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East Europe

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Background, Personality of Ecoglasnost Leader

93BA0122A Sofia 168 CHASA in Bulgarian 20 Oct 92 p 16

[Article by Gergo Manchovski: "The Story of the Starving Spider; Edvin Sugarev, One of the Few Sincere Dissidents From Zhivkov's Time, Says He Lives in the Forgotten Howl of Wolves"]

[Text] His behavior at rallies, party forums, and at the front bench in parliament obviously distinguishes him from those around him. He looks entirely too serious and is frequently somehow dejected; his movements are lethargic, he cannot concentrate; he seems to be looking inwards. There are no belligerent screams coming from him, his hand movements are limited, he speaks quite rarely, obviously preferring to write. He is usually wrapped in his own experiences, where unpleasant self-criticism and pessimistic analysis of the events and people around him predominate. He is a loner.

"I live in the forgotten howl of wolves To whom should the lone wolf turn The gun or the loneliness"

Like his other poems, this one lacks punctuation. The emotional filling of the phrase, its beginning and end, are addressed to the extremely limited circle of like souls. The world of his poetry is filled with vicious glaciers, cold white light; the universe is a step-mother [in Bulgarian folklore the step-mother is invariably a negative figure; a great misfortune], the trees are stripped by autumn, and their blackness cuts into the sky as if charred. There are birds as well, but they either sprout from the ground or are firmly rooted into it, or else have simply gone berserk. Pessimism alternates with melancholy. Even though it is summer, the soul constantly dreams of winter. Frequently there are thoughts of a dying scream and of freezing. His memory is an antique store.

The inner conflict and unhappiness very rarely manifest themselves as behavioral reactions. The constant preoccupation with his inner self and the weak nervous system are in the way. This in turn reinforces his internal dichotomy and increases the external unhappiness. Only the imagination provides the unfulfilled impulses with ample space.

The acute intimate emotions predetermine the compensatory manifestations of touchiness and arrogant aloofness in his behavior. They, however, only seem as such, having appeared as a result of establishing and maintaining contacts with those around him and not as a result of increased self-esteem. Actually, negative elements of self-awareness predominate deep within him. He does not like himself!

"A stupid mug stares at me from the mirror with eyes that do not blink and scales that sparkle"

On the outside, only a specialist could detect this self-evaluation. Otherwise only a handful of people have dared touch his samizdat poetry collection containing similar revelations. In his usual environment we find an

indifferent, apathetic person disinterested in the events around him who does not lose his balance easily. This is how Edvin Sugarev looked until three years ago: entrenched in his intimate experiences, looking from above on the petty daily life; a vividly manifested individualist. No one knew that there was "something dark within him awaiting to be born," that "the senses are stripped and leave the exhausted body and walk in the fog." No one guessed his desire "to be a tree that has sprouted from an undigested seed left in the throat of a killed bird," for the need to "tighten these screws that hold you together, but which the rust is decomposing." Few could understand his significant internal disharmony, the conflict between his internal experiences and the willful goals dictated by life, the excessive sensitivity and the tendency toward impulsive behavior accompanied by torturous emotions and destructive pessimism.

He is one of the few sincere dissidents during Zhivkov's time who wholeheartedly were against the egalitarian ideology and practice that limited freedom and ignored individual distinctions. There is no doubt of it, even though he was never investigated or imprisoned.

The reason he did not protest energetically and loudly is not that his values were unclear and not that his convictions weren't strong, but because of his poor health and the limited tools available to a poet. The "unlocking factor," which would overcome his pessimism, did not appear in him yet because it would not be able to withstand the weight of his duties. This factor appeared at the first rallies of the so-called informals after 10 November 1989.

It seems it was about that time the image of a small insect surfaced in his conscience.

"The spider is starving and the wind brings the smell of rotten autumn leaves"

This psychological type is quite rarely noticed in everyday life, but is preferred in literature: Shakespeare's Duncan, Lady Macbeth, and Hamlet, Dostoevsky's Ivan Karamazov, and Razkolnikov. These characters are as if they "live not in their own environment," are always burdened with unfulfilled amoral or highly moral (our subject) tendencies, always seeking an adequate environment.

Thanks to their self-control and ability to make their behavior objective, their internal drama remains hidden from outsiders for a long time. It is interesting to note that both giants of the pen have coded in the characters' names the presence of some legacy. Agatha Christie's character with the boring last name of Cust, has Alexander-Bonaparte as his first name. This phenomenon is seen in the East: Svobodka, Ofelia. Or Edward, Edelweiss, Edvin.

Some external influence overcomes the self-control, and thoughts of super-values give rise to active behavior. Hamlet takes out his sword, Razkolnikov takes out his

axe. To split, to transgress, to prove it is not external. To start afterwards great undertakings for the benefit of the people.

In our case too, the goals are significant for society. Freedom, democracy, a clean environment for Bulgarians. Sugarev's sincerity in supporting them is great and all-encompassing. The fanaticism with which he goes after them is unusual, however; so is his relentlessness for the doubts regarding the recipes of the few "enlightened," and his painful suspicion regarding the words and actions of those around him. The little starving spider starts to spin in his mind the first elements of his web to catch fact flies; to catch evidence flies about intrigues and plots against the supervaluable blue-colored idea.

"A fierce white light explodes in the brain and splashes tensely in the throat and between the black naked gums the white insanity and ink-black fear split"

The compositions start with "An attempt to analyze the political situation" (LITERARY GAZETTE, No. 14, 1992). He has made the statements stated there more than once before, but here they are clearly systematized and declared with resolute determination. There is no doubt at all that Dr. Dertliev has destroyed the BSDP [Bulgarian Socialist Democratic Party], and that the DS [State Security] structures have not been dismantled, that the communist nomenclature is conspiring with companies with foreign participation, and so on. His attitude toward sociological studies is indicative; he recognizes only those of Professor Venedikov (they coincide with his paranoid constructions); he feels hostile toward others.

But the spider is going hungry; professional forecasting centers, phantom organizations, blackmailers fall in his newly spun webs. Private business and all kinds of unions for economic initiative or business blocks gradually become subject to his negative fixation.

Later the time comes for union leaders who are informants, union leaders who are speculators, union leaders who are racketeers. Voices are heard already about mistrust for the new flies, but so what, if they do not believe, then new webs must be spun and new facts must be found. Everyone is under suspicion already.

"We live in a pack Mutuality made legal makes us sniff out our neighbor's hide"

The spider uncovers the "Plot of the Lilliputians" ("D" 28 July 1992). Hatred gives rise to the anonymity of those who mistrust the government; they are either traitors or are working undercover.

A kindred soul hints that eight leading newspapers might be tabloids and yellow. This is organically included in the "Compositions." More webs are needed.

"The thought meanders along the dark curves following its spiral path But the peak is the goal and not the meaning and the circles slowly get smaller And perhaps we'll never know what awaits us at the last point"

And from the dark curves Tambuev, P. Danov, Ludzhev, and Michkovski, V. Mollov, and I. Pavlov are pushed toward the web. It is now the turn for Dogan and Zh. Zhelev....

The newspapers' scribblers are writing about and saying similar things, but that is different. For them it is a question of mentality and subsistence, while for him it is an unshakable conviction and mission. They aim to wound and look forward to the effect with pleasure; he wants to explain and suffers from the spider's "catch." They interpret and reason statements made by others; Sugarev's analysis is his own.

While his influence in DEMOKRATIYA is intact, the newspaper will retain its character (though not its circulation) regardless of who the chief editor is. And SDS's [Union of Democratic Forces'] problems will increase in proportion to the effect of the systematized "supervalues" on his story-telling colleagues in the party leadership.

His fate will probably resemble that of the Dostoyevski's characters I mentioned above. The exile will probably resemble a clinic or an asylum.

Rakovski Legion Official on Military Reform

93BA0237A Sofia 168 CHASA in Bulgarian 3 Nov 92 p 21

[Interview with Major Asen Furchilkov by Yuri Stefanov; place and date not given: "The Politicians Think About the Legion When They Fall From Power"]

[Text] Major Asen Furchilkov, candidate in military sciences and vice president of the Rakovski Legion, is convinced that it is not possible to have a combat-ready army without solving the social problems of the officers' corps.

[Stefanov] For three years now the Rakovski Legion has been marching between "Hosannah" and "crucified." Who stands beneath its banner today?

[Furchilkov] According to the amount of the membership dues paid in Evromil, we number between 5,000 and 5,500 members. Approximately 1,000 are officers from the Ministry of Internal Affairs. At the beginning we considered ourselves to be an organization for junior commanders, but today our membership includes three generals, and already approximately 30 percent of the senior officers. Our sympathizers are many times more.

[Stefanov] How far has the reform in the army gone?

[Furchilkov] At a recent briefing, Deputy Minister Daskalov made a real mistake. He declared that the reform is already in diapers. In our opinion, however, at the present time, attempts at reform have yet to be conceived.

[Stefanov] Don't the textbooks say that military reform cannot begin without a military doctrine?

[Furchilkov] Military reform takes place in the following stages: a doctrine for national security—a military doctrine—a defense law—regulations—handbooks—a method for evaluating the officers and military personnel. The financial and material-technical support of the army have to be added to these stages. Military reform then can hardly have started.

How the state intends to defend its national interests must appear in the national security doctrine. The national interests are basic problems of the state, concerning which there is a consensus in the society. In our country at the present time there is no such political consensus.

[Stefanov] There is no reform, there is no doctrine, but, on the other hand, there is the "Staliyski" bill.

[Furchilkov] This law has countless defects and the officers will not accept it. With Order 332 of the Staliyski bill (an attempt at a "red file" of 1,500 officers, falsely accused of a "worker's factory education") an undeserving position is taken: We will expel the colonels and generals, and you who have studied for four to five years will replace them. On the other hand, some generals are tempted by the position of Chief of the General Staff General Petrov. The goal is to show that the officers are not united in opposing the bill.

[Stefanov] It has been asserted that the "Staliyski" bill is lavishly tarnished with symptoms of blue politization of the army.

[Furchilkov] If the bill is accepted by the parliament in this form it will become a mechanism for repolitization of the army. The bill directly empowers the minister with the leadership of the staff policy. Discharges, appointments—everything will be done with his signature. It provides for the civilian minister to directly lead the inspectorate of the army and the military police, which, in practice is converted into a new internal counterintelligence service. The other 25 (!) legal powers of the minister also smell of narcissism, including the right to approve regulations, orders, and instructions, and to grant the rank of first officer.

In return for this the head of the general staff has the right "to assist the minister of defense" and, in practice, plays the role of a professional consultant.

The legion will never reconcile itself to the situation that this bill does not provide a right to create professional associations. With an ostrich-like "perspicacity" the authorities do not see that any following government would have the same enormous rights....

[Stefanov] How do you look at the individual advisers of the ministers?

[Furchilkov] In Western countries the civilian advisers finish half-year specialized courses in the military academies, but here they give advice straight off the bat.

[Stefanov] Is a military-civilian conflict in the Armed Forces emerging?

[Furchilkov] At the beginning the generals from the ministry bowed to every civilian they met in the corridors because they did not know who they were. A "political" general even washed Asya Gruncharov's carpet, and up to now this has saved him. Until May the General Staff did not have a position and meekly made calculations for how to cut 2,000-3,000 officers. Only then did Gen. Petrov's conscience begin to stir somewhat and he declared that he would not discharge officers without a law.

The paradox is that since no law for the military forces has been passed, the Law of 1958 remains in effect. It says nothing about civilian ministers and advisers.

On the other hand, the presence of the staff civilians should ozonize the stagnant Dzhurov atmosphere in the Ministry of Defense.

[Stefanov] The civilian ministers somewhat surprise you?

[Furchilkov] For the first time in our history the defense minister was praised because he reduced the military budget. Now, at the end of the year, problems with feeding the troops and paying and supporting the army are appearing.

[Stefanov] There is a war being conducted on our western borders, but has our army overcome the supply problems?

[Furchilkov] Russian pilots are flying in Serbia. First-class ones. They are being paid \$5000 at an exchange rate of 1:300 dollars per ruble. For money like that they would bomb their home town. The officers' ranks of the Greek and Turkish armies are 100-percent filled. With respect to the number of weapons and personnel our army is superior probably only to the Albanian Army. This disbalance will be increased by 1 January 1995, when the agreement for limiting the conventional Armed Forces will go into effect.

At this moment Staliyski's advisers are prodding the Army with some kind of decommunization, playing with fire.

[Stefanov] How does the legion comment on the Staliyski's bon mot that it is better to have a bad law than no law?

[Furchilkov] The patchwork will begin immediately after the passage of the law. According to this logic every minister will come out with his own law....

[Stefanov] Does the Bulgarian Army have a chance to get itself out of the swamp?

[Furchilkov] Our only way out is to find quality factors—intelligent people, plus rearming, and the allocation of significant financial and material resources.

[Stefanov] When do the politicians look for the "Rakovski" Legion?

[Furchilkov] When they fall from power. This happened with Mutafchiev and Ludzhev. For five months Staliyski has not found time for us. Soon it will be too late.

POLAND

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Defense Delegation Visit to U.S. Described

93EP0093A Warsaw RZECZPOSPOLITA in Polish
19 Nov 92 p 2

[Article by K.Gr. and M.W.: "Jerzy Milewski: The Americans Did Not Want Parys"]

[Text] The chief of the National Security Bureau, Jerzy Milewski, declared after his return from the United States with Minister of Defense Janusz Onyszkiewicz that their visit could not have been paid earlier.

The U.S. invitation to the minister of defense had at first been extended at a time when the head of government was Jan Krzysztof Bielecki, and the then Minister of defense Kolodziejczyk had been unable to act on it. The invitation could not take effect because Kolodziejczyk was replaced by Jan Parys, who was not a person Washington would like to have seen, according to Jerzy Milewski. The timetable for the visit was agreed upon only after the formation of the Cabinet of Hanna Suchocka. In the opinion of the chief of the National Security Bureau, representatives of the Bush administration had not expected the President to lose the November election and they therefore set the date of the visit for November.

Comments by the President-Elect and persons linked to the Democratic Party with whom the Polish delegation had talked do not indicate any intention to change U.S. policy in a direction unfavorable to Poland. "We believe that the practical actions of the next administration will agree with the letter and spirit of the policy of the departing administration," Jerzy Milewski emphasized. "The climate for cooperation with the United States is here," he summed up.

"After Hungary, Poland is the second Central-East European country to implement a program for broad military cooperation with the United States," Przemyslaw Grudzinski, deputy minister of national defense and another member of the delegation, emphasized at a separate press conference. Both Milewski and Grudzinski stressed the importance of the establishment of a permanent U.S. military mission in Poland, envisaged within the framework of a joint group for military contacts (headed by Grudzinski and Louis Libby, under secretary of state at the U.S. Department of Defense) to our bilateral cooperation. The group is to consist of 10 to 12 officers from each side. It will meet for the first time in Warsaw on 9 and 10 December. The Polish side desires a greater number of Polish officers to be trained in the United States, closer contacts among commanders at various levels, and, in the future, acquisitions of military equipment and weaponry. The Polish side offers the use of proving grounds to forces of the United Nations [as published] and friendly countries. Poland attaches importance to the presence of U.S. troops in Europe, and to their having real combat strength. Should they be reduced, this should be offset by greater political activism on the part of the United States, in Poland's view.

