that you were overly hasty in initiating the coalition negotiations?

[Havel] The views of Zdenek Jicinsky have confirmed for me that I acted correctly. Whenever I have thus far

heeded his counsel, the common characteristic of which was always a recommendation that something should be postponed or that there was no hurry regarding a matter, it had woeful consequences. Experience has taught me that it is best to do the opposite of what Professor Jicinsky advises me to do.

Jicinsky's Comment

92CH0720C Prague MLADA FRONTA DNES in Czech 17 Jun 92 p 2

[Unattributed article: "Jicinsky Responds"]

[Text] Prague (VIS)—Zdenek Jicinsky, first deputy chairman of the Federal Assembly, has commented on the statement by the president that we printed yesterday: "The position taken by V. Havel in MLADA FRONTA DNES on 16 June 1992 surprised me. For the present, I believe that it is not yet time to analyze and evaluate our differing views during the period which has passed. However, I believe that the relationship between V. Havel and the Federal Assembly as well as the Slovak political representation does not indicate that he has always had good advisers."

Sladek on Party Discipline, Other Issues

AU1607105292 Prague RUDE PRAVO in Czech 11 Jul 92 pp 1, 3

[Interview with Miroslav Sladek, chairman of the Association for the Republic-Republican Party of Czechoslovakia, by Nada Adamickova; place and date not given: "One Day They Will Awake—And I Will Be President"]

[Excerpt] [Passage omitted] [Adamickova] Your party is an extreme right-wing party. At a news conference with the Christian Democratic Party [KDS], Vaclav Benda said that your orientation is only theoretical, and he puts you on the opposite side of the political spectrum. How do you respond to this?

[Sladek] I consider Vaclav Benda to be a fossil with no business on the political scene. He is incapable of orienting himself on the political scene. He uses politics to provide financial security for his family. Regarding your description, we really think of ourselves as the right wing. As we go along, it will become obvious. The political scene in our country is developing, as is the rest of our society. That is, political parties should become spokesmen for various social groups in the future. We are a right-wing party, in contrast to the Civic Democratic Party, the Christian Democratic Party, etc. As far as the statements describing us as something else are concerned, I would like to stress the fact that we have nothing in common with communists. On the contrary, it is the Civic Democratic Party and Christian Democratic Party who are hand in glove with communists. Who proposed comrade Strasky for prime minister? Who elbowed other communists into the government? The Civic Democratic Party and the Christian Democratic Party. Who helped them? Czechoslovak People's

Party members and others who collaborated with the communists, and who are now collaborating with the Civic Democratic Party. In the future, they will collaborate with anyone in power. When speaking about Czechoslovak People's Party [CSL] members, we must not ignore the fact that their chairman verbally ruined his party. Just look at the preelection polls and you will see how the party support dropped. Perhaps it does not require much skill to establish a new party and lead it to parliament, but it really requires skill to ruin a party with dozens of years of history and lead it to such a failure, only because one man wants the post of Czech deputy prime minister. This really requires special skills. Who helped a former communist—a communist who wrote festive poems under the past regime—become Czech National Council chairman? So, which party is full of former communists?

[Adamickova] Speaking of communists who changed their political colors, you are said to have been a candidate for Communist Party of Czechoslovakia [KSCS] membership.

[Sladek] I could quote Neruda's words: Everything I have done, I enjoyed doing, etc.... It is not true that I was a candidate. I was neither a candidate nor a member of the Communist Party. You know how slander is. So far, I have not been accused of sexual deviancy.

[Adamickova] You will actually be the only deputy in parliament who underwent, which was reported publicly, a voluntary psychiatric examination. Do you believe that this should make your current colleagues think of you as of a politician?

[Sladek] As far as the examination is concerned, it was not voluntary. They threatened me, even with prison. This is why I underwent the examination. As I said at preelection meetings, I did not let them hammer on my knee. I met with doctors and they, based on our meetings, issued a certificate stating that I am normal. By the way, I would recommend a psychiatric examination for the majority of those who lead the Czech Republic and the federation today. If someone says that it was Charles the Great who founded Charles University, then he certainly needs psychiatric examination. What if no one takes me seriously? Let them do that. One day they will wake up and I will be the president. Tough luck for them.

[Adamickova] The majority of the political parties issue various statements regarding developments in society. This is not a common practice of the Republicans. Or, is the contrary true?

[Sladek] It is the other way around. In two recent years we were very active. The media were either silent, or they slandered us, or they took our statements out of context. This situation persists. When watching television, you would not guess that we are the fourth strongest party in Bohemia. The information blockade is quite intentional, then. This is why we abandoned regular news conferences including a large number of reporters, as nothing was ever published. In my opinion, they were

given unofficial instructions to not write about the Republicans, particularly in the preelection period. Now, we are issuing voluminous statements through the CSTK, yet the effect is minimal. This is why we will probably organize meetings again.

[Adamickova] What is your latest position on the federation?

[Sladek] In no uncertain terms, we favor the preservation of Czechoslovakia—under any name—based on the union constitutional arrangement, comprising the Czech land, Moravia and Silesia, Slovakia, and, in the future, Ruthenia.

[Adamickova] Last week, during the presidential elections, you spoke mysteriously about pressure exerted on your candidate Juraj Cop. Can you be more specific?

[Sladek] I did not want to sound mysterious, but there certainly is a mystery surrounding the whole affair. Engineer Cop and I agreed that he would come to Prague one day before the elections on 2 July. All of a sudden, late Thursday night, he disappeared. I have not spoken with him since, so I do not know what happened. Despite this, I think it is hard to believe that an adult would change his opinion so suddenly overnight. Speaking of pressure, I must say that our deputy Svoboda, who proposed Engineer Cop as a candidate, was subjected to indirect psychological pressure. He was not able to resist and he eventually withdrew his proposal.

[Adamickova] It is said in the corridors of parliament that your club is subjected to hard discipline and during a vote, all members are bound by the decision of their leader. Is that true?

[Sladek] Regarding the word leader, you know yourself how many leaders we had here in the preelection period. It would be good to take a dictionary and look up what is a leader [preceding word in English], *fuehrer* [preceding word in German], and *vudce* [leader]. When we spoke about other leaders, everything was alright. When someone speaks about Republicans and their leader, all of a sudden everything is bad. Someone must lead. Scouts, too, are led by someone who is called a leader. Regarding discipline in the club: If the group of 14 sticks together, then it will be able to push something through. You yourself saw what we were able to do at Friday's session of parliament. Discipline for our members is completely voluntary. This is why I believe that there will be efforts to dissolve our club. If they were unable to liquidate me over two years, then they will work on our deputies now. This, too, is a way of removing me from the political scene. I told the members of our club unequivocally that if they want to ruin the Republican Party, or me personally, they should join our enemies.

[Adamickova] Are you not afraid that, based on your impolite statements, you could be criminally prosecuted for having offended someone?

[Sladek] I am not aware of offending anyone. I state my opinion. By the way, there is one criminal prosecution underway against me. It involves the Havel affair. On the other hand, our complaint regarding Havel's statements, when he said we are fascists, is being ignored. I am not going to shield myself with the immunity which I have acquired, and I am insisting on court proceedings against me. Regarding the possible withdrawal of my immunity, I think that the Mandate and Immunity Committee will deal with the matter. I am openly saying that I do not care. I am not in parliament to hide and take money, but I am here to help this country. If I see that I am not capable of being helpful, then I will readily give up my privileges and return to the streets.

Czech Press Sees Slovak Program as Antireform *AU1607112592*

[Editorial Report] Czech newspapers on 10 July published 400- to 800-word commentaries on the Slovak government policy statement, which was approved on 6 July, and an "outline" that was published on 9 July. Most of them focus on what they regard as the statement's emphasis on state interference in all walks of life and express skepticism about the compatibility of the Slovak government's program with the continuation of economic reforms.

Prague LIDOVE NOVINY in Slovak on 10 July on page 3 carries an 800-word Stefan Hrib commentary titled "A Program for Returning to the Past." Hrib writes that "the Slovak government's draft policy statement can be characterized as the eastern CSFR's civilized move toward a Slovak state distinguished by sovereign state regimentation. In the course of history, such a transition from freedom to state slavery used to be accompanied by shots from the Aurora [reference to beginning of the Russian Revolution in October 1917]. In Slovakia, however, with the voters' general consent, it is accompanied by words describing the exact opposite—freedom, democracy, and the market."

According to Hrib, despite the fact that the Slovak government program subscribes to the market philosophy, privatization, and price liberalization in theory, it actually involves extensive state interference in all areas of life. In his opinion, this will prevent reform from continuing.

Prague MLADA FRONTA DNES in Czech on 10 July on page 6 carries a 500-word Tomas Marek commentary titled "Confusion of Terms and Contradictions." The commentary focuses on the economic chapters of the Slovak government policy statement, which it considers to be full of "confused terms and contradictions." According to Marek, "on the one hand, the statement speaks about a number of restructuring, regional, and development programs, about investment in infrastructure, about tax relief for all kinds of entrepreneurs and foreign investors, about writing off corporate debts, and many other bold plans. On the other, it is bashfully silent about how it is going to finance all this." Similarly,

Marek continues, "the policy statement claims that the cabinet will continue the policy of liberalizing trade, that it considers access to foreign currency to be the crucial factor for integrating Slovakia into international trade and financial relations, and that protection of the domestic market is possible only in accord with international agreements. On the other hand, however, the authors say: 'The unrestrained opening of the market to consumer goods imports has brought about a deeper decline of the economy than would have been necessary.' You can have either one or the other. You can either open the economy to the outside world and enter into competition in both the domestic and foreign markets, or you leave it closed with all the consequences, including foreign exchange allocations for imports. The notion that it is possible to zigzag between the two is illusory."

Marek concludes the commentary by saying: "The Slovak government policy statement is, unfortunately, a totally abstract text with a number of self-contradictory passages, in which there is perhaps only one idea that is completely clear—the call for the Slovak nation's unity in its implementation."

Prague TELEGRAF in Czech on 10 July on page 3 carries a 600-word Radek Malek commentary entitled "Slovakia's New Deal." The commentator believes that the Slovak government's "programmatic aim is to seek a 'third path' [between capitalism and socialism] and usher in a national social market economy." He stresses, however, that the "Slovak government policy statement formulates this new economic model with the strategic caution of a so-called double message. It is as though the numerous assurances about respect for the market economy were designed to overshadow the occasional social (meaning socialist) attribute. The politicians in the Movement for a Democratic Slovakia [HZDS] apparently realize how sympathetically such schemes tend to be received in the West."

Summing up, Malek says: "Although the Slovak government's new program is nothing scandalous or shocking, those who read it attentively cannot avoid the impression of having seen something like it before: The preponderance of the small and medium-sized private sector and etatist policies were characteristic features of the GDR under Honecker."

Prague RUDE PRAVO in Czech on 10 July on page 1 carries a 400-word Robert Dengler commentary titled "Meciar Is Not Profligate With Promises." The commentary takes a line that differs from the skepticism expressed in the above commentaries. Dengler says: "The program of the Bratislava cabinet makes interesting reading. The Slovak cabinet undertakes, among other things, to promote the market economy, not to return to command-type management, and not to squander social benefits but to allocate them only to the needy. It subscribes to the continuation of privatization and price liberalization and to the establishment of conditions for the influx of foreign capital and for

maintaining social peace. The Bratislava government is not even afraid of using words such as 'phasing out' or 'liquidating' (unprofitable mines and inefficient enterprises, for example)." Dengler therefore believes that "one could say that the recent populist fears of an almost monolithic Slovak executive branch might have been dispelled."

Kovac Interviewed on Current Situation

AU2007072392 Prague RUDE PRAVO in Czech
15 Jul 92 pp 1, 13

[Interview with Federal Assembly Chairman Michal Kovac by Nada Adamickova; place and date not given: "I Am Not a Federalist But a Supporter of Coexistence Between Czechs and Slovaks"]

[Excerpt] [Passage omitted] [Adamickova] What developments regarding the presidential elections do you foresee in parliament?

[Kovac] I would be happy if a proper candidate were found and the president of the federation elected. We are interested in a full functioning of the federation in the period in which important constitutional issues are discussed. However, it is difficult to make predictions.

[Adamickova] If you are stressing that the Movement for a Democratic Slovakia [HZDS] is interested in electing the president, then why have you not proposed a candidate?

[Kovac] We had an agreement between the Movement for a Democratic Slovakia and the Civic Democratic Party [ODS] that the post of the president will be taken by a Czech Republic citizen, the post of the Federal Assembly chairman by a Slovak Republic citizen, and the post of the prime minister by a Czech Republic citizen. This agreement has not been changed.

[Adamickova] This does not mean that you cannot propose a Czech candidate.

[Kovac] We could propose a Czech representative, but I do not know whether it would be politically appropriate. I believe that it would be absolutely appropriate if the Czech side, Czech political parties, found further candidates. The situation is complicated by the fact that Mr. Havel indicated that he would run for president in the next elections.

[Adamickova] In one interview for RUDE PRAVO, Civic Democratic Party Deputy Chairman Macek admitted the possibility that during the talks about the future constitutional arrangement one side may lose its nerve and take unconstitutional steps toward the division. What is your opinion as a Movement for a Democratic Slovakia representative?

[Kovac] In our program we have never considered an unconstitutional process. A constitutional process may be a one-sided process, too. That is, one of the republics may secede from the union, but that is not what we

prefer. I do think that we would have enough patience, and that we would not take unconstitutional steps because of that.

[Adamickova] At the beginning of the talks, the Movement for a Democratic Slovakia adopted tough stances, and the Civic Democratic Party's course of action today may seem as a tit for tat. It almost appears as if your movement was receding from some of its demands. Is that true?

[Kovac] I do not believe that we are receding, since we have never demanded anything. We have really never thought that something should be done in three or five months. I do not have a feeling that we would be on retreat. We have some understanding for the Czech side, for the fact that they do not want the transition period—which is neither fish, flesh, nor fowl—to last too long. It is true that such a situation could lead to unexpected reactions, for instance, in the entrepreneurial sphere, people's behavior with respect to their savings, reserved reaction of foreign investors who are waiting until the matter is settled, etc. When such a situation lasts for long, it is damaging to both sides. However, we do not believe that everything can be decided by 30 September. We believe that by 30 September we can agree on our ideas, principles, methods, and steps to be taken to put pertinent agreements into practice.

Sladek Addresses Assembly on Presidential Vote

LD1707214792 Prague Stanice Ceskoslovensko Radio
Network in Czech 0830 GMT 16 Jul 92

[Address by Miroslav Sladek, CSFR presidential candidate and chairman of the Assembly for the Republican Party of Czechoslovakia, after the first round of presidential elections in the CSFR Federal Assembly in Prague—live]

[Text] Ladies and gentlemen: Enough is enough. I would like to mention what or who devalues the CSFR presidential election. I am sorry about personal attacks here. I will not comment on them. I think that the CSFR presidential election was devalued most by the state mass media and those at the government steering wheel—that is, those leading this country. You saw for yourselves what happened prior to the first presidential election, since the government in power had interests vested in that particular person. You saw for yourselves what happened in the past fortnight, just because a CSFR citizen who was fully entitled to participate in this election dared to do so. I think we are experiencing a kind of historic moment today which many of you have yet to appreciate and which will be fully acknowledged in the future. It is a moment when the seats in this country's leadership are not and will never be reserved for a group of privileged persons and for their family clans. Every citizen of this country from today on will be able to use all his rights. If he is running as a candidate for the legislative bodies or for the presidency or at the community level, you will have to cope with that from now on.

This is only my general view of what is happening in this country. I can assure anyone who believes this is democracy, giving the example of the second election of the CSFR president, that for the time being we can only dream of democracy here. Mass media and information are available to one person; for someone else, there is only slander, a smear campaign, or a total disregard. What does that have in common with democracy? Where is the equality of citizens in the eyes of the law? I realize that many of you turn a deaf ear to my words. I know that. I also know that the first presidential election was relayed live on TV, while the second presidential election was probably not worth it. I do want to point out one thing: Many of you laughed at me two years ago, saying that the loony would never get into parliament. Take a look at the results of two years of our work. The situation could be similar in two years. Thank you.

Attack Against Federal Television Seen

92CH0713A Prague RESPEKT in Czech
No 24, 15-21 Jun 92 p 14

[Interview with political scientist Jacques Rupnik by Petruska Sustrova; place and date not given: "Society Must Defend Itself—Jacques Rupnik Speaks on the Demand To Disestablish the Federal Radio and Television System"]

[Text] *Political scientist Jacques Rupnik was born in Prague in 1950, studied in Paris at the Sorbonne and at Harvard University in the United States. He worked eight years as a BBC commentator. He now lectures at the university in Paris. He is the author of numerous books and articles on central European problems. The Prostor Publishing House is soon to publish his book Jina Evropa (The Other Europe).*

[Sustrova] Is it customary for a basic information system not to exist alongside regional and territorial systems?

[Rupnik] No, that is not customary. The only example I can recall is Yugoslavia where some years ago they disestablished the federal broadcasting system and each republic created its own. That was the beginning of the end not only of Yugoslav television, but also Yugoslavia per se. Because, as of the moment such a thing occurs, each republic is already conducting its own monologue. The exchange of information ceases and as soon as forces inclined toward nationalism seize power, it becomes one-sided propaganda. The last bastion of actual Yugoslav plurality television was Sarajevo: Today, it is being fired on by guns and the headquarters of television in the city is the target of the Serbian military. But I do not wish to take this comparison too far.

If a common state is to exist, it is necessary for a uniform information system to exist also. The fact that one of the first things which Mr. Meciar wishes to disestablish is the federal radio and television system is a bad omen for the future of the federal state. There is yet another aspect which has to do directly with Slovakia. To the extent to which not only Slovak radio and television, but also

Slovakia as a whole is to become independent, the question arises as to what kind of Slovakia this will be. If its emancipation is to begin by disestablishing the plurality of information and the exchange of views, then I am afraid that independent Slovakia need not be democratic.

[Sustrova] What would the disestablishment of federal broadcasting signify?

[Rupnik] It would mean impoverishment for the Slovak public and it will amount to a certain test: How will the democratic Slovak public react (and I do not believe that this involves only the nationalistic and authoritarian public) to the first incursion involving the restriction of the freedom of expression on Slovak territory.... In other words, this is not merely a question of the end of a common state, this is a question of the future of democracy in Slovakia, no matter what the state will look like.

[Sustrova] Do state communications media exist in the West?

[Rupnik] State? No. One must differentiate between the concept of state and public. In Great Britain, Germany, and France, public television does exist—that is to say, television financed with state resources, in other words, by taxes, by television fees. This is not private television, it is public. People in postcommunist countries frequently confuse these terms; they consider public television to be state television, in other words, government television: They consider it to be controlled propaganda. But public television is not a government institution. It is independent and this position guarantees its objectivity and neutrality. In France, for example, television is overseen by a kind of "council of wise individuals," composed of nine members: Three are appointed by the president, three by the chairman of the National Assembly, and three by the chairman of the court. These are independent, supraparty individuals, who are respected for their moral quality. The situation is similar in other European countries.

It is important for the entity which controls radio or television and is to guarantee their independence to be an organ composed of independent individuals and not of representatives of the political parties.

British BBC television is experiencing numerous conflicts, but it is the highest quality television in the world. It maintains this quality precisely because it is public television, because it is not subject to commercial pressures, but, at the same time, also because it knows how to defend its own independence.

[Sustrova] What importance do you ascribe to independent communications media and to the freedom of the press?

[Rupnik] I do not know the extent to which people perceived these matters during the time of totality, nor the extent to which they missed not having free information. I sometimes have the impression that the majority

of the people at that time adapted, tuned out, and were interested in nothing. To a certain extent, plurality was supplemented by the samizdat, of course, to a limited extent, or by Western broadcasters. It is also true that people have perhaps become accustomed to freedom too rapidly—that freedom of the press is already a given. Moreover, people frequently confuse freedom of the press with the fact that anything can be printed—any kind of falsehood or egregious nonsense. The editors or directors of these publications are not aware that freedom of the press demands responsibility and that irresponsibility leads to the other extreme—to aggression, against which those attacked can essentially not defend themselves in any way.

As far as Slovakia is concerned, the advent of Meciar actually already began prior to his election victory. The spirit of plurality was gradually slipping away from Slovak television and Slovak radio and those independent newspapers which existed were going out of business. I am shocked by the fact that here, in Prague, no one reads Slovak newspapers anymore; that in Slovakia no one reads the Czech newspapers—communication is almost disrupted. In other words, Meciar is beginning to come into a situation in which the communications media are virtually in bondage to him and now it will be decisive—and I again return to the question of Slovak democracy—whether sufficiently strong pressures will develop within the society, among intellectuals, among young people.

Pessimism Over Slovakia Not Justified

Economic Outlook

92CH0717A Bratislava NARODNA OBRODA in Slovak
20 Jun 92 p 3

[Commentary by Daniela Zverkova: "There Should Be No Fiction in Economics"]

[Text] If the state breaks up, then foreign capital will avoid Slovakia. This is the line of argument that the federal mass media has been taking in recent days. Supposedly this can be seen from the tables of stable and risky countries which have been published by the German newspapers. (According to them, the Czech lands are stable and Slovakia is risky.)

I am not for breaking up the joint state. Just the opposite. Despite this, I have my doubts about whether the solvent Western investor will use the predictive data from the newspapers in making decisions about the fate of his money. Certainly he has his own sources of information. They work at the level of the economic tools and not the legal composition of the state. After all, money does not recognize any borders and good business also does not.

The proof of this is the constant interest of Western investors in Eastern markets, regardless of the fact that the Soviet Union has broken up. It is enough to look at the long-range outlook plans for transportation routes which are being prepared at the level of the European

Community. All of them—whether they are superhighways, railroad lines, or airline routes—lead to the East. After all, it is an enormous trade region. It attracts all true businessmen and not even one of them gives a thought as to whether he should be discussing things with a disrupted society of whatever type. Each of them establishes contacts directly with the appropriate republic.

This certainly also applies to all the postsocialist countries. You can see this right from the German tables which study the economies not as a whole, but by each individual republic. And this applies not only for Germany. It suffices to recall the credit amounting to 2 billion French francs which the French government promised for the construction of the Bratislava subway system shortly before the elections. First they requested guarantees from the Slovak government and only then from the federal government. Does anyone really think that the experts in the French government did not know how to figure out which way the elections in Slovakia would come out? Surely they knew. Only in making decisions they placed the emphasis on something else which was more important to them.

I know that the breakup of the joint state would weaken us economically. I emphasize "us." Slovakia, but also the Czech Republic. There is not the slightest doubt about that. It is so far a matter of opinion who would be weakened more and to what degree. Serious calculations verified in all aspects are simply lacking. The numbers which are usually put out in connection with this fluctuate more at the level of fiction, rather than facts. They elicit unnecessary hysteria and conjecture. People who are at the least in over their heads are putting these figures out into the ether. It is time for them finally to pull back and to stop commenting on facts about which even the winners of the elections are silent. They certainly know why.

Political Outlook

92CH0717B Bratislava NARODNA OBRODA in Slovak
20 Jun 92 p 3

[Commentary by Alena Melicharkova: "Pragmatic Progress"]

[Text] In contrast to the emotional speeches switching back and forth, for and against, which are resounding over the city squares (and in the press as well), it appears that the political representation of the CR [Czech Republic] and the SR [Slovak Republic] has chosen a pragmatic course. In recent days a group of experts has put intensive efforts into the preparation of a basis for agreements not only on the reduction of agencies (federal) and the dissolution of the federal government, but also on its announcement schedule. Yesterday's discussions between the highest representatives of the ODS [Civic Democratic Party] and the HZDS [Movement for a Democratic Slovakia] also had nightly and midday "prediscussions" of the experts in which the majority of

the questions were settled, it appears without any serious (or even no?) conflicts, even before the meeting between V. Klaus and V. Meciar.

We surmise that in the discussions of the experts it got much farther than it seems at first glance, even up to concerning a proposal for a treaty between the two republics. If they got as far as such a study, this would be a clear indication of a pragmatic approach by both parties in a certain sense toward maintaining the joint state on a basis which is suitable for both the Czech and the Slovak parts of the joint republic. The stumbling block still remains, however, in the disagreement on filling the office of president of the CSFR. But we hope that the pragmatic approach will finally win out here as well, on both sides. In the interest of preserving peace and stability not only in the CSFR, but also in Central Europe. It cannot even be excluded that in the FZ [Federal Assembly] the deputies will vote according to their consciences and awareness and not according to their party membership.

Slovak Democrats Analyze Slovak Situation

92CH0726A Prague LIDOVE NOVINY in Czech
23 Jun 92 p 9

[Interview with Slovak political losers by Karel Polansky; place and date not given: "Siamese Twins"—How Much Will To Save Our Federation Still Remains?"]

[Text] Waiting to see what we can learn about the fate of the common state from television is not exactly a rewarding experience. Therefore on Sunday LIDOVE NOVINY, together with the agency Cherry, arranged a public discussion with Slovak democrats in which the burning issues of the present days were discussed. We selected the following excerpts:

Polansky: What has actually happened in the elections in Slovakia?

I. Strpka, publicist: The victor was a very well-targeted social demagoguery, which counted on an aroused national feeling. It promised simple solutions for momentary economic problems, and the voters themselves were looking for some relief. The victorious leader won people over with easy promises and vague formulations.

M. Simecka, publicist: A contributing strong element was also a subconscious protest against Prague, against Czech superiority. Which is a very widespread sentiment in Slovakia. Meciar did not preach independence, but rather anti-Czech politics, and there is a difference.

J. Strasser, writer: What the revolution could not give people in a year and a half, the HZDS [Movement for a Democratic Slovakia] took as its program, and people who were unable to deliver were painted as enemies. This picture of an enemy is important.

F. Gal, sociologist: Let us not talk about Meciar and the HZDS. What has been happening for the past year and a

half on this political scene shows a minimum of reflection about ourselves and an awful lot of talk about Meciar and the HZDS. We are contributing to it here. Let us now try and think about what we, cultural workers, members of political parties and movements, should do to help preserve the common state.

S. Vajcik, secretary general of the Christian Democratic Movement: Nothing will help us if we do not succeed in persuading our citizens that the first order of priority is to establish democracy and put economy on a sound basis. Arguing the pros and cons of independence for their own sake will not save us, nor will it contribute to national emancipation. The point now is to project national pride in another direction, into the economic reform. Many people in Slovakia live under the illusion that independence will solve all their economic problems.

I. Strpka: What we see in Slovakia is a certain resonance of socialism. Weak citizens elected strong political representatives. "State" may resonate maybe even more strongly than "Slovak." A state that will solve for the citizens the problems that are engulfing them. I must say that the Slovak intellectual community failed totally. It did not fulfill what it should fulfill in any state: Search for the truth and discuss it publicly.

Polansky: And what next, gentlemen?

B. Liska, Democrats for '92 for a Common State: I personally think that we must try to define a new quality of the federation. If voters have no alternative, I am afraid that the referendum in Slovakia will lose. For the time being we accept the scenario in which we shall be informed at the end of September how we shall be divided. This struggle for the republic cannot take place along the Moravian-Slovak border, but across the entire length of the republic.

J. Strasser: I do not like the abstraction of this issue. Personally, I consider it important to bring attention to the attendant phenomena which this new regime in Slovakia is producing. A certain phase of normalization is beginning, the table of national accord is practically the National Front. The leading role of the party is being formulated, although it is not called that yet.

B. Liska: This is still playing on someone else's field. We must provide an alternative which the voter will accept in the referendum.

M. Simecka: I profoundly disagree; we cannot fool ourselves. What became irreversible is that the Czechs' will to preserve the federation disappeared. Meciar knew that the Czech public will not want the Slovaks if he takes Havel away from them.

F. Gal: We must climb down a few levels. For example, I, as an ordinary citizen, am interested in entirely specific matters. Is it possible to rifle the archives of State Security [StB] and go unpunished? Is it possible to blackmail constitutional public officials with impunity,

and who is doing something about it? Is it possible to throw journalists out of press conferences with impunity? Is it possible to insult someone with the help of newspapers just because he is a Jew, or someone just because he is a federalist? This provides a wide scope for action, and clear arguments for the result of the referendum.

I. Strpka: Various reservations notwithstanding, it is important to go through the referendum, so that Slovak society does not excuse itself by claiming that someone else made the decision on its behalf and it now has to suffer the consequences.

F. Gal: This country is not two republics, these are Siamese twins. It will be an extremely difficult surgery. Certainly, conditions in an independent Slovak state will be worse than in an independent Czech state, but in both states they will be worse than in the Czechoslovak Republic.

M. Simecka: The will to have a federation is not that strong in Slovakia and at the same time the will to secede from the federation is not that strong either. That, however, opens up a lot of room for politicians such as there are in the HZDS, who can do what they want without fearing a repercussion from the citizens. I even suspect that on the Czech side, too, this will is being modified in another direction. Therefore this question should be addressed in the referendum by both sides.

Meciar: Outgoing Government Leaves Huge Deficit

92CH0724A Prague MLADA FRONTA DNES in Czech
25 Jun 92 pp 1-2

[Unattributed article: "The Prime Minister Promises Sobriety—The Slovak Government Is Sworn In in the Chamber of the Federation"]

[Text] Bratislava (kw, mru)—In the Chamber of the Federation at Bratislava Castle, where on 30 October 1968 the law on the Czechoslovak federation was signed, the Slovak government was appointed yesterday; together with Prime Minister Vladimir Meciar, it has 14 members. This act was preceded by the final negotiations of the previous government which had only one point on its agenda—its resignation. In his final speech, Jan Carnogursky emphasized that the government of the Slovak Republic over the last year had managed to establish law and order, support the continuation of the economic reform, and had assured the democratization of society. As the resigning Slovak prime minister stated, his government is passing on a budgetary deficit of 270 million korunas [Kcs] to the cabinet of Vladimir Meciar, a deficit which has to do with this year's budget. Jan Carnogursky wished to help the new government by providing more detailed information, if there was any interest, and, as chairman of the opposition movement, he pledged to assist with constructive opposition policies. According to him, the new government has greater support among the population and will therefore be able

to afford to take even some unpopular measures. He stated that all that is required is for the government to find the courage to do so.

After J. Carnogursky submitted the resignation of the government cabinet to the chairman of the Slovak National Council, Ivan Gasparovic, Vladimir Meciar presented the proposal naming the members of the new government. The Presidium of the Slovak National Council expressed its agreement with the proposal and appointed the proposed ministers to their offices at Bratislava Castle.

In response to a question as to what he is taking over from the previous government that is good, Vladimir Meciar said almost nothing, because the government of his predecessor essentially only existed and that was all. In his words, this previous government halted development in state administration, fragmented the system of finances and the financial economy of the republic, and substantially demoralized the entire apparatus of centralized organs. "The roots of crisis are extremely deep," said Vladimir Meciar. He identified one of the main principles as being the necessity to tell the population the truth regarding the status of the republic, and to indicate the ways out of this situation. "The truth will be cruel, it will hurt, and many people will come to their senses," said Vladimir Meciar. The new prime minister indicated that his government must submit its program to the Slovak National Council by 6 July. He will require more time to report on the state of the republic because that report requires complete analytical materials, which, for the time being, only amount to about 1,400 pages in the documents of the HZDS [Movement for a Democratic Slovakia]. In this context, he rejected the words of the former Slovak prime minister who claimed that he was leaving the new government a budget deficit of Kcs270 million. The former government, as V. Meciar stated, left behind a much larger deficit: The deficit of Kcs10.8 billion from the previous period has not been solved, neither has the deficit which exists in the national property fund. He estimated the budget deficit to be Kcs2-3 billion. "Never in my lifetime would I wish to be departing under these conditions. I can be unsuccessful, but I cannot depart with such a degree of moral and functional destruction as that caused by the departing government," said Prime Minister Meciar.

Legal Element of Future Unilateral Slovak Steps

92CH0724B Prague MLADA FRONTA DNES in Czech
25 Jun 92 p 2

[Interview with Zdenek Kessler, member of the CSFR Constitutional Court, by Jindrich Filo; place and date not given: "Proclamation of a Constitution for the Slovak Republic Would Be Illegal—A Referendum on the Future Image of the CSFR Would Cost 500 Million Korunas"]

[Text] [Filo] Vladimir Meciar proclaimed on Tuesday [23 June] that the sovereignty of Slovakia will be

declared by the Slovak National Council in July and that a constitution of the Slovak Republic will come out in August. How is it possible to evaluate these unilateral steps on the basis of valid constitutional laws in the event they are actually taken? I asked this question yesterday of Zdenek Kessler, who is a member of the Constitutional Court of the CSFR in Brno.

[Kessler] The declaration of sovereignty for Slovakia will not be overly dramatic an event because what is involved here actually is a political declaration which has a certain legal basis in the valid Constitution of the CSFR. That document speaks of the sovereignty and supremacy of both national republics, so there is no reason for panic on the Czech side.

[Filo] And the constitution of the Slovak Republic?

[Kessler] Its proclamation would be illegal, because it is in violation of the provisions of the federal Constitution. Also, it depends on its content—if it were to speak of establishing the office of a Slovak president and if it makes it evident that Slovakia is becoming an independent international entity, this would be a clear violation of the law. If the Slovak side wishes to adhere to legal procedures, then it would have to proclaim a popular referendum on Slovak territory to cover this step. This, of course, is in violation of the constitutional law on referenda which regulates the constitutional form of the CSFR rather than that of the individual republics. Personally, I believe that August will not see the publication of a Slovak constitution, because there are five variations of it and the political parties can clearly not agree so soon on a single version.

[Filo] Do you believe in the constitutionality of a possible Czechoslovak splitup?

[Kessler] Both Vaclav Klaus and also Vladimir Meciar know that declaring a referendum on the future shape of Czechoslovakia will require the expenditure of 500 million korunas [Kcs]. This amount would burden both national budgets equally—in other words, each republic would have to spend Kcs250 million. That is why there is a certain unwillingness to proclaim a referendum. Except that a referendum is the only constitutional way of solving the constitutional question. If the federation will truly disintegrate, there will be unbelievable chaos regarding the division of property. Although appeals to decency are useful, when it comes to money, no one will recognize even a brother. The previous parliament failed to approve a law on property settlement, which proposed a 2:1 principle—in other words, a division based on population numbers. In the absence of that law, large-scale and distasteful scrambling will result.

Press Views Personnel Changes Under Meciar
AU2007130392

[Editorial Report] Czech and Slovak newspapers between 4 and 14 July publish a number of reports and

commentaries on the extensive personnel changes carried out in Slovak state administration bodies and government-appointed positions since Vladimir Meciar became prime minister. Some of these reports and commentaries refer to these changes as an "earthquake" and the "installation of Movement for a Democratic Slovakia [HZDS] *nomenklatura* cadres" and attribute them to the desire of the new administration to "take revenge" against supporters of the previous administration.

Bratislava PRAVDA in Slovak on 4 July on page 1 carries an 800-word Petr Holka report entitled "Director Recalled via Television." The article discusses the dismissal of Zuzana Bartosova, director of the Slovak National Gallery in Bratislava, which was announced by Dusan Slobodnik, the new Slovak minister of culture, in the Slovak Television "Aktuality" program on 2 July. In the report, Bartosova stresses that her valid contract will not expire until 1994 and describes her dismissal as a "political act that runs counter to social norms that are valid in a democratic state." In her opinion, "the dismissal has nothing to do with me but with my husband, former Slovak Minister of Culture Ladislav Snopko." Asked by the PRAVDA reporter whether she considers her dismissal to be "the first step toward new cadre purges," Bartosova replies in the affirmative. She confides to the PRAVDA reporter that she could tell him "many incredible and tantalizing things about the background" of the affair, but adds that first she must ask her husband for "permission on how far to go."

Bratislava PRAVDA in Slovak on 8 July on page 2 carries a 400-word TK SR [Slovak News Agency] report entitled "No Revenge, the Minister Claims." The report quotes a statement issued by Slovak Minister of Culture Dusan Slobodnik, in which he denied that the dismissal of the director of the Slovak National Gallery was "an act of political revenge." According to Slobodnik, the dismissal had "causes related to the operation of the Slovak National Gallery" under Bartosova's management, such as her failure to prevent the theft of several paintings. Slobodnik claims that he was acting "in the interest of protecting the cultural heritage."

Bratislava PRAVDA in Slovak on 7 July on page 2 carries an 800-word Stefan Mesaros and Jozef Supsak article entitled "The Chairs Are Moving Again. The Recalled Danubiaprint Director Is Back in the Director's Chair." The article deals with the "battle for the director of the Danubiaprint state enterprise," the company that "has a virtual monopoly on the printing of central newspapers in the Slovak Republic." As the article points out, on 6 July Ludovit Cernak, who is minister in charge of the economy in Vladimir Meciar's cabinet, reinstated Stanislav Srnik as director of the company. In this way Minister Cernak "annulled" the decision of Jan Holcik, minister of industry in Jan Carnogursky's cabinet, who had recalled Srnik from the same post. Jan Holcik is quoted by the paper as saying that his dismissal of the Danubiaprint director was motivated by the suspicion that Srnik was "playing into his own pocket"

when he tried to privatize Danubiaprint with the help of an Austrian partner. Holcik is also convinced that an "objective audit" of Danubiaprint would "yield a number of interesting findings that could be used to initiate criminal proceedings on embezzlement charges." Cernak, on the other hand, defends Srník's reinstatement by the "good economic results of Danubiaprint" and by Holcik's failure to give reasons for Srník's dismissal.

