

JPRS-EER-91-134  
10 SEPTEMBER 1991



# JPRS Report

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# East Europe

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# East Europe

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### Deputy Miro Kusy on Slovak Situation

91CH0827A Prague LIDOVE NOVINY in Slovak  
7 Aug 91 p 5

[Interview with Deputy Miro Kusy by Stefan Hrib and Lydia Murtinova; place and date not given: "Demagogy Doesn't Stand a Chance"]

[Text] Miro Kusy. A man well known for many years only from the shows of "seditious" Western transmitters. A man painted by the communists as a monster, a traitor, a subverter of the republic. A member of the well known "Bratislava Five" sentenced only a few days after 17 November in the Bratislava Palace of Justice. Immediately after release one of the founders of a movement that announced that it was against violence. Shortly after that the rector of Comenius University. Today the chief of staff of the Office of the President and a delegate to the Slovak National Council.

[LIDOVE NOVINY] For many years, as a dissenter, you were "subverting the republic." Today you have been working for a year already, as a delegate to the Slovak National Council [SNR], to revive it. What is your basic feeling about these times?

[Kusy] I am tired and skeptical (...). I am skeptical of what can come out of the current situation, and tired of the endless squabbling, which seems to me to be completely useless, distracting, and leading us down a blind alley. The battle with the nationalists, the battle about the position of Slovakia, the battle for our true identity, all of these seem to me to be completely useless. I am also skeptical because of fears of what we will actually be able to implement of the ideals we struggled for as dissidents. From the beginning we said that our objective was not to make something of ourselves, but to create the conditions where everyone can make something of himself. There is a big difference. Our idea was that everyone would be able to make something of himself in a democratic and rational fashion. Not through demagoguery, nationalism, and chauvinism. I guess I made a mistake in thinking that the democratic and rational would come with time.

[LIDOVE NOVINY] How does the future look to you today, for instance? What do you see as the dangers for our country?

[Kusy] Right now there are two factors. Nationalism and the residuals of communism. The communists are not willing to admit their defeat. They are not willing to admit that there was a revolution here and that they lost. This is because they were defeated, but not liquidated. This is the sense in which it was a "velvet revolution."

[LIDOVE NOVINY] Was not this kindness a naive gesture?

[Kusy] I continue to think that it was not. The problem is, though, that the communists do not want to acknowledge their loss. Until someone stands on their neck they will probably still think that it was not so bad, and that

they will still get their chance. I think that the chance for the communists has passed....

[LIDOVE NOVINY] Even in Slovakia?

[Kusy] Even in Slovakia. A moment of recidivism is possible, but the conflict between socialism and communism, as we put it, has been definitely decided. The communists told us for 70 years, beginning with the October Revolution, that this was a historical battle between socialism and capitalism. And they lost the battle. Clearly lost. They lost it here, they lost it throughout East Europe, and they are losing it in the USSR. They will lose in China as well, I am convinced. When there is another conflict of ideas it will be on a completely different basis. The question is no longer the "historical conflict" started by Marx and Engels. The issues are different now.

[LIDOVE NOVINY] Still, there are fears today of a socialist Slovakia. Do you think that this is a realistic possibility or only unjustified fear?

[Kusy] I think that this is a real effort by a group of those communists I spoke about earlier, but I do not think it is a realistic goal. Given the current situation, no return to any kind of socialism is possible. The existing socialism has been liquidated and the communists, whatever they call themselves these days, do not have a realistic, specific program. They speak, to be sure, of solving social problems and criticize the economic changes, but they have no consistent program. They are neither capable nor willing to present such a program. What they present is in many cases different from the classical communist program, but the ideas are excerpts. They lack a comprehensive program to propose as a real alternative to their traditional program. They conduct only opposition attacks on the ruling group, but this is not a realistic, positive program.

[LIDOVE NOVINY] A year and a half has passed since the revolution. Dissident ideas and current reality are two different things. Despite this, which of your wishes have been implemented?

[Kusy] To put it in dry terms, freedom of speech and of belief. This is taken for granted today. Anyone can express his opinion and defend it without fear of discrimination. On the other hand we still have not realized that democracy is not synonymous with freedom, that freedom is a very necessary, but not a sufficient condition for democracy. Democracy also requires responsibility and the ability to learn from others. We are not well prepared for this yet. We know how to defend our views, but we do not know how to learn from the views of others, or how to take them seriously.

[LIDOVE NOVINY] There is a year to go before elections. Your prognosis?

[Kusy] I think that the balance of forces will change significantly. The Meciar wing of the HZDS [Movement for Democratic Slovakia Party], which is now on top,

will decline. Demagogy as a program cannot survive for long. It doesn't have a chance. They have nothing to add now to their pronouncements because they assumed an extreme position very early. A decline in their popularity is therefore to be expected and will continue. On the other hand I am convinced that the principles of Public Against Violence [VPN], of which we have lost a tremendous amount, over the long term has the best chance to gain followers.

[LIDOVE NOVINY] What made you resign the chairmanship and give up your membership in the Slovak VPN council?

[Kusy] There were several reasons for my decision. The first and decisive one was that I am holding many positions, and inasmuch as I have been holding more than a bearable number of positions since shortly after the revolution I decided to put some of them into more professional hands. Since I am a member of the SNR presidium and chief of staff of the office of the president of the republic in Bratislava, I was unable to spend enough time on my work for VPN. The second reason is that I think that the chief of staff of the office of the president should be someone who is above parties, who is not involved in high party functions. Given the current trend to turn VPN into a party, to remain in office would compromise my beliefs. And as I said a long time ago, I have set a personal limit, namely that I would remain in VPN as long as it remained a movement.

[LIDOVE NOVINY] Do you believe in a democratic CSFR?

[Kusy] That is the fundamental assumption that keeps me from emigrating from this republic.

### **KDH Strategy for Slovak Independence Sketched**

*91CH0881A Bratislava SLOVENSKY DENNIK  
in Slovak 24 Aug 91 p 5*

[Article by Ludovit Baldovsky: "Variations on a Theme: Alternative Approaches to Slovakia's Basic Aims"]

[Text] What kind of state structure best suits Slovakia's interests? Arguments about it continue. There is a broad spectrum of opinion. It swings from the concept of a unitary Czechoslovakia all the way to the concept of an independent Slovak state. In between these extreme positions there are the concepts of a union structure, "authentic" federation, and confederation. And if we are to be consistent, we must include also the opinion of some among the Slovak population that it would be best to return to the fold of the Crown of St. Stephen.

Proponents of all the mentioned positions are obviously also represented in the Christian Democratic Movement [KDH]. However, only some of them have been given voice on the outside. Tibor Bohm prefers the concept of proclaiming an independent state. Jan Klepac the concept of a confederation with the Czech Republic. But the

concept pushed by the chairman of the movement, Jan Carnogursky, has the most proponents.

Are these three concepts different from each other? Are they so different that they could cause a split in the movement, as it has already been rather vociferously predicted?

When we look at it more deeply, we surprisingly find that we must express some doubts as to whether these three concepts actually differ in their basic goals. All three concepts have in fact one thing in common. The common element is the concept of a full sovereignty of Slovakia. They differ only in what they consider the best way to achieve it. The concept of an independent Slovak state is the concept of a speedy creation of such a state. The concept of a confederation—that is an immediate creation of an independent Slovakia—and a quick agreement on coexistence with the Czech Republic. Carnogursky's road to sovereignty—that is a gradual march forward, step by step, until the goal is reached. Carnogursky is a realist. He knows that it is not enough just to proclaim a state. He knows that a state must be built. And that the position of the state must also be established. All that is missing at present. Carnogursky is a realist. Moreover, he is not only a realist, he is also a maximalist. He not only wants us to build our own foundations, he even actually wants our Czech brothers to help us build our sovereignty. Within the framework of the common state, Slovakia has also helped for many years to build up the Czech position. It is Prague's duty to pay back that debt. It is not sensible to take the heavy burden of building sovereignty only on our shoulders by a precipitous declaration of a Slovak state. It is right that the Czechs help us in this.

Moreover, Carnogursky does not want to back away an inch from his concept of full Slovak sovereignty. He even values this sovereignty more than the entry into the European Community. He says: We ask for Slovakia a star on the European sky and an independent chair in the EC. Carnogursky is not only a realist and a maximalist. Carnogursky is a radical. According to him, under no circumstances will Slovakia enter the EC through intermediaries in Prague. If they do not let Slovakia enter Europe directly, the situation will have to be resolved radically. Better not enter. Better remain outside the European communities and be a sovereign state.

His concept is so much directed toward the future (it is as if many people did not understand him in this) that it assumes also the possibility of such a full sovereignty of Slovakia that does not necessarily assume a coincidental end to coexistence with the Czech Republic.

It is clear that when a common configuration comes into being in Europe—let us call it by the working title the "United States of Europe"—then the key links will become the "radial" links to the central authority of this union. However, this fact does not preclude the possibility of the existence of other links between individual states. But it cannot be a "federative" union. However, a

confederative link will be possible, but a free linkage appears more advantageous, such as exists at present among the Benelux countries, for example.

This concept, however, a gradual progress toward gaining sovereignty while a new European structure is being formed, carries also considerable risks. Practically at every stage of its realization there may be lack of understanding or unwillingness to cooperate on the side of the Czech partners. Then only two solutions remain. We can resign ourselves and be satisfied with the existing form of the federation. That, however, amounts to the end of our dreams about Slovakia in the future Europe. Luxembourg or San Marino would have a more important status there, because they would have direct links to the center. Here, it seems, is the rational basis for the assertion that it will be better not to give in and remain an independent unit than to enter in the form of a federation—and disappear from the map of Europe. Such an entry would be tantamount to a practical realization of Masaryk's idea of Czechoslovakism.

The other solution, in the event of a conflict with the Czech partners, is to continue with the idea of gaining full sovereignty without them. Obviously it will not be possible to realize this any other way than by creating an independent Slovak state.

It is a good thing, therefore, that in the KDH there are people who entertain the idea of a quick achievement of sovereignty, whether in the form of an independent Slovak state or a confederation. It is a mistake, however, that they go no further than making speeches. It would be a good idea for the KDH leadership to form them into working groups which would work out these alternatives in detail as well. This plurality of opinion will not break up the movement, every sensible person must see that. This is not about challenging the correctness of the basic approach with which the overwhelming majority of the membership agrees. This is simply about adding another scenario on the road to sovereignty in case the original effort does not work out. Because the road on which the KDH started out at the instigation of its chairman will only be safe if it is secured by the above mentioned well-thought-out alternatives.

#### **Christian Democratic-HZDS Coalition Foreseen**

*91CH0827C Prague RESPEKT in Slovak No 31,  
5-11 Aug 91 p 2*

[Article by Milan J. Zitny: "V. Meciar and I. Carnogursky Are in the Way: Christian Democracy—For a Democratic Slovakia Coalition on the Horizon"]

[Text] The knowledge that the second posttotalitarian elections will decide for a long time the future and political orientation not only of Slovakia but also the entire CSFR does not have Slovak politicians sleeping very well. It seems that the fears of Roman Zelenay of an easy future victory for the Movement for a Democratic Slovakia Party [HZDS], which "threatens," in his words, to get more than 50 percent of the vote, have been blown

away by the wind, along with the transitory fame of the movement. The fact that Meciar's popularity is at 39 percent and falling shows that even the HZDS will have to find an appropriate coalition partner.

The national and socialist aspects of this movement find their closest reflection in the mirror of the Slovak Christian Democrats [KDH] who, in contrast to the HZDS, are unified in their faith. The affinities of these typical Slovak movements of this time find a concrete expression in unofficial gatherings that are intended to eliminate unconquerable obstacles. I think that there are not so many of these that an agreement cannot be reached. The problem is rather at the qualitative level. For the HZDS, it appears that the unconquerable obstacle to a coalition with the KDH is Jan Carnogursky, and for the KDH it is definitely Vladimir Meciar. The departure of these two strong but problematic personalities could lead to a calculated marriage. Some signs of these steps are already appearing. Among them is a filigree from the diplomatic lexicon, "rounding the edges," which appeared last week in this regard in an internal National Revival commentary. Rounding off the edges of the main sticking point, Vladimir Meciar, will not be easy for the HZDS. First of all, this is a leader who could be fully replaced by either Jan Budaj or Alexander Dubcek. Secondly, no one can predict with certainty whether the Slovak ex-prime minister does not now possess copies of records and obligations of secret State Security [StB] collaborators from the ranks of the church, artists, journalists, and politicians, which a mysterious creature left on his desk last year. He uses this to keep his colleagues and enemies in check, forcing them to be more careful.

Despite this, the current situation might move from words to deeds and, after many scandals, become an unbelievable reality. The final outcome is difficult to predict, but it is clear that Meciar's followers are already warning of a "hot political autumn" because unemployment would result from any such collaboration. If by this they mean that at the end of the fall Mr. Meciar will draw his last paycheck six months after ceasing to function as prime minister, and lose his chauffeured Tatra and bodyguards, thereby becoming a prominent unemployed person, I must correct them a little. Mr. Meciar will remain a delegate to the Federal Assembly. If they have in mind mass unrest, then I ask them how they can be so sure it will happen? Their warning seems rather to be a dark threat than a serious thought. It does not contribute to the creation of a calm atmosphere. This objective should be a priority for them, if they want to present themselves actually, rather than verbally, as a socially oriented movement.

Despite this, (or because of it?), contacts between HZDS and KDH continue and are searching for the lowest common denominator. The reader would certainly be interested to learn his name.

**Czech Weekly on Radicalization of Slovakia**

91CH0827B Prague RESPEKT in Slovak No 31,  
5-11 Aug 91 p 4

[Article by Stefan Klimek: "Democracy Threatens From the Center"]

[Text] A year ago during the parliamentary elections the description "separatist" was used in Slovakia as an insult. Now Meciar, the former prime minister, uses the term "federalist" as an insult. Citizens may not have noticed this shift, but it has occurred.

**Government President Presents**

The above-mentioned politician, when he was serving in the government, held every Sunday an exclusive television interview in which he let people know what he was thinking. These thoughts were so suggestive that, as we looked forward to "Walt Disney Presents" when we were children, we now looked forward every week as adults to "Interview With the President." We learned there each week what the "federal" had stolen from Slovakia that week. The word federal was not specified any more than that, but was taken to mean various institutions in Prague, including the parliament, where the above-mentioned individual was a delegate. Thanks to this we now have public opinion in Slovakia in a state that considers our catastrophic economic situation to be the fault not of the communists, not the CEMA, not the Iron Curtain, but the federal, meaning Klaus and his helpers in Slovakia.

**Don't Study the Reasons**

It is characteristic of Slovakia that top secret materials that are locked up in the safes of the Interior Ministry fall from the sky one morning onto the table of the president of the government. Soon afterward the same man announces at a press conference that State Security [StB] agent No. 20275 sits on the Slovak National Council and is a member of the Christian Democratic Movement.

