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CONTENTS

26 JUNE 1990

POLITICAL

CZECHOSLOVAKIA

Foreign Economic Relations Law Viewed [HOSPODARSKE NOVINY 8 May]	1
Arbitration Among Enterprises Law Amendment Discussed [HOSPODARSKE NOVINY 18 May]	2
Sources of Prague's Air Pollution [Vienna PROFIL 17 Apr]	4
Environmental Pollution in Northern Bohemia Viewed [Vienna PROFIL 17 Apr]	5

HUNGARY

Signature Drive, Referendum on Method of Choosing President Viewed	8
Judicial Officer Analyzes Situation [MAGYAR HIRLAP 16 Jun]	8
MDF Envisions MSZMP-MSZP Plot [MAGYAR HIRLAP 16 Jun]	9
SZDSZ Future Action Discussed [MAGYAR HIRLAP 16 Jun]	9
MSZP Denies Ulterior Motive [MAGYAR HIRLAP 16 Jun]	10
KDNP Supports Direct Elections [MAGYAR HIRLAP 16 Jun]	10
Observance of Law Pledged [MAGYAR HIRLAP 16 Jun]	11
Amnesty Bill Intent Questioned, Condemned [BESZELO 16 Jun]	11
Political Prisoners Tell Their Stories [BESZELO 16 Jun]	14
Deceased Activist Mihaly Horvath Eulogized [BESZELO 16 Jun]	17
Antall on Global, Domestic Situation [Hamburg DER SPIEGEL 21 May]	17

POLAND

POLITYKA Weekly News Roundup [POLITYKA 26 May]	20
Issue of Compensation for Internees Clouds Relations With Moscow [PRAWO I ZYCIE 12 May]	21
Security Service Chief on Future of Intelligence Service [PRAWO I ZYCIE 21 Apr]	23
Character, Nature of Army in Light of Political Change Delineated [WOJSKO I WYCHOWANIE 1 Mar]	25

ROMANIA

RMDSZ, Opposition Role Viewed; Quarter of All Votes Fraudulent [ROMANIAI MAGYAR SZO 31 May]	28
--	----

ECONOMIC

GERMAN DEMOCRATIC REPUBLIC

Air Pollution Problems Surveyed [Cologne DEUTSCHLAND ARCHIV Apr]	31
--	----

POLAND

Foreign Economic Assistance: Accomplishments, Needs, Problems Cited [RYNKI ZAGRANICZNE 3, 5 May]	40
---	----

CZECHOSLOVAKIA

Foreign Economic Relations Law Viewed

90CH0182C Prague HOSPODARSKE NOVINY
in Czech 8 May 90 p 4

[Article by Lumit Pessr, LL.D., Federal Ministry of Foreign Trade: "Law on Foreign Economic Relations"]

[Text] On 19 April the Federal Assembly adopted a law which amends and supplements law Coll. No. 42/1980 on foreign economic relations, in the version of law Coll. No. 102/1988.

The purpose of the amendment is to create conditions for further liberalization of the conduct of foreign trade and foreign economic relations in general, particularly by legal as well as physical Czechoslovak subjects; together with several other laws, this amendment is intended to provide conditions for the further opening of the Czechoslovak economy to the rest of the world and for the transition from authoritarian economic management to a market economy. By the same token, the new amendment recognizes the necessity that the authority to control foreign economic contacts must naturally be left to the state, but no more than unavoidable during the period of transition from authoritarian economic management to market economy—in other words, in a situation where a market economy is not yet functioning. The amendment contained in the law on foreign economic relations is applicable only during the above-mentioned period of transition.

The law on foreign economic relations in its Article 4 specifies the form of foreign economic activities. According to the version applicable to date, foreign economic operations included also specialization and cooperation in production with foreign countries (amended in Art. 23 and following), cooperation with foreign countries in R&D (amended in Art. 29 et seq.), and application of rights to inventions, industrial prototypes and trade marks in relation to foreign countries (amended in the law in Art. 33 et seq.). Control of these three types of operations does not seem necessary in the new situation and for that reason, in Art. 4 they were deleted from the list of the types of foreign economic activities; in particular, amendments appearing in Part II chapter 4 (Art. 23 et seq.), chapter 5 (Art. 29 et seq.) and in Art. 6 (Art. 33 et seq.) of the law were deleted. Therefore, foreign economic operations controlled by law have now only two forms: foreign economic operations (amended in Art. 6 et seq.) and foreign economic services (Art. 17 et seq.).

The law in its version applicable to date did not entitle Czechoslovak entities to obtain permits to engage in foreign economic operations or—except for opportunities to conduct noncommercial exports and imports (see Part VI, Art. 52 et seq.)—to conduct any other foreign economic relations. The amendment makes it possible not only for Czechoslovak legal but also physical entities to participate in foreign economic ventures (foreign

economic operations and foreign economic services), to establish organizational units of Czechoslovak citizens abroad (Part IB Art. 40 et seq.), and to associate in the Czechoslovak Chamber of Commerce and Industry, or as the case may be, in special and combined chambers of commerce (Part V, Art. 43 et seq.).

According to the version of the law applicable to date, in essence Czechoslovak legal subjects alone were permitted to participate in foreign economic relations (physical subjects could participate only in noncommercial exports and imports), and among Czechoslovak legal subjects socialist organizations were receiving preferential treatment. The amendment introduces a system which in principle applies equally to all Czechoslovak subjects, including physical subjects (minor differences concern, for example, place of competence for applications for registration and especially the amount of security deposits which are lower for Czechoslovak physical subjects).

The monopoly of foreign trade was abolished by the introduction of regulations that are equally applicable to all Czechoslovak subjects, and by other liberalized changes, particularly the fact that the principle of licensing was in essence replaced by the principle of registration. Already the amendment of 1988 had distinctly affected the monopoly of foreign trade enterprises and of other so called foreign trade organizations, as documented for example by the fact that, next to the above-mentioned organizations, at present more than 600 other Czechoslovak organizations are authorized to engage in foreign trade on the basis of licenses. Regulations introduced in the amendment will undoubtedly help considerably increase the number of Czechoslovak subjects, including physical subjects, that are licensed to engage in certain types of foreign trade.

Thus far, only those Czechoslovak legal entities whose basic enterprise programs included certain foreign trade activities, or who obtained (only after their founding or establishment) a license for engagement in certain foreign trade transactions, were permitted to engage, with the agreement or with a license of the Federal Ministry of Foreign Trade, in foreign economic operations. In the same way, Czechoslovak legal entities could be engaged in foreign economic services only if licensed for that purpose, as well as establish their organizational units abroad only by permit.

The amendment introduces simple registration instead of permits for the establishment of organizational units. Also, for economic services (except for hard-currency sales of goods and services on the CSFR territory where a permit from the Federal Finance Ministry will be required), registration with the appropriate central agency of state administration will be sufficient. As concerns foreign trade, on principle Czechoslovak subjects registered in the enterprise register on the basis of simple registration may engage in foreign trade.

Registration is made by the Federal Ministry of Foreign Trade (Art. 7b) upon the request of a Czechoslovak subject, if the requirements stated in Art. 7c of the law are fulfilled. Before the application for registration is presented, the petitioner must deposit security (Art. 7b), which amounts for a physical entity to Kcs 20,000, and for other entities (i.e., Czechoslovak legal and foreign physical and legal entities) to Kcs 100,000. However, in cases listed in the law or stipulated by an order of the federal government, however, it is necessary to obtain a license to engage in foreign trade (Art. 7 par. 3).

The law explicitly stipulates that licenses will be required for imports of articles other than those designated for the use in production by the importer, or as the case may be, other than those designated for the performance of that person's occupation; as for export, it will be required for export of other articles than those from the exporter's own production; furthermore, the law stipulates licenses for mediation of employment of a physical entity abroad or of foreign entity in the CSFR; Czechoslovak entities who do not meet the legally stipulated requirements of registration may engage in foreign economic operations only by permit.

The amendment introduces other minor, albeit important, changes:

- Hard-currency sales of goods and offers of services on the Czechoslovak territory will no longer be regarded as foreign trade operations licensed by the Federal Ministry of Foreign Trade. Such operations will now be considered foreign economic services which, as stated above, may be conducted solely on the basis of licenses which will be granted by the Federal Ministry of Finances in agreement with the Federal Ministry of Foreign Trade and with the Czechoslovak State Bank.
- In addition to the above-mentioned obligation of the petitioner to register, the amendment introduces the obligation of the applicant for foreign trade license to deposit security.
- Socialist self-management in enterprises of foreign trade was abolished. The amendment introduces appointments and recalls of general directors of foreign trade enterprise by the minister of foreign trade of the CSFR.
- A new amendment on liquidation of property owned by foreign trade enterprises was included.
- Authorization of the Federal Ministry of Foreign Trade to demand proof of use and utilization of imported goods was abolished.

The amendment contains additional partial or minor changes which are necessary due to the complexity of the new system of foreign economic relations or which seemed advantageous in view of experience with the new application of the law (for instance, more detailed definition of commercial exports and imports, deletion of purely rhetorical regulations).

The amendment is in force as of 1 May 1990.

Arbitration Among Enterprises Law Amendment Discussed

90CH0182B Prague HOSPODARSKE NOVINY
in Czech 18 May 90 p 4

[Article by Olga Jirickova, LL.D., State Arbitration of the CSFR: "Arbitration Resolves Disputes Among Entrepreneurs"]

[Text] The amendment to the law on economic arbitration is linked with new laws recently adopted by the Federal Assembly. They offer opportunities to more new subjects of entrepreneurship to enter our economic life. Private entrepreneurs and commercial associations will assume a position of equality next to cooperatives, state enterprises, and other organizations, and the range of enterprises with foreign partnership will also be expanded. The amendment provides preconditions for the protection of rights and legally warranted interests of such new subjects, and also guarantees them equal opportunities for the protection of their rights and legally warranted interests whenever they may be endangered or violated.

The amendment of the law on economic arbitration is a temporary solution for the time until a comprehensive revision of commercial laws is completed. In the future, courts will make decisions on disputes among subjects engaged in entrepreneurship. The transition to decision-making by the court cannot be made instantly because it must be linked with material and legal arrangements whose preparation will require more time. This temporary solution follows the heretofore legal amendment on decisions in disputes among organizations, and at the same time, it introduces into the process of arbitration a number of factors germane to court proceedings. Thus, it provides ground for future procedural arrangements. By the same token, it retains certain specifics that are irreplaceable in procedures before agencies of economic arbitration, for instance, certain informality and promptness of the decisionmaking. The character of the economic arbitration agency was also changed with the changes of the subjects of entrepreneurship and of their mutual relations. Arbitration is above all relieved from actions subservient to the previous system of management, and from actions other than decisionmaking. Their primary and most important task is to settle economic disputes. The new status of economic arbitration is also reflected in the fact that according to the law, economic arbitration represents now a system of independent agencies that settle economic disputes, and only legal regulations can limit such actions of arbitration.

The fulcrum of the proposed changes is in the arrangement of the actual arbitration process. The most relevant changes may be summarized as follows:

1. New subjects, especially private entrepreneurs are introduced in arbitration proceedings. After the promulgation of the law on private enterprise, citizens thus far

engaged in various economic activities by permit from the national committee may become private entrepreneurs. The law on economic arbitration, in conjunction with restrictions stipulated in the economic code, uses the common terms "organizations" for all subjects who enter the process of arbitration. Thus, beginning on 1 May 1990 when the amendment of the law on economic arbitration becomes applicable, economic arbitration will decide all their disputes stemming from their entrepreneurship and economic contacts. Such disputes will concern mainly issues of property, especially payments, as well as disputes concerning compensation for damages or payments of installments on credit, and furthermore, disputes concerning actual fulfillment of contractual obligations, disputes about designation, disputes about yielding of material objects, disputes about refraining from illegal action, and so on. A great majority of such disputes will be decided by regional state arbitration agencies.

Because in the future parties in disputes brought before economic arbitration agencies will be also commercial associations, individual entrepreneurs, and enterprises with foreign partnership, appropriate amendments were need to stipulate the competence of arbitration agencies to pronounce decisions in such disputes. The general principle that local competence depends on the residence of the defendant remains in force. For instances where the competence of arbitration is aimed against the entrepreneur, a solution was chosen to ease the position of the plaintiff as much as possible—the location of the enterprise determines the competence of the arbitration, and if the location of enterprise is not permanent, local competence will be established according to the place of the entrepreneur's registration. Deviations from this general competence are limited to disputes concerning capital investment projects and exports and imports of turnkey plants. In disputes that are decided by the military sector the competence of the State Arbitration of the CSFR remains unchanged.

2. The amendment distinctly shifts arbitration proceedings in the direction toward democracy. This fact is reflected in a number of new regulations. Above all, the position of the parties in the dispute is strengthened in all of stages of the process.

As for the initiation of the proceedings, in the future it should be only up to those whose rights and legally warranted interests should be protected, that they decide whether to avail themselves of such protection. Therefore, the stipulation that made it possible to initiate that process upon the suggestion of the arbitration agency itself or of the chief arbiter of the CSFR was deleted.

During proceedings which followed the amendment thus far in force, arbitration was not limited to motions of the parties; this considerably limited the freedom of choice of the parties in the dispute. It will depend on the parties alone how they will enforce their claim and deal with it during the process. In the process of arbitration, arbitrators will be restricted by the motions of the parties, with

the exception of motions concerning legal grounds for the enforcement of the claim, and the selection of the procedures in the litigation.

3. More than before, the amendment stresses protection of the rights and legally guaranteed interests of the litigants, and guarantees of objective decisionmaking.

The law thus far in force prevented arbitrators from taking preliminary steps during the proceedings to adjust the situation of the parties, even when it was obvious that certain measures should be done promptly to prevent greater losses, or to avoid a situation that would jeopardize legitimate interests of one of the litigants. For overall protection of the litigants, a preliminary measure was added to arbitration proceedings as an instrument that may be imposed if there is danger of delay. This preliminary measure involves primarily the obligation to take a certain action, to refrain from a certain action, or to tolerate a certain action.

The requirement of greater protection for the litigants and of guarantee of objective decisionmaking called also for an arrangement that will permit to exclude an arbiter from the hearings and decision about the dispute, if his objectivity is in doubt.

According to the current amendment the process of arbitration has one instance. The decisions of arbitration are final and correction of improper decisions has not been thus far obtained within controls of legality of decisionmaking. The amendment departs from that principle and introduces appeal similar to that in court procedures. Appeal is the appropriate remedial means. The amendment stipulates in detail its competence and the term within which it must be filed. A three-member senate will review the appeal and may order further action if the nature of the matter so demands.

At the same time, the amendment offers provisions for special remedial means, namely, request for reopening of the proceedings and for a review of the decision in addition to the appeal.

If a case is reopened, an already legally valid decision may be changed provided that new facts are revealed which could not be used in the process and that they are of essential importance for decision of that particular case. Another reason to reopen a case arises if a decision detrimental to a party in the dispute was made by a state arbitrator in contravention of the law.

The development of market relations calls for adequate guarantees that obligations in trade relations will be fulfilled, which demands better protection of the rights of subjects engaged in economic entrepreneurship. The amendment of the economic code has resumed the classic means of guarantee, namely, the rights of collateral and of lien. These legal instruments are now finding their full application in grants of credits to individual entrepreneurs. The new procedural arrangement in the

amendment of the law on economic arbitration ensures the fulfillment of obligations guaranteed by rights of collateral or of lien.

In addition, fundamental changes were made in the amendment on implementation of arbitration decisions. They permit implementation pursuant to the legal amendment of civil court regulations as well as according to already proven methods of action in case of unrealized decisions which ordered cash payment by write-off from an account; furthermore, they permit fines of up to Kcs 100,000 be imposed, even repeatedly, in claims for fulfillment of decisions which ordered other than cash payments.

In conclusion, certain temporary measures which are important for practical application should be pointed out; in accordance with them:

—Courts will conclude the pending cases initiated before this law became applicable, even though according to the amendment of the law on economic arbitration such litigations are no longer in their competence.

—Arbitration proceedings initiated before 1 May 1990 will be concluded pursuant to regulations applicable to that date. Appeals stemming those disputes will not be accepted, and decisions will be reviewed in conformity with regulations in force until now.

By the same token, the amendment of the law on economic arbitration invalidates several measures on special competence for decisions on certain disputes, among them the determination of competence for decisionmaking in certain litigations pertaining to the construction of power plants.

Sources of Prague's Air Pollution

90CH0123A Vienna PROFIL in German 17 Apr 90
p 78

[Unattributed article: "Leaden Gold"]

[Text] Prague by night. The Old City Ring. For Alexander von Humboldt (and not just for him), one of the most beautiful squares in the world. A spotlight lights the Tyn Church. Despite it, the gold-plated peaks cannot be made out in the night sky. At first, it is a fascinating show.

Smog can certainly have romantic sides, too.

Almost daily—especially during the cold months of the year—there is a not insignificant air pollution bubble laying over Prague. With an average annual concentration of 100 micrograms of sulfur dioxide per cubic meter, the metropolis of Czechoslovakia is by far the most polluted city. According to the World Health Organization (WHO), the allowable limit is 60.

The city on the Vltava (Moldau) River is interspersed by dense network of environmentally harmful large enterprises. The big stinker stands in Smichov, the fifth

district of Prague: the automotive factory CKD Tatra on Pilsn Street blows 344 pounds of sulfur dioxide, 86 pounds of nitric oxide and 258 pounds of ash from its smokestacks. And this goes on around the clock—without a single filter installation. For 35 years, the allowable limits have been constantly exceeded.

At the Hygiene Institute in Prague, the list of worst pollutants counts 63 enterprises, from which the majority are settled in the fifth district. Mirko Pulchart, the city hygienist, reports a rapid increase in acute bronchial ailments, above all in children. His statistics are interpreted to mean that the chronic ailments also indicate a growing tendency.

There are no precise numbers in Prague, either. Medical studies were not desired under the communists, and now there is no money. Nor pertinent literature: "They don't even have these kinds of concentrations of pollution in the West, so there are no scientific investigations available for use by which we can orient ourselves," according to Micho Pulchart.

There are 1.2 million people living in Prague. Almost all the private households are heated in the wintertime with northern Bohemian brown coal, which contains large amounts of sulfur. This additional amount of sulfur dioxide is increased by traffic emissions at extreme peak values in some parts of town.

The Vitezneho unora, the street along the Prague national museum, was converted into an urban expressway by the communists. Since it runs through a valley floor, the pollutants collect there as in a catch basin. When the air is still, nitric oxide readings of 500 and more micrograms per cubic meter are taken. When the average daily measurement of the concentration of nitric oxide exceeds 150 micrograms, acute illnesses in the respiratory tract and organs appear. "Complaints about headaches, inability to sleep and sickly changes in the mucous membranes belong to my daily routine," reports an intern in central Prague.

Prague is also at the top of the country in lead readings. The allowable limit is 0.7 micrograms per cubic meter of air. In Smichov, the values often enough reach more than 10 times that. In the Old City, the gold of the famous city is mixed with an average of 0.5 milligrams of lead in the air.

For 1.2 million residents and the large number of industrial enterprises, there is only one sanitary treatment plant. The daily trash is tipped into uncontrolled garbage dumps, and in the entire country there is still not a single hazardous waste dump.

Olga Havlova, under whose patronage the populace of Prague is currently pointedly informed about environmental conditions of their city, brings the situation to this point: "I will stop smoking immediately when we have clean air in Prague." The President's wife will certainly keep up her 60 cigarettes per day for a while yet.

Environmental Pollution in Northern Bohemia Viewed

90CH0123B Vienna PROFIL in German 17 Apr 90
pp 74-78

[Unattributed article: "It Is Peaceful Across the Bleached Out Peaks"]

[Text] "You could pickle cucumbers with that." Eva Janackova from the Civic Forum of Most stands in front of a spring in a forest above her home town. The acidity of the water approaches the pH values of household vinegar: "When it rains here, it is really acid rain falling from heaven."

Most, with just barely 100,000 residents, is the center of the north Bohemian industrial district, and one of the 13 "ecological problem areas" of Czechoslovakia. Coal mines as far as the eye can see, in all directions. On the horizon are the cooling towers of giant power plants with oversized stacks from which pollutants shoot out untempered by any filter. Some 60 percent of the Czechoslovak energy supply is produced here. Almost all of the coal burned in Czechoslovakia comes from northern Bohemia. Every year, 120 million metric tons of brown coal is mined.

Sulfur dioxide, dust and ash, mixed with heavy metals, have been drizzling for decades on a scale of tons on northern Bohemia. In addition there is the highly toxic exhaust from big chemical industry which was settled around Most. The supposed black abundance has long since become a curse for people and the environment here.

The air is hardly adequate for breathing, the ground is permeated with heavy metals, the groundwater is poisoned with toxic substances. There are only two wells around Most with problem-free water.

The decades-long bombardment of pollutants has already destroyed 123,550 acres of forest in north Bohemia. The Hausberg of Most now only displays a thin stock of trees. In the Erz Mountains surrounding Most, too, the forest will be dead in five years. Then there will be grave problems in Most with the water supply.

The people of Most draw their water from the mountains of the area which is increasingly threatened by erosion. Steppe grass and dead tree trunks cannot withstand the destructive power of wind and weathering. The attempt to stop the advancing desolation by planting more resistant blue spruce has brought little to fruition.