The issue of Srník's reinstatement was also raised at a Democratic Party briefing held in Bratislava on 6 July. According to a TK SR report in Bratislava SLOVENSKY DENNIK in Slovak on 7 July on page 2, Democratic Party chairman Jan Holcik qualified Srník's reinstatement as a "political decision" and as an example of "the installation of HZDS *nomenklatura* cadres in state bodies."

Prague MLADA FRONTA DNES in Czech on 8 July on page 6 carries a 600-word Ivo Slavik commentary entitled "Earthquake in State Administration." Slavik opens the commentary by saying: "Observers from Bratislava report that an earthquake is raging at Slovak ministries and other state administration bodies. The election winner has not left a stone unturned and replaces ministerial clerks down to and including the typists."

Slavik sees two possible explanations for these changes. The first is that the HZDS "has decided to go against the flow of the times and award cushy jobs for loyalty." The second possible explanation of the "radical changes," according to Slavik, is that "the election winner has decided to change the political regime built over the last two years, which is why he needs to fill all posts, to the extent possible, with his own people. Evidence of this claim is furnished by the already effected and planned changes in the management of important state information media, such as Slovak Television and the TK SR."

Commenting on the extent of personnel changes in Slovakia, Slavik says: "The strangest thing about the whole situation is the lax approach of the Slovak press to the changes in the state administration. Some newspapers even consider them to be a common thing and quite in accord with the functioning of democracy. This confirms the view of those who claim that Slovak society is developing in a different direction than Czech society and that the concept of democracy as perceived in countries with a rich democratic tradition has still not been fully accepted in Slovakia."

Prague TELEGRAF in Czech on 8 July on page 2 carries a 600-word report signed "aku, gp" entitled "First Complaints; Signals of Violation of Human Rights in Slovakia." The report states: "Last week Charter 77 called on the citizens of Slovakia to let it know about activities and procedures of persons, organizations, and bodies indicating that basic human rights and freedoms are being violated in Slovakia."

"As Charter 77 spokesperson Eva Joachimova told us, the first complaints received by Charter representatives

concern job dismissals. Citizens who acknowledge in public that they did not vote the HZDS are reportedly being dismissed in Bratislava. Citizens belonging to minorities, particularly Hungarians, are also being dismissed. A report about the violation of human rights in schools has come from Banská Bystrica."

The report then provides details on the case of the dismissed director of the Slovak National Gallery, cited above, stressing that the dismissal had "clear political motives" and that the former director was not given a chance to defend herself.

Bratislava SMENA and Bratislava SLOVENSKY DENNIK in Slovak on 10 July publish correspondents' reports on a news conference given by Christian Democratic Movement Chairman Jan Carnogursky in Bratislava on 9 July. According to the reports, Carnogursky expressed "concern" about the "continuing dismissals from [Slovak] ministries and other central bodies" and "the deliberate political preferment of one's own supporters" by the HZDS. Carnogursky pointed out that 18 people, including the driver of former Minister Demes and a recent graduate of the Diplomatic Academy in Vienna, have been dismissed from the Slovak Ministry of International Relations and that 96 people employed at the Slovak government offices have been given notice.

Prague TELEGRAF in Czech 11 July on page 3 carries a 400-word "bl, aku"-signed report, entitled "Order From Above," which describes a specific case of a politically motivated dismissal from a Slovak ministry. The report states: "Roman Zitny, department head at the Slovak Ministry of Privatization and one of the main architects of the privatization concept in Slovakia, received a phone call from Lubomir Dolgos, the newly inaugurated minister of privatization, and was told that he was a 'politically undesirable person' at the ministry. Roman Zitny is the brother of the journalist Milan Zitny, who was active in uncovering the past of the current Slovak prime minister. Lubomir Dolgos made it subsequently clear that the order to fire Roman Zitny had come from Vladimir Meciar. Another 'undesirable person' at the Ministry of Privatization is Ludovit Kanik (election leader of the Civic Democratic Party)." The same report cites Alojz Englis, chairman of the Slovak Confederation of Trade Unions, as having told TELEGRAF that "he is not aware of any persecution carried out on the territory of Slovakia in connection with different political views."

Prague LIDOVE NOVINY in Czech on 14 July on page 8 carries an 800-word Stefan Hrib commentary entitled "Bratislava Purges." Hrib states that 96 of the 120 employees of the Slovak government offices have been given notice and that "a similar personnel policy is being applied by the HZDS at virtually all ministries." Hrib points out that many of the people being fired today were brought to the Slovak government offices by Vladimir Meciar himself when he first became prime minister in 1990, as Jan Carnogursky, who replaced Vladimir Meciar as prime minister in April 1991, "democratically let them stay in the government office." Hrib specifies

that the only head of a Slovak government office department who has not been recalled is Minarovic, chairman of the Freedom Party, which is known for its support for a confederation.

Hrib contrasts the "purges" in the Slovak state administration with Meciar's election campaign statements that the HZDS would use "professionalism" as the sole criterion in its personnel policy. He also claims that Meciar's cabinet was "acting unlawfully" when it cited "organizational reasons" in giving notice to the 96 Slovak government office employees. As Hrib points out, the notices were signed one week before the Slovak government passed the appropriate resolution, which is why "in an independent court, the fired employees would all clearly win their case."

Speaking about Meciar's personnel policy, Hrib also says: "According to well-informed sources, the person behind the personnel changes is Mrs. Nagyova, Vladimir Meciar's personal secretary. She was born in 1952 and graduated from secondary school in 1987 (that is, at the age of 35). She first worked as waitress in the government-run Hotel Borik. Later she worked for the Communist Minister Vacok and, subsequently, for Mr. Cic, prime minister of the semicomunism government ruling between December 1989 and June 1990. In 1990 she started studying law at Comenius University in Bratislava."

Hrib concludes the commentary by saying: "One last thing remains to be said. By 1994 Vladimir Meciar wants to enforce tenure for state administration staff. This would mean in practice that the people installed by him (or, more accurately, by Mrs. Nagyova) would stay in their jobs for life."

Slovak Press Comments on Government Program

*AU1707125492 Prague CSTK in English
0802 GMT 15 Jul 92*

[Text] Bratislava—The Slovak daily NARODNA OBRODA today writes that it is not clear from the Slovak government's program what it intends to do if it fails to come to an agreement on coexistence with the Czech Republic.

It is more than obvious, the paper says, that Slovakia's current economic situation is going to change radically, adding that only an absolute optimist could think the change will be for the better.

The paper notes that it will be difficult for the HZDS [Movement for a Democratic Slovakia] to fulfill its promises, particularly regarding social policy, not to mention support for small and medium-sized business.

The program, writes the daily, looks to be an attempt to cater to as much of society as possible, starting with the left and ending with the right.

PRACA, the trade union daily, notes that on one thing the opposition in both republics agree: They consider

their government's programs vague and incomplete, and say deputies were not given enough time to study the documents thoroughly.

As in every divorce, the paper writes, the partners are starting to weigh and calculate who invested how much in the union and who profited more from it.

And to top it all off, Czech Premier Vaclav Klaus is saying the Czech Republic is prepared to take on the federation's obligations if Slovakia cannot bear its share.

It seems the Czechs are in such a rush that they are willing to cough up a little more now in the name of future prosperity, the paper concludes.

The KDH [Christian Democratic Movement] daily SLOVENSKY DENNIK writes that the approval of the Slovak and Czech government's programs by their respective parliaments leads to endless speculations on whether or not the representatives elected in June have a mandate to break apart the common state.

The paper says that the differences between the Czech and Slovak Government programs will inevitably carry over into future Czech-Slovak cooperation.

In an interview with PRAVDA, SDL [Party of the Democratic Left] Deputy Pavol Kanis says that the election platforms and constitutional conceptions of both the ODS [Civic Democratic Party] and the HZDS contained hidden plans for the breakup of the Czechoslovak common state.

Noting that only citizens can decide the end of the CSFR by vote in a referendum, Kanis says that such a solution does not suit either the HZDS or the ODS, which is why they both have begun looking for a way to get around it.

Jan Cuper writes for KORIDOR that the Slovak parliament's anticipated adoption of a declaration of sovereignty is a chance to write 17 July into the historic calendar of the Slovak nation as the day the second independent Slovak state was born.

"It makes sense, as only a sovereign Slovak state can effectively solve the collective political, economic, and social problems of Slovakia," Cuper writes.

Slovak Comment on Meciar's Government Program

*AU1707125592 Prague CSTK in English
0822 GMT 16 Jul 92*

[Excerpt] Bratislava (CSTK) 16 July—All Slovak dailies today comment on the Slovak government program approved by the Slovak parliament yesterday. The daily KORIDOR sees the program as realistic, based on real possibilities and soberly assessing the prospects of Slovakia's economy.

Alojz Englis, chairman of the Confederation of Slovak Trade Unions, says in PRACA that trade unions are

satisfied with the government program. "Basically everything promised by the government conforms with what we demanded. We realize, however, that this is a political declaration that must be followed by a detailed elaboration of its intentions," Englis says.

SLOVENSKY DENIK, the daily of the opposition Christian Democratic Movement (KDH), criticizes the program as too general, vague, and often controversial. It seems that "the general character of the document is to provide (the government with) space for maneuvering in various situations that may arise from the future political and economic development in Slovakia," the daily says.

A similar view is held by NOVY CAS which thinks it is possible that with the vague and general character of its program, the government leaves the back door open so that it does not have to admit failure in case of complications with its implementation.

The daily PRAVDA says that the programs of both the Czech and the Slovak governments indicate a tendency to end the two republics' economic coexistence. "The Czech government stubbornly, in spite of the facts, relies on a universal strength of market, the Slovak government believes in market forces but allows for a more significant influence of the state in transition to the new conditions," the paper says. [passage omitted]

Economic Impact of Split Contemplated

92CH0723A Prague MLADA FRONTA DNES in Czech
19 Jun 92 p 11

[Article by Pavel Simunek and Pavel Sustak: "The Separating of Siamese Twins—Key Items: Electric Energy From Bohemia, Petroleum Products From Slovakia"]

[Text] *Following numerous negotiations between the political representations of Bohemia and Slovakia, it is likely that the days of the federation are numbered. It is as though the politicians, but also the economists of the HZDS [Movement for a Democratic Slovakia] did not wish to admit to the economic dimensions of the split. After 74 years of mutual coexistence in a common state, both of the economies involved are deeply interconnected.*

Mutual Production and Sales Relationships

Following the possible split between the Czech Republic and the Slovak Republic, there is the greatest likelihood that the supplier-consumer relationships will be disrupted. It is very difficult to precisely outline the direct dependency of production in both of the republics upon each other, because the coproduction relationships between specific enterprises in both republics are not statistically monitored. The same is true of the sale of final products from the Czech Republic for "export" to the Slovak Republic and vice versa, of the status of enterprise obligations and claims involving both of the republics, etc.

On the basis of data provided by the Ministry for Economic Policy and Development and the Ministry of Industry of the Czech Republic, we have attempted to identify the most important strategic interrepublic streams of goods. The Czech Republic purchases mainly petroleum products in Slovakia (about 9-10 billion korunas [Kcs] per year), automotive gasoline, diesel fuel, heating oils, rubber products, synthetic fibers, as well as some metallurgical products and nonferrous metals, etc. On the other hand, the Slovak Republic is dependent upon deliveries of electric energy, brown coal, coke, aviation fuel, some metallurgical products, polyethylene, engineering products (worth about Kcs15 billion) and capital engineering products (worth about Kcs20-25 billion) from the Czech Republic.

As far as the application of "national" products on the markets of the other republic is concerned, it is possible to estimate that the separation of both economies, given the total disruption of coproduction relationships—something which is highly unlikely—would impact on about 12 percent of total sales of products produced in the Czech Republic. From the standpoint of the Slovak Republic, it is possible to estimate the loss of sales approximately at 25 percent. Approximately one-third of Slovakia's industrial branches would be impacted by the loss of markets very heavily, because more than 40 percent of their overall sales involve the Czech Republic.

Foreign Investments and Export

Last year, foreign firms invested \$640 million in Czechoslovakia. Of this, 87 percent flowed to the Czech lands. During the first quarter of this year, the Czechoslovak State Bank recorded an additional influx of investments valued at \$280 million, which, for the time being, has not been differentiated as to territorial placement. It can be anticipated that following a possible split, the interest evinced by foreign investors in our enterprises would decline. It is evident that the distribution of investments would then be developing even less uniformly.

In conjunction with the loss of sales opportunities, the question arises as to the manner in which both republics are able to place their products in foreign markets. The loss of domestic markets would compel compensation based on increased exports to more demanding foreign markets or imports from abroad at higher prices. The structure of Slovak production places substantial limitations upon the possibilities of replacement exports. In 1991, the Slovak Republic accounted for not quite 21 percent of the overall volume of foreign trade.

The foreign trade results for the period of January through April of this year indicate that the Czech Republic accounts for approximately 74 percent of the exports to decisive markets in the European Community and to other nations having developed market economies, whereas the Slovak Republic occupies a more substantial share in exports to the countries of the former Soviet Union (43 percent).

Credits

The overall insolvency of enterprises, in other words, the unpaid obligations due suppliers, rose in the Czech Republic at the end of March to virtually Kcs99 billion, whereas in Slovakia, it amounted to more than Kcs50 billion. In this case, the ratio is uncommonly in agreement with the population ratio. To trace and precisely determine mutual obligations and claims among Czech and Slovak enterprises is currently impossible.

According to the Czechoslovak State Bank, the total volume of enterprise credits amounted to Kcs729.6 billion. Enterprises in Bohemia and Moravia thus

acquired Kcs510.3 billion in credits and Slovak enterprises acquired the remaining Kcs219.3 billion. The situation looks somewhat different according to the criterion as to who granted the credits. Banks headquartered in the Czech Republic granted Kcs547.1 billion in credits, Slovak monetary institutions granted Kcs182.5 billion. If we figure that Czech enterprises borrowed exclusively from Czech banks, then this means that Czech banks granted Slovak enterprises Kcs36.8 billion. This fact can be justified on the basis of the larger number of branch offices maintained in Slovakia by Czech financial institutions and by their activities.

Privatization: Debate Over Law Continues

Long-Term State Ownership

92CH0784A Budapest FIGYELO in Hungarian
2 Jul 92 p 15

[Article by Laszlo Urban: "On Long-Term State Ownership"—overall title for the three related articles: "Privatization; Before the Law, After the Law"]

[Text] *Last week the parliament adopted laws governing the management and utilization of property slated to remain under temporary or long-term state ownership, as well as related interim legal provisions. The legislative proposals were subjects of lively debate, and the number of substantive amendments exceeded 160. As one could expect, the debate did not abate even after the adoption of the law, as shown by the following articles.*

The government has a list of enterprises the ownership of which it wants to transfer to the State Property Trust Corporation. What purpose could it serve, what sense could it make to separate these enterprises from the rest, and to reorganize them under a single, huge state holding corporation?

According to the general intent of the legislation, the state intends to keep at least 25 percent of the assets of these enterprises under state ownership "in the long term." What is meant by "long term"? For now it means two years, in part because even this government proposes a biannual review of the enterprises included in this category, and in part because new parliamentary elections are going to be held in two years and a new government is likely to be formed after the elections—one that would review these enterprises by all means. In light of all this, concerns about the government "removing" a huge volume of assets from enterprises to be privatized appear a bit exaggerated.

Today's government has enough property to privatize during the two years it has left in office, not counting the enterprises that appear on the list. This, of course, is exactly why this group of enterprises should not have been formally separated from the rest; the government could have quietly postponed their privatization. But since they chose to separate these enterprises, they must also have some plan in mind. What could that be?

If the government acted on the basis of some strategic consideration pertaining to the national economy, and if it wanted to preserve veto power to itself regarding certain issues, it could have done so by holding on to a single share of golden stock. A broad array of entitlements could be attached to this special stock in the corporate agreement. Conversely, not even a 25-percent ownership share provides a greater right to interfere with the management of an enterprise than a single share of golden stock; i.e., not even a 25-percent ownership share provides sufficient foundation to positively influence business policy decisions.

Finally, the government could have established this list based on speculations to receive dividend income after the stock it owns, but after reviewing the recommended list of enterprises one finds that only a few are suited to play the "milking cow" role. Thus, the old suspicion continues to prevail: Firms wanting to enjoy special treatment based on political considerations must have lobbied the government so that they become part of this group of enterprises.

Retaining a 50-percent-plus-one vote majority could be a realistic consideration with respect to firms which had a reasonable expectation to make a certain amount of profit based on their monopolistic situations. In these cases one could, indeed, count on a strongly capitalized foreign investor wanting to acquire a minority share of ownership in these corporations by increasing the firm's capital. The question is, of course, whether consumers would be made overly dependent on the superior power of these firms.

The holding corporation is obviously going to provide an opportunity to recognize and to regroup resources that cannot be discerned from the outside, and this consideration alone could justify to government politicians the existence of the holding corporation. Since the Antall government's economic policy is based much more on changes arising as a result of intracabinet struggles than on the pursuit of a clear-cut concept, one cannot rule out the possibility that a new ownership and privatization ministry is taking shape in the former headquarters building of Hungalu [Hungarian Aluminum Enterprise].

'Danger' to Process

92CH0784B Budapest FIGYELO in Hungarian
2 Jul 92 p 15

[Article by Ivan Major: "A Second Start on the 'Third Path'"]

[Text] Responding to a government proposal in the spring of 1990, the then newly elected parliament changed the place of the State Property Agency [AVU] in government: It discontinued direct parliamentary supervision over the agency and assigned the cabinet to perform that function. This step signaled a fundamental change insofar as economic policy affecting the privatization of state property was concerned, and also in regard to the institutional framework of privatization. While under parliamentary supervision—a legal status similar to that of the State Accounting Office—the AVU provided a "privatization model" in which it (could have) acted on behalf of the National Assembly, (could have) audited privatization transactions retrospectively and solely from the standpoint of the legality of action, and (could have) assisted those involved in the privatization process by providing mainly services and even funds, under government supervision the AVU became the lead actor, the lead executor—and thus, in many instances, the wheel-drag—in each and every actual privatization transaction.

Despite some apparent facts, the AVU leadership did not make an attempt to prove the correctness of everything that was happening as part of Hungarian privatization, but instead, without much fanfare, it began to "privatize privatization." As part of this effort, the AVU began to increasingly change its previous role of being the omnipotent director of "every privatization action" and the transfer pump of privatization revenues to the state budget, into a role of the supporter, an after-the-fact auditor of the legality of so-called spontaneous privatization actions initiated by the enterprises, and of "self-privatization." In other words, from a practical standpoint, the AVU came increasingly closer to performing its originally perceived institutional, organizational functions. This was the greatest "secret" behind relatively good results of the Hungarian privatization process until now; at this time, however, it appears that the so-called legislative package on privatization adopted by parliament—and within that, primarily the law pertaining to property remaining under long-term state ownership and to the State Ownership Corporation [ATRt]—is trying to bring an end to this fledgling, but from the standpoint of the country's economy, favorable process. Although the final wording of the law is still unknown—and although countless last-minute amendments make it difficult even for representatives in parliament to clearly understand the law—this much can already be said: By establishing the ATRt, the government has made a renewed effort to reinforce and to expand the scopes of state ownership and of its state property management function. It seems that within a short period of time the Hungarian experience of the past decades relative to the quality of state ownership—most notably the way the state uses and utilizes its (our) property, even if it is in its best form—and experiences gained by long-established, developed market economies have all been forgotten.

Daily newspapers also published what probably amounted to a provisional list of enterprises and parts of property the government would recommend to maintain under long-term state ownership. The government has selected these pieces of property on the basis of hard-to-understand criteria; they amount to between 30 and 40 percent of all state property. This volume of property, and in part, the kind of property this is, exerts a strong influence on the economy as a whole; by entrusting the ATRt to manage this property, the ATRt could become the center of economic power, an organization that controls the entire privatization process, and an institution capable of influencing most of the economy. The ATRt could also make it clear once again that maximizing the immediate proceeds and using these proceeds for the short-term financing of state expenditures were the primary considerations when selling state property.

The danger that lurks around and threatens the privatization process, and beyond that the evolution of a market economy, manifests itself not only in the magnitude of the presently defined scope of long-term state property, but also in the fact that the ATRt could expand

its ownership power and its power to "merely" manage property, to cover additional state-owned enterprises, and it could do so by taking advantage of the AVU.

Leasing Technique Explained

92CH0784C Budapest FIGYELO in Hungarian
2 Jul 92 p 15

[Unattributed article: "Privatization Using the Leasing Technique"]

[Text] The employee stockholder program [MRP] is definitely well suited to introduce a new "technology" in the way workers acquire property. Workers have thus far acquired property valued at about 8 billion forints altogether, as reported in No. 5, PRIVINFO. MRP's purpose is to permit workers to become involved in the change of ownership.

Another writing in this publication deals with concerns surrounding the introduction of the privatization leasing technique. It enables the purchase of certain low-profit state property, in which profitability can be increased, however, as a result of efficient management, by establishing solvent domestic demand. In developing this structure one must take note of two, mutually contradictory conditions. On the one hand, the AVU [State Property Agency] must be assured of its ability to collect the leasing fees, while on the other, the continuous withdrawal of capital must not threaten the firm's financial condition and viability. In the framework of the privatization leasing concept, the sale of a given property and use rights to a given property are treated separately.

Leasing privatization is a method by which state property is sold, as a result of which the AVU is entitled to collect the value received for services rendered in the framework of utilizing that property prior to the expiration of the lease. Title to the property passes to the lessor after the expiration of the lease agreement, without having to pay additional funds or entering into separate agreements. The exact proportion of the leasing fees collected by AVU that is to be transferred to the state budget or to be used to defray the state's indebtedness is still unresolved. There are about 3,000 manor houses and 1,000 urban palaces in Hungary that could be regarded as historical landmarks or as significant for other reasons. Of these, about 800 manor houses are registered as protected property by the National Office to Protect Historical Landmarks. This may come as a surprise: The AVU lacks the necessary data to settle the situation of, and to privatize the manor houses. AVU has made an attempt to assess these properties with the help of Pannonterv, Ltd., but enterprises were in no hurry to identify the historical landmark manor houses under their management.

For quite some time now, the Ministry of Industry and Commerce has endeavored to establish a strongly capitalized corporation to assist the privatization of industrial enterprises incapable of transforming into stock corporations on their own. The ministry chartered the

London banking firm of Morgan Greenfell to organize an investment company that would upgrade the structure of and privatize such enterprises.

A British firm is in the process of developing plans for the corporation. It will be the function of the corporation to implement the privatization of industrial enterprises to be purchased from the AVU. Plans call for the establishment of a stock corporation with a starting capital of between 3 billion and 4 billion forints, and it is Morgan Greenfell's job to collect the capital from foreign investors. The ministry will join the corporation with 10 million ECU's [European Currency Unit] received from the EC. Morgan Greenfell is supposed to register the firm before the end of this year, to permit the corporation to begin functioning in 1993.

Yet another, particularly exciting reading can be found in PRIVINFO. It pertains to the increasingly grave situation of research and development. Institutes engaged in R&D activities find themselves in crisis situations. The number of employees at such institutes had dropped to half the previous level during the past four years, and minimum profits had turned into losses. A majority of the places where R&D had been pursued before, are now selling their real property, and sell or lease their modern equipment in order to survive. An interministerial committee is examining the possible uses of R&D assets worth more than 5 billion forints in order to halt this process.

Property Policy Guidelines; Minister Cited

92CH0786D Budapest TOZSDE KURIR in Hungarian
4 Jun 92 pp 1, 6

[Article by (major): "10 Billion Forints for the Hungarian 'Reconstruction Bank'; Property Policy Guidelines Before Parliament"]

[Text] It is safe to presume that by the time this newspaper appears on the stands, the government will have presented the 1992 Property Policy Guidelines to parliament, and that the parliament will be debating the guidelines jointly with the legislative package on privatization. Adoption of the guidelines by parliament would discontinue the unlawful situation that had existed for almost half a year.

As known, the document prepared in 1990 and extended several times had been in effect until 30 September 1991. Late last year the National Assembly began debating draft guidelines for the years 1991-92 (see: TOZSDE KURIR No. 36, 1991), but in due regard to countless substantive amendments and differences within the government, the government withdrew the then pending text.

At a press briefing on this issue last week, Minister Without Portfolio Tamas Szabo said that the new guidelines were consistent with the spirit, structure, and requirements of the new privatization laws. The new document describes the strategic goals, priorities, and

chief methods of privatization. A separate chapter contains short-term (1992) goals and procedural rules, as well as the principles and methods on the basis of which the state can exercise authority in its capacity as an owner. The document discusses benefits to which employees are entitled, opportunities for the free of charge transfer of property, and, of course, the utilization of privatization revenues.

The chief new elements of the strategic goals are as follows: to strengthen competition through the privatization process; to secure additional resources that are indispensable to the modernization of the economy and to establish needed institutions with such funds; and to expand and strengthen the Hungarian propertied stratum.

From among the short-term goals the endeavor to dismantle monopolies which operate in the domestic market as a result of decentralized privatization should be stressed. In addition, the changing of today's size and structure of plants is also very important.

The three basic pillars to support the general procedural rules are competition, cognizance, and transparency. Domestic investors or "inside groups" (i.e., e.g., employees) receive preference in case of identical offers.

The pending legislative package on privatization contains new rules for the transformation of state enterprises (see TOZSDE KURIR No. 22). Based on these provisions the Law on Transformation will be repealed and some of the rules contained in that law will be temporarily included in the law governing the sale, utilization, and safeguarding of property owned by the state. Relative to this matter, the proposed guidelines describe situations in which state property may be placed under state administrative supervision. If approved by parliament, the AVU [State Property Agency] will have authority to place state property under state administrative supervision provided that a threat of using up assets exists, or if the overwhelming majority of the real property is already operating in the framework of an entrepreneurial structure. Unless substantive transformation is accomplished by a certain deadline to be specified by the National Assembly, the AVU may place the enterprise in question under state administrative supervision.

The proposed guidelines state that the AVU may dispose of the assets it holds in the following ways: sale to Hungarian and foreign investors; property transfer to Hungarian investors in the framework of various property acquisition structures (leasing, options, installment payments, and other, yet to be developed techniques); outplacement of parts of property to corporations, investment funds, and to portfolio packages, such as the Social Security; transfer of property (including free of charge transfer) to foundations which assist in the transfer of state functions to private organizations; and "exchange transactions" related to compensation.

The scope of benefits to be provided to employees will be substantially broader. According to these provisions, workers henceforth may acquire on a preferred basis ownership shares amounting to 10 percent of a firm's own capital, rather than the previously authorized 10 percent of the firm's basic capital (and this ratio may be increased by the AVU up to 15 percent), alternatively, to the extent of the workers' 12 months' worth of gross wages (the previous upper limit was six months). If stock is sold to employees, a discount of as much as 90 percent may be granted, while in ordinary stock transaction the maximum possible discount is 50 percent.

The privatization revenue estimate for 1992 is 40 billion forints. It appears, however, that revenues amounting to close to 57 billion forints may be realized, because 27 billion forints have already been received as of the end of May. But four billion forints of the 57 billion forints in privatization revenues would originate from the E loans [small business loans], and all of these proceeds would have to be used to defray the state's indebtedness. The use of these revenues is partly restricted, because 25 billion forints in privatization revenues must be contributed to the budget, and 1.5 billion forints must be paid based on state property proceeds. Local governments are entitled to about 1 billion forints, while the social security would receive 2 billion forints based on last year's obligations. Expenditures related to compensation are as follows: It costs 0.5 billion forints to convert

compensation vouchers to lifelong annuities, and expenditures incurred as a result of exchanging compensation vouchers in other ways amount to 400 million forints. Guarantees provided previously, amounts to be repaid to already privatized enterprises (up to a 1-billion-forint total), and privatization expenditures (about 3 billion forints) represent further predetermined deductions from the revenues.

After all these deductions, there remains in theory an amount of 16 billion forints in the form of uncommitted resources; this amount would be expended for the development of the financial institutional system thus providing encouragement for reinvesting revenues in the economy. Four billion forints of this amount will be paid to the soon to be established State Guarantee Bank, and 2 billion forints will be used for the establishment of the State Ownership Corporation [ATRt].

The Hungarian Investment and Development Corporation will be the second largest user of this year's revenues: It will receive 10 billion forints to transform itself into an investment bank, and, to quote the leaders of that institution: to permit that bank to become the engine of the economy. (See: TOZSDE KURIR No. 13, "Reconstruction Bank on the Horizon"). The question is whether parliament is going to give its blessing to all of this.

Solidarity's Rulewski Discusses Coalition Talks

AU1407140592 Warsaw RZECZPOSPOLITA in Polish
7 Jul 92 pp 1-2

[Interview with Jan Rulewski, deputy chairman of the Solidarity National Commission, by Ewa Czaczowska; place and date not given: "Solidarity Returns"]

[Text] [Czaczowska] At a news conference on Monday [6 July], you announced that Solidarity was returning to the political scene. One can assume that this is a consequence of the first part of the last union congress, that had a decidedly political character.

[Rulewski] The decision is the result of a certain process of reflection. As we know, Solidarity, which assigned people to various representative bodies, starting with the "roundtable" and ending with the presidential elections, gave up being actively involved in politics. That form of representation had a random, uncontrolled character. It turned out that those who were chosen as representatives swapped their Solidarity shirts for those of liberals, centrists, and left-wing radicals, and did not maintain contact with their electorate. It was a bitter experience, which produced consternation and was articulated in the May demonstration staged by 70,000 Solidarity members in Warsaw. In light of that, we concluded that a great and universal organization such as Solidarity, which is fundamentally affected by reform problems, must be politically active. That is why it should be involved in the political changes taking place in the country.

[Czaczowska] Is that why Solidarity undertook to mediate between post-Solidarity groups to form a government?

[Rulewski] Yes, I think that the success of the reforms will depend on there being a great reformist camp. The reformist camp must pursue an open policy and must have 200,000 or 300,000 people actively involved in implementing it. Besides, the political system has reached rock bottom. It cannot sink any further. Crises only benefit politicians, who become heroes in the mass media. Those who lose out the most are ordinary people, because their problems are not solved, and their security is threatened. Second, we are experiencing a period of intensive change, as the government is not only the apparatus of executive power, but also a teacher providing instruction in a new system. Thus, the absence of a stable government creates a negative situation, and we have had nothing but transitional governments since 1989. It is concern for our electorate, for employees and pensioners, that has compelled us to become actively involved in mediation.

[Czaczowska] Are you afraid that if the Solidarity Parliamentary Club fails in its mission, Solidarity will lose too much of its prestige?

[Rulewski] Some people maintain that if the outcome is not a positive one, then Solidarity will be the winner,

because it will be able to return to its role of pursuing demands. There is a dispute in progress within the union on whether we should retain passive positions, pursue demands, and then use the weapon of strikes and demonstrations, or whether we should also participate in the birth of a government to avoid mistakes, especially political, financial, and social ones. The Solidarity Parliamentary Club was set up to defend the interests of workers in "exposed positions."

[Czaczowska] You mean support without entering the government?

[Rulewski] Yes, our electoral goal was not to take over, but to shape the political system that is being formed. To achieve that, we chose long-standing activists, who have had great public experience, are able to assess social and political events in the country, and express what they think publicly—a kind of social conscience. If our program was about assuming power, then we would have to choose different people, people who possess ability and a "political" character.

[Czaczowska] But apparently a minister has to be a good politician and not necessarily a specialist.

[Rulewski] On the contrary, he must possess character and then be competent. In our case, however, the club is mainly made up of people who possess "character."

[Czaczowska] Will the union extend a protective umbrella over the Hanna Suchocka government—if it is formed—as it did in the case of the Mazowiecki and Bielecki governments?

[Rulewski] Even if it does, then contracts will still have to be signed under the umbrella.

[Czaczowska] What kind of contracts?

[Rulewski] There are various ideas. There is Marian Krzaklewski's stabilization pact, which would be concluded between unions, led by Solidarity, and the government. I said earlier that there was a need for a broader social agreement that would involve a discussion of, on the one hand, reform requirements and, on the other hand, the social conditions for implementing reform. The agreement should, for example, stipulate a minimum income level and an upper limit on incomes. So, what we have in mind is a social market economy. That is something that everyone is talking about, but no one has indicated what it would actually mean. The union would have an important role in such a social setup. Several sides—management, unions, banks, and commerce—are involved in the distribution of income at various levels and in many countries. When we talk about such a social market economy, understood as striking a kind of balance between freedom and necessity, between the necessities of reform and the possibility of reform, we mean that there will be definite minimum and maximum limits that cannot be exceeded: on the one hand, a level ensuring security for society and,

on the other hand, a limit ensuring a fair profit. The period of time needed to implement it can also be the subject of a social contract.

[Czaczkowska] Will the "group of eight parties" create a chance to implement what you have termed freedom on the one hand, and necessity on the other hand?

[Rulewski] Do you think that I am just here to act as a midwife for ministerial posts? I recall that I became involved as the side that launched the initiative. I brought about the agreements, and I am now going to withdraw, because personnel matters—with the exception of the minister of labor and social policy—do not interest us that much, and only then will we launch one of the greatest struggles, a struggle for this government's program.

[Czaczkowska] Have the outlines of the program already been agreed to?

[Rulewski] There are only directions that must be given concrete form through immediate intentions, that is, regarding financial, social, and economic practice. That is the point at which we will become involved.

[Czaczkowska] Will the eight groupings tolerate such far-reaching interference on the part of Solidarity, which is only, as it declares, a mediator, and not a permanent element in the government coalition?

[Rulewski] It is pointless for me to say that they are completely free agents. I will put it differently—they are all subject to the constraints of reality and are condemned to maintain constant social contact.

[Czaczkowska] Are you afraid that the game that Solidarity is currently playing is very risky? If contrary to your assumptions, a stable government is not formed—one that will survive two or three years, which is rather unlikely—and if the government does not implement your demands, then Solidarity, with whose participation the government has been formed, can lose a great deal?

[Rulewski] I think that people in Poland have not really grasped what reform is all about. The government's role in the social and economic life of a normal country is minimal, and that is the model that we are striving toward. Reform will be based on transferring more and more decisions to the workplace and the gmina level. Then, in a way, our involvement in the creation of such a government would not burden gminas and workplaces with responsibility for social and economic life. There is no risk. Government is simply about performing certain functions above the gmina and workplace levels. That does not provide a basis for leveling charges at us. A more serious charge would be why Solidarity failed to do anything when there was no government. The absence of a government signifies good times for swindlers, thieves, those who take bribes, and produces deadlock in factories. I agree that this government is in a sense a teacher introducing reform. That is, however, all the more

reason why we should be involved in it, because what the government is like will determine the institutional character of the nation.

[Czaczkowska] At the news conference, you said that Solidarity has become involved in active mediation. The very idea of mediation already suggests a certain degree of activity.

[Rulewski] Mediation means that there are two sides that are distinguished by certain conflicting or partially conflicting interests, and they then turn to people who enjoy respect, not necessarily in those areas that are the subject of the dispute, but people who can guarantee objectivity. That, to my mind, is passive mediation. On the other hand, active mediation means embarking on mediation with certain goals, and providing an impetus to mediation. We are a very small force, but a force that has been steering the talks, and we imparted a direction to them by defining certain goals.

[Czaczkowska] Those goals are a stable government and an end to what you have termed the flareups within the triangle consisting of the president, the prime minister, and the government?

[Rulewski] Yes, and that is why we have invited the eight parties to participate in the coalition, and made it a condition that the coalition cannot be directed against anyone. That is something that not everyone agreed to. During the course of the mediation process, it turned out that some wanted to use the coalition to bolster their activities or views. My active mediation consisted of isolating such people, and we cast our Solidarity votes together with Bogdan Borusewicz for those tendencies that were in harmony with our goals. We decided, for example, that in the event of an impasse, we would support the person who enjoys a predominant position. That assumption was necessary, because there were two sides and the deadlock continued, so we opted for Hanna Suchocka. Mediation means that I have tipped the balance in a particular direction with my small number of votes. That is how we broke the deadlock on proposing a candidate for the post of prime minister. There were a few other impasses. There were two sides that wanted the same ministry. In that situation, there can be no golden middle ground, that is, no compromise. So, it was necessary to introduce additional solutions enabling the two sides to reach a compromise.

Mediation consists of pursuing negotiations that take a broader political plan into account. The problem about mediation within a bilateral framework is that the situation is one that is particularly conducive to conflicts. Even some golden compromise between "yes" and "no" may not please anyone. When there are more partners, there are more solutions. Mediation also involves presenting one's own compromise proposals.