Just by chance that same former employee of that criminal organization is at the same time setting up a printing press at the other end of Slovakia where, again by sheer chance, he is adding a name to that preceding information. It is then discovered that this StB officer was named to a position in the new national security apparatus by none other than Prime Minister Meciar, who at that time was minister of the interior.

And the minister appointed this person with the interesting comment, "Don't ask why, you will be better off."

**National Situation**

The mass media also have a specific role in Slovakia. A while ago it came to light that the domestic political columnist of a certain newspaper was an StB agent trained in disinformation. Again nothing happened, and the accused even admitted to us in a television interview that he manipulates his readers, but does so "with good

intentions," and that the reader who buys a newspaper is expecting to be manipulated.

The Slovak radio is, to be sure, national, but no one can accuse it of being on the side of the government. For six months it did not carry a single positive word about the governing coalition.

An interesting situation developed around the demands of a number of journalists for a purge of some of their colleagues from the ranks of the StB because they are dangerous in their current positions. The accused responded, "It is true that under certain conditions we cooperated with that organization, but today we are independent. We are not the ones who threaten democracy. The dangerous ones are the ones demanding our ouster because this is a purge reminiscent of the 1950's. We no longer represent the interests of the communist party, but the national interests of Slovakia."

And because national interests are enjoying great popularity currently, we now have 12 nationally oriented parties and movements and the number continues to increase. In Slovak politics it is completely normal for someone to stand up in the town square and speak in the name of the entire nation. These people can openly insult the constitutional order and the head of the government and I, as a law abiding citizen, am powerless to do anything about it. Then one sees on our buildings the tricolor banners with the slogans "Out of the CSFR. We Will Govern Ourselves." This disturbs me greatly and I am afraid that the authors of these banners will be the ones that "rule."

**Democracy Threatens From the Center**

The situation around the referendum concerning a common country is interesting in this regard. One might expect that the nationalistic parties will carry the day. The opposite is true. Most national politicians are well aware that the vast majority of the people would vote for a federation in a referendum, which would end their careers right there. They don't want this and are therefore raising all possible objections to a referendum.

Also interesting is the position of the former communists, the current SDL [Party of Democratic Left.] From the time when Meciar's delegates began to vote with them, as one man, in parliament, they have been feeling strong again. The former internationalists have become red nationalists, as a secretary explained it to me, "In future elections the right will win in Bohemia, and if we are not independent, the threat exists that they might extend their control to Slovakia."

This turns the often repeated analogy with the Baltic republics and Yugoslavia on its head. Those republics are breaking away from the threat of a communist center, while the Slovaks must break away because the center is threatening them with democracy.

Today the governing coalition in the Slovak National Council has a majority (five votes), while the Christian

Democratic Movement [KDH], which along with Public Against Violence [VPN] is the foundation of Slovak democracy, is experiencing a battle between the Christian Europeanism of Dr. Carnogursky and the witnesses and posthumous children of the parochial republic from the period of fascist occupation. Public opinion polls find 30 percent of those polled considering the former regime to have been better (yes, that former regime with thieves on the tribunals, nonsense in the squares, barbed wire on Devin, and criminals on the bank notes). Under these conditions a citizen of the CSFR with a Slovak national background does not get a good feeling from reading the papers.

### First Capital Market Auction Deemed Success

91CH0788A Prague HOSPODARSKE NOVINY  
in Czech 25 Jul 91 p 1

[Unattributed article: "The Bankers Came"]

[Text] Trades valued at 353,000 korunas [Kcs] were made yesterday at the first auction of the interim secondary securities market in Prague. According to Eng. M. Kucera, chairman of the exchange steering committee, this can be considered a successful opening session.

Trades were made almost exclusively in bonds of the Commercial bank [Komerční banka], with the Commercial Bank, Investment Bank, Prague Agrobank, and the Bratislava Agricultural Bank all representing their clients. The price of the traded securities stabilized at 100, in other words at face value of the bonds. Initially there was greater interest in buying, but later sellers became active as well.

Presently the system at the interim market functions as follows. On the Monday before the Wednesday auction, the banks authorized to trade (there are 10 of them) declare their bidding and asking requirements. These are processed the next day by computer, and the trades are made on the day of the auction.

The interest in trading was greater than anyone had anticipated, since the market had just opened and advertising was not yet in full swing. If the truth be told, even a few minutes before opening the "exchange" rang with emptiness. Then the bankers arrived, but it has a long way to go to rival London or Frankfurt.

A second securities auction will be held in 14 days. Until that time the current price applies. The situation may change during that time. The trade volume may increase, and more securities may be involved in the auction.

### Work Day and Wage Reductions Outlined

91CH0788G Prague HOSPODARSKE NOVINY  
in Czech 26 Jul 91 pp 1-2

[Article by Lubomira Cizova: "Less Work, Less Money"]

[Text] The Czech government has recently approved measures designed to head off increased unemployment resulting from layoffs of workers at selected enterprises that have found themselves in temporary marketing and financial trouble. These measures involve mainly shortening the work day, and in some cases adjusting vacations. What does this mean in practice?

Such adjustments in the work day will be instituted only based on an agreement with those employees with whom a contract will be signed concerning a shorter work day. The employee does not have to agree with the agreement, says Eng. Jiri Carsky, director of the employment division of the for the Ministry of Labor and Social Affairs of the Czech Republic. He added that agreeing with such a contract is in the best interest of the employee. If an employee fails to agree to this arrangement, the organization may decide to lay him or her off for economic reasons.

"When drafting this measure we took pains to make sure that someone working a shorter work day not be any worse off than if they were collecting unemployment compensation," added Eng. Vladimir Skalny, deputy director of the Ministry of Labor and Social Affairs of the Czech Republic. In other words, we tried to see to it that their wage for the shortened work day, plus any other income, not be lower than the amount of unemployment compensation they would receive.

We were interested in when this measure would take effect, which enterprises would be affected, who would select the participants, and how many participants there might be?

Based on principles approved by the Czech government, a legal regulation is being drafted that should take effect on or about 1 September. Already now, however, preliminary selections are being made of organizations that should be affected by the measure. The system is such that organizations can register with their founders (usually central offices of government or town administration). The founder then performs an economic analysis of the situation facing the enterprise. The decisive criteria is whether the firm is really in temporary difficulties, emphasizes Eng. J. Carsky, in other words, whether the enterprise basically has a future. We do not want to support firms that are marked for liquidation or those who can deal with their situation themselves. It is not, in other words, a system that would "prolong the agony of firms that would otherwise fail," as we are sometimes criticized for doing. We are not going to expend resources on products with no future. On the other hand, we are supporting firms that previously exported to the USSR, where the market has disintegrated, because they have gotten into internal problems related to structural changes. The measure is also designed to prevent the breakup of enterprise collectives. It might happen, after all, that temporary difficulties cause several people to leave. If the situation improves the firm might then find it difficult to find replacements. Bear in mind that this

measure is based on foreign experience, and is used extensively in Germany and Austria.

The selection of enterprises that have gotten into temporary difficulties and will deal with the problem by shortening the work day is the responsibility of the Ministry of Economic Policy and Development. This ministry appoints the expert commission, the members of which also representatives of the labor ministry. These individuals then notify the labor office in charge of the area where the firm is located that it will have to pay the enterprise so much money over such a period of time. The announcement must specify how much the work day has been shortened, how many employees will need payments, how long the program will last, and how much it will cost, in other words, how much money the labor office needs to provide to the enterprise. It is difficult to estimate how many people will be affected by the measure, but it will probably involve about 300,000 people. Detailed methodological guidelines are being developed for the labor offices and founding organizations. In conclusion it should be stated that this is a temporary measure that will end on 31 December of this year. After this date the measure will become law, in the labor code and in the law concerning employment.

Has a maximum limit been set to how much the work day can be shortened, we asked. The answer indicated that the maximum amount by which the work day can be shortened is 70 percent. This means that the employee would have to work 30 percent of the normal hours. This calculation is based on the weekly work schedule established by the labor code.

The press reported on the decision of the Czech government on 10 July a few days ago. We were interested in whether there are already signals concerning which enterprises are interested in taking advantage of this new measure.

"Yes, managers of firms that know that we are the authors of this declaration are already speaking with us," says Eng. J. Carsky. In his words, the ministry is talking with Jablonec LIAZ, Stavostroj, with several organizations that employ invalids, etc. The ministry is providing them with preliminary information concerning how to fill out an application, because the procedure is fairly involved. The government contribution will be paid starting 1 September, but the preceding month can be used for administrative purposes. For those enterprises that are selected this will mean a certain decision before they begin forming new production programs.

**Sales of Share Purchase Coupons To Start**  
*91CH0788F Prague HOSPODARSKE NOVINY  
in Czech 26 Jul 91 p 8*

[Unattributed article: "Become a Stockholder"]

[Text] In two months we will get the chance to become full-fledged stockholders. Starting in October every adult citizen of the CSFR can purchase a coupon book and a

stamp that will open the doors for him to the world of enterprise. On sale will also be an authorized informational handbook published by the Federal Ministry of Finance, to guide the first steps of the investor. We learned some information for this series of articles from the "kitchen" in which this handbook was written.

Every stockholder expects monetary success from his ownership participation in a corporation. This only happens, though when that ownership is in a successful corporation. The stockholder can influence the functioning of the firm (if the ownership participation is large enough) by, for example, electing the board of directors of the corporation. The business strategy of the firm is another important factor. Also to be considered is the kind of monetary success that the stockholder wants.

Over the short term, stockholders think in terms of dividends. Dividends arise from the right of the stockholder to share in the profits of the corporation. Each year a corporation determines its revenues, subtracts its costs, taxes, and money to be invested. The remainder (dividends), are distributed among the stockholders. The size of the dividends depends the level of profits and on the investments made by the corporation. The dividends will be largest when the corporation has high profits, does not want to invest any of them, and therefore distributes them to the stockholders.

Investors that look to the longer term are interested in capital gains. This means that they consider how much more they will be able to sell the stock of a prosperous company for in five years than they pay for it now. Capital gains are generated along with dividends, and can be related. The most successful corporations pay high dividends and enjoy increases in their stock prices as well. Some corporations invest all their profits and pay no dividends. If their investments are wise their stock price increases rapidly, however. In these cases the capital gains can more than make up for the dividends that are not paid out.

The stockholder can exercise rights even if the company does not do well. The stockholder can be proactive and try to convince company management to change policies. If effective changes are implemented the time of stagnation or decline can be used to buy up large quantities of stock at low prices. If the stockholder considers the situation to be hopeless, however, he can sell the stock if he can find a buyer. This is passive behavior. If the enterprise is managed poorly the only risk borne by the stockholder is that his stocks will have no value on the securities markets.

The general strategy for minimizing investment risk is to diversify investments, allocating them among several unrelated projects. During coupon privatization this philosophy will be practiced by privatization investment funds. These funds will significantly minimize investment risk by purchasing the stocks of many corporations.

This is an outline of stockholder behavior, but how does one become a stockholder? Coupon privatization gives

our citizens a chance to acquire the stocks of specific corporations or of investment privatization funds. This should gradually give rise to a securities market, which will allow the stockholders to engage in a full range of rational securities trading activities.

Now let us summarize the most important phases of coupon privatization. The first step is to obtain an adequate supply of property for coupon privatization. With this objective, several government enterprises will be transformed into corporations. Then, along with existing corporations, some of their stock will be offered for coupons. A set of stock will be created for each wave of privatization that can be "exchanged" for coupons. The coupons will be valid after they are registered at a registration center. During a given privatization wave a coupon holder can invest a maximum of 1,000 points. These points can be allocated among several investment privatization funds (IPF). Alternatively, a portion can be invested directly in specific corporations and a portion in an IPF. Finally, all 1,000 points can be invested in several corporations.

A wave of privatization will consist of several (maximum of five) rounds. A round has four phases, during which a coupon holder first learns the price of individual stocks, then orders the stocks in which he is interested. After this the orders are processed centrally and the results announced at the end of the round. An entire round will not last longer than one month. A citizen can transfer his investment points to an IPF in a so-called pre-round, or no later than the opening of the first round of a given wave. An investor can spend the entire 1,000 points once in a single round, or gradually in several rounds.

#### Minimum Housing Requirements Defined

91CH0788C Prague HOSPODARSKE NOVINY  
in Czech 25 Jul 91 p 8

[Article by Eng. Miroslava Bakesova, Federal Ministry of Finance: "Minimum Housing Requirements"]

[Text] In conjunction with the establishment of a minimum wage, a subsistence minimum, and a minimum pension, as well as the increase in rents, the problem has arisen of establishing a social minimum for housing as well. In this regard we think it will be useful to define some concepts.

#### Shelter Housing

This involves the use of public facilities based on the financial capabilities of the user and places to sleep. In this case the hostel area will be set up by a regional or urban office, the Salvation Army, church, or charitable organizations. This will usually be short term housing, and so far is not very common here.

#### Temporary Housing

This is understood as, for example, the assignment of apartments or public facilities to cope with natural

disasters, rapid changes in the physical characteristics of a home, or cases of eviction from an original apartment due to bankruptcy. This housing is provided in lower category apartments, hotels, enterprise dormitories, and temporary housing, etc.

#### Subsistence-Level Housing

This is defined as the use of apartments that provide only the most basic needs. They are normally lower category apartments with poor health conditions, without hygienic facilities or the most basic amenities. For most of the population living in this kind of housing, the situation is temporary. For certain socially weaker groups however, the temporariness turns into a permanent situation. Two groups of special interest are retirees who live alone and individuals who have no opportunities for other housing.

#### Minimum Housing Requirements

In addition to the use of public facilities there is also the question of using apartments that have enough space and amenities to meet the basic needs of a family and that provides for the basic needs established by society as a standard.

The use of these apartments requires a certain financial outlay, the size of which should be set at an essential social minimum. To express the minimum requirements for apartments one must begin with a minimum, but necessary range of amenities and the space that these amenities take up. One must then consider other things in the apartment, and the space needed to move around for the apartment inhabitants. The result is a size in square meters that provides a starting point for the financial expression of these minimum requirements.

The space needed to move around is estimated at four square meters for people who live alone, and at three square meters per person for people living together.

Our calculations yield the following figures for the minimum necessary living space:

- 27.9 square meters for an individual living alone.
- 33.5 square meters for two adults or one adult and one child under 15 years of age.
- 39.3 square meters for two adults and one child under 15 years of age.
- 46.3 square meters for two adults and two children under 15 years of age.
- 53.3 square meters for two adults and three children under 15 years of age.

These figures are then multiplied by an average cost per square meter to arrive at the costs (not the rent) necessary to provide the minimum apartment requirements. This amount does not include costs for heating, for hot water, electricity, gas, or payments for water, for operating equipment, for outfitting the apartment, or other payments.

In the near future a market mechanism will be introduced in housing (which will incorporate social considerations), with the main guarantor of housing becoming the citizen himself. Therefore any available government support should be provided to those households that are not capable of paying the minimum cost for an apartment, through no fault of their own and over a long period of time.

