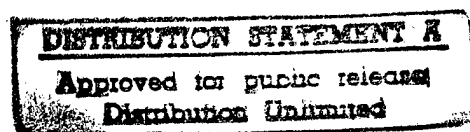




JPRS Report



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Berisha, Dede Contrasted on Country's Future

91BA0954A Berlin NEUE ZEIT in German
17 Jul 91 p 5

[Article by Ralf Schuler: "Old Dogmas and Ideologies Have Been Discarded in Tirana"]

[Text] The frontlines have become vague for the people of Albania since the government for national salvation was formed. Nobody knows for sure where anybody stands. In early July the former Labor Party newspaper ZERIT POPULLIT, which is also the paper of today's Socialist Party, made a sudden turnabout and started entirely unexpected attacks against President Ramiz Alia and Hoxha's widow Nedjmiye. From that moment on people were once again lining up at the newsstands and people were in a hurry to read the badly printed two-page paper right there on the sidewalk.

As far as the head of the opposition Democratic Party is concerned, however, there are hardly any points in common between his organization and the Socialists. This agile young politician, whose loud and emphatic voice can be heard all over the Democrats' headquarters, wants to draw a distinct line between himself and his coalition partners. His party wants to privatize all real estate as a matter of principle, he says; state ownership is a thing of the past. If afterwards some collective forms of organization would take shape once again, that would be something else. "The socialists still believe in socialism," Berisha believes. At their congress they never even went so far as to denounce Enver Hoxha, the Stalin of the Balkans.

If in Sali Berisha's opinion criticism is not far-reaching enough even within socialist ranks, he still respects such people as author Dritero Agolli, whom he considers to be a real reformer. The Democratic party chief describes the Democrats' influence in the current "technical government" as being significant. He does not see any danger of discrediting himself as a representative of the opposition by serving in a joint cabinet. "The real start of the transition to a new society will take place after the 1992 elections. Until then, there is only crisis management."

The Democrats stay in contact with almost all large West European and American conservative parties. Sali Berisha calls U.S. Secretary of State James Baker's visit "historic" because of Albania's load of guilt with respect to U.S.-Albanian relations. For the next elections the opposition leader predicts an overwhelming victory for the Democrats. During the last election he thinks that in

the end fear was the victor. Nevertheless, he believes that reform is more credible with the Democrats, though most of them had their origins in the Communist Party, because they resigned from it. In foreign affairs, Berisha is in favor of an open door policy. Recognizing Slovenia and Croatia is no special problem for him.

Spiro Dede is considered the head of the reform communists. The deputy chairman of the executive committee of the Socialist Party of Albania (SPA) is pleading for radical change. In his view the SPA is already a party of social democratic features, which seeks to emulate parties in the West. There is no middle way for Spiro Dede—the time of dogmas and ideologies is gone for good. His party strives for pluralism, property and a maximum of human rights.

Socialist Dede feels that his party's program is not all that different from that of the Democrats, except that his party wishes to give better protection to socialist ideals within the market economy. "The country must be handled with velvet gloves." Contrary to the Democrats' program, the SPA is not proposing an economic shock therapy, but rather a step-by-step transition to the market. The aim is to prevent an Albanian bargain sale at the expense of rising poverty.

For Spiro Dede there was no particular moment in time when he realized that communism was the wrong track. There had been quiet discussions going on for a long time, he says. The worst thing was, in his opinion, the opposite was always done to what the "adversary" did. "The result: equality in poverty." Enver Hoxha had many things going for him in establishing a dictatorship: centralist traditions, human psychology susceptible to revival, and last but not least the people's hopes. After the war Hoxha did away with all competitors and was in absolute control. He wanted to keep this power and could not let go of his dogma.

Spiro Dede sees an opportunity for joint efforts for the benefit of Albania in the new coalition government. The Democrats don't have any experience with democracy either, he believes. With all the tasks awaiting solution today, the Socialists are primarily interested in avoiding the creation of new monostructures. As an example, the license for importing automobiles must not be given to a single firm. Prospects are not as bad as they may look, says Dede. "We can produce vegetables starting in February and have as much sun and as many beaches as we need. We could turn into an example of the transition from a dictatorship to a flourishing democracy, but we need financial assistance from Europe."

ASO Leader on Role of Faction in BSP*91BA0897A Sofia DUMA in Bulgarian 20, 21 Jun 91*

[Interview in two installments with Valentin Vatshev, leader of the Alternative Socialist Association, ASO, by Angel Bonev; place and date not given: "The Leader of the ASO, Valentin Vatshev"]

[20 Jun p 5]

Who Feels Comfortable Within the BSP [Bulgarian Socialist Party]?

[Text] [Bonev] How many Mohicans are left in the ASO [Alternative Socialist Association]?

[Vatshev] Perhaps 1,500. However, we have no organizational department to keep constant track of the number of our members and sympathizers. We deliberately abandoned this method of establishing party affiliation. We set greater value on our work in the main party organizations because the ASO is also a cause—an increasing number of people are adopting our ideas without increasing our membership ranks.

[Bonev] Are you not leaning toward becoming a circle?

[Vatshev] Should we, instead, become a mass movement? I believe that, in addition to everything else, we should also be a circle, a place where an ideological commonality is forged. The difficulty lies elsewhere: Not only our own, but also the other reform trends are in a difficult situation because a large number of people in the BSP leadership consider us a warehouse for ideas: As long as it is filled with brain energy, it will be needed by the party.

[Bonev] This could hardly be the only reason for the diminishing functions of the reformers.

[Vatshev] Yes, we have diminished the functions because the high party leadership prefers to go slow when it comes to BSP identification. The question of "who is what?" has still not been asked, and the organized left can be established only after it has become clear who is what within the party. Unfortunately, today it is the communist preference for the Marxian legacy that prevails in the BSP.

[Bonev] Are you obstructed by the Marxist Leninists?

[Vatshev] Marxist leftists trends are a small vanishing quantity. However, they are skillfully speculating on the inertia in the political thinking of rank-and-file socialists. Furthermore, the bolsheviks who favor restoration have quite a large number of supporters in the high party leadership. That is why we insist that, at the forthcoming congress, the question be raised once and for all: "Who is what, and who is fighting for what?"

[Bonev] Do you wish a split within the BSP?

[Vatshev] No, we do not wish a split within the BSP, but we expect that at the congress a situation will develop in

which those forces will find their natural place, in one of the several Bulgarian communist parties. I am certain that they, too, are needed by society, particularly considering the existence of an extreme right. Our country will become a civilized country when the extreme left in the BSP and the extreme right in the SDS [Union of Democratic Forces] balance each other.

[Bonev] How is it that this has not occurred to the high party leadership?

[Vatshev] The high party leadership is still trying to solve the metaphysical problem of how to achieve a balance among all ideological trends. This is absurd! I cannot understand how ideological trends such as the ASO, which contributed to the formulation of the new BSP platform, could be equated with trends similar to Marxist alternatives, the main purpose of which is to take the party back to the period that preceded the 14th Congress.

Yet the party leadership keeps sticking to the formula of change and unity. Because it is not clear whether this means a change within unity or unity within change, in the final account, the leadership has taken up the slogan "There are many of us and we are strong!" This is a clear repetition of the past, when the BCP was believed to be the only force in society. We can no longer win votes with this slogan and with a raised fist.

[Bonev] Would you at least grant anything to the Marxists-Leninists in the BSP?

[Vatshev] We are the last to want to expel them from the party. It is rather they who would like to get rid of us. Their representatives in the BSP leadership do not miss any opportunity to question the right of a faction to exist within the party.

Already last year the party had the opportunity to hasten its ideological identification. Instead, its leadership decided that unity had to be maintained at all cost. The apparat did marvels to be able to shelter under the same roof consistent bolsheviks and socialists. The result was a huge party short of intellectuals and workers. Some of them joined the BSDP [Bulgarian Social Democratic Party], while others are twisting in the air among the various parties.

Meanwhile, those who remained in the party include all retired State Security colonels, the generals from the Ministry of National Defense, and the members of the former *nomenklatura*. This was the price we had to pay for the sake of having a big BSP. Today, the party looks impressive but has no influence on the development of events. Its initiative is reduced to sponsoring various meetings attended by numerous people, but people who are weak.

[Bonev] What is the solution?

[Vatshev] The solution lies in the gradual destratification of the BSP. If we consider that the ASO is the rightmost

peninsula on the BSP continent, then the leftmost peninsula is the one that is sheltering Marxist groups favoring restoration. The only salvation will be if, at the forthcoming congress, we are able to separate their peninsula: Let them take it even further to the left, to a place where one or two communist parties already exist. That is not to say that the dream of the ASO is to expel the ghosts of our communist past. We are merely trying to persuade them to find their own natural place. They will never be comfortable with us.

[Bonev] Could it be that they have the same kind of plans as far as you are concerned?

[Vatsev] Naturally, they are still within our party, with the sole expectation that, at the forthcoming congress, we shall disappear with the sound of the "International."

[Bonev] Would it not be preferable for you as well to abandon the BSP?

[Vatsev] Why? We are within our own party because we firmly support the BSP platform, which is not a communist one. That is precisely why it is being attacked daily, since the last congress. It is we who established the ideological climate in the BSP. The ASO proved that it is able to swim in a stormy sea. We learned how to handle the helm, to properly determine the course and even see beyond the horizon. We can sense the trends of the future, and, for the time being at least, we have been accurately identifying the vector of progress. Although quite nervously and with restraint in some cases, we are indicating the direction to be followed by the BSP in its development. Without us, the party would vegetate.

[Bonev] You are not very modest.

[Vatsev] Yes, modesty is not something we have a great deal of. However, we have earned the right to speak about ourselves that way because, if there has ever been an abused trend within the BSP, it has been ours. On a number of occasions we were suppressed and tricked, and we not only survived but also managed to draft 80 percent of the present party platform. Who, therefore, is more at home?

Something else is regrettable: We are still building a home for socialists while, in one of the back rooms, there are those who are organizing a communist party and hammering the ideological weapons for a possible return to power at the forthcoming congress.

[Bonev] Is this the main thing that will happen at the congress?

[Vatsev] No, this will be a congress for the identification of the BSP. However, it will also include strong factional clashes. This is not a question of personality clashes but of the inevitable transition from revolutionary to reformist Marxism, which began with the change in the party's name. Currently, its leadership has at least two centers. The first is promoting ideological purity but displaying a certain inertia and an academic attitude. The other is strongly pragmatic but occasionally borders

on lack of principles. The party would be greatly destabilized if either of those two were to prevail.

In the power field between the two centers, for the time being, the political middlemen are shuttling: Some of them will join the future BSP leadership. In the course of time, a new team of managers will be established, which will be able to pursue the conversion to a socialist party.

[21 Jun p 4]

Society Is Rife With Revolutionaries

[Text] [Bonev] Could we wake up one morning to the cry "The power is on the street, let us grab it"?

[Vatsev] Easily. Today in Bulgaria, power and ownership are being redistributed very quickly, almost explosively. No more than part of the power was redistributed during the previous elections. This was followed by the redistribution of the corresponding part of ownership. Because the ambitions of the redistributors are increasing, the question of the redistribution of power arises once again.

[Bonev] Among which forces?

[Vatsev] The main forces are four. The first say, "We shall yield nothing; just dare to take it away from us!" These are few, and their influence in society is weakening. However, they still have a powerful ideological machinery at their disposal.

[Bonev] Could you be a little bit more specific?

[Vatsev] This applies to part of the *nomenklatura*. While we, the rank-and-file members of the BSP, are arguing with the supporters of the SDS as to who is the booster of the change, we forget the third and very important subject of change: the *nomenklatura*. Since the mid 1970's, the *nomenklatura* has persistently worked to develop a new social quality. It still has interests that link power to ownership, sanctified by the true Marxist-Leninist ideology. The bearers of such interests are the extreme left bolshevik-restoration trends within our party.

The second force is also relatively small, but it, too, uses very good means of propaganda. Its interests are steadily promoted by the newspaper DEMOKRATSIYA and the almost full power of television, which is owned not so much by the SDS as by the dark-blue SDS. This is the group of blue revolutionaries, the blue bolsheviks. Their slogan is: "You came with nothing, you will leave with nothing!"

[Bonev] Is it we, the viewers, who remain in the middle?

[Vatsev] We are not merely viewers. There are those who realize that the redistribution of power and ownership is inevitable and progressive. The only thing we would like—and the ASO considers itself part of this group—is for everything to take place at the necessary speed but without explosions and revolutionary clashes. That is

why we support the peaceful transition, realizing that this concept may also be concealing different interests.

Also among the rest are the moderate forces within the SDS who want change but do not want it as a consequence of revolutionary actions. This group supports the principle of "we shall assume the power because it is owed to us, but not by shedding blood!"

Today there are two forces struggling within our society: those of the revolution and those of the counterrevolution. In between are the reformers, who would like all actions to take place legally, democratically, with the participation of the parliament. Such forces may be found within both the BSP and the SDS: They are bound to reach an agreement for the sake of preventing bloodshed in Bulgaria at the end of the 20th century.

[Bonev] What do you anticipate?

[Vatsev] I anticipate strong revolutionary upheavals. Our society could be considered totalitarian only as an object. As an organization of subjects, it is totally unstructured, almost on the level of a protoplasm: You can cut an amoeba into two halves and you have two amoebas. We sliced the totalitarian party-state, but the party retained its ability to convert into the state. Recently, the party leadership discussed how to assemble the property of the BSP under the same roof, by creating a supervisory council that would control the party's property. In this manner, however, the party once again goes back to being the state. The same phenomenon may be noticed in the case of the state that has begun to create a party. The property claim filed by Minister Ivan Kostov is an attempt by a party functionary to solve party problems with the help of the state.

[Bonev] Is it possible that we are going back to the time of Aleko [a 19th century satirist]?

[Vatsev] We still have not eliminated it. Remember the explanation of his character Bay Gan'ov: "I do not need power. Just let me run the Salonika Customs House!" Wherever power and ownership are not separated, there is no civil society. There is a state, but it is not a law-governed state. That is why I am waiting for the latest nondemocratic spasm within society. I fear that the avalanche of events will force the head of state, despite his deeply felt democratic convictions, to limit democratic rights. Revolutions are soft only where a civil society is sufficiently developed. Ours is a weak society, for which reason we have always been threatened by epileptic revolutionary fits.

Today Bulgaria is full of revolutionaries, blue and red. The problem is not that we have left and right forces. The problem is that it is the extreme left and the extreme right that come to the surface. These are people who would like to do good but are resolved to it whatever the cost. The revolutionary says the following: "I will do you good even if I have to tie you up," frequently operating according to the principle of "Did you understand me or do you want me to hit you again?"

[Bonev] Such people existed in the BCP, but how did they appear in the SDS?

[Vatsev] Within the opposition, generations change quickly. Initially, there was a small group of dissidents around whom the opposition crystallized. Now, however, comes the team of professional revolutionaries. They push away the initiators and take power within the opposition. For example, Ecoglasnost kicked out the founders of the movement. Some of the founders of the SDS, as well, have been isolated.

Should they succeed in achieving their objectives, the blue revolutionaries would be equally doomed. They would be gobbled up by the blue *nomenklatura*: the new collective subject of power and ownership, supported by the extreme right within the opposition. This process will be accelerated with privatization, which appears to be a lengthy and painful process. However, even the present structure offers adequate opportunity to combine power with ownership ambitions, coded blue.