[Czaczkowska] You were critical about the president, because he did not act on that Solidarity initiative a few weeks ago and call a "roundtable" for post-Solidarity

groupings. How do you view the president's role in the present coalition negotiations?

[Rulewski] I repeated that appeal on the telephone and suggested that the president should at least encourage the holding of such a meeting. Unfortunately, he rejected that, and even made an alternative proposal, that is, to propose a nonpartisan government of specialists. That is completely unrealistic, because if political forces do exist, then why create a nonpartisan government? In addition, specialists are present in the parties above all. By backing Waldemar Pawlak, the president blocked our initiative, although he maintains that he did that to mollify our camp. The small coalition had a moral obligation toward Pawlak. There were talks and meetings, but nothing concrete was established, and I could not find a panacea for that. The various sides were becoming more radical, and I was afraid that another war at the top would break out. I then took action that resulted in this mediation process. That means that I used something that I will describe only at some point in the future.

[Czaczkowska] That is something new. Are you writing a book already?

[Rulewski] No, I might possibly begin when our initiative is complete. All I am prepared to say is that to get the sides talking, it was necessary to tell a few white lies. Of course, I was dealing with seasoned politicians who do not accept things uncritically; they weigh things and check them out. I produced a certain political situation, which initiated the process, but it was a lie. The essence of it was that politicians cannot count. They know how to count ministries and how to distribute them, but they do not know how to count the number of votes in parliament. So, I gave them an exaggerated figure for the number of votes that the coalition could count on, even if one of its components was left out.

Regional Solidarity Chief on New Government

AU1507141692 Warsaw NOWY SWIAT
in Polish 11-12 Jul 92 p 2

[Interview with Maciej Jankowski, chairman of the Mazowsze chapter of Solidarity, by Jozef Szaniawski; place and date not given: "This Is Not a Solidarity Government"]

[Excerpts] [Szaniawski] What is the position of the Solidarity Mazowsze Chapter toward Prime Minister Hanna Suchocka and her government?

[Jankowski] The main thing is that this government cannot be considered a Solidarity government. We can no longer be responsible for the parties and groups represented in it that once belonged to Solidarity, nor for the individual activists who also belonged to it. In any case, not all the ministers belonged to Solidarity.

In 1980 and 1981, Solidarity's chief objective was to defend workers interests and struggle for Poland's full

independence and sovereignty, and thus overthrow the communist system. The people about to become ministers in Mrs. Suchocka's government have not displayed any concern about workers interests in their political activity so far, and it does not look as if they would be capable of defending those interests in the future. Also, I fail to see how this government can guarantee ordinary interpersonal and political solidarity. Those were and still are the basic principles of our movement. It is not a Solidarity government. [passage omitted]

[Szaniawski] What if Hanna Suchocka's government proves incapable of political activity and collapses, and new parliamentary elections become necessary? What would Solidarity's attitude be then?

[Jankowski] There could be a putsch or coup d'etat, a revolution, or common sense. I prefer the latter. I would like to see the new government setting itself concrete political and economic tasks. If the elections are held this year or the spring of 1993, Solidarity must have a representation in the Sejm, because there is no one in it now to guarantee the security of workers.

As for a putsch, it could be quite a mild one, but it would mean an end to democracy for a while. What is worse, it could lead to pure power without any sensible political platform. I also consider what is left of the People's Republic and communism to be a danger.

[Szaniawski] What exactly do you mean?

[Jankowski] We have to smash the structures left over from the People's Republic. The structures have not only survived, they have actually become stronger under the new conditions over the past three years. Communism has quite simply transformed itself into Red capitalism and bears the worst qualities of both systems because it is inefficient. For me, decommunization means breaking up the entire complex system of personal connections left over from the People's Republic.

Mazewski Urges Church, Moderate Right Compromise

92EP0537A Warsaw RZECZPOSPOLITA
in Polish 24 Jun 92 p 3

[Article by Lech Mazewski: "A Historic Compromise: The Formation of a Moderate Right"]

[Text] The several potential groupings that may emerge in Poland include a moderate right or center-right one. Its platform would be based on such planks as a liberal economic program, a pro-European foreign policy, a stronger executive branch of the government, and representation of ownership interests. Such a grouping could consist of the KLD [Liberal-Democratic Congress], a considerable segment of the UD [Democratic Union], and the PPG [Polish Economic Program]. Also close to that orientation is—despite its communist phraseology—a segment of the SdRP [Social Democracy of the Polish Republic], along with the political leadership of

the Center Accord. The small Christian-Democratic parties, the SLCh [Peasant-Christian Party], and the PChD [Christian-Democratic Party], also should not be forgotten. An important factor in the formation of that grouping would be the support of the president, whose desire to support reasonable proreform forces appears firm and resolute.

The possibility of the existence of such a grouping and its ultimate shape will be decided by its attitude toward the Catholic Church. Here a kind of historic compromise between rightists who desire to modernize this country and the Catholic world and traditional moral values is needed. Is it possible?

There Are No Christian Politics

We are not in no man's land, because a rightist Catholic party already exists, namely, the ZChN [Christian-National Union]. It accepts religion as not only a personal value, an irreducible holy of holies, but above all as the common good of the nation, as the basis for self-identification, and as the starting point for other aspirations such as defending the dignity of the Pole. Here Catholicism is a kind of civic religion defining national identity.

Viewing Catholicism in that role had been an initial attempt at defining the nature of a society freeing itself from the influence of communism. That used to be quite understandable until the emergence of the opposition outside the system in the mid-1970's.

The activities of the ZChN, and especially the manner in which it pursues its Christian postulates are countereffective so far as creating a proper model of church-state relations, basing legislation on a suitable ethical foundation, and, lastly, the condition of Polish Catholicism are concerned. When church-state relations are treated in terms of such concepts as a Christian party, many social groups unwittingly get the impression that a theocratic Catholic counterpart of the ideological communist state is meant.

There is no such thing as a Christian political program or a Christian system of governance, and there is no Christian politics, i.e., specifically Christian political goals, either. That does not mean, of course, that norms of Christian life cannot be applied to man's entire existence so far and hence also to political situations and conflicts. But there does not exist any universally binding specifically Christian way of participating in public affairs—aside from the purely moral motivation common to believers in Christ.

Individual Faith and the Social Significance of Religion

The attitude of the moderate right to the very fact of Christian faith should be distinguished from its attitude to religion as a social phenomenon.

The future center-right grouping should view individual faith as being outside its horizon of political thinking.

The Polish center-right should combat neither atheism nor religion and acknowledge every individual's right to believe in and profess his own creed. The new grouping should include both believers and agnostics or atheists. They will have in common a humanism rooted in Christianity.

While leaving theological truths to individual conscience (which corresponds rather to Protestant than to Catholic religion), the moderate right should view religion as an irreplaceable school of morality. Its attitude toward Catholicism should be anchored in acknowledging its positive influence on human behavior. Seen in that perspective, religion is an important and virtually irreplaceable pillar of morality, because it teaches decent living and tolerance. Catholicism, by raising people in the spirit of respect for one's neighbor and teaching honesty, will promote the development of liberal virtues much more effectively than a purely secular attachment to liberty and to the laws safeguarding it. Alexis de Tocqueville, on observing the growth of democracy in the United States, was of a similar opinion.

The State and Neutrality About Religion

After considering individual faith and the social significance of religion let us now consider church-state relations. In principle, the state should not get involved in disputes among different religions or between religion and the views of unbelievers. That principle of neutrality of the state does not mean hostility toward religion; it rather is a principle enabling believers in various creeds and unbelievers to coexist on equal rights in the society.

It is obvious, however, that in Polish conditions the principle of neutral church-state relations must become somewhat different from that of the countries of the democratic West. In practice, this principle often means total separation of religion from public life, which results in depriving public life of values and in official forfeiture of the transcendental aspect of human existence. Western liberalism is inclined to assign to religion a decorative or folkloristic role, nothing more.

How should church-state separation be interpreted by the Polish center-right? A properly construed church-state separation is undoubtedly a prerequisite for the growth of the church itself. That separation must consist primarily of isolating the church from direct participation in the mechanism of governance, rather than in isolating it from the society and confining it solely to religious affairs as well as isolating the faithful from participation in matters of importance to the national community and severing the ties between the Catholic Church and national culture.

It is often claimed that the principle of the state's neutrality toward religion entails the prohibition against teaching religion in public schools, or against state subsidies of religious schools. Orthodox liberals consider such actions direct (financial) or indirect support of Catholicism.

It is difficult to accept that argument considering that in a majority of Western countries—other than the United States—religious instruction is provided in state schools, and moreover the socialist President of France was forced by huge demonstrations to revoke the decision to cease the subsidizing of religious schools by the secular French Republic. Let us bear in mind that in Poland we are dealing with a predominance of state schools, and the general public destitution does not warrant a rapid establishment of private schools. But their operations too would be subsidized—perhaps on the principle of the educational vouchers—by the state.

In the current conditions, the adoption of a purely secular approach to the teaching of religion would simply mean eliminating the Catholic Church from a domain of great importance to itself and to the life of the society. Rejecting such a solution is all the more advisable considering that religious instruction is, after all, customary in state schools in most of Europe—and sometimes even mandatory, as in Great Britain.

Support for Capitalism and Rejection of Cultural Liberalism

However, it is not the approach to implementing the principle of the state's neutrality toward religion that is the greatest obstacle to finding a compromise between the modernist right and Catholicism. Here a much more important factor is, on the one hand, the prevalence of cultural liberalism among that right, and, on the other, the still incompletely clear attitude of the Catholic Church toward capitalism.

Here a distinction should be made among three liberalisms: economic, political, and cultural. The first two, if not viewed as absolute values that are exempt from moral valuation, can be, I believe, quite well reconciled with the social teachings of the Church. Such prospects are of a certainty unlocked by the encyclical "Centisimus Annus" of John Paul II, which states clearly that the free market cannot be entirely without limits, and that democracy is a means rather than an end of governance. That means that both liberalisms are merely a social technique based on respect for the great value represented by liberty and, as empirically proved, a very effective technique. That position should be for consistency's sake expected to be taken by the Polish Catholic Church.

On the other hand, the third form of liberalism, cultural liberalism, remains an important and difficult problem. It is an ideology that, by its nature, is unfriendly toward religion; it absolutizes the individual and his liberty, and, in effect, it may fray the fabric of social relations and negate all values and authorities other than liberty itself. The danger is therefore real and serious. It is possible, however, to entertain the rational belief that the linkage between political and economic liberalisms and cultural liberalism is not unequivocal.

Building democratic capitalism can be viewed as a minimum of shared values linking the members of the

future center-right—a minimum consisting of liberalism in the economic and political sense, but not necessarily in the cultural sense. It is high time for us to realize that the defense of liberty and property requires a social order that is more complex and based on deeper foundations than one political system or another. The role of tradition and the value of religion and the function of moral conservatism have been discovered and acknowledged. There exists a genuine opportunity for contact between Christianity and liberalism, because many of us believe that liberalism can develop only in a favorable climate in which there exists a consensus about fundamental values, and that they are precisely Christian values.

Recognition of the human right to life from the moment of conception would demonstrate that center-right circles agree with traditional values. And though that right is mentioned neither in the Universal Declaration of the Rights of Man nor in the International Pacts on Rights of Man, the 1969 regional American Convention on the Rights of Man provides for protecting the right to life from the moment of conception. Likewise the Assembly of the European Council on 4 October 1969 approved a resolution inviting governments to acknowledge the child's right to life from the moment of conception.

Right to life from the moment of conception should be curtailed only in two cases: when the pregnancy endangers the woman's life or health, and when it is the consequence of a crime. On the other hand, the interruption of pregnancy for economic reasons should be viewed as an evident violation of right to life. The state and society, in respecting newly conceived life, have the obligation of providing the pregnant woman with conditions in which the child would cease to be a burden to her. As a result, the eventual conflict between the mother's unwillingness to give birth to the conceived fetus and the right to life from the moment of conception is bound to be resolved.

A Historic Compromise

The proposed compromise between the right, which is desirous of modernizing Poland, and the church and traditional moral values, would be a distinctive way of acculturating liberalism in Poland. Unless it takes root, Polish reforms will lack a solid foundation.

There is no doubt such a historic compromise would be beneficial to Poland, but is it possible? It would require far-reaching self-restraint, and from both sides at that. Objections may be put forward by both the orthodox liberals and the orthodox Catholics who equate economic liberalism with practical materialism.

The future party of the moderate right should not be a Christian-Democratic grouping. For it should not need to refer in its platform to the social teachings of the church or look up to bishops for approval of its political activities. Instead, it should base itself on Christian values, which consist of the traditional ethical model of the Western world. It thus will differ from the ZChN,

whose popularity would be markedly reduced by the existence of a significant moderate-right grouping of a conservative-liberal nature.

Should that fail, the roads of the moderate right and the majority of Poles will diverge. And then some center-right politicians would be tempted to resort to authoritarian solutions. "If you do not want capitalism, we shall introduce it by force," our progressive Thatcherites would be saying. Except that this would reflect total impotence because, aside from everything else, in Poland there is no organized force on which a procapitalist dictatorship could base itself. Let me repeat yet again: We need a party with a clearly procapitalist outlook that is not at the same time an orthodox liberal party, because we need both capitalism and democracy, and that is still absent. It is high time we created it.

Problems of Expatriate Poles in Lithuania

PM2007090892 Katowice TRYBUNA SLASKA
in Polish 8 Jul 92 p 3

[Article by Czeslaw Seniuch: "Are Lithuanians Relenting? Appeal by Poles in Vilnius"]

[Text] The Second Conference of Europe's Poles, held in Vilnius, gathered together representatives of two different types of expatriate Polish communities: those from the West and those from the East—and how different they are!

The former, hailing from both old and recent emigre circles, benefit fully from the Western world's bountiful repository of human and civil rights. It must be remembered that they live there by their own choice. The latter, from the East, have until recently been treated as second-class citizens in the countries where they live, having been either forcibly repatriated to remote areas of "inhuman lands," or left behind as an "ethnic minority" by the post-Yalta order. Both have suffered for long decades the fate of double oblivion—pressed to forget that they were Poles and thus save their own and their families' lives from Communist oppression, and officially forgotten by their own homeland which brandished its new name of "People's Republic" but lacked sufficient sovereignty to challenge the Soviet Union in a dispute over its expatriate citizens.

The Soviet Union is gradually receding into history books. However, the sinister consequences of the experiment designed to create a new "homo Sovieticus" and carried out on living national organisms are still with us. In order to shake away the vestiges of that experiment and to restore their national dignity from the humiliations it suffered, the peoples of the former union republics are quite prepared to fall into another extreme—that of nationalistic chauvinism.

"The revival of the national awareness in the states of the former Communist bloc is accompanied by an inevitable explosion of nationalism and national and ethnic intolerance—both frequently used by political leaders for ends incompatible with the interests of society." This severe judgment is contained in the "Appeal Issued by Members of the Second Conference of Europe's Poles." It is no coincidence that the document was initiated in Vilnius, the capital of sovereign Lithuania. Poles who live in Lithuania are finding it extraordinarily difficult to maintain good relations with the people and the sovereign authorities of that country. There is no shortage in the media of most alarming reports about the conflicts which mar all efforts to coexist and which flare up over such questions as Lithuania's independence, Polish self-government councils in districts where the Polish ethnic minority is actually in the majority, the need to restore Polish land to Poles within the reprivatization process, the establishment of a Polish university in Vilnius, and so on.... All this takes place in an atmosphere of mutual mistrust, imputations, and accusations.

This is no place to analyze which is the more guilty side. Maybe Lithuania's Poles—or at least some of their most prominent leaders—are not without blame here, either. However, it is certainly in order to recall one of the fundamental formulas of the European Charter of Human Rights: In case of a conflict between an ethnic minority and a national majority, it is the majority which is at fault as the stronger side which has at its disposal a variety of methods of action and also the power to shape its relations with the minority so as to avoid an obvious injustice to the latter.

With this fundamental truth in mind, it is hard not to find ourselves on the side of our compatriots when they voice the following plea in their Appeal: "We appeal to the governments of the Republic of Lithuania and the Polish Republic to guarantee our rights according to the Universal Declaration of Human Rights and the Draft European Convention on the Protection of Minority Rights. We appeal to the peoples and governments of these two countries to make every effort to redress the painful and often tragic legacy of the historical past by means of open talks and mutually agreed concessions. We launch this appeal in the awareness of those periods in the past when friendship between our nations enabled them to avert the dangers which threatened them both...."

The fact that it was at all possible to produce the Appeal at the Vilnius conference with the participation of Polish expatriates from the East is itself a good omen. I believe that it should be interpreted as a sign of an emerging Lithuanian disposition to dialogue and tolerance, a willingness to understand the needs of the ethnic Polish minority, and an inclination to resolve conflicts through roundtable talks.

Article Urges Expansion of Border Crossings

92EP0495A Warsaw RYNIKI ZAGRANICZNE in Polish No 63, 26 May 92 p 3

[Article by Grazyna Kapelko: "Report on the Borders: Great Construction"]

[Text] Owing to its geographical position and the nature of the changes occurring all over Central and Eastern Europe, Poland has the opportunity to become a special bridge between Western Europe and the Far East. Our country will also become more significant as a transit route between the West and the new countries created out of the former USSR.

We must expand our network of border crossings and the entire related infrastructure, however, before this change can happen.

Better Late Than Never

It took nearly a year and a half for the border crossings in Poland finally to have a real administrator. In keeping with the law dated 1 January 1991, the border crossings are entrusted to the individual voivodships. The GUC [Main Customs Office] disapproved of the idea from the very beginning. Miroslaw Zielinski, chairman of the GUC, says that the reason that for a year and a half the law was empty theory and the border crossings still had no administrator was that there were no implementing regulations. The situation made it difficult to manage the work of the customs service and to carry on any sort of negotiations in this area with foreign countries.

Hardly anything happened on the borders during the entire period of administrative impotence. Not only were no new border crossings created, but no investments or repairs were made either. Implementing documents have been in effect since 1 January of this year, and now each body has its border crossings: the voivod (voivodships) have those by road, the Ministry of Environmental Protection, Natural Resources, and Forestry has the border crossings on the rivers, and the Ministry of Transport and Maritime Economy has the crossings by air, rail, and sea.

Around the world, however, there are no mayors or provincial officials actually managing affairs on their borders. Hence, many representatives of the state administration are still not convinced they should turn over border crossings to the voivods. Whether or not it was the right choice to make, we shall soon be able to judge.

The border crossings on highways have become especially important, because for two years now foreign trade has been handled by tens of thousands of independent economic units, instead of the several dozen foreign trade centers, as in the past. There is nothing to say about the border crossing situation, except to mention the fact that border crossing points have not received any attention for 60 years. The major problems to be addressed now are the need to increase the number of border crossings and to bring them up to European standards,

for example, by modernizing buildings and installing computers. Once those problems are solved, the most important change should occur: increased flow through our borders without sacrificing modern methods of control. That is the only way we can expect to benefit from our location in Europe and to put to an end the comments from Western drivers that Europe ends at the German-Polish border.

In the West, European Cooperation

The German-Polish border has become the EC's external boundary. Both Polish and German politicians agree that for the moment it is that border that is hampering the development of East-West trade relations. At the end of March, a special session of a joint international commission on border and regional cooperation met in Frankfurt am Oder to discuss the problem of ports of entry. During the meeting there was discussion of the plan to build new border crossings and for expansion of the four most important joint crossings already in existence, at Swiecko and Olszyna on the Polish side and at Kolbaskowo and Zgorzelec on the German side. Those border crossings are projected for traffic transiting Europe and are intended mainly to serve heavy transport from Europe to Asia. A terminal to handle freight in Swiecko will be completed first, by August 1993. The joint customs facility is modeled after the many in operation in Western Europe. That terminal is four kilometers from the present crossing point. The moment it is finished, it will handle from 3,000 to 4,000 trucks a day. Meanwhile, Poland has begun efforts to receive the necessary funds to carry out the project from the World Bank. The Germans will probably grant us credit to finance the work to build the parking area. In addition, 40 million German marks [DM] have been allocated to expand and modernize the roads in that region.

Design work has also begun on the facility in Olszyna. This is the second large joint border crossing to be built on the Polish side. A whole complex of investments with a value totaling DM40 million will be created on a 10-hectare site that has already been set aside.

Two facilities with a similar capacity will be built on the German side at the same time. They too will have joint Polish-German control. The plan is to start work on construction of a facility for freight in Zgorzelec beginning in 1993. Customs is to be located five kilometers from the present site, on the upper Neisse. Construction is to begin that same year on a bypass (including a bridge on the border) linking the Gorlitz and Zgorzelec highways.

Alongside these major investments, there are plans to set up between 14 and 16 new border crossings on the western border. A railroad port of entry between Kustrin and Kostrzyn is to begin operation on 31 May, followed by those for Kamminke-Rosowek, Hintersee-Dobieszczyn, Altwarp-Nowe Warpno, and Uecker-munde-Swinoujscie. They will be available for cars and

buses. The long-range plans include Gubinek, Przewoz, Piensk, Radomierzycze, Krzewina Zgorzelecka, Zasieki, and Leknica.

The main assumption in operating the border crossings is to have Polish and German customs run them together. A whole list of problems therefore had to be worked out in connection with leasing, deposits, the handling of customs officials, payment (bank transfers), transporting detained persons, and so on. As Miroslaw Zielinski puts it, however, the good will and regular contacts with the German partners have helped resolve the problems on the western border ever more quickly.

Final negotiations are being conducted on an agreement on border traffic between Poland and Germany. The agreement should be signed soon.

On the East, a Strip of Plowed Land

While improving traffic across the western border is an issue to be resolved in the near future with investments already planned, in the east we still have many difficulties to overcome. For several months now we have had four neighbors instead of one. That fact has complicated the negotiations. Even investments that had been previously planned or initially decided upon must be renegotiated, and time is passing. The border crossings on the eastern border have not changed much since the time of Wokulski [main character in Boleslaw Prus's turn-of-the-century novel *Lalka*, who opened Polish trade to the East].

For the moment we have signed border protection agreements with Byelorussia, Lithuania, Ukraine, and Russia. They will go into effect any day now. Negotiations on agreements concerning border traffic will still take a long time, because the situation in those countries is complicated, and joint investments may be involved.

Meanwhile, our customs service has no access to the other side. Customs officials on each side are separated from their counterparts by a strip of plowed land. That makes it difficult not only to perform routine control of freight but also to prevent crimes, which happen there often. Nonetheless, some investments have already been started on both sides, especially at those border control points that are the western equivalents of the four major crossing points to the west. The fact that their proper operation assures the rapid, smooth flow of goods on the route from West to East and to the Far East is significant.

The Suwalki voivod has already begun to build crossing facilities at Kalwaria-Szypliszki, the point corresponding to Kolbaskow in the west. The construction will be carried out in two stages. Temporary facilities will be built by September of this year to permit passenger traffic to begin. Freight traffic is planned for the end of this year. Meanwhile, permanent facilities will be put up. Construction will be completed by the end of 1993. A first-class crossing point in Szypliszki will reach a capacity of 1,500 trucks per day.

The Finns are also interested in this venture, because the crossing is located right on the "Via Baltica" route linking Helsinki to Tallin, Riga, Kovno, Warsaw, Berlin, and so on. If a port of entry is created in Szypliszki, the route could be about 200 kilometers shorter by crossing the border between Poland and Lithuania and avoiding the Puszcza Augustowska as the transit route from Poland to Lithuania. Customs review now takes place in Ogrodniki and Kuznica Bialostocka. The latter port of entry will serve only tourists, once the Szypliszki customs facility goes into operation.

In the east, the old port of entry at Terespol is the equivalent of Swiecka in the west. The Terespol facility is to be modernized to accommodate 2,000 trucks per day. Because of the present low processing capacity, in order to avoid congestion like that on the Byelorussian side, only about 10 percent of freight passing through is checked. Customs officials are limited to routine handling, merely reviewing passports and checking to see that the required shipping documents are in order.

Two other important ports of entry on the eastern border are being expanded, Hrebenne and Dorohusk, which are approached by a road from Olszyna to the west. We are modernizing a facility for people and freight. The present capacity of 200 motor vehicles will be increased in a year to 2,000. The capacity at Hrebenne will also be increased to 1,500 vehicles per day. The border crossing in Przemyśl will only be modernized. The plan is to introduce x-ray monitoring in the customs facilities there. Altogether, there are plans to open up 12 new border crossings to the East in the near future.

The following facilities will be the first to open:

On the Polish-Russian border: at Bezledy, Gronowo, Grzechotki (along the former German highway between Elblag and Kaliningrad), and Goldap on highways, and three railway crossing points in Braniewo, Bartoszyce, and Skandawa;

On the Polish-Byelorussian border: at Bobrowniki, Slawatycze, and Polowcy.

The matter is not simple, however. On the one hand, difficult talks are in progress with partners from beyond the Bug River, and, on the other, the cost of the planned investments are very great. The cost of building border crossing facilities with a capacity of 1,000 trucks and 2,000 automobiles runs around 60 or 70 billion zlotys and will have to be paid for out of the sparse funds of voivodship budgets.

Investments Held Up in the North

The moment our economy embarked on a free market system, the issue of North-South transit was deferred. Practically speaking, all investment planned back three to four years ago has been interrupted. These plans concern mainly Gdansk, Gdynia, Kolobrzeg, Dziwnow, Leba, Ustka, and Darlowo.

The coasts are largely empty, inasmuch as most of the goods now crossing our borders are imported consumer goods carried mainly in trucks. Part of the port facilities have been leased to private companies, and warehouses accommodate most of them. Unfortunately, no new

investments are envisioned, because of the shortage of funds for modern coastal facilities, despite the need to establish new ferry routes.

The ferry terminal at Swinoujscie is practically the only investment that has not been interrupted. Baltic Shipping (Zegluga Balticka) is the project investor. The plan is for construction ultimately to be completed in 1994. Swinoujscie has regular ferry routes to Denmark and Sweden, and there is no indication that this situation will change in the immediate future.

Border Cooperation Flourishes in the South

Until recently there were many so-called KDL crossing points on the southern border as nowhere else, in seasonal use by tourists from the former CEMA countries and by Polish and Czechoslovak farmers. As political and economic changes occurred in our countries, we began to think about expanding and modernizing the facilities to permit them to be used as international ports of entry.

One of these, Boboszw, in Walbrzych Voivodship, is now in the planning stage. The whole infrastructure will be created on the Polish side, but the customs operations will be shared with Czech officials. Another port of entry will be built on the Polish side at Zawidow, Jelenia Gora Voivodship. Construction was interrupted in 1991. At the moment, the investment is in the design preparation stage. The Poles will execute the project.

In exchange, the Czechoslovaks have taken on responsibility for building a joint facility at Jurgov, on their own side. We will only need to fill in the missing part of the road leading from Bukowina Tatrzańska.

Cooperation is developing rather briskly between gmina supervisors along the border. Among the new investments resulting from initial talks is, for example, the project on the Polish side at Muszyna in Nowy Sacz Voivodship. The target capacity here, as at most of the southern ports of entry, will be 1,000 motor vehicles per day. There will also be twin investments at Ladek Zdroj in Walbrzych Voivodship and Trnava; at Zloty Stok in Walbrzych Voivodship and Bila Voda; at Paczkow in Opole Voivodship and Bilij Potok; at Pilszcz and Opava; and at Krzanowica and Chuchelna. On the other hand, the railway crossing at Zebrzydowice will undergo basic modernization in 1992-93. The idea is to separate freight transport from passenger traffic.

The main points of entry on the southern border will therefore still be Cieszyn to handle people and freight travelling to the Czech Republic and Barwinek for those going to Slovakia.

Ministry Report on Agencies' Records, Agents

AU1007070592 Warsaw TYGODNIK SOLIDARNOSC
in Polish 3 Jul 92 pp 4-5

[Unattributed article: "Secret Collaborators and the Security of the Polish Republic"]

[Text] *The report published below was prepared for Prime Minister Jan Olszewski by the Ministry of Internal Affairs Research Department and was completed at the end of May 1992. The subheads are our own and we have also slightly reduced the length of certain passages.*

The secret services were the main element holding together the communist state. They performed a dual role. On the one hand, they kept society under surveillance and control in the name of the totalitarian state and on the other hand, they ensured that Poland was closely subordinated to the neighboring power. It has to be remembered that the Soviet Union directed and controlled the civilian and military special services in the Polish People's Republic and it also continued to do so after 1956.

An effective attempt to depart from communism must first of all mean exposing and rupturing those invisible ties within society and in Poland's relations with the rest of the world that were created under the previous system. That is an absolutely essential condition for maintaining the country's complete independence as well as for ensuring the success of the program of institutional change.

Failure to satisfy that condition would expose the country to three types of threats:

- The internal threat: It would create an opportunity for postcommunist political groupings and big business circles whose roots lie in the former *nomenklatura* to paralyze the state through the network of PPR [Polish People's Republic] special service agents that continues to remain hidden. Should the international situation be favorable, both communities would not hesitate to use that instrument to regain a dominant role in the state;
- The external threat: The network of agents may serve as an instrument enabling other countries, especially Russia, to penetrate and even curtail Poland's independence. It is likely that another attempt will be made to create alternative networks of agents that would operate outside the control of official intelligence services.
- The political and moral threat: The failure to purge national institutions of agents and the lack of a clear-cut stand on the previous system and the people connected with it would undermine the prestige of the nation and cast doubt on the credibility of institutional changes, as well as prevent the reconstruction of the credible institutions of a democratic state.

In Parliament and the Banks

The analytical and research work that has been conducted by the Research Department attached to the office of the Minister of Internal Affairs fully confirms the reality of the aforementioned threats. It has been confirmed that former secret collaborators of the PPR special services hold high and responsible office in the

parliament, the state administration, the Presidential Chancellery, and the justice system. It has been established that such people are present in the leaderships of almost all the important political parties, as well as in the state-run mass media, the banks, the diplomatic service, and economic institutions.

All those people could very easily become the targets of blackmail attempts intended to force them to make decisions that would cause the country irreparable damage: political, material, and moral damage. It has, for example, been noted that an attempt was made to recruit a former secret collaborator of the SB [Security Service], a deputy in the current Sejm, and he was to have been recruited on the basis of having previously cooperated with the Third Department of the Citizens Militia Voivodship Command in Katowice. That shows that the special services treat cooperation with the SB as a particularly convenient basis for recruitment.

There Was a Stain, Now There Is Not

The Research Department is in a position to prove that many prominent persons in the current political scene have acted as agents. It also has reliable information about covert cooperation engaged in by others. In some cases, the absence of material proof is the result of an organized operation to destroy and conceal material that belonged to the former PPR special service over the past three years.

Despite the damage that has been done, the Research Department has worked out a method for verifying whether persons holding high office in the government might have cooperated with the SB.

The method that has been developed and the fact that there is a possibility of reconstructing information held in files that were destroyed (with the help of passport records among other things) permit the identity of secret collaborators to be established and, at the same time, provide a safeguard against the danger of accusing innocent people.

The large-scale destruction of material began in the summer of 1989. The process lasted virtually until January 1991. The Research Department has proof that MSW [Ministry of Internal Affairs] documents and records were still being destroyed after an order banning their destruction was issued by General Kiszczak and after the establishment of the Office for the Protection of the State [UOP], when the office of minister of internal affairs was held by Krzysztof Kozłowski and the UOP chief was Andrzej Milczanowski. Examples are the deletion of records held in the ZSKO [expansion unknown] computer system, which previously contained a register of SB agents and information about work agents had carried out for the SB and about officials in the Presidential Chancellery, as well as the destruction of operational records kept by the First Department covering the period from August 1990 to January 1991. There are 300 protocols recording the destruction of such documents.

The destruction of documents, especially those pertaining to operational matters, was carried out on a massive scale and covered all aspects of the secret services' activities. Files, archives, and a large numbers of operational files were destroyed. Documents of particular operational value were not destroyed (which is what happened in Unit 11 of the MSW First Department, a unit established for the purpose of infiltrating political circles at home and abroad and keeping them under surveillance). The material primarily consisted of pledges to cooperate and receipts for the payment of money, that is, compromising material. That those documents were excluded shows that the secret services wanted to retain the possibility of reviving such contacts should a favorable situation arise.

The destruction of material was not carried out in a haphazard fashion. It is abundantly clear that there was a key according to which certain categories of information were removed from the archives.

The following were destroyed above all:

- Documents concerning people and circles that were connected with the "roundtable" contract (the so-called constructive opposition);
- Material concerning the Catholic Church;
- Material that could provide leads regarding valuable agents located high within opposition structures;
- Material concerning matters that could be particularly compromising for the old MSW and PPR leadership and would provide proof of their criminal activities;
- All documents contained in the personal files of MSW functionaries that could be considered compromising by the new leadership.

It is worth stressing that the destruction of operational documents was not solely intended to remove certain categories of information. It can be surmised that they were also intended to serve as a disinformation instrument. On more than one occasion they provided a distorted picture of the penetration of Polish society by the SB as well as the existence of agents in certain circles while other circles were protected. That there were such intentions is borne out by the fact that there was a clear, deliberate selection process for files that were to be destroyed and those that were to remain in MSW archives.

It is disturbing that files belonging to the special services were made available to certain persons connected with the "roundtable" contract. The so-called Michnik commission is an example. The commission, which was active in the spring of 1990, contained at least one clandestine SB collaborator and had very extensive access to MSW files. It is not known how the information that was gathered then has been used. The MSW has no documents concerning the commission's activities.

As part of its work, the Research Department attached to the office of the minister of internal affairs described the way in which MSW operational material was destroyed from 1989 to 1991. Much of the material that was "destroyed" was removed by persons who were MSW functionaries at the time. It was regarded as a kind of insurance policy for their future and as an instrument that would allow them to continue to influence the authorities as well as a means of guaranteeing them the possibility of pursuing their economic interests.

An example that illustrates the importance and value of the information that was removed is the disappearance of so-called Archive 560, that is, records containing the names of members of the 10th Sejm who were elected in the June 1989 elections. The records were compiled on instructions given by General H. Dankowski in July 1989 and contain the names and photographs of those deputies and senators in which the SB was at one time interested or who cooperated with that institution.

The cards removed from central and voivodship SB and militia files comprised so-called Archive 506. The MSW leadership also possesses statements made by employees of the MSW "C" Bureau (the central SB archive) that those records were passed to the director of that bureau at the beginning of 1990. Thereafter, there is absolutely no information about what happened to the records and no document indicating that they were destroyed has been found so far.

In the Background

The material that it possesses not only ensures that the *nomenklatura* enjoys immunity, it also enables it to influence political, economic, and cultural processes in a manner that is beneficial to its interests.

There are grounds for suspecting that the uncontrolled flow of secret documents that belonged to the PPR civilian and military services is a hidden reason for many of the unfortunate decisions made by various bodies, the failure to institute legal proceedings in the case of many economic scandals, as well as for public media news reporting being what it is.

It may also be the real reason for the lack of radical personnel decisions in state financial and political institutions. The great financial scandals such as those concerning the Art-B company and the Foreign Debt Servicing Fund were perpetrated under the protective umbrella of and with the involvement of officers and agents who belonged to the Second Directorate of the Polish Army General Staff and MSW First Department. G. Zemek, the main suspect in the investigation into the Foreign Debt Servicing Fund affair, was a clandestine collaborator working for the Second Directorate of the Polish Army General Staff as were several of his colleagues. The chairman of the Foreign Debt Servicing Fund supervisory board, Janusz S., a deputy minister of finance, was first a secret collaborator and then a career intelligence service officer holding an undisclosed post. The Art-B company enjoyed the protection of Grzegorz

W., the former president of the Polish National Bank, who was a secret collaborator for the MSW First Department.

It can be assumed that Poland's financial system currently finds itself to a large extent under the control of structures and people who are favorably disposed toward those who were formally their superiors in the past, people such as General Kiszczak or General Pozoga as well as their superiors outside the borders of the Republic of Poland. It is impossible to unravel and sever those links without exposing the old network of agents (Polish foreign policy is affected by the same problem).

A great danger to national security is posed by the fact that former employees of the PPR civilian and military special services and their agents have taken over a critical area in the economic life of every country, namely, trade in weapons and special equipment. A typical example is the CENZIN company, which was completely controlled by the Second Directorate of the General Staff and their agents. As a result of the changes that have taken place over the past two years, some of those people have formed companies of their own and some continue to control public enterprises.

A typical case is Andrzej Urbaniak, a citizen of the Polish Republic and former major in the Second Directorate of the General Staff, who is currently president of the INTERMADOR company based in Cyprus and has links with Arab terrorist organizations. It would appear that he is one of the key figures shaping the weapons trade on the territory of the Republic of Poland. Former agents and their controllers are also active in the civilian enterprise field. The upper echelons of one foreign trade agency, which is seeking to take over several dozen industrial plants in Poland, are staffed exclusively by former officers in the Second Directorate of the General Staff, former senior militia officers, and former SB collaborators. In light of that situation, it is difficult to talk about reform and about establishing the healthy foundations of a market economy in Poland.

