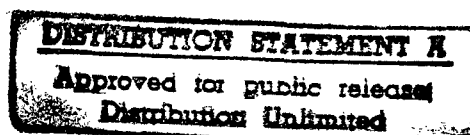


JPRS-EER-91-129
28 AUGUST 1991



JPRS Report



East Europe

19980202 139

DMC QUALITY INSPECTED 3

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161

East Europe

JPRS-EER-91-129

CONTENTS

28 August 1991

BULGARIA

Liberals Allege Coup Carried Out in SDS [POGLED 5 Aug]	1
SDS Official Discusses Internal Conflicts [POGLED 5 Aug]	3
Leader of Liberal Party-Pernik Interviewed [DUMA 9 Jul]	4
Structural, Strategic Aspects of National Security [BULGARSKA ARMIYA 3 Jul]	6

CZECHOSLOVAKIA

Controversy Over Gabčíkovo Dam	9
Controversy's Background [RESPEKT 22-28 Jul]	9
Minister's Attitude [LIDOVE NOVINY 30 Jul]	10
Václav Klaus on Economic Changes [RESPEKT 22-28 Jul]	11
Slušovice Scandal Developments Described [NARODNA OBRODA 31 Jul]	14
Slovak Urges Army Restructuring [SLOVENSKY DENNIK 29 Jul]	16
Fedor Gal on Slovak Politics [PRACE 30 Jul]	17
Ivan Carnogursky on Slovak Economy [NARODNA OBRODA 29 Jul]	20
Czech Weekly on Slovak Home Guard [RESPEKT 22-28 Jul]	21
Bratinka on Political Forces, Federalism [RUDE PRAVO 26 Jul]	22
Slovak Press Argues Over Bratinka's Federalism	24
Christian Democratic Commentator [SLOVENSKY DENNIK 30 Jul]	24
Public Against Violence Commentator [VEREJNOST 31 Jul]	25

HUNGARY

Minister Pungor: R&D Ideas, Not Money, Lacking [REFORM 25 Jul]	26
Government Opts To Keep Volunteer Police Force [BESZELO 3 Aug]	27

POLAND

Solidarity '80 Decries Union's Efforts To Merge [TRYBUNA 30 Jul]	30
Local Governments Lack Personnel, Regulations [ZYCIE WARSZAWY 7 Aug]	31

YUGOSLAVIA

Ruling Demos Coalition Faces Governmental Crisis [DELO 3 Aug]	34
Zulfikarpasic on Muslim-Serb Agreement [NIN 9 Aug]	35
Krajina Operations Against Croatia Criticized [VJESNIK (VJESNIK U SRIJEDU supplement) 7 Aug]	40
Current Data on Foreign Trade of Republics [VREME 29 Jul]	41
Bosnian Minister on Petroleum Supply Problem [OSLOBODJENJE 7 Aug]	42
Bosnian Krajina Withholds Public Funds [OSLOBODJENJE 7 Aug]	43
Slovenia Tries To Attract Danish Firms [Copenhagen BERLINGSKE TIDENDE 28 Jul]	43
Data on High Costs of War Noted [POLITIKA 6 Aug]	44

Liberals Allege Coup Carried Out in SDS

91BA0983A Sofia POGLED in Bulgarian 5 Aug 91 p 4

[Discussion between Petko Simeonov and Ivan Evtimov, members of the liberal wing of the Union of Democratic Forces, SDS: "Internal Coup in the SDS, or the 'One Wedge Drives Another Wedge Out' Plan"]

[Text] **Petko Simeonov:** The SDS is in a difficult situation. As we know, we started as a coalition. An opposition cannot be created in a single day. Before it, there was no dissident movement, no structures, no choice of people, and all of a sudden nothing was expected to turn into something. This was absurd. This became apparent in the electoral campaign. Even before that confusion, clubs of SDS [Union of Democratic Forces] sympathizers began to be formed. It was simply that the people were not party oriented. They came saying, "We would like to become members of the SDS." I still remember a one-eyed man with broken teeth, lame, a shepherd, illiterate, but with natural intelligence. He wanted SDS membership cards. I told him that there were many parties and that he should choose one from among them. His answer was the following: "Forget about such parties; we want to be members of the SDS." He was in the opposition as a matter of principle! At that point, we gave him some blue cards on which we wrote "SDS member." He then founded an SDS in his village. Many such organizations appeared in a number of areas. After the elections, the parties started fighting them and they were defeated. This should not have been allowed. Petko Simeonov should not be allowed to create a Blue Party!

It was at that point that a basic problem arose—about the style in which a political concept is presented. This marked the beginning of those endless meetings called by the Consultative Council in Sofia. There was a meeting every Monday, at which statements were made, such as "red garbage," "Lukanov is a pig and a KGB agent," and so forth. This may be standard for a meeting, but I do not understand how even our parliamentary spokesman could say in public, "I feel like retching after having spoken for one hour with Nora Ananieva." In private, around the table, someone may say this, but it cannot be said at a meeting in the center of Sofia.... Yet, he went on and on in the same spirit.

Or take the case of the files, where I had the feeling that the representatives of the BSP [Bulgarian Socialist Party] in parliament had collapsed. When those sufferers from the Nikola Petkov Bulgarian National Agrarian Union stood up and began talking and kept talking, the BSP group remained numb; it did not dare budge so no one would notice it. There were such moments. At that point, one of our smart fellows stood up and began to defame Lilov, called them criminals, and so forth. I clearly realized that a fresh spirit had appeared among them the way they stood up straight and, at one point, stepped forward, their hands raised, asking to have the floor. It was then that all we had accomplished was lost.

Ivan Evtimov: We must not mislead ourselves into thinking that the BSP is an ordinary party that is on the way to losing its power. The communist organization has always been something more complex than a party. It is both a conspiracy and a secret organization. That party covers its conspiratorial part and makes public a small legal part of a modern left-wing party, a party that is turning toward social democracy, and so on. In the international conditions in which communism cannot prevail, it clutches onto democracy.

This gives it a minimal possibility of surviving. If it tried to go back to the old manner of dictating, it would perish. That is why now the Communists, however much they may regret it, however much they may be grinding their teeth, try to present themselves as democrats. This is the great error of the movement that decided that, inasmuch as the Communists are becoming democrats and are in favor of a constitution and the separation of powers, we should be in favor of the opposite. The truth is that, in order to survive, the party should accept a certain democracy so as to retain the right to legality. From that point of view, our tactic is truly to find a democratic way so that that party will be unable to act in any other way. Any democratic action (such as a hunger strike) would immediately give the Communist Party reason to set itself as the defender of democracy, the defender of the Constitution, and so forth. Any antidemocratic action allows the Communists to proclaim themselves fighters for justice and democracy and gives them opportunities.

Petko Simeonov: I, too, spoke in that sense concerning the style of the Coordinating Council. Sometimes this turns into strategic thinking. Consider the case of Lukanov: In seeking a strong expression, we went so far as to demand his resignation, although we had determined in advance not to ask for it. However, something strong had to be said, and the easiest to demand was his resignation. When the idea of setting up civic SDS committees appeared, we supported them because I have always believed that this is a possible alternate choice for the SDS. This was described by the people as the SDS Fatherland Front—a club in each district or settlement. The other variant I could conceive of was the creation of a Blue Party for people who are not satisfied with any of the existing parties. In the spring, Podkrepa, headed by Trenchev, began consultations with the members of parliament that led to the creation of such a Blue Party. It was even said that the structures had already been established. It was said that Yordan Vasilev had agreed to become head of the propaganda department of the new BSP Central Committee-Bulgarian Blue Party. At the 19 May SDS conference, Dr. Trenchev was the featured speaker. He specifically spoke on individual membership, primary organizations, and vertical structures as well as on democratic centralism.

The expression "democratic centralism" itself was not mentioned, but the formula was implied. At that point, I drastically objected to this speech. It openly called for replacing the coalition with a movement and for changes in the status of the SDS. I told them that this means the

destruction of the SDS. We have already gone some distance. I suggested a variant to them: that the movement and the coalition coexist. I discussed the matter with the Podkrepa Labor Confederation, which told me that there were three forces: one was the SDS, another the BSP, and the third Podkrepa. The first, the SDS, obviously could not function as it did in the past. It was to become a united organization. If we were unable to do this, we would destroy it, at which point Podkrepa would become a party, even if we were to abolish the trade union. At that point it would become directly part of the power structure.

The process went on with the takeover of the Central Electoral Club (TsIK). Within the SDS machinery (which I created), this was the little motor that moved things within the SDS.

This takeover process began. Trenchev said: "We shall cuddle up with DEMOKRATSIYA," and that is what they did. He said: "We have enough money to appoint 500 instructors in the Blue Party. This is a powerful party apparat" (add to this the corresponding 500 cars). What we said before was that the style developed into a strategy and into an organization!

There are people in the SDS who say, "Bulgaria has a unique opportunity because the lumpen and the intelligentsia are as one." We know who the lumpen are; we also know who the members of the intelligentsia are—the Alternate Socialist Party and the Group of 39. The lumpen and the intelligentsia together are a unique opportunity! When we started to argue that this was not a way to win the election, they said that they do not have to win the election. All they need is 5-10 or 15 percent. They said that the real opposition would remain on the outside.

This led to the creation of the next myth. It was a combination of style, developed into a strategy with the idea of an organization, and priority was given to the other slogan: "The true opposition is over there, the other opposition is not the real one." Anything that had been done so far was some kind of conspiracy manipulated somehow by the Communists. Until recently, Zhelyu Zhelev was spared. At one of the latest meetings of the Coordinating Council, however, he was openly attacked. This attack continued over the course of several meetings. Articles were also published in the press.

Look at the new slogans. They no longer call strictly for "immediate change in the system" but also "if necessary, for the sake of democracy, we shall impose a ban on democracy." This was formulated by the Coordinating Council.

I have nothing against these people developing their own Blue Party. However, such a party should not hinder the remaining parties within the SDS. If someone tries to forbid them to act, I would defend them. I believe that this is Bulgaria's salvation. Bulgaria must move from left to right peacefully, without bloodshed, and as rapidly as possible.

Ivan Evtimov: Let me say a few things about their propaganda methods. Use is being made of some stereotypes that have become deeply embedded in the minds of the people as a consequence of the previous communist propaganda. This idea of the unity of the movement has a specific objective. Actually, the argument that the reason the SDS lost the election last year was that it was a coalition and not a movement is absolutely wrong.

These people have no intention of winning the election. It is from this point of view that they have started to reinsure themselves against the next loss. They started looking for enemies within their own organization. Thus, on the one hand, they are trying to justify the future loss by putting the blame on specific individuals; on the other, they provide a basic explanation to the people who are tortured by the crisis and who truly need such an explanation. If you tell a person that the economic reform will take a long time, that in the past 45 years the country was wrecked and that time is needed, not many people will start thinking because they are mortal, they want to live well today and tomorrow. If you tell them that "so and so is to be blamed because he was an agent, a traitor, and so forth," they would tend to believe it. This may be a simplistic way of thinking, but it is precisely this that greatly affects our people, who are used to such explanations and were nurtured with such explanations. That is what is the most dangerous aspect of such methods.