### Citibank Points Out Banking Problems

91CH0788D Prague HOSPODARSKE NOVINY  
in Czech 25 Jul 91 p 9

[Interview with Karl Swoboda, manager of Citibank branch in Prague, by Marcela Doleckova; place and date not given: "The Little Things Make Life Difficult"]

[Text] The American bank, Citibank, is the first foreign bank to begin operations in Czechoslovakia. It obtained a license from the Czechoslovak State Bank [SBCS] as a joint venture owned 100 percent by the foreign partner. The Prague branch is managed by Karl Swoboda, with whom we spoke on a theme affecting not only this bank but all foreign banks.

[Doleckova] How does a foreign bank operate in Czechoslovakia? What difficulties do you encounter?

[Swoboda] Obtaining the license went pretty well, because both the SBCS and the Federal Ministry of Finance helped move the process along. But now, as we move on, we are discovering that there are certain details of the banking operation that make our lives difficult.

[Doleckova] Can you be more specific?

[Swoboda] For example, when we bring funds into Czechoslovakia from the United States or elsewhere, and this is necessary if we are to provide credit services, we come under a so-called withholding tax in Czechoslovakia, or supplementary taxation.

[Doleckova] What does that mean in practice?

[Swoboda] Citibank pays a foreign investor, let us say, 7.5 percent for his resources. In Czechoslovakia we must then set aside 25 percent of that interest for local taxes. Of course that increases our costs, because the investor is not going to agree to have this sum deducted from the interest we pay him. So here we have to pay not only the interest, but tax on the interest. So what would cost us 7.5 percent abroad here costs us 10 percent. This means that Czechoslovak enterprises that would want to borrow from us must pay higher interest costs. The same is true of leasing, which our bank is also involved in. So I, as an investor, must ask whether this taxation is at all to the benefit of this country, which has an interest in attracting more foreign capital.

[Doleckova] Have you spoken with the Czechoslovak side about this tax?

[Swoboda] We have been speaking with taxation experts in the Federal Ministry of Finance, as well as with the

Czech Ministry of Finance, and their response to us has been that that is how the law reads for now.

[Doleckova] No one mentioned the possibility of rescinding this tax?

[Swoboda] The issue of dual taxation comes into play. In some countries with which the United States has agreements limiting double taxation this tax has been reduced to 5 percent or to zero. Czechoslovakia so far does not have this agreement with the United States. As far as we know, however, discussions between the two countries will continue in September and we hope that as of 1 January 1992 the agreement will be signed. My personal view is clear: wherever there are supplementary taxes, costs increase.

[Doleckova] Do you consider this tax the greatest obstacle?

[Swoboda] Of course not. This is only one thing that makes foreign money more expensive.

[Doleckova] Do you think that American investors are still hesitating at the doors of Czechoslovakia?

[Swoboda] I think they are assessing the situation. It is a multifaceted question. It is not only a matter of getting rid of supplementary taxation. Take a recent fact: Parliament failed to pass a bankruptcy law. I do not know what the consequences of this will be, but is not the failure to pass a law a typical occurrence (editorial note: The law is now passed, but this interview took place after the initial failure to pass it).

[Doleckova] How is it typical?

[Swoboda] In the sense that the legal framework in Czechoslovakia is still not clear. There is no commercial code here. The bankruptcy law is part of that, and is very important to business. This is not the only concern. There are a number of other issues to which the government, in my opinion, is trying to find the answers. The only question is how fast it can move. The earlier the legal framework will be clear and unambiguous, the easier it will be for foreign investors to make decisions. As far as I know, Czechoslovakia needed to attract \$1.5 billion in investment this year, and so far has attracted only 0.5 billion, with most of that coming from Volkswagen.

[Doleckova] Are American investors your only foreign clients?

[Swoboda] No. We have clients in Europe, in the Far East, in Japan, in Korea, and we are clearly also hoping for a Czechoslovak clientele. We hope in the next few days or weeks to sign our first loan agreements. Until they have been signed the clients do not want their names revealed. But to illustrate, these loans are to provide financial support for exports. We are making the loans in korunas, even though technically we can make them in any currency, because the customers are interested in korunas. We are borrowing them from other Czechoslovak commercial banks and savings institutions at an interbank rate of about 12.5 percent for a three-month loan.

**President Goncz's Powers 'Far From Ceremonial'**

91CH0778A Budapest HETI VILAGGAZDASAG  
in Hungarian 27 Jul 91 pp 5-7

[Article by Endre Babus: "Goncz Versus Antall; Two Men, Several Incidents"]

[Text] A jurisdictional dispute has again erupted between the president of the Republic and the government over the president's refusal to appoint the vice presidents of Hungarian Television and Hungarian Radio whom the government had nominated. Several voluntary organizations are urging further presidential vetoes. Although its deputies did not cast a single vote against the bill in parliament, FIDESZ expected Arpad Goncz to veto the Law on Church Property. Since then the head of state has signed the aforementioned law. But his doing so does not obscure the fact that there are indications of serious differences between the head of government, occupying the northern wing of the parliament building, and the president of the Republic, occupying the southern wing.

"They are saying that parliament has elected a weak president. Believe me, I am not entirely weak." These were the words with which Arpad Goncz departed a year ago after his first press conference as head of state. Probably all the reporters there and then remembered very clearly that, well in advance, authoritative constitutional lawyers had been labeling the future head of state of the Republic of Hungary a Yes Man, a political puppet. The "puppet" who in the meantime has sprung to life unquestionably reminds one of another puppet in a well-known story [Pinocchio] in that he soon came into conflict with the Antall-Gepetto who had carved him out of wood. For it was essentially the director general of the Museum of Medical History who created the present post of head of state, out of "customer's material," using Law No. I/1946 on the Republican Form of Government (HETI VILAGGAZDASAG, 9 Sep 89). Although it is questionable whether the memory of creating that office now fills him with a sense of satisfaction.

But one thing is certain: The standpoint of the SZDSZ [Alliance of Free Democrats], which long favored merely a ceremonial Presidency, has changed flexibly in recent months. Since the largest opposition party has been "providing" the head of state, the Free Democrats are discovering more and more arguments that, from their point of view, favor strengthening the president's role. Writing in the July issue of KRITIKA, Miklos Szabo, one of the party's leading ideologists, practically finds it absolutely essential that Arpad Goncz, as the commander in chief of the Armed Forces, become a firm pole of power in Hungary's political life. Only that can serve as a guarantee against the threat of a dictatorship imposed by the government, the deputy contends, referring to the fact that the Antall government has essentially taken over from the former regime a "Hungarian Stasi

[East German State Security Service]" or the old secret police, and a "Hungarian ZOMO" [Poland's Motorized Reserve of the Citizens Militia], or the old revolutionary riot police. At the same time, the historian and SZDSZ deputy rejects the charge that, in principle, there could also be a threat of presidential dictatorship imposed with the Army's help. The absence of a substantial presidential staff (see the boxed material below) makes that inconceivable in practice, he argues. Referring to Miklos Pozsgay, Szabo adds: "Miklos had the personality of a potential dictator, but obviously nobody in this country believes that of Arpad." (Many people associate with the former minister of state's power aspirations the fact that originally the Nemeth government had wanted to hold on 26 November, Pozsgay's 56th birthday, the 1989 presidential elections the MSZMP [Hungarian Socialist Workers Party] had been pushing for.)

There is every indication that even the ruling parties have been completely surprised by the fact that Arpad Goncz, emerging from the literary world barely 15 months ago, has since been able to become Hungary's most popular politician in office, one whose informal political influence is at least able to compete with the prime minister's influence. Having won the elections last year with its slogan of "A strong forint, a strong parliament, and a strong government," the MDF [Hungarian Democratic Forum] already came out with the formula "A weak president, a strong parliament, and a strong government" in the debate on amending the Constitution. In the first round, however, Antall and his associates have not gained much success with their slogans. It took a whole year for the ruling coalition to finally realize that the president of the Republic is not necessarily motivated by uncritical loyalty to the government. Goncz, as it turns out, wants to exercise his constitutional powers—and they are by no means insignificant—as a sovereign wielder of power, whether in the matter of the Armed Forces' deployment at home (HETI VILAGGAZDASAG, 3 Nov 90) or in acting against unconstitutional legislation (HETI VILAGGAZDASAG, 22 Jun 91).

Actually, it is difficult to understand why the prime minister—he undoubtedly is regarded as well versed in Hungarian constitutional law, and it is rumored that he occasionally adds spice to cabinet meetings with his seminars on the history of law—failed to assess well in advance the extent to which the powers of the head of state curtail the powers of the government. Moreover, from the circumstances surrounding the enactment of Law No. I/1946, which specifically Jozsef Antall has "resurrected," one could conclude from the very outset that the powers of the new president of the Republic would be far from ceremonial. By now even the wider public knows from a recently published monograph (*A Magyar Parlament, 1944-1949 [The Hungarian Parliament, 1944-1949]*; Gulliver Periodical and Book Publishers) that at the time the Communists had wanted to use the Presidency only for ceremonial functions. Rakosi and his associates had intended to assign to the president of the Republic merely insignificant matters such as the

legitimation of children born out of wedlock, for instance. On the other hand, the one-time Independent Smallholders Party, now regarded as the present prime minister's "political ancestor," had wanted to give the president broader powers. That, of course, was not unrelated to the fact that obviously the party had been

expected to field the candidate for the post. The one-time Smallholders had succeeded in gaining acceptance of their views on several points, but later various forces significantly curtailed the sovereignty of the head of state, as Zoltan Tildy's forced resignation in mid-1948 clearly demonstrated.

**Powers of the Head of State Under Multiparty Parliamentary Government in Hungary (1920-1991)**

Head of State	Miklos Horthy (1920-1944)	Zoltan Tildy (1946-1948), Arpad Szakasits (1948-1949)	Arpad Goncz (1990- )
Term of office	Indefinite	4 years	5 years
Eligibility for reelection	N/A	Nobody could be reelected to a second term in succession	Can be reelected once
Annual honorarium	3.0 million crowns	54,000 then 65,000, finally 120,000 forints	1.2 million forints
Power to dissolve parliament	When and if the National Assembly proved permanently unable to function, but a new National Assembly had to convene within three months	On the motion of the government or of two-fifths of the National Assembly's deputies	In case of at least four no-confidence votes within 12 months. New elections must be called within three months
Power to adjourn the National Assembly	Only for a period that did not interfere with approving the annual state budget's report balance of revenue and expenditure, and with adopting the state budget for the next fiscal year	Once within a session of the National Assembly, for a maximum of 30 days	The same as in 1946-1949
Command of the Armed Forces	The governor was commander in chief. He could declare war only with the National Assembly's advance consent	The president was not commander in chief. He could declare war, sign a peace treaty and send troops abroad only on the basis of authority delegated by the National Assembly.	The president is commander in chief. Only parliament can deploy the Armed Forces, except in a military or civilian state of emergency.
Promulgation of laws	Was obliged to promulgate within 60 days. Could send laws back once to the National Assembly for reconsideration—twice from 1937 on—for a period of 60 days each time	Within 15 days. Could send laws back once to the National Assembly for reconsideration	Within 15 days (5 days if urgent action has been requested). Can send laws back once to the National Assembly for reconsideration. Can refer laws to the Constitutional Court when a violation of legality is suspected
International representation	Represented Hungary abroad. Could conclude international agreements through his government, but parliament had to ratify the agreements	Represented the Hungarian state. Concluded international agreements in the name of the republic, but the government had to countersign them	The same as in 1946-1947

The presidential powers resurrected on the basis of Law No. I/1946—but which from the very outset were actually stronger than the "prototype," due to the inclusions of powers as commander in chief—have been further broadened somewhat since last year's elections. The president's term of office has been increased from four years to five, whereby his term of office no longer coincides with the term of the parliament electing him. That unquestionably enhances the president's political independence and thereby makes him more suitable for his power-balancing role among the branches of government. The expansion of his powers of appointment also point in that direction: Essentially members of the state administration's general staff receive their commissions at least partly from the head of state. Simply stated, appointments and dismissals require a certain consensus between the president and the government. Obviously

because of its precedent-setting value, the president's refusal to appoint the nominated vice presidents of Hungarian Radio and Hungarian Television has caused such consternation among the prime minister's entourage that Ferenc Kulin—and he is not being included explicitly among the "hawks" of the MDF—has been moved to make a thinly veiled demand for the president's resignation.

That demand, of course, can hardly be taken seriously. "Oxyacetylene training" in the 1950's—Goncz, a law school graduate, was forced at the time to earn his living as a blue-collar worker, including a stint as an oxyacetylene welder, before he was sentenced to six years imprisonment because of 1956—and his subsequent lifestyle as a self-employed person have molded the president into a too-independent-minded individual to

let himself be blackmailed by embittered ruling-party deputies. But unless he resigns voluntarily, removing the head of state from office by legal means could hardly be imagined in Hungary. Not just the prime minister, but also the president of the Republic is "cast in concrete" according to constitutional law. The president cannot be removed from office by a vote of no confidence. The only possible way of getting rid of him is to impeach him for violating the law. Although mathematically it is conceivable that a motion could be introduced to institute impeachment proceeding against the head of state who is becoming awkward for the coalition (the support of one-fifth of the deputies—i.e., of 77 deputies—is enough to introduce the motion), a two-thirds vote is needed to start impeachment proceedings. In view of the present balance of power within the National Assembly, it is very unlikely that such a vote could be mustered, even if a few opposition-party deputies were to join the governing coalition that accounts for 57 percent of the seats.

In the absence of a two-thirds vote, therefore, the institution of impeachment proceedings before the Constitutional Court, which could end in the president's removal from office, is very unlikely.

In addition to the undeniable uncertainties of constitutional law, other factors also are playing a role in the present Goncz-Antall conflict. Actually the two "high dignitaries" embody two different political styles and sets of values.

The authoritarian Antall wishes to appear the dignified statesman at all times. The plebeian Goncz seems a forlorn civilian even when reviewing an honor guard.

It is at least fortunate that on this occasion the two fairly contrasting dispositions cannot be treated as "tribal" conflicts of Hungarian political life, on the pattern of the populist-urbane, Christian-Jewish, and believer-free thinker stereotypes, and labeled as some sort of wily role-playing. Despite their common Smallholders past and Christian convictions, Goncz and Antall actually represent the two main rival political trends—national conservatism and generic liberal ideology, respectively—in present-day Hungary. This "prejudice-murdering" message of the Antall-Goncz duel is perhaps its most important.

[Box, p 6]

#### The President's Team

Compared with his "moderately strong" constitutional powers, a relatively modest staff is supporting the president of the Republic of Hungary in making his decisions. Not yet fully staffed, the Office of the President now numbers about 30 full-time officials, and its budget for this year is 30.7 million forints, says Karoly Szunyogh, the titular state secretary (aged 63) who earlier headed the office of interim president Matyas Szuros. The subdivisions of the office—the main departments for clemency, legal affairs, decorations, correspondence, and, as of 1 July, foreign policy; the citizenship department; and the group for handling confidential matters—have two or three officials each, and there is also auxiliary personnel (clerical workers, drivers, and so forth).