[Bonev] Could this be the reason for which it seems that the people no longer object to a firm hand?

[Vatsev] Yes, all the necessary components for an anti-democratic spasm exist. More and more people are becoming poor. Recently, a high state official mentioned with satisfaction that the people are welcoming the reform with stoicism and understanding. I am sure that the people are simply confused and are no longer reacting to anything. The barrier provided by social criticism is being perilously removed. Today, the people are ready to follow just about anyone who promises any kind of small hope, even if fictitious. The social consciousness has become extremely ideologized. We rejected one vulgar ideology but filled its place with several other ideologies, equally vulgar. Meanwhile, extreme ideologization is preventing individuals from understanding what is happening and thus makes them easy to manipulate.

Elements of a fascist-leaning ideology have appeared. The syndrome of seeking a national culprit is quite typical. In the 1930's, the fascists in Germany pointed at the Jews. Today, in our country, the people are looking for the "guilty concealed communist," who is continuing to suck the blood of the people.

[Bonev] Could the armed forces intervene?

[Vatsev] I do not expect a military coup, but I fear that our way to Europe may go through Latin America.

There is a sufficient amount of fuel that could be used for destructive purposes. Meanwhile, the ruling elites are continuing to hold property and power in a highly concentrated manner. It is no accident that, ever more frequently, the Bulgarian people are thinking of a firm hand.

Problems at Kozloduy Nuclear Energy Plant

91BA0951A Sofia SVOBODEN NAROD in Bulgarian
20 Jul 91 pp 1, 8-9

[Unattributed article: "Bulgarian Work Plus Nuclear Power Equals Catastrophe"]

[Text]

Our Piece of the Nuclear Pie

Of late, Europe has become concerned about our power plant, from the viewpoint of its own safety, it is claimed. The concern of Europe, the International Atomic Energy Agency (IAEA) of the European Parliament, and a great variety of governmental circles (mostly in Germany and Austria), as well as nongovernmental organizations and foreign journalists, pleases our power industry managers instead of making them feel ashamed. Europe will be giving us aid, which, to begin with, means that a number of governmental officials of various levels will be traveling around the world singing "Give Something to the Poor Bulgarian Nuclear Power Industry." It is thus that decades of a lack of principles, a lack of clarity, and incompetence in our power policy will end with begging enhanced to the rank of state doctrine.

"Interest groups" are being formed within the Committee for Power Industry and in circles related to it, based on the foreign languages they know. Those who speak French are in touch with Electricite de France; those who speak German, with Siemens; those who know English, with Westinghouse. Those three giants of the international nuclear army are interested in our impoverished country and do not fear in the least our desperate economic condition. The reasons for this are several.... On the one hand, the Western public questions the value of nuclear power plants and does not want them on its soil, for which reason the big fish have started looking eastward, where the less safe Soviet equipment can be replaced effortlessly. On the other hand, fears about investment risks do not apply here because investments will be guaranteed by the government, and all governments need electric power. A longer range prospect will come about after the cheerful period of generous credits—the money will have to be repaid. How will we do that with our poverty? Very simply: We will build a nuclear power plant based on the principle that two reactors will work for us and two for the foreign benefactor. We will export the cleanest part, electric power, and keep the dirtiest, radioactive waste. It is a matter of time because, in the West, people have become accustomed to thinking in terms of decades, while, in our country, we are plugging the holes to last a year or two, feeling like national heroes. Considering our present policies, it is only a matter of time before we wake up one day with an American project for Belene and perhaps something else, as well.

The question of the future of our nuclear power industry is exceptionally important and may not be resolved by a single individual or within narrow party-departmental

circles, as has been the case so far, because anyone can see what this led to. In terms of the development of this sector, we have neither clear assessments nor a clear prospect. The past confidential and secret solution of problems related to the Bulgarian nuclear power industry caused tremendous harm not only to the sector but also to the country's economy, the safety of our power system, and our own safety. Therefore, we cannot confidently determine how much was spent and what revenue was obtained. One Energoproekt document indicates the following cost of electric power (in leva per megawatt-hour [mwh]) from the various types of power plants operating in our country in 1991, with a 15-percent interest rate on capital investments. The most expensive is the electric power generated at the VVER-1000 [Water-Water Nuclear Reactor] (the fifth block of the nuclear power plant), 366 leva per mwh [words missing] at the lower level of safety). The cost of imported electric power is 337 leva per mwh; power generated by thermoelectric power plants using natural gas costs 132 leva; and power produced with coal, 65 leva [diagram not reproduced here].

In this case, it is a question of installations as they are now, ignoring the requirements of generating ecologically clean thermal power, and the stricter safety requirements governing nuclear power plants. Expenditures for increasing the safety of nuclear power plants are indeed huge because they must include funds for the creation of a national dump for highly radioactive waste, facilities for processing low radioactive waste, the cost of maintaining the reactors (according to some assessments, this last item alone doubles the necessary capital investments, yet it is precisely this that accounts for the [words illegible]).

The fact that the nuclear power industry is an expensive pleasure from the purely economic point of view is frequently forgotten. No one has computed the cost of electric power if we take these expenditures also into consideration. No one knows how this price will affect the production cost of all Bulgarian goods we will be buying.... No one can guarantee that the extremely expensive nuclear power industry will not become a factor that, from a purely economic point of view, will be dragging down the country's economy.

Actually, in our circumstances, the economic inefficiency of nuclear power is a legitimate [words missing] crime, which has gone on for many years. The most typical is the example of the fifth block: The solution to include a unit power of 1,000 megawatts [MW] in our power system (with a maximal winter consumption of about 8,000 MW and a summer minimum of about 3,000 MW) is technically illiterate. Any student can tell you that this makes the system unstable because a single block must not account for more than 7 percent. If a 1,000-MW block is suddenly turned off, there is no way to compensate for it, and the only possible solution is to cut off population power supplies. This was a fact our leaders knew when they signed the delivery contract, but, to this day, no one has held them accountable for the

economic crime of "destabilizing the power and economic system of the country for many years into the future."

Also noteworthy is the question of "compensating for disconnecting the 1,000-MW block through imports." To this effect, with a great hullabaloo, we had undertaken the building of a 750-kilovolt cable along which, should the 1,000-MW block be disconnected, electric power was to be imported from the USSR. The cable was laid, and it was used by the USSR to export electric power to Turkey and Greece (from which, in turn, we imported power last winter and are repaying it now)! Currently, this power cable is mostly turned off because it is doing more harm than good. Even so, we are regularly paying the transit fee as a result of our short-sighted foreign trade activities. No one has undertaken to compute the price of these and all [words missing]. Nonetheless, such losses exist and are borne by our entire economy and by each of us individually.

The purchasing of industrial equipment in the practical planning stage deserves a separate study. This is a question of that same "1,000 block," which is almost an experimental model: It has been the subject of nearly 2,000 (!) new and untried technical solutions. The block has another weakness, which is being mentioned by specialists fearfully and in whispers: the steam generators. Their life span should be as long as that of the entire system (30 years). However, it may turn out that it is between four and seven years. At present, special procedures are being applied, after which the defectoscopic investigation will start. If defects are discovered, there is a real possibility of radioactive pollution of the environment (the breaking of a pipe and increased pressure in the steam generators lead to the opening of the safety valves, and the steam from the first cycle is released into the atmosphere). Consequently, for safe exploitation, the steam generators will have to be replaced. This is an operation that has never been performed in our country and that is technically very difficult. (We do not know at which point or how the steam generators will be taken out; the fact that the repair personnel will suffer excess radiation is a certainty.)

The plan does not call for the possibility of such a replacement, and no one knows how it will take place—perhaps by tearing down the walls.

Who will assume the responsibility [words missing]?

According to Law, the Power Plant Should Not Be Operational

Vladimir Volkov, inspector from the Committee for the Peaceful Utilization of Nuclear Energy [KIAEMTs] (a state supervisory authority for nuclear and radiation safety):

"Relations within the power plant are of a feudal nature: The people are managed with whips and bonuses. I, personally, turned off block No. 6 because the people were ready to turn it on without any testing using the

Seyval system. (This consists of more than 200 gauges to determine the level of radioactivity in the work premises.) From the dosimetric worker to the plant director, they were all lying to me, claiming that the test had been conducted, because they knew that Aleksandur Tomov had said that the block must be switched on in June. They knew that they would be paid only if they carried out the order of the government. Meanwhile, as an inspector, I had to stop the power plant because, according to our laws, it should not have been operational."

The Kozloduy NPP [Nuclear Power Plant] Is Girding for Battle

To the personnel at Kozloduy, it is all the same whether it is hell on earth or not. Inspections are expected, several of them, by foreign specialists, not only in the old part of the plant (the I-IV VVER-440 blocks) but also in the new part, the two 1,000 blocks (the sixth VVER-1000 block). That is why everywhere premises are being repainted and electric bulbs replaced along with taps for water pipes. Particular attention is being paid to the elevators (the first time it entered the elevator, the IAEA mission, which issued its recommendations that the blocks in the old part be stopped, got stuck in it) and to the lavatories (which stink beyond compare). Work is being done on blocks five and six, including on Saturdays and Sundays, while the trade unions look elsewhere. Here people are used to the socialist initiative of "get going, comrades."

Let us hope that, when the foreigners come, there will be enough water for taking baths because here we have either only hot or only cold water, naturally. That is unless there is no water at all. Probably when the foreign mission comes, the food in the cafeteria will become almost edible. The foreigners will be provided with their own transportation from the city to the plant because, if they were to take the bus used by the workers, they would begin to ask themselves whether after such a trip one could still work.

One of the private companies in the city is probably already improving the hotel. Here the private companies are owned by socialist managers from the plant, who earn good livings. Thus, before the last missions, 3-5 million leva had been appropriated for the reconstruction of the hotel. This was not to say that the roof was not leaking on the heads of the foreigners.

In all likelihood, urgent steps will be taken to improve city supplies because it is impossible to find in the stores, at the same time, sausage, cooking oil, and beer. However, the foreigners will either go to restaurants or eat in the cafeteria (the director's), so it is unlikely that they will notice the details. It is to be hoped that not one of them will become gravely ill because the city has no hospital, and the patient would have to be driven to Oryakhovo in the hope that he could last that long. Some newly born babies and sick people have been unable to withstand the trip.

Let us hope that the foreigners will have a great deal to do so that they will not have to wonder how to spend their leisure time in a cultured way. In that case, they would have to choose between the monument of the split atom and the Power Worker Club. We hope they will not visit the actual homes of the power workers because the condition of the premises would scare them. Finally, we "hope" they will not be wearing hats: The leader of one of the previous missions, after visiting the power plant, was only able to throw his hat on the ground and trample it. Other than that, he appeared calm. He had a peaceful life somewhere in Europe, without giving a thought to the way a nuclear power plant is being run in the country of victorious socialism.

Options About the Names of the Guilty

Having become a problem that had to be discussed by the European Parliament, the Kozloduy NPP will also become the target of a Bulgarian investigation. For this purpose, commissions are being set up: One will deal with the entire documentation of the plant since its beginning, another will look at suggestions pertaining to the treatment of radioactive waste.

The Presidential Commission believes that the responsibility for the current condition of the nuclear power industry is that of the Committee for Power Industry, of KIAEMTs, and of the following individuals: Nikola Todoriev, Oved Tadzher (representative of the Central Committee of the BCP [Bulgarian Communist Party] and director of investors' control), and Ivan Pandev, for many years chairman of KIAEMTs.

It is the view of Ecoglasnost that the following should be added to that list: Kiril Nikolov (previous NPP director); Gecho Khitov (former nuclear and radiation safety director); Georgi Dichev (former NPP director); Stanka Nozharova (power plant designer); and Nikita Nabatov. Furthermore, Ecoglasnost demands the resignations of Aleksandur Tomov, Lyudmil Genov, and Zakhari Boyadzhiev.

If we are to start from the beginning, it would be proper to question anyone who was involved in the decision to build a nuclear power plant (in our country this took place by decision of the Politburo and by resolution of the Council of Ministers) without the necessary economic and ecological substantiation.

"Here People Are Treated Like Pigs"

The nuclear power industry could do without Aleksandur Tomov; it could also do without the leadership of the Committee for Power Industry. It could live also without the administrative management of the plant. The only people there who are irreplaceable are found in the operative unit—the specialists who manually secure nuclear radiation safety throughout Bulgaria.

The scandal concerning those people has long been coming. As early as January 1990, their appeal (entitled "We Do Not Want a Second Chernobyl") was published,

warning that there were not enough operators at the plant to run the fifth and sixth blocks simultaneously. Their demands were ignored. In the fall of 1990, a commission was set up by the office of the president of the Republic. It included specialists who were not directly involved in the development of our nuclear power industry. The commission itself acknowledged that its conclusions were the same as those of OSART [Operational Safety Assessment Review Teams], the opinion of which was that it would be unwise to continue to run the old part of the plant. The legitimate question was: Why was it that our specialists, who are familiar with the Law on the Utilization of Atomic Power for Peaceful Purposes, in which safety provisions are unequivocally higher than economic and other social interests, and who, furthermore, have better information on the tragic condition of the plant, did not raise the question of immediately stopping the old part as early as March? (Starting on 1 March, blocks I-IV were to be disconnected according to the stipulation of KIAEMTs for failing to meet safety requirements. However, this order was rescinded by the Council of Ministers.) How could we trust their professionalism and morality?

One of the basic problems noted in the report was the need for immediate steps to be taken concerning the cadres and, in particular, the highly skilled operational (and repair) personnel. Al. Tomov promised the operational personnel a resolution. However, what came out was Order No. 7, which still has not been implemented as far as the cadres are concerned. The war against the operational workers is being waged in two directions: Those in the old part are not being treated very delicately (if two blocks are disconnected, there will be no cadre shortage); the personnel of the new part are being treated with greater caution because they have to manage the running of the two 1,000-MW blocks and provide quality management.

Ever since it became known that Lord Marshall and WANO [International Organization of Operators of Nuclear Power Reactors] will be helping the Kozloduy NPP, the management of the power industry has been quite pleased. It will no longer have to take into consideration the demands of the operators, which, in addition to some that are purely economic, include holding accountable those responsible for the scandalous condition of the nuclear power plant. The managers, who find it very difficult to tolerate the fact that the salaries of the operators are higher than theirs, do not realize that, to monitor a reactor, one must have at least one year of practical experience specifically with it and not merely with another of the same type.

As this nerve-racking game goes on, the operators are resigning one after another. The last (for the time being) submitted his resignation after a translation of the statement made by the OSART mission was provided: "Here people are treated like pigs."

[Box, p 8]

Bulgarian People's Republic**Committee for the Utilization of Nuclear Energy for
Peaceful Purposes of the Council of Ministers****Inspectorate for the Safe Utilization of Nuclear Energy****Order No. 13 of 6 February 1991**

The undersigned, Rumen Stoyanov Ovcharov, inspector, IBIAE [Inspectorate for the Safe Use of Nuclear Energy], noted the following violations of requirements for the safe utilization of nuclear energy in the investigation of blocks I-IV at the Atomna Energetika Economic Trust in Kozloduy conducted on 30 January 1991:

By Order No. 12 of 8 October 1990, a special system was introduced for the exploitation of block I-IV at the Kozloduy Nuclear Power Plant, provided by the IBIAE. The "Report on Investigation Conducted at the Atomna Energetika Economic Trust in Kozloduy," dated February 1991, shows the results of the implementation of this special system. According to the conclusions drawn in this document, an immediate danger to the personnel, the population, and the environment exists, giving grounds for the application of Article 31, Paragraph 1 of the Law on the Utilization of Nuclear Energy for Peaceful Purposes.