There is also a more spectacular aspect to the use of SB material. There are known cases of such material being used to exact revenge on personal enemies and political opponents and of attempts at blackmail with a view to obtaining material gain or social advancement.

For Big Brother

The PPR civilian and military special services were strictly subordinated to the Soviet Union. The KGB maintained a cell in the MSW and had liaison officers in individual departments (there were, for example, at least three in the First Department). They had complete freedom to move about MSW buildings. They maintained contacts with individual departments and even with individual operational employees. It can be confidently assumed that they possessed extensive access to operational files.

A striking example of how the PPR secret services performed a subordinate role in relation to Soviet services even after 1956 is the so-called Combined System for Personal Data on the enemy (PSED)—the computerized gathering of information on persons (foreigners and Polish citizens) as well as organizations regarded as hostile toward the communist bloc and thus of interest to operational units. Signatories to the PSED agreement were obliged to pass on data to the center in Moscow once every two weeks. The information was of the kind that is particularly protected by the services of independent states. The PSED system also kept a record of persons involved in opposition activity. Information about a person registered in the system was transferred to Moscow and contained a great amount of detail. Apart from personal details, it also contained a psychological profile, a record of their assets, and detailed information on their families. The system was in operation from 1978 onward. Some of the documents in the system concern the opposition and the Church. In line with a suggestion made by a PSED representative, a member of the KGB cell in Warsaw, those documents were destroyed at the end of 1989 and the beginning of 1990, but copies have been kept at the Moscow center.

Another example of registering persons connected with Solidarity underground structures by the security services of communist bloc countries is the cooperation that existed between the Stasi and the SB Research Department of the Ministry of Internal Affairs to expose opposition circles based around the Catholic Church and to control contacts between the Solidarity Regional Executive Committee in Poznan and West Berlin. The information yielded by that cooperation is probably still held by FRG and Russian special services.

Hidden Caches

The fact that PPR civilian and military services were strictly subordinated to the Soviet Union provides a basis for surmising that a large number of documents belonging to PPR special services were taken abroad. That is borne out by the following facts:

According to reliable statements made by functionaries, before the operational files held by Unit 11 of the MSW First Department were destroyed, their contents were summarized, the information stored on computer diskettes, and then passed on to superiors.

It is not known who currently possess the information stored on the diskettes: General Jaruzelski, Kiszczak, Pozoga, or perhaps so do the KGB and the GRU [Military Intelligence Service]?

The Research Department has the names of the officers on the Main Board of the UOP Intelligence Service who know what subsequently happened to the diskettes. All of them have declined to provide any information whatsoever about the subject.

Possession of the material gathered by Unit 11 makes it possible to blackmail people who were of interest to it,

that is, persons in the Solidarity national leadership, activists in Solidarity bureaus abroad, political emigre circles (those associated with the Paris-based KULTURA journal and the government in exile).

After gathering information, on 2 June the voivodship district attorney's office instituted an investigation into the removal and illegal destruction of files that belonged to Unit 11 of the First Department. It concerned the illegal removal and destruction of operational documents as well as the falsification of documents (of decisions on destroying them) from 1989 to 1990. The district attorney's office entrusted the entire conduct of the investigation to the UOP Investigative Directorate. As a result of changes in the MSW leadership, all material relating to the investigation was sealed and all investigative activities were suspended.

The Research Department knows of a case in which a unit chief in the Second Department (counterintelligence) made a microfilm copy of files that were to be destroyed and removed the films from the MSW. After many months, the functionary, who did not work for the UOP, went to the UOP and returned the microfilms. It was only thanks to the goodwill shown by that officer that the microfilms are in the hands of the new MSW leadership....

There is a senior military counterintelligence officer who has a list of the agents who worked for one of the military districts. He had the list drawn up while engaged in activities connected with instructions to destroy records and operational material. It is known for certain that the officer maintains contacts with Russian KGB services. Currently, action is being taken to recover the list of agents.

In January 1990, under circumstances that remain unclear and in response to an oral command issued by the leadership at the time, microfilm copies of files and operational records belonging to the First Department of the MSW Intelligence Service were made over a period of two weeks. The absence of a clearly defined goal or method of carrying out the aforementioned operation allows one to conclude that it was a question of trying to clean out the intelligence service's archives. The microfilm copies of the records are currently in the hands of the UOP Intelligence Service Main Board and no one is in a position to say whether only one copy was made.

The MSW has information indicating that the KGB knows that a person holding high government office in the Republic of Poland was active as an agent.

Since 1989, every successive government in the Republic of Poland has been bandying around slogans about breaking with communism. Unfortunately, it is generally felt that those slogans are empty rhetoric. That is because satisfactory reforms of government institutions are still to be carried out, and people connected with the old system continue to possess significant, although often unseen influence.

There is no way in which society can be expected to display patience and make sacrifices, let alone become actively involved in government affairs, if democratically elected bodies do not keep their basic campaign promises. A basic condition for imparting credibility to decommunization and the independence aims of the authorities is a fundamental and honest solution to the issue of communist agents.

Strategies for Rebuilding Economy Discussed

PM2406150492 Wroclaw GAZETA ROBOTNICZA
in Polish 16 Jun 92 p 7

[Interview with Prof. Zdzislaw Sadowski, chairman of the Polish Economic Society, by correspondent K. Krauss; place and date not given]

[Text] [Krauss] The World Bank warns us that Third World countries, among which it also counts Eastern European countries, should expect that their chances of obtaining foreign capital and attracting potentially profitable investments will now decrease considerably, as compared with past opportunities. Given the progressive depreciation of our national assets and the continued recession, that cannot be good news for Poland, can it?

[Sadowski] No, but it is not entirely unexpected, either. We could never really count on a serious influx of foreign capital into our economy. It can only come here progressively as our economy is gradually put in order and provided that we have finally embarked on a road to economic growth—which, I hope, will take place before very long. The agreement on Poland's affiliation with the European Community should encourage a more vigorous influx of foreign capital. However, we should rely on ourselves, first and foremost. No country has ever achieved a high degree of development by waiting for the arrival of foreign capital. It is, of course, important for our current economic policy to enjoy support from various international financial institutions, especially the IMF. As everyone knows, the crucial issue of the present moment is our budgetary deficit and the government's specific plans to use the funds available within the budget.

[Krauss] There are a myriad of needs: The health service is faltering, as are education, science, and culture....

[Sadowski] And they will all continue to falter as long as the economy persists along the lines which can only deepen the crisis, instead of developing our economic potential.... We need much more flexibility in budgetary policy, mainly because we must find the money to boost the production sector. We will be unable to provide favorable conditions for permanent solutions to the problems you mentioned unless and until we see a solid increase in the profits generated by our economy.

In other words, we must plan our budget expenditure so that it results in increased revenues, stimulated demand

and production, and—consequently, and in a slightly longer-term perspective—a reduction of our budgetary deficit.

[Krauss] But that carries an inherent danger of creating so-called "empty money"....

[Sadowski] We must not underestimate the danger of accelerated inflation. However, it would be equally dangerous to continue the policy of automatic cuts in expenditures for the sake of an equilibrium interpreted in purely fiscal terms. The budgetary deficit must be perceived as a result, and not the cause, of the crisis. Consequently, solutions must be found at the source of the crisis and not in places where its consequences become apparent. You cannot galvanize production without at the same time stimulating demand. And in our case demand has been stifled to an extent that offers no chances of utilizing existing production capacities that our economy still has at its disposal. The more so as a large proportion of our already drastically reduced market capacity has been "hijacked" by irrational imports.

Let us also add to the list the simply unbelievable tax liabilities that have been placed on enterprises—especially state enterprises (last year the total of the liabilities in nationalized industry amounted to 160 percent of our gross financial results!!)—and we will find an answer identifying the sources of the continued tensions and the persisting regression.

[Krauss] So what is there to be done?

[Sadowski] First of all, we must increase the money supply—though it must be executed with great care and as a strictly controlled exercise—and initiate a process of reducing enterprises' debt liabilities. However, in my opinion we should also take care to protect the domestic market against unjustified and excessive imports. Of course, I am not advocating a course whereby we would close all access to our markets to raw and other materials not produced in this country, or produced in insufficient quantities. On the contrary, I believe that placing an import tariff on half-finished cotton products even as we open our markets to imports of cotton textiles is virtually a criminal absurdity of major proportions. Similarly, I am far from suggesting that we close our borders to all modern technologies and related modern equipment.

This kind of import strengthens, rather than weakens, domestic production and is vital for its development. On the other hand, I recommend—in line with the position we took in our report published last December under the Polish Economic Society's [PTE] sponsorship and entitled "Ways of Emerging from the Polish Economic Crisis"—that we introduce effective protection of the domestic market against excessive imports of the type of finished products intended for consumer use that can be manufactured in sufficient quantities and to satisfactory quality standards by domestic industry.

[Krauss] But that is tantamount to extending a protective umbrella over inefficient domestic enterprises!

[Sadowski] If we are to use such figures of speech, I would favor the expression, "oxygen tent." Our enterprises have been horribly stifled. Let us give them a chance to regain their strength and return to sound health. The domestic market is the fundamental base for our national economy. It is from the domestic market that the rebuilding of the manufacturing sector should begin.

How should we combine the objectives of protecting the domestic market and at the same time preventing it from becoming fossilized in antiquated methods and technologies? In my opinion, there are two ways that seem to be equally worth recommending. The first is to provide favorable economic circumstances for the domestic manufacturing sector, or at least not to discriminate against it to the advantage of imported goods. The second way is to extend active assistance (in the form of loans or a favorable tax system) to the enterprises that have been best prepared and restructured with a view to meeting European standards of costs, quality, and so on.

We should also strive to awaken and stimulate social attitudes that will encourage our consumers to select domestic products over foreign goods whenever the two are comparable in terms of prices and quality, so as ultimately to protect jobs for Polish workers and provide Polish enterprises—which are currently seriously threatened—with opportunities for both survival and further development.

Unemployment Viewed in Light of Privatization

92EP0482A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 1 Jun 92 p III

[Article by Ada Kostrz-Kostecka: "Does Privatization Mean Unemployment? Miracle Not Likely"]

[Text] Last year the hopes people initially had for privatization began to turn into growing disappointment, because the changes in ownership did not immediately produce the economic activation that had been promised and anticipated. Extreme opinions to the contrary that privatization would produce more bad than good therefore became popular.

Both ways of presenting the issue are false. First, people's hopes were unnecessarily built up over a privatization miracle that cannot occur. Although privatization can create conditions for more effective management, the extent to which that opportunity is exploited will be determined only by company. Going to the other extreme makes no sense either. Privatization is being charged with many evils for which it is not responsible. The ownership transformation in the economy began during a recession, and the recession caused unemployment and a decline in production. That conclusion is

supported by the fact that for two months now unemployment, at least that registered in the local employment offices, has been declining—by 45,000 in March, and by another 20,000 in April. According to estimates by GUS [Central Office of Statistics], 2.2 million people were registered at the end of April. That figure is also the result of activated production.

The fact that the registration figures do not provide a complete picture of the actual extent of unemployment is another issue.

The economic recession also damaged privatization in another way. The condition of many companies last year became consistently worse, and although they might have previously had the possibility of transformation through outside capital or liquidation by privatization (on the basis of the privatization law permitting leasing, for example), many firms collapsed under liquidation through privatization according to the state enterprises law, that is, because of the bad situation, and, in order to pay off debts, they were forced to sell off some of their assets or even all of them.

Public opinion polls at the beginning of this year showed an improvement in attitudes toward privatization. The economic recovery and the positive observations about what was happening in privatized firms undoubtedly helped bring about that shift, because in a decided majority of cases it turned out that actual results proved that the negative notions about the effects of privatization had been excessive, but it should be noted that the scale of unemployment fears still varied according to age, profession, and position in the firm's hierarchy.

The social costs of privatization were discussed during a recent seminar entitled "Privatization, the Market, and Democracy." Research that Prof. Maria Jarosz had conducted during the past two years was presented and showed that 79 percent of college graduates had responded that unemployment was essential, compared to 18.7 percent of elementary school graduates holding this view. In the age group of respondents under 25 years old, 28.8 percent of the people accepted unemployment, but as age increased, more and more people stated their convictions about the necessity of unemployment, the figure being as high as 40 percent of respondents. Young people were the most worried about losing their present jobs (14.4 percent under the age of 25).

Dr. Włodzimierz Pankow then presented research results from the beginning of the year concerning 100 firms that had already gone private. The first major adaptations following privatization consisted of organizational changes (43.6 percent of the firms undergoing transformation by capital infusion and 19 percent of those undergoing liquidation). They also tried to expand the scope of their activity and to augment their sales. Employee layoffs ranked only in fifth place on the list of actions taken. Some 10.3 percent of the firms undergoing transformation by capital infusion and 1.7 percent of those undergoing liquidation chose this step.

Following privatization, all employees usually benefitted through their wages. Although some employees also enjoyed greater influence and prestige, that advantage appeared only at the level of the managers and supervisors. Following privatization, the rank and file employees had less influence over the companies' destiny.

Problems With Ecoconversion of Polish Debt

92EP0521B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 28 May 92 p I

[Article by Krystyna Forowicz: "Agitation Over the Ecofund"]

[Text] The initiative for ecoconversion of the Polish debt is encountering difficulties on the part of our creditors. Thus far, only the United States have given it full support. France is ready to participate in Ecofund, but only partially. The other countries have taken a waiting position, or are actually against ecoconversion.

The ecological situation in Poland has not basically improved, said Ambassador Jozef Wiejacz at yesterday's meeting of the Sejm Environmental Protection and Foreign Affairs Commissions. There is no basis on which to expect that any significant money in the form of nonrepayable subsidies will be obtained from abroad. Because of this, the matter of ecoconversion and the formation, in April of this year, of the Ecofund (Foundation for Ecoconversion Affairs), becomes a priority task.

This year, \$6.5 million has been collected. France has already confirmed a 10-percent debt conversion, but the details are still being negotiated. Obtaining the willingness of our German creditors (the FRG is our most important creditor, ahead of France, Austria, and the United States) to exchange our debt for ecological expenditures, has turned out to be a very difficult task. The German side maintains that it had already earlier made a reduction of the so-called jumbo credit, converting that part of it to the bilateral Polish-German zlotys fund. But this fund does not have as its purpose the transfer of management techniques or environmental protection know-how. The granting of this credit by Chancellor Schmidt to Gierek, as well as its partial amortization and conversion in November 1989, has specific political connotations and this matter should be regarded as closed within the framework of the German unification process—representatives of the ministries of foreign affairs and environmental protection stated.

At the meeting of the commissions the deputies spoke of the "ecological blackmail" exerted on Ecofund by creditors. Interest groups in the creditor countries are applying pressure on their politicians to make conversion of the debt dependent upon Poland's making purchases in the creditor's country. Some creditors, wanting to have greater control (political and financial) over expenditures, are insisting that ecoconversion projects be made bilateral. They want the money spent for

ecoconversion to go abroad. It has also been heard that EBOR [expansion not given], with the support of some creditors (e.g., France and Norway), wants to assume control over Ecofund, reducing it to the role of a unit that prepares projects, without the right to conduct money transactions.

The position of the environmental protection ministry is unequivocal:

- The postulate that ecoconversion money be spent on imports from creditor countries conflicts with the basis of the Ecofund. According to opinion of IMF regarding the adherence, by Poland, to the terms for internal convertibility of domestic currency, there is no need to maintain special foreign currency accounts, said Bernard Blaszczyk, under secretary of state in the Ministry of Environmental Protection. Dr. Stanislaw Zylicz indicated that rejection of the postulate that ecoconversion be directly tied to purchases in the creditor country, does not mean that we do not perceive the need to ensure the creditors, aside from ecological effects, financial benefits proportion to their input into Ecofund. Such a practice, patterned after the EEC approach in the implementation of the PHARE [Economic Reconstruction Aid for Poland and Hungary] program, will permit the elimination of a possible inordinate share of firms coming from countries that have a minimal participation in ecoconversion.
- Nonrepayable financial assistance, thus far, from Western countries for Polish ecology, totals approximately \$100 million (including \$25 million from EEC, \$32.6 million from Sweden, and \$36.8 million from the United States), for which 51 projects are now being implemented. Another 67 projects, for a total of \$80 million, are now being coordinated with the donors.

Debt-Reduction System for Textile Industry

92EP0521A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 25 May 92 p III

[Article by M.S.: "Breathing Spell for Light Industry"]

[Text] The Financial-Trade Society "Transfer" was formed in Lodz for the purpose of compensating the debts of light industry enterprises.

Prof. Janusz Bilski from Lodz University was the initiator of the Brokerage House and is its first president. Over 90 percent of the enterprises in light industry have joined in the debt-reduction system.

The textile industry, along with the branch foreign trade offices, forms a dense network of sales, financial, and coproduction ties—Professor Bilski notes. The economic recession and difficulty with selling some products caused the multibillion internal debt in this branch. This is the consequence of a cascading growth of overdue payments owed for mutual deliveries of raw materials, semifinished goods, and products. And the failure of

some enterprises to fulfill their payments obligations produces a liquidity crisis in others.

The activities of the new institution will make it possible to reduce the branch's internal debt and restore the solvency of the enterprises. In most light industry enterprises, the present situation can be called a financial paralysis, which makes it impossible for them to function normally. The result is very low liquidity or loss of creditworthiness.

The mutual debt situation often becomes paradoxical because enterprises that have a net surplus of liabilities over obligations with their sales partners do not have the liquidity essential to carry out efficient economic activity.

The existing state of affairs is one of the basic reasons for the growth of unemployment, the decline in production, and the increased debt to the state treasury.

The effect of the compensations should be a drastic reduction in obligations—enterprises' debts. "Transfer" guarantees its customers that the information supplied by them will be kept in complete confidence.

The firm's president, Janusz Bilski, foresees a need to apply to the minister of finance on the question of refinancing a part of the positive balance for the creditor. This will enable enterprises to recover their financial liquidity. On the other hand, joining the compensation system will facilitate the elimination of the paradoxical situations in which the light industry enterprises have liabilities in budgetary units and, at the same time, obligations to the state treasury.

LOT Notes 'Dramatic' Drop in Paying Customers
92EP0507A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 4 Jun 92 p 1

[Article by W.M.: "Travels at the Taxpayers' Expense: LOT Loses Passengers"]

[Text] Bogdan Pruzynski, acting director of PPPL [State Airport Enterprise] told the Sejm Commission on Commerce and Services that passenger air travel is not making a profit. Deputy Jan Krol reacted to his statement by asking sarcastically whether, in the absence of any prospects for change, there was any point in operating the airports anymore, if they had to be subsidized and the carrier was operating at a loss, too.

The drop in the number of passengers has been dramatic. There has been a striking decline in the demand for

transport services at the airports as well. For example, Okęcie handled 3,117,000 passengers in 1989, but only 1.9 million last year. During a prosperous traffic period, the airport in Gdansk handled 170,000 passengers, but, in 1991, only 58,000. In Katowice the figures shrank from 14,000 to 5,000, but the drop at Szczecin was the worst: from 14,000 to 4,000.

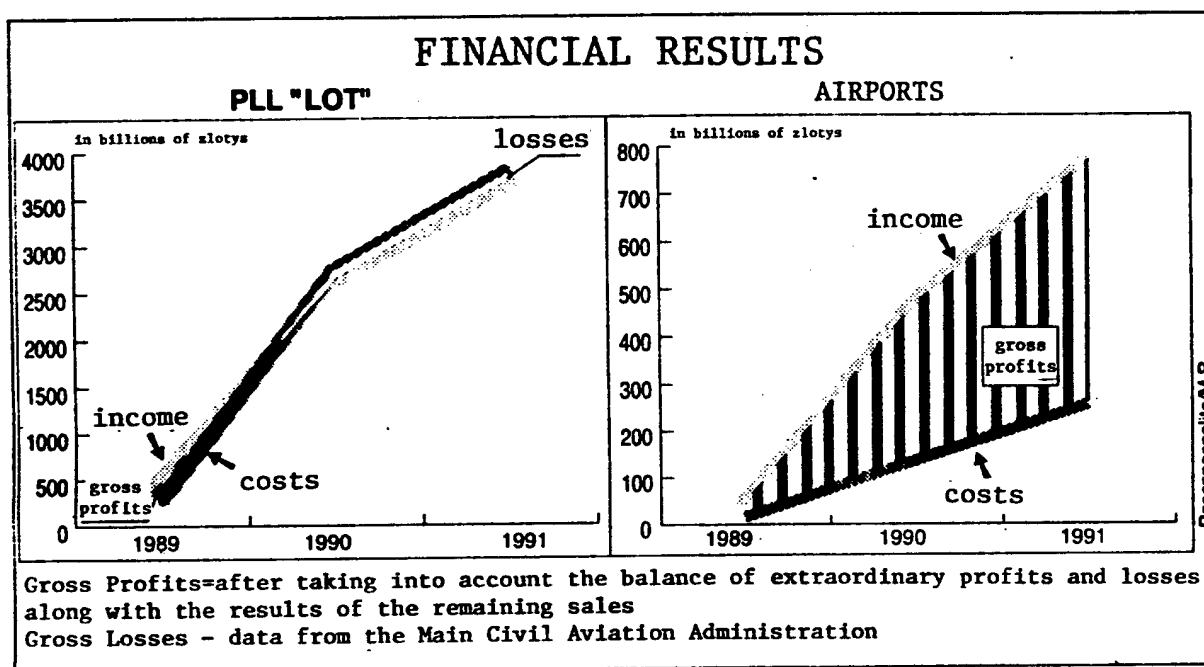
The result is an increase in service costs per passenger. For example, fixed costs always remain at 100 percent, even when the airport is being used to only 30 or 50 percent of its capacity. In recent years, the effectiveness of civil aviation has been based on price increases alone. It must be realized that such steps further reduce the number of passengers and contribute to another increase in costs, and so a vicious circle results.

Boguslaw Liberadzki, deputy minister of transportation and maritime economy, pointed out that all of the eight airports except three (Warsaw, Gdansk, and Krakow) have had to be subsidized, which means that they are living off the tax payers' money. The three operating on their own have managed to emerge from a difficult situation by increasing the price of services. Mr. Liberadzki added that it was debatable whether the price increase had been adequate. There is still the danger that the regional Polish airports might become feeder airports not for Warsaw but for Prague, Stockholm, and Berlin.

Although it is clear that competitiveness depends on more than merely inexpensive airline tickets, the desire (and dream) of the ministry would be for low prices to make air traffic more competitive and contribute to increasingly higher turnovers. But life is life....

Nonetheless, the deputies argued that there were ways to prosper somehow. How things will go for the airports will depend on how they are managed. Okęcie has all sorts of reasons to make a lot of money. The chances are similar for our carrier PLL LOT, which generates most of the traffic in our airports, despite its having lost its monopoly. There was a proposal to think about a system of integrated passenger transport that could increase the number of passengers both in aircraft and in airports. The idea is to have a broad range of services for passengers from the moment they leave home until they arrive at the hotel after they land. It is also worthwhile to be more energetic in creating business traffic, because such traffic is profitable.

Deputy Jan Pamula, chairman of the commission, proposed an analysis of the subject the deputies discussed on 3 June in the subcommission. The Commission on Trade and Services is to take up the situation of PLL LOT in the near future.



New Fares for Internal Flights Announced

92P20337A Warsaw GLOB 24 in Polish 23 Jun 92 p 3

[Article by K.Sz.: "Traveling the Country by LOT"]

[Text] "It is worth paying extra for domestic connections (presently approximately \$3.5 million a year) in order to have passengers and greater profits for the profitable international connections," said Jaroslaw Roszkowski, the director of operations for LOT [Polish Airlines], during a press conference on 22 June.

From 2 July of this year, our transporter is increasing the number of flights between Warsaw and selected cities.

Three airports will be intensively used during the beginning period: in Gdansk (24 flights a week), Wroclaw (20 flights a week), and also Katowice (17 flights a week). From November of this year, national connections will be received by Krakow, to where the ATR plane [small commuter plane accommodating between 20-25 passengers] will fly four times weekly.

The new plan was specially tailored to flights from abroad so as to make the transit time in Warsaw as short as possible.

Practically, as we were informed at the news conference, a passenger from Gdansk, Katowice, or Wroclaw will be

able, in the span of three to five hours, to reach every European capital, and in the span of 12 to 14 hours reach New York or Bangkok.

Aside from this, new tariffs will be introduced in national connections. On weekends, when airplane cabins are poorly filled in general, the price of tickets will be 14 percent lower in proportion to fares normally costing 450,000 zlotys [Z] for a one way trip. Excursion fares will have a 20-percent price reduction with the stipulation that the return flight will take place at least seven days after and no later than one month. Group fares (for at least 10 people) will be reduced 46 percent. A family can also receive a reduction if the head of the family pays 100 percent of the ticket's price, at which time the wife will receive a 50-percent discount, children up to 12 years of age, 25 percent, and youths up to 25 years of age, 50 percent.

Through the first two weeks of July, the flights between Warsaw and Katowice will be half price (for promotional reasons); if, however, someone wants to fly from Katowice over the border through Warsaw in July, he will not then have to pay for a domestic flight.

Talks are underway between LOT, the Main Department of Tariffs and the Border Guards on the subject of combined traffic. The goal is to enable the planes performing domestic flights to transport passengers which are trying to get over the border (those having to check in with passports and having to pay duties) and also domestic passengers, who do not have to go through such procedures.

Notion of Economic Crime To Be Broadened

92EP0521C Warsaw *RZECZPOSPOLITA*
(*ECONOMY AND LAW* supplement) in Polish
28 May 92 p I

[Article by R.A.: "A Trap for the Fat Cats"]

[Text] Economic crime is having a heyday, abetted by deficiencies in the law. The antidote to various types of swindles and the crime threat is supposed to be the law on protecting economic relations. The draft of the law, which comprehensively regulates the problem of the responsibility for economic crimes, was passed by the government on Wednesday. It provides that the penal law will be applied to the new phenomena in economic relations.

First of all, the proposed new regulations now contain a notion of white-collar crime, directed at gaining large material profits through criminal action, at the cost of the state treasury or other subject. This crime, defined in Article 1 of the draft, in essence makes it a crime on a par with other crimes covered in the penal code.

Criminal action, according to the proposed law, can be theft or fraud, for example, or use of a forged document. One form of such crime is representing a nonexistent legal person or nonexistent organization.

The draft law deems serious material damage to be damage over two billion zlotys. The punishment for the above-mentioned crimes is severe: from two to 12 years imprisonment. The punishment for economic mismanagement, which, in the draft law, is an amended form of this crime as covered in Article 217 of the penal code, is imprisonment of from six months to five years. The notion of "fulfillment of function" does not appear in the draft and the notion of economic mismanagement is expanded to other than economic organizational units of the socialized economy.

The proposed new regulations cover several forms of crime connected with capital or insurance fraud, which appear more and more in a market economy. For example, disseminating untrue information about the financial status of a bidder in sales and purchases of securities, obtaining credit or damages by deceptive means, etc. Several articles deal with protection of creditors and crimes connected with the failure to maintain documentation about economic activity, or false documentation. The penalty for counterfeiting money or securities would be a minimum of three years and a maximum of 25 years imprisonment. The punishment for taking currency or goods out of the country without going through the customs procedure would be up to 10 years in prison, and money laundering would carry a penalty of six months to five years.

The new draft regulations provide that in the most serious cases, where great damage was done to the state treasury, the court could also assess a fine of up to one billion zlotys, i.e., four times more than the penal law now provides.

Center for Economic Information Described

92EP0507C Warsaw *RZECZPOSPOLITA*
(*ECONOMY AND LAW* supplement)
in Polish 9 Jun 92 p II

[Article by Edmund Szot: "Economic Information Center: *In Statu Nascendi*"]

[Text] Our readers are already somewhat familiar with the Center for Economic Information [CIG], having been informed about its creation a few months ago. Nonetheless, we are mentioning its principals and goals here in connection with the first session of its Program Council in Warsaw on 8 June.

Now, the CIG's purpose is to inform small and medium-sized companies in a noncommercial way about economic bodies operating at home and abroad, about the possibilities for entering into cooperation with them, and about the legal and organizational aspects of business operations in Poland and in other countries.

The CIG consists of the National Bank, which has its headquarters in Poznan; 14 regional branches, at least ten of which are already in operation; several dozen voivodship branches, and about 100 smaller sections, which will be set up in certain towns and parishes by the end of this year.

This way of organizing the CIG is the result of its overall philosophy, which is geared to activating economic life in the Polish provincial areas. Those areas have been effectively rendered helpless by several decades of centralized control and the resulting practices. Everyone knows one way or another that in order to activate the economy, it is necessary to provide companies with adequate information.

There are two bodies watching to see that CIG operates properly. There is the Donors Council, which is made up of representatives of the organizations and institutions which have put money into the foundation's operations. In exchange, they have priority in accessing information and can count on free promotion and advertising. There is also the Program Council, which includes the ministers of several of the large economic ministries and the voivodes (voivodship governors) in certain regions. The Program Council gives expert opinion on the foundation's strategic goals, proposes new forms of operation, and suggests economic undertakings that might financially bolster the foundation's statutory activity. Włodzimierz Dabkowski, deputy minister of agriculture and food economy, was selected to chair the Program Council for a term of one year.

Michał Wojtczak, the founding father of CIG, was somewhat surprised by questions about the profits to be made from the foundation's operations.

"Not all activity must produce personal profits," he explained. "In this instance, the benefit will be social. Up until now, people in Poland have been thinking about the economy in terms of large centers, but 70 percent of economic life takes place in the small towns and villages.

Initiative there is often blocked by a lack of information. The creation of CIG is making it possible to break down that barrier."

Customs Slated for Better Equipment, Training

92EP0495B Warsaw RYNKI ZAGRANICZNE in Polish
No 63, 26 May 92 p 3

[Article by G.K.: "More Than Just Computers: Smugglers Fear the 'Little Black Bags'"]

[Text] In 1992 the projected expenditures related to the customs service were estimated at 200 billion zlotys, 85 billion of which was for equipment. As Ryszard Federak, deputy director of the Department of Investment, Technology, and Supply at the GUC [Główny Urząd Celný, the Main Customs Office], says, that will provide for a minimum level of needs for the customs services and mean that our customs officials will now be one-third as well equipped as those in the EC. That is undoubtedly cause for joy, if we consider the fact that at present the figure is around one-twentieth.

A computer, a calculator—even a laptop computer—detectors, x-ray machines, infrared devices, and testing equipment for collecting laboratory samples (alcohol or water) should become normal equipment for the customs official. The installation of computers in the customs administration began in a rather novel way for Poland. Three computer systems have been tested in three customs offices since the middle of 1991. Computer equipment will not be bought until one of them has been chosen. The EC will probably use PHARE [Economic Reconstruction Aid for Poland and Hungary] funds to finance part of the plan to modernize our border crossing points by installing computers.

Ryszard Federak sums the project up this way: "The whole process of installing the computers will take two to three years. The customs offices will receive computers first. Then the highway border crossing points, the departments and booths in the small localities, and

finally the network will even include 'metropolises' the size of Pcim" [township in Krakow Voivodship].

The network will be compatible. It will be linked to banks, the Ministry of Finance, and offices of the Treasury, making it possible to do continual examination of the way the thousands of economic units handle their customs obligations and pay the border tax. That ability will be particularly important in relation to those who base their income-producing operations on exploiting our choked system of fiscal control.

There are separate investments related to modern methods of detecting customs violations. The GUC assures us that many of the modern devices are in the hands of customs officials, and they are paying for themselves many times over, but because what sort of equipment and preparations are used and where they are is the closely guarded professional secret of the customs officials, I learned only that "little black bags" with the necessary equipment are already located at border crossings and that vats of distilled spirits have no possibility of leaving Poland.

The increasing transit has made it necessary to expand the personnel levels in the customs service. The plans are to increase the present level of 7,500 customs officials to 12,000. There will be an increase of 1,000 per year. Poland has only half as many as Hungary and Czechoslovakia. The single customs training facility in Swider can prepare about 200 new employees each year, and it is being expanded now. There are also plans to build a school for customs officials in Rzepin (to meet the needs of the western border) and another one in Muszyna (for the southern border). A search is under way for training facilities for customs officials on the eastern border.

People at GUC are aware that it is not possible to make up immediately for what has gone undone for over several decades, but the investments being undertaken and the plans being made allow them to hope that the next two or three years will be decisive in causing our entry into Europe to occur through modern border crossings outfitted with the finest equipment.

Anti-Iliescu Demonstrators Beaten, Fined
AU1807163092 Bucharest ROMANIA LIBERA
in Romanian 7 Jul 92 p 1

[Article by Liliana Ionescu and Virgil Lazar: "The Effects of a Warm Welcome"]

[Text]

The "Batuta," or "Stomping Dance," Just Like in Botosani...

Continuing his campaigning in the Moldavian region, President Iliescu reached Botosani on 3 July. The female employees of the Rapsodia ready-made clothing enterprise, who for quite a while have been technically unemployed, were called two days before the visit to welcome the president warmly. Showing concern with peasants as well as workers, the president went to the Staceni Cooperative Production Farm, a place where all the old structures have remained intact, and then to the Cosinda company, where he was received by the old guard of the former Romanian Communist Party, now serving as directors and owners. The speech, as usual, was given in front of the prefect's office. Also as usual, a group of "troublemakers" made its presence felt by shouting "Down with Iliescu." The presidential calm was reestablished with the assistance of the "black" (guard and protocol) troops, and mainly by 10-15 civilians, young and vigorous, who started beating up the troublemakers and trampled underfoot even those who had already fallen to the ground. The police did not interfere. As usual.

... And the "Invirtita," or "Spinning Dance," Just Like in Cluj!

We have been informed that several residents of Cluj were fined by the local police because they dared demonstrate against Iliescu during his recent visit there. The demonstrators were identified with the help of a video-cassette made of the events by operators who were placed purposely near the prefect's office, where, on the day of the visit, a large group of people gathered to shout against the president. The fines amount to 5,000 lei each and were issued on the basis of Law 1 of 27 September 1991 for violating social cohabitation norms, tranquility, and public order.... The "original" democracy starts to take shape with the help of law enforcement bodies. In other words, the noose is getting tighter! The paper TRIBUNA ARDEALULUI condemns these practices, while the city hall's newspaper MESAGERUL TRANSILVAN celebrates, concluding its commentary on this issue with the words: "Bravo Police!"

CD Presidential Contenders Questioned at Caucus
92P20342A Bucharest ADEVARUL in Romanian
30 Jun 92 p 3

[Article by Constantin Lupu: "Behind the Scenes at the Selection of the Democratic Convention Candidate"]

[Text] The contenders for selection as Democratic Convention [CD] candidate for president of Romania were

examined for variable lengths of time. The order of questioning, decided by lot, was the following: Ion Ratiu, Nicu Stancescu, Emil Constantinescu, Sergiu Cunesco, and Nicolae Manolescu.

Ion Ratiu's questioning took the longest—two hours and 15 minutes, followed by N. Manolescu (two hours and 10 minutes), Emil Constantinescu (two hours and five minutes), S. Cunesco (one hour and 30 minutes) and N. Stancescu (one hour).

The number of questions reported by Corneliu Coposu, up to 2245 on Saturday, were: 21 questions for Ratiu and for Constantinescu; 19 for Manolescu; nine for Cunesco; and eight for Stancescu.

In the hall, the electors admitted that the hardest questions were addressed to Manolescu. And not all the responses were satisfactory!... It seems that the most stubborn electors were the ones from the AFDPR [Association of Former Political Prisoners of Romania] headed by C.T. Dumitrescu. What did Manolescu think about this? "I got different treatment from the others. The questions were more aggressive."

How did the losers react? The first one who left the race—Nicu Stancescu (at 2150)—was the most reconciled to his fate. "As for me, I am not giving up my struggle to restore democracy", he told me. "Everything was fair here. But I will go the Senate or to the Chamber of Deputies," he added. Nicolae Manolescu was the one who was most affected by the unfavorable results of the vote. He disappeared when the choice of the sole candidate was officially announced. How does he explain the vote? "It is a matter of a compromise which has value within the ranks of the Democratic Convention. I do not know what great value it will have outside the CD when the issue of the vote of the electorate comes up. I am afraid that what has been to the advantage of Constantinescu up to now will turn against him!"

On Saturday, from 0900 to 2400, Ion Ratiu held a red carnation in his hand (a good luck charm?). How did he accept the decision of the electors? "It was Coposu's idea that the person does not count; but rather it is the Convention that counts. He gave as an example the fact that Crin Halaicu was elected mayor general without anyone hardly knowing his name! It is true that I have been getting many telephone calls from people in the country asking me who Emil Constantinescu is.... I hope that he will defeat Iliescu. I really hope so! Otherwise, if Coposu's theory is not correct, we will have four more years of communism...." Will Ratiu run as an independent? "I will keep my commitments. For the moment, at least!" he concluded. For the time being.