The council of advisers directly reporting to the president now has only two "external" members: Eva Voszka, a staff member of the Financial Research Corporation, advises the president on economics; Istvan Stumpf, a political scientist, a staff member of the Political Science Institute and the director of the SZAZADVEG Political School, advises the president on youth policy.

Not a part of the Office of the President but directly under his control is the office of the aides-de-camp. It consists of Colonel Rober Pick, the senior aide-de-camp, two aides-de-camp with the rank of colonel, and clerical personnel.

The Office of the President does not have a steward's department, accounting department, maintenance section, or press section of its own and "borrows" these services from the Office of the National Assembly. Andras Farago, the head of the parliamentary press office, is also the president's spokesman. According to our information, he will resign his position with the parliamentary press office on 1 January, when a separate press main department will be established within the Office of the President. "The further staffing of the office to reach the planned complement of between 40 and 45 officials will depend on how and when the National Assembly enacts legislation to regulate those functions of the president that at present are enumerated only in the Constitution," says Karoly Szunyogh.

**Solidarity Chief on Election, Union Issues**

91EP0650A Gdansk *DZIENNIK BALTYCKI* in Polish  
26 Jul 91 pp 1, 3

[Interview with Marian Krzaklewski, chairman of NSZZ Solidarity, by Marek Kotlarz and Wieslaw Walendziak; place and date not given: "The 'Solidarity' Identity"]

[Text] [DZIENNIK BALTYCKI] Mr. Chairman, what precisely is Solidarity at present? Is it a political party or a trade union?

[Krzaklewski] Solidarity is an increasingly professional trade union. We focus primarily on purely trade union activities, but we are aware that their effect will be incomplete unless there is a political situation in the country that is normal, from our point of view. I mean, of course, an efficiently operating democratic system. For as long as the process of decommunizing and building a normally functioning democracy in Poland is not yet complete, we must be responsible to a degree for the future of the entire country and the entire state because we initiated this process.

[DZIENNIK BALTYCKI] When you ran several months ago in the election of the chairman of the union, you maintained that the president and political parties that have grown out of Solidarity should engage in "pure politics." You argued that the trade union itself should concentrate on employee issues. How does this relate to recent announcements concerning Solidarity putting forth a separate ticket in the forthcoming parliamentary elections?

[Krzaklewski] We are simply implementing the resolutions and decisions of a congress to which you are actually referring. These resolutions are very often simply forgotten, and at times deliberately. It was precisely at that time, during the congress, that the decision was made for Solidarity to run in elections on its own. Later, various parties, including those which have grown out of Solidarity, began to speculate that we would perhaps abandon these resolutions, and that perhaps they might be able to treat the union as a convenient political support base. However, these were groundless speculations.

[DZIENNIK BALTYCKI] Why do you reject the possibility of fielding a single ticket together with "post-Solidarity" parties?

[Krzaklewski] We will field a limited body of candidates. It is possible that we will support individuals with Solidarity backgrounds and other individuals whom the union recognizes to have social authority or merit. It is also possible to merge tickets, which will ensure the concentration of votes for the Solidarity "crop." Nonetheless, the principle applies whereby we proceed to the elections without political parties, fielding a limited number of representatives. In special cases, when a regional board decides not to run a Solidarity ticket, it

may come to us supporting other tickets, once the National Commission makes a decision on this issue.

[DZIENNIK BALTYCKI] Perhaps so, but Solidarity has set for itself only the lower threshold of such "limitations." The upper threshold may be close to 100 percent of the seats in the future Sejm. In addition, this has to do with a certain philosophy of action. Do you not see that the latest actions of the National Commission are crowding the newly born political parties off the stage? After all, it is precisely parties that guarantee the efficient functioning of Polish democracy rather than Solidarity, something of a trade union, something of a party, and something of God knows what.

[Krzaklewski] Political parties, at least the largest and most ambitious ones, are perceived as extemporaneous tactical and personality constructs rather than ideological and programmatic options. As I see it, this greatly reduces the potential of these parties in elections. In addition, these parties, which do not differ in terms of intelligible and clear-cut programmatic criteria, fight each other very hard. This entails social consequences in the form of a very strong allergy to parties. The people will not vote for parties too eagerly in all this confusion, in this political cauldron. I maintain that it will be easier for them to vote for Solidarity, for an already proven establishment, a symbol. Are we supposed to run the risk, by withdrawing from the election, that our electorate will be taken over by someone from outside the Solidarity camp, and that the process of reforms will be blocked by postcommunist and quasicommunist forces?

[DZIENNIK BALTYCKI] We are now discussing certain tactical considerations. However, this is not an answer to the question concerning the identity of Solidarity. Are you a trade union on one occasion, and a political party on another, depending on the changing political situation? As early as May, you came very close to bringing down the Bielecki government. Meanwhile, in July you are putting on the mantle of those who run in the elections for parliament out of the feeling of responsibility for the state. With what slogans does Solidarity want to enter the Sejm? A free market and social welfare for all? After all, you have to answer these questions for yourselves when resolving to run in the election.

[Krzaklewski] The issue is not as complex as it appears to be. We need our own representation in order to effectively influence the legislative work of the parliament. Of course, I am referring to a broadly interpreted package of employee issues. We experienced this firsthand very painfully when previously we bestowed the name and support of Solidarity too generously and brought to the parliament people who do not feel a genuine bond with the union. Our drafts were not supported in the Sejm even by the theoretically "Solidarity-minded" deputies. The result was such that we had to wait more than two years for trade union laws! We still do not have a legal arrangement adapted to the current situation that would make it possible to regulate relations between employee

and employer. At present, labor conflicts are unavoidable, "lege artis [by all the canons of art]!" A clear-cut rather than obsolete framework and systemic arrangements are necessary in order for the labor conflicts not to destabilize the country. This is why we now want to promote genuine trade union activists to a decisive degree, though I would stress that not in 100 percent of cases. They must work out adequate legal tools for the trade union in the parliament.

[DZIENNIK BALTYCKI] However, Solidarity people coming to the parliament must grapple with the issue of reforming the [political] system and the economy of the entire state rather than just trade union legislation. Defending employee rights is not enough for an election platform.

[Krzaklewski] There are no apprehensions. If we secure good results in the election we will, in our well-understood own interest, share our success and tasks with other forces that have origins in the Solidarity movement. Facing an alternative—excessive influence of Solidarity or an excess of postcommunists, I choose the former without hesitation. Be that as it may, we were the ones to begin the process of rebuilding democracy in Poland. However, this process is still in danger.

[DZIENNIK BALTYCKI] You are behaving as if it were a foregone conclusion that Solidarity will enjoy a spectacular success in this election. Meanwhile, you are making quite a poor showing in preelection rankings. Why this confidence?

[Krzaklewski] For me, the first round of the presidential election was a good ranking that rated the chances of a traditional Solidarity bloc. I do not think that a lot has changed since. I am not at all confident of success. It is just that I think that success will be most likely when we proceed from proven symbols and forms rather than what, unfortunately, still appears quite fuzzy and unconvincing. If some party is popular in Poland to some degree, it is because of the faces of its leaders rather than the program it offers. This does not augur well. It is different in the case of Solidarity. At present, we do not have a wealth of "stars." The people will vote for Solidarity in its own right rather than for a particular politician.

[DZIENNIK BALTYCKI] You have said that there will be no well-known names on the Solidarity ticket, and that trade union activists will be there, among others. Their names are little known. May they simply be bad, politically weak names? Even now, the search for those wishing to go to the parliament on regional boards proceeds under the "grab-me-a-candidate" scenario. The most politically sophisticated people have left Solidarity for political parties. Now you will block the best with the help of trade union "mediocrities." Perhaps the National Commission will have complete control over the trade unionists elected to the Sejm; however, is this a sufficient reference to become a deputy?

[Krzaklewski] So, would it be better if the Communists win? So what if somebody is quite on the level if he does not have a chance in elections.... On the other hand, watching the latest battles of these politicians brings to mind a well-known verse from "Chopin's Piano" by Norwid. After all, I stressed in one of the first answers that individuals with social authority should appear on our ticket.

[DZIENNIK BALTYCKI] Therefore, in this case the participation of Solidarity in elections is not "a lesser evil," is it?

[Krzaklewski] No, it is a supreme necessity insuring us against the consequences of a transitional state.

[DZIENNIK BALTYCKI] This sounds strange from the lips of a trade unionist.

[Krzaklewski] You see, it would be strange if we were a purely compensation-oriented union, such as the OPZZ [All-Polish Trade Unions Agreement]. However, this is not the case. The purely compensation-oriented format has already outlived itself throughout the world, at least in the world developed to some degree. At present, the compensation-and-participation format prevails. From this standpoint, we are also responsible for the future of the entire state.

[DZIENNIK BALTYCKI] In view of this, why the strikes and protests in May?

[Krzaklewski] Precisely in order for the government to recognize us as a partner, a partner who is capable of sharing the responsibility for the state. Sharing responsibility also means creating and making decisions on various issues together. The government used our umbrella eagerly. However, it did not want to recognize factual arguments made during the talks while referring to a number of employee issues. We could not tolerate this ambiguous situation. We could not, because otherwise it would have ended in a defeat for the government and for us, and ultimately for Poland.

[DZIENNIK BALTYCKI] Did this arrangement change following the protests?

[Krzaklewski] Yes. We are not interested in protesting for the sake of protesting, like the OPZZ. We protested in order to work out a formula for solving acute employee problems constructively. We protested and at the same time offered a positive program. Of course, it is a pity that we had to go for actions so radical, but we had no choice. The most important point is that "May" opened the way for negotiations with the government, negotiations that are supposed to stabilize the situation in Poland rather than the other way around. We cannot evade political challenges if we want to be a modern trade union, especially when the fight is over whether we will live in a free and democratic Poland, or Poland ruled by post-Communists and their nouveau-riche distant relatives and sympathizers.

[DZIENNIK BALTYCKI] Thank you for the interview.

**Solidarity's Political Role, Unemployment Viewed**

91EP0650B Wroclaw SLOWO POLSKIE in Polish  
19 Jul 91 p 10

[Selected statements by Marian Krzaklewski, chairman of NSZZ Solidarity, recorded by Andrzej Grzelak at various meetings and press conferences; places and dates not given—first paragraph is SLOWO POLSKIE introduction]

[Text] Marian Krzaklewski, chairman of the NSZZ Solidarity National Commission, recently devoted several weeks to visiting various regions of the country. As he himself maintains, he likes traveling; besides, he wants to familiarize himself firsthand with issues characteristic of individual voivodships. He also visited Jelenia Gora Voivodship. At meetings and at a press conference he was primarily asked questions concerning the political and economic situation in the country. Here are several of his statements which we recorded on magnetic tape.

**Elections**

Information appears on the pages of the press to the effect that I maintain that the union should be apolitical. Journalists do not interpret my words very precisely. I have been talking all along about the nonparty rather than the apolitical character of Solidarity. We have 2.7 million members and more than 40,000 enterprise commissions. We have managed to attract a circle of outstanding professionals from many fields, and therefore we cannot pretend that political affairs are of no interest to us. Besides, we must be mindful of our traditions dating back to the early 1980's, and of the fact that we are guarantors of the process of democratic reforms. To be sure, the time has perhaps arrived for someone to take over this function, but so far such a force is not apparent. A contractual Sejm cannot play this role, whereas political parties have not yet evolved sufficiently, and they do not have ready, precise programs. I believe that they are transitional structures anyway, and proper political forces will only grow out of them. Under the circumstances, we will nominate our own parliamentary representation, in keeping with the resolution of our congress. We will sign something of the nature of a contract with each candidate to the effect that he will represent our interests. There is nothing new about this. Such arrangements apply in all democracies which have been successful. Some Western parties go even further. Future deputies sign blank acts of giving up their seats voluntarily, which are deposited in a safe, but if need be, become legally valid. We do not intend to use methods so drastic. We will restrict ourselves to revealing to public opinion that a given parliamentarian no longer expresses our views, should it become necessary. This will certainly influence the results of the next election.

**Unemployment**

Unemployment in Poland is primarily structural. The structure of industry has been imposed on us by the Soviet Union, in keeping with the political and economic

interests of that country. Enterprises cooperated among themselves and signed contracts, whereas final products went East anyway. The current array of industry was not designed for the needs of a market economy. The result is such that when the Russians do not want to receive our goods now, the closures of enterprises and growing unemployment are the consequences of it. Exports across the Bug collapsed not only because our customers have no money. This is merely a part of the truth. It is much more essential that trade between us has become an element of political blackmail. This is not just theory. This is borne out by the results of negotiations of an international nature, and even some statements by Soviet politicians. The USSR continues to be an empire, and Communists continue to rule there who are aware that the success of our democratic reforms depends on our economic condition, and not only in our country, but also in Hungary and Czecho-Slovakia. Soviet republics are also blackmailed economically. Lithuania buys our coal from the Soviet Union but at a price 1.5 times higher. Had Lithuania secured economic freedom, a large market for sales would have opened to us. The same may be said about its neighbors.

However, our government cannot stand by idly and wait until the Russians decide to engage in trade. So far, this appears to be precisely the case. As early as the end of November of last year, the government knew about the situation that has emerged, and specific restructuring plans should have appeared then. However, they counted on a miracle, on an abrupt improvement in trends. The budget was developed with this assumption in view. The results are now apparent.

We should begin to change the model of our industry as soon as possible. We should learn about the demand potential of Western markets and our chances for entering these markets. Let us not forget that in some countries, prohibitive tariffs and quotas introduced in the period when martial law was in effect in Poland still apply. Besides, Englishmen or Frenchmen will not be falling all over themselves right away to get our sausage or sweaters because they are used to other trade offers rather than because of their quality. Carrying out such a survey is not simple, but after all, enterprises should not be left to their own devices. The Ministry of Foreign Economic Cooperation must do something also. One thing is certain: If a company cannot sell its products, it should change its line of business rather than declare bankruptcy and lay off people. A number of obstacles stand in the way, such as an ossified banking system, but they should be overcome, keeping in mind the fact that a domestic market also exists. A number of enterprises behave at present as if it did not exist. Also, there are complaints that changing the line of business is costly, but in the meantime funds for restructuring remain unused.

**Privatization**

Solidarity functionaries are very frequently asked about the principles of privatization. It is felt that the people do

not understand these principles. Meanwhile, we are not the ones who should be answering. We should ask the fundamental question: Whose duty is it to implement the operation of privatization with money paid in to the State Treasury in the form of taxes from enterprises and private individuals? Of course, the government and its agencies. There are institutions set up specifically for this purpose, whose employees make good money and are not threatened by the ghost of unemployment. We are entitled to demand that these be competent and responsible individuals using regulations currently in effect and [meeting] social expectations. As a trade union, we should be interested in monitoring work; instead, they demand that we submit a model of privatization. We are doing this, but this is merely our proposal rather than doing the work of the people who are responsible for this process. We cannot have a monopoly on knowledge. Also, as chairman, I am not competent on many topics, and I do not at all intend to pretend otherwise.