The communists have left behind them a bitter harvest of sometimes truly grotesque dimensions. The Bela River flows through Most. It was the dirtiest river in Europe years ago. Indeed, a water treatment plant did help the situation, because of which the course of the river was repeatedly changed to accommodate the current situations of the open-pit coal mines. Now, the river

is flowing through its fifth river bed. At one location it is back in its original one—flowing in the opposite direction.

Literally everything was sacrificed for coal mining. Dozens of villages were flattened, thousands of people were forced out of their familiar surroundings. The Stalinist economic planners did not even stop in front of a city rich in tradition like Most.

Entire batteries of earthmoving equipment descended on Most in 1972. The entire city, which had a history reaching back to the 16th Century, was leveled so that the coal underneath could be mined. The single relic from the past—the late Gothic Church of Most—now stands on the edge of the city, in the middle of a chemical factory. It was removed piece by piece and reassembled almost 2,600 feet from its original place.

Granted, it will still be several years until the church nave is connected to the tower. During this time, the rain can destroy the interior of the church unhindered. The figure of Christ must now make do without the cross—the responsible Communist official did not approve the transfer of the Christian symbol.

The new Most bears the monotonous trends of real socialist urban construction. One main street, several showcase structures. The tallest building houses the management of the largest lignite mine, next to which is a pyramidlike hotel and a cultural center. A lot of concrete, little glass. The rest is made up by a supermarket, a couple of other stores and any number of prefabricated apartment buildings—in row and section. There was a new thrust of concrete very five years, and more is still being built.

Most is almost devoid of people all evening long. There is no city center, and so the people see no reason "to go into town." For the children, there are a handful of playgrounds which do not deserve the name. Trees? At the most, on traffic signs: Maple Street, Beech Street, Alder Street. The only recreational attraction in Most is a heated swimming pool, with no roof.

According to Eva Janackova, half of all the children of Most are unable to leave the inhospitable city even on the weekend. If the parents have weekend shifts, there is no one there to care for the children. Neighborly assistance is a foreign word. Everyone lives for themselves alone.

As the first apartment flats were built, the norm was 320 people per apartment row. In the meantime, the apartment buildings have been built twice as high and are situated close to one another. The results are social tensions, about which no one feels free to talk about honestly. Officially, there is no noteworthy crime in Most, no problems with violent crime, certainly none against women and children, no alcoholism.

If anyone runs into trouble with the law, you will hear from the local police chief that it is certainly a gypsy. Eva

Janackova, who is running for office in the first free elections in June as the future mayor of Most, can no longer stand to hear "such idiocy."

There were always gypsies among the many people who have come from all over the country to Most to earn more money, but they soon had to give up their way of life.

Outsiders were not tolerated in the Worker's Paradise—and so the gypsies were stored in ghettos and promptly left alone with their problems. In the completely devastated gypsy ghetto in Most, two social workers have begun to work on the shortcomings of the past decades.

The pollutants in the air do not distinguish between Czechs and gypsies. Katja and Milena, who are both six years old, lie in the same room in the Most hospital. The two girls have been suffering from major heart problems since birth. Jiff Biolek, the director of the pediatric unit, is now permitted to say what he has known for some years: "The pollutants make people ill here, especially children. The genetic changes resulting from environmental poisoning are also causing more and more heart problems at birth."

The pediatric doctor had already noticed in the 1970's that "something cannot be right" with his patients. He noticed strikingly that many of the children had "insufficiently developed bone marrow." Since he suspected a correlation with the air pollution, the doctor wanted specific data on air quality from the responsible Health Service people. "That is not your concern," was the answer. Developmental problems at birth occur twice as often in North Bohemian as in the rest of Czechoslovakia.

"Weight, 1.54 pounds." In an incubator (one of the only three available) lies a tiny three-week old infant. A girl who still has no name, but with raven-black hair. Labor began after barely six months of the mother's pregnancy. An early birth which requires Jiff Biolek to apply all his medical expertise.

"If nothing goes wrong, that will be a completely normal girl," the pediatrician wagers a view into the future. Two months after the visit to the neonatal unit, he reports with almost fatherly pride in his voice, "Zuzana already weighs three and one-quarter pounds." The child can still not survive without the incubator, though.

Fewer and fewer children get the chance for a normal healthy life in North Bohemia. The number of croup-like illnesses increases rapidly from year to year, and every other child suffers from severe respiratory problems. In the valley basins between Most and Chomutov, there are especially numerous instances of weather inversion conditions during the cold seasons.

The 11-year-old Petr from Duchcov, a couple miles away from Teplice, has learned to live with the pollution. Before he goes to sleep, he puts a fresh hankie and a bowl with water next to his bed. He usually gets

nosebleeds in his sleep. Whereas he used to be frightened by it, it is now routine every evening. With a couple good grips, he gets the blood to stop, and then he continues to sleep as if nothing happened.

Children's daily life in the East. Asthma, vision problems (caused by the high concentrations of ash), eczema are all part of it.

Once a year, Petr is sent into the country with his classmates. In the "nature school," the children from the dirtiest areas of Czechoslovakia are supposed to recover from the environmental toxins. Eva Janackova from Most, who herself has two children between nine and 11 years old, does not think much of these measures. "Fourteen days are far too few. The children suffer from a real adjustment shock, in the trip out and the return."

Many people also react with shock to all the bad news in North Bohemia which has come out since the fall of the communists. It has made it clear to them what kind of poison kitchen they must live in. In the former spa at Teplice, where there has only been pollution-eaten house facades instead of clean air for a long time, the citizens' forum is constantly publishing environmental data.

In the showcase of the new meeting place for the citizens' group, there are two graphics showing average life expectancy for men and women in the Teplice county—with comparative values for other regions of the country. Men must die 13 years earlier here than in South Moravia, where environmental conditions are still somewhat intact.

Miroslav Koren, a journalist from Duchcov, began to compile some health statistics seven years ago. Things he could not publish before the political collapse, he now passes around like valuable trophies. Since 1983, there has been a steady increase in cancer and bronchial illnesses in Teplice county. The doubling in arterial sclerosis is also striking. Koren's private statistics also contain the suicide rate of this area; it has also more than doubled.

The hope for good earnings from the coal district has proven to be a lie. The majority of the miners earn—despite the "death premium," do not earn more than 4,000 crowns (which is barely 1,500 shillings). Those who work underground can earn up to double that. "For that, they risk their lives daily," says Eva Janackova. Increased salaries are otherwise only available in those petrochemical sections where people must work with cancer-causing substances. Without safety facilities.

Chemopetrol Litvinov, 8.7 miles from Most: 12,000 employees. In addition to crude oil, 20 other various raw materials are processed here—asphalt products, fuel, natural gas, butane, motor oil, heavy heating oil, asphalt, plastic, polypropylene. Two coal-fired power plants supply the refinery with the necessary energy.

The entire factory is a special kind of rust bucket. It was founded by the Nazis in 1942 as the "Southern Land

Fuels Plant," later it was named the "Hermann-Goering-Plant," after the war it was called the "Stalin Plant" and belonged to the Soviets. Only in the 1950's did it convert back to Czech ownership. A determination of the future name of "Chemopetrol" is still pending.

That could be the least of its problems. Milan Necase, who has become an expert on catalysts through self study, is the director of the union commission for environmental protection. Since January 1990, he has tried to motivate his colleagues to participate in the long overdue cleanup of the enterprise.

The new management is seeking intensive contacts with comparable enterprises in foreign countries. Western know-how, also from Austria (VOEST-Alpine Linz) is supposed to convert the rusted, poison-spewing giant trash heap into a modern facility.

"For years, the waste heat from our factory thermally poisoned the surrounding area, too," reports the chemical worker Petr Rybar, who works in the citizens' form of Litvinov. A battery of greenhouses, in which vegetables have been grown, has been heated with the excess heat for two years. The new greenhouses are right in front of the biggest stinker in the plant. Where the ground, as people in the factory know, contains the most toxins.

During a walk around the giant refinery grounds, Milan Necas repeatedly points out the steel structures: "The most important columns were painted seven years ago with seven layers of paint." They are completely eroded now. The aggressive fumes do not stop for anything.

They also do not stop for people who work here. The doctor who has worked here for years was just retired. He had not run any illness statistics. The cancer rate is about 10 percent higher in North Bohemia than in the rest of the country. Petr Rybar confirms this: "Many colleagues have already succumbed to cancer."

Chomutov is the second largest city in the region after Most. There are just a dozen giant power plant cooling towers marking the "skyline" of the city. Here too, the people suffer under the enormous burden of pollution. Data on the actual extent of steadfast toxic burden was not collected up to this time.

An official of the Health Service, whose director does not want to release any information, points out the window: "Drive in the direction of East Germany, and then you'll see how things are around us."

The guide pointed to Karl-Marx-Stadt. The GDR border is 22 miles away. A well-built road snakes up a mountain. Only a couple miles above Chomutov, and the thin forest already shows you what the man in the health office meant.

A trail leads away from the main highway. A pair of run-down houses, a stray dog, and then nothing but a so-called forest.

At one knoll, the one-time forest floor is overgrown with steppe grass. There are intermittent gulleys. In the desolate ground, half buried, there are black plastic chips as mulch for tiny pine trees. There are blue spruce, which are planted all over in the Erz Mountains, but they do not have a chance to develop roots because the ground is so overly acidic that nothing can grow there any more. Sawn-off tree trunks, and other dead trees behind them, one next to the other. Naked fir frames, and no more needles to be seen anywhere.

It is peaceful over the bleached out peaks. No bird chirping, no rustling in the brush. There have not been any bees or insects for years. In northern Bohemia, most of the bird species have already died out. Half of all vegetation is acutely endangered, and three quarters of the Czech nature preserve areas are damaged by environmental poisoning.

The Erz Mountains are already almost dead, and the giant mountains are very sick. Above all, the number of deciduous trees is lessening from year to year. Not even the robust birch trees can withstand the environmental poisoning.

Dagmar Robkova, who runs a wildlife preservation office in Litomerice (Leitmeritz) with two colleagues, is sounding the alarm: "The Bohemian forest must also recognize this (problem)." Although the Bohemian forest is outside of the industrial region, pollutants in the air are increasingly attacking it. Not only domestic pollution, but also the sulfur bombs dispatched from the GDR have begun to destroy the ecosystem of the Bohemian forest.

The results can be traced in all of Czechoslovakia. The "control central" for weather and water in the entire country is in "Cesky les." The auerhahn, which still has its one natural breeding ground in the forest between Marienbad and Domazlice, will definitely not exist much longer.

The Czech Minister for the Environment Bedrich Moldan, whose position should be strengthened with additional authority after the first free elections in June, does not have any patent solutions for the northern Bohemia problem region.

Josef Toman, from the Czech Federation of Wildlife Preservationists, makes his demand as surprising as it is direct: "We need nuclear power in order to be able to shut down the coal-fired power plants." Toman is for a "French solution"—a large number of smaller nuclear power plants in the entire country. The decision to complete Blocks 3 and 4 at Temelin, despite Chernobyl, indicates that Moldan may be right: "I am personally against nuclear power. But if a majority is for further construction of nuclear power plants, I will adjust to that."

HUNGARY

Signature Drive, Referendum on Method of Choosing President Viewed**Judicial Officer Analyzes Situation**

90CH0212A Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 pp 1, 3

[Report on conversation with Andras Hollo, Constitutional Court executive secretary, by "(szentkiralyi)"]

[Text] Signature collection has begun: For the second time in a year, voters are once again being expected to render decisions concerning the definitive issues related to the election of the president of the Republic. Last year the question was when the country should elect the president. In the near future the question may concern the method by which the president should be elected. The constitution presently in force prescribes direct elections, while the planned constitutional amendment would require indirect elections. Accordingly, the referendum may strike at a pivotal point of the agreement reached between the Hungarian Democratic Forum [MDF] and the Alliance of Free Democrats [SZDSZ]. We tried to find out how the two largest parties felt about a referendum, and what the Hungarian Socialist Party [MSZP] and the Christian Democratic People's Party [KDNP] think. The MSZP is particularly concerned with this dispute, while the KDNP struggles with matters of conscience. We also prepared an interview about the public law consequences of such a signature drive, as well as about the outcome of such a referendum. (Our commentary entitled "Bitter Pill" appears on p. 5.) [Commentary not included]

MAGYAR HIRLAP Information

We asked Andras Hollo, Constitutional Court executive secretary, what kind of situation evolved under public law as a result of the signature drive. First he discussed the technical details of the referendum. According to what he said, every sheet of paper on which signatures are collected must state in clear terms the decisive issue, and from the standpoint of certifying [the signatures] it is important that names be legible and that the persons' addresses and personal identification numbers be entered before the individual signatures.

It may have been forgotten since last fall that if 100,000 certified signatures are collected, Parliament is obligated to call for a referendum. If less than 100,000, but more than 50,000 signatures are gathered, the National Assembly may consider whether to call a referendum at all.

Accordingly, if the initiators feel that they enjoy the support of more than 100,000 people, they will submit the signatures to the president of the National Assembly. He will forward the package within eight days to the National Election Committee. This body will verify the signatures. Thirty days are available for this process. If it

is ascertained that the needed number—100,000—of verified signatures exists, it is Parliament's duty to call for a referendum in the course of its next session, but at least within two months, scheduled for a date within three months.

The situation becomes complex because the law provides that national and local elections must not be called for within three months, prior to or after each other, Hollo continued. The government has scheduled local elections for 23 September, thus, in a few days we will enter the moratorium period. True, of course, to my knowledge the president of the Republic has not yet announced the date for local elections, but such an announcement may be made by the time the signatures are gathered, verified, and Parliament gives its approval. Accordingly, in this way, a referendum could be held only three months after the local elections. This also means that under no circumstances could the initiative hinder the local elections!

Hollo made reference to a problem that is implicit in interpreting the law, according to which it may be possible to hold a referendum within the above-mentioned three-month deadline. That is that the law distinguishes between local and national referendums and elections. And since in this case the initiative calls for a national referendum, but the fall elections will be held at the local level, the two are not mutually exclusive according to some views. But executive secretary [Hollo] expressed his opinion that this view is based on false logic. There is a case before the Constitutional Court involving this issue, thus the Court will settle this problem in the form of a decision.

We also inquired whether the [three illegible words] constitutional amendment, and the signature drive and the expected referendum are mutually exclusive. Parliament has the authority to amend the constitution, according to Hollo. It may do so even in regard to the [constitutional] passage at issue, i.e. to the effect that the president of the Republic should not be elected directly. It is a matter of political judgment whether Parliament considers the initiative, or if it postpones a parliamentary decision considering the anticipated result.

Could the National Assembly change the rules for a popular referendum, for example, in such a way that 500,000 signatures would be needed before a referendum must be called, we asked. The answer: Yes, it may do so. What it could not do is to abolish the institution of popular referendum—to mention the absurd—because such action would conflict with the constitutional principle of popular sovereignty which holds that the people exercise power through their representatives as well as directly.

In the event that representatives decide pursuant to the MDF-SZDSZ agreement that the president shall be elected by Parliament, and if a person is instantly elevated to that position, this president of the Republic

would stay in office for four years. Moreover, his mandate could last for six years, provided that representatives adopt a proposal advanced by the Association of Young Democrats [FIDESZ] which specifies that the mandate of the president of the Republic should expire between two National Assembly elections. Accordingly, the following is of the essence: If the signature drive is successful and in the course of the referendum citizens approve the idea of directly electing presidents, such elections could occur for the first time only in four or six years.

MDF Envisions MSZMP-MSZP Plot

90CH0212B Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 p 3

[Interview with MDF [Hungarian Democratic Forum] Vice Chairman Imre Furmann, by Attila Vodros; place and date not given: "MDF: The Procedure Favors Creation of Disturbance"]

[Text] [Furmann] In the course of free, democratic elections half a million people in Hungary voted for the parties which at present intend to decide the election of the president of the Republic by way of a popular referendum. These parties are the Hungarian Socialist Workers Party [MSZMP] and the Hungarian Socialist Party [MSZP]. The fact that they obviously will be able to gather 100,000 signatures follows by logic, because the number of their followers is greater than that.

[Vodros] What steps are you planning to take if they gather the 100,000 signatures?

[Furmann] In my view we will see the beginning of a lengthy procedure which will serve the purpose of disturbing the country's public life. I have in mind the fact that as a result of this action the stratum that is opposed to a real change in the system will conserve itself. Their goal is to prolong the time needed for salvaging power as long as possible. This action may hinder the administration of local elections, whereas only after these elections may we complete the change in the system. I will add here that I am unable to understand Zoltan Kiraly in this regard, because I would not assume that this representative would pursue his political action in support of salvaging power, against the earliest possible accomplishment of a change in the system.... Let us recognize the fact that one may become popular by talking to people about people.

[Vodros] Thus far the MDF has not made "clear-cut" statements in this matter.

[Furmann] No, because the MDF has always supported the institution of popular referendums, and it does not shrink from this position. I need not prove this point, I hope. The purpose for which a referendum is used is yet another matter. In this case the goal is arguable, because Hungary has a multiparty parliament elected by free, democratic processes, a body which by its nature makes decisions. [Like] our goal, for example, that there be an

appropriate ratio between private and state property, but the appropriate ratio should not be decided by a popular referendum.... Because in the final analysis, at the time the nation cast its votes, it authorized Parliament to render decisions relative to issues of high caliber. It is conceivable, however, that Parliament would organize popular referendums in certain cases prior to rendering a decision.

[Vodros] Would it be conceivable that in contrast to "their" 100,000 [signatures], the parties that reached an agreement would also begin collecting signatures concerning the election of the president of the Republic?

[Furmann] I would suspect that some ridiculous situations could evolve in this way. And also tragic situations, because the image we Hungarians project to the world does make a difference. But as you mentioned: Thus far the MDF has not assumed a fighting stance in this regard.... We have not, because in my view we need to have a calm atmosphere; it would not be advisable to conduct political discourse in either an angry or an offended situation. The MDF will develop its position regarding this subject at its national meeting this weekend.

SZDSZ Future Action Discussed

90CH0212C Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 p 3

[Interview with Dr. Peter Hack, head of the SZDSZ [Alliance of Free Democrats] delegation in Parliament, by "S.B."; place and date not given: "SZDSZ: Definitely, There Will Be No Boycott"]

[Text] [Hack] The SZDSZ [Alliance of Free Democrats] position is unchanged; the method by which the president of the Republic is elected is not related to democracy. In West European parliamentary democracies, for example, the power of the king is inherited. In contrast, the onetime affirmation of Pinochet and the election of Sadat raise questions about the democratic character of direct elections. The issue pertains not to the question of who elects the head of state, but to the matter of who is the head of executive power. We have not changed our belief that the executive power should be headed by the prime minister.

[S.B.] Signatures are accumulating, the same way they did for the SZDSZ's winning popular referendum last year....

[Hack] The institution of popular referendum is important; the law is appropriate. Personally, I am against the idea of changing the institution this year. The law also has some minor flaws, e.g. it does not provide for all the necessary deadlines, but there is time to make the changes.

[S.B.] What is the SZDSZ planning to do if the 100,000 signatures are gathered? Will you not be opposed to participation?

[Hack] No, that's out of the question. Authenticity should be examined if 100,000 signatures exist, and an election should be called if everything is proven to be within the law. This could be accomplished three months after the election of autonomous governmental bodies [local elections], i.e. sometime in December. We will not encourage anyone to stay away, on the other hand we will not encourage participation either. This is the position at the moment, but there certainly will be no boycott.

[S.B.] What will the SZDSZ do if the people approve of the idea of choosing a president by direct elections?

[Hack] Depending on the time when the election of the president is called for, we will begin to campaign; at present, under existing conditions our candidate is Arpad Goncz, but it is too early to make statements in this regard.

[S.B.] What effect will it have on the MDF [Hungarian Democratic Forum]-SZDSZ agreement if in the end a direct election of the president takes place?

[Hack] It will have no impact in the sense that at present Parliament is supposed to elect the president of the Republic. We have had a provisional president since October; the election must not be delayed further. The agreement does not apply in the case of direct elections. We must think through the matter of whether we want to nominate our own candidate, or if, perhaps, we should have a joint candidate with others. I personally do not think that it would be likely for us to have a joint candidate with the MDF, but one could not rule out [the possibility] that the SZDSZ and FIDESZ [Association of Young Democrats] will jointly nominate someone.

MSZP Denies Ulterior Motive

90CH0212D Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 p 3

[Interview with Pal Vastagh, MSZP [Hungarian Socialist Party] parliamentary faction secretary, by "Sz.A."; place and date not given: "MSZP: Destabilization Is Not the Goal"]

[Text] Our first question to Pal Vastagh, MSZP [Hungarian Socialist Party] parliamentary faction secretary, concerned his view of a statement made by Interior Minister Balazs Horvath, according to which the popular referendum initiative would destabilize state administration.

[Vastagh] Quite naturally the initiative has no such purpose, but I will add that it has no such effect either. At issue is the establishment of one of the elements of the state organization by way of democratic action. In this regard our position is well known and consistent; we are representing that position when we embrace and support the action which we did not start, one that was not even brought up in the course of the second congress, so that we reach our goal through this means. In other words, not just the MSZP wants the people to elect a president

of the Republic. There are also representatives in the ranks of the ruling parties who think in the same way we do; the KDNP [Christian Democratic People's Party] has always voiced the same opinion.

[Sz.A.] The framing of the constitution is progressing toward the establishment of the institutions of democracy, and not toward a presidential system. If they succeed in this, the process must be started [once again] from the beginning, and this would postpone the changing of the system. Did you consider this?