With a view to the correction/prevention of violations on the basis of Article 31, Paragraph 1 of the Law on the Utilization of Nuclear Energy for Peaceful Purposes,

I hereby order

Blocks I-IV of the Kozloduy Nuclear Power Plant to be converted to "cold" subcritical status, the blocks to be disconnected consecutively between now and 28 February 1991.

* * *

This order, issued by KIAEMTs, was concealed from the public. Yet it was issued in accordance with the law of the country. In the case of our government, however, the laws do not matter. It takes an international scandal to show how bad the situation is. This is taking place under the conditions of the "openness to the public of problems of the nuclear power industry," proclaimed by Mr. Al. Tomov. In this case, all that is visible is demagoguery.

[Box, p 9]

Facts Worth Thinking About

The IAEA is like a nuclear club supported by the membership dues of participating countries.

Classifying records of breakdowns in nuclear power plants is governmental and international policy the world over. After the Chernobyl accident, Hans Blix,

who is still the agency's president, made reassuring statements about its consequences.

The VVER-440 reactors at the Kozloduy NPP have never reached their planned safety levels, which are much lower than our standards. In turn, our standards are lower than the international standards.

The condition of the reactors was well known to the government and, personally, to Al. Tomov. However, no steps were taken. In this case, as well, no one was held accountable for such inaction.

Costs of Opening Modern Office Assessed

91BA0901A Sofia DELOVI SVYAT in Bulgarian
8 Jul 91 p 4

[Article by Valentin Subev: "Initial Cost of Equipping a Modern Office"]

[Text] Money must be invested in equipping companies with modern technical systems for communication or computerization purposes. The amount of such investments depends on the specific decisions. The four standard models considered here provide a starting point in reaching a wide range of such decisions. Determining the cost of such projects will depend on the respective qualities of the systems used and on their current prices.

The first system is based on the modular principle. It consists of electronic communications facilities, a basic computer system, and copying equipment, which function relatively independently of each other.

The communications systems include the telephone, the telefacsimile, and the telex. The price of a telephone set is approximately 150 leva, and that of a telex 25,000 leva. The trend toward combining a telephone with a telefacsimile has led to a combined system, the lowest price of which is 11,200 leva but generally ranges between 11,500 and 13,000 leva. Additional systems include a telephone switchboard and an office telephone exchange. The telephone switchboard costs 2,700 leva. The cost of office telephone exchanges with a smaller number of internal extensions is 1,000-36,000 leva; exchanges with a larger number of extensions with direct dialing (as in the case of hotels or buildings enclosing several companies or offices) costs approximately 1,000 leva per extension. Comparative figures indicate that the minimal price paid for a combined telephone and telefacsimile system is 11,200 leva. An approximate configuration of an office telephone switchboard with eight internal extensions, a combined telefacsimile and telephone system, seven telephone sets, and one telex is 74,000 leva.

The most frequently offered basic computer systems are the XT/turbo and the AT, costing, respectively, 15,000 and 20,000 leva. They include a memory of 640 Kb ram, one hard disk (20 or 40 megabytes), floppy disks of 360 Kb, a keyboard, and a color monitor (CGA or VGA). Occasionally, the XT/turbo has been sold for 12,000

leva. In addition to the XT/turbo and the AT, there are more powerful computer systems on the market, such as the PS/2, which costs 160,000 leva. The cost of printers and modems for computer data exchange is additional. An ordinary (dot matrix) printer is 5,000 leva and a higher quality printer 15,000 leva. A modem costs approximately 2,500 leva. The cost of a minimal configuration of a basic XT/ turbo computer system with an ordinary printer is 20,000 leva.

Simpler duplicating equipment usually costs 18,000 leva, and higher grade equipment may be purchased for 50,000 leva. Most telefacsimile machines also have duplicating possibilities, which, however, are not used in making large numbers of copies.

On the basis of the modular principle, the comparison indicates that the minimal cost of basic modern equipment is 11,200 leva, invested in a combined telephone and telefacsimile system.

The second-type system is semi-integrated. It meets the trend of combining duplicating equipment with laser printers, which are linked to basic computer systems. The relatively independent functioning of the communications systems is retained.

Depending on the addition of laser printers, their price ranges from 28,000 to 50,000 leva. New consumers of laser printers should see to it that they have fonts for the Cyrillic alphabet. Furthermore, not all laser printers offered on the market may be used as duplicating machines. A sample configuration, consisting of a basic computer system of the XT/turbo variety and a laser printer that can also function as a copier, costs 48,500 leva.

On this basis, a system consisting of a basic computer, a laser printer, and a combined telefacsimile and telephone would cost 61,000 leva.

The third system is also semi-integrated. Unlike the second, the electronic communications systems are replaced by computer printed circuits and software support, installed in the basic computer systems. In this combination, the existing communications possibilities are retained, and new functions are added to facilitate company activities. The separate functioning of the duplicating equipment is retained.

A computerized software system for transmitting by telephone (a telefacsimile circuit and the respective software) costs approximately 7,000 leva; the cost of a telex system (telex printed circuit and respective software) is 2,500 leva. The computerized automatic telephone dialing costs an additional 2,000 leva. A basic configuration consisting of a computer system of the XT/turbo variety and a telex-software system costs 17,500 leva. A sample configuration consisting of a basic computer system of the XT-turbo variety, a telefacsimile, and a telex-device-software system costs 24,500 leva. The cost of duplicating equipment should be added to this investment.

The last system is fully integrated. Here the various systems for communication and computerization are combined within a single computerized system, which consists of a basic computer system, a laser printer, and computerized communications. A sample configuration, consisting of a basic AT computer system, a laser printer, a telefacsimile, a telex machine-software system, a modem, and a computerized automatic memory telephone dial costs 68,000 leva.

It is necessary to anticipate, in addition, expenditures for a telephone-telefacsimile line (approximately 500 leva) and a telex line (approximately 650 leva), and the cost of the cables, the installation of the computer systems, the training, and so forth. Further investments must be made in order to provide for the basic computer system the necessary practical support most suitable to the nature of the specific company, such as software support for word processing, which is 800 leva; a program for financial-accounting activities, which costs approximately 5,000 leva; and so forth.

In addition to the initial cost of purchasing the necessary equipment and making it operational, there are fees for the use of a telephone, a telefacsimile, and a telex, and a service contract for maintenance of the computer systems. Added to these are the cost of transmitting the information; telefacsimile or telex paper; materials used for the printers and duplicating equipment; and others.

A comparison shows that a minimal investment would require the purchase of an apparatus for combined telephone and telefacsimile communications and for single-copy duplication, as well as the cost of starting up the system. This would total some 12,000 leva.

Shocking Confession on 1989 Revolution*91BA1000A Budapest REFORM in Hungarian
18 Jul 91 pp 1, 6*

[Article by B. K.: "Dead Bodies Were Carried Away in a Refrigerated Van; New Developments in the Temesvar (Timisoara) Case; Confidential Information Received by Ilie Ceausescu; Many Bodies Were Dressed in House Clothing; No Foreign Agent Found Among Those Arrested; The Secret of the Concealed Dossier"]

[Text] The Romanian deputy chief prosecutor testified during the court proceedings of Securitate and police officers relative to the tragic events of December 1989. The deputy chief prosecutor had some shocking things to say, and his testimony was broadcast by Radio Temesvar. According to his statement more than one-third of the persons arrested were under the age of 14. Most adults caught were passersby, although there were some who were caught robbing stores. Many of the dead were dressed in house clothing. The photographs of the dead and their documentation were concealed when in response to orders from Elena Ceausescu the bodies were smuggled out of the city in a refrigerated van. Colonel General Ilie Ceausescu claimed in the city that the Hungarian Army, which had been mobilized, intended to break off Transylvania [from Romania].

The court trial of Securitate and police officers in conjunction with the tragic events of December 1989 has been in progress for a year and a half now. More than once sensational announcements were made as part of witness testimonies during a series of hearings which extend into the night, and which have been transferred to Bucharest in response to the defense attorneys' request.

Ioan Diaconescu, who in those days served as the deputy to the chief prosecutor, and who was dispatched by his boss to Temesvar during the events had this to say at the 21 June hearing (also broadcast in full by the Temesvar radio): Colonel General Ilie Ceausescu, the dictator's brother appeared in Temesvar on 18 December and read out loud to chief officers ordered to be present a page and a half long secret service report. The report indicated that Czech and Serb (Serb, not Yugoslav) diplomats told their Romanian colleagues that a large, mobilized force had been standing by in the eastern part of Hungary ready to be deployed, to break off Transylvania from Romania. He intended to carry this "document" around to every military post in Transylvania. Diaconescu also said that many of the unidentified bodies taken to the city morgue were not dressed in street clothing, they wore house clothing. Upon seeing this, Diaconescu and his fellow prosecutors drew the conclusion that some of the victims were fatally shot in their homes or on their balconies.... They prepared photographs of, and took notes regarding the dead bodies, but the county chief prosecutor hid these on Diaconescu's orders. This was made necessary because they discovered that an order had been received from Elena Ceausescu to the effect that the dead bodies had to be made to disappear

without a trace. Initially they wanted to bury the bodies in a neighboring county, then in the garden of a barracks. Later on, however, they smuggled out the bodies from Temesvar in a refrigerated van. The bodies were cremated in Bucharest. The stolen bodies were identified subsequently with the help of the dossier concealed by the county chief prosecutor.

Of the more than 400 persons arrested on 16 December at least 130-150 were younger than 14 years of age, according to the deputy chief prosecutor. He ordered the immediate release of these. Subsequently the deputy chief prosecutor was personally admonished by Interior Minister Postelnicu over the telephone for doing so. A majority of those held denied that they took part in the demonstrations, many of them were curious passersby or persons who took possession of smaller or larger objects, but mainly alcoholic beverages through the broken shop windows. Despite this fact, General Macri, who acted as Elena Ceausescu's personal representative, announced that this was an internal affair, and not one belonging under the authority of the prosecutor's office.... The charge was "organizing to overthrow the socialist order of the state" which is those days carried the death penalty in Romania.

The deputy chief prosecutor also testified that no records whatsoever were prepared after taking into custody the randomly caught persons crowded into the city jail. He and a few of his fellow prosecutors began to establish records, but they were unaware of the fact that in another wing of the jail a group of interior ministry officers began questioning the arrested persons, circumventing the prosecutorial function....

The court summoned a secret service major as a witness who in those days, as a Securitate officer, was preoccupied with illegal border crossings. He had a list of names of foreign subversive agents who arrived illegally in Romania. He was dispatched to Temesvar to find out whether some of the persons on the list were among those taken into custody. Regardless of his intention to find such persons, he was unable to find even one person among those taken into custody whose name appeared on the list.

Agrarian Alliance Leader on Collectives, Markets*91CH0800A Budapest KAPU in Hungarian No 7,
Jul 91 pp 4-5*

[Interview with Agrarian Alliance President Tamas Nagy by Zoltan Brady on 10 June; place not given: "Hungarian Agriculture Is Experiencing a Crisis"]

[Text] [Brady] I have a feeling that our agriculture was in a far better situation 10 years ago than it is today.

[Nagy] Undoubtedly, during the past decades we regarded it as a leading branch, nevertheless we were second class citizens. I am aware of that, because I have been in this business for 18 years. We produced the values, but once it came to distributing those values we

were mere bystanders. In most instances, things depended on the way the composition of the political committee changed; whether it included a person interested in agriculture. In 1985 they discovered that the agricultural branch could no longer be plundered because it ran out of means, the machinery had become amortized and there were no investments. We thought that as a result of the system change things would loosen up and that there would come an upswing. But the political tug-of-war slowed down this sector even more.

[Brady] What are the given features of this country in your view: is it an agricultural-industrial country or an industrial-agricultural country?

[Nagy] A situation in which 16-17 percent of the population capable of working is engaged in agriculture is unusual in Europe. Elsewhere that ratio is between 1.5 percent and 3 percent. It would be absurd to change over to that ratio. I believe that it would be beneficial to have a flourishing industry, a flourishing service delivery system and flourishing foreign tourism. In this way agriculture would carry a smaller burden. I am saying all this despite the fact that I recognize our opportunities in being an agricultural-industrial country.

[Brady] Do you have in mind a situation in which industry would serve the agricultural branch?

[Nagy] The fact that things are not that way is the absurdity of this matter. To put it bluntly, it is our job to put the seeds into the soil on time and to therefore pray for the rain to fall and for the sun to shine. Because if I compare the price at which they sell sowing seed, fertilizer and the means of production with the price for which they buy the produce—well, the related decision is not made by the agricultural sector. We have no say whatsoever regarding the food industry or commerce, we hold no cards in our hands. The great role compensation could play would be that it enabled us to acquire stock in the before mentioned sectors...otherwise nothing will change.

[Brady] Even though the agricultural lobby seems to be strong.

[Nagy] Wrong. I am shocked whenever I am told that a green lobby exists. I have never seen the results of that. There have been farms which enjoyed special treatment and which received more than others. I work for a cooperative which received neither a loan nor state subsidies. Other than that, a good little lobby would be beneficial.

[Brady] As if the government was retreating in regard to privatization...it would not be pleased if large farms were terminated and became strips of land.

[Nagy] One can sense that. If we wanted to be truthful to ourselves, we could somehow understand the emotions of those who lost their land property and means of production 40 years ago. But if I viewed these matters from an economic standpoint, I would say that it would

be a national tragedy if Hungary became a country of thousands of tiny estates. The fact is that in reality we have concentrated our production, the only question is what kind of compromise can be made, one that benefits both the country and individuals who lost their property. We must render our emotions rational. We must decide whether to listen to our hearts or to our minds.

[Brady] We were fortunate in not fully adopting the Soviet kolhoz system and that cooperatives also exist in the West.

[Nagy] Not too long ago we held a four day conference to which we invited professionals representing every model that exists in Europe...so that they help us with their advice.

[Brady] I would think that it would not be useful to copy any of these. Our given circumstances are different.

[Nagy] It would be useful to adopt one or two details. Cooperatives in Hungary came about as a result of strong political and economic coercion. These are not even real cooperatives in my view, because they have a nonprofit character. The new law on cooperatives and the previous temporary law enables cooperatives to choose absolutely freely, in due regard to economic conditions, local characteristics and other matters the kind of path they want to follow. Whether they fall apart, become cooperatives or stock corporations, or turn into holding corporations. But this depends on many things: on the conditions of the market economy, on tax benefits, etc....

[Brady] Aware of your view in this regard: What we actually have here is a situation in which the cooperative members must be persuaded once again to stay together. They told the same things to the peasant in the 1950's and 1960's. This also constitutes an absurd situation at a certain point....

[Nagy] I only read about the forced organizing of cooperatives. At this time the situation must be analyzed, and with the knowledge at hand alternatives must be recommended to the various collectives without exerting any pressure.