There were comments from the numerous supporters of the candidates. "The best person was not advanced here; a certain party was pushed forward." "But he is an unknown!" "So was Crin Halaicu!" "But in that case, it was a matter of a mayor, albeit of the capital."

The electors of the UDMR [Democratic Union of Hungarians in Romania] were very much delighted with the questioning of Constantinescu. Everyone was willing to listen and came forth with a whole stream of superlatives in regard to what they heard.

The nine electors from the Liberal Alliance (National Liberal Party-Youth Wing [PNL-AT] and the National Liberal Party-Democratic Convention [PNL-CD]) were all invited into the hall. Dinu Patriciu came out in fifth place and Rene Radu Policrat, in sixth place. But, immediately, Razvan Dobrescu, the spokesman for the Voting Commission, announced that, unfortunately, Policrat had suffered a heart attack, and that he would be replaced by Calin Popescu Tariceanu. However, just before that, Policrat had been explaining something to Horia Rusu, for 25 minutes, with both of them on their feet. The venerable Mr. Policrat was the most talkative. It had been a false alarm! Nothing but a compromise was in the wind.

As for the young liberals, what is the story about the protest by some top members of the party against Patriciu's decision to come back into the leadership? Sources close to the PNL-AT staff have confided to me that: "It was all just a maneuver on the part of some malcontents." They were joined by people who would like to resume contacts with Radu Campeanu's PNL and by some innocent parties. Radu Cojocaru, Andrei Chiliman and ... and ... Viorel Catarama are said to be in the first two categories. Will the economic power of the party be affected? "Not at all, since the absence of millions from some people will be compensated for by millions from other people. A fresh wave and, perhaps, not so suspect!" Tomorrow's press conference of the PNL-AT was announced with excitement.

Presidential Candidate Selection Process Viewed *AU1707181992 Bucharest CURIERUL NATIONAL* *in Romanian 10 Jul 92 pp 1, 3*

[Interview with Nicolae Manolescu, president of the Party of Civic Alliance, by Nicolae Manolescu; place and date not given: "If I Accept the Rules of a Game, I Have To Observe Them"]

[Text] [Firanescu] Mr. Nicolae Manolescu, how do you view the nomination of Mr. Emil Constantinescu as sole candidate of the Democratic Convention?

[Manolescu] I believe that the most important thing is not to continue the dispute about Mr. Constantinescu's election by the voters of the Democratic Convention, but to concentrate on the need to support him and familiarize people with him. Our candidate is an intelligent and honest man, capable of becoming a serious opponent to Mr. Iliescu.

[Firanescu] Still, how to you view this system of nominating a sole candidate through successive voting?

[Manolescu] The system itself was neither good nor bad. It had a democratic character, to the extent to which, through a secret ballot, it permitted the election of one out of five candidates that had been proposed. However, one might question whether each party or formation had the number of voters they deserved or whether these voters were all up to their mission. Apart from it, certain formations changed at the last minute the name of their voters (like *Romania Viitoare* [The Future Romania] for example), which might indicate that not in every case the electors were elected properly by their colleagues. The Christian Democratic Union in turn was represented by people who were contested by the rest of the leadership, and so on and so forth. However, it is essential that the voting was not distorted by a violation of rules. Mr. Constantinescu was indeed preferred by the majority of the 67 voters.

[Firanescu] What do you think were the arguments of the voters who elected Mr. Constantinescu?

[Manolescu] You should ask the voters themselves!

[Firanescu] Do you believe that it is correct that the proposal that Mr. Constantinescu be your opponent came precisely from the Civic Alliance? How do you explain this?

[Manolescu] I do not consider it normal at all, but I prefer not to give any explanation. However, I have said it on other occasions, too. The Civic Alliance assumed a role that is contrary to its own statute, and in addition it demonstrated a hostility that is difficult to understand precisely against the party that emerged from this alliance. The decision to propose another candidate than the Party of Civic Alliance [PAC] was adopted by the Steering Committee of the Civic Alliance with a very small number of votes (seven and one abstention), considering the total number of members of the Steering Committee (27). Later, the same people were appointed as voters also, with two exceptions. The confusion created within branches and within the electorate was also increased by the very late endorsement of the respective decision, at the last minute, as one can say. Everything that happened left behind an impression of a game having taken place backstage.

[Firanescu] In accordance with the previous engagement, from this moment the PAC and the National Peasant Christian Democratic Party must support Mr. Constantinescu's candidacy. Do you consider it strange that certain political groups should support another candidate than their own?

[Manolescu] It is even stranger that a person who was proposed by a formation that does not even have the characteristic of a party should be nominated as single candidate, while the candidates of the parties were rejected. This shows that it is not the parties that decide in the Democratic Convention, but formations such as the Civic Alliance and the Association of Former Political Detainees in Romania [AFDPR], something that might take us to a major crisis in negotiations for

candidacies in parliament. Mr. Ticu Dumitrescu [AFDPR leader] does not hide the fact that the former detainees voted for the one who agreed with their viewpoint. During an audition, he indeed was admonished by another candidate who noted that it is impossible to reduce the global problem to group interests of certain people (monarchists, political detainees, and others). In general, certain voters believed themselves to have certain feelings of superiority, namely our examiners, and we, candidates suddenly turned into poor people who were being examined. I am sorry, but I have to say to Mrs. Doina Cornea that I do not think that she can test me on the chapter of political knowledge, and I do not think that it is normal that she should make public the vote that she granted, saying that she was pleasantly surprised by the candidate who had exactly the opinions that she expressed in the letters written during the time of her dissidence. In other words, we vote for those who think like us or who flatter the image that we built about ourselves! This is not acceptable at all. Certainly, we are going to support Mr. Constantinescu in the presidential race. There is no doubt about it. The PAC has already issued a clear communique as far as its intentions are concerned to maintain the unity of the Democratic Convention.

[Firanescu] You are probably disappointed by the final results. Will this affect your political career?

[Manolescu] In such circumstances one cannot think of disappointment. I am not an emotional person, and if I accepted the rules of a game I have to observe them. It is in the nature of things that one also has to lose sometimes, although as a politician one would like to win. We are not talking about my defeat or about my victory, but about the defeat or the victory of the Democratic Convention. It is our duty, the duty of all of us, to unite our efforts and ensure the victory of the Democratic Convention.

Constantinescu Comments on Candidacy, Monarchy

*AU1507114792 Bucharest ROMPRES in English
0723 GMT 15 Jul 92*

[Text] Bucharest, ROMPRES, 15/7/1992—The only candidate of the Democratic Convention [CD] to Romania's Presidency, Emil Constantinescu, considers that his nomination "marks precisely a delimitation": "We do not fight against people but against the communist structures as institutional remains, and especially against stereotype thinking."

Explaining in an interview with the Bucharest daily AZI, considered to be close to ex-premier Petre Roman, the reasons why the electoral coalition of the opposition opted for him, a former RCP leader, to the detriment of current party leaders, Emil Constantinescu shows that his option is not a change of attitude "for electoral reasons," but "a more explicit assertion" of a position sustained as early as January 1990 by Corneliu Coposu, Chairman of the National Peasant Christian Democratic

Party [PNT-cd], who is now also the CD leader, namely "to avoid the discrimination of the former RCP [Romanian Communist Party] common members."

As regards his position towards the monarchy, Emil Constantinescu thinks that the article in the constitution passed in 1991 stipulating that the republican form of government cannot be revised is "an expression of the absurd claim of the communist structures, of the arrogance of the red totalitarianism to be eternal."

Summing up the answers given to the questions about the monarchy during the hearing that preceded his election as the sole DC candidate, Emil Constantinescu assesses as "inadvertently approached the problem of a president that should bring the King to the country." He explains it this way: "The King may come any time on the terms of the current law. To my mind, the possibility of organizing a referendum depends on a correct information of the population. This does not mean promonarchy propaganda, which would be harmful to the monarchic institution itself, but a presentation of the truth the way it was."

FSN Presidential Candidates Nominated

*AU1407182592 Bucharest ROMPRES in English
1516 GMT 14 Jul 92*

[Text] Bucharest, ROMPRES, 14/7/1992—As it is known, the National Salvation Front [FSN], the majority party in Romania, nominated three candidates for presidential elections, of whom the Special National Convention is to designate its single candidate. "Do you think your professional training and activity so far have been enough for the president's office?" And "what has made you become a candidate?" Such are the questions the daily AZI asked the three candidates, and here are their answers:

Victor Babiuc, born on April 3, 1938, a graduate of the Faculty of Law in Bucharest, a doctor of law, minister of the interior, and minister of justice after 1989: Being a lawyer is an advantage because one is conversant with state mechanisms, their aim, and the way in which they should function and my activity since the revolution has been apt to prove professionalism and democratic beliefs I could translate into fact. My professional training and activity in recent years seem to me a variant that may interest Romanian electors. I have been inspired by the wish to show them the real dimension of a presidential office and the limits within which it can manifest itself, limits set primarily by the Constitution as well as by other laws of the country.

Eugen Dijmarescu, born on February 11, 1948, a graduate of the Academy of Economic Studies, the foreign trade section; doctor of economics; worked between 1971-1990 at the Institute of World Economy he led till the revolution; minister of state in charge of economic affairs in the first cabinet after the May 1990 elections, then minister of state of the economy and finance: "I think that now, in the transitional period, Romanian

society is traversing, lawyers and economists are the best for the presidential office. Considering my professional experience, I can say I have been in touch with the market economy for 20 years but as regards politics, my experience is of only two years old and I think it is only now that the politicians apt to decisively influence the country's future are being born in Romania. It is my firm conviction we must advance toward democracy and economic reforms that made me run as candidate for president as well as a certain other insatisfactions, like the polarization of power to the detriment of the freedom of expression of the many and the need to cast light on some major problems for Romanians: December 1989, coexistence with minorities, and Romania's reintegration."

Caius Traian Dragomir, born on July 16, 1939, a graduate of the Faculty of Medicine in Bucharest, after which he worked in scientific research, secretary of state of the Information Department since April 1991: Taking into account the constitutional prerogatives of the presidential function, as well as the experience of being a government member for almost one year (an experience which is compulsory because without exercising authority for a time you are actually handicapped as a president) I think I fit such an office. My consistent political and social activity made me run as candidate for president. I should like to mention my contribution to working out the motion "Future Today." My wish to develop democracy, transparency, and constitutionality make me be a candidate.

Campeanu Responds to Patriciu's Interview

AU1307141592 Bucharest CURIERUL NATIONL
in Romanian 9 Jul 92 pp 1, 7

[Interview with Radu Campeanu, president of the National Liberal Party, by Ralu Filip; place and date not given: "Mr. Patriciu Is a B-Grade Politician"]

[Excerpts] [Filip] Last week Mr. Patriciu described a new scenario regarding Romania's postrevolutionary development. He stated that you were going to become prime minister! What do you have to say about this?

[Campeanu] Well, what shall I say? It is the ploy of a man cornered by his personal affairs and by political ones. The scenario presented by Mr. Patriciu simply belongs to the realm of fantasy! It is a lie! I think that Romania is tired of such scenarios, and I also think that we should get to our own scenario, which belongs to us, the Romanian people, and that has not been invented by all kinds of third-rate politicians. On the other hand, Mr. Patriciu's story is contradictory. [passage omitted]

In my view, it is nothing but a ploy that is very similar to the trick of a burglar who, when caught, yells "burglars!" to divert attention.

[Filip] But why should Mr. Patriciu lend himself to such a ploy?

[Campeanu] My question is not why he did this, but who made him do it....

[Filip] Well, who made him do it?

[Campeanu] I cannot answer this. Only time will clarify it. This whole scenario, and the statements of a person who later denies things, smacks very much of the methods used by the former Securitate, which invented proof to open files on people they believed were enemies of the regime. Tens of thousands of people were sentenced in this way. It is embarrassing today to note that such methods are used again.

[Filip] Mr. Patriciu said that the scenario in question was hampered by the policy promoted by Mr. Roman, the National Liberal Party-Young Wing, and the Civic Alliance Party. What do you think of this association?

[Campeanu] I can only laugh about this insinuation. At that time, Mr. Patriciu was one of the executive secretaries of the National Liberal Party, a position in which he would have been obliged to tell me about the existence of such a scenario. Second, Mr. Roman's presence among the people who opposed it seems to me amiss, because Mr. Roman was in power at that time. The Civic Alliance Party did not exist and, for that matter, neither did the Civic Alliance. Thus, this enumeration seems to correspond to today's friendships rather than to the realities at that time.

[Filip] Does this association suggest the intention of a future political alliance?

[Campeanu] Nothing is impossible!

PNT-cd Deputy Discusses Campaign Issues

AU1907130392 Bucharest AZI in Romanian
9 Jul 92 pp 1, 3

[Interview with Deputy Ion Ratiu of the National Peasant Christian Democratic Party by Corina Cretu; place and date not given: "Guest of the Day: Mr. Ion Ratiu, Former Presidential Candidate"]

[Text] [Cretu] Deputy, have you decided to run as an independent in the presidential elections?

[Ratiu] Why do you ask me such difficult questions? I have already told the BBC and Radio Free Europe that I will support the Democratic Convention [CD].

[Cretu] Prior to the ballot within the CD, the National Peasant Christian Democratic Party [PNT-cd] nominated you as its presidential candidate....

[Ratiu] Yes, but the CD did not heed the PNT-cd proposal and did not vote for me....

[Cretu] Do you believe that Emil Constantinescu was not elected democratically?

[Ratiu] This depends. Each person was able to vote the way he or she wanted. The discussions that took place

between the members of that group of voters became known, this is inevitable. All sorts of rumors and commentary are being circulated. I, being a lawyer by profession—without having practiced my profession—know very well that I cannot make a statement without having proof, and I do not have any proof.

[Cretu] What do you think about the statement by Corneliu Vadim Tudor [ROMANIA MARE chief editor], who claims to have documents which reveal that in January Emil Constantinescu was contacted by the U.S. Secret Service in order to be installed as president of Romania?

[Ratiu] I have heard of this. I do not know, I have no knowledge about it. That has to be proved, to be published.

[Cretu] In your opinion, what are the chances of the CD candidate?

[Ratiu] My dear miss, I am not only a lawyer, but also a politician.

[Cretu] This is exactly why I am asking you.

[Ratiu] I am involved in a political struggle and in trying to eliminate communism and its vestiges. Well, it is up to the electorate to decide if this will happen through the election of the new president.

[Cretu] Do you now want to say that, contrary to other candidates, Constantinescu cannot be associated with communism, while forgetting, however, in what position of the Romanian Communist Party he was surprised by the December revolution. Well, actually, aside from this aspect of the matter, are you really unable to make a forecast?

[Ratiu] This is very difficult at this time, in the current situation. Honestly speaking, I do not want to make a prediction.

[Cretu] There are rumors that you are going back to England for good....

[Ratiu] This is completely wrong. I have returned to my country, which I love very much, for which I have struggled all my life. I have not been a Communist Party member, nor secretary of I don't know what, and I have had no other devotion for anything but my homeland and the Romanian people. I have returned home, I am happy, the dream of my life has come true. Anything in addition to this is like a gift for the complete fulfillment of my dream: to return home.

Domokos on Status of Hungarians in Romania

92BA1130A Bucharest COTIDIANUL in Romanian
23 Jun 92 p 4

[Interview with Geza Domokos, Democratic Union of Hungarians in Romania chairman, by Florin Toma

and Lucian Vasilescu; place and date not given: "Romania Becoming a Federation Is Nothing but a Bugbear"]

[Text] [COTIDIANUL] Mr. Geza Domokos, while preparing for this interview we kept wondering what was the most correct way to refer to the Hungarians in Romania: coinhabiting nationality, Hungarian minority, Romanian citizens of Hungarian origin... What do you think is the best term?

[Domokos] At first sight this does not seem to be an essential matter. Nevertheless, if we consider it more in depth and try to place the issue in a legal framework or in the framework of contemporary political practice, we realize that your question is fully justified. I'm sure you know that the Romanian Constitution talks of "persons belonging to a national minority." This definition appeared as a kind of amendment to the initial text, which spoke of "national minorities." We are dealing here with two categories of rights: individual rights, which are granted to persons or citizens, and collective rights, which are granted to communities held together by language, historical traditions, culture, or religion. Once they were called "coinhabiting nationalities." At one point it was even forbidden to use the term "national minorities," which was viewed as a pejorative name. In January 1990 we opted for the term "national minority." We believe this is an established term in international practice. In the meantime some discussions have been held on this issue inside the UDMR [Democratic Union of Hungarians in Romania—RMDSz in Hungarian], too. As you may recall, the expression "co-nation" emerged at the second UDMR Congress in Tirgu Mures in the spring of 1991. Recently, the term "national community" has been suggested at UDMR meetings. In addition, the term "ethnic groups" is also used in international practice. One of our "ambitions" is to find the best suited and the most precise term that can best express the reality prevailing in Romania. Last summer the UDMR suggested to the government, to Parliament, to the political parties, and to various organizations in the civic society to organize a roundtable to discuss all our still pending and still unclear issues. Aside from the PNT-cd [National Christian Democratic Peasant Party], no one agreed to hold such a meeting. On the contrary, the FSN [National Salvation Front] leadership at the time rejected our offer saying that the law-governed state already had institutions and bodies qualified to have such discussions and that the meeting we suggested would only contribute to the uncertainty and insecurity on the issue in question. Nothing could be more mistaken. Such meetings, roundtables, and national fora are being held with the broadest possible participation in all the East European countries in which the political forces are not yet sufficiently well outlined, where there is still no political stability, and where the foundations of a law-governed state are only now being laid, and no one sees anything wrong with them. To come back to your question: The issue is still open. Arguments can be made for all of those definitions. Currently in the UDMR Program we use the term "national minority."

[COTIDIANUL] Mr. Geza Domokos, you mentioned the Eastern countries in your answer. Some of them have a heterogenous structure: Czecho-Slovakia, Yugoslavia. Do you think that the federation phenomenon could extend to other former communist countries, too?

[Domokos] Yugoslavia was a federal state. Of course, the historians will decide who was responsible for what has recently been happening in that country, how much of it was the outcome of an internal process and how much was the consequence of foreign interests. It will have to be seen whether historically Yugoslavia as a federation will be of advantage to its former citizens or not. Anyway, to view everything that happened in Yugoslavia as the outcome of conflicting foreign interests is too simplistic. I think that this process of "emancipation" of certain nations or peoples who were forced to live in statal structures not of their choice, is natural. In Czecho-Slovakia the situation is in a way easier to understand, because there two nations lived in a federation in recent times and are now seeking another solution. It would seem that the solution will be separation and the existence of two independent states in the future. The two nations will decide on that.

[COTIDIANUL] Coming back to the risk of a spreading trend toward federalization...

[Domokos] Any alert and objective observer of the UDMR's activities—because I think that this is what you have in mind—will note that, on the contrary, all our actions are in line with a policy contrary to federalization. You were referring, weren't you, to the possible threat of Romania becoming a federation. That is nothing but a bugbear, an exaggeration, and a speculation exploited for purposes of political, primarily anti-Hungarian propaganda.

[COTIDIANUL] Mr. Domokos, there are multiethnic countries that are quite democratic in spite of that fact. The United States, for example, Switzerland, and others. Do you believe that Romania's path toward democracy will implicitly lead to the attenuation and then to the disappearance of the currently so-called national problem?

[Domokos] I am in favor of everything that is alive, and consequently of change and evolution. I am firmly convinced that these much discussed national or ethnic problems in Romania will be resolved, because they can be resolved. Drawing closer to European democratic structures and adopting European positive examples in this matter will be of great help to us. What is most difficult is not finding such experiences, gathering information, and adapting them to our realities, but abandoning the old mentalities, something that we must absolutely do. The idea of being isolated in Europe has been much circulated in Hungary's political thinking. As you know, aside from the Finns and Estonians, the Hungarians have no other relatives on the continent. The Hungarians have been said to be carrying this

"curse" of solitude. The same can be said of the Romanians. They, too, claim to be alone in this part of Europe, the only Latins in a non-Latin environment. That is why Nicolae Iorga claimed the two nations, the Romanians and the Hungarians, are destined to get along. In the talks I have had in the past two and a half years with various politicians, journalists, and diplomats I was asked what the Hungarians in Romania actually wanted. If you remember, our 1990 electoral poster said that we, the Hungarians who live here, want to feel at home in Romania—in Transylvania or outside of it. You feel at home where you feel safe, where no one threatens you, where your identity is not in danger, where your property cannot be taken away, and where your future is secure. We believe that we can gain such a feeling of security by preserving our own national identity in the economic, political, linguistic, and cultural sense by being able to raise our own intellectuals and professionals, from workers to university graduates. And when we talk about this we should consider Transylvania's history itself: There have been times, in the 18th century for example, when the German language was considered the official language. That was followed by a period of expansion of the Hungarian language and culture. Then, in the period between the two world wars, I well remember posters at town halls in Transylvania saying: "Speak only Romanian!" Such tendencies toward supremacy and toward imposing one's own ways on the other did exist. This is an historical fact. The time has come to shed such ambitions. Not long ago I participated in a colloquium attended by minority experts from abroad and representatives of the government and the president, and there I realized that the Romanian public still harbors the unjustified fear that granting natural rights—such as education, including university education, in other mother tongues—may pave the way for other demands regarding autonomy, "territorial" separation, and what not. That is not true. Naturally, we, the Hungarians living in Romania, must also contribute to dispelling these grounds for alarm, but the country's rulers must also assume responsibilities along this line. Not to mention the mass media, especially television, which is a very powerful means of influencing the public. At this time some newspapers and even television are doing the opposite, thus perpetuating the fear of correctly and honestly resolving the problems of the Hungarians in Romania. I would not want you to think that I absolve the community or minority, if you prefer, to which I belong from possible tactical mistakes and inconsistencies, or of not having formulated their grievances clearly enough. Just as I do not absolve the democratic opposition of its responsibility along this line. However, I want to stress that in the past two and a half years, the government and those in power in Romania bore the greatest responsibility for that absence of decisive measures to resolve our issues.

[COTIDIANUL] Do you distinguish between the Romanian Government and the Romanians?

[Domokos] Of course, I hope I was sufficiently explicit about it before. I realize, however, that after December

1989 there have been positive changes and transformations. Those who say that nothing has changed are wrong. But I repeat, those who had it in their power to have a fundamentally positive impact on resolving this problem, on correctly informing the society, hammering out projects, and beginning a frank and in-depth dialogue, but did not do so, were primarily the people in government. By now we could have been much farther along toward finding the necessary solutions. I am sorry to hear the president of Romania repeat almost identically the statements of the former head of state....

[COTIDIANUL] Our first president...

[Domokos] Yes. Both told us that "in Romania those issues have been solved to perfection, at the level of the highest European standards," and all kinds of such slogans reiterated without even explaining what those "European standards" were. Mere empty words and cliches.

[COTIDIANUL] How do you explain the fact that, proportionally speaking, after the events of December 1989 a far larger number of Romanian citizens of German origin left for Germany than citizens of Hungarian origin for Hungary?

[Domokos] The phenomenon of Germans massively leaving Romania began about 25 years ago. After December 1989 we all thought that the emigration of Germans, Jews, other nationalities, and even of Romanians would stop, because the reasons for it, namely the absence of freedoms and democracy, had disappeared. Unfortunately, those reasons have not disappeared. People continue to feel restricted and unable to fulfill their potential, their human or professional talents. In addition to which there is the difficult economic situation. I think that the main reason why the Germans emigrated was that the structure of organization of the Saxon and Schwabian communities, which for centuries had organized their own lives, was destroyed. Secondly, the Germans had a place to go to. They had relatives, friends, a home in Germany.... Germany also has a sound economic foundation, so it represented security. The situation of the Hungarians was different: Mass emigration began in the fall of 1987, by legal or illegal means, and thus a category of refugees emerged. Until then such emigration had remained within normal limits: marriages, inheritance.... Since 1987 it became a mass phenomenon, whose reasons were primarily political. In January-February 1990 the phenomenon almost ceased, then it abruptly picked up again after the Tirgu Mures events of March 1990. This shows that reducing the issue to its economic aspect only is a mistake. According to my data, about 20,000 citizens of Hungarian origin left Romania annually as of 1990. One explanation to your question is the fact that the Hungarians of Transylvania are emotionally very closely attached to their native lands. They never felt that they were colonists in this country, like the Romanians, and you must admit that 1,000 years is a long time in terms of collective memory. You must realize that although

materially they may be doing better in Hungary, the Hungarians who left here do suffer emotionally for being far from their native land. I would not want to appear conceited or to exaggerate the role of the UDMR, but I think that we did play a positive role in this respect, in that the Hungarians in Romania have a representative that gained legitimacy in the 1990 elections. A representative who was accepted and who is playing a rather well-defined role in Romanian political life. This gives the Hungarians the certitude that their grievances will be heard by the public and will come to the attention of the legislative or executive powers. Consequently, we are witnessing a determined, albeit slow process of self-discovery and of regaining hope and dignity. Should the ethnic tension rise in Transylvania—something that no one wishes—but should that happen anyway, I am convinced that the emigration "barometer" will move again. I think that what is currently occurring in Cluj because of the mayor, Mr. Gheorghe Funar, may have such consequences. One cannot rule out the possibility that that is precisely the objective.

[COTIDIANUL] Could the fact that Cluj has a mayor from the PUNR [Party of Romanian National Unity], and Tirgu Mures one from the UDMR, lead to a separation of the Transylvanian electorate along ethnic lines in the next elections?

[Domokos] Well, you see, in the very first few hours after being elected, the mayor of Tirgu Mures, Mr. Gyozo Nagy stated that he did not wish to be the mayor of a certain party or ethnic group, but of the city. I don't know of any measure that this man took since he was elected that bothered the Romanians there. The same thing cannot be said about Mr. Funar. Even your newspaper carried an interview with him in which he said that in his position, aside from observing the law, he will pursue the policies of the party to which he belongs, i.e., the PUNR. Coming back to the question, it would not at all be good if the electorate should split excessively along ethnic lines in the elections; that would be a loss to Transylvania. We already have the tragic example of Tirgu Mures in March 1990.

[COTIDIANUL] Who do you think were the moral authors of that tragedy?

[Domokos] I am convinced that what happened in Tirgu Mures was very similar to what happened in Bucharest on several occasions. I am also convinced that in the final analysis, this was not an ethnic problem, but a political problem. The struggle is between those who wish to restore the old regime, a sort of ceausism without Ceausescu, and those who indeed want democracy.

[COTIDIANUL] Can you be more explicit? Who are the ones and who are the others?

[Domokos] Look, for two and a half years I kept being so explicit that I'm tired of having to say it again. You insist, so I have to answer. I have to tell you from the very beginning that I have no evidence to prove anyone's direct implication, but there is one thing I know: On 23

February I suggested to the former CPUN [Provisional National Unity Council] to form a commission to go to Tirgu Mures and evaluate the situation there. My suggestion was ignored primarily thanks to Mr. Iliescu, who was "conducting" that meeting. After that, on 17 March, before leaving for Budapest for that Romanian-Hungarian colloquium so greatly abused by the extremist, chauvinist press, I talked on the phone with Mr. Iliescu, the then Defense Minister General Stanculescu, and Interior Minister Chitac and called their attention to the alarming signals coming from Tirgu Mures. They were informed, they knew full well that the situation was getting increasingly tense, and they could have preempted the events that took place. I'm very much afraid that they did not want to. You see, that bloody event was allowed to occur in order to justify the immediate organization of the Romanian Intelligence Service [SRI]. The old securitate members were drawing their pay only up to 1 April and were in a difficult situation. So, you see, the coincidences were not at all accidental; it was a matter of the personal interests of those in power and of the men of a past system.

[COTIDIANUL] Do you think that the report of the parliamentary commission of investigation into the Tirgu Jiu events was complete?

[Domokos] No, because that would have been very close to finding the persons responsible for those events, but it stopped short of taking that step.

[COTIDIANUL] Mr. Domokos, why do you think that Hungary gained a better position in its relations with the West after the collapse of the communist bloc, than Romania?

[Domokos] I think that this situation can be primarily explained by the revolution of 1956. At that time Hungary won a different status than the other Eastern countries because it rebelled, it took up weapons against communism and the Soviet occupation. Secondly, I think it can also be explained by 20 years of reform, contradictory and inconsistent though it was. There were other political gestures that the West noticed, such as opening up the borders to German refugees. Another reason is the fact that Hungary was the first to ask for the dismantling of the Warsaw Pact and CEMA, thereby exhibiting a consistent policy of opening toward the West, which at one point was even risky. Hungary clearly and resolutely opted for the European structures and for a way of thinking and living patterned on the concepts and actions of a radically changing continent.

[COTIDIANUL] From a geometrical viewpoint (geographically speaking), Romania's shortest route to the West goes through Hungary. Is that also true at the economic and political level?

[Domokos] Before answering I have to tell you that the UDMR was often publicly attacked for allegedly not representing the interests of the Hungarians in Romania as much as being some kind of extension of Hungary's politics in Romania. I cannot agree with such a claim,

which I find unfounded. I will risk answering your question. Hungary is facing very difficult economic and social problems: falling production, unemployment, a bitter struggle between the government coalition and the opposition, and so forth. I am convinced that Romania and Hungary, whose economies in many ways could complement each other and which have many common traditions, have obvious chances of cooperation. As far as I know, despite political disagreements, significant steps have been taken toward cooperation in economic and cultural areas.

[COTIDIANUL] The three countries that make up the Triagonale (Hungary, Poland, and Czecho-Slovakia) have been accepted as associate members of the Common Market, and now Hungary seems closer to NATO than Romania. Do you think that their simultaneous integration into the North Atlantic Bloc can be opportune for and have positive effects on both countries?

[Domokos] For the time being Hungary has not been accepted in NATO. In fact, the alliance is for the moment refusing to extend its structures to the formerly communist area of Europe. I do not know whether the integration you mentioned will take place simultaneously. It seems that the differences existing among the East European countries will be taken into consideration. Let us not forget that membership in the Common Market or the common European defense system does not involve only rights and additional gains for the future members, but first of all strict legislative, economic, and ecological obligations.

[COTIDIANUL] Mr. Domokos, what role do the Hungarians in Romania play for developing good (economic, political, and cultural) relations between Romania and Hungary?

[Domokos] One year ago we offered our services to clarify certain issues not well enough understood, marked by prejudice and even by obsessions. Being Hungarians, we understand very well Hungary's mentality, history—including its political history—and interests. At the same time, having cohabited this land for so long with the Romanian people, we are very familiar with the problems, national interests, and mentality of the Romanians. That is why we would be willing and happy to mediate and, if possible, to bring these viewpoints closer together. Unfortunately, our offer was turned down. We were told that there is someone in charge of these matters, namely the Romanian Government, so we were not needed. One and a half months ago I wrote a letter to the Romanian and Hungarian Foreign Ministries in this respect, in which I said that it would be a good idea to consult us on issues concerning the Hungarian minority in Romania emerging in the course of negotiations between the two countries. The Hungarian Foreign Ministry replied that it was examining the matter and that in principle it had nothing against it. The Romanian Foreign Ministry, however, categorically refused. Although a process of clarification is currently

taking place in the UDMR, it must be clear that our loyalty to the Romanian state cannot be in doubt. Recognition of Romania's national interests and territorial integrity are among the principles sanctioned in our program.

[COTIDIANUL] An alliance was forged among the major parties in Romania within the Democratic Anti-totalitarian Forum in which you participated and then within the Democratic Convention. Please tell us about the relationship between UDMR and PNTCD in the above context.

[Domokos] These relations began in the very first days of January 1990. We first had to overcome a psychological barrier in our relations and to clarify certain issues. I am referring to the role of the Iuliu Maniu Guards in northern Transylvania in 1944, when reprehensible acts and atrocities were committed in several localities. I well remember that our discussions at the beginning of January 1990 focused on two issues: the PNT-cd's conception of minority rights, and the problem of the Maniu Guards. To the first question we were answered that the PNT-cd upholds the position adopted in the Alba Iulia Proclamation of 1918. We are satisfied with that and pleased to note that in the past two and a half years the PNT-cd showed consistency in this respect. I am extremely sorry that the Romanian public is not sufficiently familiar with the text of the Alba Iulia Proclamation, a text that more than 70 years later is perfectly in line with the most modern European concepts on the question of minorities. That proclamation was a glorious achievement in Romanian history and political thinking. Regarding the second issue, we were told that Maniu was in no way involved in the creation and then in the actions of those paramilitary groups known as the Iuliu Maniu Guards. In fact, Iuliu Maniu himself said so at his trial. The PNT-cd's consistent policy in the matter of democracy, in the struggle against totalitarianism and dictatorship, and Mr. Corneliu Coposu's personal example of behavior won the party much attention and sympathy among the UDMR membership. Our leaderships, of the UDMR and PNT-cd have cooperated and continue to cooperate very well. In the past few years, amidst so much inconsistency and rifts of all kinds, we saw Mr. Coposu as a politician and an intellectual one could trust. At a time of instability and moral confusion, I was lucky to have met him.

[COTIDIANUL] What do you think of the PNT-cd representation in Parliament?

[Domokos] My colleague in the Chamber of Deputies is Mr. Ion Ratiu, the leader of the PNT-cd group in Parliament. On 26 September 1991, when we were confronted with the miners, he certainly showed great courage, wisdom, and calm. However, above and beyond that, much more important seems to me the democratic spirit that Mr. Ion Ratiu radiates. He is not just now learning how to be a democrat, he is one, and that is remarkable. The first time that I and other members of the UDMR leadership had talks with Mr. Ratiu—I think

it was on 8 May 1990, on the eve of the elections—we noted that he understood the nationalities issue very well and was open to our grievances. If I may add one remark...

[COTIDIANUL] Of course.

[Domokos] Mr. Ion Ratiu is an intellectual and a sincere and very experienced democrat. I see and I appreciate those values, which are of a particular moral significance. However, a specific program and political doctrine require determination and boldness, and at times one may even have to swim against the current. That I have not yet noted in Mr. Ion Ratiu. If he were to show greater political will, greater forcefulness, and a greater desire to engage in the struggle for democracy and equal rights for all, I think that, without exaggeration, Mr. Ratiu could become the man of history at such a difficult moment as the one we are now experiencing in Romania.

[COTIDIANUL] How do you explain and how would you describe the attitude of Mr. Radu Campeanu and his liberals toward the UDMR and the Democratic Convention?

[Domokos] It came to us as a surprise and a disappointment. I want to take this opportunity to clarify one point: UDMR never recommended to the Hungarians in Romania to vote for anyone at the previous elections, for Mr. Radu Campeanu, for example. At that time we urged our electorate to vote against the old structures, against Mr. Ion Iliescu. At the discussion we had before the election, Mr. Campeanu showed receptivity to our problems. During the events in Tirgu Mures he maintained a calm and correct attitude, and that left a good impression on us. That is why we were surprised to see Mr. Campeanu's "about-face" in his attitude toward us, his break with the Convention, and the manner in which he did it. I think that, aside some party interests, the objective was electoral, namely to attract those voters who do not sympathize with the UDMR and the Hungarians and even dislike us.

[COTIDIANUL] Does it then mean that Mr. Campeanu is coming closer to the PUNR ideas and their supporters?

[Domokos] In any case, it shows an opening to such ideas. The latest tacit alliances in Parliament may even be heralding a structural rapprochement on the part of the PNL [National Liberal Party] and Mr. Campeanu to those PUNR-inspired groups, as you call them.

[COTIDIANUL] What are the UDMR's relations with the Civic Alliance Party [PAC]?

[Domokos] We did not perceive any positions within the Convention that could create problems between us. We must keep in mind the fact that the Civic Alliance and later PAC hammered out program documents in which the national problem was addressed and that PAC was one of the first parties to devote a resolution to this issue.

[COTIDIANUL] Will the UDMR propose its own presidential candidate?

[Domokos] Long ago we announced that we will not run a candidate of our own and that we will support the common candidate of the Convention.

[COTIDIANUL] Whom will you then support in these circumstances?

[Domokos] I know that there are quite a few speculations in this respect. What is certain is that we have not said anything. I cannot announce a decision that has not yet been made.

[COTIDIANUL] Mr. Domokos, you know that the UDMR suffers a lot because of the fact that some of its members, when they address Parliament, or on the radio or television, do not speak Romanian very well?

[Domokos] But don't you think that the UDMR gains a lot from the fact that quite a number of our deputies speak Romanian very well? Let us not forget that those people, including the one who is talking to you now, are not speaking their mother tongue but the state language, which they learned later in school and in society. From this viewpoint, I think that people should have understanding for us. Second, in the period between the world wars, some deputies of the National Hungarian Party that existed at the time, used Hungarian in their speeches, too. So you see, compared to those times, we now may still have an accent or are not always able to find the right word.... But I don't think that this can be a real impediment to communication between us.

