

RS-EER-89-074
JUNE 1989



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JPRS Report

East Europe

19980130 043

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NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

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East Europe

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HUNGARY

Kadar Submits to Interview, Explains Silence

25000261 Budapest MAGYARORSZAG in Hungarian
12 May 89 p 4

[Interview with Janos Kadar: "Janos Kadar Goes Public: 'Hunger Strike for Rakosi'; 'Rajk Cannot Be an Enemy.'"; date and place not given. Kadar was formerly MSZMP [Hungarian Socialist Workers Party] general secretary for 32 years and has been president of the MSZMP since May 1988. He was relieved of all party functions at the 8 May MSZMP CC [Central Committee] plenum. This interview is the first of a 2-part series in the weekly MAGYARORSZAG.]

[Text] In recent times more and more people have asked with increasing frequency: Why does Janos Kadar remain silent? People would like to hear of his memories, his views of the key events of our history during the last four decades: the show trials, the sentences against Laszlo Rajk and himself, about 1956 and 1968, and what happened afterwards, about glasnost, perestroika, and the Hungarian transformation. Our editors asked the former chairman of the MSZMP to respond to our questions. The contents of our conversations are reported in this first installment of our series.

[MAGYARORSZAG] Both the Central Committee of the MSZMP and we have received many letters recently asking why you have been absent for so long from public life, and why you have not taken a stand on vital issues pertaining to the party and the nation?

[Kadar] I know many party members, as well as non-members, are interested to learn what is happening to me. Why am I seldom seen, why do I not speak up? This question was also asked by the author of an article in a weekly. I have been ailing for some time now, and this has prevented me from participating in the work of the party leadership and in decisionmaking. I spoke of this at the 20-21 February and 12 April sessions of the Central Committee, in which I took part, but emphasized that even in my absence I feel obligated by decisions of the leading organs of the party, even if I do not agree with all of their details. I am aware of several request for interviews, including from NEPSZAVA. At that time I sent them word that I could not comply with these. I agreed to MAGYARORSZAG because it was the first to ask, and because I, too, feel that I cannot remain silent any longer. My silence may be misunderstood or even misinterpreted by many.

[MAGYARORSZAG] Perhaps it is not polite to ask, but let me do so anyway: what is the nature of your illness?

[Kadar] First of all, last fall my right thumb and index finger became paralyzed. My hand was operated on and is slowly improving, but I still cannot use it. I cannot grasp or write, and this greatly handicaps me in work. Besides, I have several other ailments, which in part

come with age, and in part were acquired during my far-from-restful life in the underground and later in prison. You may observe while we are talking now that I struggle for air, and I have other problems too; for these I must take many medications, and their effects are not pleasant. They interfere with concentrated work. But I am not fishing for pity, that is not necessary. I am the one most embarrassed about this situation, but no resolution can alter this. That is why I indicated to the Presidential Council, to the Parliament, and to the Patriotic Popular Front that for the time being I cannot take part in any work. My doctors allow me only short periods of work a couple of times a week.

[MAGYARORSZAG] Shall we call it quits for today? You have already exceeded the allowance for today, and I would not want to exhaust you.

[Kadar] Conversation does not bother me, passivity is much more unpleasant. I confess to the doctors that sometimes I break loose and come in for an hour here and there.

[MAGYARORSZAG] While the issues of today are very exciting, before tackling them we would like to reach back to events of the past and through them approach the present.

[Kadar] Please, go ahead.

Meeting in the Csillag Jail

[MAGYARORSZAG] You were one of the victims of the show trials. Tell us please about the period preceding your arrest. For example, what was your relationship with Matyas Rakosi, then the secretary general of the party? Did you experience discrimination against those who did not return from exile in Moscow?

[Kadar] I first met Matyas Rakosi at the Csillag jail in Szeged, I believe in 1934. (Janos Kadar was arrested on 21 June 1933 and, on 4 October of that year, was sentenced to 7 years imprisonment. He spent part of his sentence in the municipal jail and the rest in the Csillag jail in Szeged.—Ed.)

[MAGYARORSZAG] Did you know about each other? Did Rakosi know that Janos Kadar was one of the leaders of the youth organ of the illegal party?

[Kadar] At that time I was not known by this name, but he knew exactly who I was. My real name is Janos Csermanek, but while in the underground I used the pseudonyms of Luptak and Kadar. After 1945 I obtained permission from the Interior Ministry for regular use of the latter.

[MAGYARORSZAG] So you made Rakosi's acquaintance at the Csillag in Szeged.

[Kadar] Yes, he had already been locked up there for years. The accommodation of communist prisoners at the Csillag jail in Szeged was unique, and even our guards were locked up. When we were led to the upper level, the corridor was enclosed by two double fences. We had to enter the first stark naked. There we received prison clothes, and could then enter the second fence, behind which other prisoners awaited us. They were curious about us. There were a dozen or more people there. While getting acquainted I almost made a mistake. I knew that Rakosi was also there, and I looked forward to meeting him in person. In short, several political prisoners were standing there, and amidst them I noticed a handsome, tall man. That is how I imagined Rakosi, and I thought it was him. Before I could accost him a small, plump man came up to me and introduced himself: "I am Matyas Rakosi." I must say I was glad I did not rush the meeting.

[MAGYARORSZAG] You had never met before?

[Kadar] No, even though in the previous year I joined the hunger strike for him in the municipal jail, together with other communist prisoners. There, too, we were honored by the custom of having it written next to our name: communist. The strike lasted two weeks, but on the fifth or sixth day, after a medical examination, they started forcefeeding me.

[MAGYARORSZAG] What was the objective of the strike?

[Kadar] First of all we protested the fact that even though Rakosi's 8 and 1/2 year sentence was coming to an end, they did not want to release him but wanted to start a new trial against him. But we had demands of our own: improvement of prison conditions and the treatment of political prisoners. I recall that until sentencing everyone was entitled to obtain provisions. The guards purchased from local groceries whatever we requested, usually on the weekend, on Friday or Saturday. We began the hunger strike on that day and, imagine, the guard brought the bread, bacon, and some vegetables, which were in short supply in the prison. I told the guard not to put in my cell what he brought, since I was on a hunger strike. "Do you imagine," I said, "that I shall be pacing up and down here, while you peep through the hole to see what is happening?" I told them if they left the food there, I would throw it out of the window. Since they did not take it, I made good on my promise. The guard came in when he heard the clatter of broken glass. For this all my privileges were revoked, and I also received extra punishment.

[MAGYARORSZAG] What did that entail?

Delicious Rye Bread

[Kadar] First of all, a hard bunk for 2 weeks, no walks for 4 months and confiscation of books, notebooks, and writing implements. Also, 6 days of solitary confinement. Bread and bacon were given to me. I used the rye

loaf, which smelled so delicious, as a pillow, and the next day returned it. They never tried giving me bread again. One day I noticed that someone was yelling loudly in the other wing of the prison. I asked the guards what was happening there. I learned that one of the inmates who lost all his privileges (no work, no visitors, no walks or books) could no longer stand the solitude and went out of his mind. He literally died of imprisonment. (The name of the prisoner is Istvan Kovacs.—Ed.)

[MAGYARORSZAG] Where did you meet Rakosi after liberation?

[Kadar] Those of us who remained knew of the later fate of Rakosi and the others, and looked up to the Moscow exiles. Many amongst them, not only Rakosi and Vas, were jailed for a long time, then exiled, and were unfamiliar with conditions at home. Rakosi thus often called for me and asked me to inform him on various matters.

[MAGYARORSZAG] Where were you working then?

[Kadar] At the beginning of 1945 I was Deputy Chief of Police in Budapest. I got this position because Zoltan Vas had me appointed by the Budapest National Committee, without my knowledge. Vas told me that he recommended as Chief of Police Laszlo Solyom, a former Smallholders Party member who since 1944 had been active in the military committee of the Communist Party, and who was an honest man and on our side. As the head of the political department of the police they appointed Dr. Gabor Peter. Vas gave me a piece of paper. I asked him what it was, and he said: "This is your appointment, you are deputy police chief." This is how I became deputy police chief, but not for long, since I soon led the cadre division of the party, then in November 1945 I became Budapest secretary and, in the fall of 1946 at the 3rd party congress, deputy secretary of the party. (Laszlo Solyom was an antifascist army officer and Smallholders' Party supporter who made contact with the Hungarian Communist Party in 1942 and became a member of the military committee of the party and one of the leaders of armed resistance. He was arrested in 1950 on fictitious charges and was executed. He was rehabilitated in 1955.—Ed.)

[MAGYARORSZAG] What was your profession before the war?

[Kadar] I learned to be a typewriter technician. At that time this was an elite profession, there were perhaps 300 of us in the whole country. But I could not work for long, since soon I was found out. I was then a laborer at a carpet dealer, I worked with an umbrella maker, or whatever was available.

[MAGYARORSZAG] Let us return to your connection with Rakosi. How did your relationship develop later, when you were already a member of the Politburo and the secretary of the Central Committee?

The Chase Begins

[Kadar] Rakosi often called for me and asked to be briefed on Hungarian conditions which, owing to his long absence, he could not have known. Despite this I must admit that my respect for him remained unchanged. He addressed prisoners on a first-name basis, something I declined. I told him that he was welcome to address me by my first name, but I could not reciprocate, if for no other reason, due to the age difference. Thus it came about that he used my first name and the direct form of address, and I used the polite form. As the head of the cadre department of the party, and later as Budapest secretary and deputy secretary-general I remained in close professional contact with him. We never had a deep human relationship, but I still trusted him, until the time of the Rajk affair.

[MAGYARORSZAG] Did you know each other during the years of the underground?

[Kadar] We did not know each other. Either one or the other of us was arrested, and whichever of us happened to be free took part in directing the party's work. Naturally, we knew of each other. I respected him highly. Our personal contact began after liberation. Rajk was arrested in December 1944. Representatives of the party approached his brother, Endre Rajk, an official of the Arrow Cross Party government, and asked him to save his brother's life. As a result of his help Rajk was tried by a civilian, not military court. This removed him from the threat of the death penalty. Rajk was taken first to Sopronkohida, then to Germany. For a while we did not know if he was alive. Then he reappeared in 1945, having walked home from Germany.

[MAGYARORSZAG] When and how did you learn of the accusations against Rajk?

[Kadar] As I mentioned, this was precisely the cause of the deterioration of my relation with Rakosi, and the trust was gone too. At an official meeting it was reported, based on military intelligence, that during the war there was an agency active in Switzerland which, under the supervision of U.S. intelligence, also assisted the Communists. The organization was alleged to have been supervised by Allen Dulles, who at the time was the European representative of U.S. intelligence. For this reason everyone here who had any contact with this organization became suspect. The first to be named was Tibor Szonyi. During questioning he confessed that in Switzerland they asked him on whom he could rely after his return home, and he named Laszlo Rajk.

[MAGYARORSZAG] Was this the starting point of the chase after Rajk?

[Kadar] I believe this was the beginning. Not much later a depressing conversation took place in Rakosi's villa. At an unofficial meeting, attended besides Rakosi by Mihaly Farkas, Erno Gero, Jozsef Revai, and myself

(they were already there when I arrived), Rakosi stated that Rajk was hindering the work of the State Protection Agency. I knew that this accusation must have come from Gabor Peter, since I had heard similar ones from him, but did not attribute significance to them. In this sombre mood Mihaly Farkas declared: "We who were in Moscow know that whoever hinders the work of the state security agencies is an enemy." I was stunned by this comment, and could read the same in Revai's expression.

[MAGYARORSZAG] Were any concrete accusations made against Rajk?

From the Interior Ministry to the Foreign Ministry

[Kadar] Something along the lines that Rajk gave several lectures of several hours duration to members of the agency, and thus took them away from work. And also, that as Minister of the Interior, he wanted to supervise state security. I asked to speak and said that I knew Laszlo Rajk and did not believe he was an enemy. Revai spoke too, and took a similarly firm stand. He considered it out of the question for Rajk to be an enemy.

[MAGYARORSZAG] What did the others say?

[Kadar] Gero said nothing. I cannot remember who said it, but it was also stated that Rajk is a kind of cosmopolitan intellectual. He had returned from the Spanish Civil War via Germany, having secured a transit permit with labor, and this provided an opportunity for him to be recruited. (After the Spanish Civil War Rajk spent years in a French concentration camp. In the summer of 1941 he set off for home with others. Rajk took up work in the construction of a gasoline refinery near Leipzig, and returned from there in 1941 illegally.—Ed.)

[MAGYARORSZAG] So the concept was born there. Was a decision made for his arrest?

[Kadar] No, there was no word of an arrest. Rakosi closed the matter by saying that if matters stood this way, it would be better for Rajk to hand over the Interior Ministry to someone else, and become foreign minister instead.

[MAGYARORSZAG] Was the possibility of your becoming minister of the interior instead of Rajk come up then?

[Kadar] No, this happened later, at a meeting of the Politburo. But I learned only a quarter of an hour before from Rakosi what the plans for me were. Later I figured that having never been abroad before liberation, perhaps I was found more suitable and reliable for the post of interior minister. It was also important for me that this change would also save face for Rajk.

[MAGYARORSZAG] Did you discuss with anyone what transpired at the Rakosi villa?

[Kadar] No, I did not talk about this with anyone. I would have been ashamed to mention it. I must also admit that the group that returned from Moscow (Rakosi, Gero, Farkas, Revai, Imre Nagy, and Zoltan Vas) never told us what they were doing there, what they saw and experienced, even though I was on good terms with Mihaly Farkas until my arrest. We knew that Imre Nagy worked at the Hungarian Radio in Moscow, but others said even less. This was typical of the secretive atmosphere that reigned then.

[MAGYARORSZAG] When you took over the Ministry of the Interior from Rajk, did you not discuss the situation, or did you still not perceive any of the impending tragedy?

[Kadar] The switch took place in the fall of 1948 (on August 5th—Ed.) and neither of us suspected the continuation. But I already sensed then that the trust in me was shaken.

[MAGYARORSZAG] What were the clues?

[Kadar] For example, once I mentioned to Gabor Peter that I found it difficult to work with him. The point of my remark was that Gabor Peter accused Rajk of interfering with his work and disturbing the activities of state security. When I became minister of the interior Peter exhibited similar behavior toward me. He did not let me oversee his work, and maintained direct contact with Farkas, and even Rakosi. When I told him that I found it hard to work with him, Peter said this was interesting, since Rakosi could work with him, only the enemy could not. This could not be misinterpreted.

[MAGYARORSZAG] Some Western authors concluded that you had an important role in the Rajk trial. Others claim outright—and there are plenty in Hungary too—that you persuaded Rajk to confess.

[Kadar] I do not know who says this, but it is untrue.

Rakosi Admitted Personal Responsibility

[MAGYARORSZAG] Is it true that the Politburo of the Hungarian Workers Party, the Secretariat, and the Central Committee discussed several times the Rajk affair and later others, and even made resolutions, for example about the death penalty. Some claimed that members of the Politburo had to sign off on death sentences.

[Kadar] First of all, no one had to sign off on death sentences, at least not to my knowledge. As for discussing the cases, they were of course brought up at meetings of the party leadership several times. Rakosi was no fool. Had he kept everything to himself, the responsibility would also have been all his. As it was later discovered, he did not like to accept responsibility, only if he was cornered, as he was at the June 1953 session of the Central Committee. (The Central Committee of the Hungarian Workers Party discussed at its 27-28 June

1953 session mistakes and illegal acts committed in previous years, and resolved to rectify these. At this meeting Matyas Rakosi admitted having directed state security. He stated: "I directed the State Security Agency... and intervened in the running of affairs, had my say about who should be arrested, who should be mistreated, what sentences should be meted out to whom." This quote is from the study "Contributions to the Natural History of Personal Dictatorship" by Miklos Habuda, which appeared in No 1 of the Propagandista, 1989.—Ed.)

[MAGYARORSZAG] The question was whether the Politburo of the Hungarian Workers Party, or the inner party leadership and the Central Committee, ever discussed the Rajk affair.

[Kadar] It is hard after so long to remember every detail, but I shall tell you what comes to my mind. First of all, Laszlo Rajk was arrested in his home by Gabor Peter. He was with his family when they came for him. This was told publicly much later by Mrs. Rajk. It is very likely that the matter was discussed after the arrest by the Politburo or the secretariat. (Istvan Kovacs, who was a member of the Hungarian Workers Party Politburo and of the Secretariat, recalls: He saw Laszlo Rajk last on 30 May 30 1949. Next day the Central Committee was called into session but Rajk did not appear. Kovacs then inquired about him in the break, including asking Rakosi, who did not say what happened. He then phoned the Rajk home but no one answered. This became suspicious, since Rajk had a small child, and Rajk's mother lived there too, as well as a domestic servant. Kovacs then asked again and others, too, became restless. Seeing that the matter could not be kept secret any longer, Rakosi informed members of the Council during the lunch break. He referred to the confession of the formerly arrested Szonyi that Rajk was an informer and an American spy. This announcement stunned everyone: no questions were asked.—Ed.)

[MAGYARORSZAG] There was an interview in the November 1988 issue of MOZGO VILAG with Vladimir Farkas. It says that the Rajk affair was supervised by two members of the Politburo, Mihaly Farkas and yourself, under the direction of Matyas Rakosi.

[Kadar] At that time I was a member of the Politburo and of the Secretariat, as well as minister of the interior. As a result I became a member of the above-mentioned committee. Regarding the Central Committee, I recall it discussing the matter on two occasions and making a resolution moved by Rakosi.

(To be continued.)

Bogomolov on Characteristics of New Socialist Economic, Political Model

25000277 Budapest TARSADALMI SZEMLE in Hungarian No 5, 1989 pp 33-38

[Interview with Soviet Academician Oleg Bogomolov by Novosti News Agency correspondent Sergey Gryzunov: "The New Concept of the Socialist Economy"; place and date of interview not given]

[Text] The following is an interview with Academician Oleg Bogomolov, by Sergey Gryzunov, correspondent of the Novosti News Agency.

[Gryzunov] We are witnessing the birth of socialist society's new economic model that adapts to the changed historical conditions. How does the new model differ from the old one?

[Bogomolov] We are attempting to drastically restructure the economy, making it more efficient, more flexible, more dynamic, and more responsive to the revolution in science and technology. And, more importantly, making the economy serve human needs and consumer interests. It is still too early to claim that an integrated, wholly and harmoniously functioning system has in fact already evolved; one that we could justifiably regard as a new type of socialist economy. An organization that meets the ideal conceptions and requirements would enable us to manage our resources more sensibly than capitalism is doing; to direct the economic processes purposefully and in a manner that conforms to plan; to reduce the spontaneous elements to a minimum; to avoid crises, etc.

We are seeking the new in two directions. First, scientists and practical experts are jointly attempting to formulate accurately the theoretical conceptions regarding the socialist economy, the new perception of how the socialist economy ought to function at the turn of the century. The other direction is experimentation. Experiments on a previously unimagined scale are proceeding in all areas of the economy, and they are yielding new insights that will enable us to analyze and carefully examine the specific characteristics of future economic conditions.

The new model's concept incorporates an important idea: it places emphasis primarily on the qualitative differences that exist between the realities prior to the reform and the present attempts. The most important difference is that the socialist economy must be based on sufficient freedom of choice for producers and consumers, on market relations; and from this there logically follow all the other characteristics. Because conditions that would permit direct distribution of products have not evolved so far, not even in the most advanced industrial societies, however wonderful their computer technologies. Market relations that include healthy competition are among the greatest products of human

ingenuity; and they have been undergoing refinement for centuries, since feudalism or even since slavery. Practice has not come up with a realistic alternative to market relations so far.

[Gryzunov] The socialist economy's drastic reform is often attributed solely to the necessity of adapting the economy to the level of the present scientific, computerized stage in the development of large-scale industry. With the added comment that in the Soviet Union, from the 1930's through the 1950's, the previous command-directed system of administering the economy suited the then existing conditions and was fairly effective, becoming obsolete only later, parallel with the economy's growth and expansion, and with the commencement of the revolution in science and technology.

[Bogomolov] That view does not agree with the facts. The desired objective was long presented as reality. With the emphasis on quantity, on boosting output at whatever cost, not enough attention was devoted to efficiency. Our technological results were exaggerated. We could hardly have been expected to accurately determine our world standing, when our contacts with the outside world were minimal before the war, and especially after the war, up to the period of rapprochement in the 1970's. In the new era of the revolution in science and technology, unfortunately, the Soviet economy's qualitative lag relative to the leading capitalist countries reproduced itself, although there were indisputable advances in the aerospace and defense industries, and we did use high technology at some points. Especially dangerous is that the lag manifests itself not only in specific numbers or technological indicators, but also in the occasional inability of social consciousness to perceive the exact magnitude of the lag and to absorb that fact.

It is indisputable that the socialist economy's functional model must be adjusted to the productive forces' present level, but it would be inaccurate to interpret this merely as adjustment to the new conditions, as progress from the level already attained. The earlier assumption and deeply rooted doctrine that the new society could dispense with the market, with market relations, was utopian from the very outset. The switch to the new model, then, also serves to correct our past mistakes: it means that we renounce everything that was illusory even in the past and was therefore unable to meet the requirements of progress.

Pondering the socialist economy's new concept, however, we do not reject completely the classical heritage of Marxist-Leninist thinking, the ideas it formulated and the values it set, and its methods of investigating economic facts and processes. We retain the continuity of Marx's fundamental ideas, and acknowledge his doctrines about man and man's creative potential, and about the development of civilization and democracy. The sum total of Marxism's humanistic principles is organically intertwined with modern socialism and its

renewing concept of the economy. The most important social values of liberty, social justice, and human solidarity cannot become obsolete.

Thinking in terms of a model may be regarded on the whole as an effective method of cognition. Nevertheless, it does have also certain drawbacks, together with its indisputable advantages. The hazards and pitfalls of constructing social models are especially apparent when attempting to model the whole organization of society. Naturally, we have to decide what we want to achieve and which way we should be heading. But this cannot lead to our having to define every element of the theoretical model in great detail; to attempting to describe once and for all socialism's aspect in all its details; to setting definite criteria for what is socialist and what is not. If by a model we mean a splendid crystal palace that has been computed centuries in advance, and toward which millions are marching shoulder to shoulder, then even the slightest computational error on the part of society's engineers could have the most serious consequences. Thus if we are thinking in the long term of the perspective of society's development, then we have to define the principal objectives, ideals and values, without falling into unnecessary ideological futurism.

It is seemingly simple to construct the socialist economy's model, because here we are dealing with an internally checked mechanism, in which the action of the various elements is governed by a uniform logic. Don't forget that Marx in "Das Kapital" wrote about the partial automation of factory production already in his time. Yet, seeing capitalism's growing pains and its feebleness in senescence, he assumed that the capitalist system had completely exhausted its growth potential. Since then our views regarding the development of technology and society have changed considerably. But it is obvious that we, too, find it difficult to predict correctly what surprises science and technology will have in store for us even in, say, the next 50 years.