[Brady] I feel that they would have difficulty explaining this to an old man whose 10 acres were taken away 30 or 40 years ago.

[Nagy] You are mistaken. There are only a few who want their 10 acres back. The peasant people are much smarter than to let themselves be persuaded by people from the city as to what is and what is not better for them. They know exactly the advantages and disadvantages of things. Peasants want to know whether they could make a living if they received property. Under what conditions could they farm? An agricultural program, financial conditions, tax conditions, etc. would be needed in order to answer this question. In my view, it is indecent to encourage people to request the return of their former landed property without telling them what

kinds of economic, financial and tax conditions they would have to observe in the course of their farming activities.

[Brady] Did the agricultural program vanish among the many political programs?

[Nagy] It did. Everybody expressed his opinion about the agricultural issue and about unemployment before the elections. I do not want to name names, but they said things like creating 100,000 new jobs as a result of reorganizing agricultural land ownership. By now we know that agriculture will produce at least 100,000 unemployed persons. This subject has been discussed at agricultural roundtable negotiations. The roundtable faded away after the elections...and there still does not exist a committee on agriculture in parliament to deal with the merits of these issues. What the future will bring to agricultural workers in the eastern part of Hungary and in Borsod is inconceivable....

[Brady] Last year Hungarian agriculture produced a 2.6-percent profit. That's not much.

[Nagy] This is exactly why we would like to leave this small profit in the hands of producers. Precisely for this reason, the Agricultural Alliance is of the opinion that property should be given to those who work in cooperatives and to citizens who live in the villages. And those entitled to compensation whose life has been taken into different fields than what they pursued when their land was taken away should be entitled to have opportunities in the process of privatization.

[Brady] The East European market has collapsed. We exported a rather large volume of agricultural products to that market. And as we approach Europe it is becoming a well known fact that our agricultural economy is rather backward as compared to French, German, or Danish agriculture.

[Nagy] This is our tragedy. Our foreign policy should have concentrated on economic diplomacy so as not to lose the Eastern market. There is famine in the Soviet Union. We have a surplus. We know that they cannot pay, but we could have forced out some kind of solution. Your judgment in regard to the EEC is mistaken! Our agriculture is able to take up the fight, because what they can produce for 100 units we can usually produce the same for 40 units. Agriculture is the weak link in the Common Market chain. For this reason, they want to persuade us (and this is consistent with logic) to hold back our agricultural capacity. We should prepare ourselves for this, we should develop a crisis management program because we are dealing with the livelihood of hundreds of thousands of people. Hungarian agriculture finds itself in a crisis.

[Brady] We have talked about this all along, but meanwhile the fields are green and the Hungarian peasant is working with his ancient love of work and with vitality.

[Nagy] I am afraid that too many people place their faith in this, because the Hungarian peasant does what he has to do, the love of land is in his genes. One could always count on the Hungarian peasant. After 1945, after 1956 and now.

[Brady] It is as if they would not even bother with politics.

[Nagy] That's true, but I would not like to see a situation in which they begin to talk politics.

Malfunction at Paks Nuclear Power Station

*91CH0800B Budapest MAI NAP in Hungarian
19 Jul 91 p 7*

[Article by V. Horvath: "Restart Perhaps Tomorrow"]

[Text] The morning papers carried a report about a small malfunctioning of the No. 1 block of the Paks Nuclear Power Plant yesterday. Protective systems shut down the block as soon as they sensed the malfunction.

In response to our inquiry, the power plant's Deputy Director for Public Affairs Laszlo Gyarmati said that repairs and testing may take a day or two, and that the block may be restarted Saturday afternoon. The exact time depends on the time when they are able to exchange and check out the instruments and component parts. No parts will be missing because they are well stocked, and if necessary they could temporarily substitute parts by borrowing from block No. 3, which is undergoing major repairs.

A large number of personnel worked all night long to accomplish the earliest possible restart, but work in the command center could be started only this morning. The flaw occurred in this hermetically sealed small room, electrical equipment—the remote transmitters for measuring various data—became moist as a result of the outflowing steam. Since the room has no windows they used exhaust fans to remove the steam, then dried the small room to provide the most appropriate climate for operations.

Major repair of block No. 1 was completed on Wednesday, i.e., immediately prior to the malfunction. Gyarmati claimed that there was no relationship between the flaw and the major repair. This statement is supported by the fact that the start up of the block performed without problems under the 190-bar pressure test, but in the course of the flaw it gave in under 125 bar of pressure. On the International Nuclear Events Scale the flaw ranked in the first category and therefore, it had to be reported.

Environmentalists: No Independent Nuclear Experts

*91CH0800C Budapest MAI NAP in Hungarian
19 Jul 91 p 7*

[Interview with Judit Vasarhelyi, secretary to the Board of the Independent Ecological Center by Ida Nagy; place

and date not given: "Colonizing Nuclear Power Plants? The Greens Are Still Pale"—first paragraph is MAI NAP introduction]

[Text] Information is pouring all over about the unparalleled advantages of nuclear energy. Global corporations with great names compete to expand our power plant. Hungarian environmentalists are silent for the time being.

"Unfortunately, we are not sufficiently competitive," according to Judit Vasarhelyi, secretary to the board of the Independent Ecological Center. "These capitalist groups support their arguments with great practice in mass communications and with an awful lot of money. Hungarian environmentalist movements do not have such means and their protests lack force.

[Nagy] The greens have showed their strength in the movement against the dam.

[Vasarhelyi] The present situation is different from that of Bos-Nagymaros. Paks was a taboo for many long years. To top it all off, the enterprises involved in nuclear energy operate as paramilitary organizations, therefore, it is difficult or almost impossible to acquire objective information about their activities.

[Nagy] Is this so even from the standpoint of independent experts?

[Vasarhelyi] There are no independent experts. They trained just enough people to satisfy the needs of this branch. Accordingly, the persons who are sufficiently informed are indeed interested in seeing that the nuclear lobby—at this time jointly with European and American capitalist groups—further increases its influence.

[Nagy] Accordingly, would it be true that short of information you must acquiesce in having these decisions made above your heads?

[Vasarhelyi] I do not believe that public opinion can be disregarded in regard to a decision of such caliber. This is even more so because in the aftermath of Chernobyl it is rather difficult to claim that this is the purest kind of energy. Fortunately, the difficult economic situation—fortunate at least in this regard—helps the environmentalists. Large plants which devour energy declare bankruptcy one after another. Their shutdown reduces the energy needs of the country and fosters hope that structural transformation will lead to efficient, low energy intensive enterprises. The adoption of modern technologies will help the populace to save energy. The fact that in the present situation the World Bank also supports rational energy use instead of nuclear power plants is encouraging.

[Nagy] Except for the fact that the government must make a decision concerning the power plant.

[Vasarhelyi] I very much hope that the government will not fall for the promising offers. From my standpoint,

the fact that the "civilized West" wants to mold us into an energy exporting country is tantamount to new colonization.

Compensation Vouchers' Impact on Exchange Viewed

91CH0818A Budapest FIGYELO in Hungarian
25 Jul 91 p 28

[Interview with Ilona Hardy, Budapest Stock Exchange managing director, by "Ferber"; place and date not given: "Is the Railroad Watchman's House Beginning To Move?"—first paragraph is FIGYELO introduction]

[Text] Compensation vouchers will be traded on the Stock Exchange in six months at the latest. What can the management of the Exchange do to ensure that this not too old institution gains strength rather than weakens in response to the introduction of these new securities, and in general, how can this be accomplished? We asked this question of Ilona Hardy, managing director of the Budapest Stock Exchange.

[Ferber] How well is the Budapest Stock Exchange technically prepared to administer in practice the recently adopted compensation law?

[Hardy] Discussions and negotiations concerning the future role of the Budapest Stock Exchange in selling compensation vouchers are still in progress. In our view the new computerized commercial and information system now being developed and the new central depository of valuables will also be well suited for the sales administration of a large volume of compensation vouchers. At the earliest, compensation vouchers will be traded on the Exchange at the beginning of 1992. Thus, the compensation vouchers cannot make a substantial impact until then. Once the trading of these vouchers—securities, which may be freely traded by both foreigners and Hungarians—begins, the technical preparedness of the Exchange to administer this trading will become crucial....

In this regard, public access to information that is indispensable from the standpoint of persons entitled to compensation, e.g., exchange rates, trends, etc. is most important. Of similar importance is the organized character of the secondary market where these securities will be traded.

[Ferber] An interesting study by Katalin Mero a few months ago described the kinds of investment companies that would be able to mobilize the savings of persons who own compensation vouchers for productive purposes, without disturbing exchange rates on the Stock Exchange as a result of introducing undesirable speculative changes. To what extent is this threat real?

[Hardy] I believe that the Stock Exchange would collapse if the entire 100 billion forints worth of compensation would appear all at once on the Stock Exchange. This

amount is several times the multiple of the value presently traded on the Exchange. Fortunately, in reality, only parts of this volume will appear gradually on the stock exchange at several points. Despite this fact, some danger exists because compensation vouchers are peculiar, not exactly traditional forms of securities traded on the stock exchange. We believe that these securities must be permitted to be traded on the stock exchange because of the transparency, organized character, and technical support provided by the stock exchange, as well as because of the public character of the information provided by the stock exchange.

[Ferber] Should we not be concerned about a rapid outflow of Hungarian assets because these securities may also be traded in an international sense?

[Hardy] I am a specialist in the field of the stock exchange and so I can answer your question only by asking another question: What is the goal if not the functional privatization of the economy? It is obvious that persons who have capital available for this purpose will purchase one or another security issued in Hungary. Our job is to make available the information needed to permit all interested persons to make such purchases. Openness increases the confidence on part of those who have capital.

[Ferber] What are the short-term expectations from the standpoint of evolving trends at the stock exchange, if the compensation vouchers were to be traded?

[Hardy] It is likely that as privatization accelerates compensation vouchers will indirectly appear on the secondary market, and thus will augment the further acceleration of privatization.

[Ferber] Is the Stock Exchange prepared for this new situation in terms of legal authority?

[Hardy] I regard this as a highly abstract question because it is very difficult to find an equilibrium in the form of legal provisions which neither hinders nor abandons those involved in the development of the market. The job of the stock exchange is to see to it that those who issue securities abide by clear cut rules, moreover, to supervise that those involved in the stock exchange abide by these rules. In this sense the stock exchange also functions as an authority. However, it should be clear that the enforcement of a consistent, ironclad stringency in the case of an evolving, developing stock market in its initial phase is very difficult, moreover on occasion such stringency could be potentially damaging. At the same time, constantly changing the rules would not be beneficial either, because those involved in the market would interpret such changes as having no rules at all.

The following is an excerpt from the proposal which outlines the functions of the Budapest Stock Exchange as those apply to compensation vouchers:

"The Budapest Stock Exchange would serve as a depository for compensation vouchers and would perform the accounting functions relative to compensation vouchers. This would encompass the physical deposit of the compensation vouchers in the Central Depository, and the performance of all financial functions related to compensation vouchers.

"At present the trading records of the Hungarian Stock Exchange are maintained in the form of securities accounts in the name of each member of the Stock Exchange. Our accounting system is consistent with international requirements and thus enables our accounting system to interface with any international exchange engaged in the trading of large volumes. In our view, the system used by us is suitable to perform the accounting functions related to compensation vouchers.

"We envision a system in which the financial accounting for indemnification vouchers takes place on the basis of securities accounts opened in the name of each compensation office. A decision must be made whether within each securities account the individual ownership records should be maintained by the Compensation Office or by the Central Depository.

"If such records were maintained by the Compensation Office, we will make recommendations for the practical implementation of such an accounting system. If the records are to be maintained by the Central Depository, we will apply the system developed for this purpose and which is presently in use.

"In the event that compensation vouchers are traded on the stock exchange, the Stock Exchange is the sole organization capable of maintaining complete records concerning the sale of compensation vouchers. Thus, the Central Depository would be able to maintain a reliable information base by using the ownership record system while observing the need to protect secrets.

"In our view, the above described involvement of the stock exchange in the secondary trading of compensation vouchers would serve as a guarantee to foreign investors.

"The exchange possesses the required know-how for the depository management of compensation vouchers. This management function would involve the adaptation of the presently used securities account management system for that purpose, and taking advantage of the data processing system which satisfies the needs presented by present trading.

"In order to enable the Exchange to operate the above described system it will be necessary to establish physical depository facilities. These facilities could be accommodated in the stock exchange building (Budapest, No. 5 Deak Ferenc Street) by using the bilevel vaults occupying about 500 square meters presently used by the Central Corporation of Banking Companies [PK]. To our knowledge, most of these vaults are empty, part of them are used by the PK to store files. Similarly, it would be necessary to exchange the PC's presently used by the Exchange for larger capacity computers. These, however, could not be accommodated under present conditions.

"We are prepared to write detailed proposal once we receive further data."

Cooperation With Foreign Trade Unions Viewed
91EP0633A Opole TRYBUNA OPOLSKA in Polish
15 Jul 91 pp 1, 4

[Interview with Jan Calka, chairman of the Solidarity Regional Board of Slask Opolski, by Zygmunt Nowak; place and date not given: "Dispute Over Method"]

[Text] [Nowak] You stayed a week in France. Was this just a courtesy visit paid to the Confederation Francaise Democratique du Travail [Labor Confederation of France, CFDT] a year after the visit to the Opole area by trade unionists from the Languedoc-Roussillon district?

[Calka] We were not only in France. Before that, the delegation from our Regional Board was, for the first time in the recent history of Solidarity, in Saarbrücken at the invitation of a branch of the Deutschen Gewerkschaftsbundes [German Confederation of Trade Unions, DGB] in Saarland. This was the result of an initiative of the representatives of the Friedrich Ebert Foundation in Poland. We proposed three areas of cooperation to our Western colleagues: the area of trade unionism, which would be aimed at exchanging information and people, particularly young people; the cultural area; and the economic area.

[Nowak] Were all of your ideas approved?

[Calka] All these problems have already been taken up in cooperation with the CFDT in the Languedoc-Roussillon region, but in Saarland contacts have only now been established. We were there barely two and a half days, but I can say that the board of the DGB there unanimously expressed its approval for our further cooperation. In that sphere, German trade unions are particularly interested in building extraregional structures. Moreover, they are already cooperating within the framework of a macroregion, which, besides Saarland, includes Luxembourg and Lotaryngia; in addition, they are creating the seeds of contacts with Cottbus and Zielona Gora. They are also interested in having Slask Opolski enter these structures. This would enable union cooperation to be extended to the countries of Central and Eastern Europe, and it would embrace still other independent social and political organizations.

[Nowak] What did you say to this?

[Calka] We listened to these propositions—and they to ours—with great attention. And I must say that in the union contacts between the regions involved in the exchange, there exists the possibility of establishing mutual cooperation between the local governments of towns and gminas as well as between businesspeople through internships in industrial plants. We trade unionists would also be able to take great advantage of their experience, because our activity looks completely different from theirs (for example, they have women's and youth sections, which we have not yet created), and one can observe quite a lot and transport it to our land.

[Nowak] What would you transport first of all?