Privatization proceeds as slowly as it does not simply due to the fact that individuals responsible for it make mistakes. We are implementing a process which has not yet occurred in history. An optimal model of ownership transformations must evolve. Nobody is going to give it to us as a gift, not even the best team of American or British experts. This model should be tested by life. Therefore, good examples of privatization are needed because bad examples may only cause reluctance on the part of society. Our task is to convince the people to allow privatization and the entry of foreign capital; this is a particularly sensitive issue at present. A certain psychological barrier has even appeared. At the same time, we should create our powers to control ownership transformations. Among other things, we should see to it that the people are not left without work, and that it does not happen that all members of the former management end up on the new board. A peculiar privatization arrangement accepted by all must emerge, which is not at all to say that everything must be a success, and that an element of risk is not involved.

I would like to state once again that the government rather than Solidarity is conducting privatization; meanwhile, the government behaves quite strangely as the parent agency of most companies. It was announced that enterprises are fully independent, and it was believed that this would solve all problems. People responsible for the economy look calmly on as individual enterprises declare bankruptcy. There have been cases when it was impossible to establish for a year and a half who is the director of a given enterprise, but the parent agency did not respond. I do not know whether the chairman of a Western concern would also allow himself the luxury of silence if he knew that a similar situation existed in one of his factories.

#### **Need for Government Oversight Highlighted**

*91EP0667 Gdansk TYGODNIK GDANSKI in Polish  
No 31, 4 Aug 91 p 3*

[Interview with Senator Zbigniew Romaszewski, chairman of the Senate Commission of Human Rights

and Rule of Law, by Aleksandra Ciechanowicz-Sarata; place and date not given: "A Conversation About Decommunization"]

[Text] [Ciechanowicz-Sarata] As far back as I can remember, you have always been independent. It very often happened, in the KOR [Workers Defense Committee] period as well, that you were in opposition to your friends. Sometimes you were in opposition to the present president, Lech Walesa. Where does this lonely sailing come from?

[Romaszewski] You define it in a very sharp manner. As far as independence is concerned, I was not the only one. There were many independent people. I am created in such a way that I have a limited inclination to compromises; the formation of a political group needs this particular skill. In a group, one has to have the capacity to turn a blind eye on divergences that exist among people. Today it turns out that the compromises made within groups actually destroyed the groups. The source of deep atomization of the circles lies, in my opinion, right there, in those compromises. I think that compromise is justified only in one case: when it is based on a deep, unambiguous strategic conception and on a similarly unambiguous conception of destination. I must say that until now I do not know a program created in such a way that it would convince me totally, and whose goals would be so important that I would give up my principles.

[Ciechanowicz-Sarata] Where does your antipathy to "closing the book" come from? It is very hard for me to connect this with a desire for revenge.

[Romaszewski] "Closing the book" is simply immoral. It frees a politician from responsibility to society. A normal, democratic country in which a politician is not responsible for his actions cannot exist. Any responsibility then does not exist. If we admit that the communists do not need to be responsible for the state to which they have brought the country, then Mazowiecki's government does not need to be responsible for this inheritance either. And, if Mazowiecki's government is not responsible, then why should Bielecki's government be responsible? Now you can see that "closing the books" grants absolution to everybody. Lack of responsibility in politics means disintegration of the state.

[Ciechanowicz-Sarata] But in our country, politicians were until now not responsible for their actions toward society. From what moment then must people be responsible for their public activities?

[Romaszewski] Politicians must start to be responsible from the moment in which we can make them responsible. This means from the moment when we took over power. We have to acknowledge at last the fact that the communist governments in recent years created law for themselves, showing contempt toward the common people. Therefore, they created a certain state of legitimate illegality. We cannot accept this as a normal state,

because at this moment every conformist, every charlatan, every person of ill intent, suddenly, through "closing the books," becomes a citizen with equal rights. Moreover, he starts from a much better position than the unfortunate fellow who fought for this Poland, for human rights, and for democracy. This cannot be. I am not talking about revenge, but about equalization of chances. I know hundreds of people who devoted a large part of their life to the fight for democratic Poland. Often they sacrificed their professional careers and, not infrequently, their family lives as well. And suddenly, in this new Poland, these particular people are knocked off. They still do not have chances, and the chances belong to those who in that past reality took care of their careers. They knew where and at whom to smile appropriately; they knew in which moment to join the party. One cannot accept this state of affairs as normal.

[Ciechanowicz-Sarata] You are one of the leaders of the Civic Committee. Not long ago a meeting of committees with the Center Accord took place. There were talks, among others, about an electoral alliance, which did not happen. Is this good?

[Romaszewski] The committees have very different political friendships. Where there is a very strong Christian-National Union, they have a good relationship with this party; where there is a strong Democratic Union, they have a friendly relationship with the Union. Voting regulations call for the formation of only one alliance on the state level, one on the provincial and election district levels. In this case, such alliances of the committees with the Center Accord would be very disadvantageous for the committees. I cannot say what role the Civic Committees can play in this election. But I am convinced that they should not participate in the election in such a general alliance. This is why the proposal by Jan Olszewski, that the committees should come out with a slate of a group of citizens, appeals to me the most. Parties which would like to be in alliance with the committees would be elected from this slate, not as parties but as representatives of these parties within the group of citizens. At this moment, the question of a party slate is not important as the voting regulations anticipated.

[Ciechanowicz-Sarata] Postulates on the creation of a strong country with a strong police and a strong army were proposed at the meeting. This sounded ominous.

[Romaszewski] It is true that without an explanation such statements can cause anxiety. The more so that slogans can be interpreted in different ways. I stand for a strong country and an efficient police. I emphasize: an efficient police, not a strong police. I would not talk about a strong army, because I do not know what it means in central Europe, but I would vote for an efficient army. Efficient in particular circumstances and for particular purposes. A strong state. I believe that one may use such a term, but it is necessary to define precisely what it means. The Polish People's Republic, as far as constraining citizens goes, was a strong state. Therefore I must emphasize again that such a phrase must be

defined. And it is also important that a strong state not suffer anarchization, or disintegration. And our state is operating with ever greater difficulty in the present organizational and personnel structures. State supervision is for practical purposes paralyzed at this moment in Poland. These are facts that must be changed. That is how I understand the creation of a strong state.

[Ciechanowicz-Sarata] How exactly must we repair the Republic, step by step?

[Romaszewski] Such "basic work" includes, among other things, that which I am doing, together with Czeslaw Bielecki, in Understanding Beyond Differences. I am thinking here of administrative reform. We have new political systems, new presumptions, new conceptions, but, unfortunately, the administrative structures are in no way in any shape to erect the new reality. It must be said quite clearly that administration was rather untouched after the revolution of 1989, and operates as it did in the era of the Polish People's Republic. One cannot build a democratic state in posttotalitarian structures. I believe that one cannot change administration, nor repair it step by step. It is necessary to create a completely new system that will be able to take over, at time zero, the administration of the state, in one day. I do not have a good opinion of our administrative personnel, who were educated in conditions known to all. This does not mean that that personnel is generally good for nothing. With the creation of appropriate frameworks and regulations, it will be possible to work efficiently with those people. However, the combination of the structures as we found them and the old personnel and the old regulations will cause the recreation of the old style of operation. Only a shock, an energetic change, can cause state administration to function efficiently.

[Ciechanowicz-Sarata] Now let's talk about the Office of State Protection [UOP]. Basically, no one really knows what that institution does, how many schools it has, and what kind they are. And no one knows if it still takes an interest in the citizenry, and [if so] in what way. What do you know about the UOP?

[Romaszewski] I must admit that I really am not capable of answering that question. However, I think that the vision of the previous epoch hangs over the UOP, as it does over the other institutions of central administration. The mere fact that no one knows how that institution works, what it does, and what its structure is, shows that technically it operates in accordance with the principles of the previous epoch. This is a violation of the citizen's fundamental right to information. I believe that, as far as the UOP, and the entire issue of the functioning of special services, are concerned, it is urgently necessary to work out three laws. First of all—and this is linked with the citizen's right to information—everyone must have access to his or her personal file, if that file is not secret due to the conduct of an investigation. It is not good when the minister of internal affairs scares us once in awhile by saying that files may contain falsified information, and that it is better not to

find out what is in them, because one might find out something terrible—not necessarily true—about oneself.

[Ciechanowicz-Sarata] But maybe this is so?

[Romaszewski] I don't know, but so far no specific examples of falsified information have been given. I know nothing about Mr. Minister bringing to court a case against some functionary for falsifying documents. We live perpetually in a world of guesses and speculation. And the simplest way to verify whether or not those documents are falsified is to give people access to their files, and not to blackmail them with the idea that they might contain falsified information. Moreover, we do not know who could someday use those files, and how. The access to personal files, and the possibility of correcting the information contained in them is, as I have already said, an indispensable civil right. One must fight for that access. It is necessary to clear up the whole cloudy situation. Another provocative matter is so-called state secrecy. The law on this is from the Stalinist era. According to this law, everything is secret or can be made secret. The second principle—which comes from the underground period, but is also not acceptable—is the principle of control of information. This means more or less that some people can know something that others may not. That principle is applied rather flexibly, anyway. It is time to regulate what is a secret and what is not. If a citizen cannot get information, it is necessary to tell him or her why not. And the third matter is the parliamentary supervision of special services.

[Ciechanowicz-Sarata] How should that supervision look?

[Romaszewski] In the United States, after several scandals, a top secret commission was formed in the Senate and House of Representatives. That commission decides what special services will get money for, and for what they will get nothing at all. The operation of that commission is based on close analysis of the budget. The budget is, after all, an unusually important matter in the supervision of administration and of special services. Here, we still do not have that supervision, though it exists in the entire civilized world. In the United States, budget analysis goes on more or less from February to October in both houses. Here, Minister Balcerowicz said that he will present the budget to the Sejm toward the end of July. I understand that Mr. Minister imagines that the matter will be taken care of in two weeks, because I don't think that otherwise he would present such an important matter to parliament during the vacation season. In normal countries, only two matters provoke and interest society: the budget and taxes. Here, those matters are somewhere on the margins. This must be changed; then I will have something more to say about the UOP.

[Ciechanowicz-Sarata] In your opinion, the UOP should pass an opinion on people fulfilling state functions. How would this look in practice?

[Romaszewski] This matter has been resolved in Czecho-Slovakia. One brings a certification from the appropriate institution to the effect that one has not ever cooperated with that institution. One may not submit the certification, and decline to try for a position. The certification reaches only those concerned. If one believes that the certification is wrongful, one may appeal to the courts about violation of personal property. They are talking about scandals in Czecho-Slovakia. However, as far as I know, none of the "injured parties" have gone to court about the violation of personal property, against an officer who put them on the list of agents against their will. And therefore the question arises as to whether those people were in fact wronged.

[Ciechanowicz-Sarata] To end our conversation: decommunization. This word also sounds rather ominous.

[Romaszewski] This is a word phantom. Such phantoms have multiplied of late. In such cases one should speak of facts. For example, about the fact that a voter has the right to know for whom he or she votes, and has the right to know the resume of a future deputy or senator. One must accept that, on becoming a public figure, one gains certain additional rights, and pays for this with a loss of anonymity. State functions are exceptional places, and the people who want to fill them must have exceptional predispositions. And everything which we are discussing is actually a conversation about decommunization.

#### Parties Said To Ignore Senate Elections

91EP0679B Warsaw POLITYKA in Polish No 34,  
24 Aug 91 p 5

[Article by Marek Henzler: "Let's Not Mock: Let's Also Elect the Senate"]

[Text] Certain political parties have declared in advance that they are interested only in elections to the Sejm and therefore will not nominate candidates for seats in the Senate. Other parties have not yet nominated such candidates because they expect that the victorious Solidarity coalition of 1989 can be duplicated in, at least, the campaign for the Senate seats. The news from the conventions already held by certain parties and groupings indicates that candidates for Senate seats are being practically "rounded up" against their will because a majority of the leading and best-known politicians, both national and local ones, have instead set their sight on seats in the next Sejm.

The experiences of the first Polish Senate after a hiatus of more than 50 years have been varied. Public opinion polls indicate that its prestige as an institution of political life is not too high. Many people even believe that the we do not need an upper chamber. Nevertheless, the Senate does exist and it has broad powers at that, such as the power to block the legislation already passed by the Sejm. Hence, the existence of the Senate should prompt the campaign committees of the parties and groupings to pay as much attention to nominating good candidates

for senators as they do to candidates for deputies. But somehow this is not happening.

The matter is all the more important considering that the new Senate will be elected according to the same laws as in 1989 but with one highly important difference, namely, without two rounds of elections. In 1989 as many as 20 candidates could compete for a senatorial seat but only those who won 50 or more percent of the votes could become senators after the first round, and only those with the next best vote totals were eligible to compete during the second round for any remaining vacant seats.

This year the winners of the most votes in a district (voivodship) will become senators, regardless of whether they win 60, 20, or even only 5 percent of the votes, because many similar candidates will be competing!

A catchy and demagogic program, generous local promises, or a big campaign coffer will suffice for the rise within the Senate (owing to the absence of other candidates) of a group of two or more dozen local demagogues desirous of senatorial rank but unfortunately lacking the qualifications needed for that chamber of the parliament, which is not for nothing called the upper chamber.

#### **Environmental Protection Agency To Be Founded**

*91EP0677C Warsaw RYNKI ZAGRANICZNE  
in Polish No 87, 20 Jul 91 p 4*

[Article by (Byt): "State Environmental Protection Inspectorate Founded"]

[Text] The need to save the natural environment has been a big topic in our press. Unfortunately, the available information indicates that its condition is hardly improving, and that it even continues to deteriorate in some of this country's regions.

Fortunately, a sizable segment of public opinion is by now aware of the danger represented to human health and nature by ecologically poisoned environment. Hope now exists that this long-discussed problem will be resolved by the Law on the State Environmental Protection Inspectorate, which shall soon take effect.

According to a draft of that law, the inspectorate in question shall be endowed with broad powers for ordering operating changes or shutdowns of the environmentally polluting industrial plants that previously remained outside appropriate control.

#### **Political Figures on Issue of Press Independence**

*91EP0679A Warsaw GLOB in Polish 24-25 Aug 91 p 2*

[Comments by political figures: "Independence Is a Fiction"]

[Text]

#### **Jacek Kuron, vice chairman of the Democratic Union:**

If we speak of independence as such, as an ideal, then of course we do not have an independent press. Even in a privately owned newspaper, when the boss's aunt wants to publish her poem in it, nobody will oppose her.

On the other hand, when we speak of the independence of competing political forces, that depends on the style of a given newspaper. There exist periodicals that attempt to keep their distance from various political forces and by this rule gain a readership. In Poland there is a need for a press of that kind. But even then it still would be dependent—on readers and advertisers.