In the opinion of Deputy Minister Grudzinski, the change of administration in Washington will not lead to an isolationist U.S. policy toward Central Europe. On the other hand, some change in emphasis can be expected, for example, as regards policy on Yugoslavia, or greater interest of the United States in cooperating with Ukraine without neglecting Russia. Concerning Zbigniew Brzezinski's declaration that, while Poland is not formally a member of NATO, it has guarantees of security from that organization, the deputy minister said that he cannot comment on undocumented information. He added, however, that, in the event Poland is in trouble, the United States and NATO would certainly not remain indifferent. Jerzy Milewski, on the other hand, declared, "I believe the United States supports our future membership in NATO."

Brzezinski on Western Aid, Polish Role in Europe

93EP0106A Warsaw WPROST in Polish
No 48, 29 Nov 92 pp 13-14

[Interview with Prof. Zbigniew Brzezinski by Krzysztof Golata, Marek Krol, and Boguslaw Mazur; place and date not given: "A New Deal," under the rubric "WPROST Interviews"]

[Excerpt] [WPROST] Your goal as a U.S. politician is close to being achieved: Russia is ceasing to be an imperial superpower.

[Brzezinski] I would put it more firmly than you: This goal has already been achieved. What matters now is whether this situation can be sustained or Russia resumes its role as an imperial superpower. If that country returns to the superpower road, Russians will forfeit their chance to become a normal people.

[WPROST] Do you agree with Jerzy Giedroyc who contends that Poland lacks any concept of an Eastern policy?

[Brzezinski] No. Poland consistently aspires to normalize relations with Ukraine and Belarus, but also at the same time with Russia, which makes sense.

[WPROST] Do not you think that the U.S. administration prefers Ukraine at the expense of Russia?

[Brzezinski] During President Bush's term of office there has existed a tendency to overestimate the importance of Russia and underestimate the independent non-Russian states of the former USSR. I believe that the new administration will pursue a more balanced policy toward Russia and Ukraine, which besides coincides with the interests of Poland and Germany. What matters most is that Ukraine preserve its own statehood and normal relations between it and Russia be established. Only then Russia will cease to be an empire and the concept of the Russian state will get redefined in the mentality of Russians. The fall of Ukraine would mean Moscow's return to superpowerhood.

[WPROST] What role could Poland play in that process?

[Brzezinski] I do not preclude the possibility of the formation of a new "pentagonal" associating Poland, Ukraine, the Czech Republic, Slovakia, and Hungary. This might accelerate the process of overcoming the isolation in which Ukraine now exists vis-a-vis West Europe. However, Poland's cooperation with Ukraine should not be at the expense of relations with Russia. Poland should not get involved in any eventual Russian-Ukrainian conflict.

[WPROST] Only a stable Poland can play a stabilizing role in Europe. Prof. [Jeffrey] Sachs claims that to this end a new Marshall Plan is needed, yet recently Adam Michnik accused the West of providing mainly only verbal assistance to Central Europe.

[Brzezinski] I do not think that a new Marshall Plan would resolve the problems of this segment of Europe. In those times the Americans had been concerned for rebuilding the already existing free market structures, whereas in Central Europe a free market has to be built from the ground up. Just consider the problems in translating into reality the free trade agreement among Poland, Hungary, and Czechoslovakia. The state sector is not amenable to integration, and the political elites are not ready for mutual cooperation. Michnik greatly oversimplified the matter: The West has already earmarked substantial funds for restructuring the economic systems of the postcommunist countries. To be sure, not all these funds have been utilized yet. Anyhow, it is not the West's moral duty to rebuild this part of the world. The rebuilding has to be accomplished with the own efforts of these countries, which the West can at most only assist. South Korea was not rebuilt owing to any "manna from heaven" flowing from the United States. Taiwan, which is nowadays one of the world's richest countries, was not rebuilt owing to some Marshall Plan. It is high time for people in the postcommunist countries to stop thinking solely of the aid to flow in from the West.

[WPROST] Does this apply to Poles?

[Brzezinski] Poland is beginning to enter the Western world. Suffice it to look at the streets of Poznan, to meet with private businessmen, and to tour several companies, e.g., the one of Senator Kruk, in order to perceive what fundamental changes have taken place. I am beginning to feel irritated when I hear of the Marshall Plan and insufficient aid. This is a typical example of communist thinking, justifying indolence and absence of personal responsibility.

[WPROST] There still are too few enterprising individuals for utilizing Western aid; a majority of the public is still too passive. This is Poland's fundamental problem.

[Brzezinski] I am totally in accord with this. The West will not come here lugging a huge suitcase full of money and distribute it. Where are those billions of dollars loaned to Gierek? This also applies to Russia at present: Nearly \$70 billion that has literally disappeared. All that

money was wasted or stolen. Therefore, the government should create a good climate for enterprising individuals and gradually withdraw from managing the economy. Only then will the West begin to invest, as only then it will consider it profitable.

[WPROST] At present Western capital prefers to invest in Hungary or Czechoslovakia, where such considerable pressures of populist politicians on the government do not exist.

[Brzezinski] It is not only populism that hampers Poland but also the jurisdictional chaos and the resistance from the bureaucracy. Recently, however, the West's view on these three countries has been changing. For while previously the dominant belief was that Hungary and Czechoslovakia definitely forged ahead of Poland, now I encounter increasingly often the view that in the long run it is exactly Poland that offers greater prospects for advantageous investment. Perhaps Poland will succeed in exploiting the new prospects for forging ahead. A year ago I had proposed applying jointly with Germany for the 2000 Olympics. Owing to historical associations with the Olympics of 1936, Germany would have a greater chance of succeeding in its efforts if some of the contests were to be held in Poland. The Germans liked this, and recently the chairman of the German Olympic Committee called it a splendid idea which will be discussed with the Polish Olympic Committee. Unfortunately, there was no response from the Polish side. Yet that would be an excellent chance for implementing multi-million investments, e.g., in the infrastructure of transportation and tourism. But the Germans are not going to beg on their knees the Poles to jointly organize the Olympic Games.

[WPROST] Investment also requires political stability, which the present system of governance does not guarantee.

[Brzezinski] Poland needs a modern constitution and a new electoral law. The present electoral law encourages the tendencies to contentiousness rooted in Polish political culture. As for the division of powers ensuing from the present constitution, which in reality is a set of governing rules imposed during the Stalinist era, it is an inherently conflicting division. The Little Constitution is a progress of sorts, but it will not substitute for a wise electoral law and a modern constitution. Otherwise it is hard to resist the impression that the Third Polish Republic is a continuation of the People's Republic of Poland.

[WPROST] You support direct, popular vote, do you not?

[Brzezinski] Yes. Proportional vote ensues from an idiotic, mathematical approach to democracy, based on the belief that the parliament should be a mirror reflection of all social divisions. Electoral law should externalize only the tendencies which provide the condition for consistency of action of the government. An electoral law which promotes the formation of a stable majority

promotes democracy as well. In contrast, proportional vote renders democratic governance impossible.

[WPROST] To public opinion constitutional problems are not major factors.

[Brzezinski] I quite agree with you that to the mentality of the Polish public understanding the role of the constitution is very cursory. That is why I had at one time proposed to Walesa and Jaruzelski that the new constitution be adopted on the 200th anniversary of the Constitution of 3 May. That would also have been a perfect occasion for convening in Warsaw a congress of the presidents of democratic countries. That would serve, on the one hand, to remind the world of Poland's contribution to the development of democratic traditions and, on the other, to deepen the importance of the constitution in Polish mentality.

[WPROST] Might not it be that the failure to utilize the chance to promote Poland on the occasion of the anniversary of the Constitution of 3 May demonstrates the passivity and myopia of the Polish political elite?

[Brzezinski] Of course. I proposed that the anniversary festivities be turned into promoting Poland's name throughout the world in view of the worldwide publicity gained by the French when they celebrated the anniversary of the French Revolution. But this opportunity was forfeited. [passage omitted]

Constitutional Commission Begins Its Work

93EP0093B Warsaw *RZECZPOSPOLITA* in Polish
19 Nov 92 p 2

[Article by Jerzy Pilczynski: "A Start for the New Constitution: Inaugural Meeting of the Constitutional Committee of the National Assembly"]

[Text] In the presence of President Lech Walesa, the Constitutional Committee of the National Assembly held its inaugural meeting on 18 November. On opening its deliberations the chairman, Senator Walerian Piotrowski, said that the signing of the Small Constitution by the president augurs well for the committee's work. Now it can proceed in the absence of the pressures ensuing from the current political situation.

President Walesa told the Assembly members, "On you will depend the operating mode of the state in the future and the scope of the rights and responsibilities of the citizens. Rise therefore above all divisions so as to adopt a constitution fitting the 21st century, and one that would gain broad social acceptance." He further declared that in order to eliminate any suspicion that the new constitution is being framed with a thought to some particular individuals, he intended to resign his office once it takes effect. He also noted that he will help frame the new constitution and, insofar as possible, attend the committee's meetings.

Procedural problems of the work on the new constitution were presented by Docent Zbigniew Witkowski of the Mikolaj Copernicus University. Although the principal aspects of the related procedures have been defined in last April's Law on the Procedure for Drafting and Passing the Constitution, the committee will, during the initial stage of its work, have to work out the procedural details more precisely. Here historical experience and the experience of other countries can be of assistance.

The discussion favored an immediate commencement of work on the committee's own draft of the constitution, on utilizing the related experience of the parliament so far, without waiting for the elapse of the six-month time limit for the submission of other such drafts to the committee.

The first step to be taken by the committee is the adoption of its own house rules. The members received copies of proposed basic rules, but discussion of this topic did not take place. President Walesa proposed that, for the sake of efficient work, the rules be presented by the chairman and have the committee comment on them. This motion was supported and amended by Deputy Jozef Oleksy (SLD) [Alliance of the Democratic Left], who proposed forming a subcommittee of deputies for this purpose. The deputies elected to that subcommittee were: (Chair) Jerzy Ciemniewski (UD) [Democratic Union], Jerzy Jaskiernia (SLD), Aleksander Bentkowski (PSL) [Polish Peasant Party], Marek Michalik (KPN) [Confederation for an Independent Poland], and Senator Leszek Piotrowski (PC) [Center Accord]. The subcommittee is to present a draft of house rules within three weeks.

One topic of the discussion concerned the charter of the rights of man presented by the president. Leszek Moczulski (KPN) moved that it be considered by the committee, but most other discussants, including the president, too, opposed this. Deputy Teresa Liszcz (PC) proposed that this be considered by a special committee whose members would be the deputies [but not the senators] belonging to the Constitutional Committee of the National Assembly.

After the meeting the president answered the reporters' questions. He reaffirmed his readiness to resign once the constitution is passed. When asked whether elections should be declared then, he said that this may coincide with the end of his term of office. The president did not preclude presenting his own draft of the constitution, but he would prefer to use some already prepared draft upon incorporating his own suggestions in it. When asked whether he would be a candidate for the next presidential term of office, he parried that he already worked hard enough and was not willing to answer this question at the time. This does not mean that he is tired and ready to quit the struggle. When asked about his preferred model of presidency, he spoke out in favor of the French system, but he did not exclude the possibility that should the political situation stabilize in the future, the German system might be appropriate.

Commentary on Walesa's Charter of Rights
93EP0088A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 48, 29 Nov 92 p 4

[Article by Jerzy Slawomir Mac: "Strange-Sounding Charter"]

[Text] When something troubles you it is better not to think about it and occupy yourself with something else. That is why we would rather forget the troublesome truth that we are still bound by a constitution written in 1952 and edited by Stalin. Many small revisions have brought it slightly closer to today's standards, but they did not change the spirit of this act or its shameful date. Passed a month ago, the Small Constitution, which has not yet gone into effect, regulates the mutual relations between the particular segments of authority. However, the relationship between this authority and the citizen is still regulated by the basic law written 40 years ago. The rights of the citizen in this law are closely connected with his duties to the state and depends, as it were, on their fulfillment. It is pointless to look in the 1952 constitution for such rights and freedoms as belong to an individual from the fact alone that he is a human being. All of these rights are granted, and as such, they can, deducing logically, be withdrawn.

Looking at it from that standpoint, the first sentence added to the constitution three years ago, which reads that *the Republic of Poland is a democratic legal state* is pure wishful thinking, because the rights defined in this constitution are not unfringeable and a citizen cannot fully defend them. For example, he does not have the right to appeal laws or other acts to the Constitutional Tribunal. Nor does a citizen have a direct influence on which rights are decided. He cannot resort to a legislative initiative nor does he have a right to codecide whether a referendum should be conducted. The authorities, which always and everywhere yield to the sinful tendency of treating all citizens as if they were not equal under the law, and many other degeneracies, have reserved this prerogative for themselves.

Sometimes it is difficult to resist the impression that the old constitution may suit the new authorities because it does not tie their hands too much in their dealings with the nation.

If something constrains them, it is only the other segments of these authorities. In any case it is characteristic that the first parliament of the free Republic, in tackling the respectable job of rebuilding the legal foundation of the state, i.e., the constitution, began by decreeing the rights of the authorities and not the citizen.

While the Sejm and the Senate in their work on the Small Constitution were occupied with determining how much authority to wrest from the president, the government, the self managements, and themselves mutually, a group of idealists from the Helsinki Committee and lawyers from the President's Chancellory (Prof. Ewa Letowska,

Marek Nowicki, Prof. Lech Falandydz, Wiktor Osiatynski, and others), began to work on a Charter of Rights and Freedoms. They were guided by the belief that even the best regulating of the principles of the division of authority, its structure and organization, will not guarantee that the state will function properly. Failure to define the limits of the authority will always lead to its abuse. Such a limit to authority in democratic states are the rights and freedoms of the individual and their guarantee.

What was needed, therefore, is a second Small Constitution, for the citizen, who seemed to have been forgotten.

The charter confirms, not grants, and this is an elementary difference, the natural laws to which each person is entitled, and which derive from: dignity, freedom and equality. If this sounds to someone like a 200-year-old echo of the French "Declaration des Droits de l'Homme" or the U.S. "Bill of Rights," the association is correct. Because insofar as rights and freedoms are concerned, we are probably at the same point at which those nations were two centuries ago. Meanwhile, some recent legislative ideas coming from the nation's chosen people, aimed at subordinating state laws and state institutions to religion, appear to be pushing us still further back into the dark ages of history.

The catalog of rights and freedoms contained in the charter covers only that which is uncontroversial in individual-state relations and which is also possible for the citizen to enforce. The charter guarantees him the universal right to sue in court. This means that everyone whose rights or freedoms were infringed by the authorities can sue in court, citing a specific provision of the charter as the basis for his action. Those who as a result of an infringement of their rights or freedoms were wronged or suffered damages, can demand redress or monetary compensation.

Citizens will also be entitled to the universal right of constitutional appeal: Everyone will be able to appeal to the Constitutional Tribunal against a law or other legal act which conflicts with the provisions of the charter. The decisions of the Tribunal on matters of rights and freedoms will be final and will not be subject to the approval of the Sejm.

In accordance with the principles of constitutionalism, the charter is the highest right. No authority or law will be able to limit the rights and freedoms written into it (expand, yes, i.e. as the state's financial situation improves). However, defining the limits of the particular rights and personal freedoms will be possible only in cases that are clearly indicated by the charter. In the remaining cases, the rights and freedoms, as written, are unlimited.

The Charter of Rights and Freedoms, already sent to the Sejm as the president's legislative initiative, will be subject to a special legislative procedure provided for constitutional laws.