[Calka] The French model of continuing education and retraining for adults. It is wealthy beyond expression. Special centers of continuing education and professional training have been created that organize various types of courses lasting from a few months to a few years. Money for this purpose comes from mandatory fees collected by all enterprises within the framework of taxation—a minimum of 1.3 percent of gross wages. The training agencies of the Ministry of Labor (which provide retraining following accidents at work, but not only that), associations and chambers of craftsmen, and private companies subsidized by the state from the "1.3" funds operate on this basis. The forms of disseminating rural education and culture are also interesting. We were in a center of this sort in Lozère, which does not limit itself to academic work but connects this work to practice as well. It continually suggests to local farmers not just new recipes for the already very numerous varieties of cheese.

[Nowak] Speaking of cheeses, we have entered the field of agriculture. Will you trade unionists finally succeed in opening the French menu?

[Calka] Thanks to the general secretary of the Languedoc-Roussillon region of the CFDT, Mr. Jean Louis Bauzon, who visited us last year. During his stay in Opole we spoke with him of the need for economic cooperation with Poland, including our voivodship. Colleagues from the CFDT took up this theme, and representatives of government, trade, and industry met with him in our name. During the meeting with the social-economic council, which has very great significance in the regional structures of these southern provinces of France, we were able to further enrich our offer from a year ago. We also had the opportunity to present our views to some prefects and mayors and by way of the local mass media to public opinion of the region.

However, it must be said that this is a rather difficult problem. The Languedoc-Roussillon region, lying in the south of France near the border with Spain, is too distant from us. Its historical economic ties with Poland are small. Second, this is an agricultural region, preponderantly involved in viticulture. And third, they are completely unprepared for economic cooperation with us.

[Nowak] The problem is rather deeply rooted, and it simply results from the fact that our technology with regard to our immediate neighborhood with the Germans has little in common with this style which was formed over centuries along the Seine. It is even said that Polish engineers more often reach for American and Italian patterns than for French.

[Calka] Sometimes it is necessary to take a first step. And it is worth doing this. We became convinced of this in the course of the talks. The French understand the need to cooperate with us, and opportunities exist to establish cooperation. However, concrete offers drawn up by groups of experts must come in the wake of our visit, because our union does not possess any and this is not our domain.

[Nowak] In other words a direct approach between businesspeople would have to take place now.

[Calka] The stage of direct meetings between the authorities of the Languedoc-Roussillon and the Opole regions, and also between economic circles, would have to begin. We have already smoothed the way. It is now time for concrete actions.

[Nowak] Please tell whether the French are interested in our country and what they most often asked you about.

[Calka] The most repeated questions concerned problems of the following type: the trade union and the former chairman of Solidarity, the current president, Lech Walesa; the trade union and the Catholic Church; the church and politics; the trade union and abortion; the trade union and the government that had its origins in Solidarity.

In the CFDT, there was a great deal of understanding for the interpretations that we gave. These interpretations are simple: as far as the president is concerned, where he acts in accordance with the expectations of the union we are his allies; where our interests are not met, we treat him as the president of the state, and we are the union party that negotiates and makes demands. The situation in relation to the government is the same.

However, as far as the problems of the church and politics are concerned, we explained everything by the peculiar situation of the church in Poland. This situation is not particularly comparable to that which exists in the south of France. In Nîmes we even talked on this subject with the local bishop; we discussed this set of problems a great deal. We explained that there is no need to fear the so-called bogeyman of clericalization, because it is invoked by lay circles in the West. We approached the problem of abortion (female union activists directed questions to us the most often) without contentiousness. We said that this should not become an object of political struggle.

Conceiving the matter generally, we explained that a certain process has begun in Poland which should be perceived under our conditions. They should not be transferred to West European conditions.

[Nowak] Consequently one can see that even so far away—beyond the border—you could not escape from our problems. And at that very time in our region the dispute over the functioning of the Voivodship Administration was flaring up as a result of the position of the Regional Board of Solidarity. Some parties of Solidarity pedigree regarded the administration critically. Opinions openly circulated that introducing changes in the second half of last year at the moment when privatization of communal enterprises was to begin could bring about the opposite effect—destabilization.

[Calka] Often this is the position of the same people who half a year ago were still demanding the recall of the voivode! I would therefore not want to engage in

polemics with them, but rather just concentrate on explaining the intentions of Solidarity's Regional Board. Here they are: Our main concern was the lack of a certain vision of the future. However, in no case did we want to cause destabilization in the region or to take up positions beyond the local authorities. Union experience indicates unequivocally that the local authorities and their servants—and we treat the voivode almost as a local prime minister and a representative of the prime minister of the Republic in relation to labor circles—did not show sufficient determination in their activities last year and this year. Therefore our union came forward with an initiative and proposed certain solutions and cooperation in solving the problems of small towns, in retraining people for new professions, and saving plants at the proper time from bankruptcy. And these very often are plants under the management of directors who do not care about these plants at all. And in this context we see the need for far-reaching changes in the cadres in the voivodship. I always say this pictorially, that if the so-called thick line were made public, I have the impression that above this thick line—in the economic, social, and partly in the political sphere—there are decidedly postcommunist forces. However, Solidarity is more and more below this line and is really a force being pushed down more and more.

Consequently, it is very convenient to say that Solidarity is some sort of new voivodship committee or some sort of force that wants to dominate in the region. But that is not the way it is. We only flag certain phenomena and anxieties of the work environment. And I can only express astonishment that some political parties are refusing us this right.

And this is my commentary, but the Regional Board of Solidarity takes a position on the action undertaken and—at the same time—will justify why it undertook just this sort of activity and not another.

[Nowak] Opinions have been pronounced that the evaluations of the voivode and his departments should be completed by the local governmental council of the voivodship.

[Calka] In the evaluations of the local council and the convention of mayors, I never perceived the problems of local labor circles or the threats created by necessary transformations. But when I was at the session of the local council that was making evaluations of the Voivodship Administration, economic problems virtually did not show up at all, and when they did show up they were taken up very timidly. And this makes me very uneasy because signals that are reaching us from local links testify unequivocally that phenomena of economic pathology are actually growing stronger, not weaker.

[Nowak] Many social circles, especially women, express discontent and fears for the future because of this.

[Calka] The process of transformation toward a market economy is difficult and has not yet been "revised" by

anyone. But, if threats are not perceived and the union's concrete demands are only lightly regarded, what is one to think of this?

People very often come to us and say: "I understand that in this difficult period for Poland I earn less than a million [zlotys], but I cannot understand how someone who has been privileged up until now continues to profit from these privileges." And people give us examples: They get small raises (about 100,000 zlotys) in these modest financial conditions, but directors often get commissions of dozens of millions of zlotys. But if the Employee Council gets monetary bonuses for work—which is very often poor—in the business of those it represents, people are filled with indignation. Or what can be said about this case: The director who set up an enterprise goes on a yearly sick leave (who gave him the medical certificate?), or he gets six month's separation pay—in other words, dozens of millions.

I do not find any justification for such steps, and I think that such a justification will not be found by any worker either.

[Nowak] How could one counteract these adverse phenomena?

[Calka] I think that a certain stage simply has to be closed and a new one has to be opened, one which would create the possibility of moving up to the middle stratum under the conditions of a market economy. In a word, the possibility of honest enrichment should come into being, and at the same time the state should strive to safeguard as much as possible the interests of those who have no chance to enter this class, who do not strive for it, or who simply do not want to enter it.

[Nowak] Is not the Balcerowicz program currently becoming an obstacle or an out-and-out trap to entering this middle stratum? After all, for it to be otherwise, the stimulation of the economy is necessary, not just the subduing of inflation.

[Calka] Even in the milieu of economists there is a wide variety of views on Balcerowicz's method, to say nothing of the feelings in society. It must be confessed that the monetary policy at a certain stage was a necessity, but one cannot save the economy ad infinitum by just one method. And that is because recession has ensued. In this way, the monetary stabilization is ruining what was achieved because of it. For as a result of the recession, as a result of cutting incentives, a gap has arisen in the state budget.

Consequently, the method would have to be changed. A new proposition is to enter the path of privatization. Judicious preferences for domestic production and—at the same time—forms of protecting the interests of the consumer, not just the manufacturer, should also be created.

[Nowak] We began this interview with Solidarity's foreign cooperation. In what direction—fundamentally—is it aiming?

[Calka] Solidarity is not yet part of the European Congress of Trade Unions. We are expecting that the colleagues with whom we have already entered into cooperation will be our spokesmen in getting us accepted into this structure. We intend very soon to expand it further to Italian and Spanish trade unions.

[Nowak] Thank you for the interview.

Kuron Discusses Politics, Ethics, Economy

91EP0622A Warsaw *POLITYKA* in Polish No 28,
13 Jul 91 p 3

[Interview with Jacek Kuron, vice chairman of the Democratic Union, by Janina Paradowska; place and date not given: "This Strange Pragmatism"]

[Text] [Paradowska] Let us begin by explaining the reasons for this conversation. You read an interview with Michnik even before it was printed [*POLITYKA* No. 22] and you immediately promised to take issue with him. You reacted in a particularly sharp manner to Michnik's doubts as to whether there still is a niche in politics for people who place ethical principles above political games, and whether this community, which is not necessarily inclined to compromise with conscience, may still play a role.

[Kuron] It would be appropriate to begin with a personal confession. Adam and I have been friends since 1958; our friendship has always been based on us arguing. This has done us much good because what we have arrived at as a result of these arguments on various issues is more valuable, more intelligent, and makes more sense. This argument goes on. There was a time when it could not be made public, and people who did not know us well but witnessed our quarrels were astonished.

[Paradowska] Michnik-Kuron, Kuron-Michnik have been an inseparable couple. They say that even Professor Geremek confused the two of you; meanwhile, you are talking about quarrels.

[Kuron] You see, the essence of most arguments is in the fact that both parties are right, or least right to some degree. This is why friendship without arguments is shabby. To tell you the truth, I doubt whether such a friendship is at all possible.

[Paradowska] Let us be more specific about the essence of the differences between you.

[Kuron] While I understand Adam's moral concern which accompanies his involvement in politics in general, and now in politics specifically, I bristle at the simple contrast of ethics on the one hand and politics on the other. It is harmful for many reasons. It is also untrue. As it is, the common conviction that engaging in politics must be immoral and unethical is untrue. Moral

conflicts occur in politics with varying frequency, as they do in life. The conviction that it is possible to live without moral conflicts is a delusion.

[Paradowska] It is very difficult to fight what you call "the common conviction," and the latter says that politics is dirty business.

[Kuron] This misconception, derived from the observation, for example, of what went on in party committees, is extremely harmful for democracy—any democracy. I consider this misconception to be particularly dangerous in Poland where, for various reasons, a small percentage of society engages in politics. I would invite your attention to the mental stereotype propagated by Adam: This is politics, and this is morality. Everything appears clear, except that it is untrue. Of course, there are situations in which one may become politically involved without any moral conflicts. This happens when we bear witness. In old times, when we protested because somebody was put in jail, because the authorities made use of anti-Semitic texts, because something was added to the Constitution, we witnessed for the truth, and actually we did not experience moral conflicts, despite the fact that there were people who said that we were immoral. You see, they were somewhat right. After all, we drew young people into our activities who were on this account kicked out of their jobs and colleges.

[Paradowska] Subsequently, you came to power. At present, the view is quite common that the period of operation of the Mazowiecki government was precisely the high point of this community from which both you and Michnik have come, and which has brought about the change of the system without violence.

[Kuron] Our situation, which had been quite comfortable from the point of view of ethics and a system of values, changed a very long time ago—when a mass movement emerged and decisions had to be made on its behalf. This is something absolutely different from bearing witness. I for one went through genuine elections in 1989, and it cannot be said that I came to the Sejm by nomination because of a picture of me with Walesa. And yet, my voters voted for a certain myth—a myth of Solidarity, perhaps even a myth of Kuron. Meanwhile, I have to make specific decisions which nobody has authorized me to make, because these are decisions on who to give more money to, and who to take it from. These are decisions which preordain someone's hardship and perhaps even death in a hospital starved of funds. If someone tells me that these decisions do not entail tremendous moral conflicts, I will tell him that he knows nothing about life. Besides, I am afraid that you are now propagating another bad misconception, namely, that there are people who act in the name of higher goals and sacrifice themselves for others, and there are those who do so for personal motives. Meanwhile, the lives of people in general, and therefore, those of politicians as well, are guided by values. At the same time, one can only work continuously, permanently, day after day if he fulfills himself entirely through this work and, therefore,

also furthers personal ambitions. All I can do is work; I have never done anything else in my life. However, I have also done only what I like, what has been my passion, and what I could not refrain from doing. After all, it is unimportant whether I do something as minister or the chairman of a foundation which I have set up myself. It is important what I do and whether my heart is in it. This is why, when I became minister, and when I ceased to be one, I kept repeating: Nothing has changed.

[Paradowska] There is also withdrawal, a technique which is also practiced by politicians.

[Kuron] And letting others take responsibility for these decisions? To my mind, this is precisely what is immoral. This is a regular evasion of responsibility. I understand that some people are tired, have no energy, and withdraw. I accept such choices. I would only ask that morality not be brought into this.

[Paradowska] Politics may be practiced in different ways. This is what we have seen in Poland over several months. One may try to observe certain rules of the game, or one may violate them. Do we not hear more and more often that effectiveness is most important, because the end justifies the means?

[Kuron] As far as I am concerned, this amounts to confusing notions. Please imagine a shoemaker who is supposed to make shoes and who says—the truth is the most important thing for me. What he says is correct, except that he should also know how to make shoes, because if they are going to be too tight in the name of the truth, he will turn out to be a poor shoemaker. Therefore, the assumption that politicians do not engage in politics but only in the truth is what is immoral. Andrzej Gwiazda began his book with the view that, according to him, the statement that a policy must be effective is false. I stopped reading at this point because what is there to discuss if the effectiveness of our actions no longer interests us? This means that we lack a vision of the consequences of our actions. Politics is a way for effective action in conjunction with ruling the state.

[Paradowska] So, we have come to ruling the state. Please do not tell me that at this point a powerful conflict between effectiveness and values does not arise.

[Kuron] It is good that you use the adjective "powerful" because this conflict occurs at all levels of politics. Do you know what revolted me the most in Adam's interview? Seeing the presidential election as the turning point at which this conflict appeared. I would like to state that this problem existed in the time of the first Solidarity, it existed in the underground, at the Round-table, and when the government was taken over. The problem of whether to take over the government or not was one of the greatest dilemmas that I have experienced. Should I bring down the disaster on the country or on myself?

[Paradowska] How does this dilemma look at present in Poland, which once again finds itself, perhaps, at a turning point, in an extremely critical situation?

[Kuron] This is an extremely dramatic problem. This is why it needs to be called by its proper name. We are building an order with a market economy and democracy which, right here and now, and in the two or three years to come, does not signify a change for the better for workers, farmers, and white-collar employees when compared to communism. It may signify a fundamental change for the better for them if they become the middle class, that is to say, in the future. Therefore, small circles of intellectuals who have become politicians without special qualifications for this, play the role of the driving force of changes in our country.

[Paradowska] Therefore, the following question comes up—should we give up democracy? Is this the choice?

[Kuron] Some people even label this very precisely and say—if our society does not understand that only the market economy will provide a better future for it, let us give up democracy and lead our society to such an economy.

[Paradowska] With an iron fist. Shall we choose the lesser evil?