Political independence exists when a newspaper does not support any of the existing political forces and presents competing viewpoints or publishes articles by journalists with differing views of the reality. Before the war my father used to work for a Wilno periodical, WIEK NOWY, for which he reported on the Spanish Civil War together with a fellow journalist. My father belonged to the Polish Socialist Party and was a supporter of "Red Spain," while that other journalist was a member of the National Democrats and a supporter of Franco. They would author dispatches and commentaries on the same day, and both would be regularly published in the same periodical.

A newspaper must take a position on issues, because people do not read uncommitted articles. The problem of preserving press independence consists in weighing rationales and verifying information.

#### **Stefan Niesiolowski, deputy from the Christian-National Union:**

In my opinion, press independence is in practice difficult to achieve. The problem is the same all over the world in that, after all, newspapers are established by individuals, and individuals have specific political views. In this connection, an ideally impartial newspaper is possible only if it ignores certain domains of political controversy. This means that all that is left is periodicals specializing in erotica, sports, sensationalism, or entertainment.... One can write, e.g., of Napoleon's romantic adventures without even mentioning his attitude toward Russia.

An independent political press is thus an ideal to which one should constantly aspire. Various approaches may be employed; e.g., articles by representatives of differing political views may be published. To be sure, it is no tragedy if some newspaper is inclined to favor a particular political option, because another will favor a different option. Readers have the right to choose the newspaper that suits them.

On the other hand, a periodical that presents opposing viewpoints distances itself equally from all. That, too, presents a certain danger. For example, treating equally a married couple with five children and the union of two homosexuals may meet with the accusation that the

newspaper concerned shows a lack of discrimination, that to it all ideologies are the same. But to me they are not.

Objectivism is a philosophy proclaiming—in my opinion—erroneously and harmfully that all views are of equal value and should be equally supported. For example, equal treatment of Christian ideology and ideology of hate should be unacceptable.

**Waldemar Pawlak, chairman, Polish Peasant Party:**

We can speak of press independence, or more generally of the independence of the mass media, in a situation when a developed democratic system indeed exists in a country, along with diverse political options presenting their own programs of action. They thus guarantee the stability and integrity of journalistic information by publishing differing viewpoints on the same page. The situation is otherwise in a country in which a single political force is predominant.

In general, the press should present information in conformity with the old motto of the BBC of presenting news, whether good or bad, so long as it is always true. But of course, as the occasion arises, personal commentaries, personal interpretations of events should be presented as well.

At times when I speak at voter rallies, the peasants ask me, "Mr. Deputy, how come we have to listen to Radio Free Europe in order to know what is really happening in our country?"

**Aleksander Kwasniewski, chairman of the Social Democracy of the Republic of Poland:**

Press independence is a condition that is so ideal that it of a certainty is present only in a better world or in the laboratory.

The press is dependent on various political forces, publishers, and the market, that is, the readership.

I wonder which Polish newspaper could be considered independent. I can only think of the weekly NIE, but on the other hand, it is entirely dependent on Urban [Jerzy Urban, former press spokesman for the communist regime, now the publisher of a sensationalist tabloid].

To me what matters more is whether it is possible for an independent press to exist, that is, for a non-one-sided press that avoids describing everything as either black or white and that distances itself equally from various forces, groupings, and individuals, and does not resort to lies. In my opinion, such journalism is possible, and such newspapers can exist, although Polish experience indicates that this is not easy. I fear that the next political campaign prior to the coming parliamentary elections will distance us even farther from such a situation.

Independence has to be fought for. An objective, courageous, and honest newspaper has a greater chance to succeed on the press market than does a newspaper lacking these traits.

**Andrzej Urbanski, organizational secretary, Main Board of the Center Accord Party:**

If we define properly the concept of the press, it turns out that every periodically is dependent on some financial or political decisionmaker. This is normal throughout the world. And it is the majority of the decisionmakers who decide whether the press—construed as a system of media—can be independent.

More often it is a journalist who is likely to be independent; there are no fully independent newspapers.

Many journalists hold to the naively liberal illusion that a press that is independent of everyone and in any situation can exist. This illusion was dispelled with painful effects in the case of the editorial staffs of several French and English dailies (including LE MONDE, LE FIGARO) when they tried to pursue their own policies.

If the Polish press system in its present shape is compared to other institutions of our democracy (e.g., to the parliament), I am gratified to find that our press is a leader in democratic changes. We have a broadly developed institutional independence of the media.

**Leszek Moczulski, chairman, Confederation for an Independent Poland:**

A specifically independent press is one that can raise issues that it considers right. Every periodical follows its own orientation and acts in accord with it. In the West the independent press is chiefly that press which is entirely independent of political and governmental centers. The press is indeed an organ following a certain policy; what matters is independence of political choice. THE WASHINGTON POST and THE WASHINGTON TIMES as well as USA TODAY support differing political views. These three are examples of newspapers that have not lost their political coloring. Another example is LE MONDE, which has chosen a specific political orientation and remains faithful to it. That is because opting for a particular political leaning does not result in loss of independence. Independence is lost once a newspaper begins to execute somebody's orders.

Likewise, the question of ownership of a newspaper does not preclude its independence. The owner not only engages in a business but also fulfills a social obligation. A newspaper loses its independence when it begins to publish articles to order. Of course a newspaper's dependence on the views with which it sympathizes should be distinguished.

**Second Half-Year Economic Forecast Presented**

91EP0663B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 1 Aug 91 p 1

[Article by Krzysztof Bien: "Central Planning Office Informs and Warns: Second Half-Year Economic Forecast"]

[Text] "The program of economic stabilization has reached its goal. I believe," said Minister Jerzy Eysymontt, chief of the Central Planning Office, at a press conference on Wednesday, 31 July, "that today that program in itself is not enough. It needs modifications. There is a certain risk involved, however. Changes in economic policy cannot be too radical. There is no way to activate economic instruments in a macroeconomic scale, to boost the economy, without raising inflation at the same time. It is, therefore, a political decision with risk. Today," said the minister, "I would opt for the risk of stimulating production, and to a certain degree also of stimulating domestic demand, on condition that it would be a controlled risk."

Minister Eysymontt outlined estimates and forecasts published in the newest CUP [Central Planning Office] document: "Report on the Economic Situation in the First Half of 1991, With Elements of Monetary Forecast."

Among positive factors the minister counted the following: growth of the private sector (its share in the whole industrial output rose to 19.4 percent), favorable tendencies in trade (increase in hard currency exports, lowering of trade deficit from about 300 million in the first quarter to 141 million at the end of June), and dropping inflation.

He devoted most of the time, however, to threatening dangers. "Dark elements predominate," he said. "The most significant among them are deepening recession in the state sector and a continued drop in production revenues. These are the main causes of budget difficulties. The budget deficit may not seem so great yet (about 13 trillion zlotys), but we have to keep in mind the amount of payment arrears and our inability to offset the lost budget revenues in the second half-year. Budget forecasting data turned out to be too optimistic. I said that already after the first quarter," the minister added.

The most interesting, of course, is the economic forecast for the second half-year. The following appear among the CUP estimates:

—Further decrease in average daily industrial output. As a result, its level may go down by 12-18 percent in comparison to last year's. Minister Eysymontt explained this enormous discrepancy in estimates for such a relatively short period by the adoption of two variants of economic development: a catastrophic one (a complete breakdown of trade with USSR) and a

negative one (continued tendency of the last two months to reorient manufacturers exporting to the East to Western markets).

—Maintaining the present rate of decrease in construction materials production, as a result of which production in this sector will drop by 12-14 percent in comparison with last year.

—A relatively small decrease in agricultural production. With a drop of about 4.5 percent in vegetable production and livestock production close to last year's, the total agricultural production may be about 2.5 percent lower than in 1990.

—A 25-percent drop in railway and road transport of goods in comparison to 1990. The only sector which will gain in total output, according to CUP, will be communications; the number of new telephones will go up by 227 thousand this year.

—Foreign trade deficit will reach 1-1.3 billion dollars at the end of the year. These estimates are based on MWGzZ [Ministry of Foreign Economic Cooperation] data. Minister Eysymontt would be more optimistic.

—The gross national product will drop by 8-12 percent. The high degree of discrepancy in this case is also explained by the adoption of different variants in estimations.

—The average minimum salary will increase by about 75 percent (in the scale of the year, in the main six sectors, it will be 1.8 million zlotys monthly, and in December this year 2.15 million zlotys). This means that, at the inflation rate of 80 percent, the real income will drop by about three percent in comparison to 1990. The drop in real income in the state sector will be about 5 percent. There will be an increase in the real value of social benefits. The real income in the first half of 1991 went up by 19.3 percent in comparison to the second half of 1990.

—In terms of real value, people's financial resources will increase, especially deposits in term savings accounts.

—The number of unemployed will reach 2.1 million by the end of the year, and 2.5-2.6 million by the first half of 1992. CUP admits, however, that it lacks accurate data regarding the number of unemployment beneficiaries who are really unemployed.

It is expected that by keeping basic budget expenses within the limits circumscribed by the budget law, the deficit could go over 60 trillion zlotys in a year.

Commenting on the forecasts Minister Eysymontt expressed a few reservations. The first was that there existed a great number of uncertainties. Besides that, great inertia of economic processes would not allow effects of actions already being taken (e.g. structural changes) to become visible this year. Further reservations concerned statistics. The picture of the economy in

figures was inaccurate because of the growing area of phenomena difficult to register by statistics. That was why forecasts were also inaccurate.

The minister, therefore, warned journalists not to give in to undue pessimism, which already predominated in press reports on Polish economy. "The press creates a totally black picture," he said. "I am the last one to call for censorship, but what good does that serve?" he asked.

### **Draft Law Proposes Power Network Monopoly**

*91EP0666A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 18 Jul 91 p II*

[Article by Antoni Kowalik: "A Monopoly With a Future: This Power Grid Has 33 Owners"]

[Text] (C) To whom should belong hydroelectric power plants, so-called peak-load plants, and the high-voltage transmission network? At present the spiderweb of these cables is divided among 33 power plants. On 17 July the Special Sejm Committee for Examining Certain Legislative Initiatives considered a draft law proposing the transfer of these assets to Polish Power Systems, Inc.

The purpose of that draft law is to regulate the status of power industry assets in connection with the restructuring of the entire fuel and energy complex being undertaken by the government. The adopted assumptions indicate that all the high-voltage power transmission systems should have a single director who would operate them on behalf of the State Treasury. It is believed that there should be a monopoly on these systems, which after all compose a single integrated national grid, and that the monopoly should be under state control. This is required by considerations of national power security.

For this very reason, as the rationale for the draft law states, the present division of transmission systems makes no sense. It was performed mechanically as part of the reorganization of the power industry during several preceding years. The power plants to which segments of that spiderweb belong became their owners quite fortuitously by entering in their records the parts present on their territory. It is thus an artificial division that lacks economic justification. What is more, such a fragmented transmission grid performs inefficiently and is an obstacle to the necessary investment projects.

As emphasized by the framers of the draft law, the present situation also conflicts with the current reorganization of the power industry. In their concept a major role is played by Polish Power Systems, Inc., a Treasury-owned joint-stock company that has by now been operating for a year with the object of distributing electrical energy and power nationwide. Yet as of now that company is neither the owner nor even the operator of the transmission systems as well as of the power plants regulating electricity and power supply during peak hours.

This rationale has not convinced some deputies. The question of considering the draft law at all was debated, especially considering that it says nothing about the company's future after these assets are legally transferred to its ownership gratis. How will such reorganization affect power costs, and is it a sound idea to transfer to that company also the ownership of the power plants?

Ultimately the arguments of Deputy Minister of Industry Andrzej Lipko prevailed: Postponing this law would impede the current restructuring of the power industry. Hence, a task force was appointed to refine the draft by, e.g., incorporating in it the reservation that the grid is to remain under state control.

### **Competitiveness of Toolmaking Industry Viewed**

*91EP0677A Warsaw RYNKI ZAGRANICZNE in Polish No 91, 30 Jul 91 p 8*

[Article by A.Z.: "Inter-Vis Faces Conversion to a Joint-Stock Company"]

[Text] A domestic market for the products of Polish toolmaking plants is practically nonexistent. The potential purchasers, that is, the state industry, lack funds. Tools for private purchasers are being imported from Russia at competitive prices, and Western producers, too, are offering them in a broad range of varieties in professional demand. The decline in domestic demand has been termed horrendous by Jerzy Markuszewski, who since last July has been the director of Inter-Vis, a company formed by 12 principal tool producers. The sole opportunity for the survival of the Polish toolmaking industry lies in exports.

Can the Polish toolmaking industry compete in terms of quality and price? It turns out that this is possible, and moreover marketing opportunities are increasing. Even now 80 percent of the output of the partners in Inter-Vis goes to foreign markets. To be sure, that output is steadily diminishing, but the proportions are not changing. To be sure also, the number of countries to which this output is exported usually ranges at 70 and sometimes even reaches 90, but the recession in the West is forcing Inter-Vis to keep trying to penetrate new markets as well as to explore ways of reviving the domestic market.

Director Markuszewski said, "We have no reason to feel ashamed of our products. The export barrier represented by packaging could finally be surmounted. Nowadays we lag somewhat behind our competitors only so far as the power tools group is concerned. Modern production lines and new manufacturing technologies nourish the hope of rescuing the Polish toolmaking industry, which is beset by the same ailments as the Polish economy in general.

"The first task posed by Inter-Vis to its partners was to ship on schedule to their customers. At present we can produce and ship any item in our catalog within not longer than three months from the date it is ordered.

Next, we are starting to work on establishing a nationwide distribution network. To this end, we are trying to persuade domestic wholesalers in every sector of the economy to cooperate with us. We also intend to change our status to that of a joint-stock company, because only this can make us competitive and serve to conquer foreign and domestic markets. We have just sold some shares in our company to the wholesalers cooperating with us, and we also intend to offer them for sale to those private and cooperative toolmakers who already are cooperating with us or intend to cooperate with us. We want to establish closer ties to the nationwide distribution of tools. After all, the present situation in which state enterprises have no funds to purchase our products, so that we have to rely on exports in order to survive, is untenable in the long run. We also want to win over the domestic market. There exists every opportunity for this so far as the partners in Inter-Vis are concerned. Hence it is now time to change the status of our company and in this connection it is time also for our principal shareholder, the State Treasury, to consent to converting our company to a joint-stock one as early as this coming fall. We have practically completed all the preparations for this conversion."

#### **Pessimistic Report on Gdynia Port Performance**

*91EP0677B Warsaw RYNKI ZAGRANICZNE in Polish No 89, 25 Jul 91 p 5*

[Article by (drzem): "Gdynia Port: The Statistics Look Better Than the Reality"]

[Text] Polish seaports have always quite faithfully reflected the situation of the Polish economy, especially as regards foreign trade. It is thus not surprising that analysis of the performance of Gdynia Port, the most important port to our foreign trade, for the first half of the year also is not optimistic.