Ceontea's Call for Army Modernization Viewed

92BA1162A Bucharest *TINERETUL LIBER*
in Romanian 23 Jun 92 pp 1-2

[Article by Aurel Perva: "Money for the Romanian Army"]

[Text] In a recent television broadcast during which the leaders of several political parties were invited to compare their views on the country's foreign policy, Mr. Radu Ceontea, chairman of the Romanian National Unity Party [PUNR], appealed to our patriotic sentiments and urged us to financially support the modernization of the army. The idea was not at all surprising, if we ignore the fact that it was launched on the air as the preface to a show devoted to Romanian diplomacy. Consequently, Mr. Ceontea's and the PUNR's initiative was neither surprising nor accidental. It reflected both a growing psychological reality in Romanian society and a concrete material situation. One of the effects of the collapse of the great Soviet empire and the small Yugoslav empire was the dismantling of two armies with which we had alliances—with the Soviet army within the Warsaw Pact, and with the Yugoslav Army on a bilateral basis through agreements between the communist leaderships at the time—and their involvement in bloody

local conflicts of an ethnic nature. In the case of Yugoslavia, this has brought about strict international sanctions that have had serious economic repercussions also on Romania. In the case of the former USSR, the involvement of the 14th Army on the side of the Dniester Region separatists does not rule out, at least hypothetically and of course undesirably, a potential state of war between two armies and two states—Romania and Russia—who until recently belonged to the same military alliance. The sudden destruction of our country's communist-type system of alliances may create and has created an acute sense of insecurity, as long as the signals received from the only European military organization still standing, NATO, are still faint and more declaratory than anything else. The imminent process of secession in the former Czechoslovakia can only sharpen this sense of regional instability and reinforce the arguments of those who support the idea of a "diabolical" East European scenario cooked up in major chancelleries, scenarios from which Romania is also believed not to have been omitted. The obviously unfriendly official relations with Hungary, the declarations made by certain political leaders in Budapest, or by members of the Hungarian diaspora in the West, are also far from reassuring at least to some of the Romanian public and are activating the psychological fear that once again our fate will be decided by others and that we will end up being subjected to an arbitrary decision like in 1940. Unfortunately, however much we may fight the ultranationalist positions voiced in our country, and however much we may suspect them of exaggerating for political purposes, what is happening around us are real facts that naturally cannot fail to prompt us to seriously consider measures of self-protection.

On the other hand, as I stated at the beginning of this article, Mr. Radu Ceontea's initiative does not have only psychological, but also strictly financial connotations. After the long period of starvation savings of the Ceausescu era, after the army was turned into a grain harvesting and ditch digging machine, by December 1989 the country's military institution found itself in as precariously a situation as the entire Romanian society. Consequently, in the last days of December 1989 it had no way of escaping the huge bluff in which it had been embroiled, probably by our neighbors and by other military powers owners of satellites trained on the Romanian space. After the events, a clear-minded officer was telling me that it is difficult to fight against Sony or Sanyo devices with electronics produced by Tehnoton, Iasi. Sadly, we have to admit that the Romanian Army was humiliated in December 1989. Clearly to blame were the outdated equipment and the meager investments made under Ceausescu in the modern weaponry required for a radio-electronic war. The deep economic crisis into which the country plunged after the revolution made it impossible to achieve the changes expected. The shortage of budget funds was also exacerbated by a steep fall in the production of weapons earmarked for export to third world countries, so that from the viewpoint of necessary funds, the army followed the entire Romanian

society down the path of economic and financial decline. Thus, taking into account only these few considerations of a material order, it becomes clear that the country's army must be restored to its natural rights as soon as possible, and must be equipped and provided at an acceptable level at least comparable to that of the neighbors.

Up to this point we could only agree with the ideas expressed by Mr. Radu Ceantea. The problem, however, is infinitely more complex than it may appear at a first analysis. First of all, it is an illusion to think—and here we suspect the distinguished PUNR senator of purely political interests—that a modern army can be equipped by public subscription. While the formula of “give one leu for the Atheneum” may work, when it comes to the army it may have at most the value of a commercial advertisement. While the modernization of the army in the current international context is an axiomatic imperative, equally axiomatic is the reality that a modern, credible army cannot be built except with massive support from the budget, something that requires first a viable economy capable of supporting such a process. We are not in the times of Cuza, when a few cannons from the West enough for us to claim that we had a national artillery. Moreover, to bring an army to the level of the present requires not only appropriate equipment, but also improvements in command, communications, counterintelligence protection, and last but not least, the highest possible professionalism from the command level down to the last soldier. One clarification is, however, necessary. I do not want anyone to conclude that we have a weak army incapable of dealing with “challenges” from outside. There are enough areas in which Romania has experience and even achievements on a par with the present-day requirements. But we cannot ignore the tough warnings sent by the events of the end of 1989, and we cannot help being concerned about the need to raise the performance of our army to a level comparable to that of any European national army.

Nevertheless, I thought it was a mistake on the part of the PUNR leader to bring up the serious problem of defense funds in a show devoted, as I said, to the country's foreign policy. The military factor is always the most undesirable in foreign policy and comes into play only after the political and diplomatic factors have exhausted all their arguments and the situation has reached an impasse. I think it is dangerous not only for internal stability but also for the image we project outside to now place military issues linked to national security in the forefront, while diplomacy is far from having exhausted its arguments. All the more so since very recent examples serve to persuade us that, in the world in which we live, military force is not necessarily capable of guaranteeing the existence and integrity of a state. Iraq's enormous military might failed to compensate for its complete diplomatic isolation and the results were seen. The Yugoslav Army was one of the most powerful armies in this part of Europe, but where is

Yugoslavia today, at a time of utmost diplomatic isolation? It seems to me that to rely exclusively on strengthening the Romanian Army, without doubling this effort by a consistent effort to end our isolation, and without playing the diplomacy card to the hilt, is extremely risky. And our only chance here, in the eye of the East-European storm, is Europe. Rapidly joining the European structures, establishing truly viable alliances, connecting the country to the beneficial current of continental economy and culture can now make a difference for the security of the Romanian state, much more so than the possession of a nuclear bomb. In order to be genuinely strong, we must become more European than our potential foes.

But to be able to reinforce military credibility by political credibility, we must first ensure that the signals we send out are clear, and free of the damaging reflexes of the former alliances and of a defunct ideology. Consequently, domestic policy serves not only as a criterion by which we are evaluated abroad, but viewed from the perspective of its impact on foreign policy, it becomes the most important factor of national security. The deeper we entrench ourselves in our own shell and in the false pride with which Ceausescu's regime poisoned us, the more we will believe that we can perpetuate old practices and structures behind superficial cosmetic changes. The more we believe that we can find a viable alternative in the nearer or more distant East, the further we will isolate ourselves from the processes taking place in our region, and the more we ourselves will cavalierly and selfishly damage our genuine national interests. That is why the political ante in the forthcoming elections in Romania is rising. The struggle will be not necessarily between neocommunists and democrats, but between quasi-isolationism and opening, between hanging on to the past and living in the present, between Levantine, almost Asian-type old fashioned rulers and the generation working for the country's modern future or anyway, for the present. In conclusion, we need a modern and credible army, but that is not enough....

FSN's Dragomir on National Reconciliation

*AU1507075392 Bucharest ROMANIA LIBERA
in Romanian 9 Jul 92 p 7*

[Interview with Caius Dragomir, vice president of the National Salvation Front in charge of political doctrine, by Roxana Iordache; place and date not given: “Giving Up Lies”]

[Text] [Iordache] Doctor, in your view, how can national reconciliation be achieved?

[Dragomir] The first way in which national reconciliation can be achieved is giving up lies. I am absolutely sure that dissension between people is generated by the mistrust that arises because some people think that they are cheated by others. This is the essential element, meaning that clarity is the way to reconciliation. On the other hand, one of the phrases—I could say slogans, but

I dislike that word—that I tried to launch at the various county conventions of the National Salvation Front [FSN] is: Change without hatred and without vengeance. Without personalizing too much, those people must be tried—I emphasize tried—morally or legally, who were involved in the following things: making illegal arrests (not illegal in terms of the laws then in effect, but illegal from a humane point of view), that is to say, political arrests; and slander which led to such arrests, to torture, to actual crimes. Everything linked to the degradation of what is humane has to be reexamined. However, as far as the others are concerned, there should be a general appeasement. In one of my articles I wrote something that came from the history of France: When kings returned to Paris from the front, after all those religious wars, they announced “a general amnesty.” Well, maybe ours should not be a general one, but let us not go beyond what is really considered aggression against humanity.

I have said so even in connection with the Timisoara Proclamation. I signed it rather because those who signed it were accused of being “enemies of the people” than because of the fact that an activist actually could not be a very dignified man. However, to hold once again a position in the state’s higher structures, in its leadership, that certainly would be too much. I have to admit that people who had been Communist Party members for some time, made very interesting economic studies within one year when I needed information; but to make decisions, maybe that is too much, you know. Therefore, all these things of the past have to be limited, without, however, causing difficulties for too many people. Obviously, the party membership did not mean anything—I mean a simple party membership—thus we cannot replace communism except by making certain allowances for those who, so to say, “just touched” the party, nothing more. If we fan hatred and continue this vengeance, then we will not be able to achieve a genuine change, because there will be constant reactions. The elements of consensus should be the following: transparency, complete honesty by the leadership toward our own political and public actions, and even toward our personal ones; change, a change that is supported, not a cruel or vindictive one; and justice in those cases in which the humane was debased. Aside from this we certainly have to consider what is humane in general, namely we should not be too selfish, we should not desire power for personal reasons, and we have to try to achieve program coalitions, not understandings between people holding public positions.

[Iordache] Thus, do you think that the emergence of a new party of the National Salvation Front, after the March national convention, has contributed to easing the political atmosphere in our country?

[Dragomir] Forgive me, maybe I am too involved in this change, but I view it as the most important democratic change so far since the revolution. It represents the change of a large section of the Romanian society. This section of Romanian society was attached to something that should have belonged to the center and oriented

toward the left in the sense of social protection and a certain opening toward the individual, who was unprotected for such a long time. The country’s leadership pretended to focus on the individual, but in fact he meant nothing and was completely unprotected. Thus, this section of society was totally attached to social democracy—no matter whether it was called social democracy—but there was this idea of a balanced political position and, at the same time, of an opening toward the disadvantaged sections of society. However, it was precisely the political formation with links to this section of society that was contaminated by communism. So, I don’t see how we could want more than that for now.

I have said that democratization involves two stages: on the one hand, the democratization of the parties that are essential to this country—of which the Front is surely one, being a continuation of the old Front from the point of view of the society it represents, and undergoing change regarding the elimination of communism; and on the other hand, the democratization of state structures in the sense I have mentioned, namely, that Parliament should represent the real political force. Currently, this political force is dispersed—the Romanian Intelligence Service [SRI], presidential counselors, all of them—and that is not a political force. This is the second element we expect from the coming elections. This is what is needed: The parties ought to represent the country’s whole political spectrum, without leaving anything decisive outside this spectrum.

[Iordache] Thus, does our reconciliation depend on the election returns?

[Dragomir] Essentially. One cannot conceive of it in a different way; if, however, these elections are corrupt—no matter in what way—then again we have to say goodbye to national reconciliation for we do not know how long or short a period; it cannot be too long, because this nation will lean toward the left. The Democratic National Salvation Front, for example, works against its own individual interests, that is, they do not know how to take care of their interests; such attitudes cannot continue.

[Iordache] And now a last question: Bearing in mind that you are one of the Front’s candidates for Romania’s presidency, do you think that this institution may have a role to play in national reconciliation?

[Dragomir] If it does not, then surely this institution and not the reconciliation principle stands to lose. This principle has to be taken over by the parliament. Thus, the destiny of the presidential institution is currently decided by the question of reconciliation. If it does not play its role in the reconciliation, this institution will enter a serious crisis and will pass on this crisis to Romanian society.

FDSN Leader Gherman on Privatization Issues

AU1407123392 Bucharest CURIERUL NATIONAL
in Romanian 3 Jul 92 pp 1, 6

[Interview with Oliviu Gherman, president of the Democratic National Salvation Front, by Andrei Alexandru; place and date not given: "Privatization Should Not Start With Profitable Factories"]

[Text] [Alexandru] For years on end, Romania has promoted a policy of forced industrialization. How do you view the profitability of the current industrial potential of our country?

[Gherman] I do not believe that the statement according to which our industry is a pile of scrap iron is realistic. It is very probable that a series of branches will have to be get new technology, but before taking a decision, it is necessary to examine each case individually. It would be adventurous to announce a general solution for the entire industry. Apart from a technological analysis and apart from examining the profitability we have to take into account the social problems. Let us suppose that currently Resita is not profitable. What do we do? Do we close it down with so many jobs? That is where so many generations of experts have been trained, people whose experience is extremely valuable. We cannot allow ourselves to ignore these people either from a technical or from a human point of view. We are duty-bound to find solutions in order to make these sectors profitable. This is part of the social protection as it is understood by this new party called the Democratic National Salvation Front [FDSN].

[Alexandru] The party whose president you were recently elected promotes the great privatization in its economic policy. Could you offer us some details?

[Gherman] I believe that your readers will understand better the intentions of the FDSN if I give you a concrete example. Recently, 28 unprofitable enterprises were privatized. With one exception, all of them have become profitable. Then why should we start privatization with profitable enterprises, namely enterprises that are profitable for the state? Certain societies with a strategic role in the national economy will anyway be excluded from the general privatization rules. Thus, the answer to that question cannot be a global, generalized one for our entire industry.

[Alexandru] How does the FSN view the continuation of reform?

[Gherman] The reform has been understood in an ultra simplistic way, like a blanket that covers everything. We believe that the reform process should be stepped up in certain areas such as tourism, construction, and services and slowed down in others, mainly in areas where the complex nature of products requires greater cooperation.

[Alexandru] Why do you think that some people label you as neocommunists?

[Gherman] One of the characteristics of the communist period was too great a readiness to label things, without arguments. Might the fact that among the FDSN members we also have former Romanian Communist Party [RCP] members be considered an argument? Even the candidate of the Democratic Convention [CD] in the presidential race is a former RCP member and still nobody labels him as a neocommunist. Maybe we are called neocommunists because we have other views about privatization, meaning that our program takes into account to a greater extent the issues of people's social protection and the protection of the national wealth. Or, maybe the National Salvation Front [FSN] does not have anything to fight with and then starts with the easy way of discrediting us. I believe that the time for such slogans is over and the time has come to seriously start working with the people we have, using their full capacity, regardless of the fact of whether they were or were not RCP members.

[Alexandru] The presence of Ilie Verdet, president of the Socialist Labor Party [PSM], in the hall where the National Conference was held caused certain speculations.

[Gherman] We invited all the parties to our conference, starting with the National Christian Democratic Peasant Party [PNT-cd] and ending with the PSM. This was a civilized political gesture because we do not intend to set up an alliance with the PNT-cd or the PSM.

[Alexandru] The National Council elected by you during the conference includes a reduced number of young people.

[Gherman] This is true. And we are going to insist in the near future that this shortcoming be corrected. However, there are also extenuating circumstances. This party is only two months old and please believe me that the work we have carried out to reach the current stage of organization has been tremendous.

No Prospects for Easing Sugar Shortage

92BA1167A Bucharest ROMANIA LIBERA
in Romanian 27-28 Jun 92 p 3

[Article by Pia Radulescu: "Still Waiting for Sugar"]

[Text] The situation regarding consumer supplies of sugar continues to be very critical. And while the hopes of many housewives to recover their share in time to make preserves from early summer fruits were dashed, the daily consumption of many families for the children's morning milk and the old people's evening tea is now in question. Of course, one can buy sugar in private stores, but at 150-170 lei the kg, which not everyone can afford....

From sources of the Ministry of Commerce and Tourism I have learned that the required volume of sugar for the first quarter of the year was entirely covered by contracts: 340,000 metric tons from imports (of which 245

tons were for consumer supplies and the rest for collective consumption), but that difficulties emerged in the meantime, because of which the contracts became inoperational. The difficulties were primarily generated by increased demand in the international sugar market—coming especially from East European countries—so that the suppliers hastened to deliver to whomever paid more and faster (preferably cash), ignoring previously signed contracts, because they could pay the penalties out of the extra earnings and make a tempting profit.

Thus, by the end of February, the Ministry of Commerce and Tourism proceeded to make a new selection of offers, in the wake of which firm contracts were signed for 33,500 tons of imported sugar with the firm Agroexport and 21,000 tons with the firm Poolgec, both of which were expected to bring in the goods into the port of Constanta by 20 June. However, following the principle that once burned twice shy, the leadership of the Ministry of Commerce and Tourism also used a less frequently employed formula. Namely, they brought authorized representatives of the two firms before the press to declare publicly that their firms would indubitably, exactly, and promptly honor their contracts, declarations that were to be communicated to the public through the mass media. Indeed, Mrs. Secaleanu of Agroexport confirmed that the ships carrying the sugar were scheduled to enter Constanta by 20 June, and so did Mr. Palos of Poolgec. But 25 June came and went and the firms are now requesting additional... deferments. That is absolutely unacceptable! Those amounts of imported sugar were supposed retroactively to cover consumer supplies for March and April—for which months the sugar was to be sold at the price of 32 lei set before state subsidies were partially lifted on 1 May. After that date, the monthly quotas of consumer supplies were to be sold at the current prices. Of course, counties like Suceava, Vaslui, Mehedinti, Gorj, Arges, and others, which had been particularly deprived, should be given priority regarding supplies.

The amount of sugar required at national level is 27,000 tons a month, including both consumer supplies and collective consumption, both of which are subsidized by the state. But even if the retroactive supplies were honored, future supplies would still remain in suspense. It is true that the Ministry of Commerce and Tourism has unleashed new offer selections, and is involved in assiduous negotiations. At the same time, in keeping with the joint note No. 5/3551/8 February 1992 of the Ministries of Economy and Finance, Commerce and Tourism, and Agriculture and Food Industry, the quantities of sugar and oil secured from imports can be sold at wholesale and retail prices set without taking state subsidy into calculation, if they are sold through state capital stores and consumer cooperatives other than those authorized to sell such staples as monthly quotas. We need to stress that the sugar and oil produced in the country are sold to consumers only within the rations subsidized from the state budget, whereas imported oil and sugar will be sold at prices not featuring the subsidies for purposes other than direct market consumption. Consequently, the managements of commercial associations must take the necessary measures to ensure that the imported oil and sugar are sold at private market prices through outlets other than those which sell these products on the quotas assigned to the public. That is something particularly important, because it is designed to preempt any opportunities for irregularities, theft, and profiteering, and to ensure the monthly quotas to which the citizens are entitled at prices that incorporate the state subsidies.

In any event, considering the increased demand in the international sugar market and the current prices at which it is now selling, the government must adapt its viewpoint to those prices. Because the answer that the government is giving when faced with the people's poverty, "This is what there is, we must bear the cost of the transition," is perfectly applicable to it, too!

Serbian, Greek Policy Similarities Examined

92BA1189B Zagreb NOVI VJESNIK in Serbo-Croatian
27 Jun 92 p 25B

[Article by Gojko Boric: "Greece Should Not Fool Itself"]

[Text] *Greece should not fool itself because Serbia would most likely not be satisfied with a piece of Macedonia; instead, it would extend its lusty claims all the way to Thessaloniki, where there are many Serbian graves.*

The Greek customs officers at the Greek-Macedonian border are being very helpful in passing through trucks loaded with goods to Serbia, especially the oil trucks. True, Macedonia joined in the world boycott of Serbia, and occasionally stops goods from going on to Serbia, but the pressure that Belgrade is applying on Skopje is so great that the Macedonians mostly let the Serbian trucks pass through. Although it has agreed with the Security Council sanctions against Serbia, Athens is shamelessly open in its plotting with the Milosevic regime—something that started, not yesterday, but from the very beginning. Usually, this is explained as traditional Greek-Serbian friendship, based on the Orthodox religion, a mutual hatred for Macedonia, and an alliance observed during the past two wars. But, there are some other motives, as well.

Since the breaking-up process started in Yugoslavia, leading towards the independence of its republics, an irrational fear of Macedonian territorial claims has emerged in Athens. This fear grew not only out of the rash statements by some Macedonian political forces of the VMORO [Internal Macedonian Odrin Revolutionary Organization] persuasion, but also from the fact that Greece, even after having defeated the Turks and having established a free kingdom, still feels threatened by its closest neighbors.

Even in Greece today, past Turkish conquests are being discussed frantically by the public even though practically all of the Greek-Turkish problems were solved a long time ago. Normally, there is the Cyprus problem, and the issue of the undersea oil fields in the eastern and northern Aegean, but the Turks have never given the Greeks any reason for real fear. The Greeks, as well as the Serbs, base their national identity on numerous myths, one of them being the victory over the Ottomans who, allegedly, have never forgotten it and are dreaming of revenge. Such anti-Turkish sentiment is present in almost all segments of Greek public life and can be traced from school agitation to counter-historical moves in Greek foreign policy.

Greece seems to "cultivate" similar fears about Bulgaria, Macedonia, and Albania. Greek monarchists dubbed the partisans under the leadership of the Greek Communist Party "Bulgaro-communists," although by and large they were Hellenians. During World War II Bulgaria did occupy parts of northern Greece but that was only an episode in Bulgarian-Greek relations. The dream of a

Great Bulgaria certainly upsets the Greeks, but the Greek propaganda magnifies this fear to the dimensions of a direct threat. This applies, in an even greater extent, to Macedonia. So far, Athens has been successful in preventing the recognition of Macedonia by the EC by demanding that Macedonia give up its present state name, and that it rename the republic Skopje!

According to Greek belief, the Republic of Macedonia usurped the name that belongs only to Greece, because one of its provinces has borne the same name since the time of Philip of Macedon. The stubbornness of Athens over this issue causes the EC a lot of headaches. If it were not for that, the EC would have long ago recognized the Republic of Macedonia as a sovereign state. Even though Skopje has met all the other demands of Athens, especially those referring to its territorial integrity, and for respect of its present state borders, it said No to changing the states' name from Macedonia. Macedonia will not accept this under any circumstances because, by doing so, it would erase an important part of its national identity.

Adroitly, Milosevic's Serbia joined in with the above-mentioned irrationalities of Greek foreign policy, and today, Greece, along with Romania to a certain extent, is the only ally of an entirely isolated Belgrade. It is unbelievable that the Greeks, who celebrate their country as the cradle of European democracy, support a Bolshevik-Fascist regime such as Milosevic's.

This Greek-Serbian alliance is so intimate that an atheistic war criminal, Gen. Adzic, visits the Sacred Mountain (Atos) while Milosevic spends his vacation on the coast of the Aegean.

The Greek-Serbian alliance is based not only on some old traditional friendship, but it has its roots in similarities between the Greek and Serbian societies. Both countries share the Orthodox religion, and their churches have close ties with the state and the regimes in power.

In Greece, priests are government clerks. The Greek Orthodox Church gave its blessing to the Papadopoulos dictatorship, as well as to the democracy won under the leadership of Karamanlis. In this, it resembles the Serbian Church, which has plotted with all the regimes in Yugoslavia, and, until recently, with the Milosevic regime, thus benefiting from his conquering of foreign territories so that eventually it could even establish its eparchies in our country.

Neither the Greek nor the Serbian churches can boast of any great religious successes, but due to their role as a substitute for the state during the Turkish times, both churches, even today, exercise a greater influence on social life than they would as religious communities.

Also, the similarities are many between Serbian and Greek policy toward national minorities. True, the Greeks do not carry out a racist policy towards their minorities, such as the Serbs do towards the Albanians

living in Kosovo, but this is only because Athens does not even want to admit to the existence of national minorities in the country. For Greece, the Slavic Macedonians are, in fact, Greeks who do not speak Greek, and the Turks in Trakia are Greeks of the Islamic faith. The attitude of the Greek Orthodox Church toward the tiny Catholic minority is also very intolerant. The Greek Orthodoxy expresses itself through folklore manifestations that have political accents that bring it very, very close to Serbian religious behavior. Both churches fear the spread of Catholicism, even when they have no real evidence. Their attitude towards Islam is similar.

After their victory over the Ottomans, the Greeks have, willy-nilly, destroyed, pushed out, or forced into exile hundreds of thousands of Muslims from Greece. After Kemal-Pasha Ataturk defeated the Greek expedition corps in Asia Minor, the Turks pushed out, or forced into exile, hundreds of thousands of Greeks from their native country within the Turkish Empire.

International agreements have provided for the exchange of populations. Today, there are very few Greeks living in Turkey, and only a few more unrecognized Turks living in the Greek province of Trakia. Similar to the Serbs, the Greeks have destroyed almost all religious and cultural monuments from the several hundred years of Turkish presence in Hellas. While the Serbs have destroyed hundreds of mosques, the Greeks have turned some of them into storage facilities and porno-theaters. The irrational fear of Islamic "fundamentalism," which is being stirred up by propaganda from the Serbian and Greek Governments, did not even exist in the Balkans as our Muslims are Sunnis, not Shi'ites.

Greek policy toward neighboring peoples is characterized by a totally unjustifiable haughtiness. They consider themselves the direct descendants of the ancient Hellenians, just as the Serbs consider themselves "celestial people" who have won victories in several Balkan and world wars. Neighboring peoples are simply considered to be barbarians. Greeks and Serbs believe that they are the *cultur-tragers*, the bearers of culture in the Serbian, Greek, and Albanian enclaves. For years, Greece has played the "bad boy" in the EC.

The socialist government of Prime Minister Papandreu has constantly stirred up anti-American sentiments within its population. At the same time, it has supported Palestinian organizations that have been involved in terrorist acts. Even in this, one can draw similarities between Serbian and Greek policies. The present conservative government is having a tough time in trying to get rid of the Pasok burden. But, Mitsotakis's policy regarding neighboring states, and peoples, does not differ one iota from the policy of Papandreu. Practically all political parties in Greece participate in the discipline of nationalistic demagoguery. Greek and Serbian policies are identical here, too.

There is something, though, that Greeks keep forgetting about their policies when speaking to Milosevic's Serbia. When in 1941, the Kingdom of Yugoslavia joined the tripartite pact through a secret protocol, Belgrade was promised territorial expansion all the way to the Aegean, including Thessaloniki. If the present flirting of Serbia with Bulgaria and Greece regarding the change of the Balkan state borders were to grow into a concrete policy, then Serbia most likely would not be satisfied with a piece of Macedonia as "southern Serbia," but would rather expand its lusty claims all the way to Thessaloniki since there too there are many Serbian graves. Since, wherever there is a Serbian grave, there is Serbia. Greece would then find itself very lonely, because for years it has gotten on the nerves of both its neighbors and the EC.

Reason for Deputy Prime Minister Resignation

92BA1184D Split SLOBODNA DALMACIJA
in Serbo-Croatian 29 Jun 92 p 9

[Article by Jelena Lovric: "Tomac's Seismic Role"]

[Text] Even though the rule of all for one and one for all prevailed in the cabinet proper and has been emphasized several times in public, Zdravko Tomac is alone as he leaves the post of deputy prime minister. When his party, following others, recently wanted to pull him out of the truncated democratic unity government, Tomac insisted on staying, alluding precisely to that principle. Although now his resignation might sound like a logical move during the election campaign, it suggests how great the upheavals will be that will shake Croatia over the next month of the merciless struggle for power, but most of all it is an expression of the deep divisions that exist in Croatian politics. The division is over what kind of Croatia we will have. It is no wonder that this latent conflict broke out in public precisely over the attitude toward Bosnia-Herzegovina.

Although it seemed that the gauntlet was thrown down in the meeting of the Croatian Assembly, when the president of Croatia again delegated his responsibility to others, referring to the "statements of members of the Croatian Government concerning the military alliance between Croatia and Bosnia-Herzegovina," the disagreements began earlier and have more and more been eating away at the once rather firm ties between the president of the republic and the deputy prime minister. Because this time it obviously is not a question of an arrangement such as the one Tomac recently talked about: He acknowledged in public that even before these elections he had remained and worked in his party in an agreement with Tudjman, the parting of the ways will probably end up with an ambassadorial post in Ljubljana, but it does not seem to have been invented.

A Serious Crack

The public is not generally aware of it, but a serious crack appeared recently in a meeting of the Supreme State

Council when, according to the press release, the international sanctions toward Serbia were being debated, and the point was raised of Croatia's attitude toward that aggressor state, but also toward Bosnia-Herzegovina. When I mentioned that detail three weeks ago in this newspaper, I foresaw that it could have far-reaching consequences, and that there could be a polarization in Croatian politics over it. The positions of Franjo Tudjman on this topic were such as to motivate Tomac to be the one who reportedly told him that the ambition of creating an expanded Croatia would inevitably end up the same way that the project of an expanded Serbia is dying. On one side in that debate were Greguric and Tomac, and they are said to have been joined by Zarko Domljan, while on the other side there remained the president of Croatia, ardently supported by Milovan Sibl, who made the case for why Croatia, while it cannot exactly like Slobodan Milosevic, certainly must not effectively want him to leave. That is the reasoning of a man who builds his own position by capitalizing on the handicaps of others, with no need to take pains concerning his own authentic value, but this certainly cannot be the position of a serious state nor of its top political leadership. Croatia will not be a democratic country solely because it is compared with totalitarian Serbia, although their comparison at present shows a drastic difference. The ones with whom we should be trying to compare ourselves for the sake of Croatia are on the other side.

Regardless of whether it is true that Tudjman afterward called on the prime minister to get rid of Tomac, which the latter is said to have firmly refused, it remains beyond dispute that Tudjman chose the best timing for his counterattack. At a moment when he was faced with the threat of perhaps having to suffer the consequences of his policy toward Bosnia-Herzegovina—Separovic was sending from America dramatic messages concerning possible sanctions—Tudjman was finding his own scapegoat. By using people unscrupulously and mercilessly casting them away when he no longer needs them, he is showing that he went to the same school as Milosevic. When the president plays with people in his own party so heedlessly, although this is difficult to understand from the human standpoint, one nevertheless somehow gets the impression that these are relations in a family in which the pater familias suffers from the authoritarian syndrome. It is not advisable to interfere with that, and besides that is the risk that must be assumed when the Faustian contract is signed. But when the same thing is experienced by a man who although from a rival party forgot about the "party banner," and frequently even about himself, swallowing his own dignity as he turned himself into an advocate of the official policy and still more of the president—then one can only conclude from this that this government has no sense of gratitude and its top leader has no scruples. It is said that there are no friends in politics, but it goes hard on a politics which forgets the sense of friendship. It will do itself in.

Laying the blame on Tomac is an extremely hypocritical act. Tomac did advocate the military alliance between Croatia and Bosnia-Herzegovina, taking the position that they were entitled to this as two recognized countries, but he always favored a sovereign Bosnia-Herzegovina, seeing every attempt to divide it as a detonator of untold explosions of war throughout the entire Balkans. Things stand quite differently in the case of President Tudjman. Tomac could not have decided to send Croatian military forces into a neighboring state. That was decided by the president of Croatia. It is extremely unscrupulous for the president to excommunicate Tomac now because of the statement about the need for a military alliance, at the same time insisting on cantonization of a neighboring state. He is thereby displaying pretensions to decide on the life of Bosnia-Herzegovina in the same way as Milosevic. He is also demonstrating that he does not understand what Bosnia-Herzegovina actually is. Instead of leaving it to the peoples who live in it to decide their own destiny themselves, they are being turned into hostages of their parent states and the ambitions of those states.

It is one thing to help a neighboring country in a war against a common enemy, and something else to intend to use that aid to make an advance against his territory. Aid in defense cannot be made conditional upon certain subsequent, postwar political, or territorial concessions. In a common struggle, of course, ties and close relations are formed that will probably function even after the war, but right now is not the time to impose or stipulate any arrangements. Because these intentions were transparent, a strain has already been observed in some cases in Bosnia-Herzegovina, and in some places there have even been conflicts between the "chessboard" and the "lilies." They do have a common enemy, but they do not have the same objective. They do not look in the same way on the future of Bosnia-Herzegovina.

Everything Is Being Called Into Question

Tomac is departing (perhaps in order to return), but the problem is that Tudjman's unscrupulous policy toward a neighboring state will remain. It will weave back and forth from drawing maps on which the only problem it sees is what portion it considers its own to insistence on cantonization, but it will be consistent in the intention to extend territorially beyond the AVNOJ [Antifascist Council of the National Liberation of Yugoslavia] borders even when it has recognized a neighboring state and when it insists exceedingly on those borders when it is a question of Serbia. With such a policy, Tudjman is perhaps attempting to fulfill certain promises and certain hopes which he has fostered in Herzegovina, but much of that is perhaps called into question by everything else. With his attitude toward the neighboring nation, he is putting his own country in jeopardy. Not only because the whirlwind of war can by no means be calmed down so long as attempts are made to divide Bosnia, but also because such behavior threatens Croatia's international dignity in everything that has been achieved in that area up to now at great sacrifice.

Tudjman's problem is always that he does not know when to stop. In becoming president, he wanted to be Croatia's entire politics, the honors he earned were not enough for him, and so his penchant for ceremonial luxury has already caused a great deal of disappointment, and he acquired a state, but he seems to have even greater appetites. He still has not restored Croatia to the borders that he inherited in the last elections, yet he is already calculating beyond them.

Article Examines Failure of Serbian Opposition

92BA1189A Zagreb NOVI VJESNIK in Serbo-Croatian
1 Jul 92 p 2

[Article by Mladen Plese]

[Text] Even a third attempt by the Serbian opposition did not succeed in delivering a serious blow to Milosevic or in shaking up his position. It actually seems that the intensity of pressure is weakening rather than getting stronger. Milosevic's position was perhaps most endangered during the demonstrations in March of last year, while these latest demonstrations, held on St. Vitus' Day, perhaps did him the least damage. True, tens of thousands of demonstrators gathered in Belgrade; nevertheless, this gathering was "spoiled" not only by the "heir to the throne," Aleksandar Karadjordjevic, with his inarticulate Serbian, but also by other speakers who issued calls only for the "settling of accounts" with the "Ustashas," the "fundamentalists," and by those numerous *sajkacas* [traditional Serbian hat] and the folklore features decorating the summit of the Serbian opposition. In the end, the masses of demonstrators, tired and resigned, dispersed after only a few hours of protesting, in spite of the thundering announcements that they would protest until the fall of Milosevic.

Why is it that the opposition cannot throw Milosevic out, now that his vehicle has started an unstoppable, headlong drive toward the abyss, and when, literally, the whole world has turned against Serbia? Why don't the messages that the opposition is sending out have a wider echo in the Serbian people? To answer these questions, one has first to solve the puzzle of what exactly the opposition offers the Serbian people, and what is it that makes the opposition's program (essentially) different from Milosevic's?

Except for general phrases about greater freedom (for Serbs) and democracy (again, only for Serbs), the opposition offers absolutely nothing different, no new program. It simply waves a faded copy of Milosevic's program for a Greater Serbia. In a word, instead of finding a way out from this cul-de-sac into which Milosevic's clique has pushed the Serbian people and others, the opposition most frequently criticizes Milosevic for not succeeding in carrying out his monstrous intention. And, with such a platform, no one in this deceitful, impoverished, and frustrated Serbia can have any success.

After all, how can the leaders of the Serbian opposition have any credibility when, until recently, they were the spokesmen of Milosevic (e.g., Matija Beckovic) or have paved the way for his insanity and frenzy by openly issuing calls for the extermination of Muslims and Croats (Vuk Draskovic). Who would believe an opposition whose representatives obediently come to confer with the big boss, and condescendingly praise him as a man who "did so much for the Serbian people," but, then, because of the pressure coming from the international community, "he has to go." This is why one should not wonder why the opposition, such as it is, born under Milosevic's dress, stands no chances at all.

Christian Democrats To Invite Observers

92BA1184C Zagreb NOVI VJESNIK in Serbo-Croatian
30 Jun 92 p 5

[Article by the Croatian News and Information Agency:
"The Croatian Christian Democratic Party Will
Summon Foreign Observers"]

[Text] Zagreb—"In consenting to participate in the elections, the Croatian Christian Democratic Party [HKDS] maintains that the procedures so far have been legal and legitimate, but that does not imply that the election campaign and elections themselves are being proclaimed legal and legitimate," said Dr. Ivan Cesar, president of the HKDS, at a press conference on Monday. For that reason, Cesar continued, the HKDS is calling for all statutes pertaining to elections to be honored.

Emphasizing that the present time is not conducive to "the mood of normal elections," Cesar remarked that elections in wartime are rare in the world, adding that for that reason the HKDS is calling for the election process to be adapted to the state of war in Croatia. A second reason that indicates that this is not the time for elections that he referred to is the undefined way in which our workers working abroad temporarily will vote. "By all appearances, they will have only a 50-percent chance of exercising their right to vote," Dr. Cesar said, adding that his party will be devoting particular attention to this in the upcoming elections.

Dr. Cesar said that the HKDS will immediately verify whether voter lists exist, recalling that the HKDS is demanding that only those on the list be allowed to vote. Without those lists, he concluded, it will not be possible to conduct elections which are legal and legitimate.

Having said that one of the obstacles to the elections is the fact that a large number of people are on the battlefield, Cesar said that the HKDS is calling on the election commission and its chairman to fully resolve this issue. The president of the HKDS also said that he would be inviting world observers to confirm the legality and legitimacy of the upcoming Croatian elections.