[Kuron] In life and politics alike, decisions are generally made on the principle of choosing the lesser evil. The more difficult the situation, the higher the price of such choices. You see, this is why the argument between me and Adam would certainly be academic in nature if we had it in Switzerland. However, we are arguing in Poland in the year 1991, in a situation in which the question of chaos versus a lack of democracy should be raised very seriously.

[Paradowska] Would you be inclined to respond like this: So, there will be no democracy; let us give up values which we have defended?

[Kuron] What I call effectiveness is precisely what helps me to answer this. I believe, perhaps paradoxically, that if we want to build a democracy, what agrees with those values is effective in the long run. I subscribe to this strange moral pragmatism. In the short run, people may be deceived by slogans, but this wreaks its own vengeance. In the short term, we may lose by telling the people that restructuring will take years, and that it will still be very difficult. However, you gain later by doing so.

[Paradowska] However, you did not respond to my question: Would you say—yes, we should suspend the building of democracy?

[Kuron] No, I would not say this, because I do not believe that it is possible to set up an effective dictatorship in Poland; I do not believe that it is possible to create a market economy under such a dictatorship. At this point, this issue is removed from my agenda as immoral and ineffective.

[Paradowska] Could it be that you are merely closing your eyes, and that you are reluctant to see the reality around you? Are we not hearing more and more often—let somebody finally put things in order?

[Kuron] We learned about a dictatorship quite recently. The consequences of it are apparent, and we know precisely that this is a road to nowhere. In Poland, the iron fist produces disorder as its consequence. I am not turning a blind eye to reality, and I can conceive of some political forces gaining power in an undemocratic manner. However, anarchy and a mess, rather than order, will result.

[Paradowska] Do you believe in the national character of the Poles?

[Kuron] I believe in the national character, which is not God-given but rather shaped by bondage and dictatorships. The Poles are uncommonly efficient in resistance. As far as construction is concerned, the Czechs are more efficient; as far as resistance is concerned, we are incredibly efficient at various levels because politics is not the only issue here. This also applies to the entire economy and its second and third echelons. A dictatorship in Poland means that everything takes a flight toward perversion. Therefore, if someone believes that this is the proper way to build a middle class and capitalism, then his thinking is upside-down.

[Paradowska] Rejecting authoritarian solutions is one matter, and responding to the question of how to actually build democracy in Poland is another matter, which is perhaps the most important and dramatic in Poland at present.

[Kuron] Because only now are genuine problems with Polish democracy surfacing. The isolation of the elite that offers a democratic system and a market economy will come about inexorably if democracy results in specific benefits for no one. The isolated elite is weak, and the state is weak. On the one hand, the elite loses an opportunity to act, while on the other hand, it gains a certain illusory freedom of action.

[Paradowska] Can they make any decision without actual social control?

[Kuron] That's just it, but the freer the decision, the more difficult it is to implement it. It is impossible to separate effectiveness from ethics in this instance as well.

[Paradowska] You sing praises of effectiveness, but your political milieu is viewed as ineffective; let me recall a classical case, or the presidential campaign. You have now become the chief of the election campaign of the Democratic Union. Your predecessors did not leave you the best inheritance.

[Kuron] The decisive fact in that campaign was that five candidates came out against reality, and one candidate had to defend this because he was prime minister. The best expert on election campaigns would have changed nothing in this instance because no headquarters can

make butter cost one-half of what it does. Five candidates said: We will make it so that butter will be cheaper, and quickly at that. Therefore, let us not think up miracles, let us not discuss ineffectiveness when the issue is simple. However, you see, that campaign also had one more consequence. Before the presidential election, some people from the Solidarity camp managed to perform a maneuver and persuade a segment of our society that Mazowiecki and company were to blame for everything, that they were responsible for everything. The situation has changed by now. By now, everyone knows that the Solidarity elite is responsible—the entire elite rather than one of its segments. Because we are on the topic of politics and morality, I will tell you that I do not think that they did everything they did because they were unethical and put the game before morality. They indeed thought that a simple way existed to handle reality. I still encounter people who think so. All of us have to become convinced little by little that there is no such way.

[Paradowska] It appears that we are already convinced of that, but this does not make it easier at all. The future does not appear any clearer. We use the words “democracy” and “market economy” right and left. We practice some kind of ritual, and you said yourself that nobody benefits by this—so far. You see, it is a shame to say so, but at the outset communism was somehow more attractive.

[Kuron] Why is this a shame? At the time of its inception, communism provided—it provided indeed—an opportunity for the advancement of large social masses. At present, we do not offer this, nor could we. We could not offer anything but the fact that this advancement will occur in the course of a certain long process, and that skilled workers, future farmers, people employed in agricultural services, and the intelligentsia will become the middle class. It was said that the Communists promised fruits in the future, but they gave an opportunity for advancement almost right away. Meanwhile, we are talking a long process of restructuring. I agree that at present, this might appear unattractive. At present, the issue boils down to whether our program of economic and political restructuring will be designed in such a manner as to enable large social groups to participate in it. If they participate, this in itself will amount to their advancement. I think that Polish politicians still do not have a feel for this issue.

[Paradowska] How is this large group to participate?

[Kuron] By becoming owners and administrators, that is, the middle class.

[Paradowska] You have just said that Polish politicians do not have a feel for this issue. You said at a meeting in Elblag that there is an increasingly large discrepancy between what society and politicians live by.

[Kuron] Somebody oversimplified this while summarizing. This is what I say: We are building an order based on a market economy and democracy. However, we are

building in an abnormal manner. Normally, various small and big entrepreneurs are precisely the ones to build a market economy, whereas other groups, for example, workers, gain various rights within its framework and become the middle class. There are no entrepreneurs in our country; so, who is to build a market economy? This leaves groups of intellectuals who have become politicians, and the people do not understand them. Hence, the issue of the isolation of the elite. Please note that the New Deal was an attempt at modifying capitalism in such a manner that the employees found security within it. This set forth specific tasks for various employee groups. Our changes were accomplished by the forces of the workers' movement, and it turns out that the order which we are building is not for the workers, and not even for the intelligentsia at present. The causes are rooted in what is now going away, in communism. Communism sort of gave everything that there was to give, except that it could not implement this because it was unproductive. In the process, we secured, in addition, various rights, for example, self-government. I will say plainly that we woke up with our hand in the chamber pot because we cannot create a program which the workers' movement and rural residents would recognize to be their own.

[Paradowska] Therefore, you have prepared a certain intellectual proposition. However, who is supposed to support this project if its implementation does not benefit anyone at present?

[Kuron] This might be unrealistic. The concept of going straight from communism to a market economy might be impossible to implement, but God forbid if it is, because it is better not to discuss the consequences of failure.

[Paradowska] Let us try to discuss them.

[Kuron] There is a scenario with an antidemocratic system, some kind of Pinochetism, which, as I have said, will not get us anywhere. There is only one democratic alternative—for the skilled workers, farmers, and groups of the intelligentsia to become the middle class, for changes to be designed so that these groups will become owners, and for social interests to become clearly differentiated. This process is already beginning, but—and I repeat emphatically—this is a very long process. What I am saying does not follow from some doctrinaire utopia. In general, I am not a doctrinaire person. It is just that I evaluate reality, and it appears to me that there is no other way. There are very many questions along the way, to mention just one: Is it possible to pursue, within the monetary corset of Balcerowicz, a policy which will bring about employees and citizens holding shares and will reward a social contract, which is necessary for further changes? In my opinion, it is possible, but in the long term. However, it is a tragedy that no pressing social issue may be resolved right away, within half a year or a year. We can undertake actions with regard to each problem which will bring certain results, sometimes small, in two or three years. We need a sensible multiyear

social contract, for example, for three years. The question is whether our society will want to agree to three years. Are we not already having to do with pressures and a conflict of interests which will blow it all apart? Just blow it apart because nobody has another, better proposal.

[Paradowska] I will add one more question: Two years have already passed; How much longer will still more years pass?

[Kuron] Let us not take leave of our senses. It is not at all as bad as it appears to us. Recently, I put forth a slogan—let us give the children a gift of summer, a gift of health. At issue are 800,000 children whom we should send away for vacations. Imagine that I was flabbergasted myself because such a great social impulse has come about that we will indeed send the children away—we, meaning our society. So what? They say that at present everybody cares only about himself, and does not get a rise out of any ideals.

[Paradowska] Thank you for the interview.

Accelerated Privatization of State Enterprises

91EP0628A Warsaw RZECZPOSPOLITA in Polish
5 Jul 91 p 1; p 1 (ECONOMY AND LAW supplement)

[Article by Janusz Lewandowski, minister of ownership transformation: "The Sale of Midsize and Small Enterprises"]

[Text] In accordance with government announcements, beginning in July the so-called quick selling off of small and midsize state enterprises will be held through the initiative of parent organs.

The sale will take place by means of an invitation extended to domestic physical and legal persons to negotiations aimed at concluding an agreement for buying/selling the enterprise. Thus, at the present stage, this form of privatization is designated primarily for domestic capital as well as for employees, who may participate in negotiations both as physical persons and as board members of a company (composed of employees alone or of employees and investors outside the enterprise).

To date, parent organs have submitted the names of approximately 140 enterprises designated for sale during the given period. For official legal reasons, not all of these may be subjected to this particular form of privatization at present. Thus, only enterprises which have a regularized legal status, especially with regard to the ownership of land and buildings, will be sold. Parent organs have received an order to resolve such matters as soon as possible, insofar as objective factors do not impede solving these problems. The opinion of enterprise organs is being taken into consideration in decisionmaking on a given sale.

Starting today, invitations to the negotiations will be announced in RZECZPOSPOLITA and in local newspapers. Generally speaking, from several to more than a dozen enterprises will be privatized all at once in this manner. This will facilitate advertising the undertaking in the proper manner.

The general index for determining whether an enterprise is small or midsize is the number of employees it has; in other words, the above procedure will be used for up to 500 employees. The group of enterprises for which the invitation to negotiations for the purpose of concluding a buying/selling agreement is being made today includes firms employing from about 40 persons to about 360 persons, with assets worth from about 2 billion zlotys to about 30 billion zlotys.

Those interested in a purchase, having announced their desire to participate in negotiations, will receive informational materials prior to the start of negotiations and will be able to familiar themselves directly at the enterprise headquarters with the work of the enterprise and its economic-legal status.

Purchasers of an enterprise will be obliged to settle a portion of the payment in cash. The remainder may be distributed into installment payments (this is not precluded by the Law on the Privatization of State Enterprises). Parent organs will make the final decision on the form of payment.

Proposed Sale Regulations

The Ministry of Ownership Transformation Affairs [MPW] proposes that the principles for the sale of small and midsize enterprises be established in the following manner:

1. A portion of the enterprise selling price, not less than 40 percent, should be paid in cash at the time the buying/selling agreement is concluded.
2. The remainder may be distributed into installment payments for a period of up to four years.
3. Interest on the installment payment is calculated in a manner defined by the Ministry of Finance [MF] order dated 10 November 1990 concerning the establishment of the amount due for the utilization of property of the State Treasury (amended by an MF order dated 7 May 1991):
 - a) The interest is set at three-fourths of the current interest rate on refinancing credit granted to banks by the Polish National Bank, but not higher than 30 percent.
 - b) In the first four quarters in which the agreement is binding, one-third of the interest may be paid, while in the next four quarters one-half of the total interest set for this period may be paid.

The difference between the amount of interest calculated for these periods and the amount of payments paid

increases the purchaser's obligations for the period of the eight quarters following the date on which the agreement is concluded, during which time the interest due by virtue of the temporary deferral of these payments does not accrue.

4. The sum distributed into payments is divided into a maximum of 16 equal quarterly payments. At the request of the purchaser of the enterprise it is possible for payments to begin with the second year from the date the agreement became binding (a year's deferment), so that the payment of the total amount of the obligation will conclude in five years.

5. To secure the installment payments, a mortgage will be held on the immovable property making up the enterprise. Other forms of security may also be used, such as cosigning, bank guarantees, and the like.

6. With regard to the installment payments and the interest discussed in Point 5, the purchaser and all of his property are subject to seizure in accordance with Article 777 Point 4 of the code of civil procedure.

The above-discussed sale will be implemented in accordance with Article 37, Paragraph 1, Point 1 of the Law on the Privatization of State Enterprises. The primary purpose of proceeding in this way is to popularize the "route of sale" used relatively rarely to date in order to make possible the participation of the broad masses of domestic investors in the process of ownership transformations. Thus, at the same time that the implementation of the program of universal privatization directed toward the general citizenry is commencing, an alternative form of privatization designated above all for entrepreneurs is hereby presented.

Top 500 Enterprises List: Archival, but Helpful

91EP0645A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 22 Jul 91 p 1

[Article by Piotr Aleksandrowicz: "New Edition of ZARZADZANIE's 500 List: Historical and Instructive"]

[Text] During the next few days a double number of the monthly publication ZARZADZANIE will appear, No. 6/7, which will include the "500 List" of the largest firms in the processing industry in Poland in 1990. One of the authors of the commentary says that the list being published is purely archival, if one takes into account the fact that the first half of 1991 saw a sudden decline in the financial condition of enterprises, an increase in tax liability, progressive transformations in ownership, changes in the profitability of exports, and so on.

Nonetheless, it still seems worthwhile to look at the 500 List and the commentaries. First of all, some data. We are presenting the top 30 in the table. Polmos' symbolic decline to second position and the great strides made by many firms are the most striking. Progress was particularly apparent among exporters, as well as those enterprises that exploited the changes in relative prices,

especially on fuels, raw materials, and partly finished products. The mills achieved a high level of profitability, although we know today that at least some of them are on the brink of failure or even continually operating at a loss, for example, the Wloclawek Nitrogenous-Compounds Plant. The year 1990 was therefore an exceptional one, a year for taking advantage of the benefit of liberal prices and high inflation during the first months. The real test did not come until this year, and anyone who survives now will probably weather the greatest storms.

The electric plants appeared on the 500 List for the first time. Belchatow made a profit, but Kozienice, Siersza, Skawina, and Laziska suffered losses. Alongside the electric plants, the Polnocna [North], Szczecin, and Komuny Paryskiej [Paris Commune] Shipyards wound up on the list of firms with negative savings.

Despite a 1990 policy that has generally been considered to be a tough one, 181 firms received budget subsidies. Alongside those listed in the table, Ursus received 189 billion zlotys in subsidies and allowances, Polic (142 billion), Wloclawka (83 billion), and Pulaw (127 billion). The electric plants took a lot. For example, 181 billion zlotys went to Polanec, 253 billion to Kozienice, 197 billion to Laziska, and 215 billion to the Katowice thermal electric plant. The Szczecin Shipyard took 199 billion from the budget. This is one-third the value of sales. The Gdansk Shipyard received 127 billion. Polnocna and Komuny Paryskiej received over 60 billion. It should be admitted, however, that most of the subsidized enterprises received rather small amounts. The curiosity was the 55-billion-zloty subsidy to Polmos.