When constructing the socialist economy's new model, therefore, we have to take into account how limited is our ability to foresee the rates and forms in the further development of society's productive forces. The socialist economy's new mechanism must provide maximum opportunity for growth. It must be free and open-ended, the kind that not only permits but directly presupposes the possibility of corrections. One objective we must set in the course of socialism's renewal is to construct an economic model that is self-correcting, capable of constant self-renewal, of adjusting to the new circumstances.

[Gryzunov] Many theoretical economists and practical economic managers in the CEMA countries are of the opinion that the socialist market, reinstated in its rights together with all its institutions and mechanisms, and regulated in a planned manner, is the new economic model's principal feature.

[Bogomolov] I agree with that opinion. But if the market is not large enough, and if it is limited to goods and services for consumers, then it would be unable to perform its macroeconomic functions and set the value of the goods and services. A policy decision in the Soviet Union calls for expanding the market to include also wholesale trade in capital goods. We have already taken the first steps in that direction, although with difficulty. Other socialist countries have advanced further. Domestic exchange markets are being created to overcome the isolation from the world economy. China and Hungary have taken concrete steps to establish capital markets and trading in securities, stocks and bonds. Budapest has a stock exchange. The question of an information market is being raised with increasing frequency. And in China, Yugoslavia and Hungary the idea of a labor market is no longer regarded as heresy.

In a socialist market economy that is regulated in a planned manner, the use of noneconomic methods—directives, pressure from above, and commands—must be reduced to a minimum and replaced with economic regulation. The nature of planning will also change: from directives it will gradually have to transform itself into prognostic programming. That will not undermine the center's leading and directing role; to the contrary, the negative effects of spontaneous, uncontrollable processes will diminish. The enterprises need much more economic independence, and they must be freed of the bonds of all-pervasive regulation. Under the new conditions the worker collectives will show more initiative, be more entrepreneurial, and will better adapt production to the rapid changes in equipment and technology, and to the world market's business cycles.

[Gryzunov] Is the new economic model's development international in its character?

[Bogomolov] Yes, if you do not interpret this literally as complete synchronism on the same plane. Many economists in the Soviet Union and other socialist countries clearly recognized, already in the late 1950's and early 1960's, the need to restructure their economies. In the political sphere, regrettably, the new ideas appeared much later, only in the mid-1960's (first in the GDR, and then in the Soviet Union, Czechoslovakia and Hungary), but a reversion occurred everywhere after a time. The new wave of reforms started ten years ago in China, then Poland took the same road, and Hungary made a second start toward reform. Perestroika in the Soviet Union influenced the course of events in Mongolia and Vietnam. There is no doubt that, in response to perestroika, the leaderships in Bulgaria and Czechoslovakia issued official statements about the need for economic and political reforms, although willingness to restructure does not yet mean that restructuring has actually occurred, immediately and on a wide scale. In Yugoslavia, which started off after 1948 on a road different from the one the other socialist countries were following, the need for reform is definitely being felt lately.

The GDR stands slightly apart in the general reform movement, but the peculiarities of its economy must be taken into consideration. While Poland and Hungary, for instance, are creating practically in the course of their reforms the private and cooperative sectors of artisans, small-scale industry, construction, retail trade and other services, in the GDR all this exists already since the postwar period. So far as the production of large-scale state industry is concerned, it is seemingly centralized. But certain corrections were made in the economic mechanism already in the 1970's, the independence of the economic units was broadened, and economic regulators were built in. For the time being, Romania, Cuba and the People's Republic of Korea are striving to live by the traditional administrative methods.

The economies and societies in each of the socialist countries have unique characteristics. The need for reform does not manifest itself equally, and the extent to which society and its leaders are aware of that need varies. However, change is growing perceptibly. Our partners are renewing their economies, bearing in mind their national characteristics. They reject, just as we do, the mechanical copying of foreign experience. But they are monitoring the successful solutions, utilize in their own way anything that has obviously proven suitable in practice, and draw the lessons from the mistakes and failures.

Thus, in spite of all the reservations, we may regard the process of renewal as an international one, for at least three reasons. First, perestroika and the reforms are reactions to the same mistakes of the previous systems of economic management. Secondly, the principal theoretical directions of restructuring are identical [everywhere]. And thirdly, also renewal is encountering similar obstacles and problems.

These difficulties are not solely economic. They manifest themselves in every socialist country and also in its social awareness, ideology and political superstructure. The textualism that dominated political economy and economic propaganda for so long implanted a series of dogmas and prejudices in the minds of people. A good many of these dogmas and prejudices are by no means socially harmless, because they also reflect the ideas and real interests of certain social strata. Thus practical reform creates confusion and sets of debates on such questions as whether market relations have to develop; whether unemployment and inflation can be reconciled with the socialist economy; whether profit, share capital and a stock exchange are acceptable, etc.

The policy of renewal demands thorough ideological and theoretical elaboration and underpinning if socialism with a new face is to be convincing. It must be founded on the strict scientific investigation of society.

[Gryzunov] In the competition between the two social systems, can socialist society be competitive?

[Bogomolov] I would not like to confine my answer to a discussion of the things in which the socialist countries are keeping pace with, and lagging behind respectively, the world's most industrialized countries in the areas of the economy and technology. Naturally, such comparisons and assessments are necessary, and scientists are providing them. From this point of view, the situations of the individual socialist countries differ. The state of the economy in the Soviet Union, the largest socialist country, plays a decisive role in the general assessment.

We should add, however, that the view regarding socialism's role in world development has changed considerably in recent years. Especially in comparison with the time when competition between the two social systems was simply reduced to the question of who will be burying whom.

In our nuclear and space age, when mankind's survival is at stake, social progress would be inconceivable if the world were perceived as two opposing camps, two world markets and two social systems, each attempting to draw as many countries as possible into its sphere of influence. We are beginning to clearly realize that the world cannot be divided mechanically into parts, splitting up world economic relations and the general process of civilization. Social progress on earth is not confined to the socialist countries and the countries leaning toward socialism. It would be a mistake to brand merely as decay, retrogression or withering away, the processes taking place in the capitalist world. It is obviously time to define more accurately our thinking on today's capitalism and its general crisis. A number of developed capitalist countries, especially the ones where Social Democrats have long been in power (Austria and Sweden, for instance), have not only achieved a relatively high standard of living, but have also established funds and have instituted social guaranties that provide some measure of social protection for the workers. Or in other words, capitalism is making use of socialist and communist basic principles to enhance its own growth and development. Taking these factors into account, Soviet science has already suggested that not only the prerequisites for, but also the elements of, higher-order social conditions may evolve under capitalism.

In today's world, then, society's development is proceeding along more than one branch. This development is based on the following: capitalism's latest economic, technical and technological accomplishments; socialism's drastic reform and profound renewal; the solution of global, general human problems through the social systems' joint actions; peaceful competition to win the hearts and minds of people; the rallying of all progressive and democratic forces in support of a new economic order and for the liquidation of neocolonialism; and finally, making world economic relations sound.

[Gryzunov] What requirements does today's socialist economy set for society's political system?

[Bogomolov] Earlier we held that strict centralization in the political sphere suits socialist society's economic base that comprises state-owned means of production. Power assumed a democratic guise in principle, but actually control was concentrated at the peak of the pyramid. In accordance with the logic by which the administrative system functioned, the democratic institutions and processes became ceremonial, mere decorations in society's political organization. Practice in most socialist countries proved over the years that such a political system does not let the socialist economy uncover its potential, that it hampers initiative and disrupts the practical application of the advances in science and technology.

If the economy's new model is to function effectively, we need first of all extensive democratization of the system of government, and of society's political institutions as well. To this end bureaucracy must be sharply curbed, the role of the administrative apparatus and much of its spheres of authority must devolve on the lower state and economic organs, and elements of self-administration must be widely employed. The political system must clear the way for every creative and resourceful manifestation, and must make various forms of economic, social and political activity possible. At the same time, opportunity must be provided to compare alternative economic solutions, and to let them compete. That way, after comparisons, the citizens' energies can be channeled in the direction that best serves society's needs. Such a favorable environment can be created only if the political system suitably articulates, and also defends if necessary, the interests of every stratum and group, including the workers in the private and cooperative sectors.

Society's political life must provide room for the functioning of the mechanisms of economic self-regulation and self-management, and for smooth compliance with its laws. It is extremely important to develop statutory regulation, so that economic managers, worker collectives, enterprises and individuals may rely with certainty on what the rules of the game are, and may be able to foresee what the consequences of some economic decision or other will be. Our readiness to gradually develop the socialist state that is ruled by law enhances the fulfillment of these conditions. One of the most important tasks in that area is to strictly regulate political interference in the economy, and to determine the permissible level and forms of such interference.

The renewed socialist economy sets for politics the important requirement of discarding the by now obsolete system of selecting leading cadres, and replacing it with a method that encourages and prefers not the mediocre and the conformists, but the talented and energetic creative thinkers. It is equally important to systematize the political leaders' responsibility for the decisions they take, as well as for the economic consequences of those decisions. Decisions must definitely be linked to persons; and the political and other responsibility of the

decisionmakers, and of those who implement the decisions, must be spelled out, up to the highest level of the power hierarchy. The leaders who make amateurish and ineffective decisions must certainly be replaced. Finally, amidst the new conditions of economic activity, it becomes increasingly necessary to raise the political culture and morale of the cadres within the party, the economy, and state administration.

[Gryzunov] How do the mentioned processes affect the methods of party work?

[Bogomolov] The CPSU is not the only party to reach the conclusion that a new division of labor is necessary among the party, state and economic organs. This new principle of management has already appeared in the practice of the countries that have chosen the path of drastic reform. The conclusion that it is expedient for the ruling party to restrict itself, and to refrain from "manually controlling" the enterprises and regions, can be drawn from decades of experience. A changeover to more expedient, and in the final outcome more effective, political management does not mean withdrawal from the economy. To the contrary, sensible application of the new methods can strengthen the party's influence on the long-term and far-reaching processes that at present, amidst the day-to-day problems, are difficult to think through or even to overview.

Obviously, the economy's political management requires gaining experience entirely of a new kind. It requires that party cadres be able to choose new, knowledgeable and talented staff members, and to replace the ones who are unable to master the use of the finer tools necessary for managing the market mechanisms, and of the methods by which the interests of various strata and groups can be explored and reconciled. It is necessary to get rid of also those who are incapable of taking the large-scale and long-term view of the social and economic problems.

What especially complicates the present situation—not only in the Soviet Union, but in the other socialist countries as well—is that the serious consequences of the administrative, command-directed system's long rule (the debt-ridden economy, the inflation, the imbalance of important macroeconomic proportions) has evoked a sharp reaction among the population in the case of purely economic problems, and even of personal ones as well. The party organization exercising actual power lends political overtones to such problems. The party is expected time and again to take immediate practical action and introduce emergency measures, whereas all this is in conflict with the reform's logic.

The indications are that a radical change in the way the party operates, and in the nature of all party work, requires first of all that party cadres modify their thinking and accept their new roles and future functions. Secondly, they must realize that nothing new can be achieved if they attempt to solve the painful everyday problems also in future by the old methods, through

pressure, instead of employing economic tools. Change-over to the new style of management demands that the party cadres compare the employed methods with the declared policy objectives.

Leading Political Figures Polled, Approve Finlandization Model

25000279 Budapest MAGYAR IFJUSAG in Hungarian
19 May 89 pp 2-9

[Report: "Should We Finlandize?"]

[Text] There is an afterlife for concepts as well. Finlandization, too, has undergone a change in its meaning since it was first coined, in 1953, by Austrian Foreign Minister Karl Gruber. In Gruber's interpretation, Finlandization is a very pejorative concept: It refers to the consolidation of Soviet influence in a country that, according to the hands dealt the superpowers, does not belong directly in the Soviet Union's sphere of influence. In the Paris peace treaties, Finland paid a heavy price for its independence: The 1947 treaty drew the Finnish-Soviet border along the line where it had been on 1 June 1941, i.e., in the Soviet Union's favor. Petsamo, too, became a part of the Soviet Union. The strength of Finland's army could not exceed 41,500 men, and the size of its fleet and air force also had to be reduced. Moreover, Finland was required to pay 300 million dollars in reparations. Thus the "signals" the Finns received left them in no doubt that the Soviet Union intended to secure its northern frontiers at all cost. And the Finns took the hint.

Presidents Paaskivi (1946-56) and Kekkonen (1956-81) laid the foundations for close friendship with the Soviet Union and a policy of nonalliance. Mauno Pekkala's Democratic Coalition government concluded a treaty of friendship and cooperation with the Soviet Union in 1948, and the treaty was extended for 20 years more in 1955 and again in 1970.

Finland did not join NATO. A big storm erupted in domestic politics also when Finland concluded a separate treaty with the Common Market. Finland became an associate member of the EFTA [European Free Trade Association] in 1961. Immediately after becoming a full-fledged member in 1972, Finland concluded an agreement for closer cooperation with CEMA. With President Kekkonen's active participation, Soviet-Finnish relations developed into an internationally significant example of relations based on the principles of peaceful coexistence.

Long gone are the days when the Finns took exception to Gruber's statement, regarding it doubt cast on their sovereignty. Or when Franz Josef Strauss, the Bavarian politician, raised the objection against "Ostpolitik" that it would lead to growing Soviet influence in Europe, the same way it happened, in his opinion, in Finland.

Today Finlandization has a different meaning: It is an example of how a small country can prosper in the immediate vicinity of a superpower, by relying on emphatically amicable relations, respecting the neighbor's security interests, even offering its own good services to act as an intermediary in solving acute international questions, helping to strengthen also in this manner the superpower's sense of security. An example of how East-West relations can be advanced. And in the economic sphere, an example of how to serve extensively the interests of both parties, by intensifying cooperation that is based on mutual advantages. Of course, if Finland's economy were not prospering, if its society were plagued by severe stresses, and if its international prestige were not as great as it is, then nobody would be bothered by the example of the Finns, and no one would want to become like them. In Hungary, however, the question of Finlandization is hanging in the air: Many people regard it as the only feasible solution, while many others consider it as mere wishful thinking. We asked several prominent figures in our public life the following question: In their opinion, with the necessary changes having been made, is the Finnish model an example we Hungarians could suitably follow?

Jozsef Annus, a writer and the editor in chief of TISZATAJ: "No, only a distinctly Hungarian road is feasible for us Hungarians, and that road must be found as soon as possible. But that is something we cannot do without the help of our neighbors. What we need first of all is that the neighboring peoples recognize, without any compulsion, the necessity of Laszlo Nemeth's "foster siblings" concept and offer us a helping hand."

Zoltan Biro, a literary historian: "Hungary is now experiencing a period of rapid change, and it is understandable that we are seeking a model. For the time being, the Finnish model is ideal for Hungary. But the question is whether it can be a realistic model. Finlandization occurred earlier, under different historical conditions. History, however, never repeats itself. Therefore, we must seek a new road of our own, with due consideration for the international situation today. That way we will perhaps be able to achieve a status similar to Finland's. Which, of course, would be ideal."

Sandor Borbely, a national commander of the Workers Militia: "In terms of the standard of living, the Finnish model is definitely one we should follow. I was there and have gained very favorable impressions of the country. I think that if we are able to achieve the same results in science and work that they do, then their living standard will not be beyond our reach. At the same time, it is customary to cite the Finnish model also from the viewpoint of political neutrality. Therefore I consider it important to emphasize that the functioning of any model can be interpreted only in its interaction with the given historical and natural conditions. Our geographic location makes it unambiguously clear that Hungary cannot be a politically neutral country."

Lajos Fur, an historian: "The Finnish model is not merely good and feasible, but one that should be pursued outright. However, the road to it will not be the same as it was for the Finns. Only a reverse Finlandization is conceivable in our country. Mainly with regard to the economic, social and political structures. After all, we have to trace back, to dissect, a structure different from that of the European or the Finnish model, in order to realize yesterday's and today's Finnish model in Hungary. And it should be pursued because there is no other road, no other model."

Ferenc Gazso, a sociologist: "In my opinion, no specific model is suitable without adaptation. But the Finnish 'example'—especially on the basis of the results achieved during the past decade and a half—can offer in the spheres of the economy and culture much experience that would be applicable also in Hungary, after suitable adaptation. All this holds true mainly in the sense of demonstrating how the internal resources for drastic structural change can be created in a country that economically is not very strong and is not particularly endowed with natural resources. This is a problem with wide ramifications, because 'resources' applies not only to material resources, but also to having in place the human resources essential to structural change. In other words, the development of a system of retraining and further training, guaranteed to provide the intellectual infrastructure for restructuring. And we should take note particularly of the fact that in Finland the development of human resources has preceded the development of the economic processes, instead of trailing them in the sense of making the development of human resources dependent on how the economy's ability to generate income develops. That experience is something especially worth taking to heart in Hungary, for it would probably bring us closer to the realization that neither real economic nor real general social development is conceivable without developing the human infrastructure."

Foreign Minister Gyula Horn: "I am opposed to any model, whatever it may be called. Models or their application could undermine the assertion of national characteristics and conditions. In Hungary's present situation, however, I too attach fundamental importance to carrying out a drastic political and economic reform that is based on our own traditions, experience and national conditions. In this process it is necessary to take into consideration the country's international conditions as well. First, because altering those conditions takes longer than the domestic restructuring does. Secondly, because we are able at best merely to contribute to changes in the international conditions, but do not have any decisive influence over them. In my judgment, Hungary should follow its own road, along which we should build on the given conditions in Europe and strive to meet the actual requirements of linking up with Europe. Consequently, in my view, the example to be followed is not some model realized within a national framework, rather the societies that are advanced

democracies and are capable of performing well. I list in that category also Finland, among others. But I do not regard Finland as the only example."

Gyorgy Konrad, a writer: "Finland is an example that can and should be followed, in the interests of peace in Europe and of all the parties concerned. That democratic neutrality would be in Hungary's interest does not need much explanation. It is preposterous to imagine that any NATO or neutral country might plan an attack against our country, and that we need the protection of the Warsaw Pact to ward off such an attack. Our participation in any military alliance would be more of a threat to, rather than a guaranty of, our small country's security. We must strive to maintain good neighborly relations with the Soviet Union, but independently and as equals. Present Soviet-Finnish relations are advantageous to both parties. We must emphasize repeatedly that our objective is the same: a status of productive cooperation, instead of barren subordination. Finlandization is not a state that can be declared from one day to the next. Instead, it is a process, and not just an idyllic one. We have to approach the desired objective step by step, and that we will be able to do if we know what we want. It is not enough if the officials in charge of foreign policy know this; every thinking Hungarian citizen should have his own idea of what place our country ought to occupy in Europe. I repeat: An independent and neutral democracy that is active and friendly in all directions. Let that be our characterization by the year 2000."

Janos Marton, an agricultural economist: "Only partially. After all, there are basic differences between the two countries in their natural conditions, and in terms of the size of their respective populations and areas. Hungary lacks the natural conditions that are advantages for the Finnish economy: the sea and the large forests, on which a considerable shipping industry and trade can be based, and woodworking, furniture and paper industries respectively. Moreover, Finland is not a member of CEMA, and its proximity to the Soviet Union is exclusively an advantage: It receives [export] orders from there and imports a substantial volume of food, whereas in our case CEMA membership confers also obligations. In some respects, nevertheless, the Finnish model can be followed. First, there is an urgent need to close with lightning speed our technological gap from our mid-stream position in the technological stakes, and to catch up with the world trends in technology. This requires first of all that, in our country just as in Finland, as many people as possible learn English at an early age. This is a fundamental requirement. Secondly, we too should achieve, just as the Finns have, the direct participation of young people in technological development. (From Finland with a population of three million, for example, far more students are studying on scholarships in the developed capitalist countries than there are from Hungary.) But what we ought to master in any event is Finnish democracy, together with its norms, methods and style. This is possible already because it is in demand also in Hungary. So that the people will not be a mass

from the state's point of view, but a collective of individuals. In Finland this manifests itself also in their everyday life, in their mode of living, in their lifestyle. There is hardly any difference . . ." [as published]

Imre Nagy, chairman of DEMISZ [Democratic Youth Union]: "If by the Finnish model we mean that, in shaping its policies, Finland has found a way to fully assert the country's interests, to retain its ability to compromise at home, and to develop a balanced system of external relations that convinces all its neighbors about Finland's peaceful intentions, then such a model should indeed be followed. The greatest achievement, in my opinion, is that a consensus has been supporting this policy for decades. And that the Finns, despite the effectiveness of this policy, have devoted attention also to renewal, to restructuring their domestic economy (already the second time around), and to active foreign-policy initiatives. I find that an enviable situation. And the way Finland has forged continuous economic growth and considerable international prestige from its geopolitical and geostrategic situation is edifying for us as well."

Matyas Szuros, speaker of the National Assembly: "The formulation of the question seems to lack historicity, yet I will answer it anyhow. It would be good to follow Finland's example, if we could. The point is that no two countries are exactly alike, just as no two individuals are exactly alike. We have to construct a social, economic and institutional policy model that reflects our own reality, our conditions and possibilities; a model that is Hungarian, independent, democratic and socialist. In the course of this we have to adopt the experience of others—particularly the Finns, Austrians, Swedes, Spaniards, etc.—and to bear in mind the geopolitical requirements, the way the Finns have. It is important that in Hungary there be a leadership able to think in terms of the people, the nation and nationalities, and also to sense what the people, the nation, the Hungarians want, so that it may be included in the mainstream of humanity and civilization. I personally have great respect for such leaders of small countries as Kekkonen, Kreisky and Palme, from whom there is much to learn."

Csaba Tabajdi, a political scientist: "For Hungary, the strength and value of the Finnish example lie in its ingenuity, and not in the copying of its specific solutions. The Finnish solution has been made possible by conditions radically different from ours. But we could also say that those conditions made the Finnish solution the only one that was realistically feasible. For Finland, the freedom to choose its domestic social system was given. Hungary is gaining that opportunity only now, under entirely different international conditions that have changed considerably during the past 40 years. We must be able to preserve that freedom of choice in the long term. Therefore it is meaningless to speak of "Finlandization" in connection with the orientation of Hungary's foreign policy. And it is also offensive, both to Finland and to a Hungary wishing to start out on a road of development of its own. The lesson that the "Hungarian solution" can draw from Finland's example is to utilize the advantages that our location

between East and West offers, to link and combine the advantages of the Eastern and the Western markets. Because our situations, although different in many other respects, are identical in this sense. The answer to your question, then, is as follows: The Finnish example cannot be copied. But it most certainly should be studied, and many of its elements could be applied."