Alluding to the reasons why the HKDS is taking part in the elections, Dr. Cesar emphasized that the party

"believes that it is ready to offer a program for preserving Croatia and affirming justice in the Croatian legal system." "Join a united Europe with the Christian Democrats, this is the motto with which we are entering the elections," Dr. Cesar concluded, adding that these are at the same time reasons why the party has nominated him as a candidate for president.

Goran Biljan, chief secretary of the HKDS and president of the caucus of HKDS deputies in the Assembly, said that the HKDS, if it wins the elections, will replace the semipresidential system by a pure parliamentary system, because the party finds that one man cannot take upon himself the responsibility and make decisions in the name of the entire people.

Council of Europe Judges Human Rights Compliance

92BA1197B Ljubljana DELO in Slovene 3 Jul 92 p 5

[Article by Sasa Vidmajer: "Slovenia Respects Rights and Freedoms"]

[Text] *Catherine Lalumiere is satisfied with the degree of protection of human rights and freedoms that has been achieved here; good cooperation between Slovenia and the world to date.*

Ljubljana, 2 Jul—The parliamentary assembly of the Council of Europe, which is studying Slovenia's admission to the Strasbourg organization, assesses the Slovene situation as very good, but in spite of such remarks the process cannot be completed before next year, stated Catherine Lalumiere, the secretary general of the Council of Europe, in a press conference at the end of a visit here.

The Strasbourg organization, in fact, is the one that devotes most attention precisely to human rights, and accepts among its members only countries that completely respect those principles. According to the secretary general of the Council of Europe, they are important not just for humanitarian reasons, but are also usually a guarantee of the peacefulness of a country in general, as proven by the recent Yugoslav experience. Lalumiere expressed satisfaction with Slovenia's readiness to promote human rights and freedoms, and hopes that our country will sign the convention on protecting human rights and freedoms and other documents as soon as possible. The Council of Europe will also help Slovenia in the future, both in formulating appropriate documents to regulate this problem, and also in training personnel, stated Catherine Lalumiere, who attended today's meeting of the Assembly commission on human rights and civil freedoms.

The commission's chairman, Dr. Lev Kreft, began by briefing the guests, i.e., the delegation from Strasbourg, on the two years of the commission's operation, a period of democracy, which matured in the Slovene area on the basis of respect for human rights. It was precisely the Council of Europe that was of great assistance all through this. He particularly emphasized the commission's activity with respect to the adoption of the independence laws, especially the law on citizenship, and in drafting the law on public media.

Dr. Ljubo Bavcon, who chairs the Council on the Protection of Human Rights and Freedoms, explained the role of this 22-member nongovernmental organization, which consists of important Slovene intellectuals with varying views. He emphasized its role as an ombudsman (a guardian of human rights) and civil oversight. He handed secretary general of the Council of Europe a message from the Council, which is assessing respect for human rights here. He said that this assessment was relatively positive, since the Slovene public is very

sensitive to human rights and that nothing was obstructing the Council's work.

Among the various areas of the Council's activities in protecting human rights, Dr. Ljubo Bavcon mentioned two: the poorer legal protection for people that has been aggravated by the economic crisis, and the altered status of former Yugoslav citizens, those who are now foreigners. In this regard, the Council is striving to promote the criteria recognized by European institutions. Next, he also mentioned occurrences of extreme nationalism, chauvinism, and xenophobia, and explained that they were rare. He particularly thanked Lalumiere for the successful cooperation to date, both formal and informal.

The first condition for admission to the Council of Europe is elections, the legitimacy and legality of which will also be monitored by reporters from the Strasbourg organization. That was stated at today's noon press conference by Boris Pahor, head of the Slovene delegation that returned yesterday from a session of the Council of Europe's parliamentary assembly in Budapest. Otherwise, Slovenia's membership is not controversial, even though it was precisely the problem of this organization's expansion that was particularly dealt with in Budapest.

Slovenia submitted its application for full membership this February, and it is only the length of the procedure that is the reason why it cannot be admitted to the Council of Europe in less than a year, Lalumiere explained. As the principal criteria, she cited a pluralist, democratic system, the rule of law, and respect for human rights; in Slovenia, the triple process has already begun, and although several reforms will still be necessary, the Council of Europe views our situation favorably and also does not have any criticisms regarding respect for human rights, to which it ascribes extremely great importance. The Strasbourg delegation will visit Slovenia again in the fall and also make a more detailed study of the laws and analyze the reforms that have not yet been adopted to date. Their observers will also monitor the elections at the invitation of the Slovene Government, Catherine Lalumiere said.

Genscher, Mock, de Michelis Honored in Ljubljana

92BA1197E Ljubljana SLOVENE in Slovene 1 Jul 92 p 1

[Article by Marjeta Simunic: "No Freedom Without Risk"]

[Text] Ljubljana—Yesterday in the Potocnik villa, President of the Slovene Presidency Milan Kucan presented former German Foreign Minister Hans Dietrich Genscher and Austrian Foreign Minister Dr. Alois Mock the highest Slovene national award—the Republic of Slovenia's medal of freedom. The award was also received by Gianni de Michelis, until the day before yesterday the

Italian foreign minister, who was not at the ceremony, since he was turning over his duties to the new foreign minister in Rome.

"In today's world, no one can live alone and without friends, their understanding, support, and solidarity," President Kucan stated, and added that we Slovenes had been fortunate in that.

"This decoration moves me. We supported the Slovene people's desire to realize its right to self-determination from the beginning," Genscher stated. According to him, Slovenia respects human and minority rights, the right to self-determination, and the unchangeability of borders.

Dr. Alois Mock stated in his acceptance speech that the medal meant a special personal honor for him, and it was also an honor for many Austrians who followed the events in Slovenia with solidarity. "When I landed in Brnika today, I recalled the two Vienna journalists who wanted to report on a small state's struggle and consequently had to die. The Slovene struggle for freedom is also a contribution to a united and democratic Europe," Minister Mock emphasized. The diplomats also sharply condemned the Serbian aggression against Bosnia-Herzegovina.

Slovene-Croatian Committee on Improving Relations

92BA1197F Ljubljana DNEVNIK in Slovene 26 Jun 92
p 8

[Unattributed article: "Most of the Difficulties Are Associated With the Border"]

[Text] *Interparliamentary committee of the Slovene and Croatian assemblies; the most frequent excuse was: "You have to understand that Croatia is still at war."*

Ljubljana, 26 Jun—Most of the unresolved issues in relations between Slovenia and Croatia are associated with the border, stated Mihaela Logar, deputy chairman of the Assembly's commission on international relations, at a meeting of the joint interparliamentary committee of the Slovene and Croatian assemblies.

The joint interparliamentary committee was established in April 1992 in Zagreb, and four members of the Croatian Assembly's committee on foreign policy and the Slovene Assembly's commission on international relations cooperate in it under the leadership of the deputy chairmen. Although it was agreed that the parliamentary body would meet every month, the first meeting only took place Wednesday in Ljubljana.

The Slovene and Croatian delegations discussed improving and strengthening relations between the two states, which, in the opinion of the Slovene side, is being blocked by the Croatian Assembly's reservations about ratifying the agreement on economic cooperation, its ignoring the Slovene proposal for an agreement on the border, the slow progress in the proceedings for

appointing an ambassador, the unclear number of border crossings, and other unresolved issues. After an explanation that Croatia had its own sequence of priority tasks, the same thing was added to the answer to most of the questions: "You have to understand that Croatia is still at war."

The parliamentarians emphasized that the issue of the border between the countries was not a political issue, and promised that they would call upon the government to put certain issues on the agenda as soon as possible. Nevertheless, whereas Slovene diplomatic representatives maintained that the border agreement had to be adopted as soon as possible, since it would be the basis for the work of the joint commission, the Croatian side thought that "it is necessary to work slowly and patiently, taking into account the interests of both countries." Some progress is apparent in the fact that Zagreb has already formulated a draft fishing agreement, and the Slovene ambassador to Croatia will probably be known next week.

The economic cooperation agreement was reportedly blocked in the Croatian Assembly because of the freeze on Croatian depositors' foreign exchange deposits at the Ljubljana Bank in Zagreb. "Slovene depositors also have the same difficulties, since the foreign exchange is at the National Bank of Yugoslavia," Joze Smole explained. The head of the Croatian delegation, Stjepan Brcic, agreed with that explanation, and admitted that "it is truly unpleasant that the Assembly has not yet ratified the agreement." This agreement will nevertheless also allow an effective solution to the issue of the Croatian foreign exchange at the Ljubljana Bank, the Slovene parliamentarians explained, and also reminded their colleagues of the issue of the Slovene property in Istria and Kvarner. "There is a war and 600,000 refugees in Croatia," the answer was again.

The Croatian delegation was primarily bothered by the issue of the Phyrn highway, in which their state is extremely interested. The Slovene section of the Sentilj-Zagreb and Trieste-Rijeka roads are not as important to Slovenia as the Koper-Ljubljana-Lendava road, the Slovene side thinks. "Slovenia will pay more attention to those sections if Croatia also displays more initiative on the matters that bother us," explained Peter Tos, a representative of the Slovene Foreign Ministry.

Drnovsek, Pucnik on Slovene-Croatian Relations

92BA1197G Ljubljana DNEVNIK in Slovene 18 Jun 92
p 8

[Unattributed article: "Enthusiasm Has Gained Solid Ground"]

[Text] *Drnovsek: Our joint task is to establish the best possible relations and economic cooperation.*

Ljubljana, 18 Jun—Slovenia's relations with Croatia are at a satisfactory level, and in the near future we are expecting a visit by Croatian Prime Minister Dr. Franjo

Greguric, which will mean a new phase in mutual relations. It is also true, however, that we are encountering practical difficulties in bilateral relations, Slovene Prime Minister Dr. Janez Drnovsek said in an interview by journalists from the Croatian news media who are on a two-day visit to Slovenia.

In the interview, at which Deputy Prime Minister Dr. Joze Pucnik and the Slovene prime minister's adviser Neven Borak were also present, the Croatian journalists were interested primarily in details about bilateral relations, such as foreign trade, ratification of the agreement with Croatia and the foreign exchange depositors in Croatia, the scandal with the counterfeit tolar, the Krsko nuclear power plant, and an assessment of the news media's contribution in strengthening cooperation between the states or in exaggerating specific unresolved issues.

Dr. Janez Drnovsek briefed the Croatian journalists on the economic program that the Slovene Government prepared last week, which includes short-term measures to revive the economy and lower inflation, and also long-term measures for financial rehabilitation of the Slovene economy. Regarding relations with Croatia, Dr. Drnovsek emphasized the unresolved issue of unbalanced bilateral trade, since Slovenia has a substantial surplus. It is also necessary to take into account the fact that there is still a state of emergency in Croatia and that the Croatian economy, which is otherwise strong, cannot produce at full capacity. "Our joint task is for each of us, on his own side, to do everything possible for the best possible relations and economic cooperation," Dr. Janez Drnovsek said.

"After the great ecstasy on both sides, Slovene and Croatian, which were natural allies in great events like independence, we have passed from the times when we talked about each other in superlatives to the solid ground of bilateral economic, organizational, and administrative relations," Dr. Joze Pucnik said in his introduction. "The closer we are to resolving the actual unresolved issues, the greater the differences in interests and the more energy required to resolve them. We are both very interested in improving what are already good relations," Dr. Pucnik added.

With respect to general relations with Croatia, Pucnik said that the Slovene Government sent the Croatian Government a list of 15 priority issues that should start to be resolved immediately through accelerated bilateral talks. Difficulties in concrete cooperation are also caused by the fact that Croatia has not yet ratified the agreement with Slovenia.

In regard to Istria and the Italian minority, Slovenia's interest in negotiations with Croatia is to obtain appropriate functional access to the part of the sea in Istria, in accordance with international rules. Certainly the borders in it cannot be erased, but it will be possible to create a joint tourist region, so that the border will not be

an obstacle in tourist traffic. Slovenia has constitutionally regulated the position of the Italian national minority, and it cannot interfere in the internal affairs of Croatia and its Italian national minority.

With respect to the Krsko nuclear power plant, the answer was that Slovenia cannot decide about the nuclear power plant itself, because both states are owners of the installation. It is affecting relations, since the Croatian side has not yet paid its debt, which is an obstacle to regular maintenance. Since both states are owners of the nuclear power plant, the nuclear waste also cannot be exclusively a Slovene problem, but is instead a joint one.

Neven Borak announced with respect to the Ljubljana Bank's debt to the Croatian foreign exchange depositors that it would be discussed within the framework of the division of assets and the legacy among the former Yugoslav republics, but a partial solution was also in the public debt, which is a risky and responsible operation. The fundamental guideline has to be that the depositors should not be left in the lurch, and that their confidence in banks should not be reduced.

Opposition Demands Control of Assembly Committees

92BA1197D Ljubljana SLOVENE in Slovene 2 Jul 92 p 3

[Article by Ivan Puc: "Control of Assembly Bodies in the Hands of the Opposition"]

[Text] Ljubljana—The opposition parties, in accordance with the agreement reached by the parties even before the elections, are proposing that in the event of a change in government, control of the Assembly's supervisory working bodies should pass into the hands of the opposition.

At yesterday's meeting, the opposition deputies decided, as stated at yesterday's press conference by Danijel Starman, the chairman of the opposition deputies' club, that all the heads of the deputies' clubs would meet and jointly formulate proposals for new leaderships of the Assembly commissions and committees, since the opposition does not want to be outvoted again. He also stated his own personal position that there should also be changes in the Assembly's leadership, since excessive ties between the Assembly and the government do not lead to productive parliamentary work, but rather to a system with a single authority.

Janez Lukac (SLS [Social People's Party]) emphasized that a full two years ago, Demos received the opposition's demands with open arms, and left it the control of the so-called supervisory working bodies. Peter Bekes has already resigned as chairman of the commission for oversight of the Security and Information Service. The opposition expects that the regime will allow it to head the commission on domestic policy (it was headed by Milan Balazic, SDU [Social Democratic Union]), the

commission for national development strategy (Emil Milan Pintar, SDSS [Social Democratic Party of Slovenia]), the commission for human rights and civil freedoms (Lev Kreft, SDP [Party of Democratic Reform]), the commission for information (Francek Rudolf, DS [Democratic Party]), and at the same time Radio director), the commission for defense (Ivan Kuhar, SSS [Socialist Party of Slovenia]), and the committee for labor, employment, and social policy (Sonja Lokar, SDP), but above all it wants to head the committee for the budget and public finances, which is headed by Liberal Democrat Janez Kopac. As opposition representatives have emphasized several times, it is no longer prepared just to ensure a quorum.

RTV Slovenia Plans Satellite Broadcasts

92BA1197C Ljubljana SLOVENE in Slovene 6 Jul 92
p 3

[Article by Ciril Gale: "Project: Slovenia on Satellite"]

[Text] Ljubljana—At today's meeting of the Slovene RTV [Radio-Television] council, candidates for jobs on Slovene TV will be discussed, among other things. The directors of the organizational units at Maribor Radio, Koper Radio, Koper TV, Transmitters and Communications, and Music Production are to be appointed. There will likewise be a discussion of the financial

rehabilitation program, a draft collective contract, and the resignation of the general director, Dr. Janez Jerovsek.

There will also be a discussion at the meeting about promoting Slovenia in the world through satellite television. With independence and the military aggression, it became completely clear that Slovenia had to join the world television network, and we are to achieve this by leasing one of the channels of the Astra satellite. A working group has been appointed for this purpose, Boris Bergant has been selected as its head, and the working name "Slovenia on Satellite" has been given to the project. Boris Bergant already pointed out several months ago that Serbian and Croatian television were providing viewers throughout the world with their version of events in Yugoslavia by satellite. When they discussed satellite television and the lease of an entire channel or only a certain number of slots per day, they pointed out that "time-sharing" was not the best solution, because we could be given worse slots for presenting our reports, and also the difference in cost would not be high enough to make it worthwhile to risk having our reports watched less in the world than we would want.

Boris Bergant prepared for the Slovene RTV Council an exhaustive report on the work done to date by the group that he heads. At the meeting, the members will also talk about the problem of broadcasting the third TV network's channels, Lado Ambrozic's response, and other problems threatening our principal media firm.

Milosevic, DEPOS Delegation Talks Reported
92BA1202C Belgrade POLITIKA in Serbo-Croatian
1 Jul 92 p 6

[Conversation between Slobodan Milosevic and Ljubomir Simovic, Nikola Tasic, Dr. Nebojsa Popov, and Milan Nikolic on 29 June; place not given: "Milosevic: I Accept Every Test of the Will of the People"]

[Text] *The president of the Republic agrees for his mandate to be tested at elections or at a referendum and agrees to a conversation on establishing a roundtable for the government and opposition. Academic Ljubomir Simovic, Nikola Tasic, Dr. Nebojsa Popov, and Milan Nikolic participated in the conversation and stated the requests of the Vidovdan Assembly.*

The day before yesterday, in the morning, the president of Serbia, Slobodan Milosevic, received a delegation from the Democratic Movement of Serbia, the organizers of the Vidovdan Assembly, the great opposition gathering that has been taking place since Sunday in Belgrade. In the one-hour conversation with the delegation, which comprised academic Ljubomir Simovic, Nikola Tasic, Dr. Nebojsa Popov, and Milan Nikolic from the Nezavisnost [Independence] trade union, the president of the Republic said that he accepts that his presidential mandate be tested at elections or at a referendum. He also said that he agrees to a conversation about establishing a roundtable for the government and opposition.

A report follows on the conversation between the president of the Republic and the DEPOS [Democratic Movement of Serbia] delegation, over RTV (radio-television) Serbia.

[Tasic] We extend to you our deep respect for everything that you have done for Serbia. It's one thing what is heard about you, but we are deeply aware that you have done much for Serbia, that you are the first person who has, in some way, assembled Serbia. However, it is obvious that the development of the situation is not favorable to us, that we do not have the feeling of some prospect for a way out from all this. And this has brought us in DEPOS and these people together here to submit, simply, these requests that you have received.

[Milosevic] I'm glad that I can talk with you, especially since I have known most of you for a very long time. I have had the opportunity to see you (turns to Popov) perhaps twice...

[Popov] That is correct.

[Milosevic] But, if it is necessary to get out of the difficulties in which Serbia finds itself, then there is no other way than for all forces to unite in withstanding these pressures.

We are not under pressure because something has been done wrong by us, but we are under pressure because of

the huge interest of those great powers that have desired the breakup of Yugoslavia, and for which, in the realization of their aims, our interests and the interests of our people have interfered. One hopes, as we heard here yesterday from your speakers, that we have not invented the government in Serbia, invented the Ustashi in Croatia, invented those "green berets," which intended to exterminate these people.

One hopes that this government was not able to create all this with its fantasy. I also respect your sincere intentions very much, but I would like to say, in connection with this, because it is obvious that much of this is not clear to people, and the fact in your DEPOS leadership.

To Talk—Naturally

[Popov] Other people, groups, parties are also dissatisfied, even before the outbreak of the war, and it is time to talk about this.

[Milosevic] Naturally.

[Popov] Why wouldn't this be talked about?

[Milosevic] Naturally.

[Popov] This is the reason for the idea about the roundtable for the government and the opposition. Let's talk about it. Probably there is something that can be changed independently of the pressures, isn't that so? Why wouldn't one talk? All right, let's finally talk.

[Milosevic] So why aren't we talking?

[Simovic] Perhaps the talks should have begun two or three years ago, if not much earlier. A lot of misfortune has stemmed from the fact that fateful things for this people and all citizens of this Republic were talked about in a fairly narrow circle.

A lot of people had a desire to talk with you, to warn you about some things. I'm very afraid that it's much too late for such a type of conversation. I remember a nice and intelligent letter that Danojlic sent you at one time.... This was a very well-intended letter, full of concern, but also full of the wish to help by pointing out some things.

If there had been these types of conversations with such people who are not engaged in politics, I think that you would also have been better focused and you would have made better moves than the ones that you've made. I say that we are late with this type of conversation. Things have gone so far that, for example, it is very unnatural that Mr. Tasic, and I am appearing as representative of a delegation that bears little resemblance to some political delegation. Nebojsa is a member of his party.

Do you know why DEPOS was formed? DEPOS was formed with a single aim—to create a transitional government that will make possible the formation of a constitution-building assembly that will produce a new, more democratic constitution than the one we have, and then DEPOS will automatically disband. Therefore, it

has no political aims except to assist democratic forces to come up with a new democratic constitution.

[Milosevic] I want to ask you something in connection with this. Namely, the name of DEPOS contains this concept of democracy. I assume that this presupposes taking into consideration the fact that the will of the majority is something that everyone must respect. Therefore, I do not doubt that DEPOS will also respect the will of the majority of citizens of Serbia and that it will only attempt to influence this will through political means and nothing else.

Moreover, it has probably occurred to everyone who has Serbia's interest at heart that all processes in Serbia are evolving in a peaceful way and through democratic means, and that is elections. Therefore, not through disbanding institutions democratically elected at multi-party free elections, but elections that will not disturb the balance, that will not lead to a destabilization of Serbia at a time when things are difficult for Serbia.

Let the Majority Respect the Minority

[Popov] Excuse me, democracy does not mean only respect for the will of the majority, but also that representatives of the majority respect the minority, especially if it isn't unimportant.

[Milosevic] Naturally.

[Popov] Well, I have the impression and the conviction—it can probably prove a lot—that the majority in whose name the government is ruling today in Serbia does not respect the minority. And because of this there are no talks and no agreements. Because of this the Assembly does not have any authority, like the president of the Republic; this does not show that it is respecting the minority.

For example, the university is not a special political element, but one should probably have a conversation with representatives of the university. You yourself have heard many remarks from various sides.

[Milosevic] Yes, I have.

[Popov] That's not a conversation: You give a lecture, a monologue, and ciao.

[Milosevic] Do you think that that is your way of expounding on the spot?

[Popov] Naturally. It's high time for that way....

[Milosevic] That's very interesting. That conversation of ours, if you were able to pay attention, was broadcast in its entirety, and lasted one hour.

[Popov] I don't know that it is in its entirety.

[Milosevic] You know something—people claim a lot of things.

[Popov] But I must check, as you know.

[Milosevic] Go ahead, check. You have at your disposal documentation of Radio-Television. It was broadcast in its entirety, I wanted to say. And in the conversation, which lasted about 50 minutes, I spoke for 10, and the others spoke approximately 40 minutes.

I didn't check the schedule of most of it with a stopwatch, nor did I look at the clock after it was broadcast, I only know and I was informed that the conversation was broadcast in its entirety. Therefore, those claims that it was a monologue that others had to listen to do not stand.

[Popov] I didn't hear how it was, but I watched and saw. I can probably believe my own eyes.

[Milosevic] Well, let's not concern ourselves with these details.

About RTV Belgrade

[Simovic] Mr. President, you mentioned the majority, which spoke out for elections. I think that everyone civilized, everyone normal, is prepared to consider the will of the majority. However, our belief that this majority was indeed formed in a democratic way does not exist.

We must know that Serbia is held under such a brutal informational blockade that people in our cities, instead of being great cultural, political, economic centers, live as if in some remote Serbian places, provinces as far as the informational blockade is concerned. I think that RTV Belgrade is directly in the service of the ruling party and the ruling structures and that in this service it simply has lost its professional standards.

Now, when elections are being prepared, when pressure is constantly being brought to bear on our population, when one kind of information, very directed information, is constantly being given to them, which it will be said is not at all honest information, the results of such propaganda cannot exactly be democratic elections. And the results of such elections cannot exactly be something that can be called a real majority.

[Milosevic] And can I comment on something in connection with this? Is it not obvious, at least when one speaks about Television, that it is precisely by means of Television that a large number of parties and individuals have arrived on the political scene? I say parties, of which some do not even have a membership and could not, even in a democratic order, have any influence at all if they did not have such media promotion.

[Popov] Let's be a little serious. This means, one has gone too far with democracy?

[Milosevic] No, I don't say that it was possible to go too far. But why do you really want to claim that on Television there is no access for various parties and their representatives, presidents, members of their leadership?

[Popov] No, no. On Channel 1 there is no correct information for all of Serbia. All of Serbia watches only that truth that a group on Channel 1 produces. There's the problem.

Otherwise, there's NTV [National Television], there's POLITIKA. Representatives of all parties appear on the public scene. That's all right. However, the main problem is that the citizens of Serbia see only one truth—just the way some group on Television produces it. That is indeed not all right.

[Tasic] If you'll permit me, let's be a little more practical. I think that you would show your goodwill very easily and very simply. As to a roundtable, which has been talked about so much, President Cosic has expressed agreement for such an institution to be organized. I think it wouldn't even bother the ruling party, or this other part of Serbia, and would nevertheless show more understanding for these things. Naturally, that is one thing.

And another thing: I think that you would be able in the same way, with your authority, to see to it that, simply, Channel 2, for example, or something else be made available to the opposition, and that, to a certain degree, Channel 1 goes the way it's going, because that is a matter of the state, which, in the end, finances it and that is under the intervention of the Assembly. But Channel 2 could be opened.

Then all this confusion and all this suspicion that is being shown by both one side and the other could be eliminated. That's not something major. For a beginning I think that it would mean a lot for the people too, and for this party and that.

Don't Favor One Party

[Milosevic] You see, as far as the roundtable goes, I think that parties should talk with one another, all parties—regardless of their number, their size, their programs. In this regard, such an interparty activity can certainly be useful.

As far as the state is concerned, it cannot carry on a policy that will favor any one party. I am personally striving not to favor one party.

But, where the political convictions and programs of parties, some mutual tests of viewpoints on certain solutions in Serbia, are concerned, why not? That institution can be more useful as an opportunity for people to be acquainted with the different kinds of opinions that exist and in what direction solutions can be sought.

But, I want to direct your attention here again to a fact that is very important. In the majority of democratic countries, and I also consider this country democratic, about 80 percent of citizens are not members of any party. About 20 percent are members in various political parties.

Therefore, even such an interparty dialogue should not be identified with opinions that exist on the whole. We

should talk about this when the national interest is in question. It seems to me that if we make a well-intentioned approach to seeking opportunities for such conversations to be held, there are no problems in finding ways for various opinions to be heard.

[Tasic] We are prepared to suggest to you the content of that roundtable. We do not think that it should be connected so much only to parties, but to just that part about which you are speaking, those 80-percent politically uninvolved every day.

I assume you know that a large number of intellectuals of Belgrade, of Serbia, are not connected to any one party. In our academy, I think that the number of those who are connected to one party or another is small. The two of us (Simovic) are not in any. I think that in DEPOS there are seven or eight academics who are not connected to political parties at all.

[Simovic] There are a few more in the DEPOS council.

[Tasic] Therefore, it is not a question only of parties. Because, parties will represent their programs and I think that they will not agree. That's our Balkan, Serbian mentality. But if public opinion is put on that scale and the intelligence of Serbia is put on it, as it is now said, something can come in some way from such a mutual conversation. However, we would have to know how this roundtable looks, what themes and problems will be worked out, and what will be done with these conclusions. However, this should not be a roundtable as is organized in the Institute of Social Sciences or I don't know where.... (Popov: Exchange of opinions).

This roundtable should yield some conclusions that the Assembly should verify and things should develop in a way that this roundtable brings and how it considers it should look. Mind you, I'm not even a politician, but I fell into this somehow....

For Legality and a Peaceful Method

[Milosevic] There are no problems if we are agreed on a basic approach, and that is that the will of the citizens of Serbia be respected, that legality be respected, and that a peaceful means of expressing political will be respected. Therefore, if we are agreed that this is in the interest of Serbia, and especially in the interest of Serbia at this time, at which it is under such great pressure, it seems to me that there will not be problems in realizing your ideas.

I would only like to remind you, because this public memory is usually becoming increasingly short, but you know well how the troubles began in Yugoslavia. They began first with the secession of Slovenia, then with that of Croatia, through the use of force first in Slovenia, then in Croatia, later in Bosnia.

[Popov] We have different views, so stop that. That's for the roundtable. I didn't come to a lecture.

[Milosevic] You will, naturally, be able to decide about all this, explain yourselves, etc. But, I am simply drawing your attention to the facts. Not that I would check and confirm these facts now, but, simply, that I point out that every such form of exchange of opinions and viewpoints must start with the facts. I hope that we will respect this.

[Tasic] If we would move into a conversation on that theme, I think that it would last a little longer and you would lose your valuable time with us. Naturally, it would be heard whether this is so or not so. I'm not prejudicing one opinion or the other, but another opinion also exists.

[Milosevic] Our situation is so complicated that we will certainly need many roundtables in order to clarify all these questions.

[Popov] It's not a question of a lot of roundtables and a lot of conversations. It's a question of one roundtable that will seek a way out of the current situation, of a roundtable supported not just by DEPOS. It is supported by the Civil Council of Serbia, and the university, and various groups of citizens, nonpolitical groups of citizens. Even if this is a minority, the minority must be respected in a democracy.

[Milosevic] Why not, the minority can also organize a roundtable.

Proposal on the Roundtable

[Popov] My proposal is quite simple. We've started a conversation about it. We can see each other today or tomorrow to set forth the concept of this roundtable for the government and the opposition, which will propose a way out of the current situation, of the blockade, of the sanctions, from everything that is happening, and how to guarantee free elections.

[Milosevic] So, I propose to you that those whom you consider among yourselves as most competent to define these proposals on the way of leading the discussion—therefore, I'm speaking about the approach to the means of leading the discussion—sit down with representatives of the government and agree with them about this.

[Popov] We wanted to hear your opinion.

[Milosevic] Well, we will probably first wait to hear what you will set forth and how far you will come in the discussion with these ideas, and then I will tell you my opinion about that which you will ask me. For now I have not heard, nor have you set forth to me these proposals of yours. When you set them forth, I will tell you my opinion.

About Elections for the President—Why Not?

[Popov] The proposal is for you to submit your resignation. That is one of the conditions for the thing to change. We didn't come to hand it to you, but—how do you react to those requests?

[Milosevic] All right, now I'll tell you. Those who have given me a mandate will decide about that. I hope that you do not count yourselves among them, as you know. I think that in Serbia the powers should be chosen in elections and that one should relinquish functions in the way one comes to them, that means through the will of the citizens. Through the will of the citizens in that sense in which the majority of citizens give a responsible court on this will.

[Popov] We are for elections.

[Milosevic] Naturally, why not?

[Popov] We have spoken about new elections for president.

[Milosevic] Why not?

[Popov] Well then, let's talk about it. But if you think that this is to the end of the mandate and that there are no conversations, then that makes political relations in Serbia more difficult. If you permit the opportunity even before the end of the mandate to check on the confidence in the president, new relations will be established thereby in Serbia.

About the Resignation and Verification of the Degree of Support

[Milosevic] That opportunity always exists.

[Popov] Yes, you should state it.

[Milosevic] All right, I'm stating it.

[Popov] And, you're stating it...

[Milosevic] At any time, these opportunities are provided for under the Constitution; confidence in the president can be verified. At any time the degree of support that your proposals have can be verified. Therefore, I can tell you in advance that I will even support a test of support with your proposals. Please, I will gladly support every public test of the support even with your proposals.

[Popov] Including the requests for resignation?

[Milosevic] Including this request, too. Don't get upset about it.

[Popov] We're not getting upset, but we're talking about this openly.

[Milosevic] Under such tests—we're talking about referendum and similar tests—the outcome is always positive. Why?

If a majority of citizens support the proposal that, for example, the president of the Republic, regardless of whether that's me or someone else, submit his resignation, it is good for those citizens, and for that man not to do that job. But in a case where it is not supported, then it is good, again, for that policy to receive affirmation.

Therefore, both the one result and the other are good for the state and for the citizens. For the state, and for the citizens, and for those performing functions, because you cannot do anything with responsible functions without the support of the citizens. Everyone who would like to sit and take care of some function without the support of the citizens, I think that he would not only be without a sound mind, but also without customary human morality.

Therefore, don't worry whether I would accept any test of the will of the citizens. A test of the will of the citizens is essential for me, and not some sort of advance assumption about what they think in the name of some small number.

[Popov] How large the number is—we will see. But, this is nevertheless a new thing, which I am hearing for the first time that you are prepared for a public test of your mandate. And that is very good. However, when that will be and how that will be—that is our most pressing need. And of the majority and the minority. Perhaps Milan Nikolic knows better under what living conditions those voters now live who should indicate their trust in you or someone else.

But if the sanctions last several months, as well as these troubles in which people now find themselves, I don't know who will vote even in the most honest elections. Much more serious things threaten us, as you know. And hunger, not only war. If an agreement cannot be reached under these circumstances, not with a series of roundtables, but for this that we are proposing, I worry who will vote at all.

[Milosevic] Let's agree. As far as hunger is concerned, I do not share your conviction that hunger is threatening us. And as far as your initiatives are concerned, I suggested that you sit down and talk about this with representatives of the government. As far as the questions that you posed to me directly are concerned, I have given you a specific answer, and we are proposing to bring this meeting of ours to a close, with the wish that you come when both my time and yours are suitable for us to talk a little longer.

... and With the SPS [Socialist Party of Serbia]

[Tasic] Thank you very much. We believe that you have accepted or that you are accepting the idea of a roundtable. We will be free to prepare a concept for it in agreement with all concerned, even with the SPS.

[Milosevic] Why do you say even with the SPS?

[Tasic] I think, if you accept the conversation, that kind of previous conversation.

[Milosevic] Please, professor, who can refuse any previous conversation about whether we should talk and what we should talk about. Whether the idea of a roundtable is acceptable or not depends on the content

that will be set forth. I understood that you would set forth the content in conversation with representatives of the government.

[Tasic] That is true.

Just a Minute...

[Milosevic] Let's talk a little about who. You mentioned the SPS. Therefore, DEPOS should talk about this with the SPS, the ruling party. They are mutual partners—the party in power and the party in opposition. And as to the state, it must have the same relation with all.

[Tasic] Good, we will do everything as we have agreed and we will be free to send you a copy for you to look at. I would ask you, also, if we are already starting forward with an agreement, with talks, with some elections in prospect, that something be done as to television.

If nothing else can be done, at least that we get a channel on Serbian Television, to get Channel 2, that the Democratic Movement of Serbia get it and that it can participate, to set forth its ideas over that channel, to acquaint all of Serbia. Believe me, what is covered by Studio B, which gives us an opportunity to set forth our themes, is the area of the city of Belgrade and a little farther. But, if we are going to do battle equally for the coming elections, we must have a better position.

I thank you.

[Popov] Just a minute... the president expressed readiness to test his mandate as president of the Republic at the elections. We can cover this in earlier discussions.

[Milosevic] Gentlemen, I haven't expressed that for the first time at all.

DEPOS 'Hopeful' After Dialogue With Milosevic 92BA1189C Belgrade POLITIKA in Serbo-Croatian 1 Jul 92 p 5

[Article by Dr. Aleksandar Prlja]

[Text] The talks between the delegation of DEPOS [Democratic Movement of Serbia] and President Milosevic, together with the unofficial word that a prominent businessman from California, Dr. Milan Panic, who will most likely accept the mandate for forming the new Yugoslav government, indicate, if nothing else, that our situation is not unsolvable and that, in a way, things are beginning to unravel.

This, of course, does not mean that the concerns are eliminated, certainly not all the concerns of those who are devoted to the sacred principles of democracy and civilization. Some of the DEPOS people, who yesterday talked with President Milosevic, did not quite convince us that their way of dealing with partners will lead to the establishment of a full democracy. Even some of those who seek higher positions in our public life need to learn a lot more about such things.

But, even with a certain amount of concern over the aspirations of this smaller part of the political movement, and the political parties, to take over using a "shortcut" we can, generally speaking, for the first time be hopeful. Dialogue has finally been established, and the prospects are good for even deepening it, as well as for bringing it closer to a conclusive phase.

There is hope that this dialogue will become truly democratic and sufficiently tolerant. Of course, it is also necessary to respect the opinions of the minority. However, it is not acceptable that opinions be imposed on the majority either, regardless of its political nature. Such opinions cannot be accepted just because they are cried out loudly, and with pressure. Anyone who might forget this would be pushing us directly into the frame of a very dark picture.

Such a picture was painted yesterday by the academic Tasic, while he talked with President Milosevic, reminding us of this "Balkan, Serbian mentality" of ours. And it is precisely this mentality of ours that poses the biggest threat to our attempts to finally begin to enjoy the fruits and values of a democracy, in a way befitting such an old nation and state, with such longstanding traditions. Neither the unpleasant and unacceptable exclusivity that from time to time can be felt at the very top of our government, nor the uncontrolled tides of threat and the cries that can be heard at some gatherings, are the best ways or means for speeding up the desired unraveling process.