The most profitable firms, that is, those with the highest sales figures relative to costs, were, for example, the pharmaceutical firms: Polfa Warsaw, Rzeszow, and Jelenia Gora (exporters to the USSR); automotive equipment plants in Praszka (which had a sudden rise in exports), the Power and Brown Coal Community (a medium-sized structure that lives off subsidies and has the highest wages of any firm on the 500 List, an average of 2.5 million zlotys last year), the Elta plants in Lodz, and a producer of chemical equipment in Kielce. Two others are Pek-Pol and Polmos. The electronics and computer firms dropped out of the lead. The majority, that is, about 350 firms, achieved a very high level of profitability in terms of world standards—more than 20 percent, at least on paper. Cash flow is a completely different matter. This may be why some of the firms that seemed prosperous suddenly ran into trouble during the first few months of 1991.

At the bottom of the profitability table are Uniontex and the Cotton Industry Plants in Czesochowa, the Komuny Paryskiej Shipyards, the fishermen from Gryf, and Alka Slupsk.

Looking just at the top 30, we can become dizzy over the high profits that just about all the producers made. A substantial share of this is the trillions of zlotys in

subsidies for exports to the USSR, because it would be hard to say it came from funds gained through an extremely high ruble exchange rate in 1990. In addition, dollar exports and sales of products that had been made out of inexpensive stock still on hand brought high profits. There is not the slightest doubt that this somewhat strange list of leading profitmakers will change this year. Exporters to the USSR and East Europe will be under pressure, first of all, as well as the unprofitable firms in light industry and in the electric machine, automotive, and electronics industries. Profits will drop just about everywhere. Tadeusz Baczko writes: "The staff of Polish enterprises is still relatively poorly paid, in comparison with the very industrialized countries, and this fact can make firms competitive, but only if labor productivity increases. For example, a worker in a firm on the Polish 500 List is half as productive as a worker in an American firm that held last place on last year's (IAGO—editor's note) Fortune 500 Hundred List, and less than 10 percent as productive as an employee of Yondell Petrochemical, the American productivity record holder last year."

The idea of comparing Polish enterprises to world firms is impressive. For example, let us look at the petrochemical firms using the conversion factor in effect all last year, 9,500 zlotys per U.S. dollar. Those in the world lead have sales in the range of from 1 to 4 million dollars per employee (without special taxes). Petrochemia in Plock is high on the list in Poland in terms of sales per employee, because there it amounts to 214,200 dollars, and at the Gdansk Refinery it is nearly 280,000, including the turnover tax. Without that tax, it is about 20 percent less. Rather than being in the lead, Polish refineries are around the middle of the Fortune 500 List (for 1991, which we already have).

Sales per Ursus employee amounted to 83.7 million zlotys (under 9,000 dollars), and this is one-twentieth the mean productivity of Fortune 500 List firms. An Indian mill worker employed by the Steel Authority of India, a firm decidedly further down the Fortune 500 List, produced 21,000 dollars worth, nearly half that of the Katowice Mill, one of the least effective in Poland, in this respect, but at the Japan firm Nippon Steel, an employee produces and sells production valued at about 290,000 dollars, which is seven times as much as in a Polish mill. At Italian FIAT, the figure is 157,400, and this is nearly eight times that in Poland, but one-quarter that of Toyota, where one employee produces and sells production valued at over 680,000 dollars.

The fact that only 283 firms remained on ZARZADZANIE's 500 List since 1984 proves that changes have occurred in the economy, despite everything. Ewa Balcerowicz thinks that in 1990, a wave occurred that split up firms, such as the Polmag-Emag firm, for example, as a result of which 27 firms producing mining machinery were liberated. Eleven sugar industry firms were eliminated, and nearly 80 sugar factories became independent. Deconcentration also occurred in the meat industry. A group of stock companies appeared, including FSM S.A., Polifar S.A., ABB Zamech, and others.

There is no doubt that next year's 500 List will be especially interesting, because it will permit comparison of the financial figures of firms that are really under the gun economically. Inflation is lower this year, so it will be possible to compare in relative safety the figures of 1991 and 1990, the first two years of Poland's market economy. In keeping with statistical principles, GUS will not make information on individual firms available.

Name of Enterprise (1989 position in parentheses)	Sales (in billions of zlotys)	Result (in billions of zlotys)	Profitability (in percent)	No. of Persons Employed
1. Petrochemia Plock (2)	17,182	4,382	46.46	8,442
2. Polmos (1)	14,769	2,642	126.57	8,149
3. Katowice Mill (3)	11,112	2,821	33.45	26,575
4. Sendzimira Krakow Mill (5)	8,531	2,596	45.94	28,676
5. Gdansk Refinery (8)	4,812	1,185	45.94	1,811
6. Warsaw FSO [automobile factory] (6)	4,193	328	10.20	24,124
7. Stalowa Wola Mill (10)	3,142	1,472	74.29	23,329
8. Czestochowa Mill (10)	3,138	846	36.07	10,013
9. Ostrowiec Mill (16)	2,691	401	17.29	14,302
10. Belchatow Electric Power Plant (—)	2,476	344	17.5	5,816
11. Tarnow Nitrogenous-Compounds Plants (20)	2,135	570	34.17	8,582
12. Krakow Tobacco Plants (23)	2,015	386	49.64	3,699
13. Ursus Warsaw (15)	1,960	273	15.75	23,396
14. Oswiecim Chemical Plants (39)	1,945	503	33.60	6,624
15. Friendship Coke Mill (61)	1,936	307	18.59	3,341
16. Pulawy Nitrogenous-Compounds Plants (50)	1,862	464	28.48	5,218

Name of Enterprise (1989 position in parentheses)	Sales (in billions of zlotys)	Result (in billions of zlotys)	Profitability (in percent)	No. of Persons Employed
17. Zawiercie Mill (32)	1,815	346	23.14	5,698
18. Katowice Meat-Processing Plants	1,809	285	18.46	5,394
19. Kedzierzyn Nitrogenous-Compounds Plants (22)	1,754	424	30.10	5,780
20. Police Chemical Plants (26)	1,717	331	19.81	5,286
21. Warsaw Mill (24)	1,669	347	25.90	6,116
22. Zielona Gora Zastal (101)	1,629	803	95.39	1,988
23. Warsaw Thermal Electric Plant (—)	1,629	503	38.80	4,628
24. Katowice Nonferrous Mill (14)	1,580	495	43.92	3,366
25. Batory Mill, Chorzow (55)	1,564	595	59.42	5,766
26. Swiecie Cellulose and Paper Plants (54)	1,501	543	53.36	4,588
27. Florian Mill (31)	1,486	259	20.87	3,857
28. H. Cegielski, Poznan (33)	1,447	464	49.92	10,802
29. Wloclawek Nitrogenous-Compounds Plants (58)	1,409	225	17.00	4,232
30. Zalom Cable Factory (27)	1,391	91	6.85	2,076

Note: The previous list did not include power plants or thermal electric plants, which accounts for the dashes. In the case of refineries, tobacco plants, and Polmos, the data are somewhat distorted by the excise tax (a special sales tax).

Definitions:

Sales—income from sales in prices realized for goods, labor, services, and so on.

Financial result—profit or loss, the difference between income from sales and the direct cost of these sales, plus subsidies, minus sales tax, corrected for financial foreign trade compensatory clearing and the balance of exceptional profits and losses.

Net profitability—ratio of financial result to the direct sales cost.

Secrecy of Parliamentary Investigations Deplored

91BA0972A Bucharest "22" in Romanian 19-26 Jul 91
p 2

[Article by Horatiu Pepine: "Instead of a Parliamentary Chronicle"]

[Text] If you want a notorious case to suddenly fall into oblivion, you establish a parliamentary commission. You can then be certain that all information will be blocked and that the results will be announced God knows when, and will by then pass unnoticed. The great scandal stirred by the Berevoiesti pit was stopped by the prompt establishment of a commission that took upon itself the responsibility of coming to conclusions, thus releasing the press and the public from a duty which—or so it was said—exceeded their competencies. As in the case of the Tirgu Mures events (the report on which is still not known) and of the 13-15 June events, a state of mystery has been declared and the little information there is comes through roundabout channels. We have, however, enough to state that there is already tension between the FSN [National Salvation Front] and opposition members in the commission, generated by their different grasp of the aims and methods of the investigation. Mr. Ioan Moldovan (FSN), chairman of the commission, from the very beginning hastened to issue a declaration limiting the investigation to the circumstances in which the documents landed at Berevoiesti, while the opposition members are far more interested in the contents of the documents which, judging by the samples already published, seem to attest that the SRI [Romanian Intelligence Service] is watching the political parties and that it was implicated in the tragic June affair. Has the political police been dismantled, or hasn't it? That remains the most important question, but the FSN, which in the past electoral campaign enjoyed the support of the secret intelligence service, seems more interested in lending a hand in punishing clumsy clerks. The RIS is undoubtedly doing only too well even without help, but the intention is to create the impression that everything is taking place under the control of the public authorities.

Parliament members [MP's] came to the site where the documents had been deposited, but they came to a halt before closed doors. Access is not allowed, they were told, because the old papers that were rescued from the fire were being subjected to a delicate conservation treatment. And the treatment, they were assured by the instructing prosecutor, will take at least three months. Interestingly, the prosecutor's boss had already declared that the documents were already treated, but he probably had not been in possession of all the information. For three months the SRI documents will be treated, probably until their selective disappearance, and the highest level authority formed—the parliamentary commission—will know nothing of what transpires and will at the most issue unsupported assumptions.

The Cerberus-like guardians of these papers—alternately presented as state secrets or mere pulp—are not entirely without goodwill. They have hinted that access to the archive is negotiable, but first the commission has to show up in its final composition. The condition was cynically posed, because the FSN members of the commission, Messrs. I. Moldovan and especially M. Chir-itescu, have long advocated sealing off the documents and entering them in the archives for the benefit of posterity. Consequently, the doors remain closed.

But there are also other avenues of investigation. The commission has found out that the homes of Berevoiesti villagers had been entered without a warrant and that papers that had been for a while circulating in the village were confiscated. The departure for Berevoiesti had been decided, but at the last moment word came that the access bridges had been destroyed in the recent rains. The trip was postponed, and in the meantime another report came to shake the MP's trust in the good intentions of their collaborators. The villagers of Berevoiesti had also heard that a parliamentary commission was on its way and, wishing to help, they repaired the bridges, shored them up, and stood watching the road for a commission that was not coming.

In sum, first a commission is formed under the sign of discretion for the purpose of blocking information, then the commission is systematically prevented from carrying out its mandate or, since it does not possess the means of investigation available to professional bodies, the commission is allowed to blunder about with obvious inefficiency. The moral of this story, which reenacts in a different form the adventures and failures of the 13-15 June commission, is that parliamentary authority is a fiction and that the principle of separation of powers in the state is only an empty form waiting for contents.

We are forced to once again repeat that although the workings of parliamentary commissions are not public, we must have periodical communiques on their progress. The secretive atmosphere in which the commissions carry on their activities facilitates abuses by the executive power that controls all the levers needed to elude the law without risk of punishment. What is to be done? We must require the MP's to denounce this practice of mysteries and to bring to the light of day, without fear of being challenged, all the details of activities that are ipso facto becoming more important than their objective.

P.S. FSN Deputy Mr. Constantin Sorescu last week attended the debates on the music and folklore stamp. As a critic with long practice in the columns of E. Barbu's SAPTAMINA, Mr. C. Sorescu first examined the purpose of the literary stamp and unhesitatingly demonstrated that it served to finance the publications of the Civic Alliance. Envious of those lucky publications that found subsidies in unexpected places, he is planning to bring out a magazine like no other, but is in the meantime casting about for a sponsor. We advise him to apply to the folklore stamp.

Religious Issues Addressed in Press**Bishop Interviewed**

91BA0959A Bucharest BARICADA in Romanian
23 Jul 91 p 16

[Interview with Banat Bishop Nicolae Corneanu by Doina Lereanu; place and date not given: "I Told Them: The Church Is Yours"]

[Text] [Lereanu] Most Venerable Sir, do you think that the disagreements between the Orthodox Church and the Greek Catholic Church, which culminated in genuine fights between their followers and in a "declaration of war" by Patriarch Teoctist, constitute a real conflict? Or is it rather the consequence of the interference of dark forces that are using every possible means to divide the nascent civil society to the point of destruction?

[Corneanu] Unfortunately it is a real conflict. I will try to tell you things that are not too strictly technical. What I mean is that there are both historical reasons, beginning in the year 1700, and issues of doctrine and theology. I would like to link this matter to Patriarch Teoctists' declaration. Essentially, he was referring to breaking the dialogue with the Vatican. Why? For 10 years a so-called dialogue has been going on between the Orthodox and Catholic Churches for the purpose of achieving a rapprochement between them. In the past few years the dialogue has been focusing on the Greek-Catholic issue for the reason that the relations between Catholics and Orthodox were somewhat poisoned.

[Lereanu] What do you think of the position of the Roman Catholic Church in this confrontation?

[Corneanu] I would like to draw a brief historical background so that you can better understand what happened. We received Christianity through the Latin branch, because our nation was born of the symbiosis between the Roman conquerors and the Geto-Dacians. Our formation as a people occurred through the Latin language. We, the Dacia of the Pontus Euxinus [Black Sea] did not come under the direct sphere of jurisdiction of Rome, but under intermediary centers.

For Transylvania the unification with Rome was certainly beneficial, but it occurred for political reasons; that is also what the Hapsburgs and the Hungarians thought. The former wanted the unification of the Romanians with Rome because they could thus politically annihilate them. The Hungarians wanted the Romanians' unification with Rome so that they should become closer to the Hungarians, who were Catholics. Everything was a political game. For that reason, soon a very acute conflict broke out between the Greek Catholics, the Austrians, and the Hungarians. If you recall, Greek Catholic Bishop Inochentie Micu-Klein was exiled to Rome because he was too Romanian! In this struggle against the Hungarian Government, the Greek Catholic Romanians were always on the side of the Orthodox.

In the wake of that "conversion," the situation of the Romanians in Transylvania improved only partially, because their dream of freedom could come true only within the unification of all the Romanians. On the Liberty Field in Blaj in 1848 the Romanians demanded the establishment of a single Romanian church. The Orthodox Bishop of Sibiu, Andrei Saguna, embraced the Unitarian Bishop of Blaj, Ioan Lemeni, just as Orthodox Bishop Miron Cristea and Greek Catholic Bishop Iuliu Hossu did later, on 1 December 1918 in Alba Iulia. "We will forever remain thus, embracing as you see us, two bishops," they said.

[Lereanu] What is the current situation, why has it come to conflicts?

[Corneanu] I think the problem today is that until 1948 there was a trend toward returning to Orthodoxy in the Greek Catholic Church. After the 1918 unification, there were no more political rights for the Greek Catholics to demand. The communist regime was installed and the Groza government said the following: "We don't need Romanians obeying some center outside Romania's borders." They decreed the abolition of the Greek Catholic Church and all the property of the Greek Catholics was nationalized and given to the Orthodox. All the Greek Catholic bishops, as well as the priests who refused to join the Orthodox Church, were arrested; all the faithful were summoned to town halls to sign a declaration that they were joining the Orthodox Church.