It is true that sometimes it seems to us that to break the law is more equitable and more humane. However, the moment you break the law you abandon democracy. You are no longer a democrat; you are taking an anti-democratic position.

Petko Simeonov: The SDS has formulated a plan for the defeat of some individuals. There is a list of 15-20 persons. Actually, virtually all of them had something to do with the creation of the SDS. For example, the plan calls for the total destruction of Dertliev, leading him to the point of having a heart attack or a stroke. The list includes Slabakov, Karakachanov, Zhelyu Zhelev, and myself. This entire operation for an SDS grab is known as "one wedge drives another wedge out." This operation is also known as "purging the SDS" or something like that.

I believe that Filip Dimitrov has long been familiar with the "one wedge drives another wedge out" plan, with the internal takeover of the SDS, and so forth. However, I also think that for quite some time he nurtured the illusion that this would stop the process or that, by assuming the leadership, it would keep it within sensible limits. On this occasion, a U.S. political expert who is monitoring developments in Bulgaria, said: "To ride a tiger is very beautiful. However, it becomes very unpleasant when you must get off its back." It seems to me that Filip is precisely this kind of person, who is trying to ride the tiger, ignoring the fact that he will have to get off its back.

Matters are exceptionally complex. If the decent people in this country fail to understand what is taking place, we could fall from one state of dictatorship into another. Exceptionally difficult days lie ahead for Bulgaria.

SDS Official Discusses Internal Conflicts

91BA0985A Sofia POGLED in Bulgarian 5 Aug 91 p 5

[Article by Aleksandur Yordanov, deputy chairman of the National Coordination Council of the SDS, Union of Democratic Forces: "What Is Happening Inside the SDS?"]

[Text] The press has been flooded with exciting hypotheses: coups, treason, secret conspiracies, wedges, and counterwedges. And all of this is taking place inside the SDS [Union of Democratic Forces]! The imagination of the Bulgarian journalists is rich and so is the Bulgarian language. However, things are neither that exciting nor all that complex.

To answer the question of what is going on, we must clearly answer the question of what is the SDS? The simple answer is: It is a coalition of parties and movements. If we accept that such is the case, nothing is more natural than the understanding that one can join or leave a coalition. At present, some party leaders are doing precisely that. Some would like to take their party out of the SDS, but, essentially, they take only themselves and their immediate retinues. Others do the same thing, being young and "immature," after which they start touring the country to find support among like-minded people. Instead, with increasing frequency, they fail to be understood. Still others were simply replaced as chairmen of their organizations in the same way that Todor Zhivkov was replaced by the BSP [Bulgarian Socialist Party]. It was with an expression of "thanks" and a request to return to the SDS the stolen fund.

It is true that the SDS appeared as a coalition, but not of parties and organizations—rather, almost entirely of party leaders. It was only after the alliance was established that it became possible for individual party leaders to organize their parties and organizations. In last year's parliamentary elections, more than 2 million Bulgarian citizens voted for the SDS, though only 200,000-300,000 were members of parties and organizations in it. This means that the SDS is not simply a party coalition but also something much more attractive and democratic. Let me also add that it is something easier to understand. Gradually, the SDS became a national movement for democracy, whose ideas and socioeconomic concepts may not be parceled out. They may not be split into party segments. Is concern for the ecology strictly the "privilege" of the members of Ecoglasnost or the Green Party? Is the Law on the Land the exclusive "property" of the Nikola Petkov Bulgarian National Agrarian Union? Is the demand to confiscate the property of the Communist Party and its satellite organizations exclusively the demand of the Radical Democratic Party? Is the BSDP [Bulgarian Social Democratic Party]

the only one to know which are the most sensitive problems affecting the people? Is the Federation of Clubs for Democracy the only one that supports democracy?

In the minds of millions of people in Bulgaria, the SDS is not simply a coalition but also a national movement for democracy, for a civilized substitution of the corrupt economic and political system of socialism. That is precisely why, at a certain point in parliament, in order to distance ourselves from those who began to eliminate the differences between the SDS and the BSP, a parliamentary group of the SDS was set up, described by the people as the Group of 39 or the SDS-National Movement.

However, this took place only in the parliament; otherwise, the SDS did not budge. Mr. Filip Dimitrov is its chairman, and it has a national leadership and a broad national structure, with the participation of the members of all parties and organizations. Nevertheless, in addition to parties and organizations, there are millions of nonparty citizens who are members of the SDS. They participate by supporting the truths of democracy at their workplaces and with their friends and colleagues, acquaintances and strangers.

At the beginning of March, the SDS initiated the idea of a united opposition. This became an important political event. According to the political agreement signed in January, a general parliamentary election was expected to be held in the summer. The BSP violated the agreement, and Dr. Dertliev created the SDS-Center. And, whereas the former was expected, the latter was a knife in the back. The appearance of the SDS-Center objectively divided the Parliamentary Union of Democratic Forces. I would add, jocularly, that in Bulgaria it is possible for "secret scenarios" promoted by secret services to be described not as a "wedge" but as a "center." The truth is that the idea of the split within the SDS was the straw the BSP clutched for its salvation. "Leaders" were found within the SDS who made tremendous efforts to turn this straw into the life-saving bridge for the BSP. This idea was supported by time-servers, for whom a "peaceful transition" meant helping the BSP quietly and properly to weasel out of responsibility for the national catastrophe that befell the country.

Through its actions, the SDS-Center paralyzed the SDS National Coordination Council. It became necessary to hold two national conferences to clarify the problems. The agreements reached at these conferences were abused and rejected and spoiled by a few people. This "paralysis" of the SDS on the part of ambitious and subservient individuals disappointed many thousands of friends of democracy, turning them into voiceless appendages in the announced "change" within the BSP. The purpose was clear: to instill the idea that something bad is happening within the SDS, while nothing but good things, which were getting better and better, were happening in the BSP. Thank God, this plan was foiled on time!

The final step in it is known: the creation of SDS liberals. This name is an innocent cover for (at least) three objectives.

The first is to confuse the voters and ensure the withdrawal of those who are so greatly needed if the SDS is to win the election. In this manner, in practical terms, the BSP will obtain the largest parliamentary group in the future National Assembly and, therefore, control the formation of the cabinet. This would be a coalition government, based on the theory of the "peaceful transition." The second objective, as well, does not stand out for its originality or morality. One can see behind the SDS-liberals the wish to create a political formation that would tempt Dr. Zh. Zhelev with the idea of forming a presidential party or coalition. It is true that a presidential election is coming and that there are those who would also like to earn political dividends from the Bulgarian president. It would cost him nothing to have his name recorded in their liberal club. To them, the president is "an important number." Furthermore, the desire to be always close to the presidential circle may be more desired by the SDS than an electoral victory. Who knows? The third objective is to further develop the concept of a fictitious democracy for the citizens, who are to keep quiet and make no trouble—that is, uphold civil peace and security, with the help of the policemen's nightsticks. Meanwhile, there would be a multicolored political lobby that would run the "citizens."

The election is coming. The projections indicate an electoral victory for the SDS or, more accurately, a guaranteed electoral loss of the BSP. However, the activities of some "leaders" at this point are aimed at diminishing the electoral success of the SDS. The purpose is even more direct: to confuse the people so that they will vote for some fictitious "triple SDS." In that case, however, not one of the three would be able to cross the 50-percent victory line. Possibly, by themselves, not one of them would garner even 1 percent more votes than would the BSP. The secret aspiration of said individuals is that once again, in the future parliament, the idea of collaboration, of a coalition government, will prevail, marking the start of endless haggling and political scheming. The political clowns are identifiable and so are the SDS special groups. However, I would suggest that the journalists publish the minutes of the discussions held at the Presidency and the National Assembly that led to the making of the present Cabinet. If they did that, a number of things would become clear to the people: the way the present Cabinet was concocted and who its "architects" were. It may turn out that they are the same people who are now speaking out in parliament against the government. In any case, demagoguery, as well, has its own history.

Filip Dimitrov, the chairman of the SDS National Coordination Council, will be number one on the national ticket of the SDS in the forthcoming election. The ballot will be blue and will read "Union of Democratic Forces." This is an alliance supported by millions of people—intellectuals, the young, private farmers, people

in plants and mines, the unemployed, and pensioners; it is supported by anyone who cares for Bulgaria, anyone who would like to have a job, a house, a pension, and proper wages; anyone who conceives of a future Bulgaria as the Switzerland of the Balkans, a country in which the people are not suffering from material difficulties, a country in which there is no clanging of Soviet weapons, a country that will reduce its military budget and shift the money to pension funds and to building housing, theaters, rest homes, movie theaters, and book publishing companies; a country in which the values of the Bulgarian family, preserved through the centuries and restored during the Renaissance, will become the values of the society. In other words, if the SDS were to win the election, the smiles would return to the faces of the people and the eyes of the children.

And so, what is happening within the SDS? I would answer: only good things, with the exception of the actions of a group of former "leaders," who have been trying and continue to try to work for the electoral success of the BSP. These people, let us recognize it, are working zealously, tirelessly, and even during the night, "creating" centers, promoting former communists as liberals, and concealing bank accounts in foreign currency—that is, rendering splendid, subservient services to the communist *nomenklatura*. How warmly and politely their efforts are rated in the newspaper DUMA!

However, the intelligent people in Bulgaria realize that the SDS must defeat the BSP in the election without any unwanted help. If this does not happen, the SDS will not join a coalition with anyone but will remain within the opposition, because democracy is a process in which it must always be clearly known who is in power and who is in the opposition. Furthermore, it is a process in which the words "morality" and "conscience" are of basic significance. The SDS will not share power with the BSP and will never ignore the crimes of the communist leadership and the deals of its present economic mafia.

If we win the election, we believe that that will be a success for all the Bulgarian people, for all citizens, regardless of party affiliation or preference. If we lose, we will oppose anyone who did everything possible and impossible to divide the SDS before the elections and, together with the communist leaders, drank the champagne of conciliation.

Leader of Liberal Party-Pernik Interviewed

91BA0928A Sofia DUMA in Bulgarian 9 Jul 91 p 4

[Interview with Kiril Borisov, chairman of the Liberal Party-Pernik, by Mariya Todorova; place and date not given: "The Liberals Are in Favor of National Consensus and Love of Mankind"]

[Text] [Todorova] Mr. Borisov, do you consider your party the heir of liberalism in Bulgaria?

[Borisov] Yes. It is the heir of Petko Karavelov's Liberal Party, the oldest Bulgarian party. The principles of

freedom of thought, democracy, progress, social justice, and liberalism in defense of the interests of the people are the principles of the Liberal Party and the salvation of Bulgaria.

[Todorova] In last year's parliamentary elections, you appeared with the slogan "the poor must never become poorer and the rich never richer." Were your hopes for social justice realized?