Interior Ministry Organizing 'Independent' Police Trade Union

25000281 Budapest MAGYAR NEMZET in Hungarian
31 May 89 p 7

[Interview with Karoly Csiba, secretary of the Ministry of Interior MSZMP Committee, by Erzsebet Nogradi Toth: "Will a Police Trade Union Be Formed? Even the Regular Force Needs Interest Protection"; date and place not given]

[Text] During the past year we have grown accustomed to seeing the formation of a new organization or independent trade union almost every day. But it has surprised all of us that members of the regular police force are also planning to form their independent trade union, for Hungary has no tradition of trade unions in armed organizations. A statement concerning this was made by Laszlo Rekvenyi, an official of the Ministry of Interior. What is behind this statement? For an answer, we turned to the secretary of the Ministry of Interior MSZMP [Hungarian Socialist Workers Party] Committee, Karoly Csiba, under whose leadership the ad hoc committee for establishing an interest group for the regular police force was created.

[Csiba] In his statement to the press, Laszlo Rekvenyi failed to mention that he himself was a member of the aforementioned ad hoc committee which, surveying about 800 regular police officers, conducted studies with the help of several special organizations. Our joint project, therefore, also includes his input. He spoke only of his personal concepts, which is what made his statement exciting.

The idea of creating an official interest group for us has been developing for some time. For decades, this has been a recurring request of the junior noncommissioned officers, noncommissioned officers, warrant officers, and officers. It is a fact, namely, that the protection of their interests has been stated onesidedly, i.e., only by their employer. But its practical implementation depends primarily on the commanders at various levels. Interest-protection guarantees for service employees are lacking. Although previously there was some interest protection through the party and the KISZ [Communist Youth League] organization, it was only partially successful, with variable effectiveness, and inadequate. Now that there is talk about moving party organizations from the workplace to areas of residence—based on professional groups—the party's present interest-protecting function at the workplace has become uncertain. Apart from this, current rapid internal developments,

economic circumstances, and events also stimulate pressure for an appropriate interest group. The changes that have taken place in society, democratic developments, openness, and publicity have also increased in the regular armed forces and bodies.

[MAGYAR NEMZET] Why was it the Ministry of Interior's party committee that prepared the draft for establishing a new interest group?

[Csiba] Because there was no other appropriate organization to do it. It is true, of course, that this is not a party task. But we thought that we should be in the forefront of the initiatives coming from below, to use this fashionable term. The state leadership could not assume this task, for it cannot create an organization that would then confront it by representing opposed interests. Incidentally, the ministry's professional leadership is also forming an opinion regarding this matter. The party committee will soon voice its opinion concerning the new organization. I can say already that we stand for the formation of an interest group which will be accepted also by the state leadership. And as soon as a decision is made regarding the new organization, the party will consider its task completed. Of course, the party members will assist in the new body's establishment and organization.

[MAGYAR NEMZET] In your opinion, what would be the best organizational form for the regular police force's interest protection?

[Csiba] Several people have expressed the opinion that it is not the form or the name of the organization to be created that is important but rather its substance, i.e., the guarantee of appropriate rights in view of the characteristics of armed bodies. It is absolutely essential to have the organization operate on a social basis with a few independent officers and to have these officers financially independent from the professional leadership. There is also a general desire to have the bylaws worked out by professionals and to present the draft for extensive debate. And, to answer your specific question, two concepts exist as far as the form of the organization is concerned.

Considering the trait of the force as well as our traditions, several people want a police association, a legal entity with the right to take action on issues concerning the living and working conditions of the official force. According to the other plan, a police trade union is needed. This form has much support, particularly because the operation of trade unions is based on a century of traditions even though their base organizations have not yet been developed in Hungary. Some people want a trade union that would protect our interests in the same way that other trade unions protect the interests of their membership.

[MAGYAR NEMZET] There are examples abroad to justify the existence of police trade unions. Their survival indicates that they do not hinder police officers in performing their duties or carrying out their commanders' orders.

[Csiba] I would cite an example for this from the developed capitalist countries. The FRG's "Deutscher Gewerkschaftsbund" [German Trade Union Federation] rallied 16 professional trade unions, including the police. In addition to carrying out standard trade union tasks, it is also takes care of, for instance, the protection of rights as well as health, pension, and accident insurance. It is organized by the principle of areas. Or I could also mention the organization of the Royal Canadian Mounted Police which serves its membership, based on U.S. experiences, with the help of psychologists and other professionals.

[MAGYAR NEMZET] What is your personal opinion of the Hungarian form of interest protection?

[Csiba] I think it is extremely important to create it now in whatever form. However, the big question for me is whether we have all the necessary conditions for forming our trade union. I think that such an association can encompass a broader range of activities today and that it could be the first step in creating a trade union. In a broader perspective, I would cast my vote for a trade union in any case. Incidentally, in principle there is nothing that precludes the formation of a police trade union. The only problem is that the National Trade Union Council's bylaws are directed at employees, whereas we belong to a professional service branch. We operate under the 1971/10 statute, not the Labor Code. Regardless of whether we form an association or a trade union, the main thing is that we be connected to the renewed trade unions as an associated organization.

[MAGYAR NEMZET] Have you already discussed your plans with the leaders of the National Trade Union Council?

[Csiba] The decision regarding the form of interest protection desired can only be made by the force's membership and we cannot initiate talks until that decision has been made.

[MAGYAR NEMZET] The Ministry of Interior's civilian employees have formed trade unions. Wouldn't it be beneficial to form a uniform trade union for the Ministry of Interior?

[Csiba] I think that, even if the form of trade union is chosen, it would not be good to associate right away. The civilians are rejuvenating their trade unions at present, and we would only make their work more difficult. Later, however, I think it would be beneficial by all means to join them.

ROMANIA

West German Reporter Discusses Minorities, Village Destruction

23000172 Bonn DIE WELT in German
25, 27, 29-30 Apr, 3, 5, 6 May 89

[Serialized article on Romania by Walter H. Rueb]

[25 Apr p 6]

["The Dredges of Systematization Keep Rolling On"]

[Text]

Horror and Hope at the World's Biggest Construction Site

A narrow street branches off E 60/15 on the Bucharest-Ploiesti-Brasov Highway 30 km north of the capital. It leads to Snagov on the lake by the same name with a picturesque island, a monastery, and Dracula's grave. Herds of sheep are grazing on the meadows, you can see brown tilled land, an ocean of trees, and a couple of villages along the way.

Tiny Ciofliceni is the first to pop up out of the haze. Simple, old houses, a couple of fences, a dozen half-dilapidated huts—that is all. No shops, no church, no school, no people. Such desolation so near the capital?

The next village comes into view quickly. Is this where the first villages are being systematized—as it says so harmlessly in the official announcements—here, in the vicinity of Romania's capital? In Ghermanesti likewise there are single-story houses with little windows and big gardens as well as crumbling little huts lining the street. But 3-story new residential housing blocks, made of bright-colored concrete, rise behind them. They are inhabited. There is a car parked in front of an apartment house entrance, laundry is hanging on the balconies, and music comes out of a window. But there is just emptiness yawning between the old and the new houses. Is this the work of bulldozers?

Off the road leading to Snagov, you sink ankle-deep into the muck. But, in return, you do run into people. Women with babushkas and a couple of strong men wearing boots are wading through the mud, moving tree trunks, pushing piles of dirt and mountains of rubble, boards, and bent metal aside. They look up, they pose for the camera and laugh, but they do not reply to questions. They are obviously afraid; they are just being cautious. That would be quite understandable: According to a government decree, unauthorized contact with foreigners is forbidden—even with Soviets.

But there would really be so many questions to answer. Old, primitive little houses with dug-up gardens still stand between the new apartment blocks. Are they also to be torn down? Foundations have been excavated

everywhere and cranes reach up into the sky here and there. Are even more housing developments to be erected? In one place, a house is being wrecked right next to a new building. Where are its inhabitants?

The women and men do not tire of laughing and posing. But they also keep silent. They wave as we leave Ghermanesti behind. Minutes later we spot Snagov. But where is Vladiceasca?

According to the map, the village should be between Ghermanesti and Snagov. But I cannot find it. There are no trails branching off the country road, nor are there any rises in the ground behind which it might be hidden. The landscape is flat and unobstructed as far as the eye can see but there are no people there either—like in a science fiction movie. Did the dredges of systematization gobble the village up?

There is silence about that also in Bucharest. On the other hand, there is a lot of talk about the ticklish topic that put Romania in the dock. "The systematization plans have been in existence since 1965," says Alexandru Budisteanu of the National Planning Institute in Bucharest. The 60-year-old boss of 125 employees of this government agency briefed us in German: "Initially, plans called for a new arrangement of the territory but Law No 58 concerning the systematization of the territory and of urban and rural landscapes was published on 29 October 1974 with a view to the further development of socialist society."

The official German of the government agency chief concerning the intention of integrating the lifestyle and civilization of the rural population with that of the city dwellers sounds stilted. Chief of State and Party Boss Nicolae Ceausescu expressed the objective rather more concisely in an interview given to DIE WELT at the end of 1988: "We would like to have the communities experience a radical improvement over the next 10 years. First of all, we would like to guarantee good conditions for our school system, for health care, and for cultural activities. We want to build apartments. Our villages are gradually to be given a new appearance. The number of communities will remain as large as it is now."

Sandbox Games Ignore Human Yearnings

Just 10 months earlier, Ceausescu had frightened Romania and the world with the following announcement: "We must radically reduce the number of villages from the current figure of 13,000 to 5,000 or at most 6,000."

Even during the time thereafter, Romania's "Conducator" did not deviate from his statement in spite of worldwide outcries and protests. The German-language NEUER WEG [New Way] of Bucharest quoted him as follows early in May 1988: "We must reduce the number of villages almost by one-half."

Many critics suspect that Ceausescu would like to integrate the share of 28 percent of all Romanians, who are left in agriculture, with the rest of the country after the progress that has been made in industrialization; on the other hand, other critics describe the planned systematization as an instrument for achieving the assimilation of the Hungarian and German minorities in a rather cold-hearted fashion.

Budisteanu counters fears and reproaches—how often has he tried to dispel and refute them?—with a logic that sounds convincing at first: "Systematization is based only on objective grounds. After all, this concerns primarily Romanians only. There are 21 million of them while the Hungarian minority has been figured at 2 million and the German minority at just barely 200,000. There are more than 13,000 villages in Romania. Most of them are in an archaic state. Only a few houses have running water and thousands of villages have neither sewers nor electric power and telephones. The infrastructure is also insufficient. The villages have no shops, no kindergartens, no schools, no hospitals, no theaters, no movie houses, and no cultural centers. Romania would now like to bring the villages up to the standard of the cities but does not have enough money to do that. But there is one way out: Only a portion of the villages are to be modernized. The rest of the villages will remain untouched. The inhabitants can continue to live there as they have in the past. Of course, no more government money is to be invested in nonsystematized villages. We hope that the inhabitants of these villages will move to the new centers quite on their own."

Budisteanu protested that systematization is aimed neither at the Hungarian, nor at the German minority. "In Transylvania, by the way, the houses reveal a considerably higher standard than in other regions," he observed. "This is why less money is being channeled there in connection with systematization. By the way, there were still 15,221 villages in 1956. In other words, around 2,221 of those villages disappeared in about 30 years—without causing the slightest stir. The cause of the campaign against Romania is the hostility of a neighboring state. The campaign spread from there to the countries of Western Europe. Radio Free Europe and Deutsche Welle [German Wave] really outdid themselves in spreading inaccurate statements about a large-scale village destruction effort in Romania." After a brief pause, Budisteanu added, with a sideswipe at a practice pursued by the Soviets: "We do not jam radio broadcasts."

In response to the question as to which country was supposedly the instigator of the campaign against Romania, Budisteanu replied without hesitation: "Hungary." He pulled four thick photo albums from a shelf and put them on the table. The standard examples of the socialist planned economy and bureaucracy reveals statistics and descriptions of apartment houses, kindergartens, schools, doctors, hospitals, athletic fields, and other

facilities serving for the common welfare in each planned agribusiness center—and they do that on many thousands of pages, in black-and-white and in color.

The books also spell out the per capita industrial output. The sandbox games played by the planners go all the way to considerations as to which industrial production facilities have to be settled in one village or another. But there is not a word in these thick volumes about the yearnings of the people to retain their little piece of land, their garden, their sheep and hogs and chickens and rabbits, and above all their few little freedoms in a village community far from the oppressive omnipresence of the party and the collective.

There is no room for sentimentality and the wishes of the people as the country starts out on its move into a new age. The watchword is efficiency and the goal is a new society. In the government offices in the capital, everybody is determined and is directed from topside immediately to tackle the attainment of the ambitious goals of systematization. The relentless vehemence is currently mitigated only by the endeavor to let Western protest cries die out by moving ahead cautiously at home and by having the planning centers come out with soothing sounds.

As you travel through Romania, it is difficult to get a picture of the status of systematization which is now only in its beginnings. You have to look for examples because there are no general surveys and what little information is available is contradictory.

The horror news about emigres and refugees, about politicians and association bosses concerning the "extinction of old cultures" as well as the "leveling of national identities all the way to the destruction of churches and other cultural monuments" and the printed criticism directed against "cynicism" and "selective seeing" as heard and viewed by a respected television reporter who, during a visit to Romania, saw and heard everything for himself, everything that was the exact opposite of what he had heard before his trip—all that is really rough on the person who seeks the facts. The image of Romania dwindles down to wrecked houses and new buildings but there are many even more serious problems around. And you get a constant stream of protestations and declarations from privileged Romanians who are allowed to talk to foreigners and eat and drink with them whenever this is in the interest of the state.

But even they cannot eliminate the facts from the face of the earth—not even those in the Neppendorf section of Sibiu. For centuries, the present-day suburb of this city, which was mentioned in documents for the first time in 1192, was an independent village; but it was incorporated in 1950. Now this suburb is being systematized. The old and partly crumbling houses without running water and electric power were being torn down and are being torn down. Where they stood, there now rise

5-story, uniform apartment house blocks. Prefabricated parts for more new buildings were lying around in various places. Numerous foundations have been excavated. Foundation work is in progress for new buildings while, right next-door, bulldozers destroy the old. Cranes tower over Neppendorf, trucks stir up dust, and platoons of workers populate the scene.

A couple of Neppendorf inhabitants pass by this hell. Full of distrust, they hasten past you. Rage and indignation, powerlessness and pessimism mark their faces. Nobody stops, nobody answers any questions.

That is quite understandable. On the other hand, should one be astonished that factual reports from Romania are so incomplete and that interpretations of events are so inaccurate and that SIEBENBUERGISCHE ZEITUNG [Transylvania Journal] in Munich was able to ask whether a German journalist talked to the thousands of people in the villages of Transylvania who had to sign their declaration of consent for the wrecking of their houses, street by street? Did any of them ever see the wrecking plans for Leschkirch, Grossau, Kleinscheuern, Talmesch, Freck, Marktschelken, and Muehlbach?

In Neppendorf, a farmer whipped the two horses drawing his wagon as he spotted my camera and shouted curses in German as he took off; at that moment, I recalled the mockery expressed by SIEBENBUERGISCHE ZEITUNG about journalists from the Federal Republic who, in Tartlau, admired the church-castle and failed to note that an entire section of the town with beautiful and sound farmhouses had been torn down. But how could one possibly get to the truth in a state where the rulers talk for propaganda reasons and where the tortured keep silent out of fear?

But the Saxons of Transylvania and the Swabians from the Banat have more reason for bitterness than a visitor to Romania who is criticized because of his incomplete reports. They certainly suffered a lot over the past 45 years: After Romania switched sides during World War II, there were deportations to the USSR, there was punishment through total expropriation, nationalization in 1948, followed by losses due to emigration and assimilation, and finally economic misery and threat to cultural identity.

And now there is this systematization. Rage because of the inability to stop systematization and the accompanying destruction of their way of life as well as hatred for those who are responsible for this—that is what sticks in their craw. When will the first violent explosions happen?

Most inhabitants of Neppendorf are of peasant origin. Romania's development from an agricultural country before the war to an industrial state however changed their existence fundamentally; today, only 28 percent of the population live in the country and only one-fourth are working in agriculture.

Most families get their income from work in industry plus a secondary occupation in agriculture. Nobody asks about the number of working hours they put in. Almost all of them are raising their own vegetables, growing flowers, many keep horses, chickens, and rabbits, as well as some sheep or a couple of hogs. And there are many people in Neppendorf who derive a second income as craftsmen.

Misery and hatred have turned many into alcoholics.

In a hotel in Sibiu, 68-year-old man commented on my description as follows: "They are afraid that they might no longer be able to pursue their profitable secondary activities after their houses have been torn down." He comes from Berlin, is a Jew, and emigrated to Romania in 1939. A 45-year-old Saxon from Transylvania took the opportunity of all of the hubbub caused by a wedding in the hotel to talk to me about events in the suburb of Sibiu. "The Germans of Neppendorf are losing not only their houses but also their land, their coexistence with their neighbors, their sheltered life in their enclosed inside farmyards, and they must give up their animals; they are then exposed to the supply disaster like all the others. Take a close look at what goes on in Neppendorf. Then there will no longer be any doubts about the extent of the disaster that is taking shape here."

There are also signs of hope at Romania's huge construction site. In Oradea—a big city with 223,000 inhabitants in the northwestern part of Romania, only 12 km from the Hungarian border—the downtown section has been converted into one big pedestrian paradise. There were no bulldozers at work on the "Street of the Republic" but rather specialists for urban renewal and restoration. Now old, historical buildings stand next to new, modern utilitarian structures. The masonry, which bespeaks a long history, was touched up with original paint. The entire environment is rather unusual for a socialist country. There are shops, attractive sidewalk cafes, and cozy beer gardens. The Romanians obviously like what has been created here: the place is crawling with people.

In the new section named "Stephen the Great," not far from the Oradea main railroad station, however, those responsible for systematization really sinned. Here, 75,000 people have been squeezed into huge apartment developments but only very few of the old houses were spared. Some of them stand lost and empty between the big new buildings. Are they to be torn down once the excitement about systematization has died down abroad?

The new section is located along a wide street. It is soon to be connected to the nearby industrial centers by means of a streetcar line. In front of the high-rise apartment houses there are green spaces and squares with outdoor shelters. A couple of gypsy youngsters can be seen playing there and, next to them, half a dozen men are passing the brandy bottle around already in the

forenoon. A high-rise apartment house dweller interrupts his job of repairing his car, shakes his head, and says in good German: "Some of the inhabitants of the old development became alcoholics because they lost their houses." He looks around several times before he answers my question: "No, I am a Romanian but I used to attend the German school. That was long ago." Spotting a pedestrian about 100 yards away, he falls silent and makes a rejecting movement with his hand.

In Cluj-Napoca, old houses are being torn down in a suburb, right next to a huge apartment development. But in the heart of the city, the eye rejoices over the many historical buildings; in Sighisoara, a medieval open-air museum of architecture—the historical core high above the new city has been preserved. But in the new city, they are busy tearing down old houses along a much-traveled street. They do this obviously without any bad conscience: the construction workers wave at the reporter, they pose for the camera, and, with gestures, they ask you to take their picture. The people of 700-year-old Sighisoara—42,000 inhabitants including now only 9 percent Germans—have suffered much in recent decades. There were devastating floods in 1970 and 1975; in 1977, there was an earthquake. And then reconstruction and systematization were carried out parallel. The Little Kockel River, which spilled over its banks twice, was straightened out along with some river control work, the river bed was widened to 70m and a new bridge was built in place of the old one. The 300-year-old wooden bridge was not destroyed by man but by the force of the water.

In the course of systematization, the railroad right-of-way was shifted, new streets were built, and a lake holding 25 million cubic meters of water was put behind a man-made earth embankment in front of the city. Besides, 13,000 apartments were built in the new city; the apartment developments correspond to the simple architectural style of the old city; they only have four stories and are painted in pleasing colors. The city's historical treasures in the Gothic and Baroque styles were not touched; they include the clock tower, the mountain church, the monastery church, the city wall with its preserved towers, the Venetian House, the house with the antlers, and the Dracula House. Very beautiful museums were established in the clock tower and the Dracula House.

The West German government recently received documentation about past systematization work in the settlement area of the Saxons of Transylvania—with the request that it provide financial support for a planned survey of German architectural monuments in Transylvania.

"In the rural area, the inhabitants of only 12.5 percent of the communities know anything about the development plans of their little towns and only in 7.5 percent of the villages are there any hints that they are to be eliminated," it says in the documentation which is based on data supplied by Saxons from Transylvania. "Work is started in the communities but it is often slowed down by the lack of funds and the passive resistance of the local authorities;

this work as a rule involves tearing down the sections around the outskirts and the tenements in the downtown section. Living conditions and sanitary facilities in the apartment houses, into which the inhabitants of the destroyed houses are resettled by force, are disastrous according to the reports."

The documentation states that cemeteries and churches are crumbling in the Saxon communities and villages which are now inhabited only by a few Transylvania Saxons or none at all. "Not infrequently, the entire village simply vanishes," so goes the complaint. "At the end of 1988, 45 percent of the Evangelical churches and more than 50 percent of the church-castles were in need of renovation and about one-third of the Saxon cemeteries need major repair work, mostly along the walls. Tomorrow, more villages, cemeteries, churches, and church-castles will crumble."

Systematization has already been started according to the disclosures of this documentation in Agnetheln (Sibiu District) and Bistritz (Bistritz District). There are great unrest and fear among the 13,000 inhabitants—including 2,300 Transylvania Saxons—because they do not know where they will live in the future. Of the 50,000 inhabitants of the district town of Bistritz, only 98 are Transylvania Saxons; most of them are more than 70 years old. An inhabitant described the situation thus: "The entire city is to be rebuilt."

The documentation contains detailed data about planned systematization in ten communities and villages in the Sibiu, Regen, and Brasov districts; it also mentions the names of villages whose condition would lead us to conclude that they are silently doomed to decay. Here they are: Dendorf, Hundertbuecheln, Moenchsdorf, Kyrieleis, Rosch, Streitfort, Tobsdof, Waldhuetten, and Wolkendorf.

"Cultural values and the well-developed settlement areas of the German minority in Romania, of the other minorities, and of the Romanian population are in danger," it says in the conclusions presented in this documentation. "Outstanding cultural achievements by the Transylvania Saxons, their cultural and existential identity, and their cultural past are threatened with extermination by the systematization plans. One must reflect about possibilities of saving them."

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["Contradictions Involving Flight and Emigration"]

[Text]

Yearning for a Life Without Hunger and Fear

Many voices strong, the children's choir belted out the song "Pioneers Want to Go Hiking" in the auditorium of the German school in Brasov. The girls and boys are all dressed up already during the rehearsal for parents' night. Nicolae Ceausescu smiles down upon them from a

framed photo on the wall between the emblem of the Communist Party of Romania and the country's coat of arms. He is said to rejoice as he looks at the younger generation and listens to its song.