There are, however, some signs that the dangers have finally subsided. Alleviated is the danger, for instance, that the patient efforts of the president of Yugoslavia, Dobrica Cosic, might be stopped because of unwanted and dangerous street conflicts. It looks as if the likely mandator, Milan Panic has had some success in ensuring the support of his other country, where he has gained high respect. President Milosevic has just agreed to elections in a dialogue with a highly esteemed delegation, one in which some of the individuals do not even believe in the benefits of democratic and cultural dialogue with the political opponent.

In sight are the upcoming elections and the forming of a government led by a strong prime minister, in the role of a chancellor, with constitutional powers stronger than what anyone else enjoys. The chances are good that, to some extent, both the Security Council and the U.S. administration, who are so strongly opposed to the present Serbian Government, will change their attitudes somewhat. The Serbian side in Bosnia-Herzegovina has already showed a high degree of readiness to compromise. Its spirit of reconciliation, shown in regard to the opening of the Sarajevo airport, says enough, especially since it came at the time when the president of the collective Presidency of Bosnia-Herzegovina, Mr. Izetbegovic, announced that the war will continue until they take by force what the Serbs are peacefully handing over to the United Nations.

If, according to the top sources of the government, Mr. Panic has truly decided to accept the mandate, this would then mean that the U.S. administration has received some assuring guarantees from Mr. Panic. These guarantees certainly refer to ending the war or, at the very least, to the initiation of efforts to end it. However, such guarantees have to be conditioned based on further developments in Serbia. Only at this price, not "any" price, will we be able to accept the possibility that the blockades and sanctions, which are unjustly hitting Serbia and Montenegro, will be lifted soon. Otherwise, it would be difficult to imagine that a businessman, such as Mr. Panic, born in Belgrade, and with such feelings of devotion to his own people, would accept to run the country of his predecessors without receiving the promise that, after mutual compromises, the sanctions would be eased and rescinded.

The price for all of this certainly cannot be further dismembering of Serbia and Yugoslavia. We are convinced that all those who are trying further to break up the state fiber of Serbia, in fact, do not know what complications they expose themselves to, even independent of Milosevic's government. After all, the speech of academician Beckovic, more clearly than any other speech given at the DEPOS gathering, held on St. Vitus' Day, reflected warnings that no one under the cover of the new order and democracy can claim our territories and thus dismember Serbia. Even the recent agreement between Vienna and Rome covering the south Tyrolian province of Alto Adige, which is populated mostly by Germans, brought a final arrangement that guaranteed Italian sovereignty while assuring that the rights of the German minority will be respected. The issue of borders, and even the last word of the courts, remains in Italy. Only possible discrimination is prevented.

Then, why should it be different in Serbia? The test of the upcoming election, further democratization of everything, even the hint that there will be organized access for the public to the media under equal conditions, opens the door wide to a calmer Serbia and FRY [Federal Republic of Yugoslavia]. The appointment of Mr. Panic would bring true relief to our economy, and our relations with the United States, which are both of key importance to everyone in the modern world. The well-known group of European countries, which shiver with intolerance at the very mention of the name Serbia, would in this case become isolated. It, too, would have to adjust.

The status and rights of Serbs in Bosnia-Herzegovina must be respected. At the recent meeting of the 37 Muslim states, held in Istanbul, only Mr. Izetbegovic and Khomeinist Velajati did not bow to Ataturk's monument. As a result, Mr. Izetbegovic can not expect Bosnian Serbs to kneel down and surrender to his control. Even Ataturk's Turkey must not be Muslim enough for Mr. Izetbegovic's ideals. Everything else, one can easily imagine.

If the preconditions were assured, and that all of what the big and powerful are asking of us would remain in the domain of just respecting human rights, and not in the domain of forced territorial changes, which they themselves do not approve, then some clear perspectives would open soon.

Even in such an event, great dangers would remain in Serbia, and for Serbia, as well as for Yugoslavia. One such threat is that we are overcome by a profiteering black market, a corrupt mentality "gray economy." This is going to be hard to prevent unless the present climate is changed soon, and unless we narrow the road that such an economy now seems to be irrepressibly taking. Yugoslavia is a country in Europe. It does not need anything but peace and development, along with some loans/credits, and to be under the baton of an experienced conductor. Then it would be much easier to even respect the law. Under the present conditions of a "Wild West-style business," this is, in spite of the illusion, much less certain.

There is another threat posed by the "Balkan, Serbian mentality" of ours, and it is exactly what academician Tasic spoke about in his meeting with Mr. Milosevic. The struggle for power must not be the only, neither the major, motive of political action, especially if on the top of everything it is permeated with a transparent demagoguery. Cheap politics, various murky combinations and unreal alliances, not having programs or principles, experiencing one break-up after another, moving from one party to another, would unavoidably make Serbia a less than acceptable European state. The fact that in the near future no one will be able to speak anymore of bolshevism in the state organization, or even in the mentalities of the many political leaders on either side of the political divide, with any considerable degree of seriousness or responsibility—would not help either. The Bolshevik mentality is sometimes felt even when views, totally different from those that the late Vladimir Illic would raise his hand for, are loudly supported.

We must all stay away from that if we want Serbia and Yugoslavia, after all, to enter the democratic waters, and move into a completely modern Europe. If part of such a heritage prevails in some part of our consciousness, and if the tendency toward profiteering becomes uncontrollable and takes on dimensions that a modern economy could not accept or tolerate, then the encouraging beginning of the denouement we are witnessing could be dangerously slowed down.

This is something we should, all together, try to prevent, especially those who are in responsible positions. We hope that one of them will be our new prime minister, a man who has already confirmed his values right there, where in the last century, the famous American dream was born or, at least, a major portion of it.

Member of DEPOS Council on Roundtable Talks

92BA1184E Belgrade BORBA in Serbo-Croatian
2 Jul 92 p 13

[Article including interview with Dr. Vojislav Kostunica, member of the Council of the Democratic Movement of Serbia, by Dragan Bisenic; place and date not given: "The Key to Our Lock"]

[Text] "The St. Vitus' Day gathering achieved its main goal in the fact that the call was answered by the largest number of participants so far and in that Patriarch Pavle and then even Prince Aleksandar Karadjordjevic marked it with their blessing," says Dr. Vojislav Kostunica, member of the Council of DEPOS [Democratic Movement of Serbia].

"Mindful of the ambiguous posture of the government, DEPOS will address its demand for the holding of a roundtable discussion in the true sense of the word to the appropriate address. I say 'in the true sense of the word' advisedly," Kostunica emphasizes, "because conversation with government representatives has shown that it does not accept the decisions of the roundtable discussion as binding and that we need to clarify the thing about which we are talking in writing. The demand for the roundtable discussion has so far not been sent to the authorities. This move of DEPOS should be viewed as an effort to achieve some kind of political agreement within the framework of the parliament. In discussions within the Serbian Assembly, a considerable concession was made; it is contained in the Platform for Preventing Civil War of the deputy caucus of the DS [Democratic Party], where the roundtable discussion is not mentioned. It turned out in a discretely conducted conversation that the incumbent party is itself not ready to make any concessions at all.

"Sooner or later there will be a roundtable discussion which will be binding. The legislative body is becoming a formal legislator concerning certain subject matter, it is required to adopt a political agreement."

"For" and "Against"

"There are arguments against the roundtable discussion even within the opposition public. They come down to saying that the roundtable discussion is justified during the transition from an undemocratic to a democratic regime. At this point, when elections are being held, activity should be directed within the framework of the political parties. This would be acceptable if we had true multiparty elections and the parties had equal rights. Because none of that is true, at least in this matter we must go back a bit and put things radically and according to principle. This radicalism is not revolutionary activity, but simply the convening of a roundtable discussion.

"At this moment, we cannot be certain who will take part in the roundtable discussion. We are not certain that

even all of the ethnic minorities will accept this invitation. On the assumption that the discussion does occur, its objective will be reestablishing a democratic order in which appropriate rights will be guaranteed to minorities, both political and ethnic."

[Bisenic] What does that imply?

[Kostunica] It means that they will have a common objective—a democratic order which is facilitated by the fact that the rules that will be agreed on in the roundtable discussion (election law, law on political parties, and a law on public information) will be acceptable both to the majority and also to the political and ethnic minorities.

Cosic's Favorable Attitude

[Bisenic] There are several versions of the roundtable discussion going around. All the parties have not joined DEPOS, and that opens up the possibility of some other conception of a roundtable discussion being pursued.

[Kostunica] The conceptions will be reconciled. There is the appeal of the students, there is the version of the Civil Alliance. It is possible through mutual agreement to find a common solution. There may be resistance only from the government itself, which sees this as a discussion that is not binding, as interpreted by Slobodan Milosevic, or as a direct transfer of power, as seen by Radoman Bozovic. The roundtable discussion is neither.

DEPOS made this idea public in a discussion with Dobrica Cosic and at that time the presentation was favorably interpreted, accepted, and supported. The demand for the roundtable discussion will remain one of the main demands made to the authorities in Serbia, because I do not believe it is possible to have a peaceful transition to a democratic system and democratic elections without a roundtable discussion. This is the key which opens up our situation.

[Bisenic] It seems from the demands of DEPOS that there is no room for gradualism, but fulfillment of all demands at once is being sought. Do the demands all go together, or is there some sequence?

[Kostunica] It all goes together. The entire conception has an inner logic, and it is difficult to move outside it. One particular question raised here is that of the constitutional assembly. It was touched upon in the conversation with Dobrica Cosic, in which Cosic said that other forms for changing the Constitution are simpler. However, the constitutions of both Serbia and Yugoslavia are in the rigid category, and this has a bearing on the argument in favor of a constitutional assembly. In the conversation with Cosic, we examined both the good sides and the bad sides of this, and even he had to agree that it is very difficult to change this Constitution. The complexity of the federal constitutional system has already been demonstrated in the difficulties Dobrica Cosic faced in finding a federal prime minister. It is not a question, then, of demanding "all or nothing," but of a

realistic assessment that the constitutions are difficult to amend and that the Constitution of Serbia was adopted by a one-party assembly.

Small-Great Breakthroughs

[Bisenic] The incumbent party will certainly offer resistance to the demand that the roundtable discussion be binding. How can that contradiction be resolved?

[Kostunica] It will be resolved when even in the ranks of the incumbent party they arrive at the assessment that the roundtable discussion is inevitable. There is no other way.

[Bisenic] The opposition is often reproached for trying to bring down the government outside the system and not trying to take power from within the system. Why does this former method seem to be preferable to some people?

[Kostunica] Those two things are not mutually exclusive, but so far there has not been any success on the other side either. Yet we are living in a time which is too precious to us to have the time to eat away authority step by step. This does not mean that we favor undemocratic action, but time is forcing these radical demands upon us. This can be seen even from the consultations with the president of Yugoslavia. He is not in the situation of either the French president or the Italian president. He must operate differently, and we must also operate differently. We cannot take the view that a small breakthrough is a large one, when it really is not.

[Bisenic] There were those in the St. Vitus' Day assembly who favored the monarchy. Is not the monarchy a "pig in a poke," a concealed advocacy of DEPOS?

[Kostunica] No. There is a consensus that DEPOS is a democratic movement. Regardless of the differences that exist among the members of the council, in a priori terms it is neither in favor of a monarchy nor a republic. This was in fact demonstrated the other day in symbolic terms. There is a clear decision to the effect that the objectives of DEPOS are limited to the establishment of a democratic movement.

Vlasi Predicts Kosovo Union With Albania

92AE0465C London AL-SHARQ AL-AWSAT in Arabic
21 Jun 92 p 6

[Unattributed interview with former Kosovo President Azem Vlasi in Zagreb; date not given]

[Text] Azem Vlasi once held the job of secretary of the Communist Party in Kosovo, and his alignment with some of its popular demands was a cause for the Serbian authorities' anger at him and his arrest.

He now lives in Zagreb, where AL-SHARQ AL-AWSAT met with him and asked him about his role in the current battle into which Kosovo is plunged, as he is now the leader of a broad, nonpartisan front. He said that the

elections were the continuation of the front's efforts for the independent republic of Kosovo, and the restoration of its people's right to self-rule. He said, "After the formation of the parliament and the election of a president, we will proclaim our total secession from Serbia."

[AL-SHARQ AL-AWSAT] Do you think there is another rival to Ibrahim Rujwa?

[Vlasi] No. Now, by the peaceful means we are pursuing, there is no alternative to him, but if circumstances change, leaders might change.

[AL-SHARQ AL-AWSAT] Are the Albanians prepared to withstand the outbreak of war against them, or will they be surprised by it, as happened with the Muslims of Bosnia?

[Vlasi] We will not be surprised. Whether we will be ready or not is another question. The time for war will be set by Serbia, as it set it in Croatia and Bosnia, which got the first round of the war, then called in their power after that. This is what I expect to happen with us. The war will undoubtedly be more savage and crueler, but accepting Serbian rule would be even more painful and difficult.

[AL-SHARQ AL-AWSAT] What about the dream of returning to the mother country, Albania?

[Vlasi] We want an independent state, for all Albanians to live in a unified state. This goal is natural, very likely, and not far off. We do not want to change the borders through war, but proclaiming the republic in Kosovo is a big step towards unity with Albania.

[AL-SHARQ AL-AWSAT] What are the religious dimensions of this war?

[Vlasi] When the Serbs began their war against the other peoples, they started a huge propaganda campaign to the effect that the Serbs were the object of intense pressure from Catholics in Croatia and Muslim fundamentalists in Bosnia. Their propaganda concentrated on the Party of Democratic Action in Bosnia, saying that the party itself had announced that it sought a civil, not religious republic. The Serbian Orthodox Church joined with them in the campaign.

[AL-SHARQ AL-AWSAT] What is the most important lesson you learned from your experience in prison?

[Vlasi] You have to side with your own people and link your fate to theirs. We have a popular saying: "Shame isn't in your ruler condemning you, but in your people condemning you."

Kosovo Party President on Conflict With Serbia

92AE0465B London AL-SHARQ AL-AWSAT in Arabic
21 Jun 92 p 6

[Unattributed interview with Ibrahim Rugova, president of the Democratic Alliance; place and date not given]

[Text] Ibrahim Rugova is the president of the Writers' Union in Kosovo and president of the Democratic Alliance Party, the largest and most powerful Albanian party in Kosovo, and he has been its president-elect since last April 24.

[AL-SHARQ AL-AWSAT] What is the ultimate point of your struggle: a free Kosovo or a Greater Albania?

[Rugova] Our efforts and our struggle are congruent with the efforts of the European Community and the European Council on Security and Cooperation for a free Kosovo. But setting the time is difficult. As to the Greater Albania plan, Kosovo is Albanian territory, and no one can deny that, but now we are not thinking of one state with borders; we are emulating something like the European Community.

[AL-SHARQ AL-AWSAT] Are there any dialogues ongoing between you and the Serbian authorities?

[Rugova] There was one meeting a short time ago, and they said there was another meeting, but they have taken no steps towards that. There must be serious efforts in order for there to be fruitful dialogues, but we think talks must take place under the auspices of the European Community.

[AL-SHARQ AL-AWSAT] Do you think that your slogan, "Democracy Against Violence," is capable of saving your people from the massacres that happened in Bosnia?

[Rugova] So far we have succeeded in that, with the proof that those massacres began in Bosnia, not here.

[AL-SHARQ AL-AWSAT] What is the secret of the United States' interest in your cause?

[Rugova] They raise the slogan of human rights for all peoples of the world, and they have interests in this land, but we must not forget that when the new Yugoslavia was established in 1918, they had positions that were not in the Albanians' interest. In any case, now we are in need of everyone in the world who wants to help us.

[AL-SHARQ AL-AWSAT] What about the Arab world?

[Rugova] We have some relations, and the Islamic shaykh's office in Kosovo is arranging a visit for me to Saudi Arabia, and I hope to be able to visit other Arab countries.

[AL-SHARQ AL-AWSAT] What is the story with the Islamic fundamentalism Serbia talks about?

[Rugova] They are fighting at every level, including religious propaganda, to persuade Europe to side with them. The same thing is repeated by some in Central Asia. I think the idea is discredited, that there is religious fundamentalism in Central Asia or Europe.

[AL-SHARQ AL-AWSAT] Do you have the power to impose the results of the elections you held, in spite of Serbia?

[Rugova] Yes, and these elections will force Serbia to submit to our will. The elected parliament will meet and carry out its duties, and there is going to be a clash, no doubt about it, but we have no other choice.

[AL-SHARQ AL-AWSAT] Will the war spread across Kosovo to the Balkans?

[Rugova] That is a strong likelihood. Albania is at our side, and if war breaks out at home, Albania will not stand silently by, and of course Bulgaria and Greece will intervene.

SPO Leader on Role of Roundtable Talks

92BA1189D Belgrade POLITIKA in Serbo-Croatian
3 Jul 92 p 5

[Report by Ivana Anojcic on interview with Slobodan Rakitic, member of the working group and president of the Parliamentary Delegation of the Serbian Renewal Movement; place and date not given: "TV Broadcast of the Roundtable on the Second Channel of Serbian Television Would Be the Most Democratic Way of Showing the People Who and What Is Being Offered"]

[Text] In public there was talk of a multiparty parliamentary group that formulated conclusive actions and measures that the Serbian Government could undertake to ease the sanctions, that this group would become a permanent body of the Assembly, and that it would even become its "small roundtable." We turned to Slobodan Rakitic, a member of the working group and president of the Parliamentary Delegation of the Serbian Renewal Movement, and asked him whether this was possible.

Mr. Rakitic said that if this was seriously considered and we had known in advance that this would become a small roundtable, I am not sure whether the governing party would have accepted its composition, to which it otherwise did not pay too much attention, because it believed that there would be a declaration containing the ideas and solution of the SPS [Socialist Party of Serbia]. There were no polemics about the composition of the group because it is the Assembly that brings results. Members of the opposition withheld their votes since the proposals of SPO [Serbian Renewal Movement] and the Democratic Party [DS], together with some other documents, were not accepted even by the working group. For instance, the forming of the roundtable was not discussed at the working group. This was at the suggestion of the SPO, which was not in the platform of the DS. This issue certainly should have been discussed because all the representatives at the roundtable are the ones having won the elections for the constituent assembly, and who control them. The first time the roundtable was discussed was at an Assembly session discussing resolutions, although the working group did not have it on its agenda. The working group did not function since everything was to be solved at the roundtable by consensus and the authorities did not show any readiness for compromise.

Elections for the Constituent Assembly

Mr. Rakitic tells us that his party pictured the roundtable as a place where binding agreements would be made. The Assembly would concur with the agreements made by the roundtable, so they would be recognized as legitimate. At the roundtable, for instance, laws about elections should be discussed as well as political parties because without them it is impossible to have multiparty elections. This, in a way, was accepted in the conclusions although their formulation was not clear enough. It looks like the representatives of the government see the roundtable as a place for political chatting or the making of informal agreements. He added that the president of the government, Radovan Bozovic, said that he was against noninstitutional authority. The president of the Republic was for the roundtable, but Mr. Rakitic thinks that the president of the FRY [Federal Republic of Yugoslavia], Dobrica Cosic, understands the character of the roundtable best. Rakitic fears that the president of the Republic sees the roundtable as a place where issues of interest to the state could be discussed, while not binding the government.

Asked whether the opposition in the Assembly could "be strengthened" by a portion of the governing groups joining them in some of their demands, of which there have been some signs lately, Rakitic said this would be a good indication, but that he does not see the force of a parliamentary majority that would be able to execute such a turn. In Rakitic's words, the Assembly is partisan, it brings one-party decisions, the Constitution is deficient because it was written by a one-party assembly, and, finally, the government carries out a one-party program. This is a great obstacle to a democratic transformation; hence the demands for elections for the Constituent Assembly.

Constitutions with deficiencies, made hastily, are not changed easily, according to Mr. Rakitic. He added that the roundtable is an institution that would shorten the procedure and would transform a one-party state into a legitimate state.

Power of Television

In order to come to a decision about the roundtable, it is necessary to have both the readiness and the goodwill of the government in agreeing to the dialogue and to the compromise. The roundtable is a very important institution during the transition period, and with it no one would be damaged since all decisions are made by a consensus of its members. Unfortunately, the government is postponing the decision. It has declared its support for the roundtable, but it still has not taken action. DEPOS [Democratic Movement of Serbia] and the opposition are making efforts to have the government finally declare itself on this issue, says the president of the Parliamentary Delegation of the SPO.

Rakitic went on to say that our roundtable would be different from the Polish or Czechoslovak roundtables,

which have the government on one side and the opposition on the other side, not only because the opposition is not united but also because representatives of other institutions and national minorities would participate in its work. He thinks that the government will accept all of the proposals of the opposition, but that for some of them it might be too late.

He also said that the government opposed the elections of 1990 but then agreed to them when it had no other choice. The 9th of March had to happen so the assembly sessions could be broadcast on television. Now we are all aware that the SPS owes its victory to television. The power of propaganda was more important than the reputation and programs of both the army and the police. The rest of Serbia, because of television, has no idea as to what is happening in Belgrade, and that is why we are asking that we are all equally represented on the Second Channel [Serbian TV], and that all of the meetings of the roundtable be broadcast so that the people can view who and what is being offered. And, wouldn't this be democratic? asked Mr. Slobodan Rakitic.

Data on Formation of SPS Delegate Group

*92BA1193B Belgrade BORBA in Serbo-Croatian
25 Jun 92 p 13*

[Article including interview with Jovan Cvetkovic, deputy in the Serbian National Assembly, by S.P. Stamatovic; place and date not given: "The Leader's Uncritical Followers"]

[Text] Today, the idea which a group of 10 deputies of the SPS [Socialist Party of Serbia] (at the beginning there were 11 of them) has had for months of forming a separate deputy group within the SPS will be finalized (if all members are present). The group was supposed to be formed yesterday, but all members were not present, and their signatures are needed, and by all appearances this will be done today. (Then application will be made to the Serbian Assembly to form a deputy group in the manner regulated by its rules.)

Deputy Jovan Cvetkovic is particularly loyal to the idea of "there being some change in the SPS"; he says: "I think that by forming the deputy group within the SPS we will contribute to more rapid changes and will operate more effectively in the Assembly itself. Our group will advocate the Social Democratic option."

Cvetkovic says of the preliminaries to formation of the group that two meetings were held "at our insistence": one with a truncated Executive Committee and the second with the full Executive Committee of the SPS. By and large we met with understanding in the Executive Committee. However, there is resistance in the very top leadership of the party, primarily from Borisav Jovic and Mihailo Markovic, member of the academy, who, aside from acknowledging the fact "that mistakes have been made in personnel policy," have accepted very little contained in our proposals. We did not agree on the date for the extraordinary congress. We wanted the congress

to be as soon as possible in some reasonable period, not in the fall. We are demanding a completely new cabinet, while they are proposing a reshuffling. As far as the elections are concerned, in the Executive Committee of the SPS they agreed to the possibility of holding them, but only for Serbia, not for the entire FRY [Federal Republic of Yugoslavia], as we wanted. Here again, we were not on the same "wavelength," because we feel that some reasonable period of two or three months should be arrived at for holding elections, but not only at the end of the year.

[Stamatovic] Your group particularly insists on changes in personnel.

[Cvetkovic] That is true; we are insisting on personnel changes immediately, wherever possible, without elections. It is my opinion that we need immediate changes at the very top of the SPS. I will even say exactly the people I have in mind: Borisav Jovic, Mihailo Markovic, and Petar Skundric. I must also say that Jovic himself has tried to discredit our group in a very rough way by expressing the suspicion that these are people paid and infiltrated from outside who have the task of "shattering and scattering the SPS."

[Stamatovic] What are the reasons for your proposal that Aleksandar Bakocevic, president of the Serbian Assembly, submit his resignation?

[Cvetkovic] I proposed that, because I felt that Bakocevic had lost support of the Assembly, because only 71 members of the parliament, out of the 189 SPS deputies, voted for him as a candidate for federal deputy. I consider it his moral duty to submit his resignation and feel that that would be in the interest of the party, which at this point needs new faces, new people, and changes in the way it operates. I am also referring here to changes in the way the Assembly operates, because there should be a more tolerant democratic atmosphere in it, and I think that the present president of the Assembly is not inclined in that direction. I told him all of this personally in the meeting of the deputy group.

[Stamatovic] What are your views concerning the demand for resignation of the president of Serbia?

[Cvetkovic] I think that because of the demands for Mr. Milosevic's resignation under pressure from the international public, America and West Europe, he should not do that, but as for mistakes in domestic and foreign affairs of Serbian policy, which are obvious, let him reflect on that on his own.

[Stamatovic] One of your demands is for a complete change of the government.

[Cvetkovic] Instead of the concentration government as we first defined our proposal, we now propose a democratic unity government, because it is quite clear that nothing can be done by reshuffling, but we need a

completely new government regardless of party allegiance. The present government has not resolved anything. We have experienced hyperinflation, there has been little communication in the area of foreign policy, the government has supported what it should not have supported, and even now it is not promising any significant changes that would resolve anything very essential, especially in the area of removal of the sanctions. I also want to emphasize that because a vacillating and absolutely undefined policy and national strategy has been conducted, the Serbs in the Krajinas and Serbian B-H [Bosnia-Herzegovina] are now in a hopeless position and feel abandoned. A much more vigorous position is needed concerning the Serbs outside Serbia.

[Stamatovic] They are calling you dissidents.

[Cvetkovic] If we are dissidents because we want constructive changes in our party, then so be it. I feel that even 60 to 70 percent of the deputies of the SPS think similarly, but they have a hard time deciding to do anything specific. But I hope that the suggested changes will come and that many in the SPS caucus will join us as another group within the same party.

We must not be monolithic and such as to prevent any opinion that differs. That is why our basic reproach has been that the SPS has not changed very much compared to the style of the former League of Communists (i.e., following the leader uncritically, a very small group of people deciding everything at the level of the party, opinions not being honored even from members of the Executive Committee, much less from the rank and file, and so forth).

[Box, p 13]

Mileta Radojevic: What Bothers Me...

I want to say that I do not favor the creation of a new Social Democratic Party if that is the possible goal of some in the group, but I only favor transformation of the present SPS in that direction. The ultimate goal, in my opinion, is transformation and general changes—from personnel changes to changes in the program, which means the entire main Executive Committee should depart along with the leadership of the Serbian Assembly. Such changes can be carried out only at a congress, which, as we know, has been scheduled, and I believe that this is the first hint of those changes. I am bothered quite a bit that there is hardly any middle generation in the SPS; it is either over age 60 or around age 25. We need people in the SPS who neither come from that time two years ago, but neither do they come from that time which is long past.

[Box, p 13]

Members

The deputies of the SPS [Socialist Party of Serbia] who want to form the deputy group within the Socialist Party of Serbia are Jovan Cvetkovic, Momcilo Trajkovic, Ilija

Rosic, Rodoljub Todorovic, Dragoljub Mirkovic, Ljubisa Aksentijevic, Milan Svabic, Mileta Radojevic, Predrag Lazic, and Vojislav Djurdjevic.

[Box, p 13]

The Demands

According to Jovan Cvetkovic, the future deputy group within the SPS [Socialist Party of Serbia] is calling for an extraordinary congress of the SPS, early elections at all levels and on the territory of the entire FRY, a completely new republic government regardless of party allegiance, personnel changes at the top level of the party, and clarification of relations between the Serbian and Montenegrin leaderships.

NBJ Governor on Monetary Policy, Sanctions

92BA1184A Belgrade BORBA in Serbo-Croatian
2 Jul 92 p 3

[Article by Jasna Kesic: "Fighting Inflation With Money"]

[Text] Among the measures adopted to soften the blow of the Security Council's sanctions is the projection of monetary policy for the third quarter of this year. The principal task of monetary policy in July, August, and September will be to help to bring down the growth of prices by printing money much more stingily in Topcider. The plan, that is, is to bring the June rate of inflation, which was 102.3 percent, down to a monthly average of about 30 percent, so that in July it would be about 50 percent and in September about 20 percent. If these plans are realized, total inflation for the three summer months would be 127 percent, which is only slightly higher than what we had in June.

Most for the Economy

The monetary program for the next three months was drawn up, according to Dusan Vlatkovic, governor of the NBJ [National Bank of Yugoslavia], on the basis of the assumption that the social product will fall about 40 percent in this period because of the blockade. A net outflow of foreign exchange amounting to \$180 million is also assumed and a devalued dinar exchange at a rate of 200 dinars per \$1 (after the current reform).

"On the basis of these assumptions, the Board of Governors judged that 603 billion dinars should be issued, which would meet only the most elementary needs for money, but it would also have an anti-inflationary effect," Vlatkovic explained. "Of that amount, 403 billion would go to the economy, and the other 200 billion would be credits to the federation to replenish the federal budget. This is a constructive redistribution of primary note issue to the advantage of the economy, because now 'only' a third goes to the federal treasury, and two-thirds to the economy, while in the first half of this year primary money issued was divided 50-50."

Of the 403 billion planned for the economy, the largest share, amounting to 330 billion, will be credits to commercial banks to buy wheat from this harvest. The purchases will be made exclusively through federal and republic reserves in order to buy up all the wheat and thus ensure normal supply of the population next year. Had this decision not been made, there would have been a danger of the wheat going for other purposes. The 330 billion dinars from primary note issue will be enough to purchase about 60 percent of the wheat harvest, and the money for the other 40 percent will have to come from commercial banks under an agreement with commodity reserves and republic authorities.

More Expensive Money

Because the blockade has frustrated the usual exporting of seasonal fruit and vegetables, the decision was made to set aside 30 billion dinars from primary note issue to purchase stocks of those products as well. The remaining 40 billion will go to prepare exports, although there are none now. The support from primary note issue will go to those enterprises which will be able to export their goods immediately after the blockade is removed.

"The good side of this projection," according to Vlatkovic, "is that it will be possible to strictly monitor that the primary note issue is being spent for the intended purpose, and the bad side is that many vital sectors of the economy—energy, for example (petroleum and gas), and then pharmaceuticals production, and so on, did not get support from the central bank."

For a long time, the price of money from primary note issue was ridiculously low—the National Bank was giving it to commercial banks at an annual interest rate of 60 percent. This has now finally been changed, and the annual price of primary note issue has risen to 490 percent, or 16 percent per month. That discount rate still is not up to the market level, because inflation is much higher, but it at least comes closer to the market. And this increased cost of money should have the effect of its being used much more optimally and from that standpoint helping to reduce inflation.

The monetary projection for the third quarter of this year has been accepted by the governments of Serbia and Montenegro, the federal government, and the national bank of the republics and provinces. In Vlatkovic's judgment, this is very important, because only they can guarantee that the agreed monetary policy will in fact be carried out. Up to now, that is, everyone has been illegally issuing as much money as he deemed to be necessary, and this has been one of the biggest generators of inflation. Perhaps now it will be different.

Issue of Whereabouts of FRY Dinars Discussed

92BA1193A Belgrade VREME in Serbo-Croatian
29 Jun 92 pp VI-VII

[Article by A. Milutinovic: "Where Are the Dinars?"]

[Text] In countries with a market economy, there is no greater shame for commercial banking than when they have to tell their savings depositors that they do not have the money that had been entrusted to the banks for safekeeping. With us, this has become a regular thing, and numerous people who had several hundred thousand dinars in accounts have for months now been able to withdraw their dinar savings only "with a teaspoon," while they said good-bye to their marks, dollars, francs, or schillings long ago. The commercial banks almost regularly blame their actions on the National Bank of Yugoslavia [NBJ], which supposedly is not furnishing sufficient quantities of cash for cash payments. Is that really so, or is something else involved?

According to the figures of the central bank, there are more than 300 billion dinars of cash in circulation at the moment on the territory of the Federal Republic of Yugoslavia [FRY], which is much more than optimal needs for cash payments. At the same time, the vaults of branches of the SDK [Social Accounting Service] have as a rule been almost empty. The logical conclusion is that the dinars are in the commercial banks. Because they also say that they do not have them, it is clear that the bankers have set them aside for certain other transactions, above all to purchase foreign exchange from street dealers. It is no longer news to anyone that the official socially owned banks, which have formally been transformed into joint-stock companies, even have their own dealers on the black-currency exchanges. With sacks of dinars that individuals have deposited in the banks, they are purchasing convertible currencies. That is the main reason why the banks cannot pay out savings to their savings depositors.

Who Needs the Black Market?

If that is the case, and by all appearances it is, as is being confirmed more and more frequently even by the words of the competent people in the NBJ stated in public without any reactions whatsoever from the bankers, the question arises of why the banks did not simply legalize all those and similar "covert" operations and move the entire business to the windows of their branches? One of the answers is that in that case people would know at what rate marks, dollars, or pounds were purchased, and that would prevent the banker-dealers from making money on the price differences. After all, who at this point can monitor the exchange rate at which currencies are purchased when parity differs between Francuska Ulica and Zeleni Venac, not to mention remote cities.

To recall, it was the intention of the NBJ that the exchange rate of the dinar would be formed freely as a function of supply and demand on the unified Yugoslav foreign exchange market. And that as of 1 June. That day, not a single mark was offered for sale at the interbank meeting. Still stranger, there was no demand for foreign currency either. At first, it seemed that the main reason for this behavior was Resolution 757 of the Security Council, which introduced new blockades toward FR [Federal Republic] Yugoslavia. In total isolation, when it is not possible to make any foreign collection or payment, and Yugoslav property that happened to be abroad was seized until further notice, it appeared logical that no one needed foreign exchange in that situation. Even on the black market a drop in the value of convertible bank notes was recorded, but all of that lasted a very short time. Even by mid-June the mark had risen above 1,100 dinars, and in recent days smugglers have even paid more than 1,300 dinars for it. It is mainly only the banks that have money for such a purchase, but their behavior is meeting with the tacit support of republic authorities, because federal authorities have not even been set up yet.

Where Are the Dinars?

A passing glance at the geographic distribution of the cash in circulation suggests certain conclusions. That is, the largest amount of cash is in Serbia proper, amounting to about 200 billion dinars, about 50 billion in Vojvodina, 40 billion in Montenegro, and only 6 billion dinars in Kosovo. Still more interesting is that the banks from the southern province are not even showing a desire for cash. That fact in itself indicates the conclusion that dinars are reaching Kosovo through other channels, mainly from the buying and selling of foreign exchange in other parts of Yugoslavia.

As far as the money is concerned, we should soon expect the new dinar notes to be issued, and this will most probably occur by 1 July. Simultaneously with their inclusion in payment transactions, a currency reform will also be carried out. This time, by contrast with 1965 and 1989, when two and four zeros, respectively, were erased from the bank notes of that time, the currency reform, so we have learned, will be carried out in a specific way. There will be no removal of zeros, but rather there will continue to be paper bank notes of 10, 50, 100, 500, 1,000 and 5,000 dinars, but soon they will most probably be worth tenfold or perhaps 100-fold more. That is, instead of being removed from the bank notes, the zeros will be removed from prices and paychecks. Thus, most citizens of FR Yugoslavia will receive only a few bank notes in their next pay envelope, and most will not receive even two 5,000-dinar notes or 500-dinar notes, depending on whether one zero or two are removed.

The Zeros Remain

This is at the same time the only occasion when something in this country will become less expensive. Most of

the "credit" for this certainly goes to Serbian Prime Minister Dr. Radoman Bozovic, who said for all of two months on the eve of the May election that the anti-inflation program was ready even then, and then as soon as the polling places were closed, he said it was not possible to have a showdown with prices at this point. This suggests the conclusion that there was no anti-inflation program in the first place, but that this was only a campaign trick: a pretty lie for those who decided to go out and vote.

Because even now inflation is running at 4 percent per day, removing zeros from the present bank notes would make it necessary to print an immense amount of worthless paper money, and that is why removing the zeros from the prices seemed a much more acceptable solution to the central bank. In any case, the value of the money that is still valid can be seen from the following example. At the present time, one sheet of toilet paper is worth more than a 10-dinar note!

Nevertheless, an example from Nis, where tobaccoists have begun to sell cigarettes to the public one by one, is the best indication of where the policy the Prime Minister Bozovic is conducting in the economic area is taking us. This is the best proof that Serbia is slowly but surely approaching the bottom, unless it is a case of the government intending to take upon itself the answer to the question: "Smoking or good health—it is up to you to decide."

Serbian Krajinas To Use Yugoslav Currency

92BA1184B Belgrade BORBA in Serbo-Croatian
2 Jul 92 p 3

[Article by B. Gulan: "New Dinar Sought"]

[Text] It still has not been established what money will be used by the Serbian Krajinas in Croatia and Bosnia-Herzegovina.

"We will be using Yugoslav [YU] dinars. How long that will last we do not know, but they will not be withdrawn from our territory—Slavonia, Baranja, and Western Srem—anytime soon," BORBA was told yesterday by Paja Nedic, minister for foreign economic relations of Slavonia, Baranja, and Western Srem.

"It is not possible to change over to something completely new all at once, especially in these areas, when many problems still have not been resolved. Yesterday, we sent our delegation to Belgrade to reach an agreement. As for our position, the proposal is that the YU dinar continue to be used on this territory in the future. After all, the Serbs are the majority nationality here, and it is natural for it to stay as it has been up to now. We do not know what will happen with the other parts of the Krajina or what proposals they have," we were told by Paja Nedic.

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