In observing the parliamentary scene I am afraid that the charter in the form that the president gave it by his signature, may be difficult for a good part of the Sejm and Senate to digest.

Certainly the very principle of the universal right to sue in court or appeal to the Constitutional Tribunal will meet with opposition, in a situation where even the right to indirectly bring action against the authorities through the ombudsman is questioned by the Christian-National Union (ZChN), which sees no need for this office in the Third Republic. The charter, however, grants the ombudsman the right to appeal even legally valid court decisions dealing with rights and freedoms, if he deems that a decision violates the charter.

Unfailingly many detailed provisions of the charter will also be opposed by other parties, beginning with the basic human right, the right to live. Art. 6 of the charter reads: Human life is inviolable. This provision automatically eliminates the death penalty from the Polish penal code. And after all, we know that against its elimination are the Union for Real Politics (UPR), the Confederation for an Independent Poland (KPN), Center Accord (PC) (at least its leader Kaczynski who is demanding the death penalty for Jaruzelski), and a large part of the ZChN, which, in fighting for the right to life of the unborn, sees nothing wrong in taking it away from the living.

Art. 9 contains an unconditional ban on censorship in any form whatsoever and provides that arts, science and scientific research are exempt. But the ZChN politicians want to institute censorship and will certainly not agree that science and art which does not propagate "Christian values" should be exempt.

Art. 13 banning the compulsory assimilation of minorities and saying that no one can be required to declare his convictions, opinions, religion or nationality, will be a provocation for the nationalist groupings that are fighting for 'Poland for the Poles' and for those who want everyone to define himself. I foresee a common front of opposition here, made up of the KPN, Movement for the Republic (RdR), and the ZChN, which immediately sees minorities (the charter does define this term) as sexual minorities, believed by the VIP activists to be dangerous deviates, deserving of extermination by fire and brimstone.

Art. 14 and 15: No one can be deprived of Polish citizenship and a Polish citizen has the right to return from abroad. A Kuklinski casus will immediately appear here, and a veto from the Alliance of the Democratic Left.

Art. 22 states that every Polish citizen having full rights has the right of equal access to public service in accordance with his qualifications. Thus there will be no place for any kind of

verification, scrutiny and decommunization for ideological reasons, and this will be opposed by the proscrutiny radicals in the KPN, the RdR, and the PC.

But most of the emotion will surely be evoked by Art. 18, titled "The Right to Participate in Public Life." It provides that 100,000 citizens may submit a draft law to the Sejm, and at the demand of 500,000 a referendum must be held. In a situation in which the voice of the people, known from public opinion polls, is so different from the voices coming from the parliamentary benches, this provision is of major importance. And that is exactly why I do not give it a chance to pass. After all, it was only a couple of days ago that the majority of the Sejm commission working on the antiabortion law refused to give the citizens the right to express themselves on this matter, presumably the most important, by way of a referendum. And the representatives of all of the Sejm clubs were there, according to parity....

It is difficult to expect that this parliament (and also the next, which will be elected in conformity with the electoral law passed by the present Sejm) would want to share its authority. For it has showed us many times what the will of the people means to it. Thus the situation is reminiscent of a vicious circle.

The president's charter wants to grant citizens their full measure of rights and freedoms, but the Sejm must pass it, and the Senate, whose authority the charter limits, must ratify it. Does this mean that Poland will forever be the symbol of obscurantism in Europe, a country in which a handful of people who "know better" will impose their will on the whole?

Society's Confusion Revealed by Poll on Democracy

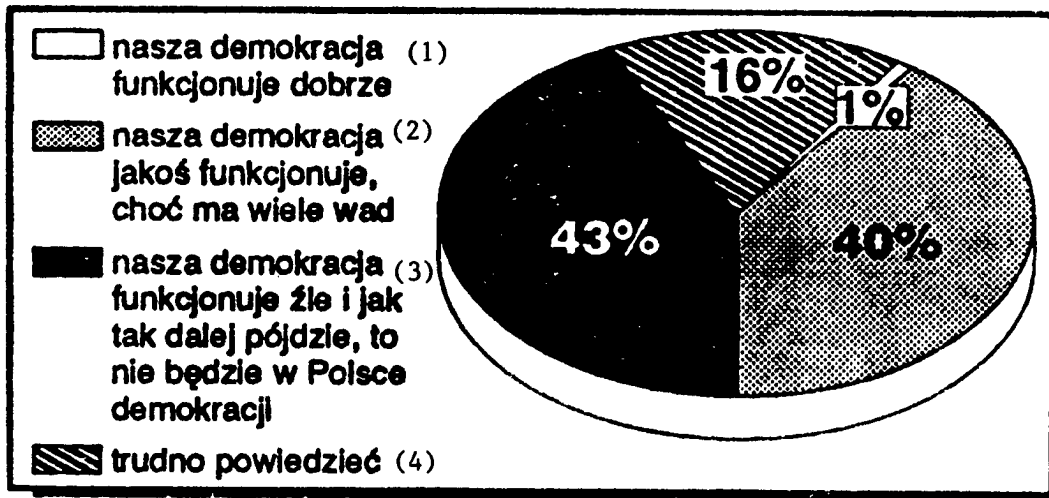
*93EP0093C Warsaw GAZETA WYBORCZA in Polish
18 Nov 92 p 3*

[Article by (szczyk): "Not That Kind of Democracy"]

[Text] It ensues from an October poll by the CBOS [Public Opinion Survey Center] that the democracy in which we are living is much less attractive than the abstract idea for which we had struggled. Nearly one-half of Poles do not care whether the government is democratic or nondemocratic. Nearly one-half expect the fall of democracy in Poland, and only one out of every 100 respondents is satisfied with Polish democracy.

Two-fifths of the respondents believe that our democracy performs badly and, if things go on like that, it will not survive in Poland. More often than others, this critical opinion is chosen by persons with a secondary educational background, intellectuals holding executive positions, and large city dwellers. Only 1 percent of the respondents believe that democracy in Poland performs well.

What's With Our Democracy?



Key:

1. Our democracy is working.
2. Our democracy is working somewhat but has many flaws.
3. Our democracy is functioning badly, and, if things go on like this, it will be gone from Poland.
4. Hard to say.

Who Fears Democracy?

The opinion that "democracy is superior to all other forms of government" was accepted by one-half of the respondents. It was less popular with persons from the social strata which were most affected by the consequences of economic changes in Poland, that is, by the elderly, the lowest wage earners, the least educated, rural dwellers, farmers, and homemakers.

"To people like myself, basically it does not matter whether the government is democratic or not," such was the opinion of 44 percent of the respondents, especially blue-collar workers and the unemployed, that is, those who find it particularly difficult to adapt themselves to the changed economic situation.

Democracy but Not Necessarily

"Sometimes democratic rule is more desirable than nondemocratic," declared 36 percent of the respondents (persons with higher educational background, executives, and the population of Wielkopolska). At the same time, persons with higher educational background also predominated among those respondents who were under no circumstances willing to accept nondemocratic solutions.

Interpreting these surprising findings, the CBOS has suggested that educated persons have a divided view of democracy. They pragmatically consider democracy to be the best form of government in normal situations but an insufficient one in exceptional situations (this view characterizes individuals in executive positions and is consonant with the work ethic popular in Wielkopolska).

The second view, which considers democracy to be a value in itself, is closer to the intelligentsia, to the more affluent persons.

Note: The CBOS poll on "Social Acceptance of the Idea of Democracy" was taken on a representative sample adult Polish population of 1,212 persons.

Silesia Regionalization Problems Discussed

93EP0078A Warsaw PRZEGLĄD TYGODNIOWY
in Polish No 46, 15 Nov 92 pp 6-7

[Article by Mira Suchodolska and Agata Wawrzyniak: "The Silesian Bastard Child; From Time to Time, Warsaw Wants To Teach the Inhabitants of That Region the Meaning of Real Patriotism"]

[Text] In Silesia, there are rising voices in favor of autonomy, seeking in it a cure for all local ailments. However, the Second Congress of the Movement for Silesian Autonomy, which just ended, has demonstrated that Silesians, who are being accused of separatism, are by no means dreaming of any "German order." Besides, during those deliberations at Rybnik, the local activists were more concerned with personal conflicts than with program planks. Lambasted until now by the mass media, they vied with each other in their assurances that the process of achieving autonomy for Silesia will not mean violating the legal order binding in the Polish Republic.

"You have here only vodka and blood sausage," my friends from central Poland are accustomed to saying

when arriving in Silesia. "How can you live here?" In principle, they are right. It is almost impossible to live here.

However, contrary to all laws of logic and nature, 4 million people, or 10 percent of the country's citizens, are wedged into Katowice Voivodship, that tiny bit of land accounting for 2 percent of the entire territory of Poland—and they are, let us add, second-class or perhaps even third-class citizens.

In September, 150,000 unemployed were registered here. Everything indicates that in two years their number will reach 500,000. A dozen or so money-losing coal mines will have to be shut down; the government is no longer capable of subsidizing obsolete industry. The average lifespan of the inhabitants of Katowice Voivodship is six years less than that of the more fortunate inhabitants of other regions of Poland. But who knows? Perhaps they have become accustomed to it.

Silesians are represented in the parliament by 45 deputies and three senators, representatives of various groupings ranging from the Christian-National Union to the German minority. Nearly all of them, on various occasions, declare their desire to establish a separate Silesian lobby in the Sejm that would, regardless of the variety of political hues it might represent, finally attend to resolving regional problems. But these declarations should not be believed. The political divisions and barely concealed mutual political antagonisms are too great. "I am greatly surprised at the Silesian deputies because they cannot overcome their biases," Zbigniew Bujak said recently at a meeting with inhabitants of Katowice. "The region and its population are merely the losers thereby."

Yes, really, few know what to do about Silesia. The region is slowly beginning to resemble a depleted and debt-laden coal mine no one would want to buy for even the symbolic one zloty. Yet precisely this way of restructuring coal mining was proposed by Janusz Korwin-Mikke during his recent visit to the Silesian chapter of the Union for Real Politics. Silesia, across which a surge of strikes and social unrest rolled in the past couple of months, is a desirable morsel. Many individuals and parties would like to gain political capital and win influence in that area. They are therefore making pilgrimages to it like Muslims to Mecca. Leszek Miller, his namesake Moczulski, Ewa Spychalska, Stan Tyminski, Jan Olszewski, Antoni Macierewicz—such is the incomplete list of visiting politicians in the past few weeks.

Katowice Voivodship is also an arena of fierce contests among the political groupings active here, of which the primacy in terms of aggressiveness and publicity won by spectacular actions belongs to the KPN [Confederation for an Independent Poland].

That party, whose nationalist leanings are not hard to see, won the most votes in Katowice Voivodship after the the Democratic Union. Its vision of Greater Poland perceives anti-Polish machinations everywhere.

According to the KPN, everything is beginning with economic colonization. But, for the time being, neither the French, nor the English, nor the Germans want to buy Silesia, although it is precisely their foreign capital that has terrified the KPN deputies, who dispatched to Prime Minister Hanna Suchocka a "memorial" concerning the immediate recall of the Katowice Voivode Wojciech Czech.

Voivode Czech, that Silesian with the trust-evoking beard and an inseparable pipe in his mouth, does not, to be sure, enjoy the reputation of an economist and a good organizer, but, as it seems, only he has been successful in still assuaging local customs. The KPN has accused him of accepting the "soft incorporation" of Silesia into Germany and supporting and promoting German economic influence. It is perplexing that evoking the German bugbear with regard to Silesia is always effective. No one is surprised or outraged by cooperation with Germans in Pomerania, for example, where the influx of German capital has been much greater than in Silesia. But it sufficed for the chairman of the Silesian Dietine to dispatch to the speaker of the Bundestag a letter in the German language suggesting the need, ensuing from economic considerations, to open a German consulate general in Katowice in order to raise a storm throughout Poland. Mr. Buszman was resented not so much for having been so bold as to make that proposal, or, rather, not only because of that, but because he had it written in the German language. Even the head of the Office of the Council of Ministers thought it fit to intervene in this matter. A diplomatic gaffe was interpreted as an attempt to encroach upon the powers vested solely in the Polish Government and as the crowning argument in favor of the pro-German attitude of Silesia.

"There is no question of secession," said an outraged Rudolf Kolodziejczyk, the existing board chairman of the Movement for Silesian Autonomy. "We declare openly that we are for autonomy but within the framework of the Polish Republic. All our related powers should be determined by the Polish Sejm."

Such has been the course of history that Silesia is inhabited in nearly equal proportions by Silesians, Zaglebians, and settlers from other regions of Poland. In addition, there is the numerically fluid German minority. This is a fact that can only be accepted. Animosity between the ethnic Silesians and the others have always existed. This is due to various reasons, among others to the fact that, for many years, access to executive positions was reserved for individuals from Zaglebie.

Nowadays, the divisions are again becoming prominent. In reaction to the formation of the Association of Upper Silesian Gminas, an association of Zaglebie towns was formed several weeks ago.

For the time being, the war of adjectives continues. The Silesians say, "Under the Germans we were a source of cheap manpower. And also under the communists. What are we now?"

Katowice Voivodship continues to generate one-fourth of the country's gross domestic product. Yet a regional program for the rescue and restructuring of Silesia still has not been worked out. It still has not been conceived in the nation's capital. Instead, every time terms such as "autonomy" (or "regionalization" or "independence") are used with regard to Silesia, not just a cowbell but also a tocsin is rung, and most politicians become hysterical. Silesia + autonomy = secession That is the reigning schematic thinking. As for the inhabitants of this region, they are aware that if they do not help themselves, no one will do it for them. The idea of an autonomous region is growing increasingly popular, though it acquires various forms.

Is it really true that, as some people put it, present-day Silesia resembles a bomb with a lit fuse, whose detonation may occur at any time and threaten the stability and existence of the Third Republic? If Poland continues to treat this region as an unloved bastard child from whom no further benefits can be drained, it is not unlikely that this bomb will really explode.

Military Industry's Condition, Weaponry Profiled

93EP0087A Warsaw GAZETA BANKOWA in Polish
No 46, 15-21 Nov 92 p 37

[Article by Stanislaw Brzeg-Wielunski: "This Cloud Has a Silver Lining: Weaponry From Polish Factories"]

[Text] Paradoxical as it may seem, the shortage of budget funds is enlarging the opportunities for our arms industry. Had the military substantial funds at its disposal, it would of a certainty have acquired better weaponry from Bofors, Vickers, and other producers. Poland can attain self-sufficiency in the manufacture of only a few kinds of weaponry, on condition of close cooperation among the countries of the Visegrad Triangle and subsidies for the military research centers. Even now we do not have to acquire foreign radar, large patrol and landing boats, helicopters, tanks, submarine guns, and rifle and artillery ammunition.

Polish Products Need Not Be Bad

The military cannot decide what to buy from domestic plants because, so far, the ministries of national defense and the interior as well as the government still do not know what military doctrine to follow. So far only the National Security Bureau has proposed its version of that doctrine. It is to be a defense doctrine, and the redeployment of the troops (with 35 percent of the armed forces deployed in the east) indicates that the defense of all boundaries is assumed. The problem of which military equipment is to be manufactured and acquired in this country reduces to the question of whether we shall be defended solely by the regular army or whether it will be complemented with territorial defense formations on the Swiss model?