[Borisov] Absolutely not. At that time, the living standard of the Bulgarians was more or less even, without many striking disparities. We are witnessing the way the broad population strata are getting poorer at the expense of a small percentage that is getting richer through speculation and by other illegal methods.

[Todorova] Do you have your own program for the development of the country?

[Borisov] Our platform for the forthcoming election is ready. In the area of economics, we favor equality of forms of ownership, a gradual and accelerated conversion to a market economy, and a faster, painless, and fair scope for private initiative and cooperative and stock-owning forms of production. I believe, however, that we must not allow the state to be a rich mother for some and a stepmother for others. The uncontrolled capitalist principle will not raise us to the level of Sweden. The Liberal Party supports all radical and rational reforms aimed at improving the living standard of the people. When the people become rich, the state as well will be rich.

[Todorova] Does this mean that you are abandoning your old position that "the rich should never become richer"?

[Borisov] Not entirely. If we are speaking of what is new in our platform, most briefly it would be this: more than anything else, the interests and well-being of all the Bulgarian people. The Liberal Party favors a democratic republic and popular rule. We defend freedom of conscience and religious belief and ethnic communities within the framework of Bulgarian nationality and official language.

[Todorova] Until recently, your party was in the Bulgarian National Union. What dictated your decision to withdraw from it?

[Borisov] We are not against the Bulgarian National Union. We are for patriotism but not for fanaticism. Nothing good could come to Bulgaria if fanaticism were countered by fanaticism, if we allowed religious intolerance. For many years, side by side, Bulgarians, Armenians, Jews, Gypsies, Christians, Muslims, and Roman Catholics have lived in harmony. With such a good tradition, there is no reason to aggravate relations, particularly now, when we are advancing toward democracy. We announced our decision to withdraw from the Bulgarian National Union on 18 April. This was not a momentary mood but a considered viewpoint of the

National Party Council. We stated as early as 4 April that we would go to Oborishte only as observers. That is what happened: We did not participate in the elections that were held there, considering that such "elections" are unnecessary, given the existence of a legitimately elected parliament, president, and cabinet.

[Todorova] What about the future?

[Borisov] We will work independently. The Liberal Party is a center party. We will participate in the next parliamentary elections with our own ballot: green, as it was 112 years ago.

[Todorova] What in today's political life conflicts with your convictions?

[Borisov] I do not approve of the total abuse of everything that was done in the 45 years since 9 September 1944. We have inscribed on our platform that we condemn the present totalitarian system but do not reject anything positive that was achieved. We are not against all members of the BSP [Bulgarian Socialist Party] but only against the former *nomenklatura* and those who benefited from the regime. We cannot be against people who support the socialist idea merely because they are not like us.

[Todorova] Do you believe that the BSP is changing?

[Borisov] It is the young cadres that are changing, but about 20 percent are hardened and cannot accept anything new. We have said it elsewhere as well: Get rid of them. The BSP is a political power on which a more or less decent social peace is based in our country, protecting us from chaos and violence. So far I have not seen any extremist slogans and actions on the part of the BSP at meetings or in daily life. There is tolerance in the BSP, and I believe that no one can refute this.

[Todorova] As a centrist party, what repels you from the SDS [Union of Democratic Forces]?

[Borisov] Our overall attitude toward the SDS as opposition is positive. However, we cannot find a common language with the Coordinating Council in Sofia because 60 percent of it consists of former communists. There they are acting as people who failed under the old regime. That is why they are doing everything possible to seize power. We most strongly disapprove of the extreme right within the opposition.

[Todorova] What type of people are members of the Liberal Party?

[Borisov] Our party is open to all strata. It is a national party, regardless of sex, race, or religion. The only condition is a written declaration signed by the candidate that he was not an informer. Nor do we trust individuals who were corrupted under the totalitarian regime, the former wards of the regime, and today's renegades.

Structural, Strategic Aspects of National Security

91BA0912A Sofia BULGARSKA ARMIYA in Bulgarian
3 Jul 91 pp 1-2

[Article by Major General (Reserve) Yordan Milanov, doctor of military sciences: "National Security and Its Foundations—Another Point of View"]

[Text] In the years following World War II and up to the beginning of the 1980's, national security [natsionalna sigurnost] or the synonym for it [natsionalna bezopasnost] was considered primarily in a military sense as protection of the country's sovereignty and territorial integrity against a foreign enemy. This was in keeping with the long and bitter historical experience of nations and with the realities of the postwar period as well. For this reason, it was based on military might and, given the two opposed social systems, on the bloc model of security. On this basis was developed and implemented the military policy of countries that found expression in their military doctrine and military (defense)-construction practice.

Long and painful in coming was the awakening to the conclusion that the security of nations could no longer be established by confrontation and force, nor could nuclear world war be a means for achieving political ends, for solving the conflicts between the two systems. In this sense, the famous thesis that war is a continuation of politics by violent means has no real prospect of proof before the total annihilation of mankind.

Conditions still remain, however, for the outbreak of various military conflicts, and of increasingly complex form and substance at that, as well as problems after their conclusion, given which the aforesaid thesis preserves its significance. Under the existing systems of nations and the relations between them, these conflicts can rapidly proliferate, embroiling not just the great powers but small states, as well, as the recent crisis in the Persian Gulf did.

There remains a real threat of nuclear and other conflicts of unprecedented forms for reasons of an accidental and unsanctioned character, especially with an increase in the circle of states in the "nuclear and space club," with the increasingly complex weapon systems, the arms race, and its transference into space.

Hence, we have no reason to doubt that, in the future, the military threat and the country's defense preparation will remain, as hitherto, the core of our national security, and Bulgaria's military might will remain its mainstay. It must be remembered, however, that the military threat has a primarily political basis, ingrained in the relations between nations, and security in the sense here under consideration is a political category, albeit of a higher (so to speak) strategic order.

At the same time, other factors have become urgent and received the limelight, factors of an international and domestic character, though of a different significance

that have rapidly taken their place in the purview of national security—namely, the consequences of accidents at facilities in the nuclear and chemical industry and in power supply, ecological crises, catastrophic natural disasters and epidemics, international terrorism and organized crime, the growing instability in certain countries and regions.

Far graver are the consequences of the harm being done to the political, economic, and other fundamental interests of countries, especially small ones. In our country, too, the following problems have increasingly become exacerbated: ethnic relations, problems of demographics, casualties of industry and passenger transportation, embitterment of interparty struggles and, not least, the mistakes of the leadership of our entire public life.

It is becoming clearer and clearer that not just foreign factors but those of a domestic character, as well, can very gravely affect our national security, with consequences hard to predict not only for the present but also for future generations. Moreover, with the relaxation of the threat of war, they may take on a different form and substance and exacerbate the threat of the country's military security.

Reassessment of the above security factors has already lead generally to two basic conclusions in international relations:

- confirmation of the conviction that security can only be common, equal, and identical for everybody in its three dimensions—national, regional, and universal (global);
- a perception of security in a new and far wider connotation, with different priorities and a different relation between its many components—military, political, demographic, informational, and so forth.

Likewise, a number of basic principles have been formulated regarding the heart of the conclusions; also under way are farsighted initiatives of international public opinion, including initiatives for a common European security system.

Actually, there is no generally accepted position regarding the category of "national security" in international relations. This is understandable—its problems involve, in one degree or another, fundamental interests of different states that often do not coincide or are opposed, while the concepts range from problems of purely "national defense" to "protection of vital interests" and "way of life" not only on a regional but also on a global scale.

And, still in all, for us our national security can be regarded, in working form so to speak, as that international and domestic state of affairs of the Republic of Bulgaria when it is not threatened by any danger or action that might seriously harm its vital interests and values and its peaceful and democratic development in

keeping with its sovereignty and international standards of practice, and when it can defend them, if necessary, relying on both its own national might and on international cooperation. As a component of the security in the Balkans, in Europe, and in the world, it is determined by the latter, exerting a reciprocal influence at the same time.

In this connection, the following await clarification: both these categories and categories such as "danger" and "threat," "vital interests," and "national values"; determination of the limits and levels in these, the transgression of which can be considered the initiation of threatening consequences; the forms of manifestation thereof; clarification of the ties between general national policy, national security policy and military policy, national security doctrine and military doctrine, and much else.

The creation and maintenance of such a state of affairs should be the main core of our own national security policy and of the institutions responsible for its formation and implementation. For all its importance, national security policy cannot, however, pretend to all-inclusiveness and must be considered a component of our general national policy, a connecting link primarily between foreign, domestic, and military policy, regarding full utilization of the country's potentialities from the viewpoint of national security problems.

The principles of this policy are incorporated with the national security doctrine—that is, the system, officially adopted in the state, of basic views regarding the establishment of the policy and its implementation during a given period of time.

From the viewpoint of its structure, it has two closely interrelated aspects: rationalistic, and organizational and technical. The social and political aspects encompass the questions of the foundations of national security, first and foremost its political and methodological principles. From a general perspective, it includes several complexes of questions: questions having to do with a new understanding of security, its nature, the determining factors and principles of its structure and functioning. The organizational and technical aspect includes questions of more immediate structure and functioning—generally, the more particular components thereof, their content, and ways, means and methods of use, and their administration.

As for the fundamental principles of our national security doctrine, they may be the following: reliance on the security principles generally accepted in international relations and as a component part of the Pan-European security system and that in the Balkans; regard for our own historical, geographic, political, and other conditions; establishment and implementation thereof as a statewide and pan-national mission, free of narrowly partisan interests and stratifications; comprehensiveness; unified leadership on a statewide scale and responsibility in the respective specialized sectors; publicity and regard for public opinion.

This brief excursus has been necessary to define more precisely a few of the points of departure for the problem and to state an opinion on the announcements in the mass information media regarding the elaboration of the aforementioned problems. Such a doctrine is seen as a voluminous integrated opus on which already different teams, varying in their personnel and resources, are working. Let us express doubts regarding such an approach and its results.

We can hardly imagine an all-inclusive single document on problems so complex, rapidly changing, and differing in their character, though generally related, that would have any practical value as a guide in an area so complex as national security in its domestic and international scope. Still harder is it to imagine submitting it for consideration to our public, as is the norm for every democratic society.

The aforementioned specialized areas of general national policy are, in their broad sense, relatively independent; they have established basic principles, conventions, and doctrines, and these must not be confused; and, even more so, they must not be included in their entirety in those of our national security. At the same time, as in many other areas of public life and science, there are in these already formed and developing contiguous security areas generally. The question is, as has already been noted, that their efforts and potentialities should be most fully coordinated. In this connection, one cannot help noting also the striving of a few departments, public organizations, and figures for their own monopoly and right as oracles on national security, using it more as a rhetorical weapon.