After 1990 the Greek Catholic Church regained its right to exist, but nothing more. The decree said nothing about the property confiscated from it. In April 1990 a series of talks were held with all the Greek Catholic bishops and some of the Orthodox bishops, and some with Iliescu, and in Parliament. No agreement was reached. There were some touching moments: Iliescu was with Minzatu, Cimpeanu, Cazimir Ionescu, and Caramitru. Caramitru and Minzatu told us: "Reverends, this is the Lent Week. We fall to our knees before you: Come to an agreement!" But we did not. Then Minzatu said to Iliescu: "If they cannot agree, then we should add to the January decree the provision that the former Greek Catholic churches will go to the community with the largest number of faithful." Legally, the decision may be justified, but from a human viewpoint, certainly not! How can you gather your faithful when you are coming back from the grave? You need churches.

In centers like Blaj, Cluj, or Baia-Mare a large number of Greek Catholics remained faithful to their religion. Many of them are intellectuals. So, how can I say that the Blaj Cathedral is not Greek Catholic? It is, and it should have been immediately returned. The same goes for Lugoj. I told them: You do not have to take it by force; the church is yours, take it, and I will give you some money to begin your activities. We could all of us do the same. If it is not possible, it is because of the political aspect of the situation. It seems that the current leadership has managed to set us at loggerheads. There are very many conflicts in Transylvania and throughout the

country and this atmosphere has spread to the church, too. Some priests are saying: "I will not give you anything." In Vasile Lucaciu's village some people knifed each other for that. The disinformation campaign staged by the press, the television, and officials also contributed to the creation of this atmosphere.

[Lereanu] What do you think of Patriarch Teoctist's declaration published in ROMANIA LIBERA?

[Corneanu] The Patriarch issued it, you know what is in it, and I could not take it upon myself to comment on it. However, in spite of it, the broken dialogue between the Orthodox and Roman Catholics is a more complex issue. The Patriarch only repeated what the leader of the Church in Greece says, and he is very much against the Catholics. His Reverence's declaration was a personal one; the dialogue continues. Two weeks ago there was a meeting in Rome (which was also attended by the Bishop of Sibiu, Antonie Plamadeala) and I repeat, the dialogue continues. I think that in a way the Patriarch regretted his declaration and that it will have no sequel. A Church Synod would have to meet to decide such a thing; hence the declaration has only a purely personal value.

[Lereanu] How do you think this conflict will be resolved?

[Corneanu] My opinion is that the Greek Catholic issue will be resolved, but not by us, because we are very stubborn! Life will resolve it. Some 400 students are now enrolled in Greek Catholic theological universities; they will graduate, will come to their parishes, and will reestablish their communities. I told them: "Brothers, in the end the churches will be theirs anyway, but there is a difference between giving and taking away. The way we are acting now we are compelling the Romanian Greek Catholics to hate us and to feel the kind of hostility that our people do not need and that never existed before." "We cannot hand them over," they responded, "because our community members will look upon us as traitors." From a juridical viewpoint, the law is based on principle; but in our country the problem cannot be considered from a juridical viewpoint. If the 1948 event had not occurred and the 45 years of communist terror, OK! But as it is.... The Greek Catholics had underground priests and bishops, they gathered in private homes, and they held services.... If they were apprehended by the Securitate, in the best case they were fined, in the worst they went to jail for many long years and many of them did not survive it.

In this matter I cannot identify with the Communists. In January Nicolae Stoicescu was minister of religious affairs. He summoned us and tried to explain to us that from a legal viewpoint, a small Greek Catholic community cannot take over an Orthodox church even if initially it belonged to them. So I told him: "Mister, would you be talking like this if you did not have 43 years of dictatorship behind you?" I, at least, existed; they did not. I cannot accept the Communists' viewpoint of 1948. Formally this is still the official position: The

nationalized property will be returned to the Greek Catholics, but the churches will be divided by agreement. You can see what agreement has been reached. From the very beginning everything seems to have been calculated to divide us!

Here, in Banat, we have not had any disturbance. There are three churches we gave back to the Greek Catholics, which was very few. We could not give them more because the priests here began to be influenced by the ones in Transylvania. Inflamed by their colleagues or scared by the reaction of their communities, the Orthodox priests should think twice before taking irreversible decisions.

We have finally won the freedom for which we ached for so long. Currently there is a lot of talk of competition, but I think that more important are love, brotherhood, indulgence, tolerance, and understanding.

Orthodoxy Defended

91BA0959A Bucharest BARICADA in Romanian
23 Jul 91 p 7

[Interview with Vicar Constantin Galeriu by Mircea Spanoche; place and date not given: "Let's Stop Throwing Stones..."]

[Text] [Spanoche] Vicar, do you believe that after 45 years of communism there is still faith in Romania?

[Galeriu] Yes. Faith is a profound thing. First there is something I would like to point out: What distinguishes man from all the other creatures is precisely faith. Some say it is reason.

Each creature is alive because it embodies a meaning, a reason. But only man has faith. Only man belongs to the trajectory of a future. That is why it has been said that man is the creature of an eternal future. And the bridge that fits me into this launch to the future is faith. I have to first believe and then act. Faith is my bridge to God, but also to my fellow men. Unfortunately, we no longer have faith in our fellow men and that is a great tragedy.

[Spanoche] It has been said that the Romanian Orthodox Church has allegedly betrayed the truth and faith!

[Galeriu] I want to assure you, with good reason, that in the past 45 years the Orthodox Church created the richest and most profound theological work in the entire history of the Romanian church! A theological work of such depth and wealth of ideas that it is valued throughout the Orthodox world, even in the West, as is proven by the fact that it has begun to be translated.

[Spanoche] How much truth is there in the accusation that this church is in the service of the authorities?

[Galeriu] The term as such is inappropriate and unsuitable. It has to do with an Orthodox tradition. This problem has been considered since Byzantium: The assertion was that there are two powers, the spiritual and

the temporal or political, which must work in unity. The spiritual power sustains the political one. The point of departure was the fundamental fact of the embodiment of the Son of God in the world, i.e., the Son of God, aside from his divine nature, also assumed a human nature. Consequently, after the icon of the embodiment of the Son of God, incorporating the two natures, the belief was that there exist two powers in the world: A spiritual power and a temporal power, and they must work together for the benefit of society. It is true that at times there have been inversions and distortions, whereby the temporal power tried to take command of the spiritual power, which in Byzantium was known as a kind of Caesar-papism. However, in our country there has always been a cooperation beneficial to the people. The bishops, priests, and methopolitan bishops served as advisers to those in charge of the leadership; the rulers had good counselors. Daniil Sihastru and Stephen the Great may be viewed as historical archetypes; the ruler valued his father confessor so much that he built the Voronet Church in his honor.

[Spanoche] But what about during Ceausescu's dictatorship?

[Galeriu] If he, the wretched man, had listened to others and had had good advisers...Unfortunately, however, dictators succumb to this frightening tragedy of which the Scripture says: "Pity the lonely man." The dictator becomes a kind of sole center of existence and that is the trap from which he cannot escape. There is an unbreakable link between atheism and dictatorship. How? The atheist relies on himself, and if this godless vision prevails in the world, each person becomes a kind of central I, in other words, you have egocentrism. If I center life on my ego, in a way the others become my satellites. But who wants to be a satellite? No one. So each one wants to be a center. And in this situation you have as many views as you have heads, as the ancient used to say. Hence, there must be something to unify this chaos of diverse and at the same time adverse, uniquenesses; that is what the dictator does. He decrees himself the center and...who among us is perfect?

[Spanoche] That is what the psychologists have found, too!

[Galeriu] Yes. They have found that the worst causes of human perdition are pride and the drive for power. These flaws caused the greatest tragedies in history, the dictatorships!

[Spanoche] What are we to understand from the saying: "Do good to him who does evil to you and pray for him, because God is the only one who can do justice?"

[Galeriu] Man is created in God's image and God is love. Consequently, love and truth is God's image in me, it is my definition, my health, my normalcy. If I fall out of love and truth, I fall out of my definition. Hence, whether the person across from me is good or bad, I do not depend on him. In other words, if to his evil I respond with evil, then he has contaminated me. And

then I fall into this weltschmerz which believes that only disease is contagious; I think that health is contagious, too. Moreover, I struggle to ensure that health is contagious, because if you have good and truth in yourself, joy, serenity, and spiritual purity, then you can propagate like the sun propagates its light and warmth. I must believe that good has to be contagious, not evil. And if the other harms me? Well, he cannot touch me if I do not let him! The martyrs were not afraid even before death, they were crying for the others. Our people translated that into "The greatest revenge is when your enemy is forced to admit that he is bad and you are good." I will stay with my identity, my definition, my continual love and truth, which does not mean that I tolerate evil. In the Scriptures, when people brought a fallen woman to the Savior, the Pharisees thought He would either order her stoned to death, or forgive her, and people thought: If He forgives her, how can He tolerate evil; if He has her stoned to death, He must be a tyrant. Then He said: Whoever is without sin should cast the first stone. But when He lifted up his eyes, He saw he was alone with the woman, because everyone had vanished. So God does distinguish between the person and the sin in him. You must uncompromisingly condemn evil, but pity the person and do not destroy him. When I look at the people today I see a lot of stones being cast at all of us, but I say to myself, this should make you both sad and glad. Sad, because stones are being cast at someone, but glad, because there must now exist people without sin, if they can pick up a stone and cast it at others.

[Spanoche] I think they are rather without faith....

[Galeriu] Yes. I know. That is what I say in my heart. That is why we must stop casting stones one at the other and must discover love, unity, and repentance. We must repent for our errors and struggle to restore this country to faith, truth, and love, which we must do by building, by not demolishing anything anymore, but by creating.

Poll on Religion, Schools

91BA0959A Bucharest *BARICADE* in Romanian
23 Jul 91 p 6

[Opinion poll conducted by Adina Anghelescu; place and date of poll not given: "The Church and Religious Education"]

[Text] To get an overall impression of the need to introduce religion in schools, we addressed the following questions to several young people: What does the church mean to you? Do you wish to see religious education in schools (universities)?

Mihaela A. (student, Academy of Economic Studies): "To me the church is first of all a work of art. It is a joy to my eyes. Sometimes, when I have some trouble, I pray a little. I think I would like to attend religious classes, but without sermonizing or confession...."

Dan B. (medical student, Cluj): "I haven't often been inside a church, but there is faith in my family. I think it

would be a good idea to have religion in school, even in universities. We observed only a few religious holidays. In other words, Easter, Christmas, and...that was about it!"

Adrian S. (architecture student): "Church? Thing is, this business of priests, censors, and mumbo-jumbo does not sound like faith to me. But as an architectural study the churches are a masterpiece. Those who built them and painted them deserve every respect. My faith is art. Religion is like art. You have to study it in order to understand it, so in my opinion it would be interesting and enlightening to have religion classes and textbooks. I think that the biggest sin is the way the church representatives compromise with the regime. In a way, they are betraying God!"

Andrei Nicolae (Polytechnical Institute): "I never had anything to do with the church, and as for praying...I only did it twice; once when I had leg surgery and once during the 1977 earthquake. I think it's too late to have religion at the university level. In my opinion, that should be done in childhood. Speaking for myself, I am a convinced atheist."

Mariana C. (philology student): "To me the church represents the serene part of the soul. I don't often go, but when I do, something in me is released. Why shouldn't there be religion classes? It's a matter of good sense and culture. The main thing is to stay away from speculations and to err as little as possible. A class in the history of religions would be good."

Daniela Popa (9th grade student): "I went to church only when my grandmother died. To me, it's a place of painful memories. Besides, my father can't stand priests. He says they're scoundrels. Study religion in school? I think it would be interesting."

Ion Constantin (8th grade student): "I used to go to church when I was younger. My grandmother from Sibiu used to take me. I didn't really like it. I know that churches are buildings made by God so people can pray to him. We don't have teachers for such a thing in school. I'm glad about it! What do I need it for?"

P.S. What sick mind and crippled hand could have written on the wall of the building in N. Balcescu Ave. at the corner of I. Campineanu St.: Get religion out of schools...Schools not monasteries...We don't want to become monks...Down with religious dictatorship. Under the umbrella of neocommunist democracy and the influence of a totalitarian ideology, some people behave like cave dwellers, scratching their "ideas on the walls...."

Investment Law Unlikely To Draw Foreign Capital

91BA0953A Frankfurt/Main FRANKFURTER
ALLGEMEINE ZEITUNG in German 22 Jul 91 p 10

[Article by mel.: "Romania Still an Unsafe Street for Western Investors; New Investment Law Does Not Reduce Existing Risks and Hurdles; Hope for Tourism"]

[Text] Hamburg—For Western investors, Romania is still a risky proposition. The country still has a communist government, and the political situation remains murky and unstable. Even though Romania has hardly any foreign debt, it is not considered creditworthy due to its desolate economic condition; German banks therefore hesitate greatly when approached for financing of investment projects. There is still no privatization law in Romania which would permit its citizens to buy their own factories, hotels, restaurants, or shops. Such a law is due to be passed by parliament in the fall.

Foreigners are not permitted to buy real estate in Romania. Land can only be leased for periods of up to 99 years. There is no mortgage law in the Western sense, which makes it very difficult for German banks to secure their loans.

Workers' productivity is considered to be low; occupational training is often inadequate. The entire country's infrastructure is desolate. There is no opportunity to establish a modern communications system. While the upper-echelon officials are pressing for a social market economy, the mid-level functionaries are mostly trying to thwart this, since they are the ones who have most to lose after a changeover.

However, the biggest obstacle to incoming investments is the lack of confidence in the still very inexperienced government. Cornel Grigorut, state secretary in the Ministry for Trade and Tourism, admits: "Many things are still in a process of evolution here. Adapting our laws to the requirements of a social market economy will take time. Rome was not built in a day either." Grigorut acts as a traveling salesman for investments all over Europe.

Still, the government passed an Law on Investment in April. The law promises protection from nationalization, expropriation, and confiscation. In it, the government declines taxation of nonprofit-related income. It also declines taxation of profits for several years: two years for profits arising from trade, tourism, financial loans, and other services; three years for mining, transport, and communication systems; and five years for industry, agriculture, and construction activities.

Added to this is a reduction in the profits tax of up to 50 percent for reinvestment in modernization projects and environmental protection; also when exports exceed 50 percent of productivity and when additional jobs are created. However, such incentives become fully available only if an enterprise is already operating in the black. There is also a possibility of repatriating profits

and investment capital in case of sales of capital shares in convertible currencies. However, it remains to be seen whether these incentives will outweigh the risks on the way toward a solid economic upturn for potential foreign investors.

The Romanians, trying to stimulate the economy, expect particular success in the tourism area. About 30 specific joint ventures are said to be under way, but without any German investors. While for many years the number of visitors to Romania has been declining drastically, privatization and new investment in medium-priced hotels and restaurants might improve Romania's reputation as a family vacation spot sufficiently to turn this around. During the early 1980's more than 200,000 West Germans traveled to Romania every summer, out of a total

of about 6.5 million foreign visitors. Those are the official figures, anyway. Low prices were a particular attraction for families with many children. However, socialist mismanagement and sullen employees caused a growing decline. Last year the tourists, shocked by the poor accommodations and bloody demonstrations, stayed away altogether.

However, the Romanian Tourist Office and German travel agencies such as ITS, NUR, and Hansa Tourist, express optimism for 1991, because Romania benefits from the political unrest in Yugoslavia. Reservations have shown a continuous increase over the past several weeks. The planning target for 1991, which may be somewhat overoptimistic, is for 250,000 visitors from Germany, both eastern and western.

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