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Altogether, in the first half of the year the volume of cargo handled by Gdynia Port totaled 3,798,000 metric tons, or 93 percent of the volume handled in the "lean" year 1990. Of this total, coal accounted for 606,000 metric tons; iron ore, 164,000 metric tons, other bulk cargo, 544,000 metric tons; grain (exports alone), 386,000 tons; crude petroleum, 235,000 tons; and general cargo, as much as 1,862,000 tons. Compared with the previous year the volume of coal and grain handled declined seriously, by as much as about 50 percent (in that group we have turned within one year from an importer into an exporter), while for iron ore the volume handled declined by about 27 percent. On the other hand, the volume of crude petroleum handled increased by 176 percent, that of other bulk cargo, by 6 percent, and that of general cargo, by 28 percent. So far as general cargo is concerned, almost all of it was in semibulk form.

The sole optimistic aspect of the situation at Gdynia Port has been the increase of about 5 percent in the volume of containerized cargo. During the first half of

the year the container terminal serviced altogether 244 ships and transloaded 643,000 metric tons of cargo, of which 525,000 tons in 44,790 containers (61,894 TEU [twenty-foot equivalent unit]). A total of 219,000 tons of containerized cargo consisted of import shipments (28,963 TEU) with export commodities (32,851 TEU) accounting for 306,000 tons.

The forecasts for the second half of 1991 also are pessimistic. Nothing points to an improvement in the situation. On 3 July for example, not a single vessel was handled at that port. The motor ship Aleksander Zawadzki, the sole vessel then docked there, was moored at a closed pier. Even the oldest Gdynia harbor hands cannot recall any such becalmed day in the past.

#### **Areas for Foreign Investment Listed**

*91EP0677D Warsaw RYNKI ZAGRANICZNE in Polish No 89, 25 Jul 91 p 8*

[Article by G.K.: "Joint Ventures in Poland"]

[Text] According to the Agency for Foreign Investments, by the end of this June it has granted 4,350 permits for the establishment of companies with the participation of foreign economic entities. The overall amount of foreign capital invested in these companies is US\$580 million, i.e., about \$133,000 per company. A total of 2,310 of companies of the joint-venture type has been granted legal entity status.

Most of the foreign partners in these companies derive from the FRG (1,330), followed by the United States (357), Sweden (339), Austria (295), the Netherlands (274), and Great Britain, France, and Italy.

The existing companies operate chiefly in the following fields:

- Multibranch material services.
- Garment and underwear industry.
- Trade with foreign recipients and suppliers.
- Fruit and vegetable industry.
- Manufacture of plastic products.
- Wholesale trade in consumer goods.
- Various services (advertising, translations, copying, etc.).

Quite a few firms of world repute have established companies in Poland:

United States—Johnson and Johnson, Coca Cola, Procter and Gamble, RJ Reynolds Tobacco, TRW, Philip Morris, Marriott, Hyatt, Hewlett Packard, Unisys, DHL, Levi Strauss, McDonald's.

Great Britain—ICI, Trusthouse Forte, ICL, Eastman Kodak.

Germany—Krupp, Dolomitwerke (Thyssen Hoechst), Siemens, Addidas, Esso (Exxon).

France—Alcatel, Pullman, L'Expansion, Socpresse (Hersant).

Japan—Minolta, Mitsubishi, Toyota.

Sweden—Ikea, Alfa, Lavel.

Austria—Billa.

South Korea—Hyundai.

Switzerland—Asea Brown Boveri.

#### **Trade Deficit, Unfavorable Terms of Trade Noted**

*91EP0677E Warsaw RYNKI ZAGRANICZNE in Polish No 89, 25 Jul 91 p 1*

[Article by Grazyna Kapelko: "Unfavorable Terms of Trade: Foreign Trade in the First Half of 1991"]

[Text] During the first half of this year the downslide of the economy continued in many ways; such is the conclusion suggested by analysis of figures on the country's socioeconomic situation.

That situation was influenced by the constraints on the domestic demand and the unfavorable terms of foreign trade, in which the means of payment have been markedly altered so that only 3.6 percent of exports and 2.4 percent of imports are still figured in rubles. This is a consequence of the switch to convertible currencies in trade with the former CEMA countries, as well as of the reorientation of foreign trade toward the EEC, initiated last year.

Exports to EEC countries increased by 28.3 percent compared with a like period last year, while exports to the former CEMA countries declined by 39.7 percent. Imports from these former socialist countries dropped by 39 percent, while from the EEC countries they increased by 104.5 percent.

The worsening of the balance of foreign trade (a negative balance of about 7.5 trillion zlotys) has chiefly been due to the faster increase of import prices (32.4 percent) than that of export prices (9.6 percent), and especially to the soaring prices of imported fuels and metallurgical products. This was bound to result in unfavorable terms of trade, with a negative balance of trade amounting to about 1 trillion zlotys. Had not it been for the unfavorable prices, chiefly in trade with the countries of the former CEMA, we would have ended the first half of the year with a substantial positive balance of foreign trade.

It is worth noting that the participation of small companies, foreign small manufacturers, foundations, and individuals in foreign trade is steadily rising. This a consequence of the structural changes in the Polish economy.

During the first six months all kinds of imports grew in volume, but most of all the imports of consumer goods.

This has resulted in a steep increase in their proportion in overall imports, along with an insignificant increase in the imports of investment goods and a decrease in the imports of producer goods.

Such a large volume of imports, chiefly from Western countries, has resulted in a US\$362 million deficit of current trade in convertible currencies—compared with a \$1,687 million surplus a year ago—along with a 655 million positive balance of trade in Soviet Union rubles [SUR] with former CEMA countries.

The level of our foreign debt has dropped by \$2.5 billion plus 0.3 billion in SUR, compared with the end of 1990. The favorable change in our hard currency debt is due to the rise in the exchange rate stemming from the appreciation of the dollar.

Although many positive changes in foreign trade are being anticipated beginning as soon as this July, in the present situation it would not be realistic to expect the balance of our foreign trade to turn positive by the end of 1991. Both the declining imports of consumer goods and the liberalization of trade with, chiefly, the USSR, will not eliminate Poland's trade deficit.

#### **Financial Problems Surrounding Food Reserves**

*91EP0677F Warsaw RYNKI ZAGRANICZNE in Polish No 92, 1 Aug 91 p 1*

[Article by Anna Lazarowicz: "What About Food Reserves?"]

[Text] The consequences of the austere monetary policy and "dear money" are affecting our entire economy. But while in the case of industry there are domains in which this policy should produce favorable effects, in agriculture it can be expected to produce negative consequences in many fields. One such field is undoubtedly food reserves, and the substantial differences ensuing from expensive credit are indissolubly connected to the nature of agriculture and related domains. Thus while in industry a buildup of inventories, whether of producer goods or products, can be viewed as an entrepreneurial error, in agriculture such occurrences are something natural.

For here we are dealing principally with extremely long production cycles that generally last more than a year. Moreover, many of the products are gained [harvested] just once a year, despite their year-round consumption. A simple consequence thereof is the need to stockpile reserves. An exceptionally high level of these reserves occurs on the farms themselves in the form of uncompleted production (planting of winter grain, animal husbandry, and livestock feeds). The food industry (as well as the food trade) must stockpile much greater reserves than other subsectors of industry.

Yet agricultural and food products differ fundamentally from most industrial goods in that neither farmers nor the food processing industry are, as a rule, able to offset

the high cost of credit by raising the prices of their products. That is because food prices are largely affected by factors unrelated to the inflation rate, for example, by the effect of weather on the harvest.

As a result the situation we are encountering this year is possible only in the case of agriculture. The procurement prices of most farm products have remained at the same level as last year—and in some cases are even lower—whereas the interest rate on farm loans exceeds 50 percent on the annual scale. This discrepancy between procurement prices and the loan interest rate is affecting most keenly the most modern and well-equipped farms, given their banking ties.

All this is affecting agriculture, which is able to a much lesser extent than industry to adapt its production structure to market needs. After all, even major investments will not, given the soil conditions, change the proportion of grain in the planting structure, and the harvested produce would still have to be purchased from farmers and stored. Given expensive credit, this can never occur in the absence of conflicts. After all, the command economy is no longer here and now the commanding or decisive factor is to be cost-effectiveness.

The nation's economic authorities are therefore left with a choice between adopting a preferential loan interest rate for farming and related domains, which requires budget subsidies, and refraining from such adoption and, as a result, causing a decline in farm output and exports as well as causing farm bankruptcies. It is necessary to answer the question of which is more inflation-spurring: loan subsidies for stockpiling food reserves or a decline in farm output along with increased imports of agricultural and food products in the not distant future? The threat of imports is no vain threat here. Last year the lack of funds for proper management of butter stockpiles has resulted in the present decline of 30 percent in butter output. Although we are now at the peak of the dairy season, there is practically nothing left to stockpile any longer, because output is almost ideally suited to consumption. But this means that in the coming fall and winter, given the seasonal nature of our milk production, shortages of dairy foods are bound to arise. Similar scenarios are conceivable for other agricultural and food products.

#### **POLITYKA Weekly News Roundup: 21-27 Jul 91**

91EP0652A Warsaw *POLITYKA* in Polish No 30, 27 Jul p 2

[Excerpts]

#### **In Our Country**

The Sejm adopted a new law on the education system. The deputies decided that the law should be preceded by a preamble with the provision that "universal ethical principles are the foundation of instruction and upbringing, which respect the Christian system of

values" (123 deputies voted in favor, 120 voted against, and 13 abstained). [passage omitted]

In a special resolution, the Senate called on the government to "institute verification under the control of the Ministry of Justice" to ascertain whether individuals seeking Sejm and Senate seats are on the lists of employees or conscious agents of the former special services of the Ministry of Internal Affairs and the Ministry of National Defense. Twenty-nine senators voted in favor of the resolution, 22 voted against, and seven abstained. [passage omitted]

The number of accidents in mining increased from 13,627 in 1989 to 16,078 in 1990, out of which fatal accidents increased from 88 to 111, despite a smaller work force and a decline in coal production. In Poland, the statistic of the frequency of fatalities per million tons of output amounted 0.75. In France, it amounted to 0.09, in the United States—0.12, and in Great Britain—0.24. [passage omitted]

The national election committee of the Union for Real Politics has been set up. Stefan Kisielewski has become honorary chairman of the committee.

The National Council of the Polish Social Democratic Union of Tadeusz Fiszbach resolved to dissolve the statutory authorities of the union.

LIST X, an organ of the Stanislaw Tyminski party, with, among other things, the article by the leader "To Win Poland," appeared at the Ruch newsstands.

The American Pepsi Company bought 40 percent of the shares of the Wedel plant in Warsaw for \$25 million.

A partner in the Polish company ART-B Boguslaw Bagsik purchased one-half of the largest Israeli oil company PAZ for \$85 million. According to the Israeli press, the purchaser brought \$30 million in cash from Poland in suitcases. [passage omitted]

The prime minister recalled the following [officials]: Franciszek Adamiak from the post of Lomza voivode, Jan Szczepanski from the post of Wloclawek voivode, and Leszek Lamparski from the post of the chief commandant of the police. The prime minister nominated Roman Hula to the last post. A protest action by policemen is still underway. [passage omitted]

The town council of Czestochowa resolved to allocate 200 million zlotys from the city coffers to help about 30,000 pilgrims from the USSR who are expected in the city during a papal visit in August.

The Belorussian Election Committee has been set up, which intends to field its candidates (Belorussians) in the districts, and will most likely form a coalition on the national lists with the Democratic Union. The writer Sokrat Janowicz intends to run for senator.

Between 11 and 14 August of this year, the Congress of Theologians of East-Central Europe will be held in

Lublin at the KUL [Lublin Catholic University]. The congress will hold proceedings on the topic of the church bearing witness in the totalitarian system of East-Central Europe. [passage omitted]

Studying at the first year of the Economic Academy in Poznan costs candidates who did not want to take admission exams 8 million zlotys. If a student admitted for paid studies passes all exams for the first year before the deadline, he continues to study free. The Warsaw Main School of Commerce (formerly the SGPiS [Main School of Planning and Statistics]) introduced fees for study by correspondence. Depending on the department, the fee is between 3.5 and 4.5 million zlotys per semester. [passage omitted]

### Opinions

**Franciszek Wasik, former voivode of Suwalki:**

*(In an interview by Tadeusz Mockun, KURIER PODLASKI, 12-14 July)*

[Wasik] On 21 June, I was summoned to the Office of the Council of Ministers. At that time, Messrs. Stankiewicz and Niedziela announced to me that the prime minister resolved to recall me from the post of voivode effective 24 June. They also leveled against me three, shall we call them, charges: unrest in the voivodship, the lack of a candidate for deputy voivode, and the failure to comply with "our" instruction.

[Mockun] This third charge sounds very serious.... Which instructions from the "top" did you fail to carry out...?

[Wasik] At the end of March, during a visit to the Office of the Council of Ministers, a highly placed individual—do not ask me who—stated:—Mr. Voivode, the people want bread and games. There is no bread, I would ask to arrange games. I refused.

[Mockun] What were these games to consist of?

[Wasik] Firing directors of the departments of the Voivodship Office as dictated. [passage omitted]

**Professor Dr. Andrzej Kwilecki, sociologist:**

*(In an interview by Jolanta Lenartowicz, GLOS WIELKOPOLSKI, 6-7 July)*

"Any new system develops at somebody's expense. In Western countries, capitalism developed due to exploiting colonies and exploiting their own workers, which Karl Marx analyzed and criticized in the 19th century. When a new system called socialism was introduced in Poland after World War II, this was done at the expense of the main social classes, for example, landowners whose estates were confiscated, or the owners of factories that were nationalized. In turn, the working class was built up, which was supposed to be a pillar of the new system. At present, Poland does not have colonies, and therefore, the emergence of the capitalist

system must occur at someone's expense. Those who were privileged previously, not only large-scale industry workers but also agricultural workers, lose. Peasants with little land also lose. The fact that the new system also emerged at the expense of such public institutions as education, health care, public communications, and the administration and their employees threatens the operation of the state. It is in these sectors that strikes occur. It is in these sectors that lamentations and complaints are heard."

**Professor Dr. Janusz Ziolkowski, secretary of state for foreign affairs in the Office of the President:**

*(In an interview by Stanislaw Marek Krolak, TYGODNIK GDANSKI, 7 July)*

"...The Soviet Union is going through a very, very difficult period, and any importunity on our part, any elements which cause any animosity between us, would have fatal consequences. The syndrome of frustration and aggression is known in psychology. The Soviet Union is frustrated, numerous spheres of power are frustrated, being aware of the loss of their sphere of influence in Central and Eastern Europe. Hence acts of aggression in the psychological sense, hence certain statements and even actions. We must do everything in order to restrict this syndrome, we should not do anything to develop it. While not giving up our principles and goals, we cannot afford to antagonize the Soviet Union, antagonize it absolutely needlessly."

**Father Prelate Henryk Jankowski, priest of the Parish of St. Bridget, Gdansk:**

*(In an interview with Marek Zieleniewski, WPROST, 7 July)*

[Jankowski] "...All I can do is stress once again the ancillary role of the church with regard to society. We would like an honest contest to occur with all norms of political culture upheld, we want all voters to learn about candidates for parliament and make appropriate choices in keeping with their conscience. Public premises are lacking in villages and small towns; a village administrator may fail to provide the use of an apartment, but the church will help.