This activity should rely on trails already blazed; what has already been proved needs no further proof. There is another way, tried by other countries, as, for example, the adoption of a Law on National Security that defines its essence, goals, and functions; the principles on which it is established; the basic priorities and the coordination thereof; the role and the place of institutions in the implementation of policy in this area of public life; and the role of public organizations, as well. The law has to be drawn up by a specially selected group of experts from the departments concerned and by scientists in the various problems. The theses of this law will, in fact, constitute the foundations of our national security doctrine. They will have to be refined and elaborated by presidential directives (National Security Council) and by governmental and departmental decisions and documents as practical experience constantly requires.

It seems to me that this is what work on this important problem should look like. Otherwise, as practical experience in this area has already shown, it may turn out to be a field for one empty gesture after another of

enterprising dilettanti and a convenient opportunity for discovering and filling prospective positions in administrative and scientific structures. In addition to this, it raises once more the question of so-called strategic research in our country, the question of our own school

and its place in the treatment of questions of vital importance for the country. Without genuine utilization of the real scientific potential, serious success cannot be counted on, and this will expose our country to unforeseen threats and consequences.

Controversy Over Gabčíkovo Dam

Controversy's Background

91CH0790A Prague RESPEKT in Czech 22-28 Jul 91
No 29 pp 3, 4

[Article by Ivan Leko: "Water in the North: Controversy Over Gabčíkovo"]

[Text] A week ago, government delegations from Hungary and the CSFR met in Bratislava at the negotiating table to talk again about a controversial legacy left by the communist predecessors. They were—for the nth time—to find a definitive solution for the problem of Gabčíkovo.

Judging from various articles and reports published before the negotiations, most of the Hungarian journalists did not expect the government representatives to find a solution, and immediately predicted a further round of talks—despite the fact that the Czechoslovaks' ultimatum was clear: "This is the last time we are going to negotiate. If the Hungarians do not back down, we will finish building Gabčíkovo and put it into operation without them." The journalists were skeptical, as they had heard similar threats many times before. One merely needs to recall the position taken by Adamec's government or Meciar's cabinet.

The situation seems to be clear. The Hungarians simply do not want the dam and water plant, our side does. Hungary does not want to lose its political prestige, Czechoslovakia does not want to lose money. Halting construction meant a victory over totalitarianism for the Hungarian environmentalists and for the opposition—and nothing can be done about that, even if the dam were to be beneficial for Hungary. (But it is not beneficial.) Czechoslovakia sank over 17 billion Czechoslovak korunas [Kcs] into Gabčíkovo. As a result, for our representatives, it is vitally important that the dam starts producing energy.

The Hungarians have declared that they are prepared to return the countryside to its natural state. We cannot do that. Not only because 90 percent of the concrete is on the Slovak side; but also because we are not able to guarantee the original fertility of the soil. Because the communists did not use the highest quality topsoil (stripped to a depth of several dozen centimeters) to protect devastated areas. They sold it to the Federal Republic of Germany and Austria.

There are no mutual interests. Time is passing, the diplomats are working night and day, but there is no sign of a change in attitudes. Quite simply because such a change is impossible.

Each side expects the other to understand. It is as if there were no such thing as a compromise. Either the plant will go into operation, or it will not. A third option, such as diverting the Danube to our side of the border, is unthinkable. Such a desperate solution would cause an

international scandal and enormous expense for our economy—about an additional Kcs15 billion.

Postponing the solution, according to the Hungarians, harms Czechoslovakia rather than them. All that is important to Hungary is that Gabčíkovo dam not be built, that construction be halted.

The Communists on Both Sides Are To Blame

When Prime Minister Strougal and Hungarian Prime Minister Lazar signed the agreement on construction of the dam and water plant in 1977, Husak and Kadar backed them. The agreement was signed between two countries, but it was an agreement between communist parties.

In 1983 Hungarian environmentalists instigated an action supporting a national referendum on the whole project. At that time the regime opposed it. There was nothing to discuss. And yet, already at that time, the Hungarian Academy of Sciences had drawn up a report, which clearly condemned the Gabčíkovo-Nagymaros dam: "The primary defect of the dam is that, under the pretext of optimizing the energy situation in two countries, a structure is being built, which will have an exceptionally negative impact on the environment."

The Academy of Sciences' point of view was not allowed to be published. In 1984 the communist government instructed the Ministry of the Interior to suppress any discussion on the construction, and proclaimed "strict prohibition of the publication of any opposing views." One year later, it ordered the State Office of Water Management of the Hungarian People's Republic to draft a report supporting the construction. The experts who protested were fired, and a comrade who followed instructions was appointed to the job of manager. The mass media also followed instructions. It was not until May 1989 that the communist government of the MLR, under pressure from the opposition, stopped the construction of the enormous dam.

The present cabinet of Jozsef Antall, however, is not opposing the project merely because it was thought up by the communists. The statement made by the Slovak representatives, that Gabčíkovo is solely a political question in Hungary, is misleading. The Hungarians are disillusioned by the attitude of the Czechoslovak side which, headed by Vaclav Havel, unambiguously pronounced itself to be against "the monster on Zitny Island" shortly after November, but did not halt the construction.

Is There Any Way To Be "Prepared"?

On 17 July, LIDOVE NOVINY published an interview with Minister of the Environment Josef Vavrousek. During totalitarian times, the minister was a sharp opponent of the dam. (This also applies to Czech Prime Minister Petr Pithart: let us recall his basically negative article in the samizdat LIDOVE NOVINY volume 2/7-8.) Nevertheless, totally unexpectedly, he supported

the completion of the construction of Gabčíkovo. In fact, he has not even rejected the so-called "C alternative," that is, the diversion of the Danube. According to J. Vavrousek, the Hungarians were not prepared for the negotiations, while "our side suggested evaluating all alternatives, including the most extreme ones."

The fact that the Hungarian side has not accepted any of our suggestions, however, does not mean that it was not prepared. According to this logic, the Czechoslovak delegation was not prepared, either. What Minister Vavrousek omitted to add, was that every one of our suggestions was conditional on the completion and operation of the dam, and this was unacceptable for the Hungarians. The accusation that they were unprepared would only be appropriate if the Hungarians could not justify their position. What was remarkable during the negotiations was that none of the participants accused the others of being wrong.

It should be realized that the Hungarian delegation must abide by the parliament's resolution, in which both the opposition and the governing coalition unanimously oppose construction. (According to this resolution, after mutual agreement, both sides should rescind the agreement of 1977, immediately halt construction, and return the region to its original state.) The reason is clear: there is no way to guarantee that there will not be an environmental disaster, which we will not be able to rectify. On the other hand, the Czechoslovaks state that the changes that will occur will not be unsolvable.

In the above-mentioned interview, Josef Vavrousek also said that, for no good reason, the Hungarians refused to set up a commission of Czechoslovak and Hungarian experts, which would include the participation of European experts. According to one participant in the negotiations, who wishes to remain anonymous, the minister's answer is confusing and does not reflect the facts. It implies that the Hungarians do not want to set up a commission. This is not true. The Hungarian side merely believes that it is premature to invite foreign experts to the negotiations. If conflicts arise, and there are bound to be several, the group of experts would inevitably find itself playing the role of arbitrator.

The question is: How should a person, who believes he is right, proceed? Should he confidently and obstinately defend this truth, or should he consider how to act in such a way that the other side does not feel injured? According to some Hungarian journalists, only the second option will lead to a compromise. Despite the fact that we are free and independent, we are neighbors and we simply must seek compromises.

If we do not accept this simple truth, the apprehensions mentioned by Laszlo Szale, a commentator in the leading paper *MAGYAR HIRLAP* could slowly become a reality: "They are shooting in Slovenia because the role of the brother nations in Yugoslavia is in a crisis. It seems that to the north of Hungary, another large project

has also set two nations against each other. The south is threatened by fire, the north is threatened by water."

Minister's Attitude

91CH0790B Prague *LIDOVE NOVINY* in Czech
30 Jul 91 pp 1, 2

[Interview with J. Vavrousek, minister of the environment, by Cestmir Klos; place and date not given: "One Cannot Let Go in the Middle: Interview With Minister J. Vavrousek About Gabčíkovo"]

[Text] [Klos] Our nations have already had bitter experiences with "temporary solutions." One of these is now again being prepared on the Danube—a temporary alternative to the Gabčíkovo dam and water plant. The first surprise was that the Slovak government supported it. The second was that the Federal Government also accepted it as a second—certain—alternative, if the uncertain one with the Hungarians does not work out. And the third? That the chairman of the Federal Committee for the Environment announced it on the radio without a single word of criticism. The same applies to Engineer Josef Vavrousek whose study, published at the end of the 1980's by the Ecology Department, was used as a basis for their arguments by all opponents to the destruction of a beautiful natural region below Bratislava. Have you changed your mind to such an extent?

[Vavrousek] No! To be sure, I now know a lot more details, but I stand by what I wrote in my statement published in *NICE* (1 and 23/1989). In fact, it stated in black and white: "The insensitive and undemocratic approach in seeking a solution that would be acceptable to all parties, and the demonstrated inflexibility could, in fact, worsen our relations with Hungary in the long run." And that's exactly what happened!

[Klos] What do you suggest we do?

[Vavrousek] I already suggested it at a meeting of the cabinet: negotiate. If we keep insisting on our point of view, we will get nowhere. Two sharply opposing views keep coming into conflict, and the only result is that emotions are rising. I feel as if I were between a rock and a hard place. If I am obstinate in opposing alternative C, I will lose the opportunity to intervene and play the role of mediator. It would certainly be much easier to bang my fist on the table, then sit down, wash my hands of it, and wait until it is my turn to speak. Although there is a prevalent pessimistic attitude in the government, that the Hungarian position on halting construction is unchangeable, I want to try to continue to negotiate.

[Klos] What can you offer the Hungarian delegates, whom you invited for talks?

[Vavrousek] I will try to explain the situation to them and convince them of the necessity to find some solution. I will not tell them that ours is the only possible alternative. Apart from that, we must decide which of our alternatives is the best. All of them are bad, and we

must weigh their pros and cons and choose the least evil, the one that would be acceptable to both sides. There is no other solution. Of course, the best thing would be not to build anything on Zitny Island, but we had no influence over that. Now we are in the middle, and I have learned something from rock climbing: one cannot let go in the middle.

[Klos] Some people have the solution—alternative C....

[Vavrousek] That will cost a lot of money and will destroy more land. And when it is finished, there will be enormous problems with operating it. Some one will suddenly come up with the idea that we should stop each other's ships, others will come up with trucks, some one will sink something.... The path of confrontation leads nowhere. The only possible solution is agreement.

Vaclav Klaus on Economic Changes

91CH0789A Prague RESPEKT in Czech 22-28 Jul 91
No 29 pp 5, 6

[Interview with Vaclav Klaus, federal minister of finance, by Jan Machacek and Ivan Lamper; place and date not given: "I Get Angry—I Keep Explaining; A Talk With Vaclav Klaus on the Transformation of the Economy]

[Text] [RESPEKT] In your opinion, what is the greatest threat to the transformation of the economy at this time?