And does he keep it up even as he hears the chorus of hunters from Weber's "Freischuetz" and Beethoven's "Hymn to Might?" "Yes," says school principal Hannelore Schuller recalling the school's motto which is engraved on a plaque in the staircase of the old building which has been too small for a long time now: "You who come here to learn deportment and discipline do out of your own will that which is fitting for good people."

The motto still applies, says Hannelore Schuller. In point of fact, Johannes Honterus, the school's founder, still runs the place. A monument to the great 16th-century Transylvania theologian, humanist, and reformer stands impressively and quite noticeably opposite the school. Like a symbol, the monument and the school are overshadowed by the "Black Church" of Brasov.

Is this a sign of hope? The gray-haired school principal understands the question only too well. "Neither the Transylvania Saxons, nor the German language are dying out in Romania," she says. "Our school is currently attended by 1,130 girls and boys. It was placed under the government in 1948. In 1970, it was converted into a general-education institution and in 1977 it was turned into an academy. Only half of the students are of German origin. Today we have more and more mixed marriages. The community would not have survived without them."

Hannelore Schuller anticipates objections and questions and changes the topic. "School attendance is mandatory up to the 10th grade. But 80 percent of the students try to take the final exam; at the end of the 12th year of schooling, 100 percent pass the final exam. The classroom language is German and we greatly stress vocational training as well as music, choir practice, and folk dancing. In our school theater, we present plays by Kleist, Brecht, Frisch, and Duerrenmatt. There is a regular cultural exchange between the German schools in Sibiu, Sighisoara, and Brasov. Our choral groups, as well as our dance and theatrical troupes are constantly on the road. No child needs to learn German in school. Any child who comes here already has a mastery of German. This alleged discrimination against the German minority is simply not there. There is no discrimination."

So, why do people who are determined to leave form long lines in front of the German embassy in Bucharest? "Because you cannot stand life in this country. We yearn for a life without hunger, shortages, and fear," replies a wife and mother who is waiting to leave. A teacher couple, suspended from their jobs since they filed their application, explained their decision to leave thus: "Romanization is getting stronger all the time and prospects for the future are getting worse all the time."

Blessing of Early Flight and Misfortune of Late Birth

It is difficult and even impossible to start a meaningful conversation with Transylvania Saxons. Romanians are forbidden to have any contacts with foreigners. Their lives are controlled by distrust and fear because the party and the secret service have their ears everywhere. But most afraid are those who have filed an application for emigration. They live a withdrawn life, they go completely underground—out of fear that they might be cheated out of their long-awaited departure by some misstep. They are being interrogated and they are being pressured and some of them are assigned a lower-paying job. But the local militia members get a big bonus if they manage to "persuade" a person to withdraw his application.

The game is up—that is the prevailing mood here. The Transylvania Saxons and the Swabians from the Banat, who left years ago, got the benefit of early flight; those who stuck it out now curse the misfortune of late birth. For decades, they have been bearing an invisible but horrible burden: too often they think of the good old days when they had big farms, when they were masters of the land and when they had reasons to praise God in their mighty church-castles. Did God desert them?

A diplomat from a Western European country commented rather hopelessly on the problem of the emigres: "They have missed the bus. Too many Germans have already left. The rest must also leave or they must be assimilated. The large numbers of refugees going to Hungary are depressing. In recent years, 30,000 people fled to Hungary; 80 percent belonged to the Hungarian minority in Romania and 5 percent were Germans."

Long is the list of sins committed by Romania. The uprooting of the Germans as an ethnic group and the hopelessness of being able to educate the children as Germans, the dearth of opportunities for individual development and freedom to move around, and, finally, discrimination in employment and college admissions—these are mentioned again and again as reasons for emigration and flight. Even larger is the number of those critics who deplore the catastrophic supply situation, the omnipresence of the minions of the communist snooper state, the manifold chicanery, and the continuing poor way of life.

College graduates and intellectuals but also peasants and workers are dissatisfied and discouraged in view of the difficulties encountered in nurturing their cultural identity. "There is no reasonable German newspaper in Romania and radio and television only bring 1 hour of

programs per day in the German language," a teacher railed. "Moreover, the German broadcasts are scheduled at a time when the majority of the workers are on the job. Here is a typical example of routine practice: Outward appearances are carefully maintained but the intended effect is achieved without any loss of efficiency. The German language is an obstacle to the rulers in Bucharest on their way to total Romanization. This is why its use is obstructed wherever possible. The registration of newborn children with non-Romanian names is also refused. And German city names may not be used officially, they may not be printed in newspapers and signs with German place names may no longer be posted at the entry to towns and villages. Pretty soon, German will only be a language on tombstones."

The exodus of the Germans from Romania—and stiff bribes often speed up the processing of emigration applications—in recent years above all hit the ranks of highly skilled and educated individuals, creating big gaps. "In the meantime, only 230,000 Germans are living in Romania," says a spokesman at the German embassy in Bucharest. Each year, about 10,000 Transylvania Saxons and Swabians from the Banat leave Romania."

A spokesman at the Foreign Ministry in Bucharest comments: "We regret every emigration. Romania does not like to lose Germans, for human as well as economic reasons. They are able people and they have done much for our country. On the other hand, their education has cost the state lots of money." A foreign observer noted: "This is why they literally sell the Germans off. Bonn has to pay 8,000 marks for every emigre from Romania. Now Ceausescu wants to up the ante. This is a disgusting form of human slavery. As a matter of fact, Romania has been the home of these people for generations. But can you call a country your home where you do not have the freedom to preserve your own identity and where in the end you are even sold off?"

Regime loyalists contradict these charges. The existence of the German-language newspapers, such as NEUER WEG, NEUE BANATER ZEITUNG, KARPATEN RUNDSCHAU, WOCHE, as well as the monthly magazine NEUE LITERATUR actually do refute one assertion. But what about the others?

This question was answered in the little town of Deva by five Transylvania Saxons. The town is located in the midst of a fertile region. Arable land, hops fields, and horse-drawn wagons as far as the eye can see while, in the villages, the streets are lined with single-story, roomy houses. They are built adjoining to each other and all of them have the typical inside courtyards of Transylvania. Here you cannot see anything of systematization. In the streets, women wearing babushkas, gab with each other and posters all over the place hail Ceausescu, his communism, his heroism, and the peace he preserves.

Nicolaus Rudolf Pilly, 58, who used to be a blast furnace engineer and who is now a pensioner, says categorically: "There can be no talk of discrimination against Germans. I was not a party member during my younger years but I still got to be department head. I got ten awards of medals and orders of labor." Wieland Schneider, 50, a motor vehicle engineer and graduate of the German academy in Sibiu, has been chief engineer and technical manager in a transportation enterprise in Deva since 1961. "Able and efficient people are in demand here," he says. "Anybody who can cut the mustard has an opportunity here. The achievements of the Germans are also being recognized. Many of them hold important jobs."

Electrical engineer Valentin Schmidt, 33, was the only German among all the Romanians in the academy. "I never suffered any discrimination," he assures us. "In Timisoara there were no problems of any kind either. That is where I studied. Out of 100 students, 15 were of Hungarian nationality and 10 were of German nationality. I am not a party member but still I am responsible for research work in a big enterprise. Only those who do a poor job and who thus burden the work force are being criticized and discriminated against."

Mining engineer Alfred Kristoff, 55, is working as chief engineer at an investment bank of Hunedoara District. "I am the only German in an enterprise with 60 employees," he says. "My wife is a Romanian. We have a son who is 22 years old and who will become a construction engineer. He attended primary school in Deva. German was taught in all four classes. There were also German-language courses in college. It is above all economic reasons that persuade Transylvania Saxons to file their applications for emigration."

A roundtable conversation with Transylvania Saxons is almost impossible in Romania in 1989—unless the party, as happened in Deva, orders a couple of informers to meet with a visitor from the West. But the statements made by the men of Deva coincide with those made by the highest representative of the Catholic Church in the Banat, as well as the German-language teacher Dietlinde Costin who is 26, the master mechanic Friederic Kartmann who is 48 years old, the medical doctor Paul-Juergen Porr who is 38, social scientist Gustav Adolf Klein who is 49, and engineer Wilhelm Kysela who is 59, in Cluj-Napoca. They had not been ordered by the party to speak out.

Vicar-General Cziza of the Timisoara Diocese—who is thus responsible for the Catholic Banat as well as the 300,000 faithful in Arad—is deeply moved by the emigration of so many Germans. "The war persuaded many to leave," said the 73-year-old cleric. "The watchword was family reunification. Today it is probably the prosperity of West Germany that attracts many."

Dietlinde Costin confesses: "As far as I can see, almost everybody leaves for economic reasons. Because of the departure of so many people, the community of the Transylvania Saxons has become unbalanced and has even been destroyed."

Friederic Kartmann owns a home; he works for the railroads and is the boss of 40 mechanics and workers. "One of my girl cousins emigrated," he revealed to us. "She is a pharmacist but she has not found a job in the Federal Republic so far. But we are well off. I am a party member but I also go to church regularly. I have to work hard, 48 hours a week. Every month, we are off only on one Saturday and we frequently have to put in overtime. I would never leave here. I know what I have here."

Paul-Juergen Porr is single, Protestant, an internist at the university clinic of the city of Cluj-Napoca with its 320,000 inhabitants; he regularly reads DER SPIEGEL and DIE ZEIT and is thus excellently informed about the Federal Republic. "I would not dream of submitting an emigration application," he admits. "I am satisfied here. Economic factors are the main reason behind this emigration."

Social scientist Gustav Adolf Klein is a member of the people's council of Cluj-Napoca, married, childless, and always travelling. "Last year I spent 3 weeks in a Bavarian village," he said. "There I had an opportunity to talk to Transylvania Saxons who had emigrated. They complained that they had no contact with other people, they had problems on the job and they had difficulties in assimilation. The assertion that we are losing our cultural identity here is incorrect. There are German newspapers, books, and several German theaters. The real reasons behind emigration have to do with economic enticement."

Engineer Wilhelm Kysela also knows the Federal Republic. "My mother, my sister, and my brother-in-law have been living in the FRG since 1978. I visited them in 1988. They still do not have any contact with other people. The human warmth, which is so customary here, simply does not exist in the FRG. I also think that most Germans are leaving primarily for economic reasons."

Kysela was the only one to admit that food supplies should be better in Romania and that the housing problem has still not been solved. "But we are on the right track," he notes. "There is no discrimination against Transylvania Saxons. After all, there are hardly any Germans left in Cluj-Napoca."

This is why there is no German school in the charming capital of the Hungarian part of the country; one-quarter of the 320,000 inhabitants of Cluj-Napoca belong to the Hungarian minority; but an academy here at any rate has 15 class sections with German-language instruction. And in the nearby village of Turda, where 163 Germans are still living, there is at least one German kindergarten. There is no use looking for local German-language dailies in Cluj-Napoca. The Hungarian minority is better off; it has two daily newspapers, a women's magazine and a children's magazine. The Hungarians also have a theater and an opera house.

In Sighisoara there are schools and kindergartens for the young Germans and Hungarians. "The ethnic minorities maintain 168 folklore groups in Sighisoara," asserted cultural officer Ion Ivan. "They perform on many occasions. The German groups also regularly travel to the FRG. We have had a very active cultural exchange for the past 15 years with Neu-Isenburg." Hermann Baier, the 59-year-old chairman of the district council of workers of German nationality, a member of the municipal people's council and a deputy in the district council of Mures, confirms this information. His primary occupation is mathematics and physics teacher at the German academy, high above the medieval city. The institution is named for the educator Joseph Haltrich. Baier estimated the number of Germans in Sighisoara at 3,000 and in the district of Mures at 7,000. He adds that this number is stable because nobody wants to emigrate but then he changes the topic. Baier prefers to look to the past. "Herman Oberth, the world-famous scientist, used to live here," he says to change the subject. "He was born in Sibiu. He came here when his father was a surgeon and chief physician at the Sighisoara Hospital. Oberth took his final exam at the academy here, he went to college in Germany and returned as teacher."

It is openly admitted in Oradea, in northwestern Romania, that there is no school for the German minority. "The German population segment in the city amounts to only 1 percent," we were told in the city hall. "But in the nearby village of Sankt Andreas there is a German grade school; there are 350 Germans living there. Most of them are farmers. They make the headlines every year with their record harvests."

Only 11,400 Germans are registered in Arad. Together with the Hungarians, Serbs, Bulgarians, and Jews, they account for almost 20 percent of the total population of 200,000. But that is hardly taken into account in the schools. The language of the German minority is being taught only in one inner-city grade school and one 12-class school in the suburb of Neu-Arad.

Patina of the Past and Emptiness of the Present

Conditions in Timisoara, in the Banat, and in Sibiu in Transylvania are better. Timisoara has a German theater and a German school. The "Nikolaus Lenau Academy" for mathematics and physics in the capital of the Banat is attended by 2,235 students and is directed by Erika Mueller. "We have 63 classes," says the lady professor. "Five classes will take the final exam shortly and 85 percent of the students are German."

The academy, named for the poet who was born in Hungary, is not far from the dome. A renovation would not be a luxury. The school's cultural and sports activities are in better shape than its architectural structure. These efforts earned attention and honor for the school.

The institution is famous above all for its musical and ethnic costume festivals, traditional balls, success during the student olympics, the school newspaper, and the faculty choir.

The German school in Sibiu looks very plain and weathered but it has prestige and it is famous. Opposite the mathematics and physics academy stands the 14th-century Protestant city church in the old town which is rich in historical buildings; the church is a mighty structure with the patina of the past and the emptiness of the present. In front of it, your attention is drawn to the monument of Georg Daniel Teutsch. He was a school principal, a historian, chairman of the study group of Transylvania Saxons, and finally bishop of the Evangelical Provincial Church.

"The school celebrated its 600th anniversary in 1980," says Professor Hermann R. Schmidt, the principal. "Just 1 year later, your president, Karl Carstens, visited us. We have 700 girls and boys attending school here and they are being taught by 40 professors and industrial arts teachers. Instruction is given in the German language. French and English are taught as foreign languages. And 90 percent of the students are German. The children of the party bigshots are also being educated here, plus the offspring of city council members, intellectuals, doctors, and lawyers. But most of the students come from farmer and worker families."

Principal Schmidt teaches history; but in his room, a bust of Beethoven is in the place of honor, right next to a photo of President Ceausescu. "We have no disciplinary problems here," he replied. "The drug problem is unknown in Romania and the crime rate is low. Our academy is distinguished by many extracurricular activities. Olympic victors are sitting in our classrooms, a physics professor is the conductor of our wind ensemble, and a history professor conducts our chamber choir. We have a good spirit here."

Hans Wolfgang Schneider confirms this. He is the chairman of the council of German workers in the Sibiu District, a graduate of the school, a teacher of German, and deputy schoolboard member. "Professor Schmidt taught me history," he tells us. Energetically he refutes the charges made against Romania in the West. "One thing above all that is untrue is the assertion that Romanization is progressing and that the German language is no longer being taught," he grumbled. "In our district, we have German groups in 100 out of 230 kindergartens; in 200 schools in the city, we have 90 German sections. Half of our 26 academies have German classes. And in the job world, those who can cut the mustard have an opportunity for advancement, regardless of whether they are Romanians or whether they belong to a minority."

The Romanian scene is darkened by the fact that assertions and counterassertions, accusations and contradictions cannot be disentangled. The search for the truth is difficult in Transylvania and in the Banat and there are many pitfalls and one-way streets leading to the untruth.

But do not flight and emigration carry more weight than words and protestations? Would thousands of people take upon themselves the cross of isolation and persecution in Romania and of alienation and unemployment in the Federal Republic if they did not believe in a better life far away?

[29-30 Apr p 7]

["Shortages, Cold, Persecution, and Oppression"]

[Excerpt]

[Passage omitted]

Rationing Stops at Restaurants and Hotels

Long lines of people in front of shops can be found in many villages and in all cities of Romania. People even line up in front of flower shops and a shipment of cosmetics from the West cannot be handled without a crunch and cops who try to keep order. But the longest lines form at gas stations and they not infrequently are miles long.

That is not astonishing because, after all, private car owners only get 20 or 30 liters of gasoline allocated per month. The 12 million tons of oil, that are taken out of Romania's soil each year, allegedly are not enough for a widely developed industry and to keep a couple of thousand cars moving. It often takes weeks until gas stations out in the boondocks get their shipment. And here is what that means: On Romania's rural roads you can see more horse-drawn wagons than passengercars and people line the road, trying to thumb a ride. Of course, public transportation is also subject to the laws of the war economy. Even when it rains, the women stand freezing in the grass next to the road, the men raise their arms pleadingly and even the kids try to flag passing cars down.

The shortage of gasoline, food, consumer goods and other stuff is home-made. "Export" is the word that explains the cause and "paying foreign debts" is the justification. Most foods have been rationed for many years. You get 5 pounds of flour, 6 liters of cooking oil per year, good-grade meat only before important national holidays, coffee, tea, milk, butter, rice, and chocolate are things which the average Romanian hardly remembers but he gets all the more bread, cabbage, cucumbers, onions, noodles, and preserved fruits. "That is what he lives on mainly," said a man in Brasov. "Sugar and even potatoes and fruits are rare."

Quite a few Transylvania Saxons and Swabians from the Banat are better off than the Romanians. They get food parcels from relatives and acquaintances in West Germany containing salami from Sibiu, canned meat from Timisoara, wheat flour, sugar, cocoa, butter, edible oil and spices—assuming, of course, that the parcels are not

confiscated and diverted in Bucharest and sold to countries with a strong currency, as happened most recently. The food parcel shipments trigger the envy of many Romanians and not infrequently are the cause of discrimination and chicanery against Germans. "When I went to pick up my parcel at the post office, I was insulted and they called me a fascist," complained an old lady in Sibiu. "They forgot that Romania was on Hitler's side until 1944." Another woman reported about the destruction of food by Romanian customs officers. "They took food away from visiting Germans who had brought the food along for their hosts; then the cheese and smoked sausages were cut up before their eyes and, with chlorine, made inedible."

Food rationing quite surprisingly stops in front of restaurants and hotels. In Bucharest, Brasov, Sibiu, Arad, Timisoara, Oradea, and Cluj-Napoca, the restaurants are jammed full at noon and in the evening—not perhaps by party bigshots and foreigners but mostly by ordinary citizens. There you can get sausage, meat and fish, potatoes, rice, vegetables and salad, the traditional plate with cucumbers and paprika, while, by way of beverages, you get the customary slivovitz, water, juices, beer and wine; for dessert, you can have pastries and fruit salad.

But there are some restrictions on the good life in the hotels and restaurants. On certain days, they only serve fish, on other days, the diners have to do without sausage and eggs. The prices are affordable and the ambience is astonishing: In the big-city restaurants, an orchestra already plays at noon while there is dancing in the evening.

Now, would a starving, freezing, and oppressed people go dancing? "That is exactly what is happening," was the reply given by a diplomat in Bucharest. "Living conditions are so tough here that the people avail themselves of the few possibilities of forgetting and taking a deep breath with the kind of intensity that astonishes outsiders. Besides, there is enough food in the restaurants, they are well heated and the dance music is more entertaining than the boring indoctrination television program at home."

Every big city has its night club. Scantly dressed girls can be seen whirling over the parquet, you can watch gypsy dances and acrobatics while hits from the West are being sung and played; of course, there is rock music to torture your ears. Prices are high and you have to pay in dollars. This actually is a measure that would have to keep the Romanians out because they are strictly forbidden to have foreign exchange. But foreigners are not alone there. "They are invited," said a hotel manager in explaining the presence of numerous Romanians in his night club. A German waiter corrected him: "They are party bigshots and government snoops. They have everything, even dollars."

The government's eagerness to get foreign exchange is also the cause of the shortages prevailing in all areas. Even a Foreign Ministry spokesman admitted that food and many other things are exported; but then he said: "Naturally not to the detriment of the population. Supplies for the people have priority. But Romania has set itself the goal of quickly paying off its foreign debts which amount to \$13 billion. We will soon be debt free. Then we can import one thing or another for which we so far have not had the money. President Ceausescu announced that the living standard of the Romanians will rise as a result of the payment of our debts. We are proud of our achievements: The country has been industrialized but at the same time we have paid all our debts." Will Romania's markets soon offer oranges and bananas? Are the rooms of the people going to get warmer after the debts have been paid off? Is the lighting going to get brighter in the streets and houses? Will the hospitals at last be provided with medication, vaccines, baby food, and other vital things? Will car owners get all the gas they want after years of gasoline rationing?

Romania's war economy in the midst of peacetime has cost many human lives; thousands were driven out of the country and Romania's prestige was ruined. "Last winter, God was merciful," observed a Transylvania Saxon. "It was not as cold as during the years before."

The government is quite chintzy when it comes to allocating energy and that tortures the people as much as the food shortage. Electricity is rationed and gas and coal are in short supply. The monthly electric power allocation for a 1-room apartment is 27 kw; that is barely enough to boil two pots of water daily. The electricity can be turned on only for a few hours each day. There are strict regulations on the wattage of the light bulbs; the use of electrical small and large household appliances, such as space heaters, vacuum cleaners, hair dryers, washing machines, and refrigerators is forbidden. Electricity is also being saved out in the open. Streets and squares are less illuminated than in Central Europe during the miserable days of the blackout during World War II.

The effects of the electric power shortage are worst in the winter. The inside room temperature must not exceed 12°. Inspectors are entitled to enter apartments at any time. In the new housing developments, the government has it easy when it comes to keeping the temperature down: Tens of thousands of apartments are connected to the district heating system. All it takes to save energy is one manual movement at the central control station. And here is what that means: People sit in their apartments, wearing winter coats, cursing those responsible for this situation; the children sleep in their sweaters, wearing their caps and gloves; thousands get sick and quite a few infants do not survive the winter.

In the "Steau Hotel" in Sighisoara, I found out for myself what it means to freeze an entire evening. My room was cold and the windows did not close tightly

enough. Escaping into the bed in front of the television set is just half a solution: I did get a little bit warmer but the TV program did not help. The screen was dark long before midnight.

Only sports can persuade the Romanians to turn on national television. Is it astonishing that a video recorder should cost 30,000-50,000 lei, in other words, half as much as a car? But you can get one of those things only under the counter. Many foreigners smuggle a video recorder into the country, sell it at a high profit, and use the money to finance several weeks on the beaches of the Black Sea coast for two or even three persons. Recently, higher-income people have been putting up dish antennas to be able to look across the borders into other countries of the world, other than just the neighboring states of Bulgaria, Yugoslavia, and Hungary; dealers from the West supply the parts and Romanians put the technical puzzle together.