[Vastagh] The two models you just mentioned do not appear in a pure form in any state: A list of examples could be mentioned to prove this point, ranging from France to Austria. In our view the method by which the president is elected does not render the country impossible to govern, it does not break the balance between the branches of power, it does not infringe on the authority of Parliament. This is because Parliament defines the authority of the president of the Republic. Direct elections lend a stronger political legitimacy to the president at most, and this is necessary.

[Sz.A.] How do you feel about the idea that while signatures are being collected—perhaps aware of the fact that a popular referendum must be called—the National Assembly would also render a decision about the issue we are talking about, in the framework of amending the constitution, and would elect a president instantly?

[Vastagh] I cannot perceive [the National Assembly taking] such a step, because based on the agreement between the MDF [Hungarian Democratic Forum] and the SZDSZ [Alliance of Free Democrats], [these two organizations] have all the parliamentary means to enforce the joint will. One should ponder, however, that very many people in this country think differently about this issue, and therefore a political price may have to be paid for taking such a step.

KDNP Supports Direct Elections

90CH0212E Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 p 3

[Interview with Tibor Fuzessy, KDNP [Christian Democratic People's Party] parliamentary faction leader, by "Sz.Zs."; place and date not given: "KDNP: Conscience Versus Faction Discipline"]

[Text] [Fuzessy] Opinions regarding the method of electing the president of the Republic are divided within our party. On the other hand, I would be unable to tell how many are for or against amending the constitution. The party's steering committee opted for a government coalition, and with that it also accepted the agreement reached between the two large parties. This agreement also provides for the method and person [as published] of electing the head of state. This obviously does not accurately reflect our position, because we made this decision based on practical and political considerations. We would not want to see this issue become intense within our faction either. Quite naturally, everyone is

bound by faction discipline, but if this discipline conflicts with a representative's freedom of conscience, if faction discipline presents a conflict which cannot be resolved, they may vote according to their own beliefs. In any event, we are stressing the importance of the faction.

[Sz.Zs.] For what reason do KDNP representatives not agree on this issue?

[Fuzessy] We are a historical party; we have historical traditions. We have supported the idea of directly electing the president of the Republic ever since 1945. Irrespective of how this issue has been dealt with in European democracies, we feel that this function is most stable if the people choose. At present, in the interest of enabling governance we accept the fact that a majority of representatives support election [of the president] by Parliament, but we would like to see the constitution entrust the final choice to the people.

[Sz.Zs.] Are you not concerned about destabilization if there is a popular referendum that would result in the people directly electing the head of state?

[Fuzessy] In our view, even then the two parties would find a way to obtain a two-thirds majority, and would change the agreement they reached. In our view it is important that in a pluralist state the president of the Republic also be a point of gravity for independent power, a person who is able to rise above partisan interests. In other words, from our viewpoint the person is important, and not the party to which he belongs. It is for this reason that we accept Arpad Goncz.

Observance of Law Pledged

90CH0212F Budapest MAGYAR HIRLAP
in Hungarian 16 Jun 90 p 3

[Text] In the interest of nonpartisanship, provisional President of Parliament Gyorgy Szabad refused to make a statement to MAGYAR HIRLAP on this subject, so that his words and views do not influence the collection of signatures and the outcome of a possible popular referendum one way or another. In any event, he assured our reporter that Parliament "will render a decision consistent with law, irrespective of the outcome of the signature drive and of the vote."

Amnesty Bill Intent Questioned, Condemned

90A30048A Budapest BESZELO in Hungarian
16 Jun 90 pp 6-8

[Statement by National Assembly representative Ferenc Koszeg (SZDSZ) [Alliance of Free Democrats] in the course of parliamentary debate over the Amnesty Law in Budapest: "Christian Forgiveness Exclusively for Gentlemen"—first three paragraphs are BESZELO introduction]

[Text] The law granting general amnesty was approved by a substantial majority on the last day of the first session of the free Parliament. The afternoon meeting

was prolonged by parliamentary inquiries and requests which evoked public disinterest. It was past 1800 hours when a decision had to be made, because the agenda of the summer session that begins next week would be upset if the House failed to adopt the legislative proposal after altogether a half a day's debate.

It appears as if the legislative proposal itself was developed in a hectic atmosphere. The new government felt that it was under constraint because the outgoing government had already announced amnesty, and even aside from that it is normal for amnesty to accompany a change in the system. But according to the mentality [of the old government] and its presumed views, it was not really inclined to grant amnesty. Helpless, it relied on the apparatus. It so happened that the proposal it submitted reflected the taste of the party state, one that has no mercy in regard to social crimes, is forgiving with respect to middle-class criminals, and would have virtually ruled out proceedings against crimes committed by cadres. A situation that is impossible under modern parliamentary conditions evolved: The legislative proposal submitted by the government was challenged by way of an amendment proposed by Zoltan Szokolay, a representative of the ruling party. As if the minister had discovered in the last moment what the apparatus made him sign, he joined in support of the amendment which made substantial changes in his own proposal.

It seemed as if the shortage of time also had a disturbing effect on the Free Democrats. Only 34 representatives voted in the negative regarding the legislative proposal, to be proclaimed [as law] on the anniversary of Imre Nagy's execution. Insofar as the contents of the proposal are concerned, it could have been submitted by Kalman Kulcsar, but also by Imre Markoja, or even by Ferenc Nezeval.

We heard the minister say that general amnesty is an act of forgiving, it is not the critique of the Criminal Code of Laws and of judicial practice. Nevertheless, however routinely general amnesty recurs in the lives of states, it always contains a message about the kinds of criminal acts the legislator tries to veil, and the ones he wants to prosecute with full rigor. In the distant past, general amnesty was tied to the ascent of one or another ruler to the throne, and meant that a new era began with the new ruler: Let everything bestowed upon us by the past be rendered null and void; let the miserable criminal rejoice with the multitude of people at the advent of a new world. If in this modern age of ours this virtually religious content of amnesty cannot be expected from the law, we could rightfully expect that a law created on the occasion of exchanging systems, a change in the system if you will, should carry the message of a departure from the past and the beginning a new [age]. The significance of this legislative proposal is even greater because it constitutes the first substantive legislative proposal submitted by the new government.

We find in this chamber quite a large number of lawyers who practice as defense attorneys, but the number of

those who "came into conflict with the law"—to use the expression so favored by the press—after the revolution or as members of the opposition is not small either. These persons could tell whether the practice of investigative authorities and the courts was decisively determined by their dependence on the party state, and whether the independence of judges was limited by suggestions coming from the state party, by judicial guidelines, or by directives provided by the Supreme Court—a body which could hardly be regarded as neutral from the standpoint of parties. And this independence of the judiciary was limited not only in the framework of political cases, but also with regard to common crimes. The proposed law before us, however, bears no trace of reservations in regard to the practice pursued thus far.

This legislator will not attempt to use more permissive terms than to express the fact that he is not convinced that everyone in prison today is serving a deserved sentence. At the same time the legislative proposal that shows so little magnanimity toward convicts, promises broad impunity for those whose criminal acts or criminal responsibility would be discovered only hereafter. On the occasion of changing the system the government presented to the National Assembly a program to continue punishment and at the same time to continue impunity.

In the following I wish to discuss a few aspects of the legislative proposal that are odd from a political and a social standpoint.

The most recent amnesty proclaimed on 4 November 1989 relieved from under the penalty of law those who had committed crimes against the state, and persons [found guilty of] prohibited border crossing. Spying was an exception. The same law excluded from under amnesty those who were sentenced summarily, if amnesty did not apply to one of the criminal acts they committed. This created a loophole in the law which is not discontinued by the present law either. As a result of this legal loophole many of those convicted for political reasons, mostly for incitement during the past years, have remained in prison until the most recent weeks, even though the criminal act for which they were convicted no longer existed in its previous form. We should not be amazed if we consider the extent to which the state security organization liked to link political cases to ordinary criminal offenses, and the fact that generally the political convicts of most recent years were not members of the middle class intelligentsia, but were mostly uneducated, very poor people, who simply got fed up, as they used to say. At most we could be amazed at ourselves for not having recognized these people in the midst of our election struggle. Still today, this kind of political convict sits in prison, and if the respected House adopts the amnesty law in an unchanged form, he will sit there for quite some time to come. It is likely that this person, convicted in May 1988, was the last political

convict of the Kadar system. At present he has a good chance of becoming the first forgotten prisoner in the Hungarian Republic.

The other group of offenders who committed crimes against the state consists of spies. Quite naturally, spying remained a criminal act, even though the most recent reform of the Criminal Code of Laws has defined spying more accurately, but in my view still not satisfactorily. No amnesty applies to convicted spies. Today's counter-intelligence leaders made several hints to the effect that their primary task was to uncover infiltrated Securitate agents. To my knowledge, however, not a single Securitate agent is in prison. Spies serving their sentences have all been convicted for their relationships with Western intelligence organizations. Six spies are in prison at present; two of these will be released shortly, but four still have long terms to serve. One of them sentenced to life in prison will be released in the year 2005, but it is questionable whether he will live that long because he is 52 years old.

But I do not want to discuss individual matters, I will do so in the near future, in a different form. I would like to find out whether legislators have given sufficient consideration to the fact that at present, at a time when the system is changing, they regarded the criminal act of spying, moreover the revealing of state secrets or military secrets, as being of the same caliber as the most severe, violent crimes, and that they excluded from under any clemency those who have committed such crimes. Spying is an ugly thing; there should be no misunderstanding about that. I do not believe, however, and I cannot accept the idea that spying may be brought to a common denominator with opposition political activities, although as a person in the opposition I was well aware that this identity could be established at any time by the state security organization and by the political leadership.

We are all familiar with the story of Sergeant Conrad, the one who was just sentenced, because he delivered the most guarded NATO secrets to Hungarian and Czechoslovak intelligence. It would be hard to believe that Hungary needed these secrets; the information was instantly forwarded to Soviet intelligence. One may also be aware of the fact that Soviet intelligence agents in Hungary took part on a daily basis in directing our intelligence in Hungary. Is it so unequivocally clear, then, that whoever had no reservations about cooperating with Soviet intelligence was a soldier performing his duties, a good patriot, while the other person is an infamous traitor, because, shocked by the mass of confidential information passed to Soviet hands, he called the attention of American intelligence to the fact that there was a hole in the ship? Shouldn't a legislator ponder this matter after changing the system, if a change has indeed taken place?

But let us leave the moral issues. We know that spy cases were dealt with by military tribunals in the strictest of secrecy; not even the convicts were told of the sentences

they received. Could one rule out under such circumstances that the investigating officers, the prosecutors, [exercised duress] to force confessions by making threats, by applying psychological terror, even if they did not cause physical harm? Persons charged were able to choose defense attorneys only from a very limited list, a majority of them were defended by a retired military judge, and intelligence officers served as the jury. These accused persons did not have what Sergeant Conrad was able to enjoy: a fair trial. If this is so, and we have doubts about the fairness of proceedings, we must also have doubts about the foundations of the judgments, and must not approve of the idea that the first clemency law of the freely elected Parliament fails to distinguish between spying, between persons convicted in the previous system on the one hand, and murderers on the other.

In contrast to the inflexibility which strikes the already convicted persons, the law is surprisingly grandiose in promising impunity to persons not yet convicted, in regard to acts upon which no light has been shed. This logic is incomprehensible, since convicted persons have suffered already in the course of proceedings, but by granting clemency in regard to proceedings the legislators deprive themselves and society of casting light on the truth. It seems as if for some reason, someone would like to prevent us from learning what actually happened.

During the election struggle some parties, particularly the Hungarian Democratic Forum [MDF], talked about a major spring house cleaning, about sweeping out officials of the old order, those who compromised themselves. There was also a proposal from circles close to the MDF calling for an examination of whether former leaders holding high offices maintained their integrity during the years of foreign occupation. Compared to this, it is stunning that the original version of the legislative proposal submitted by the Ministry of Justice wanted to secure impunity for the abuse of official power, for bribery, for fraudulent breach of trust, i.e. to criminal acts committed typically by persons in high leadership positions. One ponders whether in this form the proposal was submitted by the ministry of the new, democratic government, or by the old staff of the same ministry, the people who earlier codified so many repressive laws. Unless we were aware of the fact that the former III/3 no longer exists, we would think that their fingerprints may also be found on this legislative proposal, just as we were able to repeatedly discover the signs of their intervention on the laws promulgated by the party state. Forgiving these criminal acts casts a veil not only on the old party state crimes, but also on the recent acts of fraudulence of our days. Many proposed in the recent past that the law which declares the sale of state property null and void should have a retroactive effect. We, the Free Democrats, have always held that only those contracts should be challenged in retrospect which raise well-founded suspicion to the effect that in their background corruption and abuse of official power may be found. In its original form the legislative proposal would have rendered these deals impossible to

review on a final basis, and would have ensured forever that those who committed [these criminal acts] may remain undisturbed in enjoying the property acquired. What kind of consideration prompted the government which condemned spontaneous privatization to make plans in such a manner as to throw a veil over the wild shoots of privatization?

Fortunately, in the course of committee debate the above enumerated criminal acts were excluded as matters subject to amnesty, and when the government realized this fact, it concurred with the committee's recommendation. But even in this way, inflicting harm in the course of official proceedings, the basic case of illegal detention, violations of the secrets of the mail and of the telephone, and the violation of the freedom of conscience and the freedom of religion remained immune to persecution. This amnesty is indeed the amnesty of a change in the system insofar as it throws a veil on the offenses committed by the potentates of the old order, and ensures them of being able to sit in their offices in peace, or to enjoy their pension payments.

The law is even more permissive with regard to persons who committed economic crimes. This is true, even though from the perspective of economic changeover, the crimes committed by those who abuse the still murky conditions of an evolving market economy, who inflate prices, falsify the quality of goods, or squander the founding capital of newly created limited liability corporations that has been entrusted to them, hardly represent a lesser threat to society than pickpockets.

The creator of this law deals most stringently with repeat offenders. Without distinction, the law provides minimum clemency for them. We could perhaps agree with him on this, if we were unaware of the fact that a large number of repeat offenders are miserable poor people caught up in a diabolical circle: They spend increasingly longer periods of time in prison, and increasingly shorter periods of time free. After all, in the case of a third offense, a person may be sentenced to three years in prison even for stealing only one container of canned meat. Perhaps we could approve of the creator's inflexibility if we were not aware of the fact that convicts earn between 10 and 12 forints after deducting the cost of keeping them in jail, and that after several years in prison they depart with 500 or 1,000 forints in their pockets without a home, a family, or prospects for work. We know that the public, frightened by the increased crime rate, and the press campaign supported by the police concerning this issue demand stiff penalties. But it is precisely this kind of social criminal activity that is not significantly reduced by the rigor of punishment. Because the sensation of hunger is stronger than the fear of being imprisoned. This kind of criminal activity may be reduced only by caring social policies, by human care after the fact. We have no moral right to demand uncompromising rigor as long as there are no such provisions.

The actors of Bank Ban are frequently quoted these days: Bank, Petur, and Biberach. But Tiborc is not being quoted. "The one who steals hundreds and hundreds of thousands will be the judge of the one who is forced by necessity to steal a penny," Bank's serf says. Before anyone interprets this in an overly literal sense I will hasten to add that in general, judges do not steal hundreds of thousands. On the contrary: A majority of them are overworked, and relatively low paid. It is equally true that the one who steals a penny usually steals from people who themselves do not have many pennies. Nevertheless, Tiborc and his associates must not be left out from Bank Ban's stage. Even if not all of them are so honorably poor as Jozsef Katona's hero. Nevertheless, they are the ones for whom the amnesty law does not care. This law is kind with respect to those who were in power, who stayed in power, and who aspire for power. But it is not kind, it is even insensitive, toward the poor, those who hold on to the short end of the stick. It is not kind to all those who thus far, at present, and hereafter, will hold the short end of the stick.

Political Prisoners Tell Their Stories

90A30048B Budapest BESZELO in Hungarian
16 Jun 90 pp 19-21

[Interview with Gypsy thief Sandor Sarkozi and statement by former Hungarian intelligence and counterintelligence agent CIA informer Zoltan Halmi at the transit prison; date not given: "BESZELO During Visiting Hours"—introduction is by "—szeg-hy"]

[Text] Prisons have become fashionable. One after another, journalists have gone to visit penal institutions after the prisoner riot in May. Preparing themselves for the amnesty [law], representatives have paid visits to Vac and Marianosztra. Our reporters paid a visit to the transit prison to see the last political prisoners, the ones who will not be freed even after the amnesty because they are spies or repeat offenders.

Whenever we asked official persons we were told that political prisoners no longer exist. The ones who may exist are either fascists or agents working for money. What kind of dangerous people could these Hungarian fascists be, we wondered. They are still being held in prison as of the spring of 1990, whereas the infamous leather heads were released a long time ago. Thereafter, Lajos Nyikos dropped in at our editorial offices (BESZELO 19 May 90). What we suspected turned out to be true: The last political convicts of the prison world are among the most fallen people of society. For a long time, this kind of human being has been the favorite prey of an already collapsing political police. Some of them engaged themselves in the dangerous [game of] incitement directly in prison. This makes sense, because then the police need not hunt for them at all: They are in place. Our hero, Sandor Sarkozi, is the last political convict of the Kadar system.

During our visit to the transit prison we also talked to some spies. We met with four of the six spies being held.

(Two will be released shortly.) We got acquainted with the two: Miklos Vadasz, the railroad worker with a screwy mind, and his son who kept in touch with West German intelligence; the famous-infamous Istvan Belovai, the former deputy military attache at the Hungarian embassy in London; and Zoltan Halmi, the author of the draft autobiography that is presented below.

All the civilians stated that they had conveyed insignificant data to foreign intelligence organizations, and that they had had no access to real secrets. In contrast, Istvan Belovai said that he had gotten in touch with the CIA because he was shocked by the mass of NATO secrets that were flowing to Soviet intelligence with Hungarian intelligence acting as an intermediary. All of these people stated that money played an insignificant role in their agreeing to perform intelligence tasks: They either did not receive any money, or they received relatively small amounts.

We could not confirm their statements, of course. It is not our purpose to defend spying, by no means would we want to idolize those who were in touch with Western intelligence. Yet we cannot be satisfied with the familiar spies and "fascists" image conveyed in the workings of Laszlo Szabo and his associates. And before morally condemning these people we must give serious consideration to the fact that people who worked at the Hungarian civilian or military intelligence, or who made a spectacular career on another line and enjoyed general respect, must have been in close, personal contact with Soviet intelligence for at least some time during their lives, and that they performed their work at least in part as required by Soviet intelligence. CIA agents whose cover was blown reached the heights of their career under more pleasant circumstances.

Sandor Sarkozi

[Sarkozi] I am Sandor Sarkozi, I was born on 15 March 1955 at Melykut. I did not know my parents. All I know about them is that they are dead. I was brought up in an institution. Later on they enrolled me in an institution for the mentally retarded, I don't know for what reason, then I was with some foster parents. After that they enrolled me in an institution. I spent five years there. That's where I completed the eight grades of the auxiliary school. I got out of the institution in [year omitted in original], went to Szeged, and worked for the Southern Hungary High Rise and Underground Construction Enterprise. I worked there from [year omitted in original] until 1976, then I worked for the Taurus Rubber Works, also in Szeged; from there I went to prison in 1977, and from then on there was no stopping. I was released from prison in 1983. It was an ordinary crime, theft and incitement in prison.

[BESZELO] What did you steal?

[Sarkozi] It was petty hell raising. Breaking into a restaurant and similar things.

[BESZELO] What term did they sentence you to?

[Sarkozi] Quite a long term, unfortunately: three years. Before that I had been sentenced several times to smaller suspensions and the payment of fines, but I had no affirmed sentence to serve in prison.

[BESZELO] When did you first incite [people] in prison? In 1977?

[Sarkozi] Yes, then, and also now.

[BESZELO] And what did the incitement consist of?

[Sarkozi] Well, pamphlets. I made three or four, I debased Kadar. And I wished communism to hell. And I praised Hitler of course; I must say that.

[BESZELO] Why did you praise Hitler?

[Sarkozi] Unfortunately there was cause for that; I can honestly say that that was because of a personal matter, in other words I came to simply hate people.

[BESZELO] People in general?

[Sarkozi] Yes, but the fact that my earnings always showed a negative [balance], the fact that I worked in vain, and that I did not store things and had an ulcer and no diet also played a role. In the Chinese way, of course. I did not receive much medication, and that was the way I tried to protest. In other words, that was the way I tried to break out, and unfortunately my pocket knife broke into it, because they put me in for three years on criminal charges.

[BESZELO] In other words, in addition to the three years you received another three years [in prison]?

[Sarkozi] That is ... they added that to the punishment, and [it became] five years and four months.

[BESZELO] And were you released thereafter?

[Sarkozi] I was freed in 1983 from Szeged after five years and four months.

[BESZELO] Yes, and then?

[Sarkozi] Well in the meantime, still here in prison and in the transit prison, I got acquainted with my brothers, because I did not know them either, and they gave me the address where I should go, in other words they gave me their address at Melykut, and when I was there, I went to see them. Well I was there for three months and then I went back again.

[BESZELO] For what reason that time?

[Sarkozi] Well, unfortunately, at that time the council was not too inclined to provide assistance, or they gave me 500 forints once in a blue moon; well, one could not do much with that; at that time my brothers were there with the children in one room and a kitchen—you can imagine what misery that was. And I was unable to take a job. I could have taken a job at the foundry, let's say, but I could not have withstood that, my legs have varicose veins. And since I have no training I found no

easier work unfortunately, and thus, unfortunately I had to grab some tools at night, and break in, let's say. I'll be caught sooner or later, that's how I felt, and unfortunately they did catch me.