"The Visegrad Falcon [Sokol helicopter]"

If the Ministry of National Defense wants to profit from certain Afghan experiences, the Mesko Plant in Skarzysko-Kamienna should be given priority in completing its work on the Grom hand-held antiaircraft missile. It also should urgently commence work on new third-generation antitank missiles which will be needed by the self-defense formations and by the militarized versions of the Sokol helicopter manufactured in Swidnik.

Under the CFE Treaty European Russia can keep 6,400 T-80 and T-72 tanks; Ukraine, 4,080; and Belarus, 1,800 (Poland—1,730). Poland can have 130 combat helicopters, but our military actually have only 30 Mi-24 Hind helicopters. Consider also that under this treaty the Russian Air Force was left with 3,450 combat aircraft and 890 attack helicopters. Even Ukraine is a military giant with its 1,090 combat aircraft and 330 tank-killer helicopters. The weaponry of these countries is much more modern than that of ours. They operate MiG-31, Su-27, Su-25, and Su-24 aircraft, and the Russian air force is soon to receive Stealth aircraft: I-42 (MiG-35), close in parameters to the American F-22. In such a situation the production of attack helicopters at Swidnik should be seriously considered.

During the recent visit of Prime Minister H. Suchocka to Hungary, Budapest showed considerable interest in the tank-killer version of the Sokol, known by the name of Salamander. No helicopter of this type is manufactured in any other country of the former Eastern Bloc, with the exception of Russia. It can find buyers in the former countries of people's democracies, because its price is only a fraction of the price of its Western-made counterparts or of the sophisticated and expensive Russian W-80 (Ka-50) Hocum.

The Myth of the T-72

In the war for Kuwait the American Apache helicopters destroyed more than 50 percent of Iraqi tanks, including many "Made in Poland" T-72's. Unfortunately, the 774 T-72's representing the most modern tanks of our army would "succumb" quite rapidly on the field of battle to the Russian T-80 tanks or the German Leopard-2 tanks. The CFE Disarmament Treaty allots to Poland up to 1,730 T-72 tanks (following the scrapping of 1,120 old T-55 tanks). Thus, the Labedy Plant could be used to manufacture 956 T-72 tanks, if the needed funds are found. The Stalowa Wola Steelplant is placing great hopes in receiving an order from the Ministry of National Defense for supermodern armored transporters replacing the veteran Skots. These new wheeled infantry carriers will be equipped with 320-HP engines. Equipping them with antiaircraft and antitank missiles is being considered. The first specimens will reach the army in 1994.

The T-72 tank must be modernized, which offers profit opportunities to other domestic producers. Polish, Czech, and Hungarian tanks all have the same design

flaws. NATO experts who inspected the tanks of the army of the former GDR found that the T-72's are equipped with obsolete antitank projectiles which fail to pierce the multilayered armor of Leopard-2 and M-1 A1 Abrams tanks. These two standard NATO tanks pierce T-72 armor from a distance of 1,500 m, whereas the T-72 copes only with the armor of the older NATO tanks, and from a distance of 1,000 m at that. This is due to the fact that the tank divisions of the Bundeswehr operate Leopard-2 tanks with laminar armor and uranium-core 120-mm caliber antitank projectiles. A major flaw of the T-72 is its weak armor, middling quality of the fire-guidance computer, and the absence of a passive night-vision system. The currently used night vision devices betray at night the position of the T-72 and are effective only at a distance of up to 400 meters. The Mesko Plant has a chance to have a monopoly on the manufacture of modern uranium-core projectiles for the T-72 and third-generation antitank missiles in the countries of the former Eastern Bloc (since the West still refuses to sell them weaponry of this type).

Night vision systems for the T-72 are offered in Poland at US\$50,000-150,000 per unit, and hence it would be worthwhile to consider whether it might not be cheaper to invest in their development at the WAT [Military Engineering Academy]. By way of an example, the Polish-made Merida ranging laser is considered one of the two best of its kind in the world (next to the one used in the Israeli Merkava tank).

Despite Everything, the Iryda

The Iryda training-and-combat aircraft, which has been under development for 14 years, will become the core of the Polish combat aviation at the turn of the century. Poland has at present about 507 combat aircraft, of which only 120 can be considered relatively modern. Under the disarmament treaty, their number is to be slashed to 460, exclusive of naval aviation. Following the retirement of the obsolete MiG-21 and the modernization of 86 Su-22 attack aircraft, the Polish-made I-22, the Iryda, will of necessity become the basic aircraft for direct support of the field of battle.

The Mielec Plant has developed a new version of the Iryda, the M-93, which will be equipped with a French engine, SNECMA Larzac, and modern Western avionics (a navigation and homing computer, a HUD indicator, an inertial navigation system). The American or European electronic gear will cost, depending on the version of the aircraft, from US\$0.5 million to US\$2.0 million per aircraft. This is not much considering that in the West such gear accounts for as much as 70 percent of the price of a new aircraft. Owing to the new engines the I-22 can carry as much as two metric tons of missile and bomb armaments. The acquisition of the French Larzac engine (or, for other versions, of the British Viper or the American J85 General Electric) must be linked, under the so-called offset arrangement, with its manufacture under a license at the Rzeszow WSK [Transportation Equipment Plant].

It is anticipated that the Mielec WSK will begin deliveries of the Iryda to our military around 1995. Single seater attack and fighter-assault versions of the Iryda, the M-97 and the M-97 MS, also have been developed. They resemble greatly the British Hawk 2000 and the Italian AMX, which had been developed as light attack aircraft suitable for the advanced training of pilots. The new Irydas have an elongated fuselage, slanted wings, eight missile launch brackets, and a scheduled 3.5-ton weaponry load capacity.

Still Dependent on the Commonwealth of Independent States

Russia owes Poland many millions of dollars for arms, but I personally do not believe that the exchange, proposed by the Ministry of National Defense, of that debt for the delivery of MiG-29 fighter aircraft will take place. At present Poland has 12 such aircraft. There is a continuing shortage of spare parts for them. Attempts to buy or lease F-16 or F-18 fighter aircraft from the United States have failed. That is why the acquisition of the I-22 Iryda for the Polish army is a necessity. The experience gained in building the Iryda is enabling Polish plants to develop, jointly with Western manufacturers, a successor of the Su-22 and to manufacture in the future, under license, fighter aircraft of the fourth generation (Gripen, F-22, EFA, and others). It is worth noting that the Iryda is an ideal trainer aircraft for pilots flying the Mirage 2000, the Su-27, and the F-16.

In view of the attitude of the Western countries, Poland is forced to cooperate with the arms industry of Russia and Ukraine. The military cooperation of Poland and Russia will concern the coproduction and production of fire guidance and anti-aircraft computers as well as air-to-air missiles. Unofficial "leaks" from the Ministry of National Defense indicate that an appropriate military agreement will be signed in the spring of 1993. This will prolong the process of unifying Polish weaponry with that of NATO, but in this matter it is difficult to find fault with the Ministry of National Defense.

Potential for Arms-Industry Improvement Examined

*93EP0097B Warsaw POLSKA ZBROJNA in Polish
27-29 Nov 92 pp 1-2*

[Article by Pawel Wieczorek: "On the Ropes, but It Has a Chance: The Polish Arms Industry"]

[Text] The nation's arms industry nowadays is practically running on empty. Of the 90 principal arms producers, only 37, 11 of which are repair plants, have been operating at a profit, totaling 225 billion zlotys [Z].

The remaining 53 enterprises recorded losses totaling Z1.6 trillion. Toward the end of 1991 the payment obligations of the plants manufacturing military equipment exceeded their accounts receivable by 25 percent, and by July 1992 this indicator already exceeded 45 percent.

The Debtors

Among the debts owed to the arms plants, the biggest item is the arrears in payments for shipments of weaponry. In December 1991 the Ministry of National Defense owed the arms industry about Z1 trillion, which it did, however, almost entirely repay over the subsequent six months.

Likewise, the principal importer of Polish weaponry, that is, formerly the USSR and now Russia, has been behind in payments. By the end of 1994 Russia's debt for weaponry acquired earlier in Poland already exceeded Z1.5 trillion. This problem still remains unsolved, except that a concept of repayment of that debt in the form of deliveries of weaponry (for example, MiG-29 aircraft) is now being considered. Under this concept, in their turn, the debts owed Russian arms enterprises would be offset by the Polish Ministry of National Defense by means of the funds allocated to it for the acquisition of technical equipment.

Layoffs

As defense industry output declines, employment in that industry has also been declining. It is estimated that in 1991 altogether 180,000 persons had been employed in the Polish defense industry. Of this number, 40,000 employees are involved in the final production process. This year many defense industry enterprises have had to gradually curtail their employment, which has created major social problems, especially in localities lacking alternative employment sources.

Attempts at Rescue

Many enterprises have worked out and are introducing recovery programs envisaging organizational and ownership transformations and the conclusion of new coproduction agreements, with foreign partners as well. Only enterprises with proactive management have a chance to emerge from their financial abyss. Of course, they need properly apportioned assistance, which can and should be provided by the government.

The attempts being undertaken by defense industry enterprises are producing gradually measurable effects, which warrant substantial hopes for the future. This also applies to the aviation industry, which is in an exceptionally difficult situation. For example the Mielec WSK PZL [Transportation Equipment Plant, Polish Aviation Plant] recently concluded an agreement for deliveries of M-2 aircraft to the United States as well as a coproduction agreement with Boeing.

Other aviation plants also are not wasting their time either. The Okecie WSK PZL has already succeeded in persuading the Ministry of National Defense to acquire 40 Orlik training aircraft, and the Kalisz WSK PZL formed a joint venture with Pratt-Whitney for the manufacture of turbine engine components. In its turn, the Swidnik PZL is exploring new markets in East Asia.

Somewhat behind are the Hydral PZL and the Rzeszow WSK PZL, which are only starting to develop their recovery programs.

In sum, to be sure, the defense industry at present is on the downside, but it has considerable opportunities for economic recovery in the very near future.

Importance of Nonmilitary Threats Stressed

93EP0096A Warsaw *WOJSKO I WYCHOWANIE*
in Polish No 11, Nov 92 pp 74-76

[Article by Colonel Wojciech Lepkowski, Retired: "A Few Observations on the Security of the State"]

[Text] One gets the impression that among the political and economic problems that are being resolved in Poland, the issues of state security, broadly understood, are going unnoticed or are of secondary importance to the legislative and executive bodies. Moreover, this applies to a range of decisions in the sphere of state security strategy. In a sphere, let us call it the tactics of security, we observe actions frequently forced by the development of a situation. They are aimed, for example, at preventing a strike, preventing a blockade of roads, or recently preventing a review in a way that threatened state security.

Perhaps one of the reasons for the failure to recognize the importance of problems of state security is that for a very long time security has chiefly been associated with a degree of military threat. Currently, in that sphere, as a result of well-known changes in Europe and in Poland, no serious danger threatens us for at least the next several years. We will return to issues of military security; here, however, it is only one of the elements of state security. The other elements, included in the nonmilitary sphere, are economic security, political security, domestic ecological security, public order, and many others, whose scale and range are depended primarily on existing and predicted threats.

In sum, state security can be defined as "a state achieved as a result of appropriately organized defense and protection against all external and internal threats expressed as the relation of defensive potential to the scale of threats."

As already mentioned, at present there are no serious threats to our military security. That does not mean, however, that Europe is such a stable area that such threats cannot occur in the future. The unstable situation in the states formed from the former Soviet Union is a foundation for such fears. It is particularly worrying when Russian forces are still stationed beyond the borders of these countries and there is no certainty about how they will be withdrawn in case of a conflict.

There is also concern that on the one side we observe efforts by the Western countries to unify Europe and significant steps have already been taken in this direction, but on the other in the former postcommunist

states there are tendencies toward division, frequently in spite of the interests of the separating countries. For now, this applies to the countries of the former Soviet Union, Yugoslavia, and Czechoslovakia. The example of Yugoslavia shows how sharp the conflicts appearing during division can become.

The formation of new countries can also provoke various kinds of claims caused by the newly formed states not respecting border agreements signed by the federation or union to which they belonged. There might be revisions of borders; precedents in this area will have far-reaching consequences since there are many potential sources for border conflicts in Europe.

In all, however, it is necessary to believe that any conflict in Europe, in which Poland might participate, will have a local character and that limited forces and means of the engaged parties will suffice to resolve it without seeking the aid of third countries.

It is, however, simply improbable to cause a general European war. Both politicians and military people are of one mind that conducting such a war with the current available forces and means cannot achieve any rational political goal and can at most lead to environmental destruction.

All this, however, may not constitute a basis for making a decision to reduce armed forces significantly. None of the European countries, even those in much more favorable geopolitical situations than Poland intend to carry out such reductions. The lack of any radical steps to disarm is certainly a kind of remnant from the period of absence of mutual trust and surviving suspicions. Treating that period in relations among European countries as transitional, we should, however, maintain our military potential at a level of essential defensive sufficiency in accord with the appropriate international decisions and our economic abilities.

Among the many factors contributing to the size of our military potential, the maintenance of the appropriate state of manpower reserves, and their training is extremely important. In the course of reductions, it is important to maintain appropriate military training so as to ensure a constant supply of appropriately trained reserves.

Finally, it is necessary to emphasize that the situation which has developed in Europe, from the point of view of military threats, is extremely favorable to Poland. In relatively comfortable conditions, we can carry out the essential reforms in our armed forces without fear that a serious threat will occur during this period.

On the other hand, in the nonmilitary sphere, economic security is a problem of basic significance for state security. Among the many definitions of economic security, the following should be considered the most precise: "Economic security denotes the representation of the relatively realistic potential economic threats to a country, developed under the influence of the general

condition of the country's economic dependence and defines the degree of effectiveness of external economic interference in the internal economic development, defensive ability, and stability of the sociopolitical system of the country."

If one can have reservations regarding this type of definition, which appears in other publications, it is chiefly that they accent the external economic threat. Meanwhile, in Poland's situation, economic security is also and even perhaps primarily, determined by internal factors.

We propose to leave more detailed considerations on state economic security to economists. Here we will dwell briefly on the influences of selected factors of economic security on state security. Poland's current economic situation is undoubtedly difficult. The changes begun in 1989 have not followed a course that can be considered satisfactory. They have caused a decline in society's standard of living, and they have obviously encountered signs of dissatisfaction. Further whether properly or not, the decline is associated chiefly with the activities of the postcommunist governments. The causes that lie in the past are less frequently analyzed.

From the point of view of state economic security, among the negative phenomena for society are:

- A systematic decline in production or an increase of little significance that causes a decline or slight increase in national income.
- Increasing unemployment and a lack of any clearly defined program for ending it on the part of successive governments.
- An overly slow rate of privatization of enterprises.
- Legislative instability arousing fears among foreign investors.
- A growing wave of strikes together with the threat of a general strike.
- Spreading economic scandals and abuses coupled with the state's inability to limit or liquidate them.

Regardless of the accuracy of the social judgment of the listed phenomena, the deepening economic crisis can lead to uncontrolled explosions of social dissatisfaction, including mass strikes and street demonstrations. Given the known weakness of our forces of order, the consequences could be unpredictable and cause damage to state security in an obvious way.

It is also important that such a development in the situation to a large degree could undermine our credibility and not just in economic relations with foreign partners, and the loss of credibility will not remain without effect on our security.