Naturally, the videos also come from abroad because there are no video libraries in Romania. Swapping videos is a flourishing business and the government simply shuts its eyes. And it is wise to do so. Without movies acting as a drug, the cold sad evenings in Romania would be unbearable. Who knows whether those so tortured here might not rise up some day? And so, Romanians get together only for home movie evenings at a place of a video owner; they pay him a couple of lei and forget their harsh existence for at least a few hours.

In view of the situation in the electric power sector, the oft-repeated statement of President Nicolae Ceausescu has a rather hollow ring: "Energy is the key to the country's growth." Now the Romanians hope that the opening of a new mammoth power plant east of Arad—a gigantic dam is to hold the water of the Schnelle Kreisch River—as well as the opening of the first Romanian atomic power plant near Cernavoda, 45 km west of the Black Sea coast, will eliminate or at least mitigate the bottlenecks in power supply.

The commissioning of the atomic power plant did not come off without renewed appeals to the workers from president and party boss Ceausescu. He demanded hard work and a willingness to sacrifice, even better work organization, and compliance with currently applicable quality standards. According to a report in NEUE BANATER ZEITUNG, the workers reacted to this application of the whip with the "very rarest sentiments of love and appreciation."

The State Demands Two Children From Every Woman

When Romanians get sick, they are near death. Of course, there are more than enough doctors—in the big cities, as a rule, there is one doctor for every 350-380 inhabitants—but those doctors demand special payments in the form of cigarettes or coffee to increase their income. There is also no lack of available beds but

everything else is in very short supply: bandages and cotton, medications and antibiotics, film material for X-rays, and modern technical instruments.

In Europe, the average life expectancy of the Romanians is lowest and infant mortality is highest. But there is ever so slight a ray of hope even in this said area: In the city of Oradea, the citizens are proud of the country's most modern children's hospital and in Cluj-Napoca, in a rehabilitation clinic, high above the city, many chronic patients with heart, lung, and joint troubles as well as patients with nervous and rheumatic disorders are being rehabilitated.

The clinic was opened in 1978. Its nine stories contain 500 beds; the hospital is equipped with an outpatient section, an analysis center, laboratories, radiology, logopaedia, a medical department, as well as departments for hydrotherapy and electrotherapy. "All station chiefs were trained abroad," says Professor Nicolae Andronescu. "We have 50 doctors and 135 nurses working here."

According to information supplied by the clinic's director, heart ailments, cancer, and traffic accidents are the most frequent causes of death in Romania. Regular exams intended to identify cancer early are an obligation as of the 45th year. Women are entitled to retirement pay at 57 while men are entitled at 62.

Making the rounds through the clinic, you can see women and men doing physical therapy, getting massages, and having sessions with psychologists and social workers. "In Romania, if you get sick, you usually pay neither for medications, nor for the doctor or the hospital," says Professor Andronescu. "In 1988, we treated 28,000 persons where, 68 percent of them were able to go back to work."

In socialist Romania, the interest of the state has priority over individual demands even in the field of health. The army of workers must not lose any of its required personnel strength as a result of premature wear and tear of the comrades. The regulations and prohibitions in the field of population policy back the state's primacy up also in the most intimate areas of life. To increase the country's population, the state demands that every woman of childbearing age have at least two children. Contraceptives and abortion are strictly outlawed.

The government's regulations on birth go even further: By means of forced examinations, the authorities want to prevent women from secretly taking the pill. Smuggling of and trading in birth control pills are punished as severely as dealing in drugs and bibles. Those who fail to do their duty toward the state and the party have their income reduced; often they are transferred and placed under surveillance.

But an unwanted pregnancy will cause a Romanian woman insurmountable difficulties: Either she has to give birth to the unwanted child or she has to turn herself over to strangers. Countless pregnant women suffer serious health damage during abortions conducted by "female angelmakers"; many even die. One of them, barely 22 years old, left a letter behind. Here is what it said: "I would rather die than give this state a new life."

Naturally, there are also people in Romania who benefit from the shortages and misery of others; they are the blackmarketeers. On the black market you can get everything. You pay with foreign currency, with coffee, and above all with cigarettes. The "Kent" brand is the yardstick for everything. For a couple of packs or one or two smokes, you can get nonessential foods, meat, videos, gasoline, treatment from a doctor, privileges in dealing with the authorities, and you can even get love. Of course, prostitution is officially outlawed but it has not been abolished. Even the state engages in trade with consumer goods which are not available to the ordinary Romanian. In the hotel shops for foreigners you can get gourmet foods, all kinds of alcoholic beverages, coffee, cigarettes, leather goods, textiles, souvenirs, and many other things. The government's eagerness to get foreign exchange goes so far that even picture postcards are obtainable only here.

Nevertheless, Romania is not a land of hopelessness. In Sibiu, you can see good cheer and even high jinks in the biggest hotel during a wedding. The festivities began at noon and by the evening quite a few of the guests are well pickled, and many are boisterous. And in a soccer stadium, the 30,000 spectators certainly do not give the impression of being oppressed and gagged. They sing, they cheer and they shout—just like the fans in the German economic wonderland.

There is joy, hubbub, and good cheer also in a crowded restaurant in Sibiu. Many young couples and 30 graduates of the Military Academy are having fun with beer, wine, and dancing. There is no shortage of partners for the future officers to dance with. Several tables are occupied by local girls. The members of the band get many requests and the waiters are kept running with ever new orders.

On the next day, jazz resounds through the hotel. The concert in the building's biggest auditorium is sold out and the staircase is full of nonpaying music fans. Romania's pop idol Gil Dobrica has been performing in Timisoara for many weeks in a place that is overcrowded every night. This 64-year-old man cheers the people up with his songs; he helps them forget their misery and poverty and he enables them to have a little confidence and hope. Ceausescu should give him a medal.

But medals are harder to get in Bucharest than punishment. Criticism on account of supply bottlenecks, energy saving measures, expensive and useless construction

projects—for example, steel smelters, monumental government buildings, or the Danube-Black Sea Canal—is punished relentlessly. The people are threatened with having to change jobs, with being exiled into the sticks, and with being thrown into prison.

Yes, the state even metes out punishment to quite a few people who leave it. Embittered, a Transylvania family told me what happened to it as they left Romania. "We saved for 25 years and we kept buying stones and lumber for the house," said the 55-year-old family head. "I was a bulldozer driver and I was getting good money. Finally, we built a house with four rooms, a kitchen with a baking oven, next to it a stable plus a big shed. Fathers, brothers, neighbors, and friends helped. But when we left, we were not allowed to sell the house and we were not even allowed to give it to the sister-in-law. We also had to leave the entire inventory behind. The Romanian state is now the owner. The value is 300,000 lei. That is how much a well-paid Romanian makes in 8 years. But we are not complaining. We are happy that we were able to get out. We want to begin a new and better life in Germany."

[3 May p 9]

["Mercilessness in the Job World"]

[Text]

Efficiency, a Readiness To Sacrifice, and Silence Are Demanded

In the job world of the exploited people between the Black Sea and Hungary, between the Danube and the USSR, there is talk about "getting going in the pursuit of new goals" and "attainment of long-range goals." The newspapers remind the masses of the virtues and the means for the 100th time and in all possible variations, in other words, the things that are to lead to the goal, such as selfless hard work and readiness to sacrifice, a sense of responsibility and initiative, exemplary work results and technical creativity, a determination to modernize and to develop socialist consciousness.

Government television is also used to get the people to move toward new goals. Documentaries praise work for the fatherland, Ceausescu's revolutionary work and action programs are explained, and pride in being a citizen of socialist Romania is talked up for hours on end. An entire program is devoted to a dynamic, efficient, and revolutionary work style.

Television programs and newspaper articles with this kind of content only embitter the workers in view of many long years of hardships, misery, and cold. But the leadership is undeterred as it beats the drums for the blossoming of the socialist economy and as it appeals to the worker. The worker is to think and plan and act, he is to learn how to master new technologies, how to expand automation, how to reduce the consumption of raw materials, work materials, fuel, and energy, and how

to modernize the entire production process. He is to do top-quality work and evenings and on free weekends he is to participate in meetings devoted to an exchange of experience and advanced education—and he is to keep silent.

The state and the party often like to stress the humane character of the Romanian job world but thousands of workers are dissatisfied and indignant over the demands and the mercilessness at construction sites and factories, in agriculture and in the coal mines. The Transylvania Saxon Emil Jancu Budac, 40, openly complained about chicanery and the fact that the worker has no rights. Promptly, the electrician from Sibiu had to pay the price for that as he went to bat for other workers in a leather factory.

"Because the plant personnel failed to meet the quota, the only nonworking Saturday in the month was dropped," he says. "We drafted a written complaint. All workers signed it. Because I was the ring leader, I got a visit from the secret police and then I was transferred to a poultry farm. Everyday, I had to travel to work for a distance of 30 km and repeatedly I only got a part of the specified wages—with the explanation that the little roosters were always underweight. But the truth is that this was due to the fact that there was not enough protein in the fodder."

Budac contacted a newspaper, got nowhere, and again had to pack up and go. This time he wound up in a construction enterprise. "In a God-forsaken area with poor housing facilities," Budac railed. "The billets were so dirty that the people living in them got scabies."

Romania's ambitious industrialization program is being celebrated by the leadership in Bucharest after its almost complete implementation as a huge national achievement; but the "heroes of labor" and the "trailblazers of a better future," who created this industrialization through hard work, sacrifice, and not infrequently their health, curse it. "What did the individual get out of all this?" asked a 45-year-old former miner rather bitterly. "The 46-hour-week, three Saturdays on the job, and plan quotas that are almost impossible to fulfill. On the other hand, we did get enough wages but our apartments are cold, the shops are empty, and there is no chance of ever getting a car."

Militiamen Make Three Times as Much as Truck Drivers

The minimum and maximum incomes are fixed by law: 2,000 and 12,000 lei, which, when converted, comes to 400 or 2,400 marks; right now, it takes 5 lei to get 1 mark. "The average income has risen to 3,200 lei," we were told by Nicolae Beuran, chairman of the Executive Council of Cluj-Napoca. "A skilled construction worker makes 4,000, an engineer makes 4,000-5,000, and a college professor earns 5,500-8,000." When questioned, he told us how much he was making: "As mayor and

local party secretary, I earn 8,000 lei." He had nothing to say about the wages of others. Could certain pay scales reveal too much? A truck driver, for example, gets only 2,500 lei per month but the work of a militiaman is rewarded with 7,000 lei.

Because apartment rents and living costs are at least partly affordable, the mass of the Romanians, in contrast to many other Western Europeans, do not complain about their income levels but they do criticize the fact that there are quite a few things they cannot buy for their hard-earned money or that they can get it only after standing in long lines for a long time. For example, the rent for a 3-room apartment is 500; 1 kg of meat costs 80; a man's shirt costs 130; shoes 300; a windbreaker 300-400; 1 kg sugar 15; one egg, 1 liter of gasoline, and 1 kg of tomatoes 10, each; 1 pack of Romanian cigarettes 10-20; half a pound of butter 11; a cake of soap 8; 1 kg of bread 4-6; a bus ticket 4 lei and a daily newspaper 1 leu. Most of the families moreover have at least two incomes; at any rate, 40 percent of all workers are women.

The state shamelessly exploits the relatively favorable financial situation of the Romanians. If they do not meet the plan quotas, money is deducted from their wages and they have to put in unpaid additional workshifts on free Saturdays. But the ability of the Romanians to suffer is not unlimited—and that is something the party and the management of the "Red Flag" Truck Factory and the "Tractorul" Tractor Factory in Brasov had to find out for themselves during the November 1987 demonstrations; the looting, acts of violence, and storming of the city hall in this big Transylvanian city by the angry workers.

In the meantime, things are quiet again in this gigantic factory. The ring leaders have disappeared—nobody in Brasov to this very day knows where they were taken. And nobody dares ask whether they are still alive. But foreign visitors are again being received in the tractor factory.

The general manager has a handshake like a blacksmith. Comrade Octavian Capitanu could very well be a blacksmith; he is that tall, broad-shouldered, and powerful. Wearing a sweater and a leather jacket he receives his guest, briefly touches the visor of his cap, and blasts away with statistics and facts. "We are building 65,000 tractors per year," said the former rugby player. "We turn them out in 100 types and 300 variations. The plant, Romania's biggest, includes five divisions, two assembly shops, a stadium, a house of culture, a school and research complex, and a separate school from the University of Brasov. The whole thing covers an area of 170 hectares."

He tells you how many people the plant employs only after you ask him a specific question: "We have 20,000, including 8,000 women."

Then he talks about other things and he reminds us that Romania's first aircraft factory had stood in this same place. Finally, Capitanu tells us what the export quota is: "We are sending 85 percent of our output abroad. Our customers are partners in 80 countries, including the United States, many countries in Africa, Australia, and New Zealand."

Why does he not talk about his female and male workers? In response to the question as to the mood in the plant, this engineer shoots back at you: "Right now we have no problems." Instead of talking about the bloody uprising of the workers in his plant 16 months ago, he stands up and says rather laconically: "We really should visit our model exhibit."

There you can see more than two dozen models of tractors for every possible purpose and for the most varied countries and weather conditions. "So far, we have made 1 million tractors here," the general manager lets us know. "We build tractors with wheels and tractors with tracks." He has something to say about every model but he does not give us an opportunity to ask any questions. Do inquiries about the consequences of the November 1987 events make him uncomfortable? Or did the notorious Securitate [secret police] spread the veil of forgetfulness over all this?

Taking pictures is forbidden in the entire work compound. The short distances from the lobby to the model exhibit and back are covered in a car; the actual workshops are closed as far as the visitor is concerned; he does not get to see any workers. At any rate, Capitanu provides information in response to harmless questions. "We work 46 hours per week," he says rather tersely. "A worker on the assembly line makes about 4,000 lei per month. That is 800 more than Romania's average working wage. We only have a few robots here. We feed 8,000 persons per shift in our dining room."

People were more open in the "Red Star" textile factory in downtown Sibiu. The plant employs 3,200 workers; 82 percent of them are women; a 53-year-old German is the boss.

The plant turns out ready-made clothing for men and women, says Manager Joan Gindila in German. He regularly takes business trips to a good customer in Herne, in Westphalia, and is proud that the factory can pick 62 percent of its apprentices from among high school graduates with final exam certificate. The plant also produces for export to earn foreign exchange—but Manager Gindila does not want to reveal to us how much. At any rate, he lets us know that many of his products are being shipped to West Germany: "Above all casual clothing, trousers and overcoats."

The textile plant also works two shifts of 46 hours per week. The workers are off one Saturday per month; they are paid piece-work wages. "The average wage is 2,800 lei," says Gindila. "A good piece-worker can make as

much as 4,500-5,000 lei per month. The piece-work rates are tailored to the performance capacity of normal people. But, of course, nobody is allowed to goof off."

An 8-hour shift is interrupted twice: there is a 15-minute meal break and a 10-minute break for physical exercise. The silence in all divisions is quite striking. The people work with maximum concentration. Without ever looking up, women are cutting material; in the next room, the individual pieces are being sewed together with old machines; and the ironing is done in other rooms. While the outside temperatures are approximately down to zero [Centigrade], there is almost tropical moist heat inside. The faces of many women are red and quite a few are dripping with perspiration.

The factory has entered into lifetime employment contracts with one-third of the personnel force. "After training, every worker must decide whether he wants to sign a time contract or a life contract," says Gindila. "Women thus commit themselves to the plant up to the age of 55 and men up to the age of 60."

This is not serfdom, Gindila argues defensively. "After all, firings cannot be ruled out. Instead, there are quite a few advantages for those who have signed lifetime contracts," he maintains. "Before they sign the contract, they are subjected to a technical and character examination. Many married couples, entire families and, in some cases, families with three generations, have signed lifetime contracts. They get factory apartments assigned and they are invited to low-cost trips abroad as well as cheap vacations."

Right next to the factory, 82 plant personnel and their families are housed in a 6-story building. Manager Gindila can drop in on all of them at any time; he has a passkey to open the doors. He does not bother to ring the bell. It is Saturday afternoon, in other words, no work. In one apartment, he startles a couple out of a deep sleep; in another, we surprise the apartment owner in shirt and shorts. The apartments consist of three rooms, kitchen, hall, bath, and balcony. They cover about 65 square meters, they are well furnished, and they are equipped with stove heat. Some of the bathrooms also have a washing machine; every living room has a television set. Upon being urged by Manager Gindila, the apartment dweller, who has gotten fully dressed in the meantime, shows off his latest haul: a video recorder. He even has several video cassettes.

There are no parking spaces for the building's inhabitants and there is certainly no underground garage. "That is not necessary. Only two families have a car in this entire building," says a lady apartment dweller. "After all, we only have a short way to go to work." In point of fact, however, the "short way to the job" is an important basic principle of the socialist city builders. In all of the big cities, the new residential developments, which have been built over the past 30 years, are located directly in front of the factory gates.

Criticism and questions as to the disregard for the quality of life are countered by responsible officials with this argument: "The workers love to live near their place of work." In reality, the city builders were guided by just one idea in their planning: efficiency at any cost. Quality of life and recreation in the woods, far from the factory chimneys and the production noise, are subordinated to cost and energy savings through a minimum of public means of transportation. In addition, there is the time factor as well as the concentration and the resultant easier surveillance of the masses in a narrow area.

In view of the low level of motor transport and the resultant low level of mobility of the people in Romania, the desire for a short distance to the job even turns out to be quite credible. A car is and remains just a dream for the overwhelming majority of the Romanian workers: a modest little car, such as, a Dacia 1300, costs 70,000 lei, and that translates into 22 average monthly paychecks; in West Germany, a comparable car can be bought for five average monthly paychecks.

Production for Exports Lets Meat Combine Flourish

In Orastie, 95 km west of Sibiu, Hartmut I. Probsdorfer does not have to worry about how his workers would get to the factory. The factory, which he has been managing for the past 30 years, is located smack in the middle of this small provincial city, surrounded by apartment houses and grass areas. Only a few cars are parked in front of the factory gates although 3,025 people work here.

Probsdorfer, who is 59 years old, is a Transylvanian Saxon. "My family has been living here for generations," he tells us. "The factory was founded in 1922 and was nationalized in 1948. When I took over the management in 1958, we had 160 people working here. About 40 years ago, the factory was worth 2 million lei; today, the buildings, machinery, installations, and other facilities are worth 250 million. The West has no such huge fur processing plant."

Probsdorfer is proud of his life's work. "Everyday we process 20,000 different animal skins. The basic raw material is sheepskins. In 1958, the value of our output came to 10.5 million lei; our current annual output is worth 1.5 billion. Most of it is exported. Italy is our main customer."

To avoid a flood of statistics and further emphasis on efficiency and successful export transactions, I welcomed the suggestion to walk through the factory. On the way, Probsdorfer's huge Great Dane kept hopping around him. In the exhibit room, Probsdorfer's niece had half a dozen models showy fur jackets and fur coats—accompanied by brisk disco music and words of praise from the boss.

The factory is half a family enterprise. Probsdorfer's son is also a member of the work force. He is an engineer and has written a scientific study on differences in the nature of sheep furs, winning a prize in a nationwide professional competition; after that, he expanded the output assortment in his father's plant. Proudly, the elder Probsdorfer praises him: "And he definitely improved the quality of our many fur products."

Initial impressions are rather sobering in the production divisions. Here it turns out that the "family enterprise" is a production facility full of severity and harshness. The highest maxim of the socialist job world applies here without restriction: efficiency. Platoons of women, wearing blue smocks, work themselves to the bone in the tailoring shop, the sewing division, and the shipping department. They barely dare look up, the quiet in the rooms is depressing, and the work pace is fast.

A list with the names of all 60 division personnel is on the bulletin board. Numbers provide information on success and failure in the effort to generate as little waste as possible during the cutting phase but at the same time to cut a large number of individual parts for the clothing items. All data are recorded carefully and visible to all; after all, the name of the game is meeting the plan quota, maximizing exports, paying foreign debts, and even winning a small wage hike for those who help the plant win praise and fame through heroic hard work on the job.

The construction workers in the Banat earned glory for their "outstanding performances" and the "fast work pace" during the last year of the 5-year plan; but now they have become the target of criticism. The party bosses reprimand them for the backlog in the housing construction program and deficiencies in construction work are even punished with penalties. The fact that this can above all be blamed on inadequate work organization and spotty supply with construction materials is mentioned only in passing; memories of the previously awarded title of "heroes of socialist labor" are pushed out of the way. Finally, the "heroes" were urged in public at last to get their act together again.

In agriculture, cooperative farmers, farm laborers, and officials responsible for mechanization are under pressure like all the other workers of Romania. Here, for example, it was possible to increase the harvest yield of wheat thanks to mechanization alone over the past 23 years from 2.5 to 5 tons per hectare. But the party is never satisfied. Now, the Executive Committee of the Communist Party of Romania has demanded that every effort be made in terms of equipment and personnel to complete the spring planting on schedule and with the proper quality, if necessary, to work even at night and constantly to test on the spot how the individual work phases are being accomplished out in the fields. "Speed up the planting," was the front-page headline of the German-language newspaper NEUER WEG on 7 March. The goal of this drive was clearly outlined: A

record harvest was to be brought in this year. Does this mean that the Romanians will then be better supplied and that there will be less shortages or is the export quota to be increased even more?

Evidence of the fact that meat and sausage are being kept from the people because of exports is supplied by the fact that a huge combine in Timisoara, the capital of the Banat, is doing extremely well. The "Timis Meat Industry" includes slaughterhouses, a deep-freeze plant, and a canning plant. The latter is located at the edge of the downtown area of Romania's second-largest city.

Seven gentlemen in white smocks welcome me in front of the administration building of the factory and Emil Ganga, manager and doctor of veterinary medicine, briefs me on the enterprise in a small conference room. It has been in existence for 20 years, it has gone through several structural changes and modernizations, and it is of course working efficiently.

"For years, we have been supplying the EC market and Sweden and a short time ago we began shipping to the United States," Ganga said quite openly. Then he added quickly: "We export only 25 percent of our output; 320 workers turn out 35-40 tons of sausage products of all kinds per day. During each shift, we slaughter either 1,000 hogs and 120 head of cattle or 1,000 sheep and the same number of cattle. They are being mechanically processed on the assembly lines."

The products taste wonderfully well; Banat liver sausage and franks are particularly good. Proudly, without any scruples, Ganga tells me: "Even companies in the FRG want and get our products." How many Romanians, suffering from shortages and hunger, could be supplied with the output of this factory alone?