[BESZELO] This took place in 1983?

[Sarkozi] Yes. And then I went to Satoraljaújhely, and that's where the second incitement occurred.

[BESZELO] This also involved pamphlets?

[Sarkozi] Yes, again.

[BESZELO] And were they given to someone, did someone see them?

[Sarkozi] Well yes, I did it in a stupid way, because I was the packer, and I was the one to put it in between the material, and it fell out. And all at once, corpus delicti, I failed. I did it three times, and they caught all three, and on top of that, a handwriting expert proved that it was me because I did not change my handwriting. In other words, I did not paste it up or anything like that, I wrote it by hand.

[BESZELO] And again in this case [the pamphlets] supported Hitler?

[Sarkozi] Yes. Well there I did everything, death to communism, I wrote all kinds of stupidities. All kinds, a mixed bunch. They gave me three years for this [incident] too.

[BESZELO] What do you know about Hitler?

[Sarkozi] Well, the truth is [that what I know about Hitler is] what I read about him, that he was the leader of a system that persecuted races. He endeavored to achieve global dominance.

[BESZELO] Excuse me, but the way I see it, you are a Gypsy.

[Sarkozi] Yes, I am a Gypsy.

[BESZELO] Hitler was also killing the Gypsies.

[Sarkozi] That's how it is, this is true. Well this is stupidity; I also recognize that I did something stupid because I should not have praised Hitler. Well, it's all right that I wrote that communism was garbage.

[BESZELO] And you are still serving this sentence?

[Sarkozi] Yes. I would get out of this in January 1992.

Zoltan Halmi

After the Trianon Peace Treaty my grandparents, Istvan Szekely and his wife, together with their four children, among them my then seven-year-old mother, were loaded into a railroad car by Romanian authorities and the train was pushed across the border. This took place in their native village of Szilagyecseh.

As a World War I soldier who fought on the front, my grandfather obtained a job with the police in Budapest. He retired in 1944 with the rank of police master sergeant.

After finishing business school my mother became a secretary at the English-Hungarian Bank. There she met bank secretary Zoltan Buzinkay. I was born out of their love [affair] on 4 February 1933, out of wedlock. The Buzinkays, a noble family, did not even want to hear of marriage; they threatened to disown their son Zoltan if he married my mother. She was below their social station. My grandfather disowned my mother for bringing shame on the family. Using their foreign ministry connections the Buzinkay family placed my mother as a secretary at the Hungarian embassy in Istanbul. My father served as a general staff lieutenant at the second army corps of the Second Army; he served as the officer in charge of the seal on the staff of Colonel General Stromm. He fell captive on 1 February 1943 at Krasnaiya Olim in the Don bend. Before handing in their weapons he shot himself in the head with his service revolver. My mother left me here with a friend of hers, saying that as soon as her situation settled she would come back for me. Since she did not make contact, her friend placed me at the Budapest Children's Shelter. I was three months old at the time. When I was two and a half years old a Pestszentimre resident barber by the name of Mihaly Halmi and his wife took me and several other children who shared my fate out of the shelter because they received support payments for us. Later they returned us to the shelter. Later on, Reformed Church minister Dr. Endre Szekely of Pest[szent]imre took me out of there and found a place for me in Somogy County, at a Reformed Church orphanage in the village of Orci. That is where I completed the four elementary classes. Since I was an outstanding student, the Reverend Major arranged to have me accepted at the Csokonai Vitez Mihaly gymnasium of Csurgó without having to pay [for tuition and board]. This is where I was when the Germans marched in on 19 March 1944. (I had to leave the boarding school because a German unit was quartered there.) At that point the Reverend Galgoczi gave me 20 pengos and put me on a train to find my foster parents at Pest[szent]imre.

In 1947 I joined the MAVAG works as an apprentice lathe operator. I received my journeyman's certificate on 21 December 1949, Stalin's birthday. Meanwhile, I was working in the afternoon shift at the tool workshop as an apprentice under the norm system. I did so because my foster father died in 1949 and I had to support my foster mother. She had neither an income nor property. They adopted me in 1948, and that is how my name became Halmi.

As the youngest ace worker in the country I was enrolled in the party in 1949. In 1950 I was "promoted" to work at the MAVAG's Democratic Youth Association [DISZ] committee. At that point they sent me away to Szeged for three months to a DISZ school. There I was with Rezso

Baumann who later became government spokesman for the miners, and then ambassador to Ottawa.

In the summer of 1951 I was summoned before the party committee and was told that the only way I could avoid being drafted, and could support my aging foster mother, was to agree to enlist with the State Security Authority [AVH]. That is how I got to the AVH headquarters at Jaszai Mari Square in the fall of 1951. I was assigned to the operative technical group and was given the rank of sergeant. I served there, as well as at the unit located at Voros Hadsereg Street 116, until 1955.

In 1955 I completed the police academy and was assigned to the internal reaction-counterintelligence division.

I was at the Interior Ministry headquarters in October 1956, and stayed in the building between 23 and 30 October. We were burning documents day and night, mainly those pertaining to agents and informers, the "B" and "M" dossiers. On 30 October we moved to the Petofi Barracks on Budaorsi Road.

Ervin Hollos became division head, and Sandor Gereb his deputy, beginning in November. At that point I was told to travel through all the counties in the country and prepare a survey of "counterrevolutionary acts," paying particular attention to "class alien" activities. I myself was stunned by the resulting picture. I was barely able to show the involvement of a few former military officers and other "declassé" elements in the events, and even the ones I found were not extremists.

I graduated from high school in the meantime. After matriculation they assigned me to the Foreign Language Academy in 1960. I completed my studies in 1963. I completed one year in the counterintelligence and two years in the intelligence departments as part of the Spanish "c" group.

Beginning the fall of 1963 I was assigned to the II/I group command. As logic would dictate, with my knowledge of the Spanish language I was assigned to the West German subdivision. [At one point] the prosecutor's office sent a message saying that on Gellert mountain during the night a young man named Sandor Kovacs had been carrying on in his car with his girlfriend, the car slipped, and the girl was seriously injured. For that reason proceedings were initiated against Kovacs, a married West German citizen with three children. I was instructed by my boss to visit with him; the proceeding against him would be terminated if he was willing to cooperate with us. He was willing. In those days negotiations were going on between RABA and the MAN firm in regard to a licensing agreement; he [Kovacs] was working there, so I asked him to obtain documentation concerning the newest MAN engines and to bring it along.

In 1965 I was transferred to the South American subdivision of the American division.

During the fall of 1966 I was dispatched on a South American courier trip on the Brazil-Uruguay-Argentina-Bolivia-Chile route. What I saw in these countries finally made me realize what had been maturing for a long time inside of me, that here we were living in a prison closed off from the world, that we were serving as foreign mercenaries, to make it short: I experienced freedom and fell in love with it. Meanwhile, I learned of my origins, who my parents and grandparents were, where my mother lived. I got in touch with her secretly and decided to terminate my activities for good. By then I hated my work anyway.

During the spring of 1967 I was corresponding with my mother (not by mail) so that we could meet in Yugoslavia. Rajnai did not authorize my summer vacation in Yugoslavia; for this reason I was "offended" and requested my discharge. After a three-month tug of war they discharged me on the basis of disciplinary action.

Since I had passed a high level exam in Spanish, and completed a high level foreign trade course, I was assigned to Bogota as a commercial secretary in 1973. At a reception my wife and I met a nice American couple. A devout friendly relationship evolved between us. There was no problem as long as a normal chief consul headed the foreign representation. Subsequently, however, a new chief consul came. He had been dismissed earlier from counterintelligence because of his scheming nature. His wife was a captain at the National Authority for Alien Registration [KEOH]. Afraid of getting caught, I reported my American connection. As it turned out, the American was a CIA officer, and the KGB intended to recruit him. They asked me to cooperate. I pretended to go along with it, but at the same time I cautioned him [the CIA officer] of what was being prepared against him. I asked for my recall [to Hungary]. Previously we had agreed on the method by which we would keep in touch, and he provided the necessary means to accomplish this. We made no contact for almost five years as a result of the erroneous deciphering of a message. Later on we once again succeeded in getting in touch; we exchanged a few messages. I also sent some information, but not military or state secrets, because I never had access to those. Still, a military tribunal convicted me in 1981 of spying activities which violated state secrets. I was sentenced to life in prison by the court of first instance. In the end I was sentenced to 15 years in prison by the court of second instance. My wife, who had nothing to do with this case, received a five-year prison sentence, and all our property was confiscated. In addition, we are burdened with having to pay court costs amounting to 140,000 forints.

For two years I was the subject of extortion so that I would make a statement on television to Laszlo Szabo. In the end I agreed to do so provided that my wife could serve her sentence in a less stringent penal facility, and thus she could be released with a one-quarter benefit [as published]. They complied with this [request]. Quite naturally, the statement was recorded according to the

script provided by the Interior Ministry, thus it had nothing to do with the truth.

Deceased Activist Mihaly Horvath Eulogized

90A30048C Budapest *BESZELO* in Hungarian
16 Jun 90 p 8

[Article by "(Beki)": "Someone Is Missing"]

[Text] He would be 37 years old, a Free Democrat, and he would be seated among us in Parliament....

It has been two years since he left us unexpectedly, in an incomprehensible manner. Many things have happened during those two years. What hurts most is that we cannot rejoice together over these events.

It is unfair that he could not be present last 16 June at Heroes Square, he, who convinced so many people of Imre Nagy's truth, because as a historian he had to revolt against the false interpretation of history.

It is unfair that we could not rejoice together over the fall of the dictator, that he will never be able to cross the Romanian-Hungarian border, even though he did so many times, for years, to smuggle books to his Transylvanian friends, while he became an undesirable person in Romania.

It is deeply unfair that we could not sweat out together the period of the first free elections, that he could not receive anything from the joy of a changing regime, he, who in the golden age of the dictatorship began to dismantle the building blocks of fear, with stubborn consistency, calmly and slowly. Bibó taught him that democracy means the same as not having to fear, and he accepted this in an exemplary way in the paralyzing era of "golden silence." He believed that everything would change if we began to speak out loudly, in a candid fashion among each other....

He established Rakpart, a club of legendary fame.

The time of legitimate candid talk has arrived, but with him we are able to converse only in our thoughts.

Antall on Global, Domestic Situation

90CH0168A Hamburg *DER SPIEGEL* in German
21 May 90 pp 172-176

[*DER SPIEGEL* interview with Hungarian Prime Minister Jozsef Antall: "Missionary or Lunatic"—first paragraph is *DER SPIEGEL* introduction.]

[Text] Antall, 58, is Hungary's first democratically elected head of state in 45 years. He holds a doctorate in history and led his national-conservative Democratic Forum (MDF) to a convincing election victory. After the 1956 people's uprising was crushed, he was arrested for resistance against the communist party, then the Kadar regime prohibited him from practicing his profession.

Now he wants to link economically ruined Hungary as quickly as possible to the EC and open it to the world market.

[DER SPIEGEL] Mr. Prime Minister, Hungary is bankrupt, it has become a European poorhouse. How do you intend to lead the country out of this calamitous situation?

[Antall] Hungary is not simply experiencing a change in government, and also not just a change from one political regime to another, as from a dictatorship to a parliamentary democracy, as was the case in Spain. What we have to do is turn all of society and the economic system completely around. That is a task never before faced by anyone.

[DER SPIEGEL] Where do you want to start?

[Antall] We are beginning with a fundamental change in property relationships. Almost 90 percent of the Hungarian people's property is owned by the state. Within a foreseeable period, this 90 percent will have to be lowered to at the most 30 percent. As long as we don't have this radical privatization process behind us, as long as we don't introduce a social market economy à la Erhard—our entire economic system cannot function.

[DER SPIEGEL] This economic revolution will at first have disastrous consequences for many Hungarians—similar to the GDR—such as mass unemployment.

[Antall] That is undeniable.

[DER SPIEGEL] How many of the 5 million Hungarian workers will suffer this fate?

[Antall] There are no definite figures as yet. I assume that there will be between 100,000 and 300,000 unemployed, but I hope that that is a pessimistic estimate and the true number will be lower. In order to cope with that, we must also establish a totally new social system. As one of my first actions in office I shall create a labor ministry which will be in charge of employment policy, retraining, and other such issues.

[DER SPIEGEL] Hungary has the highest foreign indebtedness per capita in Europe, one-third of the Hungarian population lives below the official poverty level, the inflation rate is at 30 percent. That requires radical steps. Are the people prepared for that?

[Antall] That, unfortunately, was neglected in past years, actually one of the worst mistakes of the former government and state party. We have inherited that task as well as economic chaos. We must find a middle road, on the one hand, to make Hungarians aware of this depressing situation, but simultaneously to give them the faith that we can also emerge from this emergency situation.

[DER SPIEGEL] How do you intend to cope with that?

[Antall] It will be difficult. After all, we also have to preserve political stability and at the same time restrain

the hatred and lust for revenge of the people against those who brought all this upon their heads. We must rein in the fury of hundreds of thousands of farmers who were driven off their land and assuage the ire of just as many craftsmen who lost their independence due to the communists. We must establish social justice. It simply must not happen that former prison guards receive higher pensions than their former political prisoners.

[DER SPIEGEL] And you think you can do all that?

[Antall] DER SPIEGEL once before quoted me as saying that whoever assumes the office of chief of government in Hungary now must either be a fanatic, a missionary, or a lunatic....

[DER SPIEGEL] ...who, in addition, must also cope with the special psychic condition of the Hungarian people: In your country, you have the most suicides and a big alcohol problem.

[Antall] The great number of suicides is not a new phenomenon in Hungary. It probably has something to do with our national character that one simply tosses aside one's life.

[DER SPIEGEL] Have you yourself ever been plagued by suicidal thoughts?

[Antall] I believe that every human being has thought of it once. But rest assured: At the moment I have no thought of killing myself. I would not like to cause such grief to my friends and so much joy to my enemies.

[DER SPIEGEL] You came to a surprisingly quick agreement with the opposition on the new president. Arpad Goencz, a writer and member of the resistance who spent years in prison, enjoys respect everywhere. But his appointment suffers from a small flaw: The originally intended election of the president by the people was dropped. Were you afraid that a former reform communist, such as Nemeth or Pzsgay, might have won in a popular election?

[Antall] No, that is not the case at all. The mood in the country is such that no reform communist, no matter how deserving, would be elected. Election of the head of state by parliament has been a Hungarian tradition since the last century. After two rounds of parliamentary elections and before municipal elections, it is right not to impose another election campaign on the people. Besides, I am certain that Arpad Goencz is the best man for this office—for the people, also.

[DER SPIEGEL] Hungary has not only internal problems. In neighboring Romania, in Transylvania, there is bloody persecution of the Hungarian minority. What can you do for your endangered countrymen?

[Antall] In principle we feel responsible for all who profess to be Hungarians, wherever they may live. It is, therefore, inconceivable that we maintain good relations with a country where a Hungarian minority is being oppressed.

[DER SPIEGEL] What is your government's position toward the minorities living in Hungary?

[Antall] We have a moral justification for supporting Hungarian minorities abroad only if, at the same time, we treat minorities in our country optimally. That is a fundamental principle of our policy.

[DER SPIEGEL] Does that also hold true for gypsies?

[Antall] Naturally.

[DER SPIEGEL] We are not thinking of the gypsy chief who is playing for tourists with lots of foreign currency....

[Antall] I wasn't speaking of him. I am thinking of all gypsies and I know that this is a serious and great problem in our country with which I have concerned myself personally for a long time. But back to the Hungarian minority in Romania: We are doing everything possible to make Europe aware of the fate of these people. We support them materially and spiritually. After Ceausescu's overthrow, I myself traveled there with one of the first aid transports and gained a firsthand view on the spot.

[DER SPIEGEL] Are there talks with Ceausescu's successors?

[Antall] Interim president Iliescu just now declared that he understands my special interest in the 2.5 million Hungarians in Romania. I took that as a gratifying signal.

[DER SPIEGEL] Romanian nationalists agitate against people of Hungarian descent with the argument that Hungary once again is reaching for Transylvania.

[Antall] We have never mentioned a border revision. We stand by the Final Act of CSCE which excludes any forcible border change. It is not we who strive for increasing our territory; rather, Romanian nationalists openly talk about absorbing parts of East Hungary or Moldavia.

[DER SPIEGEL] Has the real revolution actually taken place in Romania, or is it still to come?

[Antall] I am convinced that it has not run its course yet by far. But what makes the situation considerably more complicated is this: Within the opposition, the number of inveterate nationalists is constantly growing—and their ideology is linked directly to Ceausescu's nationalism. Romanians simply need an enemy image.

[DER SPIEGEL] And that is Hungary.

[Antall] Yes, that's us. Compared to the opposition, the Romanian interim government is less nationalistic. However, it is compromised among the people because quite a few of its staff are former communists or have served under Ceausescu. On the other hand, they revolted against Ceausescu—incidentally, probably with the silent approval of Mikhail Gorbachev.

[DER SPIEGEL] The situation in the domain of your neighbor Gorbachev is also becoming more and more confused. Do you still see a chance for his reform course?

[Antall] I think that perestroika—the way Gorbachev had originally announced it—cannot be carried out. Among other things, for the reason that communism in reality is not reformable. The optimistic variant is that parts of his reform can be implemented.

[DER SPIEGEL] And the pessimistic [view]?

[Antall] That view is that there may be anarchy or a military dictatorship. As neighbors we have an interest in the Soviet Union's making headway—and that the last Russian soldiers leave Hungary as soon as possible.

[DER SPIEGEL] Are you afraid that perhaps a revolt in the USSR could stop democratic developments in Hungary and elsewhere in East Europe?

[Antall] I do not believe that 1956 can be repeated once again, that the Russians march in Hungary or could force us again into a close military alliance. Incidentally, direct military dictatorships are not a tradition in Russia. Both under Czarism and under the Bolshevik party rule, they were always concealed behind political institutions. But very definitely we would be hard hit economically—in energy supplies, for example.

[DER SPIEGEL] You have stated that you can conceive of joining the EC by 1995. Do you still consider that realistic?

[Antall] Initially we are concerned with achieving a bilateral agreement with the EC; in many personal talks with European leaders I have encountered a benevolent echo. President of the EC Commission Delors considers such an agreement with us realistic, it could even materialize before 1993 when the unified European market is completed. It would be completely unrealistic, however, to talk about Hungary's membership status in the EC before 1993. But I do consider full membership quite feasible by the end of the century.

[DER SPIEGEL] In a quite positive sense, Hungary is not quite innocent in the materialization of German unity. In view of the rapid unification process, is Hungary plagued by the same worries as other neighbors that dangers could again emanate from a powerful Germany?

[Antall] I was asked the very same question recently in Washington by a leading U.S. politician. I answered him: Not at all. So he said: Then you are the only country I know which has no problems with reunification. I personally have always been an unconditional adherent to German reunification. Furthermore, we Hungarians are actually proud of our indirect role in the fall of the Berlin Wall....

[DER SPIEGEL] ...which was preceded by the opening of the Hungarian border to GDR refugees—the beginning of the end of the SED [Socialist Unity Party of Germany] regime.

[Antall] On this point, I would like to quote the famous Hungarian politician, Baron Jozsef Eotvoes. He said in the mid-19th century: Hungarian independence depends on German unity. I am proud to be able to say today that German unity depended on Hungarian independence.

POLAND

POLITYKA Weekly News Roundup

90EP0600A Warsaw *POLITYKA* in Polish No 21, 26 May 90 p 2

[Excerpts]

National News

[passage omitted] Inflation over the last four months since December 1989 has been 150 percent. In January 1990, retail prices for goods and services increased by 80 percent; in February, by 23.9 percent; in March, by 4.7 percent; in April, by 8.1 percent. [passage omitted]

Due to difficulties with attendance, the Sejm beginning on 30 May 1990 is introducing roll calls twice each day, at the beginning and at the end of deliberations.

After the Public Opinion Research Center, the Center for Research on Public Opinion has also studied the popularity of candidates for president. Among the four candidates' names mentioned by the interviewers, Tadeusz Mazowiecki (24 percent) received the most support. Then came Lech Walesa (18 percent), Zbigniew Brzezinski (8 percent), and Leszek Moczulski (4 percent). One third of the respondents (34 percent) were of the opinion that "Wojciech Jaruzelski should hold the post until the end of his term, i.e., until 1995."

The Solidarity National Commission stated that there must be meetings of the union officers with representatives of the government on such issues as the fight with unemployment, the social minimum, a minimum wage, the fight with the recession, a change in the economic structure, and guaranteeing defense of the workers' rights to the trade union. During the deliberations, Lech Walesa defended his recent comments and stated: "We are building a democracy, but simple people have not benefit from it." Wladyslaw Frasyniuk replied: "Walesa's policy worries me. It is wasting his and Solidarity's capital. You are calling on demagoguery and tired people. We have no ideas, and you are calling on people to demand money. We are a party and not a bunch of tub-thumpers." To which Walesa replied: "You are a demagogue; you have no contact with life. What has been done? A couple of laws. They only say: be calm, be calm! Would you sit quietly if you were earning 300,000 zloty? I do not want to overthrow this government. I want to urge it on." (according to GAZETA WYBORCZA)

A declaration of agreement by the center was signed by several dozen individuals from various political groups. They support the "need to create in Poland a strong political center to promote stability and political innovation" and to accelerate the constitutional changes,

including free parliamentary and presidential elections (including Lech Walesa's candidacy). Among the signatories: deputies and senators from the Citizens' Parliamentary Club, including Jaroslaw Kaczynski (editor in chief of TYGODNIK SOLIDARNOSC), Tadeusz Bien and Jerzy Robert Nowak of the SD, Ryszard Bender of the Labor Party, and the journalists Krzysztof Czabanski and Jacek Maziarski of TYGODNIK SOLIDARNOSC. [passage omitted]

The presidium of the SD Central Committee published a political declaration. "There can be no place for the formation of any monopoly of power or monopoly of information. Political culture has no place also for coercion and aggression, national and religious intolerance, and hate for those who think differently." [passage omitted]

TYGODNIK ROLNIKOW SOLIDARNOSC is facing bankruptcy with debts of more than 2 billion zloty. Slawomir Siwek, editor in chief, has resigned. He had proposed that the union sell the paper to the Solidarity Press Foundation, but the National Council rejected the proposal.