[Klaus] There are many things endangering it, and it is almost impossible to put them in a hierarchical order. But if we were to give a general answer, then it would undoubtedly be the increasing loss of consensus in this country. This loss can be observed vertically and horizontally, territorially, socially, politically and between generations, etc. It is difficult to say what is most dangerous from the aspect of the economic transformation. Nothing is dangerous by itself. The legacy of the past regime is dividing us, the inability to come to terms with our new-found freedom, a freedom without a unifying thought, without a unifying principle. The diversity of opinions and interests is obvious.

[RESPEKT] Do you see any possibility of finding a unifying principle?

[Klaus] I often paraphrase Ortega y Gasset and his famous book *The Task of Our Times*: There is only one possible task, all others are derived from it—a unifying principle, a basic ideology in the widest, nonpolitical sense of the term. Unfortunately, there are no simple solutions or crash courses that would make this possible. It is a task for the whole generation.

Privatization Must Not Be Politicized

[RESPEKT] Geoffrey Sachs and several American economists allegedly fear that the transformation of the economy in the Central and East European countries may end like the South American model: Power will be

seized by a narrow group with strong political backing and hidden connections with the governing circles.

[Klaus] I do not think that Geoffrey Sachs, whom I know very well, ever said anything like that. Comparisons with the results of what happened in South America are the very thing we are both fighting. He points out something else: He talks about the fact that privatization is being postponed in various countries (he did not mean exclusively Czechoslovakia). The time that has elapsed between 17 November and the present is shorter than in any other country that started radical reforms. Sachs sees the danger that, if privatization is postponed, various social, political, and other groups will be able to implement their own interests. Privatization will become a purely political matter, it will again become the subject of negotiation, and it will slow down even more. If we do not do as much as possible in time, the question of privatization will become a question of political passions.

[RESPEKT] Minister Jezek has suggested already twice that voucher privatization should be put off by two months. In your opinion, what political and economic consequences would this have?

[Klaus] Any delay would be detrimental. There was a serious discussion about this at the last meeting of the financial council on 24 June in Bratislava, which Minister Jezek also attended. All the participants of the financial council rejected the idea of any postponement. Since then, there has been no meeting of any superior committee authorized to make this kind of decision. The potential collision with election time would not be propitious. We calculated that we could have the first wave of privatization with investment vouchers over by the time of the elections. Postponing this would be detrimental and would complicate matters. It would not be beneficial.

[RESPEKT] This leads to the question of foreign capital input into the nonprivatized sector. If privatization were postponed, surely there would be a strong tendency to found more joint ventures with state enterprises.

[Klaus] My opinion is absolutely clear and totally different from that of people who are not demanding privatization but the input of foreign capital: The Czech government and its Ministry of Industry exemplifies this. I keep repeating: We do not want to allow foreign capital into pseudo-state enterprises. But, from the beginning, we have said that we cannot afford to turn down exceptional offers. Though it may be contradictory to the basic principle, there is no reason to block the association of Volkswagen with Skoda. But that is a special case. Now we are being pressured from a number of directions to make this the basis for further actions. This is unacceptable. Privatization is of prime importance.

[RESPEKT] Most of the economic indicators and the method of evaluating them are obsolete. For example, the so-called consumer basket, which serves as the basis

from which to measure the price and inflation index. Is the system of statistical economic indicators able to give any indication of the state of the economy? How serious do you believe this problem to be?

[Klaus] If I had the time to write a more comprehensive economic paper right now, it would be on this subject. The choice of statistical data and their interpretation is, in my opinion, a tragic misunderstanding. I have already heard the leftist criticism that the government is questioning its own statistics. They truly are governmental statistics but, just as we are unable to privatize the economy overnight, we are unable to change the method of statistical reporting overnight. There are a lot of reasons for this. Many economic activities take place outside standard economic reports. For example, I live in Prosek where all the small local shops have been privatized. For the last three months, my family has been buying exclusively from private shops. Therefore, my retail turnover is not included in the so-called retail turnover indicator. That is an error of fate.

The first problem is one of quantity. The second problem is one of quality. In this economy, many cogs in the machine turned without engaging. All of us were familiar with the idea of production for production's sake. All of us were familiar with the ridiculous percentage of ton-kilometers that passed through our railroad transportation system. The artificial transportation of goods throughout the Republic with minimal effect.

Whenever some pseudo-activity is stopped, everyone suddenly objects that it is a tragic loss, although it is necessary. We had an artificially created demand. Suddenly we have stopped creating such a demand. As a result, sales and production are stagnating, and we are being criticized for it.

I Get Angry in West Europe

[RESPEKT] What is your opinion on the fact that most of the import quotas on Czechoslovak goods were not abolished on Western markets? In this context, how do you evaluate the visits of Czechoslovak representatives abroad? So far, after the disintegration of the Eastern markets, the West has not offered a helping hand. Do you expect anything to change in this respect?

[Klaus] These are two questions, which are not directly linked. The expectation that every visit will lead to the abolition of yet another quota is false. As to how the effectiveness of Czechoslovak politicians abroad should be evaluated: The visits create long-term prospects, and only some will lead to signing short, specific agreements.

We are desperately fighting a time shortage. I have been abroad 16 times since the beginning of the year, but most of the trips were shorter than 12 or 16 hours. A person flies somewhere for 16 hours, conducts business for two hours, and flies back. It is extremely exhausting physically. Nevertheless, I still have the feeling that we are playing a smaller role than the Poles or Hungarians in the world. Because we have very few politicians who are

able to present themselves masterfully in several world languages without translators. Everything still revolves around three or four individuals. We don't get much help from others. Every day I turn down many offers ranging from Tokyo to San Francisco.

I am rather skeptical as far as the situation with quotas is concerned. I have the feeling that rhetoric still outweighs reality in Western society. Apart from that, there really is a great difference between what the state is doing and what the enterprise sector is doing, between what the president, the ministry spokesman, and the foreign minister say and what the ministers of trade, finance, and economy say. The former open up their economies, the latter insist on tariffs and quotas. I see this on a daily basis. I get angry when I see that they do not want to remove the quotas, for example, on textiles in West Europe. I have calculated that our textile export to West Europe is equal to about one-hundredth of one percent of their consumption. Increasing this millipercen tenfold would be imperceptible to them, but very perceptible to us. I get angry, I keep explaining, but it is difficult, very difficult.

[RESPEKT] How do you expect price liberalization to develop and how will wage regulation develop in this context?

[Klaus] In regard to price liberalization: We have the statistical data from 1989, but we do not have data from 1990 at our disposal yet. Our information is that on 1 January, 85 percent of the prices were liberalized and on 1 June, 5 percent. Another 5 percent of price regulations should be abolished on 1 October. Our schedule is clear in this direction, and we are keeping to it. I am willing to discuss—as I have no statistical data—whether the salability of products with regulated prices has increased in comparison to the past.

In regard to wage regulation: We were afraid of a wage explosion and the subsequent start of an inflationary spiral (by the way, I still believe that this could happen), but we always considered the primary tool to be a restrictive macroeconomic policy, i.e., so-called fundamentals, and not directive control such as, for instance, a wage ceiling. We would like to start removing individual sectors from these regulations. We will start with private enterprises and joint ventures.

[RESPEKT] The enterprises are not making use of the guidelines for wage development.

[Klaus] This was affected by the global restrictive policy. Only 15 percent of the enterprises reached the limits of the wage amount set by the guidelines, and this proves that the policy was justified.

[RESPEKT] Do you think that by next year there will be any sense in having a limit of 5,000 korunas [Kcs] when our citizens purchase foreign currency?

[Klaus] I am sure that there will be some limit. It started with 2,000, and then was raised to 5,000. It is obvious that next time it will be even higher, but I cannot tell you yet exactly what it will be.

[RESPEKT] A sizeable sum was freed from the budget surplus for the health service and other purposes. Doesn't this create the danger of inflation?

[Klaus] Naturally I am nervous; we are trying to make estimates, calculations. A key factor for us is the development of the amount of profit, and the income from the profit tax. This is difficult to predict: The latest budgetary figures we have were for May, and we have the analyses of enterprises' budgets for April. Therefore we are very interested in finding out how the enterprises' profits have developed since April. There is a risk; nevertheless, we did the best we could.

That Is Not What the Market Wants

[RESPEKT] The profits in various branches of heavy industry have increased sharply since the beginning of the year, and in the food industry they even grew by 533 percent. Don't you have the feeling that those economic forces, which we would least like to see have it, are gaining too much power?

[Klaus] The fundamental opponents to our ideas believe that they know where profits should increase and where they should not. A liberal economist does not share this view. The market itself must determine where profits are to increase. I know what some people mean when they say this: that we would prefer profits to increase in electronics rather than in metallurgy. This, too, is a serious error. It is obvious that, from the macroeconomic view, it would be preferable if profits increased in the processing industry with minimal cost input and with a minimal need to import materials. But this does not mean that this is what the market wants, or that, for instance in electronics, we have some comparable advantages which all our forecasters dreamed of. We do not.

[RESPEKT] Have you changed your opinion on the problem of insolvency? Some politicians are afraid that the Industrial Union is preparing some kind of frontal assault.

[Klaus] I really don't know how powerful the Industrial Union is.

I keep repeating that insolvency is not a phenomenon unfamiliar to economists and bankers. It's only that most of the public has only just discovered it. It is a problem and it will continue to trouble us for a long time to come. Only one path can be followed: The enterprises must act like economic entities and not provide each other with illegal business credits, so that unpaid or late payments can be transferred to standard bank drafts, which will easily force the enterprise to pay. In other words, it is a matter of a systemic change. The state will certainly not provide Kcs70 billion to anyone in order to temporarily stop the development of insolvency.

[RESPEKT] Allegedly you are opposed to raising rents in state-owned apartments.

[Klaus] No. No reasonable economist could oppose the liberation of rent prices and the introduction of equilibrium on the housing market. My argument is about something else. I would like everything to be done by tomorrow, but I believe that rents should be put off for a while after the increase in prices for energy and heat, to give people time to adjust following the first step. It has nothing to do with political concessions. The second thing is that this step should not be done before a very limited, but essential, compensation has been worked out for those groups of people who could not pay the rent under any circumstances. I keep explaining to everyone that it is wrong to consider a state apartment as the apartment of a political figure. That is simplistic. For example, grandmothers, whose homes were destroyed, also live in them.

I would like to tell the owners of apartments in apartment cooperatives (I myself have a cooperative apartment), that it would be beneficial if they strongly requested the state to immediately abolish the ridiculously low one-percent interest rate, for which loans are provided in our banking system to apartment cooperatives, if they requested the state to stop subsidizing building cooperative apartments, and to introduce normal 20-percent interest on their long-term loans instead of the one-percent interest rate. Also, instead of the unbelievable 40-year repayment period, a 12-year period could be introduced.

Hungary, Poland, and Czechoslovakia

[RESPEKT] It is well known that you oppose cooperation with Poland and Hungary. Would you like to comment on that?