Romania's young people are also hungry. Still, they have to put in labor service even on Sunday. This is a duty and if you do not turn up you jeopardize your job future. It was cloudy and foggy in Oradea on 12 March. Along the Schnelle Kreisch River, a man with a powerful voice commands a group of youngsters as they clean up trails, grass areas, and the river embankment. His shouting can even be heard on the balcony of a hotel on the other side of the river. There is one word that keeps coming back and that is "Angajament." It means hard work and readiness.

[5 May p 8]

["Church and Home as Last Refuge"]

[Text]

We Are Living Neither in Heaven nor in Hell

Two women are kneeling on the carpeted floor of the Orthodox Cathedral of Cluj-Napoca amid a sea of burning candles, their hands in prayer, their heads leaning

back, their gaze directed into infinity. New scene: Evening Mass is being celebrated in the Catholic cathedral of Timisoara, the capital of the Banat in the middle of the week. The 250-year-old Baroque church is well attended, someone is playing the organ, the faithful are praying fervently, a young priest is delivering the sermon in the Romanian language so intently that even a believer not familiar with the language is deeply moved.

The misery of the people keeps filling Romania's churches—Orthodox, Protestant, and Catholic churches. This is where they find consolation and pity, the feeling of being deserted vanishes, and they regain their confidence. Where do Romania's atheists seek their refuge and where do they find new courage?

Romania's Catholic Church has managed to assert itself in the Diaspora down through the centuries and for more than 40 years in the communist state. There are 1.5 million faithful living in 6 dioceses but in the Banat, 30 out of 150 priestly positions are vacant. "We have a priest shortage," complains Vicar-General Dr Ferdinand Cziza of the Timisoara diocese, "Our diocese also includes the 300,000 Catholics of Arad."

His church was erected on swampy ground. Thanks to deep concrete pilings it has been able to defy many storms. It is said that more mortar was used below ground than above the surface. During the 1788-89 Turkish War, this house of worship was used as a salt depot; in 1849, cannonballs fired by insurrectionists hit the building. The church stood fast and the many people who had fled into it for protection managed to survive.

After viewing this beautiful house of worship of the Banat Swabians, we continued our chat in the nearby parish house. The clergyman tells us that the free practice of religion is guaranteed. Religious instruction is being given in the various parishes, quite freely and unhindered. "Between 80 and 90 percent of the Catholics participate in church life in the villages, often even more," the vicar-general says. "In the city, participation is at a level of only 10-12 percent. But we have to cope with that. Did the Savior not say to St. Peter that he must be a fisherman of human beings?"

A Catholic priest in Romania could not become a member of the Communist Party for two reasons: the Communist Party of Romania does not admit any priests and the Church forbids the priests to join the party. "The reasons for our attitude are simple," says Cziza. "Communist ideology is materialistic and atheistic. And who can serve two masters simultaneously? The priest lies either to the Communist Party or to the Church."

The tall vicar-general is older than the Romanian national state. He was born in 1915 in Steierdorf, the grandson of a master metalworker from Czechoslovakia; the national state was not born until 1918. "Steierdorf is 120 km away from here," the 73-year-old man says.

"Only I and a sister in Lower Saxony are alive out of our entire family. I visit her every other year. I would never want to leave Romania entirely."

Relations between the Church and the communist state are relaxed, negotiations are being conducted objectively and correctly, Cziza observes. By the way, the Church is not cooperating with the party but with the competent government agencies. At this time, a separate department is responsible for all church affairs. "In the past we have had quite a few disputes," the clergyman recalls. "But in the modern state Christianity cannot exist in the Catacombs. The profession of the faith is vital and differences are the logical consequence of this. In general, we are on good terms with the Romanian state. In the old days, Rome deplored this now and then. I had to justify my position and I was met with understanding and approval and was appointed prelate."

Half of the Community Lost in 15 Years

The Church gets only a small subsidy from the state and it is not allowed to collect any church taxes. "We ourselves must pay for the upkeep of the churches and everything else," the prelate complains. "We live on voluntary donations. This is why I have urged the priests to ask the faithful to donate 10 lei each month. Thank God, we do have believers who remember us in their wills."

This year, Ferdinand Cziza celebrates his golden anniversary as priest. He shares a heavy fate with his fellow countrymen. But it does not get him down. Head held high, he strides through the parish house and points to a photo. It shows him with Pope John Paul II. His eyes sparkle, especially as he presents an old concern of his. During his anniversary year, Cziza would like to start the internal and external renovation of the dome. "God will help us," he says. "For the citizens of seven nations, the dome is a center and a meeting place. Romanians, Germans, Hungarians, Bulgarians, Croats, Czechs, and Slovaks live together here in peace. Naturally, we in Romania are not living in heaven, nor do we live in hell, as they say in the West. Admittedly, you have to make do as best you can. But nobody is starving, nobody is freezing. I know this part of this country, I have been living here for 38 years."

So, why do so many Swabians from the Banat submit emigration applications? Are they being disadvantaged or perhaps even discriminated against? Is the German identity threatened? The 39-year-old priest Nikolaus Reinholz, who is present during this conversation, pulls out his ballpoint pen, and Cziza takes a breath quite audibly and replies: "The war got many people to emigrate. The watchword here was family reunification. Today it is probably West German prosperity that attracts many."

At the end, he invites me to attend evening Mass. But he rejected a money donation for church renovation. "Romanians are not allowed to accept any money from foreigners," he remarks by way of apology. "But I suggest that you support the church with a couple of gasoline coupons. In return, I will have the organ played for you alone during evening Mass."

The prelate keeps his word. Quite a few of the faithful were surprised and many started whispering among each other. Most of them had come directly from the job. Timisoara, which is what the city is called today, is an industrial center with machine-building, construction, electrical, and auto industry facilities that set the tone here. But there is also a 270-year-old beer brewery, a hat factory, a welding institute, a medical institute, a university, a German state theater, a music academy with Europe's best acoustics—according to Yehudi Menuhin—as well as a courthouse with 365 rooms and an Orthodox cathedral with an 84-m-tall tower containing 7 bells, rising high above the sea of houses in Timisoara.

In Sighisoara, in Transylvania, the spire of the old monastery church and the present-day Protestant municipal church towers over the environment even more so. The church stands halfway up between the so-called new city along the Kleine Kockel River and the medieval part of the city; it was built on a rise in the terrain. August Schuller, the highest-ranking Protestant clergyman in the region—his official territory extends to the border with the Soviet Union—introduced us to his church: "This is where a Dominican monastery used to stand. The Gothic church, with its three naves, was mentioned in documents for the first time in 1298. In 1676, Sighisoara was destroyed by fire. The church's roof fell in but the house of worship was repaired. The interior furnishings go back to the time after the fire. The baptismal font dates back to the year 1440. And we have 39 old, valuable carpets from Anatolia which add beauty to the church. Only Brasov has more carpets of that kind. Some of them go back to the 16th century. The altar is the work of a master from Czechoslovakia. It is 300 years old. The organ also goes back to 1680. The paintings were done in 1800. They point to the places where the guild masters had settled down at that time."

The organ was also played in the Protestant part of Transylvania and then Schuller commented on the current situation of the Protestant Church in Transylvania: "The state does not interfere with the practice of religion. The faithful have it easy but their clergymen do not yet have it easy. Church attendance is good although in the city it is more difficult to reach the faithful than it is in the country. We therefore extended the duration of catechumens instruction to 4 years. This year, 21 girls and 19 boys will be confirmed. We work very actively among the youth. Female aides hold children's services for children in grades 1 to 4. All of this is financed through donations and voluntary contributions. Two-thirds of my salary, which comes to 3,300 lei—that would be about 650 marks—is provided by the church community and one-third by Sighisoara."

Was the cultural official thus right when he said that Sighisoara is "the oldest cultural city far and wide?" Indeed, in addition to this city, which is so rich in historical buildings, there are, apart from big bakeries, dairies, and agricultural cooperatives, also 195 shops, a 690-bed hospital plus a house of culture, a library that is 300 years old, 2 museums, 12 elementary and junior high schools, as well as 4 industrial academies with 3,000 spaces for the training of skilled workers. The breakdown of religious affiliation is also interesting: 18,000 inhabitants are Romanian-Orthodox, 2,000 are Catholic, 4,000 are Protestant, and 19,000 are atheists.

Reverend Schuller, who is 49 years old, a minister and doctor of theology, is a descendant of Transylvania Saxons from the area around Medias who have been settled here for a long time. Schuller complains: "I have 118 clergymen in my official district and 31 of them have submitted an application for emigration. They cannot be replaced. But we do need ministers. The Sibiu Theological Institute however graduates only five or six priests each year. I have been here for the past 15 years. During that time I lost half of my congregation."

What causes clergymen to emigrate? Schuller replied rather tersely: "Family reunification." That is all he wants to say concerning emigration. In the end, he at least mentions the reason for his reluctance to speak out: "Last year, Albert Klein, bishop of the Protestant Church in Transylvania, commented on this issue in an interview with a German newspaper. His remarks were misinterpreted."

Watchdogs of the People Must Not Be Mute

Bishop Klein has also been keeping his counsel since then. He allegedly expressed consternation concerning Bonn's intention to pay Bucharest 1.4 billion marks for 180,000 Transylvania Saxons and Swabians from the Banat who were willing to emigrate and he remarked that he did not consider that this ransom deal was desirable. To ensure the preservation of the German ethnic group and its Lutheran Church, it has the historical mission of sticking it out and to save the ethnic group and the church so that it will survive through this temporary crisis—Klein reportedly added.

Protests and counterprotests did not fail to materialize. Bishop Klein denied the newspaper report; but, in the association organ of the Transylvania Saxons in Munich, his demands and arguments were castigated by powerful vociferous men. In the meantime, things have calmed down. Klein is silent, Schuller does the same thing, and emigration continues.

But 20 regional deacons and priests from Transylvania have now broken their silence and recalled the letter that had been sent last summer to the European Parliament as well as all the Protestant bishops in Europe—convinced that the clergy must not remain silent and inactive in view of the worries and concerns of the faithful,

unless the clergy wants to take upon itself the reproach of the prophets to the effect that "the guardians of the people are nothing but mute dogs."

This letter sounds far more pessimistic than the situation report given us by Pastor Schuller. It addresses the priest shortage and the inadequate capacity of the old churches that cannot accommodate enough faithful, the lack of houses of worship in the new city sections, and the inadequacies of the licensed improvised chapels in residential apartments. It also deplores the lack of bibles, prayer books, religious tracts, and books along with the impossibility of satisfying the religious needs of the young believers through reading because these young people have been unable to learn how to read and write their mother tongue.

"Dissatisfaction and offense also results from the practice of having everybody, who professes his faith openly and practices it, has to expect disadvantages and discrimination in scientific occupations, in public life, or in his artistic career," it says furthermore in the letter. "The seriousness of the situation is illustrated by the fact that many seek their career abroad, albeit by legitimate means. But many others also remain away, over there, without a permit; they accept the risk of being strangers and they leave family, homeland, occupation, and hometown behind."

Hometown and apartment are the last refuge of those who continue to stick it out—although they are by no means beyond the reach of government observation and inspection in their apartments. Over the past several decades, hundreds of thousands of apartments were built in the country's big cities—mostly in monstrous concrete fortresses in front of factory gates, mines, and auto plants at the outskirts of the city. Regardless of whether you are looking at Brasov or Sibiu, Cluj-Napoca or Arad, Timisoara or Oradea—thousands of people have been squeezed together in a narrow space everywhere; over the past 30 years, 65 percent of the urban population moved into new apartments with low rents and modest amenities.

In Arad, two-thirds of all households have been placed in new apartments. Recently, even the modernization of inferior apartments has been getting attention. Poorly built houses were torn down in several city sections. "They were put up during a time when everybody was happy to have a roof over his head," said Arad Mayor Gheorghe Oancea. "Today, the construction work is being done more carefully."

In Oradea, 73 percent of all apartments were built over the past 20 years. The average living space per person is 12.2 square meters. Most of the apartments have a bathroom and a balcony; more recently, they have been connected to district heating plants on a preferential basis. "The Romanians are discovering additional needs," said Georghe Groza, chairman of the Executive Council and party secretary of Oradea. "They demand

improvements in the quality of life and they ask for apartments with amenities. We are experiencing a time of major change, that is, a switch from a quantitative to a qualitative housing supply."

The people in the Cluj-Napoca City Hall are also proud of their achievements in housing construction. Mayor Nicolae Beuran came up with a rather positive overall review: "Over the past 20 years, we built 70,000 apartments here. Now every inhabitant has an apartment. Our goal for 1995 is 1.2 rooms and 14.0 square meters per person."

Apartment purchasing and ownership are also possible in Romania. There are long-term government loans. "Everybody can become an apartment owner," says Mayor Beuran. "A single individual can purchase a 2-room apartment, a childless couple can get a 4-room apartment. If the apartment turns out to be too small later on, it can be sold and a bigger one can be purchased. The government always helps out with low-interest loans."

Beuran did not supply any statistics on apartment prices. A young working mother of two children who owns an apartment however revealed this to us: "My husband and I got financial support from our parents. That is how we were able to purchase an apartment with four rooms, two baths, kitchen, and toilet in a beautiful and comfortable, 4-story housing development downtown for a price tag of 190,000 lei which translates into 38,000 marks. The residential section is located above the city and the infrastructure is good. We are happy."

[Box, p 8]

The Pariah Engages in Anti-Sovietism

One commentator called Romania "Europe's pariah" while another one referred to it as the "Stalinist outsider." In recent years, Ceausescu has steered the country into the political desert and has turned it into Europe's most unpopular state. He looks down upon "perestroika" and "glasnost." But just 10 years ago, the West praised, cuddled, and supported Romania because of its independent attitude and because of its policy which was independent of Moscow.

Romania's anti-Sovietism is old. Bessarabia and Russia's push into the west triggered a dispute already during the last century. "During the war, Prime Minister, Conducator, and military dictator Ion Antonescu pursued close political and military cooperation with Germany," says Constantin Girbea, head of the Department of German-Language Countries in the Romanian Foreign Ministry. "The consequences of this are now history."

In point of fact, Antonescu, after Germany invaded Russia in 1941, also declared war upon this communist world power. When the Red Army during its advance to the West was only 200 km away from Romania's border, Antonescu switched sides on 23 August 1944. After that he was ousted, sentenced to death by a Romanian people's court,

and executed in 1946. Before that, Romania liberated itself and recovered Northern Transylvania which had been occupied by Hungary. But the Soviets marched into Romania just the same in September 1945. They stayed there until 1958.

Romania's anti-Sovietism did sprout some blossoms thereafter. In 1956, this Balkan state pilloried the Soviet intervention in Budapest and even mobilized the army; it maintained diplomatic relations with Israel against Moscow's desires beyond 1967 and again remained on the sidelines in 1968 when the Warsaw Pact states invaded Prague.

In 1979, Romania along with the entire world protested the Soviet invasion of Afghanistan and then, along with the UN majority, kept demanding the departure of the aggressor. The attack upon Afghanistan would have negative consequences for socialism, Bucharest predicted already in 1980. In 1984, Romania rejected a boycott of the Olympic Games in the United States. Its athletes in the end turned out to be the only ones from the East bloc in Los Angeles. In between, Romania once again bolted from the ranks of the East Bloc countries when it was the first communist country to enter into a trade agreement with the EC. And who still remembers that it was likewise Romania which was the first country between the Iron Curtain to recognize the Federal Republic?

Romania does not have any feelings of sympathy toward Moscow. The country has no reason to have such feelings: It was neither liberated nor spared by the Soviet Union. On the contrary: At the end of the war, Romania lost to this world power half of the Moldavian region, Moscow made the country one of the loser states, and demanded reparations amounting to several billions of dollars.

Bucharest also still harbors resentment against Hungary. The Romanians have not forgotten the occupation of Transylvania. Says Girbea: "The fact that the Soviets were forced to withdraw 10 divisions from Romania precisely because of the uprising in Hungary in 1956 is something that is considered an irony of history to this very day. From there it was only a short hop and a skip to the complete evacuation of Romania by the Soviets. But the current campaign against Romania springs from Hungary."

[6 May p 6]

["Gigantic Buildings Going Up in Bucharest—Ceausescu Builds Monuments to Himself"]

[Text]

Triumphal Gesture, Turned to Stone, Running Through Bucharest

Construction cranes reaching skyward. Steel monsters moving earth and sand. Columns of trucks, stirring up clouds of dust. Armies of workers, lowering pipes into

the ground, hoisting loads high up; trees being uprooted and planted again in the same place. Specialists can be seen clambering all over the new apartment buildings, covering the stone monuments to the leaders of state and party with bright sandstone plates and dark marble. Gentlemen wearing good suits can be seen striding through this hustle and bustle, holding blueprints in their hands, their faces serious and determined.

Bucharest has been one huge construction site for many years. Socialist ambition began to be translated into action early during the 1960's. The attractiveness and quaintness of this junior Paris were over and done with: Bulldozers turned entire sections of town into piles of rubble. Relentlessness was the order of the day against historical buildings, churches, and other undesirable evidence of a better past and this undertaking was justified with terms such as "progress" and "urban construction requirements."

This "progress" was manifested 30 years [as published] later in the form of half a million new apartments, kindergartens and schools, hospitals and cultural centers. New palatial office buildings, headquarters of international corporations and banks, symbols and witnesses of a blooming economy—these you look for in vain. And the capital is not in good shape either when it comes to hotels: the "Intercontinental" has long ago ceased being a maiden; the pomp and circumstance of the "Bucharesti" and the "Plaza Athenae" have paled into socialist everyday routine. Where once upon a time the rich and the mighty, the men and women of the world and the beautiful people from all the world used to have their rendezvous, there are businessmen and journalists, African socialists and South American revolutionaries plus Romanian blackmarketeers and informers coming and going now.

"The bombing raids during the war and the 1977 earthquake heavily damaged and decimated Bucharest's housing inventory," says chief architect Paul Focsa in an effort to apologize for the destructive vehemence and subsequent reconstruction orgies of the state. "In addition you have the fact that Bucharest grew from an area of 60 square kilometers and 750,000 inhabitants at the end of the war to 220 square kilometers and 2.2 million inhabitants. This is due to heavy industrialization as well as the incorporation of numerous suburbs."

In giving the new capital its new architectural face, Bucharest's architects borrowed from the builders of the Champs Elysees in Paris. New and imposing boulevards now radiate from the old town to the outskirts. Entire sections of town were uglified and devastated by black-top clearings as wide as military drillfields and as long as runways for jumbo jets.

"The increase in auto traffic called for wider traffic arteries," the 59-year-old Focsa said in explaining the monstrous operations performed on the historical part of the city. "In Bucharest we have 400,000 private cars

today, in other words, one for every five inhabitants. But we have preserved the historical treasures and the old buildings. Entire sections were not changed downtown."

That is nothing but euphemism! The truth is that a large part of the old town fell victim to the wrecker's ball and bulldozers. Thousands of inhabitants had to move out and many historical buildings and quite a few old churches were not spared by this destructive radical approach. Only later on, after worldwide protests, at least the houses of worship were treated gently; they were placed on technically complicated foundations and—naturally before hundreds of television and photo cameras—they were moved from their old places in the limelight back into the stage scenery of socialist urban construction.

Even greater structural changes were made along the outskirts of the city. New residential developments with tall, impersonal high-rise apartments and modern amenities sprang up. By 1990, a construction program involving another 70,000 apartments is to be completed. Said Focsa: "Our goal is: secure jobs, modern apartments, social facilities."

Bucharest's gigantic construction undertaking is already celebrating triumphs at three showcase points: in the suburbs, downtown above-ground, and during the construction of the subway from North to South and from East to West, below ground. Thousands of apartments were built in the vicinity of big industrial parks. Real satellite cities thus sprang up: in the north, right next to aircraft factories and production facilities for television sets; in the east, next to electronics companies as well as heavy industry and machine-building industry establishments; in the south, along with chemical and pharmaceutical plants, machine-tool factories and the atomic industry. But the mightiest, most expensive, and most ambitious construction projects were the result neither of social, nor of traffic engineering considerations. Through the erection of the "House of the Republic" and the "Victory of Socialism" Boulevard, as well as the construction of a subway, president and party boss Nicolae Ceausescu wants to build monuments for himself already during his lifetime.

"The need for auditoriums, museums, and 40,000 new apartments in the inner city led to the decision to build a real center for the agencies of the government and the party as well as for the population," chief architect Focsa said in defending this mammoth project in the very heart of the city. "The population is waiting anxiously for its completion."

The Romanian miracle did indeed impress the world but critical comments are more numerous than words of praise. The little Dimbovita Stream, which used to divide the city and which produced a horrible stench, was improved by means of a river control project, it was graded and tamed with steel and concrete. In some sections, it runs below ground. From the "House of the

Republic," which houses the Council of State, the Cabinet, the Central Committee of the Communist Party of Romania, as well as a cultural center with three auditoriums and a capacity of thousands, one can neither see nor smell the little Dimbovita River. Said Focsa about the "House of the Republic": "We are proud of it. It is just about to be completed."

Compared to Romania's structural elephantiasis, East Berlin's showcase buildings look puny. The 3.5-km-long and 92-m-wide "Victory of Socialism" Boulevard runs from the "House of the Republic" through Bucharest like a triumphal gesture turned to stone. The boulevard of records is flanked by 9-story apartment houses made of bright artificial stone; the promised 40,000 apartments with all amenities for ordinary comrades however are still waiting for the party bigshots and other privileged individuals to move in. They can pay higher rents.

In front of the pompous building fronts, craftsmen laid patterns of red and gray paving stones for the wide sidewalks and service roads. In the middle of this screaming example of socialist modesty, countless fountains will attract attention in the summer with their water display; the green leaves on 12 rows of trees will tone down the gray shades of concrete and stone and this magnificent layout is to be illuminated from tall lamp posts. The Boulevard—which, according to estimates by foreign experts, including the new buildings, had a price tag of \$1 billion on it—is lined by the "House of Science, Culture, and Education," the National Library, several theaters, and the "Unira" department store with a sales surface of 72,000 square meters. And here is yet another superlative: The "Unira" department store is ten times bigger than Bucharest's second-largest department store. A street branches off downhill, from the "Victory of Socialism" Boulevard, to the Parliament Building and to the seat of the patriarch of Romania's Orthodox Church.

But Bucharest is erecting not only monuments in order to eternally remind everybody of Nicolae Ceausescu. They even built something for the population: the 15-lake area north of the city, covering a total water surface of 1,600 hectares, was turned into a huge and by now very popular closed-in recreation area; the Dimbovita was dammed up to form a lake; and a new lake, named after a former nobleman, was made in the south of the city.

Tens of thousands of workers were mobilized to build expensive showcase projects in Bucharest but the upkeep and care of streets and squares, sidewalks and streetcar tracks, apartment houses and hotels were neglected. The streets are full of potholes, there is rubble on quite a few squares, on many sidewalks you sink into the muck when it rains, and the streetcars rattle along on poorly supported and worn-out rails, wobbling through the capital.