The General Prosecutor has asked for a review in the case of Romuald Spasowski, the former Polish ambassador to the United States, sentenced to death as a traitor in 1982, for leaving the embassy, asking for asylum, and giving state secrets to the American services. The request for review asked for a declaration of innocence. The defendant did not commit treason; he only resigned from his position, and the request for asylum was a protest against martial law.

Among the founders of the Polish Republican Club is Minister Aleksander Paszynski.

Fear of unemployment is growing. According to a survey by the Public Opinion Research Center which asked whether there would be many unemployed in the coming months. In February 1990, 63 percent of the respondents said yes; in March, 79.5 percent; in April, 88 percent. Asked whether they are moonlighting, in February 1990, 40 percent said yes; in March, 37 percent; in April 33 percent. Further, 70 percent said that they wanted to moonlight, but they had no opportunities. [passage omitted]

The Ministry of Finance reports that different prices for citizens and foreigners for tourist services is against the law.

A comment during a meeting with Walesa as reported by RZECZPOSPOLITA: "I am a supporter of order, thus I think that it is not right when Mazowiecki prays, Walesa declares war, and Moczulski wants to form a new government." [passage omitted]

GAZETA WYBORCZA was critical of the agreement concluded between the editors of RZECZPOSPOLITA and Robert Hersant's group in France, which publishes LE FIGARO and the afternoon paper FRANCE-SOIR associated with rightist circles. Hersant himself, as GAZETA WYBORCZA recalls, was sentenced after the war for cooperating with the German occupant. A journalist for GAZETA WYBORCZA writes: "If there is to

be a government paper, should it not have a sufficient subsidy from the state budget so as not to feel forced to seek a patron?"

In Wejherowo, an act of vandalism has occurred: 187 grave markers at the local cemetery were destroyed, and a 5-foot tall figure of Christ on a high pedestal was demolished. Satanists are suspected. The parish priest has announced a 3 million zloty reward for help in finding the vandals. [passage omitted]

A party interested in purchasing 50 Polish tanks has appeared in Katowice. We are competitive. Our tank costs \$1.2 million, while a similar quality tank made by others costs \$3 million. [passage omitted]

The Solidarity Citizens' Committee in Tarnobrzeg Voivodship has protested M. Skrzynski being named regional prosecutor. "The prosecutor," the Committee writes to the minister of justice, "threatened the workers at the Stalowa Wola Steelworks with repression during the strikes in 1988."

Jacek Cieszewski, who previously has worked with the local supplement to GAZETA WYBORCZA and is a Solidarity activist, has been named editor in chief of TRYBUNA ROBOTNICZA, the largest regional daily (800,000 copies for the Sunday edition). [passage omitted]

Opinions

Adam Pomorski, translator and essayist:

(Interviewed by Marek Arpad Kowalski, PRZEGLAD TYGODNIOWY 13 May 1990)

[Answer] I think that the intelligentsia in the Slavic sense of an ethical group is disappearing from the scene as market economic relations and democratic institutions develop in Polish mass society. I do not believe in a romantic positivist program of work at the roots or in assigning the intelligentsia the role of bearers of ideas. The intelligentsia consciously or unconsciously desires a position as the elite of ideas, but the very idea of such an elite goes against the principle of democracy. Democracy is not beautiful, not cultivated, but governments of ideologues end miserably. Instead of an elite of ideas, the market forces develop an elite of competence, an elite of professionals. But that takes time.

Andrzej Arendarski, deputy of the Citizens' Parliamentary Club, president of the Nation Economic Chamber:

(Interviewed by G. Chmielowski, GAZETA ROBOTNICZA 5-6 May 1990)

[Answer] I think everyone does business with the Republic of South Africa, but no one talks about it. We have done business chiefly through Austrian and Swiss intermediaries, which cost us a great deal.... Great changes are taking place in that country. The government is decisively departing from apartheid in favor of participation in political life and government by the

black population. The scale of these changes is similar to our tremendous changes. Simply, the system there is changing.

[Question] What are the fruits of your trip to the Republic of South Africa?

[Answer] I was there a week. I signed a contract on cooperation with the local chamber of industry and commerce. During the visit, Poles bought 200,000 tons of iron ore, also wine and citrus fruits, and Poles took steps in the direction of cooperation in the food industry.

Prof. Dr. Bronislaw Geremek, chairman of the Citizens' Parliamentary Club:

(Interviewed by Mieczyslaw Starkowski, WSPOLNOTA 19 May 1990)

[Answer] Does the left have any influence on the Citizens' Parliamentary Club? That is one of the stereotypes formed by certain groups of political players, and it does not reflect reality. What does the term "option on the left" mean? It denotes a specific election program. The Citizens' Parliamentary Club, however, is a support for an extreme liberal economic reform. And such a reform does not fit within any option on the left. Moreover, let's take the changes in public life. The Citizens' Parliamentary Club represents all the classic values associated with centrist views.

It is possible to select the question of social justice and say that it was introduced into the constitution by the left. But it is not the "property" of the left. It occurs, among other places, in the social teachings of the Catholic Church.

The mentioned stereotype is an element of the political game which is becoming more intense at present because the Citizens' Parliamentary Club remains a force and because nearly a hundred political parties have not succeeded in gaining greater significance. Thus, their activists are reaching for arguments which must be treated as part of the political struggle against our club.

Issue of Compensation for Internees Clouds Relations With Moscow

90EP0577A Warsaw PRAWO I ZYCIE in Polish
No 19, 12 May 90 pp 12-13

[Article by Ewa Wielinska: "Compensations" under the rubric "Our Relations With Moscow"]

[Text] "I come from the environs of Lida. The NKVD [People's Commissariat of Internal Affairs] had detained me for a year, and afterward I spent 6 years in a forced labor camp."

"I was a member of the Wilno Home Army. After the city's liberation the Russians sentenced me to 20 years. I was released after 10 years."

"I spent 4 years in a forced labor camp in Vorkuta. The leg I had broken then remains stiff to this day."

Such comments are being made at all the branches of the Union of Siberians [i.e., of former Polish prisoners in Siberia], whose membership already exceeds 30,000 and is constantly growing. The new applicants bring documents yellowed from having lain in drawers for years. Many could not wait for the moment when they could extract these "bumagi" [Russian for papers] from their drawers. They do not come in order to share their reminiscences, because what is there to remember anyhow: the hunger, the cold, the hard toil, conditions in which nature and an evil fate conspire against a person. They come with the growing hope for their moral and material compensation. A majority are simple people from the borderlands of the Second Polish Republic whose internal passports had until quite recently contained the notations: "Place of birth: Stanislawov (USSR)" or "Tarnopol (USSR)." They want the lie to be admitted, the crime to be punished, and the injustice to be redressed.

They are waiting for concrete things to happen. There is the fact that the PAP [Polish Press Agency] issued a communique last April that 4 billion rubles will be earmarked for compensation payments and that the first payments will begin to be disbursed this coming fall. This news reached everyone concerned, but it turned out to be unfounded. The Ministry of Internal Affairs issued a denial, "The matter is not as yet in the implementation stage," which has not yet reached everyone. A lot of confusion has arisen.

For the time being there are few facts to hold on to. As known, the question of the moral and material compensation of Poles for the injustices they suffered from the USSR was raised during the visit of Premier Mazowiecki to Moscow. This in itself is already a great deal considering that for 45 years the issue had been shrouded behind a veil of silence. But from the point of view of a former camp prisoner reaching the end of his lifespan, this is barely the beginning.

The negotiations will be decisively affected by Moscow's position, but much also depends on the activism of the Polish diplomacy. This concerns a precise definition of the rationales for and size of compensation claims. The former is a task for experts in international law and the latter is the domain of historians. Their work is to produce the answers to the following four questions: To whom should compensation be paid? For what? On what legal basis? How much?

To lawyers the point of departure must be an analysis of Polish-Soviet relations after 17 September 1939 [the date of the USSR's invasion of Poland].

It is worthwhile to backtrack 3 more weeks to the date of 23 August 1939, according to Dr. Tadeusz Jasudowicz of the Copernicus University in Torun. "The Ribbentrop-Molotov Pact was an aggressive conspiracy to prepare and wage an aggressive war, which under international

law is a crime against peace. Since 1 September [1939] a radio station in Minsk assisted the German air force. I do not doubt at all that the Soviet Union engaged in aggression against Poland, and aggression in its least qualified form at that. That was an attack by a neighbor state without a prior declaration of war."

The territory occupied by the Red Army is therefore to be regarded as occupied territory, Polish soldiers are to be regarded as prisoners of war, and the civilian population as citizens subject to temporary rule by the occupier. The occupier's conduct should not violate the conventions regulating the laws and customs of wartime conduct.

The mass deportations which surged in four waves across the eastern territories of Poland were a glaring violation of the principles adopted in, first, the Hague Convention and, later, the Geneva Convention. It is estimated that these deportations encompassed one to two million persons, and the most often given figure is 1.8 million. Dispossessed, transported in frightful conditions, they ended up in the north of the Soviet Union, in Siberia, and in Kazakhstan. It is of no importance that formally they were not Polish citizens when deported. In November 1939 the inhabitants of the territories incorporated in the Belorussian and Ukrainian Soviet republics were deprived of Polish citizenship. Several months later the same situation arose in Lithuania. The decrees on changing the citizenship of the population of an occupied area contravene international law.

The USSR's responsibility for compensation is based on the Fourth Hague Convention, which provides, "A belligerent party which has violated the provisions of this Convention will be obligated to pay compensation if the need arises, and it will be responsible for any actions of the members of its armed forces." In addition, the Statute of the Nuremberg Tribunal mentions, among crimes for which war criminals are responsible, crimes against peace, war crimes, and crimes against mankind—including the deportation for forced labor of the civilian population of an occupied territory, and the murder or torture of prisoners of war.

The Nuremberg principles were acknowledged by the General Assembly of the United Nations as universally binding. Their universal dimension was pointed out already by the American Prosecutor Jackson at the Nuremberg Tribunal.

"They are principles of responsibility applying to any aggressor nation," he stressed, "not excluding those whose representatives act today in the role of judges."

The Nuremberg principles provide the basis for the prosecution and punishment of the perpetrators of crimes on Polish prisoners of war. The Soviet Union's admission of the crimes of Kozel'sk, Starobel'sk, and Ostashkov [i.e., Katyn] clears up (though not conclusively) that most tragic aspect of the fate of Polish soldiers in the USSR. The experiences of the 200,000 other prisoners of war still are relatively unknown.

Compensation for the survivors, as well as for the families of the murdered victims, is a necessity.

Once the Maisky-Sikorski Treaty was signed, the state of war between the two countries ended and as of 30 July 1941 diplomatic relations were restored. The treaty was complemented with an amnesty protocol under which the Soviet side pledged itself to release all Polish citizens from prisons and camps. This language in itself points to the fact that thereby the USSR committed itself to respecting Polish citizenship and admitted the illegality of the citizenship decrees of 1939 and 1940.

There is no doubt that thereby Poland and the USSR became allied countries. This situation was not changed by the rupture of diplomatic relations in April 1943 by Stalin on the grounds that "the Polish government succumbed to a German provocation," after the discovery of the Katyn graves. But it is a fact that NKVD detachments followed up immediately behind the front-line that was bringing liberation from German occupation. Mass arrests took place, prisons were filled, and Home Army soldiers faced Soviet military courts or, often, were executed without a trial as well. Trains filled to bursting again traveled eastward, as in 1940 and 1941. In Moscow the trial of the 16 leaders of underground Poland took place.

To a person who was deported in 1945 and for 9 years had his health impaired in the Siberian taiga, it does not matter whether it was the enemy or an ally that had deported him. He feels just as unjustly treated as the person who had been deported in 1940, and he too awaits compensation. Are there grounds for his receiving it?

Polish-Soviet relations in the years 1944-56 abound in both blank spots requiring an elucidation and black spots deserving detailed description and assessment. These include the treaty of 26 July 1944 on the relations between the Soviet commander in chief and the Polish administration following the advance of Soviet troops into Poland. This treaty sanctioned the great powers and responsibilities of the Soviet commander in chief in the zone of combat operations on liberated Polish territory for the time needed to conduct these operations. Until a joint declaration on the stationing of Soviet troops in Poland was made on 18 November 1956, this treaty was the sole legal basis for the presence of the Red Army on our territory. The criterion of the "time needed to conduct combat operations" turned out to be so elastic that it extended to 12 years.

Article 7 of the Treaty of 26 July 1944 defined Soviet jurisdiction over actions committed with the object of harming USSR troops. It was frequently utilized, also in the "Trial of the 16."

"Admittedly, my views are extreme," Dr. Jasudowicz acknowledged. "I believe that the Soviet offensive was followed not by liberation but by occupation, with all its attendant consequences. In his work, "Wojna a prawo

miedzynarodowe" [War and International Law] Remigiusz Bierzanek offers a less extreme concept, that of the occupation of an allied territory. The rights of such an occupier are not as far-reaching as those of an enemy occupier. This may be a point of departure for negotiations to compensate the victims.

A cursory review of Soviet-Polish relations during 1939-56 indicates that they included many aspects of international law that require elaboration.

Recently some specific actions began to be presaged. During a meeting at the Belvedere dealing with analysis of the visit of the president of the Polish Republic to the Soviet Union, Minister of Justice Aleksander Bentkowski predicted an official request to the USSR authorities for commencing an investigation with the object of identifying those responsible for the executions of Polish officers.

On 28 April 1990 the Sejm revised the decree on old age pensions. One of the amendments provided for crediting incarceration in Soviet prisons and labor camps to the period of time required for eligibility for old age pensions and annuities.

This is little, but still this is something specific. These actions are blazing the trail for other truths.

Security Service Chief on Future of Intelligence Service

90EP0576A Warsaw PRAWO I ZYCIE in Polish
No 16, 21 Apr 90 p 7

[Interview with Dr. Jerzy Karpacz, chief of the SB [Security Service], by Iwona Jurcenko; place and date not given: "The Intelligence Service, To Be Continued: We Had, Have, and Will Continue To Have It"]

[Text] [Jurcenko] Let us discuss secret agents.

[Karpacz] Let's, especially since, judging from your article "The Intelligence Service" in PRAWO I ZYCIE, No. 15, the information available to you is dated.

[Jurcenko] No one wanted to give me information, whether dated or recent.

[Karpacz] Our interview is precisely on this topic and as such it, of course, sets a precedent. In general, I believe that the secretive atmosphere around the ministry of internal affairs nowadays affects the image of that institution very adversely. I believe that such matters should be made public, so long as this does not harm State and ministry interests.

[Jurcenko] Then perhaps you could answer the question which the entire Poland has been asking after the last session of the Sejm: Is it true that the members of the present power elite include both former and current employees of the Security Service?

[Karpacz] I am not aware of any factual basis for Deputy Bartoszcze's question. But at the same time, irrespective of your question, I wish to stress emphatically that any and every person who provides operational assistance to the Security Service can count on its absolute discretion so far as the fact of his assistance and the scope of his cooperation are concerned. For making such information public would cause untold moral and personal harm to these individuals as well as to the Service's interests. It would harm the effectiveness of all operational work, cause the special services to lose their credibility, and cause particular individuals to lose their motivation for cooperating with us. Let alone the circumstance that this would compromise our special services vis a vis the world's other special services. This is best exemplified by what is happening after such information had become disclosed in the GDR, where a kind of witch-hunt is now under way, along with a nightmarish festival of mutual accusations of contacts with the "Stasi."

[Jurczenko] In the GDR it is said that, while the Stasi has indeed been formally disbanded, in practice it continues to exist and even engages in activities such as bugging. Moreover, it still retains its tremendous grip on power owing to the confidential information it has on file, information that could cast a shadow on nearly every public figure. Will this situation also arise in our country after the Security Service is disbanded?

[Karpacz] I shall do everything to prevent this.

[Jurczenko] Now how about that promised recent information on secret agents.

[Karpacz] In your article "The Intelligence Service" you wrote about operational guidelines that are no longer current and reported the number of the guidelines applying to the militia. On 9 December 1989 the minister of internal affairs signed an order introducing a new set of guidelines governing, among other things, the handling of persons who provide assistance to the Security Service. This concerns so-called personal information sources. It is a pity that I cannot show these guidelines to you.

[Jurczenko] Why not?

[Karpacz] Because they are classified. But if you had seen them, you would have seen how modernly and precisely they are worded. They allow for two basic factors. First, the adaptation to the actual situation in this country—and here I mean the social, political, and economic changes. And second, the tremendous emphasis on basing operations on adherence to rule of law. The special-service personnel operating on the basis of these guidelines must hew to three fundamental directives: rule of law, objectivity, and secrecy.

[Jurczenko] A secret agent engaged in secret operations and acting on the basis of secret regulations. We all know what opportunities this creates for abuses and lawless actions.

[Karpacz] What is secret does not at all have to be lawless. Consider that the latest decrees on the police and the UOP [State Protection Agency] also sanction the provision of operational assistance by citizens. As a professional I perceive no contradictions between rule of law and intelligence work. Of course, there exists the potential peril of actions transcending the law in the course of intelligence work. For this very reason the formulation and implementation of these guidelines has been so important. They sanction the steps which the heads of the ministry of internal affairs have taken since July-September 1989. This concerns, for example, the abandonment of extensive surveillance of socio-occupational groupings and the withdrawal, owing to substantive and material considerations, of agents in workplaces and institutions. The underlying philosophy is that these services—however they will be called—cannot be interested in everything. However, they must have general familiarity with problems of interest to the authorities and matters which may harbor particular dangers such as some disturbing event at a defense plant or the formation of a terrorist grouping. No one intends to engage in the surveillance of the several dozen existing political parties, but at the same time I could not evade responsibility if someone for political reasons were to commit an act of terrorism against, say, a member of the government.

[Jurczenko] How many secret agents are working for the Security Service?

[Karpacz] No one can or is capable of answering this question for the simple reason that no records are being kept for the country as a whole. There is no such "telephone directory." Besides, records on these persons were and are being systematically updated as some drop out and new operatives are recruited. [as published]

[Jurczenko] Drop out? But once one becomes an agent, he always remains one, it seems.

[Karpacz] That is not true. No person who decides to become an agent forfeits the right to make the personal decision of ceasing to be one. For example, in connection with the changes in the legal regulations governing cooperation with the intelligence service, a review was undertaken within discrete departments and—insofar as I know—it usually turned out that about three-fourths of the agents had resigned from such cooperation. But this is chiefly a consequence of the basic curtailment of the scope of interests of the Security Service. If an agent decides to resign, his entire personal record is destroyed.

[Jurczenko] And new agents continue to be recruited?

[Karpacz] Of course, although the times we live in do not make such recruitment easy for us. As a professional I find that people are increasingly reluctant to join us, for various reasons such as moral, political, or financial ones. That is why the proper selection of such individuals and formalizing cooperation with them is highly

important. We are abandoning rigid rules. I personally resent the claim that compromising material may be used to recruit an agent.

[Jurczenko] Nowadays this is put more euphemistically.

[Karpacz] Nowadays this is done differently. The guidelines regulate the principles of cooperation in a simplified manner. Generally speaking, the same rules should not be applied to persons who cooperate but once and to persons who decide to cooperate regularly.

[Jurczenko] But wait, what do you mean by "cooperating regularly"? After all, the Security Service has been disbanded.

[Karpacz] But some fundamental threats to our national security persist, such as espionage, egregious economic crimes, the potential threat of (also international) terrorism, etc. This entails the need for the existence of a suitable security organization. The idea is that the State Protection Agency [UOP] will thus focus its activities on intelligence, counterintelligence, and protection of classified information. Besides, the Security Service has not been disbanded yet; it will be disbanded once the pertinent decrees take effect, which will happen once they are ratified by the Senate and published in *DZIENNIK USTAW*.

[Jurczenko] What will it look like in practice?

[Karpacz] The Council of Ministers was placed under the obligation of promulgating, within 10 days from the effective date of the pertinent decrees, an executive order on organizing the formations under the jurisdiction of the minister of internal affairs, especially the State Protection Agency. It ensues from the government's decision that administrators with full powers for organizing the police and the State Protection Security Agency will be appointed.

[Jurczenko] Is their identity already known?

[Karpacz] No personnel decisions have yet been made. Once these decrees take effect the employment of Security Service personnel will be automatically terminated by virtue of law—as for the militia, they will automatically acquire the status of police and continue working—and those among them who desire to transfer to the National Security Agency, the police, or the Ministry of Internal Affairs must show initiative by submitting a request for employment in one or another of these institutions. If they do so, they will be vetted on the basis of criteria determined by the Council of Ministers. After the new institutions are organized, all the assets, fixed and liquid, of the Ministry of Internal Affairs will be divided among the police and the State Protection Agency. The decree provides that the State Protection Agency will be a centralized institution operating at the central level, with the possibility of establishing branch offices in voivodships. It will be a relatively small institution employing barely several thousand people.