[Zieleniewski] Is this to say that, for example, SdRP [Social Democrats of the Republic of Poland] candidates may conduct their election campaign in churches without hindrance as well?

[Jankowski] Well, I would not like to bring these functionaries to churches right away, but I do not believe that their access to halls for religious instruction would be difficult.

**Law on National Security Published**

91P20463A Bucharest MONITORUL OFICIAL  
in Romanian Part I No 163, 7 Aug 91 pp 7-10

["Text" of law promulgated on 29 July on the National Security of Romania]

[Text] The Parliament of Romania adopts the following law:

**CHAPTER I****General Provisions****Article 1**

The national security of Romania means the state of legality, equilibrium, and social, economic, and political stability necessary for the existence and development of the Romanian national state as a unitary, independent, and indivisible sovereign state, and for maintaining law and order, as well as a climate for the unlimited exercise of the basic rights, freedoms, and duties of the citizens in accordance with the democratic principles and norms established by the Constitution.

**Article 2**

National security is achieved by recognizing, preventing, and removing internal or external threats that can lead to attacks on the values stipulated in Article 1.

Romanian citizens, as an expression of their fidelity to the country, have the moral obligation to contribute to the achievement of national security.

**Article 3**

The following constitute threats to the national security of Romania:

a) plans and actions which aim at suppressing or diminishing the sovereignty, unity, independence, or indivisibility of the Romanian state;

b) actions which have as their goal, directly or indirectly, the provocation of war against the country, or civil war, the facilitation of foreign military occupation, subservience to a foreign power, or assistance to a foreign power or organization in carrying out any of these actions;

c) treason by aiding the enemy;

d) armed actions or any other violent actions which aim at weakening the power of the state;

e) espionage, the transmittal of state secrets to a foreign government or organization or to their agents, the illegal procurement or possession of secret state documents or data with a view to transmitting them to foreign governments or organizations or to their agents or for any other purpose unauthorized by law, as well as the divulging of state secrets or negligence in keeping state secrets;

f) undermining, sabotage, or any other actions which have as their goal the elimination, by force, of the democratic institutions of the state or which lead to serious violations of the basic rights and freedoms of Romanian citizens or which can adversely affect the defense capability or other such interests of the country, as well as destroying, damaging, or rendering useless the structures necessary for the proper development of socio-economic life or national defense;

g) actions which are detrimental to the life, the physical integrity, or the health of persons who have important positions in the state or representatives of other states or international organizations whose protection should be ensured while they are in Romania, on the basis of laws, treaties and conventions, as well as in accordance with international practice;

h) the initiation, organization, execution, or support in any way of totalitarian or extremist actions of communist, fascist, or Iron Guard origin, or of any other nature as well as racist, anti-Semitic, revisionist, or separatist actions which can endanger, in any way, the territorial integrity and unity of Romania, and the incitement to commit acts which can endanger order in the law-governed state;

i) terrorist acts, as well as the initiation or support in any way of any activities whose purpose is the committing of such acts;

j) attacks against a collective, carried out by any means;

k) stealing weapons, ammunition, explosive or radioactive, toxic or biological materials from units authorized to possess them, engaging in contraband of these items, producing, possessing, transferring, transporting, or using them under conditions other than those specified by law, as well as carrying arms or ammunition illegally, if this endangers national security;

l) the initiation or establishment of organizations or groups or joining or supporting them in any form, for the purpose of carrying out any of the activities enumerated in letters a-k, as well as the execution of such activities in secret by organizations or groups set up in accordance with the law.

**Article 4**

The provisions of Article 3 cannot be interpreted or used for the purpose of restricting or prohibiting the right to defend a legitimate cause or the right to register disagreement or protest of an ideological, political, or religious nature, or of any other type guaranteed by the Constitution or the law.

No person can be prosecuted for the free expression of his political opinions nor can he be the target of interference in his personal life, in his family, in his home or his property or in his correspondence or communications, or of attacks on his honor or reputation, if he does

not commit any of the actions that constitute, according to the present law, a threat to national security.

**Article 5**

National security is achieved in accordance with the laws in force and with the obligations assumed by Romania through international treaties and conventions on human rights of which it is a member.

**Article 6**

The state organs with functions in the area of national security are: the Romanian Intelligence Service, the Foreign Intelligence Service, the Protection and Guard Service, as well as the Ministry of National Defense, the Ministry of the Interior, and the Ministry of Justice, through specialized internal structures.

National security activity is organized and coordinated by the Supreme Council for the Defense of the Country.

**Article 7**

The Supreme Council for the Defense of the Country has the following functions in the area of national security:

- a) it analyzes the data and information obtained and evaluates the state of national security;
- b) it sets the principal guidelines for activity and approves the obligatory general measures for removing the threats specified in Article 3;
- c) it determines the methods for utilizing intelligence regarding national security;
- d) it analyzes reports and information on the method of applying the law on national security;
- e) it approves the organizational structures, staffing, and operating regulations of the Romanian Intelligence Service, the Foreign Intelligence Service and the Protection and Guard Service;
- f) it approves the operating expenditures for national security.

**CHAPTER II**

**Intelligence Activity**

**Article 8**

Intelligence activity related to national security is carried out by the Romanian Intelligence Service, the state organ specializing in intelligence within the country, the Foreign Intelligence Service, the state organ specializing in obtaining national security data from abroad, and the Protection and Guard Service, the state organ specializing in ensuring the protection of Romanian dignitaries and of foreign dignitaries while they are in Romania, as well as guarding their work areas and residences.

The state organs stipulated in the first paragraph are organized and operate in accordance with the law and are financed from the budget of the central state administration.

The activity of the state organs stipulated in the first paragraph is monitored by Parliament.

**Article 9**

The Ministry of National Defense, the Ministry of the Interior, and the Ministry of Justice organize their intelligence structures with functions specific to their fields of activity.

The intelligence activity of these organs is carried out in accordance with the provisions of the present law and is monitored by Parliament.

**Article 10**

National security intelligence activity is a state secret. Intelligence in this area can be communicated only under the conditions of the present law.

**Article 11**

National security intelligence can be communicated:

- a) to the president of the Senate, to the president of the Chamber of Deputies, as well as to the permanent commissions for defense and for ensuring public order in the two chambers of Parliament;
- b) to the ministers and the department chiefs in the ministries when the intelligence involves matters connected with the fields of activity which they coordinate or for which they are responsible;
- c) to the prefects, the mayor general of the Capital, as well as the heads of the county councils and the Bucharest Municipality council for matters which are within the jurisdiction of the respective organs;
- d) to the organs of penal prosecution when the intelligence deals with the perpetration of an infraction of the law.

The communication of intelligence is approved by the heads of the organs with national security functions.

The provisions of Article 10 on the protection of state secrets are applied, correspondingly, to all persons stipulated in Paragraph 1, letters a-d.

**Article 12**

No one has the right to divulge secret activities related to national security by taking advantage of unrestricted access to intelligence, the right to disseminate it, and the freedom to express opinions.

The divulging by any means of secret data and information which can be detrimental to the interests of national security is prohibited and the guilty parties will be held responsible in accordance with the law.

The provisions of paragraphs 1 and 2 do not affect freedom of opinion or the right of a person not to be interfered with in any way because of his opinions and the right to seek, receive, and disseminate information and ideas, by any means of expression, if these rights are exercised in accordance with the laws of Romania.

#### Article 13

The situations stipulated in Article 3 constitute the legal basis for requesting from the public prosecutor, in justified cases and observing the provisions of the Code of Penal Procedure, authorization to carry out some actions for the purpose of collecting intelligence, such as: intercepting communications, seeking information, documents, or records which must be obtained by gaining access to a place or an item, or opening up an item; taking away and replacing an item or a document, examining it, extracting the information which it contains, as well as recording, copying, or obtaining extracts by any procedure; installing items, performing maintenance work on them, and taking them from the places where they have been placed.

The request for authorization is formulated in writing and must contain: data on or indications of the existence of one of the threats to national security stipulated in Article 3, whose prevention, discovery, or counteracting requires the issuance of a mandate; the categories of activities which require the issuance of a mandate before they can be carried out; the identification, if known, of the person whose communications must be intercepted, or of the person in possession of the information, documents, or items which must be obtained; a general description, if and when it is possible, of the place where the authorized activities will be executed; the period of validity of the mandate requested.

The certificate of authorization is issued at the request of organs with responsibility in the area of national security by the public prosecutors designated for this purpose by the attorney general of Romania.

If the public prosecutor finds that the request is justified, he issues a mandate which should contain: the approval of the categories of communications which can be intercepted, and the categories of information, documents, or items which can be obtained; if it is known, the identification of the person whose communications must be intercepted, or the person who is in possession of the information, documents, or items which must be obtained; the organ charged with the execution of the task; a general description of the place in which the mandate will be put into practice; the period of validity of the mandate.

The period of validity of the mandate cannot exceed six months. In justified cases, upon request the attorney general can extend the period of the mandate by no more than three months each time.

Any citizen who believes that he is unjustifiably damaged by the activities which are the objective of the

mandate as specified in paragraphs 1-4 can address a complaint to the specially designated public prosecutor who is hierarchically superior to the prosecutor who issued the mandate.

#### Article 14

The mandate issued on the basis of Article 13 confers on its possessors or on the categories of authorized persons the right to possess and use the appropriate means for carrying out the authorized actions, without using physical or moral means of coercion, and also to be assisted by persons whose presence is considered to be necessary.

#### Article 15

In situations which require the removal of an imminent danger to national security, the activities mentioned in Article 13 can be undertaken even without the authorization stipulated by law which must be solicited as soon as possible, within 48 hours at the latest.

#### Article 16

The methods of obtaining intelligence necessary for national security must not be detrimental in any way to the basic rights and freedoms of citizens, their private lives, honor, or reputation, or subject them to illegal restrictions.

Every person is protected by the law against such interferences or disturbances. Persons who are guilty of initiating, transmitting, or executing such measures without a legal basis, as well as those who are guilty of the abusive application of measures for preventing, discovering, or counteracting threats to national security are held responsible before civil, administrative, or penal law, according to the case.

Any citizen who considers that his rights or freedoms have been violated by the use of the means specified in Paragraph 1 can notify any one of the permanent commissions for defense and the ensuring of public order in the two chambers of Parliament.

### CHAPTER III

#### The Obligations and Responsibilities of the State Organs and the Public and Private Organizations

#### Article 17

For the purpose of achieving national security, the ministries, all the other state organs, and the organizations of the public or private sector have the following obligations, according to the law:

a) to provide the necessary assistance at the request of organs with functions in the area of national security in carrying out the tasks assigned to them and to permit these organs to have access to data in their possession which can provide information related to national security;

b) to take the necessary measures for the application of the law on national security in the fields in which they carry out their activity or in regard to issues with which they are concerned;

c) to seek the support of organs with functions in the field of national security to take the necessary measures for implementing national security in their area of activity.

#### Article 18

The organs and organizations which are in possession of state secrets, in accordance with the provisions of the special law, or whose activity can be considered as threats to national security, on the basis of Article 3, because of the actions considered, will prepare their own programs for preventing leaks of secret intelligence and these programs will be submitted to the Romanian Intelligence Service for special concurrence.

In accordance with the law, the head of the respective organ or organization bears the responsibility for fulfilling the obligations stipulated in Article 17 and in Paragraph 1 of the present article.

The programs of the Romanian Parliament, the Ministry of National Defense, the Ministry of the Interior, the Foreign Intelligence Service, the Protection and Guard Service, and the General Directorate of Penitentiaries, under the Ministry of Justice, in order to prevent leaks of secret intelligence are exempted from the need for special concurrence stipulated in Paragraph 1.

### CHAPTER IV

#### Penalties

#### Article 19

The initiation, organization, or establishment on the territory of Romania of intelligence structures that can be detrimental to national security, support of them in any way, or membership in them, the illegal possession, manufacture, or use of specific means for the interception of communications as well as the collection and transmittal of intelligence of a secret or confidential nature, by any means, outside the framework of the law, constitute infractions and are punished by a prison term of two to seven years if the act does not constitute a more serious infraction.

Attempts are also punished.

#### Article 20

Carrying out without a mandate the activities subject to authorization under the conditions of Article 13, with the exception of those undertaken in the situations stated in Article 15, or exceeding the mandate given, are punished by a prison sentence of one to five years if the act does not constitute a more serious infraction.

The same penalty applies in the case of a functionary who divulges, rejects, or prevents in any way the implementation of the mandate issued under conditions specified in Article 13.

Attempts are also punished.

#### Article 21

Information on the private life, honor, or reputation of individuals that becomes known incidentally during the process of obtaining data necessary for national security, cannot be made public.

The divulging or use outside the legal framework, by intelligence service employees, of the data specified in Paragraph 1, constitute infractions and are punished by a prison term of two to seven years.

Attempts are also punished.

#### Article 22

The penal prosecution of the infractions specified in the present law is carried out by the organs of the office of the public prosecutor.

### CHAPTER V

#### Final Provisions

#### Article 23

The documents of the intelligence organs and of the organs with national security functions are kept in their archives and can be consulted only under the conditions of the law.

#### Article 24

The personnel of the Romanian Intelligence Service, the Foreign Intelligence Service, and the Protection and Guard Service are permanent military cadres and civilian employees.

The military cadres of the organs specified in Paragraph 1 have the rights and obligations stipulated for soldiers in the Romanian Army.

The provisions of the Labor Code and the other legal norms referring to their rights and obligations are applicable for civilian employees.

#### Article 25

The personnel specified in Article 24, Paragraph 1, who have operational functions, carry out activities that involve the exercise of state authority and have all the rights and obligations provided for them by law.

#### Article 26

Employees of the intelligence organs and of those organs with national security functions cannot belong to parties or other organizations of a political or secret nature and cannot be used for political purposes.

Persons who have been found guilty of actions directed against basic human rights and freedoms cannot work in the intelligence services.

**Article 27**

Employees of the intelligence organs and of those organs with national security functions have an obligation to keep state secrets and professional secrets even after they leave the service for any reason.

**Article 28**

The persons specified in Article 27, if they are called before the judiciary organs as witnesses, can give testimony in regard to actions and circumstances related to national security which they learned about while carrying out the functions of their job, and in connection with their job, only with the written permission of the chief of the organ to which they belong.

**Article 29**

As of the date that the present law goes into effect, any contrary provision is abrogated.

This law was adopted by the Senate at its session of 25 July 1991.

President of the Senate  
Academician Alexandru Birladeanu

This law was approved by the Chamber of Deputies at its session of 26 July 1991.

President of the Chamber of Deputies  
Dan Martian

On the basis of Article 82, letter m, of Decree-Law No. 92/1990 on the election of the Parliament and the President of Romania, we promulgate the Law on the National Security of Romania and order its publication in MONITORUL OFICIAL AL ROMANIEI.

President of Romania  
Ion Iliescu

Bucharest, 29 July 1991

No. 51

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