Streets and squares are dangerous traps because of inadequate lighting especially at night. But this peacetime blackout also has its good sides: at least at night, you do not see the run-down condition of many apartment houses and

office buildings. At every step, the observer gets negative impressions of Bucharest's downtown section. Everywhere there is a lack of paint, even minor building repairs are not done, there is indifference toward the decay of good buildings and the functional inefficiency and ineffectiveness of many things.

The expensive mammoth structures in the heart of Bucharest are considered to be Ceausescu monuments but the new subway is his pet project. "There were blueprints for a subway even back during the 1920's, chief planner Tiberiu Moldovan said in defending the project. "Construction was begun in 1975; the first section was placed in operation in 1979. Today, 50 subway kilometers with 32 stations are in operation. A 9-km section will be turned over to the subway in August 1989 and plans call for additional segments in all directions of the compass. The suburbs, with their huge residential quarters, will move closer to the inner city."

The subway is not only the Ceausescu's favorite; it is also the pride of its builders, of the relatives of the top leadership, and even the man in the street. A train consists of six cars with a capacity of 1,800 passengers. "One million people use the subway daily," boasts engineer Moldovan. "But that accounts for only 50 percent of all public transportation users. Comrade Ceausescu strongly promoted the construction of the subway but he established one condition: The project should be accomplished without foreign participation. This condition was met. Not a single foreigner participated in the construction job—not even during the erection of a complicated, computer-controlled central monitoring facility. Even the original cooperation with the Soviet Union was abandoned. It was too expensive. One centimeter of subway cost 4,000 lei or 800 marks. To my knowledge, there were no serious accidents or even dead during the construction work."

The subway is important in terms of transportation and it is also socially justified in a society that has few private cars. "For 2 lei you can travel on the entire line net," Moldovan says proudly. "That amounts to about 40 pfennigs. Every Romanian can afford to ride the subway." Indeed, there is a big crush on the platforms and in the cars. Platforms and subway cars are colorless and plain-looking; ticket machines and escalators are still working; inside the cars, instead of a babble of voices and lots of laughter, there is silence, as almost everywhere in Romania. Only the train conductor's voice now and then interrupts this oppressive atmosphere. Why are the people silent? A diplomat answered the question: "Because nobody trusts anybody else."

[Box, p 6]

Shots, Dead People, and Pretty Words at the Border

It is only 60 km from Timisoara to the Romanian-Yugoslav border. No sight or sound of any human beings long before you get to the turnpikes at Moravita. All is quiet on

the roads. Only now and then do you see a horse-drawn wagon, very rarely a car. The few trucks and passenger cars belong to the army or the border police.

The area crawls with uniforms and weapons. But at the border crossing point, Anca Timofte, the lady manager of the tourist office in the Timis District and the city of Timisoara, can work undisturbed in her little office. Not a single passenger car has for quite some time approached the border station from Belgrade which is 90 km away. Customs office chief Joan Panajtescu is also having a quiet Saturday morning.

Are things always as quiet as this around here? Panajtescu shakes his head. "No, normally there is lots going on here," he says. "And everybody who wants to come in is checked out very strictly. We are above all looking for weapons, explosives, drugs, and instruments of terrorism." But Panajtescu has nothing to say at all about the fact that incoming tourists carrying food, consumer goods, textiles, and household appliances for relatives and acquaintances in Transylvania and in the Banat must declare those items, pay duty on them, and in most cases, unload them and spread them out.

Right now, there is some kind of activity at the border crossing point only at a construction site. A restaurant and a shopping center are to be opened for the first time here by way of inaugurating the travel season. Even the chief of the border police stationed here has time to chat with curious foreigners.

"I have never heard anything about anybody shooting at escapees," says Captain Nicolae Pertza, after he got permission from higher up by phone to give information to a reporter from the FRG. "All is quite here. We have no escapees here."

Customs office boss Panajtescu, Captain Pertza, and Anca Timofte even allow themselves to be photographed. Patrolling border policemen carrying Soviet submachine-guns, East German binoculars, and Romanian fur caps however take cover as we approach with the camera.

Suddenly, Captain Pertza is in a hurry to get back to his office. Any fleeing Romanians, by any chance? "Never heard of it." Shots, dead people? Captain Pertza looks over to the lamps and searchlights and then he waves airily: "At most, we have some weapons and drug smuggling here." He sidesteps other questions: "I am not competent to answer that."

But two Transylvania Saxons know more. They escaped to freedom across the Romanian-Yugoslav border 40 km to the South; they are Emil Jancu Budac, 40, and Guenther Foelger, 19. "Together with two other men, I started toward the border on a 200-km trek through the Southern Carpathians and the Banat Mountains," Bancu reports. "We were lucky, we encountered neither informers, nor soldiers. In the Yugoslav town of Bela Crkva, we turned ourselves in to the authorities."

Both men agreed in telling us that the border was well guarded in the sector involved. There are numerous informers on the Romanian side. "At first they offer to help the refugees," Budac complained. "But when the time is right they betray the refugees to the army or the border police to get a bonus of 600 lei. That comes to about 120 marks. That is how much a Romanian worker makes in a week."

Anybody who manages to elude the snoops is not infrequently picked up by the dogs of the Romanian border police and the police officers fire upon any refugees without warning. Budac reported that there has been talk to the effect that 400 people have been shot along the border. "In Yugoslavia, they even speak of terror," Budac continues to report. "But they obviously do not follow up on the information supplied by the refugees."

Budac and Foelger furthermore reproach the Yugoslav government. "Refugees from Romania are housed in camps after they arrive in Yugoslavia; they are forced to do heavy labor and they are sent back to their country if they are Romanians. But the Yugoslav newspaper BORBA stated that refugees from Romania would be safe in Yugoslavia. So, their number went up. They walked into a terrible trap. It is said that Romania reciprocates for the extradition of refugees by sending freightcars full of salt."

According to Budac and Foelger, Transylvania Saxons and Swabians from the Banat are referred to the German embassy in Belgrade where they are given a passport as well as a small loan for the trip to West Germany. "But they do not get by without 15 days in prison," says Budac. "Anybody who enters Yugoslavia illegally is quickly sentenced to 2 weeks in jail."

In Yugoslavia, the two refugees also became familiar with the UN camp Padinska Skela. Budac estimates the camp's capacity at 400 persons. "Approximately 90 percent of them come from Romania," he reports. "They cite dissatisfaction with political conditions, disregard for human rights, hunger, shortages, poverty, and oppression as reasons for escape."

In prison and in camp, Budac heard about quite a few human destinies. Surprisingly many people escaped for religious reasons, he tells us. Among the Protestants, despair moreover is so great that half of the minister positions are vacant. The Catholics particularly have complained about the lack of bibles. None of them have been printed for many years and bible imports are strictly outlawed. A bible in your hand baggage is almost as serious and as dangerous as drugs or pornographic material. A refugee was persecuted because he had passed on something that Protestant Bishop Klein had said. Here is what Klein said: "The Christian Church of Romania has survived the Tartars; it will also survive the Ceausescu regime."

HUNGARY

Grosz Envisions Continued Political Role for Armed Forces

25000292a Budapest NEPSZABADSAG in Hungarian
19 May 89 p 1

[Article by Istvan Zalai: "Hungary Is Preparing Recommendations for Warsaw Pact Modernization"]

[Text] In the Hungarian view, the Warsaw Pact member states must enforce to the maximum degree the accepted principles and standards of interstate relations, and there is both a need and an opportunity to strengthen the political character and internal democracy of the [Warsaw Pact] organization. The comprehensive Hungarian concepts regarding this view will be submitted at the Warsaw Pact summit conference in July. This is what Karoly Grosz discussed, among other matters, with the leaders of the main political groups of the armies of Warsaw Pact member states conferring in Budapest. Defense Minister Colonel General Ferenc Karpathy was present at Thursday's meeting.

NEPSZABADSAG was informed that the MSZMP [Hungarian Socialist Workers Party] executive secretary reported briefly on Hungary's domestic political life. He emphasized that the MSZMP does not want to resolve the problems of socialism through administrative means, but by democracy, a multiparty system, and the development of a constitutional state. He considers stability, the preservation of the socialist order, and consistent economic and political reform to be most important. He also mentioned that the broadly based dissatisfaction which can be seen is a result of the errors and mistakes of past decades, and that it is also unfortunate that many people want to get rid of more than just those errors and mistakes, and do not wish to identify with the [positive] results produced in past decades. He said that in the intellectual sphere he finds both the definite expectation for socialism to renew itself and the denial of socialism as a historic perspective, as well as an illusory view of the capitalist social order and nationalism coupled with anti-Semitism.

Grosz mentioned that the MSZMP will stand up against depoliticizing the armed forces. In his view the Hungarian armed forces must defend the socialist order in the spirit of the constitution.

At the same time, the MSZMP considers a debate in a multiparty system over the relationship between political parties and the armed forces natural. One cannot and must not prohibit the presence of political parties in the armed forces, nevertheless the forms this presence takes should be the subject of specific discussions. The attacks against the armed forces by certain forces are no coincidence; according to the executive secretary the armed forces are a target representing stable elements of the socialist order. He

added that the party is counting on communists serving in the armed forces; without their help it would be impossible to resolve transitional problems in a peaceful manner.

Grosz went into details concerning the view recently formulated by the MSZMP Politburo regarding the modernization of the Warsaw Pact, relying on the very valuable work performed by the foreign and defense ministries during the past months. The main point of the Politburo's position is that the Warsaw Pact fulfills its mission and that it is not necessary to change the basic functions specified in the 1955 agreement. Nevertheless, the organization's political character must be strengthened in the future, and it would be desirable to accurately [re]write the documents defining the activities of Warsaw Pact organs, so that those documents better express the new political thought and permit the member countries' peculiar interests and sovereignty to prevail.

In the MSZMP's view, the generally accepted principles and standards of interstate relations must be enforced to a maximum degree in the relationships between member countries. The activities of the organization should enhance the further development of European security and cooperation, and at the same time should pay more attention to human rights, environmental protection, and economic cooperation. It is also for this reason that the MSZMP suggests that the Warsaw Pact special committee on disarmament work regularly and that its responsibilities be increased, and further that a special committee be established to deal with issues already proposed by the Hungarian party: humanitarian issues, including issues that pertain to national minorities. The MSZMP accepts the responsibility to harmonize the expert work done on these issues.

Insofar as the internal functioning of the Warsaw Pact is concerned, the Hungarian party urges the strengthening of the internal democracy in political and military organs. It would be desirable to rid meetings of formalities, to include different opinions in documents, and to allow joint evaluations and recommendations to be made in regard to individual issues in international politics. The primacy of politics would be strengthened if the harmonizing, organizing function of rotating Warsaw Pact executive secretaries were broadened. It would also be necessary to fulfill the principle of rotation in regard to the military.

The Hungarian party plans to submit these concepts to the Bucharest session of the Warsaw Pact Political Consultative Body to be held in July.

Responding to our reporter's question whether there were new developments to Western news agency reports from earlier this week, according to which Bucharest intends to submit the "Hungarian-Romanian dispute" at the Warsaw Pact summit, the MSZMP executive secretary's foreign policy adviser Gyula Thurmer had this to say: "The information received by the international press was neither confirmed nor denied by the Romanian party. The Hungarian viewpoint remains unchanged."

CZECHOSLOVAKIA

Causes, Solutions of Domestic Market Imbalances Discussed

24000135d Prague HOSPODARSKE NOVINY in Czech No 12, 1989 pp 8-9

[Article by Kamil Janacek, ScC, Economic Institute of the Czechoslovak Academy of Sciences: "Incomes Propose, Store Counters Dispose"]

[Text] The renewal of balanced national economy has become the first and foremost task of our economic policy, because on it depend the achievement of both a new level in economic growth and the restructuring of the economic mechanism. Its objective is not only the elimination of the current imbalance, but above all, the creation of an economic system that will produce a long-term, continuous balance. Most people see the problems of balance only through the glass of store windows. Naturally, that is not the only sign of a balanced national economy. The citizen does not see the complex web of national economic ramifications which ultimately determine the situation in the market of consumer goods and services; he sees the outcome of such correlations and views them as results of economic policies. Thus, the process of restoring balance in this market is so sensitive that it may either strengthen the confidence of the population in the ongoing changes, or seriously damage it.

The declining dynamism of Czechoslovak economy and the proliferating difficulties in its transition to an intensive process of development are reflected, among other things, in the situation in our domestic consumer market. Beginning in 1986, the deterioration of the parameters of balance in that market reached its highest levels since 1982. Obviously, increasing shortages of many types of goods and services undercut the already weak material incentives for our working people. Like leeches, certain individuals took advantage of the fact that our production, trade and services were unable to provide enough goods and services and thus, the so called second or grey economy began to expand. In addition, due to the shortages and tensions in the market, particularly in managing and planning operations, there are tendencies to overestimate the continuity of certain developmental trends stemming from the imbalance.

From Hidden Tensions to Overt Imbalance

An analysis of empirical data about the development of supply and demand in our domestic consumer market, beginning in the second half of the 1970s, has confirmed that in this period no well-defined developmental trend could be identified. Several short periods of relatively smooth development of our domestic consumer market may be seen (1979-80, 1981-82, 1983-85), although

hidden tensions and imbalances were growing during those periods. Absolute increases and rates of the growth of demand were higher than the increments and dynamism of supply.

At the same time, one may identify periods of intensified imbalance and "ventilation" of growing tensions, often accompanied by waves of buying, during which the extent of satisfaction of consumer demand markedly declined (1976-79, 1982-83, 1985-88). The solution to this situation was to slow down the dynamism of demand by wage controls, price policy regulations and certain increases of supply, mainly from domestic sources (in 1988 also from imports). Nevertheless, following the recovery of the domestic market, trends of unbalanced development were again triggered and repeated.

If we put the development in our domestic consumer market in the context of the macroeconomic development, the deterioration of the market situation in the late 1970s occurred in a period during which the growth of efficiency of Czechoslovak economy declined due to changes in external conditions of the process of replacement. This slowed-down dynamism of macroeconomic aggregates affected domestic allocations and thus, also consumption far more drastically. The market imbalance was aggravated by development in previous years, when demand was rising at a faster rate than supply, while their structure was changing.

The unbalanced development of our domestic market was further intensified by an inconsistent implementation of adopted plans and by uncoordinated decisions on the macroeconomic level (chronic imbalance between the growth of labor productivity and average wages, replacement of shortfall in engineering exports by additional exports of consumer goods). Moreover, the situation was affected by higher claims of the Czechoslovak state after the term of maturity, by growing needs of credits on the part of Czechoslovak export, and by expensive investments abroad, because wages had to be paid, while results would appear only after delays which were steadily increasing. The incompetence of some elements of management contributed to some imbalances, especially the structural ones.

A more in-depth analysis indicates that in the late 1970s the shortcomings in supply stemmed from low increases in inventories and imports of consumer goods. Relative reductions in imports were partially compensated by increased deliveries from our domestic production, but despite the growth of nominal prices, total available supply could not satisfy the deficit accumulated in past years. On the demand side, the imbalance was intensified by more dynamic total national personal incomes and by changes in the allocation of their increases—above all, the proportions between the expenditures for purchases of goods, payments for services, and savings (see Table No 1). By the same token, this development

confirms the fact that relatively minor changes (even within the 1 percent range) in personal incomes, savings,

etc. may lead to major shifts in the development of macroeconomic balances.

**Table No 1. Development of Incomes, Expenditures and Retail
(in percent)**

	1976-80	1981	1982	1983	1984	1985	1986	1987	1988*
Rate of growth of employee's average monthly wage	2.7	1.5	2.3	2.1	1.9	1.7	2.1	2.0	2.3
Rate of growth of total nominal personal incomes	3.8	2.6	4.3	3.0	2.6	3.2	3.2	3.3	4.2
Rate of growth of total real personal incomes	1.7	1.8	-0.8	2.1	1.6	0.9	2.9	3.2	—
Amount of savings	3.6	3.4	4.6	4.6	4.6	4.4	4.8	4.9	4.2
Expenditures for services	14.5	15.4	15.3	15.2	15.2	15.1	14.9	14.8	14.8
Index of retail prices of goods and services	2.1	0.8	5.1	0.9	1.0	2.3	0.5	0.1	—

* Preliminary data

Note: Amount of savings is calculated as the share of the increment of deposits and money supply in disposable personal incomes. Expenditures for services are expressed as the share of payments for services in disposable personal incomes.

Source: Materials of the Research Institute for Trade; author's own calculations.

The subsequent shift toward balance was connected with price adjustments introduced in 1982; however, they alone cannot be regarded as a conceptual solution. After 1983 the food market became stabilized, while the structural imbalance for industrial products continued. The level of satisfaction of the demand for industrial products declined again in 1986 and still more so in 1987 when the food market also was affected by unfavorable developments. Asset formation on the supply side could not keep step with the growth of personal incomes, the increases of which went chiefly into savings accounts. With an overall growth of inventories in our economy, the supplies of goods for our domestic market declined absolutely (between 1985 and 1987, for example, by Kcs 5.7 billion), due chiefly to unplanned exports of consumer goods and to lower deliveries of imports. The deteriorating situation in our domestic consumer market was reflected in 1988 in less stable behavior of consumers. From a survey of market conditions it follows that after a period of relatively positive assessment of the development of supplies, public opinion on economy took a sharp turn in 1987 and 1988 (see the graph).

Incomes Are Up, but Productivity Is Slow

A survey of the situation in our domestic consumer market over the past 2 years did not help us establish a specific sequence of factors which caused fundamental deterioration of the developmental trends, but the decisive causes share a common base, namely, they are linked with the overall imbalance in economic development and with the prevailing trends of extensive development. At the same time, the existing planning and management system has repeated the imbalances over an extended period, particularly by preferring material tasks and by putting the criteria of efficiency on the back burner.

Analyses indicate fundamental causes of imbalance in our domestic market, i.e., a discrepancy between supply and demand at the given level and structure of prices. These are, above all, the discrepancy between the development of personal incomes and the development of production designated for final consumption; changes in the allocation of higher incomes and in proportions between expenditures for goods, payments for services, and savings; the detachment of production from consumption; unsatisfactory quality and of innovation in the consumer goods sector; and methods of achievement of external balance and balance of trade. Deteriorating supplier-consumer relations, nonfulfillment of contractual deliveries by domestic manufacturers, exports of consumer goods and regulation of their importation affected supply so much that during the period under discussion, when the rate of growth of incomes slowed, this decline was not reflected in an appropriate excess of supply over demand.

Personal incomes represent the decisive variable which predetermines the development of other factors on the demand side, and as such, they (or their basic components) are subject to central planning and management. Yet in some years their growth intensified the tendencies toward imbalance, especially when actual rates of growth of personal incomes exceeded the planned rate. This skewed one of the basic macroeconomic ratios affecting the balance of the domestic consumer market, namely, the relation between the growth of labor productivity and the growth of wages.

If Services Would Fill the Gap

Services paid for by the population are connected with the consumption of material goods by means of substitution and complementary relations; they are one of the

chronic bottlenecks. The potential passive effect on expenditures for services on the balance of our domestic market was not evident during the given period. Between 1976 and 1988 the absolute volume of payments for services rose by about one-half; however, their share of disposable income stagnated (see Table No 1). Services did not offer consumers any noticeable alternative in decisions about substitution for purchases of goods. Chronic problems concerning the inferior quality of services, long waiting periods, difficult access in some locations, limited selection, etc., led to a situation where expenditures for consumption were, and still are, focused more on purchases of material substitutes or on advantages offered by grey economy.

The inferior performance standard of services, the unfulfilled demands that services meet greater developmental needs, plus the lack of many new types of services (for instance, information) stem from our obsolete material-technical base, fluctuation of work forces due to an ineffective system of material incentives, low profitability, and high rates of losses in some sectors. Elimination of these obstacles requires, in addition to systemic measures, also the development of efficiency in the process of replacement which determines potential releases of work forces from the production sphere, of investment funds and other material resources.

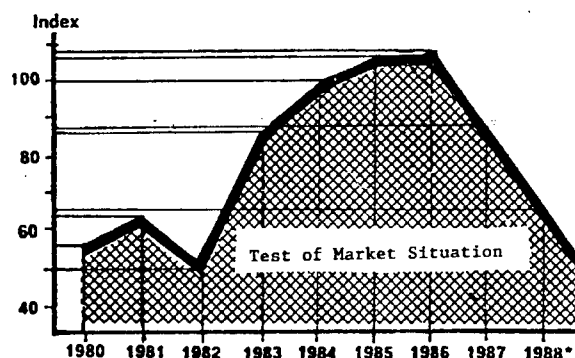
Personal savings represent another factor whose development may change the balance in our domestic market or whose mobility is included—on the basis of empirical experience—among the indicators of balance. The function and character of savings, the existence of mandatory savings, the determination of the optimum amount of savings, the motivation compelling the population to save, and a number of other factors related to savings are the focus of interest of many economists, although theory has not reached any specific conclusions. In my opinion, higher savings are phenomena accompanying the development of the living standard when the consumer has surplus funds at his disposal and when he puts cash aside with the intention of spending it later for some desirable (or more expensive) goods and services.

Savings Do Not Mean Only Trust

The amount of unrealized purchase power in the CSSR has not exceeded annual retail sales; however, the amount of savings (see Table No 1) during the period under study remains basically stable. Unusual noneconomic effects marked it only temporarily to any significant extent. For the 1980s it was typical that the role of personal loans from the state savings bank diminished. The transition took place in the middle of 1987 when lending conditions were modified, and, therefore, the state payment to young married couples sharply increased lending. In 1987 savings reached their peak for the past 10-year period. Nevertheless, at the same time

the share of households which were saving rose steadily to about 23 percent of the total number of households. The share of regularly saving households was in the 40-to-45-percent range. Ready cash of the population increased, while the structure of savings changed in terms of their purpose: the share of financial reserve both for nonspecified purposes or for old age rose, and the share of investment-motivated savings declined.

In this context, on the other hand, the theory that the high dynamism of savings is an expression of confidence of the population in the long-term stability of our economic development is important; in other words, it is feared that savings might drop rapidly, due, for instance, to some problems with supplies to our domestic market, and that this might aggravate the imbalance. If we accept the premise, as is certainly expedient, then the preference for accumulation of unspecified financial reserves confirms the instability of the situation. From the viewpoint of ensuring a balanced development of our domestic consumer market, the problem appears more complex because here the effect of global mechanisms is limited, for example, by both the polarization of opportunities to save and the increased diversification of savings, as well as by the fact that many households simultaneously borrow and save. The former fact in particular speaks in favor of the demand to activate savings by applying the experience of other socialist countries (shares, obligations, more diversified credit rates, expanded forms of savings—deposits for housing construction combined, for instance, with housing lottery, etc.).