[Jurczenko] What about those Security Service personnel who will not be hired by the State Protection Agency. It seems that they will have trouble finding other employment.

[Karpacz] They will be discharged. Perhaps they will be hired by other agencies of the ministry of internal affairs.

[Jurczenko] But many will not, and they will feel disappointed and embittered and hence also more willing to divulge all kinds of secrets.

[Karpacz] They all are bound by the intra-ministerial regulations of secrecy as well as by the decree on protecting state and service secrets. Every person hired by the Security Service has had to sign a pledge to keep secret the information he acquires while on duty. This pledge remains valid whether or not the person is hired by the State Protection Agency. Certain kinds of information remain classified for a few years, e.g., for 3 or 5 years, while others are permanently classified, e.g., the information on the identity of secret agents.

[Jurczenko] Thank you for the conversation.

Character, Nature of Army in Light of Political Change Delineated

90EP0620A Warsaw *WOJSKO I WYCHOWANIE*
in Polish No 3, 1 Mar 90, pp 11-14

[Article by Jerzy Muszynski: "All-National Character of the Polish Army"]

[Text] *The following is being anticipated as a theme for an April study group for officers on sociopedagogical knowledge for the cadre: "The National and State Character of the Army: Its Essence and Content." Below we print the theses taken from the broader elaboration of this topic in versions that have been somewhat shortened by the editorial staff. It is hoped that this publication will be helpful in preparing for the above-mentioned educational sessions. The Editor*

The character, position, and role of the armed forces in modern states depends on many factors. Above all, it depends on the principles of the socioeconomic and political system, on constitutional resolutions, national traditions, international conditions, and the needs and possibilities of the given society. In so far as the army's main functions and specific tasks result from its purpose directly, organizational structures, internal relations among soldiers, and training and educational processes are conditioned by systemic properties, the needs and possibilities of the state, and national traditions, including combat traditions.

In many countries of the world, the armed forces are created on the principle of a universal defense obligation which is constitutionally imposed on the citizens. This principle means that the basic mass of soldiers is called for a period of military service. Within that period, basic training proceeds until mastery is obtained in the realm

of armed conflict. A smaller part of the army, which constitutes its command, management, and specialist cadre, is made up of professional soldiers who fulfill their duty on the principle of voluntarism and treat it as the performance of a skilled profession or the fulfillment of functions that demand specific qualifications useful for military purposes.

In other countries, particularly the highly developed ones, professional armies are built on the principle of voluntarism, grouping people of various qualifications and specialties who, on the strength of an agreement—a contract—become professional soldiers and fulfill the tasks entrusted to them. Professional armies are more numerous than armed forces based on a universal military obligation. They are more stable in regard to cadres and more thoroughly prepared to practice the military craft. Nowadays, the tendency to create professional armies is becoming more and more widespread, although shifting to armed forces of this type is limited by the high costs of maintaining a professional army. All the same, this tendency offers more professional opportunities than armies based on universal military obligation.

In recent months the character of the armed forces of the Polish Republic has been undergoing an appropriate transformation, which is conditioned by the changes that are arising in both the political and economic systems as well as in social consciousness. The collapse of socialism could not be without influence on the position and role of the armed forces, on their character, independence, and purpose. This is an important, historic process of transformation from systems based on a single party's domination of all aspects of life to pluralistic mechanisms in politics, economics, the cultural sphere, and the consciousness of society. This process is only now beginning and will—presumably—last until a new system of values is formed in economics, politics, culture, and in society's morality and mentality. The army, which groups a certain part of society, cannot be a community that is different (except with regard to strictly military principles) from the rest of society.

Until recently the Polish Army was officially treated as a national army and at the same time as a socialist one. There was no contradiction in terms of any sort in the twofold character of the armed forces. However the domination of the characteristics of the overall system, which were strongly stressed in official opinions, especially in propaganda, could not influence the relations between the army and the government and between the army and society. The socialist character of the army was above all conditioned by the principles of the system, chiefly the class nature of the state and all its organs and institutions. Such an appraisal of the army was based on the position of the classics, that is, mainly on the views and conceptions of Friedrich Engels and Vladimir Lenin. In their opinions, the army appeared in the created socialist system as the armed instrument of the socialist revolution, as the armed force created by the revolutionary masses for the purposes of both obtaining power

and keeping it. That is also why it assumed a class character which was conditioned by both its origins and its purpose.

The position held in the classics of Marxism on the question of the army in the socialist system was variously interpreted in learned circles and in publications, ranging from the excessively property positions which treated the army as the armed buttress of the communist party to more realistic positions which evaluated the armed forces as a cell of the power apparatus located—on a par with other cells of this apparatus—in the realm of the party's leading role. The first of these positions was accepted above all in China and (in part) in Albania, North Korea, Vietnam, and Cuba; the second was presented chiefly by Soviet science (see Andrei Grechko's book "Armed Forces of the Soviet State," Warsaw, 1977) and also other socialist countries.

In Poland the dominant presumption was that the armed forces do not constitute a party formation of the PZPR [Polish United Workers Party], but rather are a link in the power apparatus and the armed buttress of the Polish nation. Thus, the armed forces were both socialist (which justified their class character) and national (which defined their interclass, all-national significance).

A contradiction (from today's point of view) appeared in this position. Currently, the assumption is made that the socialist character of the armed forces of the PRL [Polish People's Republic] weakened their national significance, because in practice primacy was given to the class character of the army. This class character was supposed to show that the army was built on the strength of the will of the people, but it was of class "origin" (worker-peasant) and served to realize class interests rather than all-national ones. But such an interpretation is not convincing, although it is not devoid of a certain rationale.

Under the conditions of the socialist system in which Polish society functioned from 1948 to 1984, the class character of the army did not weaken its all-national scope, although the nation had minimal influence on its own armed forces. The socialist character of the army was in reality of secondary significance, because it resulted more from the assumptions of party ideology than from the army's actual functions and its constitutional position and role.

The army's national significance is also conditioned by the historical traditions of Poland and the Poles, the experience of Polish arms, the genuine—centuries-old—connection between the army and the nation, the force of Polish patriotism, the consciousness of the necessity of defending the fatherland. The character of the army was not negated in Poland during the

last 40-year period, although at the same time its class, socialist character was emphasized.

The treatment of the Polish Army as an army of the socialist type had, in the past, ideological causes, which arose from Marxist theory and from the program documents of the communist party. Such an interpretation was applied in all the socialist states: the identification of the army with the socialist order was treated as a principle of the system. At the same time, it was assumed that the army's character is determined by the fact that the army was created by revolutionary forces as one of the main instruments of structural transformation, an armed cell of revolutionary power, an armed force protecting the system from external and internal enemies.

Relations between the communist party and the army were essentially like the relationship of the party toward other links in the state apparatus, although there were differences which resulted from the functioning of party organizations and authorities in the army and from the functioning of the political apparatus (party-political apparatus). This connection was not equitable, because in practice the party organizations in the armed forces were directed by the party apparatus. (It was different in Yugoslavia where the organization in the armed forces, the Union of Communists of Yugoslavia, was autonomous and not subordinate to either the political apparatus or commanders.) But on the other hand, neither the political apparatus nor the party authorities interfered directly in the sphere of command, in which only the proper commander had authority.

Currently the situation is undergoing a fundamental change. Poland is gradually ceasing to be a socialist state. Serious changes are being effected both in the sphere of economic and social relations and in the ideological-political superstructure, including the entire political system. The process of structural transformation, which embraces the army among other things, is continuing.

This process's point of departure was the understanding reached between the government and the opposition within the framework of the roundtable talks and the PZPR's recognition of political and trade union pluralism. But the next step was the defeat of the communist party in the general parliamentary elections in June 1989. The party gradually lost its monopoly on power, giving way to the forces of the political opposition, which refused to take part in a "grand coalition" and decided to create its own government.

The dissolution of the PZPR had essential significance for the character of the political system, which had lost its socialist significance even from the point of view of Marxist theory. Political pluralism, which is being broadened and consolidated, is forming a new type of system (and also a new type of Polish state), the structural properties of which it is not yet possible to state precisely. The relations typical for socialism are also gradually disappearing from the economic system. A

multisectoral arrangement as well as a market economy is forming. In the country's national economy, more and more of the traits typical of the economics of highly developed, capitalist countries are appearing.

The changes being effected in the structural bases in Poland are not without influence on the character, position, and role of the armed forces of the Polish Republic. The reforms in the sphere of political relations are especially having an effect on the army, gradually transforming its character and to a lesser extent its position and role. The armed forces are ceasing to be an army of the socialist type. The dissolution of the PZPR, including the political organizations in the army, created a new political situation. The army became "departy-ized," the previous political apparatus was replaced by an educational section. The specializations, forms, and methods of educational work with soldiers are undergoing change. These are lasting processes that will gradually transform the army as a whole, the existing relations within the army, and finally the relation between the army and the other links of the power apparatus.

The armed forces, performing the tasks entrusted to them by the constitution, continue to maintain a special position in the country's new political situation. That position does not in the least give privileges to the army with respect to other links of the political system; on the contrary, it charges the soldiers with additional duties and greater responsibility. But, it arises from the special (and thus atypical for the whole of society) forms, manners, and means of executing the assigned tasks. These appear in the form of preparations to conduct armed struggle in case of emergency. The fact that the army is an armed formation distinguishes it from other links of the political system. The armed forces do not constitute in any way an independent link of the political system, but they do coordinate the fundamentals of the defense of the state and society as well as ensuring the normal functioning of the entirety of the political system and of each of the links in the field of defense. The army's connection with all of the links of the political system is manifested within the framework of the external functioning of the state, among other things, in the form of a general, and thus national, obligation to defend the fatherland, ensure its independence and sovereignty as well as its security and peace.

Without being an independent link of the political system, the army constitutes an integral part of the state apparatus. However it is neither an organ of state power nor an organ of the state administration; that is, it is not an administrative-executive organ. The fact that the armed forces are organized within the framework of the department of national defense does not exaggerate in the least its ties to the state administration. The army, in opposition to the administrative organs, does not administer any of the areas of the national economy, and it does not act as an executive organ of the parliament or the local organs of power. The army is differentiated both from other links of the political system and from the organs of the power apparatus by the following: its

tasks, which are performed within the limits of its constitutional functions; its organizational structure; the principles, conditions, forms, and mode of its internal life; and its manner of performing tasks.

The place and role of the army in the state apparatus indicate the functions it performs, and these demand that the army be prepared to conduct armed conflict with the enemy, and in case of emergency, to conduct it in the interest of the state and the nation. The armed manner of performing the main tasks entrusted to the army therefore determines its position and role in the state apparatus. These tasks also determine the army's organizing structures, the method of fulfillment of the universal defense obligation by citizens, the internal arrangements of service relations, the specific character of these relations, and the increased responsibility of the soldiers (in regard to the remaining citizens) for the performance of the tasks entrusted to them.

The organizational structures of the armed forces result from the assumptions of the military doctrine, the assumptions of the modern art of war, the concrete needs and possibilities of the country, and also the character of the political and military alliances with other countries.

The armed forces of the Polish Republic are made up—taken in the most general terms—of the permanent, professional cadre, suitably educated and trained, and of changing ranks of soldiers fulfilling their service obligation, and reserve soldiers fulfilling the general duty of defending the fatherland. This second cell of the armed forces is built on the principle of fixed rotation within the norms of the law. Such a phenomenon does not appear in other organs of the state apparatus, because work or service in them is based on other assumptions.

In the organizational structures of the armed services, there exists a characteristic arrangement of relations among soldiers based on military discipline. Its attributes are: a hierarchical arrangement of superiority and subordination; the obedience of the subordinates with respect to their superiors; and the use of orders as a typical and efficient form of seeing to it that all soldiers fulfill the tasks entrusted to them. An order is an expression of the will of a superior, which absolutely obliges his subordinates and guarantees the attainment of the intended goals. The army's internal relations are governed—down to the most trivial details—by regulations, orders, and instructions which apply to particular areas of army life. Such an arrangement of internal relations is absolutely necessary as a condition of the armed forces's fulfillment of the entrusted [word or words omitted] of the military judiciary, and the military conduct of armed conflict. These requirements justify the existence of the separate legal norms of the military judiciary, which concern only the armed forces, the military organs of criminal prosecution, and the supervision of conformity to the law.

The army as an integral part of the nation and a link in the state apparatus serves society and executes the tasks

assigned it by the state, during which it executes them in a particular form—through the attainment of appropriate skill and combat readiness and, in case of emergency, in the form of armed conflict.

The structural transformations being effected in Poland have not changed the position and role of the armed forces of the Polish Republic as presented above. They are still subject to the Council of Ministers, the National Defense Committee (it has remained the independent, leading organ of the state in the field of defense, cooperating with the government), to the president of the Republic, who is the head of the armed forces (and in case of war their commander in chief), and moreover to the minister of national defense.

It follows from the relations mentioned above that the armed forces have never undergone more serious structural and functional transformations than they are now. However, they have assumed a national character in full. They have remained a structural part of the state apparatus as a specific cell which executes the tasks entrusted to it. However, it cannot be excluded that further structural changes in Poland will influence the position and role of the armed forces of the Polish Republic. However, the army will remain an armed force of the Polish nation, the advocate and guarantor of its independence and sovereignty, of its security and peace. Because these are universal tasks realized in every modern country without regard to its economic, social, and political system.

The transformations to which the army may be subject will certainly move in the direction of modernization, the rationalization of organizational structures, the provision of modern weaponry and equipment, and the guarantee of more thorough training and more effective education of soldiers.

In the structures of this army, no political parties will be able to operate. Under conditions of political pluralism in the country, the army may not be the arena of political struggle. This would strike at its cohesiveness, efficiency, and combat readiness. This does not mean that soldiers should not have various ideological or political convictions. However, it does mean that these different convictions and views should not weaken the uniformity of the army or have a negative influence on the realization of the tasks entrusted to it.

ROMANIA

RMDSZ, Opposition Role Viewed; Quarter of All Votes Fraudulent

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in Hungarian 31 May 90 pp 1-2*

[Report by Margit D. Bartha on statements made by Ion Basgan, National Liberal Party adviser; Dinu Patriciu, party executive secretary; Valentin Mirescu, engineer and independent candidate for Parliament; Sorban

Petrescu, university professor and lecturer; and Adrian Sirbu, fourth-year university student: "A Constructive Opposition Is Needed"]

[Text] Now that we are aware of the election results and know who the lead actors and the supporting actors will be in the near future, it is fair to ask this question: What should people—at this time the Romanian people—expect from the new organs, and in particular from the second most significant political force, the Democratic Association of Hungarians in Romania [RMDSZ]. How do they view the [RMDSZ] election success, and what are they expecting as a result of the elections in the future?

Ion Basgan, Adviser to the National Liberal Party [NLP], and Dinu Patriciu, the Party's Executive Secretary

"We recognize the validity of the elections, but we recognize the validity of the outcome to a far lesser extent. We are able to prove that between 25 and 30 percent of the votes cast are fraudulent. Incidentally, a "sweeping" victory of the kind the National Salvation Front won is unique in the entire democratic world. It suggests that we must continue to count on having a totalitarian system. All said, we believe that we will have neither democracy nor pluralism for the time being, nor will we have an actual opposition. Precisely for this reason, we consider it to be important that we, the members of the new Parliament, (Mr. Basgan is a representative from Bucharest, Mr. Patriciu is county representative from Temesvar [Timisoara]—editor's note) consistently support and demand the enforcement of democracy. Our starting point is that all the people's, the country's interests must be protected in Parliament, and not the interests of one or another party. And it is appropriate for the entire parliamentary coalition to become subordinate to this [idea]. We regard cooperation with the RMDSZ as important. Primarily because it appears to us that the spirit and conduct of Hungarians in the homeland [Romania] reflects a liberal outlook, i.e. that in many respects their perceptions correspond with the NLP program. One may also reach this conclusion based on the fact that so many Hungarians voted for Radu Campeanu.

"The RMDSZ organized its election campaign well, it manifested discipline and political maturity all along. We hope that these attributes will also prevail in Parliament, because it is obvious that a constructive opposition is needed, i.e. laws which establish liberalization, decentralization, welfare, and individual liberty from the grass roots up."

Engineer Valentin Mirescu, Independent Candidate for the House of Representatives

"The Parliament that has now been elected, just like the government, must keep in mind free, democratic development, the enforcement of human rights, and the guaranteeing of welfare. I would mention only a few urgently needed measures: the available technical base

and human reserve must be assessed as soon as possible, individually per [economic] branch and as a whole; a gradual transition to a market economy must be accomplished in such a way that economic and social development are based on peak technologies; and a way must be found to make people interested in achieving the best possible results. Creative initiative must be stimulated. All of this, of course, presents difficult tasks to the legislative organs and to the government. Under ideal conditions these organs should represent several political trends, and the opposition should carry weight and play an actual role. We have a peculiar situation as a result of the more than 66-percent victory of the National Salvation Front. For this reason this political formation must respect every item and every point contained in its program, i.e. [it must fulfill] all the promises it has made. Although as a result of its proportions the role of the opposition is rather limited, it is nevertheless important because it can voice different opinions and trends vis-a-vis the majority. In my view the RMDSZ holds no small responsibility: Beyond providing interest protection for, and defending the rights of the Hungarian nationality, it must contribute with all its strength to the general development of the country."

Sorban Petrescu, Lecturer and University Professor

"Although most certainly, our progress will have a positive character, there hardly will be an abundance of [events which represent a] spectacular turnaround, i.e. situations which constitute a fundamental change, and in my view progress will be rather slow. This is mainly because most of us have become used to the idea that we must humbly bow to guidance issued at the top, that "we must do everything" (to accomplish the goals designated by others), that an independent perception, moreover independent thoughts, may be extremely damaging insofar as the human being is concerned.... We will be cured of this malaise of consciousness only if we face ourselves courageously: But even in this way recovery will take quite a long time, a recovery that must be stimulated by society and by the leadership. Simultaneously we must do away with what could most appropriately be called "centralized chaos": the old structure and practice. This is also a difficult task and will consume more than a short a period time.

"As we have seen, in the present situation the tasks may be divided into two groups. On the one hand there are things each individual must do himself. On the other hand there are matters which are under the jurisdiction of leading organs. Quite obviously, the two kinds of tasks overlap in many respects.

"We expect a fair constitution and just laws from the body that frames the constitution. Our expectation from the RMDSZ and from the rest of the opposition formations is that they fulfill their regulating (balancing) role both in the legislature and in the implementation of laws competently and with the citizen's sense of responsibility, and that they utilize the means of arguments, i.e. logic and not passions. Unfortunately, the so-called

mini-Parliament [which has prevailed] thus far has shown more than a few examples of the latter."

Adrian Sirbu, Fourth-Year University Student

"There is an explanation for the RMDSZ success, even though it came as a surprise to many of us. Since the bulk of Romanian voters cast their ballots for Iliescu, a certain vacuum evolved in the opposition camp. This vacuum was filled by the RMDSZ, because it represented a united, well organized community with a high level of political consciousness.

"Quite obviously at present every political force is interested in cooperating with the RMDSZ, and this applies not only to the traditional parties and small parties which acquired only a small percentage [of the vote], but also to the Front. Mr. Iliescu made open reference to this at a press conference the other day. At the same time he expressed regret that the RMDSZ has removed itself from the Front, even though this situation could be helped, in his view. The fact is that at present

everyone is courting the RMDSZ, an organization which finds itself in the enviable position that it can choose its political partners for itself.

"Just what do we expect from the RMDSZ? Above all that it become a stabilizing factor in the present, not at all stable situation, and that it stimulate cooperation with the rest of the political formations. It is natural that representation of the interests of Hungarians is in the forefront of its attention, but we expect circumspection and tact from the RMDSZ, meaning that it enforces the otherwise just minority demands without excesses and haste. Similarly, much tact is needed in regard to its relations with official circles in Hungary so that these contacts do not raise questions about the RMDSZ' loyalty to Romania under any circumstances. Finally, I consider it important that the RMDSZ not become the leader of the opposition, but a constructive factor instead, one that prefers initiatives of a constructive character at all times."

GERMAN DEMOCRATIC REPUBLIC

Air Pollution Problems Surveyed

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in German Apr 90 (signed to press 28 Mar 90)
pp 573-585

[Article by Jeffrey H. Michel, free-lance journalist and adviser to ecological groups in the FRG and the GDR: "Gloomy Prospects for Clean Air"]

[Text] During the 5-9 July 1989 visit to the FRG by former GDR Minister for Environmental Protection and Water Management Dr. Hans Reichelt, agreement was reached on joint pilot projects which, according to the statement by Dr. Klaus Toepfer, FRG minister for the environment, had come into being "in the context of a genuine environmental partnership."¹ Since then a number of other cooperative ventures have been announced by Lower Saxony, Hamburg, and other FRG Laender. In mid-November 1989 the Federal Government put forward 11 additional pilot projects as negotiating topics with the GDR, and in February 1990 the number of partially modified projects rose to 15 in all.²

However, the varying levels of pollution relief which the planned measures will achieve are worth noting. Thus, for example, in a few years it will be possible to realize in the Elbe River a substantial decrease in the amount of mercury, chlorine compounds, and some other pollutants.³

On the other hand, reducing air pollutants to an ecologically supportable level appears to be extremely difficult. The construction of two brown coal power plants, which was agreed upon in July 1989, with advanced fluidized bed firing does in fact hold promise of some long-term improvements in the municipal energy supply sector. However, on a national scale immediate relief will remain modest since only 10,970 fewer tons of sulfur dioxide (SO₂) per year will be produced in the two plants. This decrease is equivalent to switching off the large Boxberg power plant for one-half hour per day.