[Klaus] First, I would appreciate it, if someone read my extensive interview with RZECZPOSPOLITA dated 19 June, where I mention a number of things in their right perspective. I think it was an artificial campaign, instigated by my enemies, in connection with the opening of the Polish border. It was an artificially and insidiously instigated matter, a part of the conflict within the OF [Civic Forum], a part of the conflict with the Liberal Club and the OH [Civic Movement], which used their Polish friends.

Second: As to our Polish colleagues, I am often sad at how they attack the Czechoslovak reforms. They feel that, since they started earlier, they should be the pioneers. And now they are very nervous because things are moving faster here. They are losing time, they are getting themselves mixed up in various matters, and the world is taking notice. The Poles often talk about how backward Czechoslovakia is, that the price liberalization is only partial, etc. I am sad about that. I would never say anything like that about Poland or Hungary. At most I would mention that Czechoslovakia is moving fastest.

That is publicity, which keeps to the rules of the game. It is not permissible to say that everything in the other country is bad.

On Sunday a meeting was held by six finance ministers: Germany, Austria, Poland, Switzerland, Hungary, and Czechoslovakia. Mr. Balcerowiczem and Minister Kupa and I agreed that we were lacking mutual information. On my initiative the three of us will meet on 2 August in Prague.

[RESPEKT] Have you any ideas about the future of Central Europe?

[Klaus] Naturally we have a number of contacts with colleagues in these countries and with the parties that are taking the same direction. But I feel that we do not have a strong, clear partner, who would play the same kind of a role in these countries as we play in ours. We are still searching. For example, we talked with the Hungarian Free Democrats. Although they lean toward the right in Hungary, they would not be too far right in this country, especially in the economic sphere. Rather, they belong to the perestrojka world.

Last week we had a significant meeting with European liberals in the Palfy Palace. Several Hungarians and Poles were also present. Those contacts do exist.

[RESPEKT] In America you criticized the cancellation of the Polish debt, in comparison with the negligible help provided to Czechoslovakia. Many economists say that without cancellation of the debt the transformation of the economy in Poland would be totally impossible.

[Klaus] I am convinced that financial help and cancellation of debts have never helped anyone in this world, and I do not understand why Poland should be an exception. In my opinion, it is a very bad signal to other indebted countries. Why should they, too, not be helped? There are many countries who are infinitely worse off: in Africa, Latin America, etc. I think it was a very untypical step taken by the international financial community. I can assure you that world banking and financial circles are absolutely horrified. Perhaps it has not happened yet. Such debt cancellation is given once in a while to the three most impoverished countries in the world.

[RESPEKT] As finance minister, you should be the person who tightens the screws, but as a politician you have to bear the elections in mind at the same time. How will you come to terms with the danger of populism and concessions?

[Klaus] I believe that I can be criticized for many things, but I do not think I could ever be labelled as a populist. I think I state too many of my thoughts openly. Since 1989, the reform has demanded permanent political support. Since then I have played a political role every day. In a sense, the fact that at one point this was transferred to a clear political group, is a relief. I had to attend just as many meetings and had to defend myself just as often before I became chairman of the party.

[RESPEKT] But the most difficult times are still ahead.

[Klaus] Certainly, but I went through an equally difficult period during last year's elections, during the period of the greatest battles about the scenario of the economic reforms, about abolishing subsidies for the retail prices of food, and that happened at the same time as I had dozens of public meetings in Northern Moravia. I think it will be a difficult period, but I do not think it will be any different qualitatively.

[RESPEKT] What persuaded you to sign the transfer of NF [National Front] assets to the Association of Political Parties?

[Klaus] It was a confused period last year, when it was not clear who the successor organizations of the National Front would be. We were assured that that Association would be accepted as the successor organization.

[RESPEKT] The entire matter is being examined by a commission in your ministry. Do you receive information about its progress?

[Klaus] Yes. But last week in the government, we received material on the assets of the KSC [Communist Party of Czechoslovakia], this week it was on the assets of the SSM [Socialist Youth Association], and I really cannot give an answer without the supporting documentation. The commission is not exclusively made up of members from our ministry. It also includes delegates and representatives of the Ministry of Control and others.

Slusovice Scandal Developments Described

91CH0794A Bratislava NARODNA OBRODA in Slovak
31 Jul 91 pp 2, 6

[Report compiled from Czech and Slovak Press: "The Saga of Slusovice Winds Through Zurich; Captain Zak—Man in a High Stakes Game?"]

[Text] Thanks to its entrepreneurial activity, Slusovice has not been an unknown quantity in the business world even in the past. But since 18 July of this year, at least most of the readers of the Swiss newspaper WELT-WOCHE will be familiar with it. Former investigator of the Zlin police, Captain Alexej Zak, published that day what he knew and thought about the investigation of the "Slusovice case" and so caused in the slow newspaper season an international Czech-Moravian-Swiss sensation: The investigator of so far unproven swindles in Slusovice escapes with his family to Switzerland to save his life.

Who Captain Zak Is

The hero of this story is a 36-year-old investigator, who as a 6-year-old moved here with his parents from the USSR. After 1968, he allegedly suffered hate attacks by his fellow citizens, and so he entered the services of ZNB [expansion unknown], worked actively for State Security, and became intimately familiar with Slusovice,

because in 1982 he was already investigating discrepancies in their accounting. In 1988 he left service in Security (voluntarily, according to him, but according to other witnesses he was forced out). In 1990 he returned to work for Security and became an investigator in Zlin. The next installment of his biography comes from the author's assertions published in WELTWOCHÉ. In 1990, presidential adviser Bedrich Koutny allegedly entrusted him with investigating the Slusovice case, and a month later he found in his mailbox an anonymous letter of threats. In January of this year his informant—the driver of the director of Zbrojovka in Uherske Hradiste—was found dead in his car, and he was not allowed to see the files on the case. Further threats followed, but also Zak's sensational revelation that the air squadron of the Ministry of Interior used to smuggle in computers for Slusovice and that the pilots also ferried Semtex abroad. And finally, this first act of the case culminated in a strictly secret meeting with Minister Langos on 25 June, following which "good friends" from the former State Security advised Captain Zak to take his wife and three children and save his life by fleeing to Switzerland, because "the powerful of this world" allegedly decided to liquidate him physically.

Who Appeared in WELTWOCHÉ

Petr Pithart, because he allegedly still has close contacts with Slusovice from the time when Cuba, in cooperation with the Association for Apartment Construction, organized the building of villas for party representatives. For the same reason, the article also includes the names of the Deputy Prime Minister of the Federal Government, Pavel Rychetsky, and Prosecutor General of the Czech Republic, Ludvik Brunner. Vaclav Vales, Deputy Prime Minister of the Federal Government, also plays an important role in the case, because he is certainly a former agent of State Security. Swiss notoriety also came to Jiri Dientsbier, who is allegedly trying to prevent any discrimination against members of the Civic Movement. Also named was Major Arnost Kukacka, who is in charge of the investigation of the Slusovice case, because he is a former employee of the 5th administrative unit of State Security.

What Went on in Slusovice, According to Zak

The agrokombinat was supposed to be involved in smuggling hightech equipment that was on the COCOM list of items prohibited from being imported here. And in the other direction, arms and Semtex were being clandestinely exported by means of secret unofficial flights from the military airfield in Ostrava-Mosnov. Some of this advanced technical equipment was then smuggled to the USSR. In addition, Cuba is said to have been hiding Alois Indra, who was one of those who in 1968 invited the allied armies. Cuba himself made a very brief comment about all these accusations: "The only thing he left out is that we have caused both the First and Second World Wars."

It Is Not True That....

Jan Langos' response to the interview: "Our meeting was strictly informative. I would not call these meetings confidential, but working, meetings, where Minister Sokol and I did more listening than talking."

Tomas Sokol: "I consider these allegations to be absurd and fabricated. It is not true that he was in some danger, much less his family. But it is true that he was under indictment."

Chairman of the Association for Apartment Construction Pokrok in Prague, V. Roubicek: He confirmed that neither P. Pithart nor L. Brunner were ever employed in their Association. Pavel Rychetsky worked there from 1977 to 1990 as the chief of the organizational and legal section.

Federal Ministry of Interior: Zak's assertion that Major Kukacka is a former employee of State Security was investigated. It was found to be untrue. Major Kukacka was never an employee of State Security. He worked as an investigator for Public Security in Karlovy Vary and Prague.

Warrant for the Arrest of Alexej Zak

The chief military prosecutor issued a warrant for the arrest of Alexej Zak on 25 July for the following crimes:

- For misusing the authority of a public official, because in his position as investigator he pressured the former deputy of the Agrokombinat Slusovice, Eng. Petr Blahynka, in March in Brno, and later in Zlin one of the accused, to cooperate with him under the threat of making allegations against them public.
- For misusing the authority of a public official during that same investigation, when he asked Eng. Petr Blahynka to negotiate his request for large sums in foreign currencies as well as in korunas from Frantisek Cuba, whose criminal activity he could then prove.
- For the crime of extortion, when he demanded that the accused Blahynka create a subsidiary branch of the production cooperative Beta in Zlin, where he wanted to employ his friends.
- For the crime of restricting personal liberty, because in contradiction to the order of the overseeing prosecutrix and the appropriate paragraph of the Penal Code, he detained the accused Eng. Petr Blahynka and released him only after several investigations.

He is not being prosecuted for leaving the republic, in spite of the fact that he is still on active service and does not have a leave pass.

And What Does Alexej Zak Say to That?

In spite of the fact that our official circles announced that it is not known where he is staying, reporters of MLADA FRONTA DNES met with the main actor of this affair in the offices of WELTWOCHÉ, where they learned that he has proof that Eng. Blahynka offered him

\$1 million if he drops his interest in the Slusovice case. That our security units—maybe with the exception of the top people—are in the hands of people compromised by active political collaboration. That the Slusovice mafia has been living since the end of the seventies in symbiosis with the State Security structures. He—Captain Zak—did everything he could to uncover the conspiracy, but the regrouped structures in the end forced him to flee. That the agency of the former State Security continues to function, that he is in contact with it even these days, that it informed him, warned him, and even made his escape possible.

He warned Minister Kubat and President Vaclav Havel about the mafia in a letter. The press office confirmed receiving both letters.

And finally to quote: "I am no Catani. I shall not continue with the investigation until it destroys my family.... I shall stop it next week (said in Switzerland prior to Saturday last week). I shall go to another country, I cannot tell you which one it will be. I shall change my name, that is obvious. I am a technical college graduate, and so I am not afraid that I could not make a living there. My wife is a nurse, and she, too, need not be worried."

But these words can hardly be the last ones about the still not unravelled story which is not just a WELTWOCHEN-Zak canard.

[Box, p 2]

Kubat Invites Zak

Prague (CSTK)—In yesterday's interview with a CSTK reporter, the Minister of Agriculture and Food of the Czech Republic, Bohumil Kubat, countenanced the return of police captain Alexej Zak, who as a free man could again conduct the investigation of the Slusovice case in CSFR.