*Three-quarters of year

Note: Test of the market situation represents the consumers' opinion. Replies to questions about comparison of the current and past levels of supplies of consumer goods for domestic market are represented as an index values from 0 to 200. Value 200 means that all respondents describe the current situation as improved, value 0 as deteriorated.

Source: The Research Institute for Trade, Prague.

Inflexible Supply Reduced by Exports

On the supply side, the effects of imbalance result from the following facts: that production is separated from consumption; that the scope and structure of personal needs are incorrectly reflected in appropriate production programs; that the existing organizational structure of production which—multiplied by the weak effect of foreign trade—supports the monopolistic status of production and distorts the supplier-consumer relations. The supply, especially of lines of goods reflecting shifts in consumption toward quality, was, and still is, insufficient. One of the reasons is the discrepancy between the tendency toward diversification of the needs and the obsolete tendencies toward standardized and uniform production. Production does not adapt to diversified demands in the range of innovations or in the quality and technical standards of product and above all, by a prompt reaction.

According to estimates, the share of innovative products delivered to our domestic market in recent years has not exceeded 5 percent as compared with about 5 times that amount in advanced capitalist states. Moreover, the ongoing innovative changes were focused much more on marginal assortments; innovations were frequently limited to minor modifications of design, or were obtained in the form of imported goods. These innovative or technically advanced products not only enriched supply but by the same token, because of the usually superior quality of goods imported from advanced capitalist states, they served as the standard for comparison to products manufactured by our domestic producers; however, with lower imports, such goods soon disappeared from the market.

Foreign trade is an important corrective factor on the supply side. Two opposing goals of our economic policy clash in Czechoslovak economy: the restoration of external balance and the achievement of a balanced domestic consumer market. The preference for the former and the change in commodities a balance in foreign trade raised the challenges to export of consumer goods and restricted their imports. The external imbalance was transferred to our domestic market and either caused or added to an internal imbalance.

The share of consumer goods in Czechoslovak exports nearly doubled over the past 10 years (in 1975 it was 9 percent and in mid-1980's about 17 percent). At the same time, exports, particularly of those types of goods that were and are in demand in our domestic market, have been very considerably stepped up. Simultaneously, restrictions on imports affected the most attractive types of industrial products, because the share of foodstuffs in total imports had slightly increased. The

consequences of the restrictive policy—a low share of imported goods, which is conspicuous above all if compared with advanced capitalist states, affected and still unfavorably affects not only the current supply but indirectly, also the future supply because it does not compel manufacturers to innovate, improve the quality, implement technical advances, offer complementary services, and so on.

Next to issues of quality of the exchanged goods and of low profitability of exported consumer goods, another problem stems from the fact that, as compared with advanced capitalist states, consumer goods have a minor (only about 9 percent) share in total trade of foreign goods; however, in terms of liquidity functions (higher exports than imports), their position is extremely dangerous. The growing importance of consumer goods in exports leads to a loss of potential sales taxes. In this sense, it may be one of the causes of both the declining sales tax in the revenues of our state budget and of its absolute decline which occurred after 1980 with ensuing potential ramifications for a balanced state budget.

Temporary Recovery by Price Adjustment

Price regulations also helped stabilize our domestic consumer market and above all, partially balanced the structure of supply and demand. They may be described as the main cause of a certain recovery in the market situation after 1982 as compared with preceding years. By themselves, however, they are not conducive to macroeconomic balance of our domestic consumer market; the increase of nominal prices cannot be regarded as the basis for solutions to disproportions in the market. In terms of value, they may change the total volume of supply and modify the structure of demand but, naturally, in terms of price policies, the actual ratio of supply and demand is corrected also by a relatively autonomous development in both parts of the market. Moreover, higher retail prices are usually compensated, among other things, by control of wages and transfer incomes.

Next to price mobility reflected in the retail price index of goods and services (see Table No 1), average prices shifted markedly in practically every group of products (see Table No 2), while a certain part of this movement reflected not only the consumer's preference for better quality and relatively more expensive products, but also hidden increases of prices of new goods and enforced substitutions for cheaper products that are vanishing from the market. Estimates about how many of the total changes of average prices were of this particular type vary—they are in the range of one-fourth to two-thirds. Nevertheless, it appears that the consumer welcomes effective structural policies, the so-called active impact of innovative supply on the development of average prices.

Table No 2. Nominal and Average Prices (Average Annual Rates of Growth in Percent)

		1978-80	1981	1982	1983	1984	1985	1986	1987
Total goods	a	1.9	0.7	4.8	0.9	1.0	2.7	0.4	0.2
	b	2.3	0.3	4.8	2.4	2.1	2.8	1.6	1.1
Foodstuffs	a	1.4	0.0	8.6	0.6	1.4	5.1	0.4	0.3
	b	1.2	-0.1	6.2	2.0	1.9	4.8	0.9	0.7
Industrial goods	a	2.3	1.3	1.6	1.2	0.7	0.6	0.5	0.1
	b	3.0	0.6	3.5	2.7	2.2	1.1	2.2	1.5
Meat and meat products	a	0.0	0.0	27.9	2.0	-0.1	0.0	0.0	0.0
	b	0.4	0.1	19.0	2.9	0.5	0.5	-0.1	-0.1
Vegetables and fruit	a	1.6	0.1	0.6	3.2	4.9	0.8	0.0	3.2
	b	1.4	-1.0	0.0	3.0	5.3	1.4	1.4	-0.8
Milk and dairy products	a	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	b	-0.2	3.2	2.8	6.1	3.6	2.0	1.8	1.5
Textiles	a	4.1	1.7	-4.7	1.6	2.9	2.6	1.6	1.3
	b	3.3	0.3	2.1	2.3	1.7	0.0	2.0	0.3
Footwear and leather goods	a	3.1	3.0	-1.4	0.9	-2.5	1.5	-0.1	-3.0
	b	5.8	3.3	2.5	2.0	-1.3	5.5	5.3	0.5
Refrigerators and freezers	a	-1.1	0.0	9.2	0.0	0.1	0.0	0.0	0.0
	b	3.0	5.0	2.5	6.5	9.8	-0.2	2.3	1.6
Washing machines and dryers	a	-0.5	-0.8	-8.4	13.9	-6.2	0.0	0.0	0.0
	b	2.2	-4.0	-0.7	-0.9	-4.5	3.2	6.3	9.5
Radios	a	1.2	-0.8	-8.9	-12.0	3.0	0.0	0.0	0.0
	b	3.6	-4.2	8.2	-2.3	10.7	-4.3	1.0	4.6
Television sets	a	1.9	-1.2	-11.8	5.6	0.1	0.0	0.0	0.0
	b	4.6	5.0	11.2	13.8	16.6	-1.3	-1.1	-1.8

Note:

- a) nominal prices
- b) average prices

Source: Materials of the Research Institute for Trade; author's own calculations.

An analysis of economic imbalance in the national economy and in the domestic market of goods and services confirms that it was aggravated in every area of national economy. It is obvious that the imbalance has advanced from one economic sphere to another (external and internal, from the area of investments to the area of consumer market, etc.).

Identification and analyses of factors leading to imbalance in our domestic consumer market already implicitly indicate how to maintain or restore a balance. The solution for an unbalanced domestic consumer market

must go hand in hand with the solution of the current deep-seated imbalance throughout the Czechoslovak economy. Eradication of the causes of imbalance and of their consequences, which appear mainly in the form of inefficient economic impulses, is closely connected with the restructuring of the economic mechanism and has become one of the prerequisites of its success.

The Plan, Supply and Demand

The realization of the trend toward a qualitatively and quantitatively balanced development of our domestic consumer market presupposes incomes controlled in

accordance with actual macroeconomic proportions; labor productivity; production capacities of our economy; more balance in foreign trade with consumer goods; changes in domestic allocations of investments and work forces, and last but not least, also a considerably increased active role of mechanisms of price, appropriations, wage, tax, credit, exchange and customs policies. While along with the regulation of macroeconomic proportions in our domestic consumer market, the national economic plan plays an irreplaceable role, supply and demand must be substantially more intensively exploited when creating a structural balance.

Problems of supply in the market of consumer goods must be approached from the standpoint of fundamental interrelations of production, export, import and consumption; supply must be structured, on the one hand, to facilitate adequate satisfaction of needs of lower-income households, and on the other, to bring sufficient quantities of goods whose purchase will satisfy demands of higher-income groups. The fulfillment of such demands will require not only interventions in supplier-consumer relations, but also regulation of other factors in our domestic consumer market.

To better satisfy diverse demands, it will be necessary to guarantee the required amount and composition of supplies and inventories, to eliminate inconsistencies in lines of products, and to cut down the share of unfulfilled and delayed deliveries, to eliminate shortfalls of planned imports, to raise volume as well as to change their structure. Imports of consumer goods should be more closely related to the needs of our national economy both in terms of intellectual upgrading of our nation (for instance, mass imports of PCs) or of observation of ecological and sanitary principles, as well as because the technical standard of goods from the nonsocialist countries has a beneficial effect on the standard of our domestic products, compelling us to improve their quality.

Policies practiced in the Czechoslovak consumer goods export trade must be reviewed. However, our import policy also must be thoroughly revised. One of the ways to improve the quality of the current structure of supply in our domestic consumer market and to enrich the assortment of goods could be achieved by higher imports of attractive consumer goods to the detriment of imports that are not efficiently utilized in our domestic economy, such as, for example, imports of raw materials and semifinished products for exports of unprofitable goods.

If our consumer industry continues—as it has thus far—to grow and so improve our trade situation, it cannot refrain from implementing radical changes in investment policies as well. Consumer industry, with its obsolete material and technical base, can satisfy only with difficulty the constantly rising demands of our domestic and foreign trade. Low investments in our consumer industry contrast above all with the excessive production of those products which generate the funds

for payments in foreign trade. Halting the decline of the consumer industry share of total industrial investments in our in is therefore a priority requirement for a balanced domestic market and for qualitatively and quantitatively better satisfaction of needs.

The policy of a balanced domestic consumer market is linked to the accumulation of reserves in a wider sense of that word and with the choice of their appropriate form—production capacities, goods, and foreign exchange—which means accumulation of systematically replaced reserves. In terms of dynamism, their one-time creation makes no sense because it resolves only—and after the fact—the situation that has thus occurred. We should learn a lesson from the second half of 1988. The one-time increase of imports of consumer goods only slowed down the deteriorating situation in the market, but its scope could not turn around the unfavorable development.

A Stabilized Market Is a Good Muffler

Conceptual formation of the supply of goods plays an important role in gradual eradication of shortages and in the restoration of the balance. If the structure of the line of goods is sufficiently multifaceted, the shortage of one type of products is not felt too acutely and may be promptly noted. The structure of the assortment in its price range is important because adequate supplies of higher priced substitutes act as a replacement and cushion even more serious shortages. Higher priced products—at appropriate prices—resist better short-term fluctuations; supply may react more flexibly to different developments in individual periods. On the other hand, as regards dynamism, an assortment that is only within the standard price range is inflexible (its whole profile becomes obsolete) and reacts weakly to fluctuations of prosperity.

If we assess the anticipated direct and indirect effects of the changes proposed for the economic mechanism on the balance in our domestic market and on the conditions of consumption in a wider sense of that word, the social aspects of future developments, above all, stand out. A more pronounced movement of incomes and their diversification as one of the principles of the economic reform could have, in addition to an undoubtedly beneficial impact, certain unfortunate consequences for the living standard of the recipients of fixed incomes.

The experience of both the CSSR and other socialist countries has underscored the fact that reforms of this kind are accompanied by inflationary pressures. In our case the inflationary trends could be generated by an above-average rise of incomes due to more differentiated wages, which always means a more dynamic upward movement, as well as by the rising level of retail prices in response to the revived program of innovation and to the changes proposed for our price system (although the Directives for the Implementation of Comprehensive Restructuring of the Economic Mechanism explicitly

stipulate the principle that no changes in retail prices of goods and services should be expected in conjunction with the restructuring of prices).

Implementation of policies on revenues and prices forms an interconnected, concurrent process. Changes in the retail price system should be focused on substantial restrictions of its functioning in which they substitute for (or complement) the effect of specific (and direct) mechanisms of our social or population policies. In view of these realities, the question arises about the formulation of programs for social development, reappraisal of the current system of taxes on earnings and other incomes with more generally specified mechanisms of anti-inflationary economic policies. These areas should be organically integrated in both the planned and the already implemented changes of the economic mechanism as well as in the overall strategy of our economic policies in the transition of Czechoslovak economy to intensive development.

National economic consequences of an unbalanced domestic consumer market and the ways leading to an imbalance are becoming more relevant precisely due to the restructuring of the economic mechanism, because the initial imbalance in the national economy does not make the first stage of the restructuring any easier. Our domestic market has priority in the policy of restoring balance to the Czechoslovak economy, because the domestic market is the final link in the system of rewards according to work performed, where differences in incomes from wages are transformed into differences in the living standard. At the same time, it means eradication of negative economic, political and ideological consequences caused by scarcities and imbalance as well as by groups of individuals who, like parasites, take advantage of such conditions. Finally, a well-supplied and balanced domestic market of goods and services will make it easier to overcome any potential situation of increased social tensions which stem from the departure from conventional stereotypes, mediocrity and low intensity; on the contrary, it will markedly stimulate the economy and the public to more effective economic activity by the working people, which is the principal precondition for a successful restructuring and for the achievement of a new quality of the CSSR's economic development.

HUNGARY

Banker Denies Intention To Freeze BC Accounts
25000265a Budapest NEPSZAVA in Hungarian
28 Apr 89 p 5

[Interview with Dr Szabolcs Megyery by h.k.j.: "BC [foreign currency] Accounts Will Not Be Frozen—Why FRG Marks and U.S. Dollars Are in Short Supply"; place of interview not given; first paragraph is NEPSZAVA introduction]

[Text] Several readers called attention to the fact that travel agencies and National Savings Bank [OTP] branch offices ran out of German marks and U.S. dollars.

On Thursday [27 Apr] afternoon we asked the head of the Tanacs Boulevard IBUSZ office, Dr Szabolcs Megyery, what the truth is.

[Megyery] Indeed, our inventory of these two currencies has run out. I believe that elsewhere too these currencies are unavailable. The reason for this may be that by now last week's large traffic has multiplied. Not only are more people taking out their foreign exchange in cash, but according to our observations they are also taking larger amounts from their accounts.

[NEPSZAVA] In more accurate terms: they would like to go shopping....

[Megyery] Some accept schillings to help them out, but quite understandably, most travelers want to obtain the currency of the country where they travel in order not to incur a loss when making exchange.

[NEPSZAVA] Accordingly, there are no limitations on providing funds for tourists.

[Megyery] Of course not, except for the limitation that we cannot provide German marks to those who travel to the FRG. By using checks—the so-called Citicorp travelers checks—it is possible to alleviate the tense situation somewhat. Unfortunately, by yesterday afternoon we also ran out of travelers checks. On the other hand, we have an abundant quantity of dollar travelers checks.

[NEPSZAVA] People do not like checks, if I am correct

[Megyery] That is true. It is partly understandable, but not fully. The Citicorp travelers checks in mark denominations and the Visa travelers checks in dollar denominations can be exchanged for cash at face value in their respective countries of issuance, i.e. in the FRG and in the U.S. No deductions are made. True, cashing checks is another chore. But in case the check is lost, the full value of the check is repaid in lieu of the voucher which serves to prove the purchase.

[NEPSZAVA] Could you not have avoided the shortage by placing a quick order?

[Megyery] We would be ordering in vain. As far as I know the Hungarian National Bank cannot provide more to travel agencies.

[NEPSZAVA] Why could foreign exchange dealership not receive more FRG marks and U.S. dollars? Yesterday afternoon we asked Ferenc Markovics, the deputy head of the foreign exchange cashiers office at the Hungarian National Bank.

[Markovics] We regularly supply marks to the offices. We could not keep in step with the sudden increase in traffic, however. The acquisition and processing of bank notes is done according to a strict schedule, we cannot deviate from that. Consequently we cannot accelerate the speed of processing.

[NEPSZAVA] In this way, however, many citizens satisfy their foreign exchange needs under worse conditions.

[Markovics] The National Bank guarantees to travelers that they receive their foreign exchange supplies in convertible currencies. We cannot guarantee satisfy of their needs in the currency of their destinations, however.

[NEPSZAVA] Accordingly, should people count on shortages also in the future?

[Markovics] Unfortunately yes, because in regard to certain currencies—mainly the two we mentioned—we cannot guaranty to have the needed quantity. On the other hand, we are planning to expand the choice of travelers checks, particularly in regard to travelers checks in Mark denominations. As far as I know citizens do like these travelers checks.

[NEPSZAVA] At the IBUSZ main office I was told that they are not popular.

[Markovics] But in my view one can travel more securely with these checks.

[NEPSZAVA] Travelers checks with mark denominations are available only in a few places....

[Markovics] Yes, but our plans call for making these available at all travel agencies.

[NEPSZAVA] Rumors spread to the effect that they will freeze the BC [foreign currency] accounts. How much of this is true?

[Markovics] This rumor is not true, moreover, exactly the opposite is being planned. The Hungarian National Bank and the Ministry of Finance plan to make easier the use of funds held in BC and foreign exchange accounts.

[NEPSZAVA] There also are rumors according to which next week the forint will be devaluated once again. Are you aware of such action?

[Markovics] I cannot give you further information. There is no government and no central bank in the world which would announce in advance the devaluation of its national currency.

[NEPSZAVA] What you just said does not rule out the devaluation of the forint next week....

[Markovics] This will be determined by calculations made on higher levels of which I have no knowledge.

SZOT-Cabinet Negotiations: Union Trainees Define Stance

*25000265b Budapest NEPSZAVA in Hungarian
5 May 89 pp 1, 7*

[Article by J. T.: "They Expect Action That Alleviates Living Conditions and That Can Be Felt Directly"]

[Text] Because of the higher than expected inflation rate, the National Council of Trade Unions [SZOT] leadership should demand from the government further wage increases and increased social welfare provisions, anti-inflationary policies, plans for structural change and finally an accurate analysis of today's situation. In turn, the government should prove its good intentions by taking steps that can be felt directly, measures which improve living conditions. This is the way the expectations of the union membership may be summarized.

As it has been disclosed before, the next meeting between SZOT and the government will take place in a week. The SZOT presidium will develop its positions for that meeting early next week. Consultations are taking place in many places as to what positions should be represented and what recommendations and demands the SZOT leadership should make in its negotiations with the cabinet. One such consultation took place at the SZOT Central Academy, where SZOT economic policy department head Laszlo Nyikos and his associates gathered suggestions from students attending the higher level course in labor affairs and social policies.

Quite naturally, suggestions for the meeting between SZOT and the cabinet are linked with the analysis of the economic situation, with the weighing of the relationship between the trade unions and the cabinet, and with the ranking of difficulties in making a livelihood. It was said, for example, that in January, when SZOT suggested a meeting the cabinet was not willing to negotiate, but now, when the situation is almost untenable the cabinet finds it important to make a settlement in order to divide its responsibility. Namely, the present intention of the cabinet to negotiate is interpreted by many as the cabinet's endeavor to make the trade unions share the responsibility for the mistaken steps taken by the cabinet. Then later they will see that they cannot do anything in this situation: they could not find the way out even jointly with SZOT. Under any circumstances the trade unions would emerge from these negotiations as losers, because they would not be able to bring about measures which have merit, and which alleviate the situation to an extent that it can be felt.

According to public opinion the cabinet is always granted a delay. The cabinet enforces its demand for confidence in advance, the promise that it will do something. At this time the cabinet was once again granted a delay, because the SZOT leadership

announced that it will negotiate with a newly composed cabinet. But what could the new members of the cabinet say? The SZOT leadership should take a clear position: the country needs a stable government, so that statesmen cannot constantly claim that "the situation is much worse than my predecessor claimed it was," and so that they cannot defend themselves by saying "these are not the conditions by which I accepted this job."

The issue of the SZOT presidium's demand defined earlier, namely that the government account for its finances, was brought up several times at the meeting. Several individuals stressed that a candid report on the indebtedness of Hungary, on the way the indebtedness evolved, and on the purposes and amounts of budgetary allocations is overdue. For years one could hear about nothing but reduced price supports—while prices were going up, and about decreased grants to losing operations and the discontinuation of production which runs a deficit—and sure enough, unemployment appeared. Nevertheless, the budgetary deficit is continuously increasing. Where is the money going? And what are they doing with billions of forints in tax revenues? Some brief announcement appears: they succeeded in obtaining another X billion dollar loan. But who knows whether we really need new credits, and what they are spending it for? Hardly for technological development that is truly needed. Meanwhile real wages are constantly decreasing, poverty is beginning to assume tragic proportions, people are not motivated by the wage system. At the same time, however, there is nothing they could be motivated to do, because no one assumes the responsibility to make decisions as to what we should develop, what we should do, so that the economy moves from its present dead center, or better said: so that at least the economic deterioration would come to a halt.

The very fact that trade unions took upon themselves—had to take upon themselves—development of the conception of an economic policy in itself signals a crisis situation. Developing such a conception would be the cabinet's job, because the apparatus needed to develop such a conception is within the government, it was said. According to others, however, the development of an economic policy conception by the trade unions was

needed so that the trade unions would have secure foundations at negotiations, positions which help decide what the trade union can still agree to. The path must be defined, moreover, accurately defined, because at present we are only starting out with everything [without completing programs]. They want to discontinue losing operations but no one cares about the people.

It is considered a great accomplishment if SZOT is able to win in regard to measures worth a hundred forints, but these are devaluated within weeks, conference participants said. Others predicted that there will be no chance to win, because the cabinet will say "what funds should we use to pay for this?" On the other hand as long as this will be the patent response, it is useless to negotiate because there is nothing to be negotiated. This is so even though there is money here, except that it should be spent for sensible purposes. In order to accomplish this, however, also the leadership should manifest self control, because at present they are roasting their own pig, they are building their own socialism. They should try to see things. And they should see not only the reports presented to them, but also real life. But, for example, at many large enterprises a schedule is established for things to be done when leaders arrive. They know whom to take where, who will provide the leader with information. Then, of course, it becomes obvious that upon the leader's return home he will say that there is no trouble there.

The conference suggested that since all these matters cannot be discussed at the SZOT-cabinet meeting, trade union leaders should draw up a list of the three or four most urgent issues they should recommend. But they should do so in a way so that whatever agreement is reached it should be complied with, and remember that there are a million members supporting the trade union leaders.

And they requested yet another matter: SZOT should publicize its demands in detail. Similarly, SZOT should reveal in detail who represented what position within the SZOT presidium during discussions on these subjects. Equally, one should not be embarrassed if no successful results were accomplished in regard to all demands announced earlier.

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