The pilot projects which were originally recommended in November 1989 included low-temperature gas cleaning at the VEB Brown Coal Refining Plant, Espenhain, which together with the brown coal low-temperature carbonization plant in Boehlen was characterized as the worst polluter of the air in the GDR at the Second Ecumenical Air Seminar in Erfurt in 1989.⁴ Increased handling capacity at the beginning of the 1980's had accounted for "a substantially higher level of environmental pollution" here.⁵ In 1988 in Espenhain about 120,000 tons of sulfur dioxide per annum were emitted from 30 low-temperature carbonizers and a heat and electric power plant which had a substantially reduced output after 370,000 hours of operation.

Low-temperature gas cleaning would make it possible to reduce the volume of sulfur dioxide by 60,000 to 80,000 tons per annum at an estimated cost of DM79 million and M86 million. Of course, realizing this project meant

establishing another brown coal refining enterprise whose extremely wasteful production operations were candidly acknowledged by the factory's management. In this connection, it was stated in an official inventory at the end of 1989 that "it was impossible to achieve general stabilization for long-term production. For decades, simple reproduction was not guaranteed.... The VEB Brown Coal Refining Plant, Espenhain, has turned into a sorry symbol of our country's abortive economic policy and in particular of the wrong energy policy of the existing Ministry for Coal and Energy."⁶

If this had been a preliminary signal of the shutdown, which has since been announced for 1991, then a basic reorganization of the GDR's energy industry can be inferred as a prerequisite for environmental protection measures at an appropriate cost. In contrast to water management practices, in this objective several useful operating options to eliminate pollutants are missing. Unpurified flue gases cannot be deposited into restraining receptacles nor be canalized through pipe conduits, but rather at best they can be "diverted" via tall smokestacks. For a long time this distribution of pollutant emissions has also disguised their impact.

Among GDR medical experts it was, of course, well known that "in the case of certificates of disability, infectious diseases of the respiratory tract" had occupied "priority one ranking" and in 1983 "an estimated level of more than 4 million tons of SO₂ with varying degrees of territorial burdening" resulted in throat irritation and disruptions in the antigen-antibody reaction.⁷ However, it was not possible to systematically enlighten the people since the threatening situation in the environment was merely attributed to "slight disruptions of the rhythm" in planning.

Forest Damage and "Acid Rain"

In 1986, when Erich Honecker rejected Hamburg's DIE ZEIT's concept of "dying forests" in the GDR by stating that "our forests are healthy," he based this assertion on "our minister's map for the environment," on which only "extensive damage to the forests in the Fichtel Gebirge and the entire area in the direction of the CSFR" were drawn in, but where "the forests are being reforested so that healthy trees are once again growing there."⁸ Consideration of the countrywide experiences in land and forestry management would have justified a substantially more cautious assessment. Barely two years later, Werner Felfe, then Central Committee secretary for agriculture, would state in the report by the SED's [Socialist Unity Party of Germany] politburo to the fifth meeting of the Central Committee that damage had occurred on "approximately 37 percent of the total forest area."⁹

Covering 980,500 hectares, these affected forest regions mainly reflected "effects over long periods of time,"¹⁰ that is, cumulative evidence of the burden, especially since the "damaged forest areas" in the GDR had been

figured at only 60,000 hectares in 1977.¹¹ In this connection, clearing damaged areas always made it possible for them to be deleted from the statistics, but reforested regions could be added to the healthy areas.

In the opinion of Rudolf Ruethnik, GDR general forest manager, the numbers which were published in 1987 substantiated a "dynamic of pollutants which was rapidly taking place," which was to be countered by planting "varieties of trees resistant to smoke" and intensified fertilizing from the air.¹² In order to clean up the forests, in 1988 alone 18 million "more resistant" trees are supposed to have been planted.¹³ At the same time 69,633 hectares of land in forest management were treated with liquid fertilizer and lime containing magnesium,¹⁴ the latter to enrich the soil with nutrients and to re-establish its exhausted buffer effect. Yet when it was made known that the area of forest damage in 1988¹⁵ had increased to 44.4 percent, this once again confirmed many years of neglect, particularly in respect to introducing combustion technologies which are low in pollutants. Since then there have been reports of damaged forest areas in excess of 54 percent.

In the meantime, in response to DIE ZEIT, Erich Hon-ecker's additional statement that in the GDR there has been "no experience with acid rain" could perhaps have been made without knowledge of available research results. The forestry department at Dresden Technical University in Tharandt had referred in the UMWELT-FORSCHUNG series to the criterion which must be posited for "acid precipitation (acid rain)" ("whose pH value is less than 5.5"), it had explained the decreased "supply of nutrients available to plants with a simultaneous increase in acidity" as a consequence, and it had likewise described increased "leaching of nutrients from leaves" and even demonstrated it in fumigation experiments on firs and pines.¹⁶

The manual "Human Ecology" which was published in 1985 in the "Biosciences Series" went beyond that, tackling the persistent dangers to the forest by anthropogenic influences: "In central Europe 100 times more acids and even heavy metals get into the forest ecosystems than can be assumed for nature untouched by humans.... According to fumigation experiments, a long-time maximum permissible value (threshold value) of 20-50 moles/m³ is cited as triggering forest damage."¹⁷ Yet the sustained concentration (MIK_D) of 150 moles/m³, which is permissible in the GDR, is frequently exceeded.

A cartographic representation of the "distribution of the acidity (pH) of rain over Europe in 1962" clearly revealed the fact that for decades the territory of the GDR has been exposed to a high level of acid deposits (around pH 4.0 and below).¹⁸ In the meantime, together with Poland and the CSFR, the GDR comprises the epicenter for deposits of heavy metals in Europe.¹⁹ Yet almost three times as much sulfur crosses the inner-German border into the FRG as is received from there.²⁰

The Highest Concentrations of Air Pollutants in Europe

According to comparative inquiries by "natuur en milieu," the Dutch foundation for the environment, the GDR has claim to first place on the "SO₂-list designed to show in which European countries the SO₂-emissions must be most extensively reduced."²¹ With the demonstrated factor of 50.6 for required reductions in sulfur dioxide based on the size of the population and the land area, the country is even way above the CSFR, its closest competitor in the table (reduction factor of 36.5). The calculation was based solely on an annual pollutant volume of 4 million tons of SO₂. On the other hand, the statistics on air pollutants which were published for the first time in 1988 in the "GDR Statistical Yearbook" suggested a sulfur dioxide volume of about 5 million tons per annum.²² On 29 January 1990, at the GDR's "Roundtable," Minister for Environment Peter Died-erich mentioned an annual volume of 5.2 million tons of SO₂.²³

In an unpublished report in 1988 the Center for Shaping the Environment cited the following quantities of SO₂ emissions by fuel type (slightly simplified here):²⁴

Brown coal	4,761 kt [kilotons]/year
Hard coal/coke	221 kt/year
Heating oil	63 kt/year
Fuel	65 kt/year
Other products	60 kt/year
Total	5,170 kt/year

Accordingly, 92 percent of all the sulfur emitted in the GDR comes from burning brown coal.

In addition to the sulfur dioxide, a good 300 million tons of carbon dioxide are released which endanger the climate, since the use of 1 ton of raw brown coal for industrial energy produces the same amount of CO₂.²⁵ By way of comparison: In the FRG the total is 740 million tons per year of CO₂ from burning commercial energy sources. Overall, both German states account for more than five percent of the world's output of carbon dioxide (about 20 billion tons per year) from fossil energy sources. With continued economic growth new technologies alone will make possible an international reduction strategy by "demonstrating market maturity and rapid market introduction of energy efficient innovations and by suitable development assistance."²⁶

According to the statistics from "natuur en milieu," of 28 European countries the GDR is in sixth place with respect to the soil-souring air pollutants, namely nitrogen oxides (NO_x) and ammonia (NH₃). Still, at the beginning of November 1988, at the ECE [Economic Commission for Europe] conference in Sofia, the GDR was able to point to a modest reduction in nitrogen oxide output amounting to 955 kt for the year.²⁷ The Dutch study, of course, bases its classification on a substantially lower quantity of 800 kt of NO_x.

An increased threat to the forests from the effects of nitrogen oxides in combination with other air pollutants has been identified. According to a Thuringian forestry report, for "new harmful gas mixtures...of NO₂, SO₂, and O₃ there are severe symptoms of harm, even with the air burden below the threshold value for SO₂."²⁸

Former GDR Minister for Environment Dr. Reichelt's statement that in respect to nitrogen oxide output the GDR is one of the "the countries with a low burden per unit of surface area while the FRG has achieved the highest emission level in Europe"²⁹ is only conditionally valid. According to the estimates, in 1988 nitrogen emissions in the FRG amounted to about 12.7 tons/km², in the GDR to 8.8 tons/km². When based on population count, the GDR burden of 57 kg/inhabitant was, however, higher than in the FRG (53 kg). As a result of rapidly increasing motorization, the GDR can expect increasing NO₂ burdens, especially since it will probably be several years before there is widespread use of exhaust gas catalyzers in vehicles. Ordering lead-free gasoline with GDR currency had up to now been impossible so that acquiring low-pollutant vehicles from abroad by necessity did not happen.³⁰

As far as the ammonia which develops during large-scale animal keeping is concerned, the GDR is estimated to have higher emission values than the Netherlands which heads the table (271 tons compared to 231 tons annually). Of course, the GDR's three-times larger surface area makes it possible to statistically distribute the burdens which have developed, yet increased tree damage in Mecklenburg as a result of "the nitrogen load and the effects of emissions" have made it "essential to make annual ecological status checks."³¹ Far removed from the overcrowded industrial centers, ammonia is suspected of being "the dominant cause...of soil acidification,"³² as has been established for various regions of western Europe. The required plowing of agricultural lands in Denmark and the Netherlands within a few hours after applying liquid manure is uncommon in the GDR.

In the overall evaluation of the Dutch study, the GDR makes the greatest contribution per km² and inhabitant in respect to air emissions, and thus also to soil acidification in Europe. The authors attribute this result to familiar circumstances: the lack of adequate processes to reduce combustion emissions, the use of inferior fuel containing sulfur, and the frequently total neglect of air pollution problems.³³

Decrease in Efficiency From Using Brown Coal

Brown coal, which traditionally has been preferred because of its availability in the mines, is inseparably related to the general inefficiency of the GDR economy with respect to industrial energy. A physical condition when burning brown coal requires "a certain share of the chemically bound energy of the fuel to heat it to ignition temperature," as explained in a technical book on energy use. "The water content of raw brown coal comes to

about 50 to 60 percent. Thus—depending on the calorific value—about 15 to 20 percent of the energy in the fuel is needed to evaporate the water and then this heat of evaporation appears totally as lost exhaust gas."³⁴ Even if flue gas is used to predry the fuel, there is still incomplete industrial energy utilization. "In the public thermal heat power plant the condensation heat from the steam is released unused into the environment via the cooling towers."³⁵ Anyhow, the 26-percent average efficiency of brown coal power plants lags far behind the international level of the technology (with a net efficiency of 38 to 60 percent).³⁶

Given the priority use of brown coal, consideration must also be given to the inherent high transport cost: About one-third of the GDR railroad's total capacity is used for this, and the ash content of up to 30 percent requires unavoidable additional capacities. When transporting freshly mined brown coal every second freight car is really only carrying water. The overall high share of foreign matter in brown coal contributes significantly to the excessive consumption of primary energy in the GDR; this is about 25 percent higher per inhabitant than in the FRG.³⁷

All evaporation and transport energy which is not further utilized is effectively wasted. After deducting the "high conversion and transmission losses the share of the amount of usable energy which is ultimately obtained in each case from the available primary energy" remains "...somewhat lower than in the FRG."³⁸

Awkward Membership in the "30-Percent Club"

Five times as much sulfur-bearing waste gases flow across the country's borders from the GDR as is received from neighboring countries.³⁹ Yet the GDR, together with 20 other countries at the 1985 ECE environmental protection conference in Helsinki, agreed to commit to reduce its sulfur dioxide emissions and the amount which crosses borders by a least 30 percent over 1980.⁴⁰ Because of the expanded use of sulfurous brown coal, it is extremely difficult to fulfill the conditions of this "sulfur protocol." While the share of domestic fuel in primary energy consumption was 63 percent a decade ago, now, because of fuel substitution, it represents a good 70 percent of the amount for industrial energy.

After signing the Helsinki Accord, measures which were viewed as feasible for fulfilling the contractual obligation for improving air quality in the GDR were published. The following specifics were suggested:⁴¹

1. Reducing energy consumption and avoidable losses
2. Technical-economic use of secondary energy
3. Greater use of the cogenerator
4. Expanded use of nuclear energy
5. Increasing material utilization of brown coal with intensified sulfur removal in the process of refining brown coal

6. Use of fluidized bed firing
7. Increased supply of district heat
8. Removing sulfur from flue gases in large power plants, district heating plants, and heat and electrical power plants.

Although it was announced at the same time that "in the combines and enterprises all essential preparations" to remove sulfur from flue gases were "...currently being made," to date there has been no decisive change in economic priorities to reduce air pollution levels. Various measures in the material economy had been anticipated by Minister Reichelt at the preparatory conference in Munich in 1984 with his statement that in the past three years the GDR had saved brown coal on an order of magnitude that corresponded to at least 650,000 tons of sulfur dioxide.⁴² This practice was still able to keep air pollutants from increasing in step with the produced national income. But because of overall increased energy consumption to date, it has not been possible to achieve a significant reduction in emission values.

The predetermination, which was cited about the district heat supply, indirectly substantiates the inefficient use of fuel and the unrestrained output of air pollutants when using domestic fuel, which according to a GDR source can be estimated at six percent, but according to a West German appraisal is 20 percent of the total amount of sulfur dioxide. This "is the source in the winter months of the high share of domestic fuel (up to 50 percent) in polluting the air in urban settlements."⁴³

In spite of the high burdens from individual furnaces, there is a lack of heating plants, which spare the environment, for old buildings in the GDR, of the availability of thermal insulating material and, thus far, also of economic stimuli to really combat the emissions in the private and municipal sectors. In many places decreases in quality of the brown coal delivered must be accepted; this involves additional increases in consumption and pollutants. The output of flue gases from primarily short smokestacks increases the concentration near the ground in densely settled residential areas.

Accordingly, a decrease in transborder air pollutants emerges as the comparatively "simple" way to comply with the Helsinki Accord, because a substantial share of the emissions which are most difficult to control do not reach the territory of the neighboring countries anyway. The interests of air cleanliness for our own people unfortunately continue to be underrated. Even if there were a nationwide reduction in air pollutants to meet the international goal of 30 percent, the emissions of sulfur dioxide per km² and inhabitant would still be at a higher level than has been ascertained at present, for example, in Poland.⁴⁴

What Level of SO₂ Reduction Fulfills the Helsinki Agreement?

The sulfur dioxide emissions which are cited for the first time in the 1988 "GDR Statistical Yearbook" show a special feature which is barely credible. The output which was recorded for 1980 and 1986 is in each case estimated at 5,000 million tons. This statistic is thus difficult to comprehend because in the intervening years the amount of brown coal mined increased considerably, that is, from 258 to 311 million tons.⁴⁵ In view of absent opportunities to clean flue gases, this gives the impression that in 1986 the GDR had mined more than 50 million tons of totally sulfur-free brown coal. The shift, which is modest in terms of percentage, to low-sulfur brown coal from Lausitz in the 1980's provides no explanation for this, especially since the amount mined in the Halle/Leipzig area increased even further.⁴⁶

A comparison with older GDR statistics once again casts doubt on the reliability of the new statistics. An SO₂ emission value of "about 2.5 million tons"⁴⁷ was published in 1977, at the beginning of the 1980's an emission quantity of 1.981 million tons.⁴⁸ The follow-up figure of 5 million tons for 1980 exceeds this base twofold, yet it appropriately complies with the commitment to a 30-percent reduction in sulfur dioxide since the costs necessary to fulfill the agreement are decisively determined by the fixed pollutant volume for the base year. The Center for Shaping the Environment subsequently ascertained an SO₂ output of 4.579 million tons for 1980, calculated on the basis of its later estimates.⁴⁹

Determining sulfur emissions in the GDR is done on uneven bases. The calorific value of brown coal with the specific share of sulfur, water, ash, and salt has been well determined for all deposits, yet during burning no systematic measurements of smokestack gases is implemented. The quantities of pollutants in question can be variously estimated according to an evaluation of the respective enterprise practice adopted. A visitor to Jaenschwalde reports: "When confronted with the West German data (250,000 tons of SO₂ per year), ...power plant engineers conclude that an annual emission value of about 120,000 tons would be more realistic, yet it is difficult for them to explain the sizable discrepancy between the figures."⁵⁰

A 30-percent decrease in the estimated amount of SO₂ from 4.579 million tons in 1980 yields about 3.2 million tons of sulfur dioxide, which in turn required a 38.4 percent reduction from the 5.2 million tons which are assumed today. If only the transborder emissions are taken into consideration, the absolute amounts, of course, decline, yet as a result of power plant output, which has since increased, a larger percentage decrease might be required near the country's borders.

Practical Measures To Reduce Transborder Pollutant Emissions

The largely stagnant development with respect to sulfur dioxide emitted offers no prospect of short-term

decreases in pollutants because of the traditional practices in the material economy. However, there are some other possibilities for reducing transborder emissions.

Intensified Expansion of Sulfur Removal Technologies

According to former Minister for the Environment Dr. Reichelt's statement, in mid-1989 in the GDR 25 "pilot and experimental installations" for the purpose of removing sulfur from flue gases were being tested or were just about ready to be put into operation.⁵¹ Speculation that to date no flue gas cleaning facility had proven its worth during long-term use was confirmed by the additional reference to the fact that "even to this day throughout the world there are scarcely any smoothly operating facilities...for effective removal of flue gas sulfur from burning brown coal."

Compared with the 25 experimental facilities mentioned above there are in the GDR about 25,000 identified sources of flue gas which are considered to be "facilities subject to control" because they "determine the hygienic quality of the air in a region."⁵² In view of the overwhelming ratio of 1:1,000 between installed facilities and existing requirements, it is practically impossible to achieve extensive introduction of sulfur removal technologies during the rest of the brown coal era.

On the other hand, it is possible to achieve a decisive reduction in emissions by removing flue gas sulfur in locations with the highest production of harmful substances. In the GDR barely 60 percent of sulfur dioxide emissions come from larger power plants.⁵³ Their smokestacks, which are up to 300 meters tall, are the source of an above-average contribution to transporting air pollutants across the borders. Thus, at these few sites it would be possible to implement the decisive measures to reduce transborder SO₂ emissions.

Of course, the prerequisites for economic retrofitting of the plants are not present everywhere, "because many power plants," as set forth by Dr. Cord Schwartau, "are so worn out and uneconomical that they should have long since been shut down. Thus, costly additional investment makes no sense, and often is not even technologically possible."⁵⁴

Until now SO₂ emissions from large power plants have gone unhindered into the earth's atmosphere. The first sulfur removal experiment using the Wellmann-Lord principle, which was tested in Lower Saxony Buschhaus, is supposed to start up in the Berlin-Rummelsburg medium-sized power plant (total output 250 megawatts). An additional flue gas sulfur removal facility using a two-stage "spray absorption process" with an alleged 80-percent precipitation level is being tested on a 100-megawatt block in the Vetschau power plant (total output 1,200 megawatts). If the operation is successful, plans also call for its use in the neighboring Luebbenau brown coal power plant.⁵⁵

All together the output of sulfur dioxide from these three power plants amounts to about 380,000 tons per annum.

Assuming continuous success in sulfur removal at all power plant blocks (although rebuilding them will no doubt take several years), approximately six percent of a 5.2 million ton total output for the year could be handled. That is less than one-sixth of the required 38.4-percent reduction in respect to the pollutants which have to be assumed for 1980. On the basis of the sites in question⁵⁶ in Berlin and near the Polish border, it would, of course, be possible to determine a higher percentage decrease in the deposits of pollutants in the neighboring countries.

The decrease which has been established for SO₂ cannot be achieved in a timely manner by removing sulfur only at large power plants. At the conference on the environment, which was held in March 1989, Dr. Reichelt suggested that in the near future modest technological successes could perhaps be expected. "Starting in 1990 all heat and electrical power plants and district heating plants which are to be built new or rebuilt" should be exclusively "equipped with facilities for flue gas sulfur removal and increasing the energy yield."⁵⁷

This representation contains no decisive reference to retrofitting the power plants which do not yet need modernization, but are still the largest (approximately 15 percent of the total recorded volume of emissions is produced in Boxberg and Jaenschwalde alone). A basic reason for this can no doubt be seen in the necessary increased financial cost, as more or less also follows from a GDR article: "Although large power plants represent the largest sources of SO₂, a solution to the technical process will be extremely difficult because of the flow volume of flue gas and diluting the SO₂ to 0.1 to 0.25 volume-percent, and in each case this is associated with a high economic burden on the power plant process."⁵⁸ The GDR's reticence to built sulfur removal plants can be explained on the basis of a production economy which is strictly process oriented and in respect to which extensive economic losses from the effects of air pollutants are not taken into consideration. Under these circumstances only additional measures will make it possible to reduce transborder emissions on a short-term basis.