During the recent period, another clear threat to the security of the Polish state has appeared in the activities pursued by irresponsible politicians not prepared to exercise their posts. This situation cannot be explained by the fact that a situation has appeared in Poland in which the old personnel cannot or should not exercise

authority, while those, who are taking over that authority as a result of revolutionary changes are not prepared and have a right to learn from their mistakes. In the area of security, such education is too risky and cannot be socially acceptable. This is all the more obvious since the results of some decisions are easy to foresee. Someone who comes to know the realities of state military security only after taking a responsible post in the Ministry of National Defense must commit glaring errors. Similarly, it is difficult to expect positive results from the work of a student of astronomy in the Ministry of Internal Affairs.

Unfortunately, one gets the impression that in our situation the obvious truths that neither the most honorable past as a combatant nor a polish of doubtful value acquired in a Warsaw drawing room cannot replace knowledge and experience.

One must unfortunately state that the activities of the legislative bodies, judged from the point of view of state security, have aroused justified fears. The well-known review resolution adopted by the Sejm and the steps taken to execute it clearly could have damaged state security if appropriate remedial measures had not been taken in time. The review and decommunization law proposed by the Senate could have, for example, quickly and effectively disorganized our army personnel and would clearly have affected Poland's defensive potential. In all, there is no doubt that those proposing these resolutions and laws do not realize and cannot foresee the long-term, negative effects of the proposed actions and do not associate these effects with the condition of state security.

It is certain that the majority of our society is for decommunization, but decommunization cannot be carried out in a way that harms the state and its security. It should apply primarily to the transformation of structures, ways of managing, the mentality of people, the principles of personnel policy, and other things. There is no doubt that "there will never be effective decommunization done using Bolshevik methods. For decommunization is not the same thing as another *chistka* done in the Bolshevik manner although according to new anti-communist criteria."

There can be no discussion of the need to assign the care for a comprehensively understood state security (not just military) to the appropriate body. The Council of National Security is the appropriate body in Poland, but its range of authority should be expanded. The council should see that none of the important decisions of the legislative or executive bodies damage state security. If such a possibility arises, the council should have the right to halt its execution and even to bring it to the Constitutional Tribunal. Obviously, one can have doubts regarding the propriety of such a solution, but as practice has shown, at least during the transition period, in which Poland now finds itself, it is essential.

U.S. Trade Mission Enthusiastic About Possibilities

93EP0092B Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 10-11 Nov 92 p 1

[Article by Danuta Walewska: "Doing Business With the United States: Representatives of 19 States in Warsaw"]

[Text] After Budapest, Berlin, Prague, and Bratislava, the U.S. "Days of Trade—Meet America" Trade Mission has reached Warsaw. The mission also went to Vienna, where a seminar on "Austria, the Gateway to East Europe" was especially organized for its members.

In Poland the activities of the Council of American States in Europe, or CASE, were discreetly sponsored by the Embassy of the United States, and actively by the Office of the State of Illinois in Poland. The Americans brought to our country more than 1,000 offers of cooperation, and more than 200 representatives of Polish state and private enterprises were invited to the meeting at the Marriott Hotel in Warsaw. The offers were sent, together with an invitation to the meeting, by the Office of Illinois in Warsaw.

The Americans who arrived with the CASE Mission are full of enthusiasm. They believe that the goods they would like to sell to Poles are cheaper than those offered by West European producers and not inferior to those technologically. "Properly speaking, we also see no reason that we should have goods sold to Poles manufactured in their entirety in Europe. We would most like to set up a kind of cooperation under which the value of our semifinished products would be enhanced here in Poland," RZECZPOSPOLITA was told by Carl Walker, a representative of the State of Utah, which, in the United States, is called the American Japan, owing to its highly developed electronic and computer industry.

All businessmen in search of modern technologies, capital, markets, or rights to distribute U.S. goods in Poland, or to those desirous of purchasing licenses of handling the assembly of U.S. equipment, could meet with the Americans. The businessmen from beyond the ocean say outright that, to them, the importance of the Polish market is growing. Besides, what counts is not only what can be sold here but also what can, through the mediation of Polish know-how, reach the countries of the former Soviet Union. Hans U. Schetelig of the State of Virginia, the head of the CASE Mission, openly admitted that Czech and Slovak companies turned their familiarity with the market specifics of the Commonwealth of Independent States into a veritable ace in the hole and know very well how to play their cards.

At the same time, the Americans admit that they know too little about the constantly changing prospects of the Polish market or how they could profit from the European treaty signed a year ago, what our agreement with EFTA [European Free Trade Association] means for them, and what the Visegrad Triangle means to them in terms of trade. They even lack adequate information on

the benefits stemming from the trade agreement between Poland and their own country that was negotiated a year ago. They claim that this is the fault of our promotional efforts. But they themselves admit that they can learn little from their own press because it publishes news about strikes more readily than information on new business opportunities. Hence, the idea of missions such as this one, during which representatives of states of the union present offers of cooperation.

On 9 November, producers of foodstuffs, feeds, computers, building materials, and textiles were expected at the Marriott, as well as representatives of the arms industry and industries manufacturing medical equipment and all kinds of machinery and equipment, as well as partners ready to establish cooperation in services. In practice, there was no sector in which establishing cooperation would be impossible. Schetelig characterized the interest shown by Polish businessmen as "exceeding expectations." He was gratified that a majority of those interested spoke fluent English and brought along professionally prepared promotional materials.

CASE and "Meet America" attend chiefly to the promotion of small and medium U.S. business. For these small enterprises, transoceanic travel would be a substantial burden on their budgets, and they would not decide in its favor unless it were clear that opportunities for doing business existed. This burden was taken on, as it were, by the promotion offices of the U.S. states. On 9 October, representatives of 19 of those states were in Warsaw. Only one state, Illinois, maintains an office in Warsaw on a regular, year-round basis, but Maciej Cybulski, the head of that office, told us that it is ready to handle mediation between other contacts and prolong the "Meet America" drive.

Economic Cooperation Agreement With Croatia

93EP0080B Warsaw RYNKI ZAGRANICZNE in Polish No 133, 5 Nov 92 p 2

[Article by (G.K.): "Agreement on Cooperation With Croatia"]

[Text] Today, 5 November 1992, an intergovernment agreement on economic cooperation between Poland and Croatia will be signed in Warsaw. It is the first agreement between the two countries and establishes the formal and legal foundations for the development of bilateral economic cooperation.

During the first nine months of 1992, turnover of goods between Poland and Croatia was \$44.4 million or 78 percent of the level for the same period in 1991. Exports of Polish goods were \$21.5 million and were 3 percent lower than the level of 1991; imports of Croatian goods were \$22.9 million or 38 percent lower than during the same period in 1991.

The decline in imports is a result of the deepening economic difficulties of Croatia. War losses in Croatia are estimated at \$21 billion.

However, the previous connections between the two countries and their potential form a good basis for gradual systematic development, the deepening of mutual economic cooperation, and commercial exchanges. In the near future, an expansion in cooperation in the formation of cooperative connections in industry, a more active mutual promotion of firms and the opportunities for them to cooperate is expected. Cooperation in the area of tourism is also to be reactivated.

The business units previously operating in Croatia and the hundreds of new private firms offering exports to Poland of such goods as alcoholic beverages, paints and lacquers, medicines, electromachine products, and agricultural and food products. On the other hand, during the recent period, Croatian firms indicated a need for fuels, raw materials and materials (including metallurgy products, structural steel, nonferrous metals, sulphur, herbs and seeds), building materials, window glass, paper and paper products, food goods (sugar, fresh meat, candy), electromachine products, metals, chemicals (containers, fixtures for apartments, automobile batteries, optics, etc.)

Economic Agreement With Slovenia Signed

93EP0080A Warsaw RYNKI ZAGRANICZNE in Polish No 135-136, 10-12 Nov 92 p 12

[Article by (RoK): "Polish-Slovene Economic Agreement"]

[Text] Poland and Slovenia have signed an intergovernment agreement on economic cooperation. It is the first of this type of agreement between Poland and the republic of the former Yugoslav federation.

It establishes the legal foundations for cooperation. It calls for, among other things, direct cooperation among the business units, settlement of payment in convertible currency, and the formation of a mixed commission for problems of bilateral cooperation. Proposed agreements on the support and protection of mutual investments and avoiding mutual taxation were also discussed. They are to be signed at the beginning of the new year.

The Slovene delegation has given a list of firms interested in cooperating with Poland and a list of goods to the Ministry for Foreign Economic Relations. Among the goods listed as needed are fuels, raw materials and materials (hard coal, nonferrous metals, herbs and seeds, hides), electromachine products, chemicals, and items of general use. Slovenia is offering textiles, car-washing equipment, household items, and food products. That country is also interested in higher forms of cooperation such as industrial cooperation and the formation of joint enterprises (now there is only one, Lek-Polska).

In 1991, the value of Polish-Slovene trade was \$135.9 million, including \$20.7 in exports from Poland and \$115.2 million in imports. We imported mostly pharmaceutical products, finished medicines, dental materials, and medical machinery and equipment.

In the course of the first eight months of 1992, turnover in goods reached a level of \$47.7 million. Exports were \$10.7 million, or 30 percent lower than during the same period of 1991. Imports from Slovenia fell significantly more—to \$37 million, or by 43 percent. The change is mainly a result of reduced sales of pharmaceuticals in the Polish market. It is expected that, in 1992, imports of Slovene medicines may be reduced by 55 to 60 percent. Competition from Western firms is considered the cause.

Prospects for foreign economic cooperation in the long term are, however, much better and are promoted by the much greater advancement of Slovenia's talks with the EC and EFTA and its desire to join the Visegrad group.

In November 1992, a mission organized by the National Chamber of Commerce including representatives of Polish enterprises will go to Ljubljana.

Belarus Seen as Promising Market for Poland

*93EP0092C Warsaw RYNKI ZAGRANICZNE
in Polish 14 Nov 92 pp 1-2*

[Article by Krystyna Bukowska: "Polish Offer to Belarus"]

[Text] (From our correspondent in Minsk) Next Sunday the Poland '92 Exposition in Minsk, the capital of Belarus, which is attracting great interest, will be closed. It was organized by Polexpo-Exhibitions under the patronage of the Ministry of Foreign Economic Cooperation and opened on 11 November. On an area of 400 sq. m., 25 Polish companies exhibited consumer goods and technologies, promoting Polish goods and services on the Belarus market. The exposition included displays of Polish books and posters as well as a special Russian-language edition of our newspaper.

The following comments on the Poland '92 Exposition and on trade with Belarus were made to RYNKI ZAGRANICZNE:

Leslaw Podkanski, Deputy Minister of Foreign Economic Cooperation:

"Economically strong Polish companies are exhibiting in Minsk; many of them already used to cooperate with Belarus in the past, and now they want to renew their contacts. I believe that these companies will be in the vanguard of those which will find a place for themselves on the Belarus market, in addition to the already numerous Belarus-Polish ones.

"Poland accounts for 45 percent of Belarus imports. Exports from Belarus to Poland amount to only 1 percent of Polish imports. This is certain to change, as we are bound by longtime contacts, good border relations, and cultural traditions. The exposition is, of course, not the only action serving to revive cooperation. We have a strategic plan that allows for assistance, including financial assistance, to all of the companies that will export to the east.

"We have to speed up the formation of a Polish-Belarus bank because our mutual trade is greatly hobbled by currency problems. We shall be equal partners in such a bank, with each country owning 50 percent of the stock. Accounts could be cleared in local currencies; thus all transactions will be serviced by a joint bank. Poland has by now readied its organizational chart, the legal operating principles, and persons who shall handle this project."

Eugeniusz Zarzycki, Commercial Consul at the Embassy of Poland in Belarus:

"Next to the countries of the former USSR, Poland is the principal economic partner of Belarus. Polish exports to that country are steadily growing. In 1991 they increased by more than 20 percent compared with 1991, and a similar trend persists this year. At the same time, the terms of trade with Belarus have changed. Nowadays, direct partners must be found, and, above all, a method for clearing accounts that would benefit both sides has to be developed. Hence, both sides prefer barter deals for the time being. Belarus is not endowed with great natural riches, other than peat and potash salts, but it has a strong processing industry, and it is famous for its high-capacity loaders, trucks, refrigerators, freezers, and television sets. In addition, it contains certain developed subsectors of the chemical industry, and primarily oil refineries, potassic and nitrogenous fertilizer plants, chemical fiber plants, and plants for the manufacture of paper packagings for foodstuffs. Polish clients are trying to balance their shipments to Belarus precisely with shipments of petroleum products, artificial fertilizers, and lumber from that country.

"We could sell on the Belarus market practically anything, but chiefly the grain needed to produce high-protein feeds, sugar, edible oils, vegetable fat, canned meat, and vegetables for children. The climate for cooperation with Poland here is good."

Overview of Inflation, Solutions, Problems

*93EP0080C Warsaw RZECZPOSPOLITA
(ECONOMY AND MARKET supplement) in Polish 6
Nov 92 p 1*

[Article by Piotr Aleksandrowicz: "Printing Money Does Not Create Foundations for Development: Is Poland Condemned to the Fate of Latin America?"]

[Text] The Polish authorities—the government, the central bank, and the parliament—are not capable of breaking the inflationary spiral. Three successive years 1991, 1992, and 1993 brought an increase in consumer prices, figuring from December to December of 60, 50, and surely more than 35 percent. In each of these years, a lower rate of inflation was initially planned. To be sure, the plans for the 1992 budget call for an inflation rate of 28 percent, but it is almost certain that the price increases will be higher, at least 30 to 35 percent.

Inflation for 1991-93 has not been to a significant degree and will not be a corrective inflation, objectively

required, but has rather resulted from the economic policies adopted. To a large degree, the decisionmakers think (although there is significantly less talk about it) that it is possible to achieve lasting economic growth in spite of a high rate of price increases. Transferring the priority to fighting the recession—although a significant part of production could not be continued because the products produced for many years cannot be sold in a market economy—on two occasions has produced a significant increase in inflation: during the second half of 1990 and of 1992. The protection of domestic producers has a similar effect.

There is evidence in part based on several years of research on the situation in Latin America that over time economic growth with an inflation rate of about 60 percent is 50 percent lower than it would have been with an inflation rate of 30 percent. The latter, in turn, could be 50 percent higher if the inflation were reduced to about 15 percent.

Thus, Poland is on the road to a chronically high rate of inflation and is undercutting its own ability to develop.

Prices rose because there was no monetary barrier and no competition.

It is estimated that in 1991-92 consumer prices rose about 145 percent. Only a portion of the increase resulted from external factors or from necessary regulation of the economy.

It is also estimated that the value of the zloty in relation to the dollar declined 57 percent during this same period, if there is no great devaluation in the next few weeks. The price increases for imported goods raised the rate of inflation by just a few percent since they are still only a slight percentage of consumption. Other influences increasing the general index of prices resulted from intermediate factors. Given a loose money policy, a poor tax enforcement, a high rate of increase in nominal incomes, the devaluation of the zloty made possible further domestic price increases, perhaps on the order of 40-50 percent. As long as it meets no demand barriers, no producer will restrain itself from raising prices along with changes in the prices of imported goods. A decline in the profitability of enterprises, omitting other causes, indicates that it was not simply an increase, but there surely was some.

The situation of some producers facilitated the introduction beginning in the middle of 1991 of tariff barriers and other ways of limiting foreign competition.