In the interview, Minister Kubat did not rule out a realistic possibility that Zak was in real danger. He pointed that out already in January and February, and the Ministry of Interior was remiss in not following it up. The Minister called the circumstances of the alleged bribe, which Captain Zak was supposed to have demanded, a clever maneuver. It took place at the very moment when he was already finished with the questioning, and criminal proceedings in Slusovice and Zlin could have begun. According to Minister Kubat, the facts which Zak presented to the inspectors from the Ministry of Interior were not investigated. The result of the meeting with Minister Langos was a draft of a report about Slusovice, which, according to Minister Kubat, V. Havel was to discuss on 11 July with the CSFR prosecutor general.

Slovak Urges Army Restructuring

91CH0794B Bratislava SLOVENSKY DENNIK
in Slovak 29 Jul pp 1-2

[Article by Petr Svec: "The Right To Have Defense Capability; Reflections on the Need To Change Army Policy"]

[Text] As a professional soldier, I was provoked to write this article by several recent events—the adoption of the military doctrine, the attack on Slovenia by the Yugoslav Federal Army, and finally the recently published proposal by the Christian Democratic Party (KDH) for the content of the State Treaty between the Slovak and the Czech Republics.

Personally, I am a proponent of a total sovereignty of Slovakia, which would form with the Czech Republic a monetary, customs, and defense union based on the principle of dualism, but I also look at other suggestions. If in the future the Czech government is forced to accept the conditions of a federation based on equal rights (it is now a unitary state), this would have to have strong confederative elements, which is actually what the KDH proposal contains.

In the article I shall focus mainly on the question of joint defense, because the KDH proposal is the only one of the three submitted that deals with the need to change the army policy of the common state. The cases of Latvia, Slovenia, but also Slovakia in 1939 (the so-called Homol's putsch), that is, the misuse of armies against the rights of nations, prove that the defense of states consisting of several state-forming nations will have to be resolved in an entirely new way, based on international trust.

Whether anyone admits it himself or not, the adopted military doctrine is a step backwards, a return to the "democracy" of the First Republic and its Homol's putsch. At issue is the most important document of army policy which today again makes it possible to misuse the army against Slovakia with impunity, and that gives me the right to declare in all seriousness that this doctrine is highly undemocratic and anti-Slovak, protecting the interest of only one nation! In view of the established debating order in the Federal Assembly and the powers, Slovak deputies, even if they all voted against, could not prevent its adoption (!!!), which does not diminish their responsibility to change this state of affairs in the interest of their nation. I want to point out that the Czech military-political lobby is drafting another unitarist and anti-Slovak law on the Czecho-Slovak Army [CSA]. In drafting and adopting these laws, they make use of the entirely natural lack of knowledge about the army on the part of an overwhelming majority of deputies, including the defense-security committee. At the same time, the knowledgeable and informed experts on the army are exclusively in the hands of Charter 77!

In their election program, some parties demanded that Slovak soldiers perform their basic service in Slovakia.

That is a very narrow view. In the nation's interest it is necessary to demand a restructuring of the CSA from a unitary to a union army, that is, on a two-nation principle in its entire structure, where the common Ministry of Defense has a mainly coordinating and conceptual function, and where parity of both partners is guaranteed. Then it will be possible for thousands of Slovaks—graduating yearly from all the military schools—not to have to become denationalized in the Czech language environment “on orders” (from Prague). I point out that the relocation will improve the conditions only minimally.

Today's CSA is a pressure institution for dictating the conditions for coexistence to the smaller nation (that is not true only of CSA...). Let us start with the premise that a partner in a common state, whose representatives already several times disappointed in fulfilling agreements, misused the army, and in the words of the president common to both partners recently even threatened to do so again (the president's speech to the Federal Assembly 10 December 1990!!!), can never be trusted on the basis of promises alone....

Briefly, the restructuring of the principles of joint defense requires the fulfillment of these conditions:

1. Decisions on all Slovak personnel questions and representatives of the Slovak Republic in joint agencies must be made exclusively by national agencies and national personnel administrations (promotions, decorations, naming to positions, etc.). That does not preclude service in the other republic.
2. Establishment of a national defense agency, which would directly administer the Slovak part of the army. This part would be composed of all units. The part of the rapid deployment forces could be placed for operational purposes under the joint command. Disputed conceptual questions would be resolved by an arbitration commission.
3. In adopting any laws concerning joint defense it will be necessary to prevent majorization (for example, the military doctrine) and the validity of these documents must be subject to ratification by the national parliaments.
4. The use of the army to resolve internal disputes may be determined on a national territory only by the head of state with the consent of the national parliament. The authority of the joint head of state would be narrowed down to making decisions when attack comes from the outside. No state-forming nation can delegate unconditionally the entire responsibility for defense to the supranational agency!

Our army in its present form is an effective means against the Slovaks' right to selfdetermination. Every nation has the right to be able to defend itself. It is the duty of the Slovak national representatives to create legislative guarantees against the repetition of the occupation by our own troops. Let us realize that nobody

negotiates with the defenseless, the defenseless are dictated to!!! Let us finally stop underestimating the army!

Fedor Gal on Slovak Politics

91CH0789B Prague PRACE in Czech 30 Jul 91 p 5

[Interview with Fedor Gal, leading representative of the Public Against Violence, by Jiri Kucera in London; date not given: “Talking With Fedor Gal on the Other Side of the English Channel About the Situation in Czechoslovakia: Believe in Yourselves and Work Hard”]

[Text] The leading representative of the VPN [Public Against Violence] took refuge in Great Britain for three months. We succeeded in catching Fedor Gal at our Embassy in London and persuaded him to answer a few questions.

[Kucera] How would you evaluate the political scene in our country after a break of two months and from a distance of 1,000 kilometers?

[Gal] Few people here precisely understand the problems in Czechoslovakia, but almost everyone with whom I have spoken knows that there is a danger that the federation will fall apart and that there is a strong wave of nationalism in our country. Naturally I was aware of this problem before I came to England, but I had no idea how sharply and negatively it is judged by the public in the West. Now that I am able to look at the problems worrying us, so to speak, from a distance, I would like to say this: I have become used to the fact that the 15-20 percent of the people, who are not horrified by the idea of the disintegration of the federation, are loud, aggressive, and intolerant, but I cannot get used to the idea that the remaining 80 percent of the people keep silent.

The second thing I would like to talk about openly is the fact that I am beginning to believe that the problems linked to the stability of our federation are not only Slovak problems, but also those of our partners in Bohemia and Moravia. I am alarmed that something is beginning to break even in the minds of the top Czech politicians. That some of them consider the future of the federation to be a lost cause; in my mind, this seems to be the most disadvantageous strategy at this time. It is time to clearly state the tasks that have to be resolved, it is time to clearly state who is who. There is no need to mutually scare each other as to what will happen in the future. Something must be done to prevent the federation from falling apart. And since I have spent 18 hot months in politics, I believe that some things are already abundantly clear, that some steps, which we must take in the nearest future, are obvious and bear no discussion.

[Kucera] Could you specify what has to be done at this time?

[Gal] The first problem is the situation on our political stage. In Slovakia there is timid talk about the necessity of creating a federal political party. We see the same timidity in the Czech countries. However, I don't believe

that this would be a concession or treason, I believe, quite simply, that it is unavoidable. It is a matter of creating a modern, well-functioning political power with a set program and high-quality, defined aims. The only question is who should create this party.

I'll be honest, I get pretty annoyed when I hear the way individual parties describe themselves. To the right, in the center, and heaven knows what else. Because those are empty words as far as I am concerned. Their practical political actions are important at this time. What their political representatives do in the parliaments and in the governments is important. Or what position they take in respect to solving key problems in our society. And there really are only two key problems in our society. These are the organization of the state—a new state and legal structure of the federation—and economic reform.

[Kucera] Please try to evaluate the Slovak political stage.

[Gal] As far as the present Slovak political stage is concerned, I am sure that the VPN movement has not changed its attitude toward these two key problems. It always supported a hard economic reform and a functioning federation. I am uneasy when I see how the other political parties and movements vacillate. I do not mean the SNS [Slovak National Party], which makes no secret of the fact that it wants an independent Slovak state, but I do mean, for example, the Movement for Democratic Slovakia, which put forward the concept of a confederation. What does a confederation mean in the present state? It is a transition stage toward the disintegration of a federation or a stage involving two independent states that wish to become a federation in the future. Nothing more. The KDH [Christian Democratic Movement] headed by Jan Carnogursky has similar problems. This group advocates a federal structure of the state, but I know that, in fact, there are strong separatist trends in its center. Such a strategy, in my mind, does not aim to seek a new state and legal structure, it is a strategy of power struggles.

[Kucera] How would you evaluate the situation in Bohemia-Moravia?

[Gal] Since I was critical of the Slovak political stage, I should also say a few critical words about the Czech political stage. The latter is very confused. The political powers responsible for implementing the programs that won them the election, are almost indiscernible. Their true political status is unclear. In my mind, it is not enough if the Civic Democratic Party declares that it is a rightist party, I would like to know whether its members also understand what it means to be a rightist party, and whether they identify themselves with this political platform. It is not enough if the Civic Movement declares itself to be liberal. I want to know how wide the dispersion is around this center, how strong the leftist factions are, how strong the people, who are inclined in the other direction. As a result, I find that the Civic Democratic Alliance is the only comprehensible political group of all

those that form the government coalition. This is a highly intellectual group, and as a result it has much less support from the public.

[Kucera] Our political stage is now beginning to crystallize. Which direction should one choose?

[Gal] A person has to be extremely sensitive, perceptive, and watchful of two sectors. First, what our leading politicians are doing. I really become worried when I hear Vaclav Klaus' harsh attacks against the prime minister of the Slovak government, Jan Carnogursky. (Editor's comment: This interview was conducted before Jan Carnogursky's statements in the French press.) Especially since I know that this attack was not preceded by any attempt to come to an agreement or to explain the problems. I am particularly worried when, from the same person's mouth, I hear a kind of resigned statement on Slovakia and the prospects for a federation. These people have a right to have doubts and they have a right to be worried, but the obligation to solve problems should be of primary importance for them. People are very sensitive to what they say. Second, the role of intellectuals in politics. This problem has turned into a very painful open question. I have given this problem much thought here in London. Those who say that a society only begins to be healthy when individuals do what they were qualified for professionally, are right. When they do what they do well! It is possible that many intellectuals have found a new profession in politics and are able to do it well. But the others should return to the universities, to research institutes, and to laboratories.

[Kucera] Where would you put yourself—back in politics or in the research institute?

[Gal] Look, it would be a tragedy if the future Slovak economists were educated by a group called NEZES [Independent Economists of Slovakia]; it would be a tragedy if the departments in Slovak universities were headed by people like Konsorin, for example; and it would be a tragedy if those who had something to say, and know how to implement it, did not do so. Our only hope at this time is to open the door of the establishment to young people, and I don't care whether they speak other languages, I don't care whether they have practical experience. We have to let them in. They will learn the rest through practical work. That is why I believe that intellectuals should take on the responsibility for their professional training. And not only for that. Our primary duty is to observe, reflect, write, and publish. That, too, is a way of taking an active part in politics. A person does not have to be a minister to take part. This is more or less how I see my own future, though I would not like to say that I will turn my back on politics.