No More Tall Smokestacks

With the completion of the Jaenschwalde power plant in spring 1989 the GDR bid farewell to its policy of tall smokestacks which it had formerly passionately pursued. In any case, wide distribution of emissions was "no solution in the densely populated GDR."⁵⁹ The original price of up to M15 million for a smokestack likewise was not in keeping with the idea of obtaining low-priced energy from brown coal.

With a trend in the opposite direction of shorter smokestacks, there could be a general increase in deposits within the borders of the GDR since the air pollutants are not transported as far. The additional pollutant burdens are to be reduced in new projects by suitable

sulfur removal measures. If possible, heat will also be obtained from the flue gases in order to increase the economic advantage.⁶⁰

Because of the associated reduction in the upward pressures of the exhaust gas flow, there will, however, be a shortening in the "effective length" of the smokestack so that the remaining emissions will fall back to the ground faster. With processes of average efficiency—some plants are achieving a sulfur deposit level of only 30 to 60 percent—it is possible for the concentration of the deposits to rise in the vicinity of the project.

Switch to High Quality Fuels

With the continued cutback in brown coal the self-sufficient energy basis, which the former SED government hoped to guarantee by using domestic energy sources, is increasingly undermined. Nevertheless, in the GDR there are also warnings against nuclear power because the "choice between brown coal or nuclear energy is false. No help can be expected in this sector simply because it takes 10 or more years to build AKW's [nuclear power plants],"⁶¹ according to energy expert Sebastian Pflugbeil. Using energy sources which involve lesser burdens, on the other hand, represents an internationally tested possibility for improving air quality. Increased imports of alternative fuels are necessary today because "decisions on expanding the energy basis" must "be made about 20 years in advance."⁶²

In 1985 Dr. Wolfgang Stinglwagner highlighted the fact that a different energy structure is unavoidable: "Even if at first we should stay the course of the energy policy, which is currently being pursued and is oriented at extensive self-sufficiency, at the latest by the turn of the century we will have to be prepared for the fact that the GDR will have to undertake a new change in strategy." And continuing: "It will have to drastically curtail its energy consumption and possibly will have to again expand its energy imports."⁶³

In any case increased supplies of imported energy sources represent the only possibility for fulfilling all requirements of industrial energy with a simultaneous reduction in air polluting emissions. The necessary expenditures of foreign exchange invite a comparison with other industrial countries in which less burdensome fuels are in use. Given the successful reduction of sulfur dioxide emissions, for example in Massachusetts in the United States, the order of priority "at first from one comparable fuel to another (containing large amounts of sulfur to one containing less), followed by fuel substitution"⁶⁴ proved to be economically superior.

The first-mentioned possibility is being practiced in the GDR in large cities which are particularly burdened by the use of brown coal with low sulfur content from the east Elbe deposits, which, with about 60 percent of the country's mining, causes no more than one-third of the total emissions. Thus, an expanded cutback in Cottbus Bezirk would make it possible to reduce the burden on the air substantially. Of course, increased recourse to

these high-quality reserves would make the question of the future energy and environment policies even more urgent. The partial destruction, which was lamented by the GDR's authors' association, of the Sorbian cultural area, moreover, suggested that several defensible interests are colliding here.

It would be possible to realize the second, long-term unavoidable necessity for fuel substitution in every instance where, for example, oil-burning plants exist or the opportunity to use natural gas and hard coal exists or can be created forthwith. From data cited it is clear that up to more than 25 percent of the GDR's primary energy requirements (after deducting the approximately three-percent share of nuclear power) are met by high-quality energy sources with only eight percent of the sulfur dioxide emissions. Dispensing totally with brown coal would result in a corresponding expansion of this energy structure and a two-thirds reduction of the SO₂ concentration in the air. The North American study confirms the economic advantage of this solution: "Other processes to reduce SO₂ (if they can be implemented) are substantially more costly. This affects both larger and average sources. Fuel replacement is the only workable alternative for residential areas."

Fuel Saving From Promoting Efficient Use

The modernization program which has been introduced at some power plants in the GDR represents only a portion of the existing potential for savings in the energy economy. By improving heat protection, for example, in residential buildings, it would be possible to cut current heating energy consumption in half if similar experiences in Western countries are used as a basis.

For decades the heavily supported power and fuel prices as well as housing rents, which were established at a time when energy was presumably cheaper and which made each modernization become a comparatively expensive risky venture, effectively made things more difficult. Juergen Kuczynski's earlier comment that "none of us needs to freeze in the winter" cannot justify the traditional waste which in the coming decades will make guaranteeing heating energy substantially more expensive. Thus, the idea of an "energy policy currency reform" seems sensible; among other things, in place of reduced-price fuel, this would now involve subsidizing measures for improved heat insulation.

Publishing Data on Air Pollutants

Prior to the 2 November 1989 release of environmental data by the GDR's Council of Ministers, there was public reporting of "severe burdens on the environment" because of "the use of raw brown coal and briquettes in small and medium heating plants and in households—including the effects of vehicle traffic."⁶⁵ In an opinion poll, 42 percent of the GDR citizens queried estimated that air quality had not improved; another 49 percent even indicated a perceived worsening of air quality.⁶⁶

Since then this impression has been quantitatively confirmed by daily publication of the concentrations of sulfur dioxide and (at a few measuring points) suspended particles. The reported air pollutant values reflect the fact that in some industrial cities the prescribed maximum permissible values are being almost permanently exceeded. Thus, more than one-third of the population is unallowably exposed to high burdens. Even areas which used to have pure air have not been spared by the intensive use of brown coal, as had to be frequently experienced in Thuringia's Zella-Mehlis: "The determination that the former spa was classified in category four was shocking; now such cities like Wolfen and Bitterfeld are following suit, being classified in category five, thus a high-level of permanent burden."⁶⁷

Regular recording of sulfur dioxide concentrations provides only random information about the complex structure of air pollution in the GDR. There are still serious gaps in the existing information system, as illustrated by the following examples:

1. The number of equipped measuring stations is still too small in order to develop statements concerning the entire area from the data transmitted. At present, in the country as a whole, only about 40 automatic devices are looked after by the meteorological service in Potsdam. Recording every hour continues to depend on the prevailing wind direction and permits only limited correlation with other values measured from stations at great distances.
2. The officially implemented evaluation of the air pollutant values which have been ascertained does not permit any direct coordination with West German pollution criteria. With certain combinations of sulfur dioxide and particles suspended in the air, alarm level two would have to be proclaimed according to the Hamburg smog ordinance, whereas in the GDR only the notification stage is introduced.⁶⁸
3. It is not possible to regularly record most of the components of the air pollutants because of a lack of suitable measuring equipment. Thus, daily statistics about nitrogen compounds, heavy metals, chemical waste gases, radioactive isotopes, and other pollutants remain outside the scope of the information.
4. In spite of the new publication practice there continues to be inadequate information about the effects of all recorded ecological burdens on human health and the habitats of plants and animals.

Disclosing environmental data undoubtedly makes it easier to provide the people with the necessary information about the high degree of ecological danger in the GDR. The resultant sensitizing has led to a heightened need for articulation in coming to terms with the interests of environmental protection. If there should be no prospect of any short-term solutions, then repetition of unchanged air pollutant values might in the long run even lead to the appearance of suppression.

International Cooperation

At the beginning of 1989 the GDR media reported on a new government agreement with the Soviet Union which was characterized as the "most comprehensive agreement to date in the sector of environmental protection."⁶⁹ But in respect to reducing air pollutants there was reference only to "a number of important research projects." Thus, no immediate improvement in the GDR's air quality can be expected from cooperation with the USSR.

The environmental protection agreement between the GDR, Poland, and the CSFR, which was signed in the summer of 1989, will result in a similar bottom line. In this case cooperation between the three countries is just beginning, for, according to what former CSFR President Ladislav Adamec said, it is necessary "to develop modern technologies to cope with environmental problems."⁷⁰

By way of contrast, with the most recent inner-German agreements it was possible to establish exemplary standards with respect to technical design. There is also no lack of additional projects which would pay off for both sides.⁷¹ The following guidelines would have to be considered to realize the ecological objectives at the same time:

1. For the GDR, striving for increased efficiency must remain in the forefront of all deliberations. Far-reaching structural changes to eliminate unprofitable lines of production and at least in part to shift the energy economy to other fuels are emerging as necessary to achieve increased efficiency. The increased use of natural gas and importation of hard coal are being considered. The costs necessary to do this could in part be defrayed from savings in transporting, stockpiling,⁷² and using new energy sources, from guaranteeing jobs in the FRG (for example, in mining hard coal) and from linking the GDR to modern process technologies.

This would result in clear advantages for realizing environmental protection projects. Using fuels low in pollutants is generally characterized by stable, process-friendly parameters for burning. Substantially less flue gas sulfur has to be eliminated than would be necessary for brown coal.

2. If the GDR intends to abide by its commitment which it made for 1993 to reduce sulfur dioxide emissions by 30 percent below the amounts which have to be assumed for 1980, the prerequisites which exist to do this domestically and in the CEMA sector are inadequate. The only way to remain true to the agreement involves cooperation with Western countries. During the necessary restructuring measures in the energy economy it would be possible, for example, for fuels and electrical power to be supplied by neighboring countries which would then profit from the reduced air pollution. This advance payment of environmental policy confidence would be closely tied in with promoting high-quality technological solutions.

3. For want of a general German energy and environment plan there is no design of the division of labor with demonstrated accomplishments. Accordingly, to date projects which support the environment, such as for example, modernizing the rail routes between Berlin and the FRG, have continued to be underrated, while ecologically doubtful undertakings such as expanding air traffic in central Europe have moved into the forefront.

4. The GDR's currency can be used for a variety of ecologically essential projects, as, for example expanding the lead-free supply system, rebuilding power plants, and promoting structure-specific environmental research.

5. Using the experiences gained in the GDR it would be possible to systematically take measures against similarly situated environmental problems in other East European countries.

The excessively high production of air pollutants in the GDR requires far-reaching corrective measures in connection with producing and using energy. The traditional priority for domestic brown coal as a foundation of inefficient production processes is compatible neither with the requirements of the market economy nor with the commitment to make an internationally adequate contribution to relieving the earth's atmosphere.

Footnotes

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POLAND

Foreign Economic Assistance: Accomplishments, Needs, Problems Cited

90EP0581A Warsaw RYNKI ZAGRANICZNE in Polish No 44-45, 3, 5 May 90 p 7

[Article by Tadeusz Lamacz: "Status, Perspectives, and Forms of Coordination of Assistance for Poland"]

[Text] Our country's government came out with the idea of assistance for Poland in September and October of last year, sending special information on the size of the developmental needs to an EEC commission. At that time the highly developed countries in the so-called Group 24, submitted a declaration of support for the reforms being made in Poland, defining the areas of assistance, namely: food and medical supplies, job training, credits for import of production materials and capital goods, debt restructuring, and stabilization of the zloty.

The Polish authorities listed eight areas for which outside support was essential, some of which overlapped with the Group 24 proposal. For example, the first area was described as immediate deliveries of food, medical equipment, feed and pesticides. Next came the breakup of monopolies in production, processing and selling of food; farm modernization, for which the following were to be used: in part, some of the zlotys funds obtained from the sale of deliveries of Western food, and in part, subsidies and credits supported by easier access to licenses for the production of farm machines, various forms of coproduction, and deliveries of ancillary equipment. Needs in the area of machines and equipment for farm production were estimated at \$90 million (without setting a time limit), furnishings and equipment for

experimental and research stations at \$16 million, and development of production of food for children and sick people, \$18 million.

The third suggested area of assistance from the West was direct investments (to facilitate them it was proposed that they be, in part, included in government guarantees and other forms of protection), the acceptance of a program for the development of telecommunications, a banking system, a capital market, and finally a determination of the investment priorities resulting from the government's strategy for restructuring production.

The fourth area of assistance was to be science and engineering, including assistance in research on agrifood production, health care, environmental protection, the power industry, electronics and automation. Next were listed protection of the climate, waters and crops, and waste recycling.

Other proposed areas of support were: job training and facilitation of access to Western markets (the object is mainly the removal of import quotas in the EEC, expanding the MFN [Most Favored Nation] and GSP [General System of Preferences] systems, agreements on the employment of Poles abroad, expansion of fishing quotas, utilization of government procurement programs, expansion of foreign trade missions identifying our exports on the spot, renegotiation of our agreement with GATT, setting up of trade guarantees, and finally participation in pilot regional investments (both in the form of capital investments as well as consulting projects).

What Did We Receive?

As of 31 January 1990, the value of food assistance granted to Poland by the EEC for a 3-year period will total \$370 million (of which only Great Britain spread its quota over 5 years). Total assistance of this type amounted to \$570.5 million, and after the EEC the largest single donor was the United States (\$125 million).

Technical assistance, which is interpreted to mean funds for schooling and environmental protection, amounted to \$612.9 million. The largest donors were: Great Britain, \$103 million; Denmark, \$72 million; United States, \$46 million; and Sweden, \$35.5 million. Of these countries, only the United States offered their sum for 1 year, others—for a period of 2 to 5 years.

Total trade and Export-Import Bank credits were calculated at \$1.53 billion. The largest in this category are: Japanese trade credit, \$0.5 billion; French, \$320 million; and the Austrian Kreditanstalt Bankverein for the sum of \$250 million.

In the item covering guarantees, export credits and investment credits for 1990, the sum of \$2.75 billion is shown. The largest givers in this category are: Italy, whose government established two lines of credit for us for investment deliveries (\$400 and \$77 million), then the FRG which is offering a "Hermes" guarantee for

1990 for a sum of \$458 million. It should be said immediately that guarantees of this type do not mean that the credit will be granted; a bank must be found which is willing to give credit based on this guarantee. South Korea has offered us a good-sized credit (\$450 million) for investment deliveries, as did the European Investment Bank for the amount of \$275 million.

The World Bank credit amounting to \$360 million is also significant. Listed finally are the funds for stabilization and for development of the private sector, amounting to slightly over \$2 billion, of which the \$723 million standby credit granted by the IMF deserves special attention, a joint market input of \$220 million into the stabilization credit, and a Japanese contribution of \$150 million. The stabilization fund makes up most of the latter item, however contributions to the development of private manufacture were made by Italy (\$36 million), the United States (\$45 million) and the World Bank (\$25 million).

Insofar as access to markets is concerned, we were granted MFN status by all countries involved in the assistance program with the exception of Iceland and South Korea. On the other hand, we were granted privileges within the GSP by the following: Australia, Austria, the EEC, Japan, Canada, New Zealand and the United States, and an agreement on supporting and protecting investments was made with Austria, Belgium, France, Spain, the FRG, Great Britain, Italy, Canada, South Korea, Switzerland, Sweden, the United States, and Turkey.

From the information available at the Central Planning Administration, it appears that by mid-February of this year 15 program evaluation cards and 259 investment plan evaluation cards had been received which are to be implemented with foreign capital. Half of them are proposals pertaining to the establishing of mixed companies which, to various degrees, intend to take advantage of foreign credits and scientific-technical assistance. In 195 cases, these investments were aimed at improving balance on the domestic market; in 130 cases, at setting up a raw-materials savings type of production; in 129 cases the object was energy-saving production; in 82 cases, labor savings; and in 103, reduction of dependence on import (it is understood that in the individual plans, accomplishment of several of these goals is planned). Furthermore, the export-oriented character of approximately 70 percent of the submitted proposals is noteworthy; 80 percent of these include plans to increase exports to hard-currency countries.

The total value of the proposed share of foreign capital in these types of undertakings is slightly over \$7.3 billion. The largest group of undertakings (111) are projects on the planned involvement of foreign capital ranging from \$0.6 to \$5 million. However, over 85 percent of the funds are to be placed in 45 projects with a foreign-capital input of over \$25 million. But we must realize that the above figures are temporary, because frequently

some project based on foreign-investment credit is included in the category of projects implemented with foreign capital.

Problems

A comparison of our suggestions for assistance with what has been granted us reveals a large, although not total, similarity. Insofar as the total amount of credits (without regard to their character), gifts (mainly food and medicines), offers of scientific-technical assistance (mainly for schooling), and direct investments made or promised, is concerned, the known amount of \$10 billion dollars for 3 years, mentioned at one time by Solidarity, has already been exceeded.

But it is also worth mentioning that estimates made by the FRG government show that to bring the economy of the GDR (which is better than ours) to the West German level, it would take at least 350-400 DM, or approximately \$200 billion. On the other hand, if we take into account that the total amount of approximately \$5.7 billion in credits does not include short-term loans, World Bank credits to be used within the next few years (about \$2.3 billion), or unguaranteed private credits, which may be granted to Poland as the economic situation improves, then we are dealing with sums which are not large in relation to Poland's economic arrears. It is obvious that Poland cannot raise its attractiveness as a creditor in a short time, proof of which is its persistent fluctuation around 77th place on the London Club's creditworthy list.

But what we can do rapidly is raise the attractiveness of direct foreign investments in Poland, which can very greatly change the country's economic picture. Therefore, this type of investment should be included in the assistance, which, in any case, is not in conflict with the broad concept of this assistance and the Western philosophy of assistance in the 1980's.

In connection with assistance in the broad interpretation of this word, the size of which has already been described above, two urgent tasks emerge: 1) coordination of the inflow of credits, gifts and offers of scientific-technical assistance; 2) complete liberalization of policies relating to access to direct foreign investments.

The present embryonic coordinating functions are performed, depending on the object of the assistance, by the Economic Committee of the Council of Ministers, the National Bank of Poland, the Ministry of Foreign Economic Cooperation, the Central Planning Administration, and the Ministry of National Education. The lack of training in the present main center of coordination assistance stems partly from the new character of the phenomenon and the enormity of the tasks implemented by the government, and partly from the general direction of the changes being made in the systems, which ascribes far-advanced autonomy to the enterprises and primacy to microeconomic criteria.

The aim is to arrive at a point at which decisions to grant credits will be made by commercial banks, who are best able to assess the risks connected with a specific transaction. But on the other hand, due to the meagerness of the funds, the object is to use them as effectively as possible. Furthermore, a large role in the total financial assistance through public credits, international organizations, and government guarantees, will be played by the guarantee of the National Bank of Poland and the government's commitments.

Both these facts simply make it necessary to use all forms of foreign financial support in an optimal way. Hence it seems right to concentrate decisionmaking in a central place, i.e., decisions on how foreign credits are used (mainly for export-oriented goals and in energy-conserving branches), on the degree to which the various elements of assistance complement each other (e.g., directing the services of specialists and training operations to financial facilities using foreign credits and with the help of import), and conducting competent negotiations with donors.

This last matter is not at all the least important. When you hear that several Americans are wandering around plants (for over \$1,000 a day), appraising the production assets, or you read the offers of scientific-technical assistance submitted to the Ministry of National Education, which depend on the participation of Poles in scientific conferences or short trips of an orientational nature, opposition to waste and fiction arises. It was, among others, our specialists, working in Third World countries under the aegis of various international organizations, which pointed out in their reports to ministries and institutes, that the international advisory establishment is not made up exclusively of dedicated specialists. Many foreign experts sponsored the economic ruination of Sudan, while Korea or Taiwan, during the period when development was being accelerated, simply ignored foreign advice. Therefore, we must be aware of whom we are taking, for what, and on what terms.

What Is Hampering Foreign Investment?

From the figures cited earlier it appears that there has been no run of foreign capital on Poland. According to opinions of Western consulting offices and businessmen themselves, the obstacles to broader expansion of investments in Poland stem from both the existing laws and the incompetence of the Agency for Foreign Investment. Insofar as the former is concerned, the basic shortcomings in the law governing this are the restrictions on the free transfer of profits from foreign investments and on the mobility of the invested capital.

In other words, foreign investors would like to invest their profits according to their own discretion, and also shut down their business if it does not fulfill their hopes. The argument against this is the fact that a foreign investor has privileges which are not available to the

local businessman, primarily tax breaks and simplifications in renting space for his business. It appears prudent, therefore, that the mobility of profits and capital, desired by Western businessmen, be postponed for a certain period of time, guaranteeing that Poland at least not lose anything in connection with a foreign investment. The question is whether foreign investors will accept this point of view, because if not, they can take advantage of more competitive—according to them, business locations.

Next, the accusations against the Agency for Foreign Investments are simple and actually not subject to discussion. The agency is not accessible. It not only does not have its own representative offices, it does not even have stands or desks in the main hotels in which Western guests stay. It does not have enough materials in different languages describing the investment community from the economic and legislative standpoint. It does not have a computerized information system to which Western businessmen, who want to locate in a certain country, are accustomed. From the opinions received one can see that from the standpoint of this type of promotion of foreign investment, the Hungarians are

ahead of us, to say nothing of the Western European countries, which, for example, American investors are generally treating like a region comparable with the Eastern part of the continent, and the argument that the East must be given preferential treatment right now does not convince them. We fully understand the agency's weakness, but many of their potential investors do not.

In conclusion it should be underscored that the question of assistance is open. New agreements, new credits and gifts, and a larger inflow of foreign capital, are possible and even highly probable. But this will not be an inflow capable of revolutionizing the national economy. The process of bringing Poland into the world economic system has been begun. It remains only a question of time, absorption mechanisms of foreign capital, and the sovereign determination by the authorities of how this foreign capital is to be used. That is why the process of establishing a foreign assistance coordinating center, in the broad sense of the word, must be closely followed. Our newspaper will report on the creation of coordination structures and the procedures for applying for Western developmental funds.

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68

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