The amount of inflation due to official price changes in 1991-92 is estimated to be 50 percent. Some of these changes served to limit subsidies, to bring prices closer to world prices, to improve internal price relations. But some were the result of the general increase in prices.

In all it is estimated in very general terms that "the relatively justified" rate of inflation for 1991-92 was about half of the total price increases. The remaining portion was a result of the inflationary spiral. Through

the middle of 1992, the turns of this spiral were slowing. But beginning in July they appeared to accelerate, driven by the budget deficit and by an increase in the money supply. The situation will remain similar through the first quarter of 1993.

The debate whether inflation is a result of cost increases or from an excessively loose monetary policy is illusory. The cost increases, including those not dependent on the enterprises, even if they are the main cause of inflation, will not encounter even partially effective barriers in competition and the limitation of access to money, including direct limitations on consumption.

In 1991-92, the total money supply nominally grew by more than 100 percent. The cash money supply increased by 90 percent. There is no way to halt inflation given such a high rate of emission. Printing money drives inflation; inflation drives the budget deficit, energizes the indexing of wages and benefits, and forces further increases in official prices in order not to fall back into subsidies. That is a vicious circle, and it makes no difference where it begins. It should not be so much broken as have its dimensions reduced at every point.

Data for the two years 1991-92 are only tentative. However, the period beginning in September 1990 to September 1992 can be compared where we have information. During this period the money supply grew by about 112-120 percent (data from the Central Office of Statistics are not fully comparable); emissions by about 120 percent; wages in the economy by about 130 percent; prices for industrial production by about 90 percent; and consumer prices by about 150 percent.

Thus there was roughly a doubling of the basic values of emission of the total money supply, incomes, and prices.

In 1993, inflation could be lower.

For 1993 the continuation of sterile inflation appears probable. Official prices will contribute 13 percent to an overall 30-percent rate of price increases. Only some of the changes contribute to limiting subsidies to rents or to improve the relation of prices for energy sources. Price increases to a large degree will result from the movements forced by the successive turns of the inflationary spiral, from the revaluations of wages and benefits, from the policies for high nominal increase in the money supply and the high budget deficit.

The "justified" rate of inflation, given a careful monetary policy and a moderate wage policy, is estimated as follows: 3-5 percent as a result of the movement of prices on the world market, about 5 percent as a result of the need for a roughly 15-percent devaluation of the zloty needed to sustain exports (if inflation is lower than currently planned) and about 10-12 percent due to regulations associated with the adaptation of some official prices and in conjunction with the new rates for turnover taxes and a value-added tax. This is only a hypothesis, but it does not seem entirely unrealistic. Such a variant was not presented. Because it is not realistic? Or because it will lead to a return of the recession? Or because from the beginning, it was discounted and a high budget deficit and high rate of inflation were assumed?

In all, inflation from December 1992 to December 1993 could have been 18-22 percent. Still two years or even one year ago, that was the plan. The interest rates, given an appropriate policy on the part of the central bank could then be about 20-26 percent, and that would make it possible to activate demand for investment and development loans. Given a 15-percent devaluation, they would be genuinely close to interest rates on world markets.

One of the experts at the National Bank of Poland says bluntly: "If the government had restrained itself from manipulating the parameters like duties, taxes, prices, etc., inflation would be below 1 percent a month." Given the budget plans and the money supply projections (30-35 percent as mentioned), the probable rate of price increases will prevent the use of the tactic of "self-restraint" by the government, and will facilitate further indexing moves, a higher devaluation, etc.

Ending the high rate of inflation is not a goal in and of itself, although it ought to be the goal of the central bank since it has a legal duty to protect the value of the money. It is, however, an essential condition for an increase in investments and savings in the economy, and thus a condition of its sustained growth. In high inflation, it is much more difficult, perhaps impossible, to develop effectively an efficient economy. An increase of the presence of the state in the economy will also not improve this efficiency.

The question: How to avoid the stubborn maintenance of a high rate of inflation? It will not be possible without systematic limitation of the budget deficit and a withdrawal by the central bank's acceptance of a high rate of emission and of growth in the money supply. Another condition is a limitation of the mechanisms of the revaluation and indexation of various types in the economy and in the budget sphere. The increase of expenditures, wages, and benefits should be associated with the ability of the budget and of the enterprises. Damming up the pressures and measures limiting competition is essential and undervalued (duties, fees, raised standards, legal and bureaucratic barriers). The case of overregulation of the economy is similar.

Achieving a social consensus with the trade unions and in parliament to limit inflation and to set up a basis for economic development is difficult. Much, however, indicates that the cause of these difficulties lies not only in the strength of the social pressures for immediate solutions and in group interests, but also in the authorities. They are currently only slightly more convinced of the destructive effects of inflation than they were three years ago.

Industrial Strengths, Weaknesses Discussed

*93EP0084A Poznan WPROST in Polish
No 45, 8 Nov 92 pp 13-14*

[Interview with Waclaw Niewiarowski, minister for industry and trade, by Piotr Andrzejewski and Krzysztof Golata; place and date not given: "Zero Point"]

[Text] [WPROST] Mr. Minister, statistics indicate that production has been growing for several months, but the profits of the enterprises do not exceed 4 percent, and their indebtedness is steadily growing. If things are better, why is it so bad?

[Niewiarowski] The situation is really paradoxical. Production is growing and the condition of the enterprises is worsening from day to day. In some branches we have reached the proverbial wall and disaster is very near. The situation in industry is very bad, but the first symptoms, hardly perceptible at the moment, are appearing to indicate that the three year period of reform is bringing the desired results. I agree that these results are only statistical.

[WPROST] In which branches is improvement evident?

[Niewiarowski] The growth of production is primarily the result of the enlargement of the private sector. Production in light industry has been growing for six months.

[WPROST] Which branches of industry are already "at the wall"?

[Niewiarowski] The situation in the power industry is critical. If we take into account only those enterprises that owe the power industry more than 10 billion zlotys [Z], than the debt exceeds the sum of Z7.5 trillion. There are over 100 such enterprises; they are mainly shipyards, steelmills, and mines. If we add the small debtors, then the sum grows to Z10 trillion. The power industry can no longer extend credit to the enterprises, but on the other hand it cannot cut off delivery of current. Another area is mining, where out of 63 mines, only a few will show a profit. Of 26 steelmills, over 20 are operating at a loss. In the armaments industry, in which 28 enterprises are under the special protection of the state, 20 of them are in the red.

[WPROST] Mines that have not received subsidies for the past six months will have to be declared bankrupt.

[Niewiarowski] For me, mining is the sector of industry in which I want to prove that despite a disastrous situation, something can be done. The first thing I did when I took office was to stop the strikes, which were to be a signal for the entire economy to strike. During the course of the talks, I was able to put the question of the restructuring of mining at the top of the agenda, with wage problems to be considered later. The talks are underway and it seems to me that in a few months Polish mining will function on different economic principles.

[WPROST] How do you plan to keep so many mines "alive," when other people, for example, the English, are closing theirs?

[Niewiarowski] We have divided Polish mines into seven holding groups. Each of them will have its own remedial program. There are good and bad mines in the holding groups. We are not talking about those that have to be declared bankrupt. They work together within the

holding group, knowing the rules of procedure. The management of the holding group determines which mines will have to be closed. The minister of industry, in consultation with other ministries, will only set the starting point for all the holdings.

[WPROST] Does this mean that their debts will be forgiven?

[Niewiarowski] That is out of the question. I am giving consideration to whether we may not have to freeze the credits drawn for a certain period of time. The banks and the Ministry of Finance will have to play the deciding role in this case.

[WPROST] Since the war mining has undergone the most reorganizations, mainly of a propaganda nature.

[Niewiarowski] For the first time there will be no government "cap" over mines. The state, together with the World Bank, will help mining, but it will not determine the amount of the coal to be extracted.

[WPROST] Can the model for remedying mining also be applied in other branches of industry?

[Niewiarowski] I think that it will be possible to convince the Ministry of Finance that it would be well to compromise and establish a "zero point" in other branches of industry also. I believe that the holding concept can succeed only in mining. I think that parliament will be able to pass a debt-reduction law by the end of the year. Perhaps we will be able to push through the concept of IOU's to eliminate the so-called empty debts. Today the enterprises are mutually indebted. After balancing it turns out that these debts cancel each other out and can be eliminated without cash. Because hundreds of enterprises are linked in this way, possibly it may be necessary to introduce account settlement IOU's.

[WPROST] What is the ratio between the mutual debts of the enterprises and their arrears to the state treasury?

[Niewiarowski] No one is able to determine this. Not even the law on financial restructuring of enterprises and banks will help. It may be necessary to place additional securities on the market. Please do not misunderstand me. We are working to establish rules that will give enterprises a chance to escape the indebtedness noose. But this does not mean that relief will be granted which, with even small effort on the part of the enterprises, will allow them to come out even. The rules will be very strict, therefore, but will provide a chance for survival, and then development. Mining will be our first experimental field.

[WPROST] The second branch that "reached the wall" is metallurgy.

[Niewiarowski] A Canadian consortium developed the program for restructuring this branch. One of the greater achievements of the transformations thus far has been the sale of the Warsaw Steelworks, which was practically bankrupt, to an Italian contractor. Of the remaining 25

mills, six will be liquidated. This means that 80,000 employees will lose their jobs. Ultimately, in 10 years, only 43,000 people will be employed in the Polish iron and steel industry. I hope that in the meanwhile the recession will end so there will be no problem in employing the dismissed metalworkers. One of the first restructuring decisions will be a merger of the Katowice Steelworks and the Sendzimir Steelworks, making up 60 percent of the production of Polish iron and steelmaking.

[WPROST] Merging two bankrupt steelworks does not change their economic situation.

[Niewiarowski] After long analysis we came to the conclusion that the merger of the healthy elements of each of these firms is possible and beneficial.

[WPROST] Among the branches which are experiencing hard times today are also the shipbuilding and armaments industries.

[Niewiarowski] The shipyards have been guaranteed work for several years because the world economic situation has improved. Naturally, this does not solve all of the problems of the Polish shipyards. The situation in the armaments industry is worse. Elimination of the Warsaw Pact and applying an embargo on delivery of weapons has meant that there are no buyers for Polish weapons. Many firms are faced with the problem of rebuilding the Russian market, and if this turns out to be impossible, there will be the problem of changing technologies and seeking new sales markets.

[WPROST] The restructuring that you are talking about means, among other things, a rise in unemployment, which will evoke a protest from the trade unions. Meanwhile, the "pact on an enterprise" is seen as putting the government into the hands of union activists.

[Niewiarowski] I would not want to assess and classify the particular trade unions with which I have been negotiating the whole time. It seems to me that in negotiations, using even populist slogans, they tend to accept reasonable arguments. In talks I constantly emphasize the fact that the trade unions are expressing their opinion and not making decisions. I also believe that the era of workers' councils is passing. Unfortunately, this is not so obvious to everyone.

[WPROST] But the road from expressing opinions to making decisions is not such a long one....

[Niewiarowski] I always emphasize that for us the most important part of an enterprise is its board. It is held responsible and accountable. All of my negotiators still do not understand this. I look upon the pact that you mentioned as an instrument in the implementation of industrial policy, as an element that pacifies moods and prepares a foreground for negotiation. The critics of the "pact on an enterprise" make a mistake when they identify it with industrial policy.

[WPROST] But do not the constant wage negotiations and auctioning of union demands cancel out the three years of economic reform?

[Niewiarowski] You gentlemen too, are putting an equals sign between the pact and industrial policy. The present form of the above-norm wage growth tax and the dividend must be changed. On the other hand, we realize that a wage-control system is indispensable. We propose that the earned profit be divided into three equal parts: for investment, for wage increases, and for tax on wage growth. The acceptance of such a solution makes further negotiations unnecessary, because the division of profits is clear. Thus there should be no branch negotiations. There are 1,400 enterprises under the Ministry of Industry, but from the standpoint of the infrastructure of the state, approximately 250 firms are of special importance, and only in regard to them can there be any talk about state intervention within the framework of industrial policy.

[WPROST] Mr. Minister, will we, finally, within the framework of this policy, make a strategic choice of the branches which we will develop or those which will be eliminated?

[Niewiarowski] We must finally reject the opinion that the best industrial policy is the absence of such a policy. Our industrial policy will not consist of closing factories, but of creating economic conditions that not everyone will be able to take advantage of.

[WPROST] In some branches we will not achieve world standards, therefore should we cease to develop them at any price?

[Niewiarowski] We had over 80 enterprises in the armaments industry. In 10 of them the state owned, or will own, 100 percent of the shares, and in another 18 enterprises it owned over 50 percent of the shares. The others will operate on the open market. Administratively we are not eliminating anyone. We will give special protection to 28 firms, but after all, the military can buy equipment in the remaining enterprises.

[WPROST] Are there branches in which the state's involvement should be greater?

[Niewiarowski] Of course. Light industry produces an enormous amount for the market and provides employment for hundreds of thousands of people. In a few years this will be a "high-opportunity" industry. Today it is not the driving force in the economy.

[WPROST] How much money do you need to implement your industrial policy?

[Niewiarowski] The program covers 10 years and Z500 thousand billion is needed for its implementation. Most of the funds must come from the enterprises themselves.

Former Finance Ministers on Current Budget Issues

93EP0092A Warsaw RZECZPOSPOLITA (ECONOMY AND MARKET supplement) in Polish 16 Nov 92 p 1

[Article by Katarzyna Jedrzejewska: "Without Magic Incantations: How To Design a Rational Budget"]

[Text] "Would you support or oppose the amendments to increase the cap on the deficit and slash spending to this year's budget, or would you perhaps remain neutral?" This question was asked by RZECZPOSPOLITA of former Finance Ministers Leszek Balcerowicz, Karol Lutkowski, and Andrzej Olechowski. The second question was, "Do you perceive perils to next year's budget in the context of the already adopted government 'Assumptions of the 1993 State Budget' as viewed against the background of the current economic situation in this country?"

Leszek Balcerowicz:

1. "There exist dilemmas to which there are no good solutions. I would definitely agree that the growth rate of certain expenditures has to be limited. But I would consider with a heavy heart the question of whether or not to support the other budget amendment, namely, the increase in the deficit. It may be that ultimately, facing such a difficult choice, I would vote 'for,' but I would try to emphasize that I am doing so because I regard a cutback in outlays as indispensable.

2. "The principal perils to budget outlays are first, social protection and second, the system for financing housing construction. Third, there are the budget-unit expenditures. Unless a solution to the first problem is found, no savings will suffice and it will be difficult to design a rational budget, meaning one with a deficit not exceeding 5 percent, that being in my view indispensable to continued economic growth. If the Sejm rejects the basic revisions of the retirement pension system, it will by the same token support macroeconomic instability. "I fear that the system for financing housing construction, which presupposes higher budgetary outlays on subsidies for the banks, may turn out to be a delayed-fuse bomb. "As regards receipts, I do not think it is a good idea to raise to 50 from 40 percent the ceiling on the personal income tax. At any rate, two things together, namely, raising that ceiling and failing to valorize the taxation scale, are too much."

Karol Lutkowski:

1. "First of all, let me make something clear: The budget amendments in themselves represent only an authorization, an authorization to incur a greater deficit and to print a correspondingly greater amount of money once there is no other way out. In themselves these amendments do not necessarily mean that, although in practice this may cause a mood of undesirable satisfaction at certain government agencies. At any rate, this does not relieve the government of the political responsibility for

maximally curtailing the deficit and the attendant dangers. Were I a Sejm deputy I would be able to ask the minister of finance a couple of additional questions to make sure whether he will make every effort to reduce the deficit to a minimum despite everything. My conduct would certainly hinge on his answers. But at present focusing on reducing the dangers to currency stability due to the persistent crisis of public finance is more important than remembering past arrears.

2. "A typical problem with our budget assumptions has long been consisting in a chronic overestimation of the anticipated receipts and excessive spending (in relation to the possibilities of financing the deficit in accordance with the adopted price guidelines). Well, it is not unlikely that this situation may become reversed in the coming year. It may be that receipts will not be markedly below the expectations, but it may also turn out that the possibilities for reducing spending have been overestimated. Within the budget there operate powerful 'automatic' spending mechanisms as regards social services, budget unit salaries, and the servicing of the rapidly growing public debt, which is dependent on the interest rate. These big and rapidly growing line items may (although they do not have to) disrupt the budget if the inflation and the interest rates continue to be as high as they are at present. Of course, the notion that receipts will be more favorable presupposes marked improvements in the efficiency of the [collection of taxes and duties by] the treasury and customs apparatus (as otherwise the danger would be still greater). The 'assumptions' bet everything on assuming an inflation rate that would be a little lower than this year. The crucial assumption concerning the price guidelines usually contains an element of self-fulfilling prophecy. We should definitely aim higher at reducing the inflation rate at least in half. Contrary to quite misleading appearances, this approach to prices would be socially less painful, as it would strengthen confidence in the future of our economy, serve to reduce the interest rates, and act as an incentive for investment and exports. More even, by lopping off the cancerous growth of debt servicing, it would leave a broader field of maneuver for meeting certain important but neglected social needs. Essentially, then all the important issues would be viewed and treated in the right perspective. Then also the program for institutional systemic transformations could be advanced.

"In the present situation there exist many dangers to the budget, especially from the sociopolitical standpoint. As regards the economy, in my opinion the principal prerequisite for resolving all the problems is the consolidation of the budget (so that it would not burst apart on its own), to be followed by its gradual restructuring. To this end, what matters most is general awareness that this can be accomplished painlessly and rapidly. In this connection, the following are necessary:

"We assume a low inflation and make across-the-board (but only nominal) cuts in all nonindexed budget expenditures.

"We modify the principle of indexing whatever is indexable and switch from retroactive indexing to anticipatory indexing (by turning over, as it were, the visor of indexation), on providing for retroactive compensation in the event of departures from price guidelines.

"We slash the money supply program to fit it to the above, which immediately serves to reduce the interest rates without thereby acting as a disincentive to personal savings. Then the currency rate of exchange also becomes stabilized."

Andrzej Olechowski:

1. "In the final analysis, I would vote 'for,' because the reality cannot be ignored. The deficit cannot be maintained at the 65-trillion-zloty [Z] level. Hence the need for the parliament to permit the government to borrow additional credits. But I would be voting 'for' with a heavy heart, because Z65 trillion was an ambitious but realistic goal. It was not accomplished owing to a shortage of consistency and energy. At a certain moment the government did nothing when it came to collecting sufficient receipts and initiating the needed radical reforms of public finance and social protection, reforms that could have produced slight but significant savings already this year. Hence the persistent posing of the goal of the 5-percent deficit. Nowadays, de facto the most important factor to affect price movements is public finance. There shall be no lower interest rates so long as we do not slash the budget deficit to its lowest value in real terms.

2. "I am glad that the minister of finance is reverting to the 'magic' 5-percent spell. For there is nothing better he could do to ascertain whether the fragile economic growth will indeed jell before the reform of the public sector is assured. If he wants to revive the economy, he must tighten the rein on public finance, instead of loosening them as a large number of deputies have been advising him. It will be very difficult for him to win the battle in the parliament. He shall win it if he meets with solid support from the government and the governing coalition. But that is not self-evident. The dangers to accomplishing this goal will be, as I see it, the same as this year: The lack of political will to carry out the reforms in the public sector and the inefficient tax collection."

Public Poll on Privatization of Economy

93EP0093D Warsaw PRZEGLAD TYGODNIOWY
in Polish No 44, 1 Nov 92 p 7

[Article by J.S.M.: "Dreams of the Commune: Eighty Percent of Poles Fear Privatization"]

[Text] On being so commissioned by PRZEGLAD TYGODNIOWY, the Pentor Institute for Opinion and Market Surveys polled a representative sample of 1,000 adult Poles on the privatization of the economy.

The idea of privatization was supported in principle by 54 percent of the respondents and opposed by 29 percent, with 17 percent having no opinion.

Privatization is supported by more than one-half of the respondents irrespective of age group, with the exception of persons past 60. It is supported by 81 percent of persons with higher educational background and 42 percent of persons with elementary schooling.

Privatization is supported mostly by the most affluent (73 percent of persons with incomes of more than 4 million zlotys [Z] monthly per family member) and the poorest (52 percent of persons with incomes of less than Z1 million per family member). Of those with incomes of Z1.5 million per family member, only 39 percent support privatization. It is supported by 74 percent of Warsaw's population, 56-59 percent of urban population, and 46 percent of rural population.

Only every fifth Pole views privatization with hope; two out of five view it with fear; and as many view it with both hope and fear.

Those placing hope in privatization are mostly persons below the age of 40, with higher and elementary education, with highest (more than Z4 million) and lowest (below Z1 million) monthly incomes, and they are owners of private businesses, executives, and people in the free professions. On the other hand, those fearing privatization are chiefly persons in the 50-59 age group (the older ones fear it much less), and blue-collar workers living in smallest (with population of up to 20,000) and largest (upward of 200,000, excluding Warsaw) cities. But even among capitalists (business owners) every fifth views privatization with fear alone. Are they afraid of competition?

Privatization is not feared by bachelors and bachelorettes (only 25 percent fear it). It is feared on the other hand by widowed and divorced persons (55 percent).

In the opinion of 35 percent of Poles the policy of the current government promotes the establishment of private companies, but somewhat more (36 percent) consider it restrictive in this respect. (The remainder are of the opinion that the government has no influence on that.)

As many as 58 percent of private entrepreneurs and 50 percent of Warsaw's population believe that the government is hobbling private enterprise. This view is the stronger due to the respondent's educational background, being voiced by 32 percent of persons with elementary schooling and 42 percent of those with a higher educational background.

Only 23 percent of Poles perceive private companies to be highly important in overcoming the economic crisis and spurring the Polish economy.

This opinion decreases with age (the great or very great importance of the private sector is supported by 31 percent of the 20-year-olds and 18 percent of the 50-year-olds) and increases with education (17 percent of respondents with elementary schooling, 33 percent of respondents with higher educational background). The opposing opinion that private companies are of little or even no importance to economic growth is held by 37 percent of Poles and, mindboggling as it sounds, by as many as 41 percent of private entrepreneurs!

The "socialized sector" still has many supporters within the Polish society.

More than one-half of Poles believe that mines, heavy industry plants, transportation, communications, telephones, and health care should be exclusively "social" (that is, state and cooperative owned).

Supporters of the privatization of health care and extractive and heavy industries number only 6 percent; of the privatization of railroads, 9 percent; and of the privatization of banks, 14 percent. Somewhat more than every second Pole would prefer to eat only at private restaurants, but somewhat less than every second Pole would prefer to buy only in private stores. About one-third of Poles believe that both private and state plus cooperative companies should be operating in every branch of the economy. In this connection, the number of supporters of the socialized sector has increased in the last 16 months.

In the table below we present the findings of the Pentor poll commissioned by PRZEGLAD TYGODNIOWY in September 1992 as compared with the findings of an identical poll conducted in May 1991 by the TIMES-MIRROR PRESS.

Branch of Economy, Companies and Institutions	Should Be						Hard To Say	
	State or Cooperative		Private		State, Cooperative, and Private		May '91	Sep '92
	May '91	Sep '92	May '91	Sep '92	May '91	Sep '92		
Farms	7	11	62	60	30	26	1	3
Health-care stations and services	57	58	8	6	34	33	2	2
Banks	36	44	19	14	41	36	3	5
Supermarkets	22	15	37	48	40	32	1	5
Consumer-goods plants	21	22	27	28	49	43	2	6
Stores	8	9	46	48	44	41	1	2
Mines	72	75	6	6	17	11	5	8
Restaurants	9	8	51	54	38	34	1	4
Heavy-industry plants	70	73	6	6	20	15	4	6
Communications, telephones	53	58	16	15	26	20	4	6
Radio, television	34	38	17	18	45	39	3	5
Trains, buses	57	62	8	9	31	24	3	4
Newspapers	20	22	29	27	48	46	3	5

The question asked was, "Which companies or institutions should preferably be state or cooperative owned; which privately owned; and which should be owned by all three sectors?"

It is striking that the number of supporters of socialized ownership of nearly all of the branches of the economy and types of companies and institutions (with the exception of restaurants and supermarkets—the latter being absent in Poland anyhow) has increased in the intervening period.

To be sure, this is not a large increase, as it ranges from 1 to 8 points, but when multiplied by the number of the items in the table it eloquently reflects the decline in the public acceptance of the idea of privatizing the economy. During these intervening 16 months the number of supporters of

complete collectivization of agriculture in accordance with the most orthodox, Stalinist versions has even increased, and doubled to boot from 7 to 11 percent! To be sure, 60 percent (2 percent less than in May 1991) Poles believe that all farms should be privately owned, but in this case that is BARELY 60 percent, or nearly half as much as the share of private farms in the structure of agrarian Poland.

Attributing this phenomenon solely to Rev. Tischner's concept of "homo sovieticus," while justifiable, does not seem the only explanation. The director of Pentor Dr. Jerzy Gluszynski tends to attribute it also to an "overdose" of publicity about privatization, which, combined with an insufficiency of effects and an overabundance of attendant vexations, is probably beginning to make many Poles allergic to the issue.

Possible Coalition of RSM-LP, VMRO-DPMNE, SPM

93BA0379A Skopje VECER in Macedonian 9 Dec 92 p 8

[Report by V.V.A.-B.G.: "RSM-LP + VMRO-DPMNE + Socialist Party of Macedonia, SPM, = X"]

[Text] *Do the reformist liberals ask for the portfolio of the police, privatization, and the position of the public prosecutor in their letter to the coalition partners? Is a RSM-LP [Reformist Union of Macedonia-Liberal Party] and VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] coalition possible?*

For an entire month, without waiting for the usual 100-day grace period in the government, on three occasions the reformist liberals have indicated a reassessment of their participation in the governmental coalition. Whereas in the first two it was a question of verbal statements, this time the party has acted in a "more studious" manner: Materials were drafted with their remarks to the coalition partners, from whom an answer is expected.

This material is still considered "internal" and, for the time being, no one is willing openly to comment on it. The partners are referring to some kind of correct relations and consider that such interparty correspondence should not leave the halls of the Assembly. Nonetheless, judging by what we have heard unofficially from people who had the opportunity to see such writings, one could sensibly determine the nature of their context.

The Challenge Has Been Hurdled

Thus, what irritates the reformist liberals the most is the current governmental concept of privatization, with which they cannot reconcile themselves. Furthermore, the material also condemns the PDP-NDP [Democratic Prosperity Party-National Prosperity Party] for the fact that they openly declared themselves in favor of the nonrecognition of Macedonia. Allegedly, the reformist liberals cannot work together with these kinds of partners, which means that all of a sudden the national feeling of the people has "come into action."

All of this, however, is more or less familiar. Apparently, other remarks are of greater substance, both those which can be noticed and those which can be read between the lines. What the reformist liberals cannot tolerate is the allocation of the power. According to them, the Ministry of Internal Affairs has been accused of failure to make the necessary reforms. In its materials, that party has clearly stated that it is not satisfied with the division of the powers. Let us remember that in the course of the talks on the formation of the government, the RSM-LP was interested in the portfolios of police, privatization, and justice. The remarks, apparently, make it clear that they have no intention of dropping the first two.

As to the third, in this case the "mathematics" seem to apply to the function of the public prosecutor. According

to some speculations, it should go to the coordinator of the RSM-LP group of representatives Zoran Kreteovski, who is also the author of a draft bill on that institution. Hence, the government is accused of delaying the drafting of that law.

This means that the liberal reformists have partially revealed their cards and clearly indicated not only the portfolios they want but also, instead of playing the role of marginals, that they would like to have the main say and to control the coalition. It is being said of late that if they are unable to achieve the reconstruction and acquire what they want, they will engineer the fall of that government as well.

The "Calculation" Has Been Made

Judging by that one can hear in the halls of the Assembly, the "calculation" is the following: After the government falls (according to the "scenario," this could lead to the collective resignation of the ministers belonging to that party), the mandate to form the new government would be entrusted to the reformist liberals. In order to achieve a parliamentary majority, they will have to be joined by their worst opponents, the VMRO-DPMNE. The new prime minister would then be the current president of the Assembly Stojan Andov, whose present position would be filled by Ljupco Georgievski, the VMRO-DPMNE leader. In order for this to work out, it would have to involve the participation of Kiro Popovski's Socialists, whose small group of representatives has already been given a great deal more power than it is in fact entitled to, at least judging by its size. Naturally, according to the plan, there allegedly are some 70 representatives who are prepared to vote no confidence in the present government.

We recently tried to investigate this speculation by asking eventual future coalition partners. We were told by Risto Ivanov, the deputy chairman of the RSM-LP, briefly, that "I can only tell you that there have been no internal party discussions on such a coalition." Dosta Dimovska, from the VMRO-DPMNE, was even more concise: "No comment!" This is understandable, for we have heard of an eventual contracting of a coalition "marriage" by the VMRO-DPMNE discussed by Tomislav Stefkovski, the coordinator of the group of assemblymen, who apparently considers himself one of the ministers of that government.

Maybe nothing will come out of all this but, as the people say, where there is smoke....

Ethnic Policies of SDSM, VMRO-DPMNE Attacked

93BA0208A Skopje PULS in Macedonian 5 Nov 92 pp 34-35

[Article by Krste Bitovski: "A Country Without a Master, Parties Without Responsibility"]

[Text] *In the first free parliamentary elections, as is known, the two parties that gave priority to the nationality*

question obtained the most seats. Their nationality programs were very close, so many citizens (except, of course, the anticommunists) were not able to easily determine for whom they were voting. However, it soon appeared that a program is one thing, and practice is another.

The results of the elections two years ago shocked the two opposite sides—the former communists because they expected to obtain much greater success, and VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] because it did not expect such success. I would say that both parties achieved good success, thanks to the nationality programs, and the former also thanks to the contribution and agitations of Kiro Gligorov and Petar Gosev.

The replacement, in the meantime, of Mr. Gosev right after the elections was a sign that his party will take a step backwards with respect to the nationality question, and probably also with respect to some other matters.

It is expected that this party, which declares itself to be the heir of the KPM [Communist Party of Macedonia], will correct a policy, for the consequences of which there is no "corrective experience." Namely, the party under whose leadership national freedom was won, was defined by class and multiethnicity, and a good part of its spiritual leadership was without almost any Macedonian national feeling with respect to one of the basic segments of national life—the existence, physical presence, and expansion of the Macedonian people in their age-old ethnic territory, which, nevertheless, was the basic task and preoccupation of all newly liberated Balkan peoples and countries. Simply, this leadership directed an antinationality policy. Most probably the future generations and historians will characterize such a policy as the greatest crime committed against one's own people.

Several great mistakes are attributed to the former regime and leadership: limitations on freedom in politics and nationality, great economic failures, ruining the Macedonian village, feudal privileges of the leadership, corruption, and so forth. However, in my opinion, all these mistakes are of such a nature that, with time, some will be forgotten, those in the economic area will be corrected, or, in brief, everything will go into history as past, except for the mistake that always will be the greatest in the present and the future: the anational, spontaneous, and chaotic demographic policy which caused Macedonia to be distinguished as a territory without a master, in which it was possible without any economic, national, and political justification to settle 150,000 (?) non-Macedonians and, probably, to deport a like number of Macedonians from their age-old hearths in order to create living space for the former, thus simultaneously changing the ethnic map of Macedonia. This colonization of Macedonia permitted by the Macedonian Government would have been envied by the Ottoman government, which was much more famous for that tactic. Even today the policy of the SDSM [Social

Democratic Alliance of Macedonia] somehow basically has not changed. This party seems not to want to see that the Albanian parties want to legalize this colonization with new fundamental laws, because their strategic decision is to use the population of Albanians as a basic argument for achieving their ultimate purpose—splitting the country. When they seek the status of a people, when they seek an academy and a university, when they assert that they are autochthonous, etc. they seek all this and do all this in the name of their numbers.

In the name of their numbers, they seek one-half of Macedonia. We are threatened even in the Assembly; in the name of their numbers, they prohibit us from introducing national elements in the state symbols since the state and the nation are to be completely separate and isolated from one another. According to them, there may be national elements in the state symbols in all countries, of course, even in Albania, but in Macedonia, it is not possible since they are numerous. It is known that one of the reasons that they boycotted the census was so as not to reveal their precise number, so as not to reveal how many of them are newcomers and living in the wild in order to be able to prove to Europe that, with 40 percent of the total population, they cannot be a minority but a nation; they forced even an honest and European educated man, the president of Albania, Sali Berisha, to repeat this information and to blackmail us on the issue of recognition. However, just as they themselves crudely blackmail the parliament during these years which are critical for the existence of the Macedonian people and state in order to get everything that they want, they will do more easily tomorrow if they are not stopped. Since Albanian nationalism has threatened to consider western Macedonia to be its own, at a time when, in the Tetovo and Gostivar districts, the Albanian population numbered something more than 30 percent of the total population, whereas in Skopje, there were only 150 Albanian Christians, why now should this thinking change when they have become "so many?"

Europe also began to accept the idea of the "many." And in Europe they talk about 40 percent, or one-third. In the "most recent" case, Ambassador Robert Frowick, in the report made recently in Skopje for the high officials of the CSCE, writes that the Albanians are one-third of the population. This means he uses the data of Mr. Halili, and not the official data from which it is possible to see the truth—that they are around 20 percent. But can these Europeans who often come to our country and correctly express great concern about the most numerous minority, but do not blink an eye at the fate of the majority, especially in the sections where it lives together with the minority (these same Europeans who in their own countries are extremely sensitive, and, who, without scruples, defend the interests of their own nation from even a theoretical threat from foreign elements—though, in this respect they could serve as an example to us),

could they perhaps obtain a sheet of paper with well-reasoned and explained data concerning the ethnic composition of the population in our Republic? In this way, probably, accurate data should be cited, not just invented data.

The Albanian leadership makes use of the disunity of the Macedonian people, which is seen particularly in the parliament, in order to realize maximalist and unrealistic demands. Also, these leaders make use of the indecisive position of the SDSM toward vital national problems, a fact which could be observed recently in the case of the duel in front of the chambers of the MTV [Macedonian Television] when its high official represented himself as a concerned advocate of Albanian and Greek interests, and also the declaration by the head of the government according to which our basic national interests will be solved at the "Yugoslav" level.

This is happening, now, while the leadership of VMRO-DPMNE implements the national program for which the majority of the Macedonian people voted and, especially, while it fights for recognition of Macedonia, and with its policy, the gap in the ranks of the Macedonia people deepens dangerously. All this is nonsense in and of itself.

Soon after the elections, when there was an extensive discussion of the qualifications of the deputies in general, and of the VMRO-deputy group in particular, an "ardent nationalist" literally made the following exact statement: "People take account of the fact that they actually recruited these cadres of yours in the street." Still this was a time when the people were afraid to join this party.... I, just as "ardent" as my colleague, added: "You will soon see what personnel this national party will have at its disposal. All of the patriotically oriented intelligentsia will join it with pleasure...."

Not much time had to pass for me to understand that I had engaged in long-range forecasting. Of course, it was not hard for me to discover why precisely the patriotically oriented intelligentsia remained outside of this party. This is, briefly speaking, the mistrust of its pure and direct nationalist orientation and policy, more precisely, the disenchantment with the first moves the leadership made, and from which it was possible to sense that it was playing with the national and patriotic feelings of the Macedonian people. This means that it is not a result of the campaign, which different Vanco Nikolov-ites waged against it, or because of the hysterical attacks of the officers' wives of the former JNA [Yugoslav People's Army] over the air waves of Macedonian radio, which the leader of this party endured stoically. No! This is the result of the entire activity of the leadership of the party itself and of the parliamentary group. Because that which a person can do against himself, the greatest enemy cannot do to him.

It was not hard to come to the realization that "something" was not right. However, both the majority and I did not want to believe in that. I asked myself and I ask

myself: Is it possible that people who voted for this party could be deceived, be manipulated? To think that they voted for a strongly nationally oriented party, and it is infected with that damned "filstvo" [affinity, particularly toward a foreign nation; ie., Bulgarophile]. I believe that time will give an answer to this painful question. In the meantime, if one judges the VMRO-DPMNE by the policy that is being conducted by its leadership, one that is formally based on Macedonian national unity, but actually, in fact, is working against it, a policy verbally based on the recognition of national independence, but which does not work for it in reality, and on a number of other moves that it is making, which both in form and in content are hardly comprehensible and acceptable for any conscientious and well-intended Macedonian, then let him draw the necessary conclusion by himself. Or, perhaps the unity is understood only through the expression: "All under the leadership of the Leader?!"

With respect to the personnel on whom the successful policy of a party depends to a great degree, VMRO-DPMNE remains at the level at which it was at the beginning, when the personnel were assembled "on the street." Some evil tongues say that, among other things, it was not possible to enrich the personnel since the intellectual level of the potential new personnel couldn't be higher than that of the leader of the party?!

The leadership of this party has provided us with many unexpected surprises. In the United States the president of this party was actually a guest of the Vancovist MPO [Macedonian Patriotic Organization] and divided our people into Macedonian-Serbs, etc. but did not find Macedonian-Macedonians, a "discovery" that we cannot forget. Kole Mangov still crosses himself, and, not surprisingly, he has declared an entire brave Macedonian national organization in Pirin, Macedonia, to be Serbian, in this way defending overlords. On the one hand, not one honest Macedonian can explain ^[1] the recent meeting of Mr. Georgievski with known "Greater Bulgarians" in Sofia and ignoring all that is Macedonian in the Republic of Bulgaria, probably directed toward the "good" of Macedonia. And I will not mention other examples. That which surprises me the most is the brutal, uncontrolled, I would say hysterical, anticommunism led by former communists. To be completely frank, they resemble provocateurs who do not think well of Macedonia or of the party which they think they serve. The party that conducts such persecution against the Macedonian left, and that means against a large part of the Macedonian people, and what is particularly important, does it during exceptionally fateful moments of our existence, cannot adorn itself with the name of national, nor can it bear historic symbols that belong to the entire people (in particular if it is not thought that these symbols belong to the Mihajlovist VMRO). The natural logic of such a policy is the following: We shall destroy communism at any price, even at a price of first having to destroy the state itself. We imitate Rumania, Bulgaria, and others, but we are blind to the fact that there are classes and calculations there, and not national and state ones, as in our country.

There are reasons for criticizing and attacking the former regime, but to consider "the destruction of communism" to be a condition for recognition of the republic represents pure demagoguery and a naked struggle for power. Again, I repeat, a person would understand all this if it happened in normal conditions. But now to consider and do this to carry out an unscrupulous battle for power when there is danger that we will lose the state is senseless.

The leadership of VMRO-DPMNE officially has declared that it will be a constructive opposition, and that means it will conduct a constructive policy towards the position of the government. As an opposition, it, of course, has the right and duty in the parliament to fight vigorously for its positions when attempts are made, according to old habits, for the sake of "domestic peace," to impose solutions that in fact may be dangerous with respect to the interests of the Macedonian people. However, is it a constructive policy when a campaign is conducted against the president of the Republic? The president of the country, Kiro Gligorov, was elected with the votes of the entire parliament. All important acts that determine the principles of the foreign policy connected with acquiring national independence and international recognition were passed with the same votes. Those principles, although someone wants us to believe the opposite, up to now have not been violated by the president, but in spite of that, he is being attacked almost continuously.

Footnote

[1] [Correction pertaining to this article from the following issue of PULS, 12 November 1992]: In the last issue, in the text of "A Country Without a Master, Parties Without Responsibility," the sense of a clause is changed because of an error. The correct sentence should read: "In the United States, the president of the party was actually a guest of the Vancovist MPO and divided our people into Macedonian-Serbs and so forth, but did not find Macedonian-Macedonians, a fake pearl that we cannot forget; but Kole Mangov still crosses himself and, not surprisingly, he has declared an entire brave Macedonian national organization in Pirin, Macedonia, to be Serbian, in this way defending the overlords, a fact that no Macedonian can explain...."

We apologize to the author Krste Bitovski and to Kole Mangov.

Prospects for Macedonian Military Academy

93BA0181A Skopje NOVA MAKEDONIJA in Macedonian
27 Oct 92 p 4

[Article by Z. Petrov: "We Are Not Creating a Surplus of Officers!"]

[Text] Dragoljub Botsinov on the Military Academy of the Army of Macedonia.

The basic trick is to create a military science institution that will meet all recognized world standards. The remodeling of the "Gotse Delchev" barracks, where the Military Academy will be located, has begun and the instructions for the beginning of operation of the summer semester of the 1992/93 academic year, intended for completing the education of the current cadets, is under way.

Vice Admiral Dragoljub Botsinov, known to the Macedonian public for the judicial process carried out in Belgrade because of the supposed undermining of the military preparedness of the JNA [Yugoslav National Army], again is at the center of interest. After the verdict that exonerated him, he was accepted into the Army of the Republic of Macedonia [ARM] and was named as a deputy chief of the general staff of the ARM for personnel matters and the school system on 1 August. Among other things, at the present time Botsinov is one of the chief creators and authors of the analysis for founding the Military Academy of the ARM, which represents a significant step in establishing military thinking and defense in general in our country. We give particular significance to the analysis even from the aspect that it was prepared in a record short time (one month) and in many ways differs fairly radically from the preceding decision concerning the training of the future cadets of the ARM, the author of which was the Institute of Defense in Skopje. Although this unique study of more than 120 pages is still in the form of a draft, Botsinov agreed to reveal the details thereof, which represents a kind of promotion of the future Military Academy of Macedonia.

Military Academy—A Need of the State

"In entering my new position in the ARM, I accepted the initial model of schooling that I called a hybrid system, because it called for the cadets of the ARM to be trained for the first two years at the Institute of Defense in the Philosophy Department in Skopje," Admiral Botsinov says. In consultations with the minister of defense, the rector of Skopje University, and the president of the Republic, it was found that there was a distinct need for Macedonia to set up its own military academy. Botsinov emphasized that a six-member group of proven experts in the area of defense worked day and night on the analysis, but that the main task was to put together a military science institution that would fully meet all known world standards. "I was categorically against the idea of hybrid schooling," he continued, "since I think that the philosophy department is not a natural environment for training cadets for barracks life, for acquiring military habits, and for psychological preparation for their future calling." On the other hand, Botsinov thinks that the training program and plans of the Defense Institute in general do not meet the needs of the professional officer.

The study presents a comparative analysis of four senior military educational institutions: the Military Academy of the Infantry Troops of the JNA in Belgrade, the Military-Technical Academy of the Infantry Troops of the JNA in Zagreb, the educational plans and programs

of the Military Academy of the Armed Forces of the United States (West Point), and those of the Institute for Defense in Skopje. As Botsinov emphasized, during the time of the analysis there began to be criticisms that a kind of Macedonian West Point, with educational programs identical to the former JNA, was being created. He says that it is correct that we have included a great part of the educational programs of the military academies of the former JNA in the new analysis because we thought that in a military science sense they are very truly consistent and have been verified at the world level, which essentially justifies the principle of accepting everything that is positive irrespective of its source of origin.

Botsinov says that what is particularly important, and which perhaps most will interest those who say that we are creating a large and expensive military school, is the fact that the financial structure for creating the basic conditions for organizing a military academy amounts to \$291 million. According to him, the analysis now has to be verified by the Collegium of the General Staff, and after approval by the minister of defense, procedurally the analysis will be signed by three parties—by the president of the Republic and the ministers of defense and of education.

The "Gotse Delchev" Barracks—A Future Faculty for Officers

Admiral Dragoljub Botsinov, who served for four years in the military school system as commandant of the Center for Senior Military Schools of the Navy in "Lora," near Split, says that the preparations for adapting the "Gotse Delchev" barracks in Skopje for the future academy for cadets of the ARM are already under way. As far as the staff is concerned, he emphasizes, there will be no problems here since the Republic has at its disposal nine doctors of military science, 14 masters of military science, 20 people who have received doctorates in the School for National Defense, and even 127 officers who have graduated from Command Staff School, or the former Senior Military Academy (with a Masters of Science degree). The procedure for selection of the teachers is the same as for any educational institution; that is, they will be selected by public competition.

As the person responsible for the military school system in the ARM emphasized, instructions for beginning the work of the summer semester of the 1992/93 academic year intended for completing the education of the cadets which are already there are under way, and by 1 October of next year all four years of the academy will be operative. "We envision," says Botsinov, "holding a competition for around 100 cadets during the first year, including those who are currently there." According to him it is known basically that the competitions for accepting new students will be coordinated with the retirement of the noncommissioned officers of the ARM, so that from the beginning no excess personnel will be created.

Otherwise, during the first two years all cadets will have common schooling, while orientation towards specific specialties and occupations will be developed in the third and fourth years. "It is necessary to emphasize," Botsinov states, "that the current educational plans and programs are of a transitional nature and that they will be changed supplementarily." It is planned that the military academy will integrate an entire military schooling (school for the reserve officers, as well as permanent education in the form of courses and special training, and postdiploma specialized studies and examinations for specific high-military ranks) and this will represent a unique subsystem of the permanent system of higher education in the Republic.

Among other things, Botsinov insisted that the military academy, as an elite school, exercises very strict criteria for acceptance of the students, as well as a very extensive and strict selection of the subjects. During the first year, for example, 34 hours per week are required, which represents a semester requirement of over 430 hours. As an illustration we cite the subjects for the first year in this faculty: philosophy, sociology, foreign language, mathematics, information science, physics, fundamentals of the theory of military science, general tactics, leadership and command, military psychology, weapons with training in firing, construction training, and physical education. In conclusion, Dragoljub says that "our priority goal is to create highly skilled military, technical, and public personnel, that is, officers with a high degree of motivation, boldness, decisiveness, and training, for defense of the fatherland. In a word, they must be, first of all, intellectuals, and not robots and menials who react subserviently."

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