[Kucera] What chances do you think the VPN has in next year's elections?

[Gal] The division of the VPN was itself a happy moment. People who did not belong to the VPN in regard to their thinking and political actions left with the Movement for Democratic Slovakia [HDS] and Meciar.

If the HDS got rid of its populism, social demagoguery, and tendencies to have a dominant personality, then it would become a vanguard for future social democracy. On the other hand, I believe that the VPN is the vanguard of a political party, which is extremely necessary. A party that will advocate liberal values, will address everyone who has decided to take his fate into his own hands, to follow the risky path of enterprise and of asserting himself against often stiff competition. As to the fact that we do not have wide support among the public—that means nothing to me. We did not have wide support for a while before the last elections, yet we won the elections. Apart from that, I do not believe that we are still aiming to win the elections. Our aim is to have a clear shape and to be active. To be where politics are made. I believe the questions of whether 5 or 15 percent of the population support us, is of secondary importance. As long as what we do makes sense. After all, the groups that will put the greatest emphasis on liberal values are just beginning to form. And it is good if a group exists that can provide them with an opportunity to implement their interest.

[Kucera] How did the three-month stay in London help you?

[Gal] It helped me try to clarify a number of questions. Here, in London, I tried to map out the political development in Slovakia after November 1989. Martin Potucka and I worked out a 30-page study—Slovakia on the Path Toward Democracy—which includes the typology of our political parties and movements. There are not many political groups in Slovakia that clearly advocate hard economic reform and a federal structure for Czechoslovakia.

Nationalist attitudes are no longer a problem of the political party a person belongs to. They are beginning to be a cross-sectional problem. Unexpected coalitions are starting to form. Parties, which have nothing in common, are beginning to unite. For instance, we have seen the Communists, the SNS, and Meciar's platform vote together on specific questions in parliament. I find this very dangerous. A year ago my friend, Lubomir Feldek, clearly talked about Slovak and Czech chauvinism and separatism. He said that while the Slovak type is extremely loud and rather ineffective, the Czech type is quiet but extremely effective. Let's face it, in Bohemia-Moravia one can still often hear: "So let them go." But this is an answer only to the 20 percent of loudmouths.

[Kucera] You said you did not believe that how you do in the elections and how many people support you is important. However, if you do not get into parliament, how will you influence, for instance, the acceptance of economic laws?

[Gal] It is important, and it isn't. Winning the elections for the price of cheap populism, winning elections to get power, seems to me to be extremely dangerous. The HDS is now mainly made up of people who are very rightist

oriented, but it also includes leftist factions. How can they describe themselves, and how can they appear as an integrated political power—even if they were to win the elections? Apart from that, I have the impression that the preelection campaign has already started. All of them would like to win the elections, and they know that they need the people's votes to do so. That is why they often hide behind theories, concepts, thoughts, and statements which are not supportable in our society, they are demagogic and undermining. I can only win the elections if I know what path I will take and only if I present it openly and clearly. Not by vacillating between the right and the left. It seems to me that this political vacillation has become a political strategy in Czechoslovakia. If the VPN defines its character and loses the elections, it would be better than if it loses this character and wins.

[Kucera] What do you think the upcoming elections will be like?

[Gal] Everything will be completely different. Look, in the last elections we practically did not know who and what we were voting for. The political personalities were unknown, with the exception of a few faces which exclusively had a symbolic value. The programs themselves hardly differed from one another. Two years have passed, and we have learned to make distinctions. We can tell them apart by the way they behave and we can detect individual steps behind the programs. We can detect the degree of intelligence of individual politicians. This means that in future elections individual parties will be offering different programs and personalities, whom we will already know, at the very least, from their actions in parliament and in the governments. But even so, I believe that these elections will still have some similarity with the last elections. People will again make their decisions not according to what they want but according to what they do not want. For example, in Slovakia people will have to ask themselves: do I want to return to socialism? Do I prefer social security to building a prosperous economy? Do I want an independent Slovak state, or do I want to be an equal partner with the Czech Republic in a functioning federation? Do I want to be a part of an integrated Europe? Or is an enclave of Slovakianism in the heart of the future Europe what I want? If I decide that I do not want this, I will be left with something that I cannot yet define as my political conviction, and I cannot clearly state that this is my expectation for the future of the state. But I will turn away from what I do not want and follow a path toward what I do want. But all of us must be aware what consequences our decision will have for the future.

[Kucera] You are probably right. But won't this mean that people will again act like easy-going creatures, who have heard for decades "work, work, one day you will be better off"? Aren't you afraid that people will be seduced by pleasant-sounding programs promising social security now—with no waiting?

[Gal] If politicians and economists cannot succeed in persuading people that social securities are sheer nonsense in a nonfunctioning and nonprosperous economy, then they should not hold the positions they have. But you are right that there are two major problems, which people find frustrating. One of them is fear of the future; they know that they will have to compete, and very few are prepared to do so. And the second fact is that they know that so-called old structures have survived and they wish they no longer existed, they wish they could break them up and create new conditions for a dignified life. However, we should realize that these two problems go hand in hand. Until we rid ourselves of our fear and enter the ring, even in the knowledge that it may be a life-threatening adventure, the old structures will happily continue to exist. The people who do this will be the ones who own the enterprises and will have capital and power. But I am an optimist on this point, and I believe in our people. People search for security. What is security? Security for an intellectual is that he can think, write, and speak freely; security for an entrepreneur is that he can transact business and that he can dispose with his assets as he sees fit; and security for the citizen is that he has rights. Security for a farmer is that he can own his own land.

[Kucera] You are right, but these securities are not yet operational in our country. The complex creation of such securities is just beginning. What advice would you give to those people who are seeking these securities? What direction should they take?

[Gal] People must rid themselves of their terror of the future. Because unless they get rid of it, a situation really can develop that will ensure that life in our country will not improve. I cannot promise blue skies starting today, and anyone who does promise this immediately, is an outright liar. The one thing that all people must realize is this—you must believe in yourselves and work hard.

Ivan Carnogursky on Slovak Economy

91CH0794C Bratislava NARODNA OBRODA in Slovak 29 Jul 91 p 3

[Article by Ivan Carnogursky, deputy chairman of the Slovak National Council: "Politics and Economics"—first paragraph is NARODNA OBRODA introduction]

[Text] In our editorial office we received an article on an interesting theme. It is contained in the title of the article which we are publishing: "Politics and Economics." Interesting, because without doubt in the entire history of mankind—at least in its civilized stage—these two areas of societal activities have always been closely connected and interdependent. One without the other could not exist, one always used (as well as misused) the other to better push through its position; a really golden age of full symbiosis of these two phenomena of human activity has never been attained (indeed, not even the one in Ovid's *Metamorphoses*), it has always been a struggle and a violation—by politics of economics one

time, by economics of politics another time. The history of political dictatorships ruining the economy, and economic dictates suffocating an indefatigable effort to humanize politics, is sufficiently eloquent proof. In this long struggle for the mentioned ideal of symbiosis we never—in the words of an ancient philosopher—step into the same river twice. There is always a new situation which must be carefully and wisely analyzed and resolved. Politicians and economists, believing, I suspect, that history is indeed the unconditional teacher of wisdom, search for their models in past experiences. Maybe Minister Klaus in Rasin and the pre-Munich republic, Ivan Carnogursky, deputy chairman of the Slovak National Council, in Zatka, Karvas, and the Slovak State; everyone sees himself in something, everyone is determined by something, others maybe also in more recent historical turmoils. Democracy—that is discussion, said Masaryk, and if we want more democracy, there is certainly need for more discussion. And so we are giving space to Ivan Carnogursky's initiative and are giving you his view of this long-standing (and eternal) Gordian knot of human history. We believe that this will spur a shower of stimulating contributions for discussion, which we shall be glad to publish....

Recently I took part in the search for the great magus for the Slovak Ministry of Finance, and I impatiently waited for at least one clear idea on how we shall give the Slovak economy the dynamics so highly necessary to jumpstart it. I must confirm a certain disappointment on the part of all who participated in the discussions, because in the final elimination round not one of the neophytes had any ideas that would take us out of the vicious circle of our 40-year-old economic past or theoretical knowledge how to regulate the economy through monetary policy. Knowledge, which in the twenties Masaryk's Minister of Finance Rasin successfully used by strengthening the Czechoslovak koruna in relation to Western currencies, but at the same time by bringing on the worst economic crisis which meant unemployment for millions and the collapse of a considerable part of the industry. It seems obvious that the current captain of federal finances, Mr. Klaus, veritably sees himself in his historical predecessor, and some of the top Slovak economists in turn see themselves in Klaus.

The situation is further complicated by the fact that attaining leading positions in banking and finances during the past 20 years was subject to and forced by servility toward the Czechoslovak Communist political leadership, membership in that party, and obedience to orders from the CEMA central office in Moscow.

That can also explain the total absence of professional economists from discussions before the collapse of the communist regime, which, thanks to Gorbachev's perestroika, mostly dealt with the economy. In contrast to political and religious dissidents, we have no economic dissidents. I hope that this will not offend the comrades who were relegated to the sidelines by their own party in the seventies, and who, alas, never went beyond

defending socialism with a human face and its democratized, but still state-run command economy.

In the press from the years 1988 and 1989 we find every day many simplistic views of politicians, laborers, as well as philosophers on the shortcomings of the economy of those days, but we almost never find expert economic analysis.

Our Slovak economy did not shake free of the grip of spiritual deformation by the communist ideology and practice. In the past it succeeded in dividing that which the West designates as businessmen into a privileged directing body of theoreticians, and a second-class, albeit necessary, so-called executive enterprise sphere. The top echelon managed to completely lose in 20 years any feel for efficient management and working of the Slovak economy. Even when its individual chieftains immersed themselves in world economic theories, they did not find a response in the party-appointed comrades directors. In contrast, comrades enterprise-captains conducted themselves very much in the spirit of the system. They did what the political system asked of them, and not one iota more.

The politicians of the Slovak State had the luck that the management of the economy was undertaken by two luminaries—Imrich Karvas and Peter Zatko. Although they found themselves in a totally new economic situation, they did not imitate the inapplicable and managed to mobilize Slovak resources and Slovak entrepreneurial spirit.

The Slovak economy again needs, this time with a measure of market efficiency, to put the wheel of investments in motion. Most economists cannot imagine that happening without foreign capital, and, on the other hand, our banks, savings banks, and insurance institutions do not know how to increase the value of the deposited funds and their own capital. It is up to the minister of finance and the government to break this vicious circle by their own decisions.

Nothing prevents us from making it possible for construction enterprises to take out hundred-million-koruna credits and buy from the existing state investors unfinished residential construction, and then themselves sell it as finished apartments to customers. They will do so if the state takes upon itself a substantial portion of the interest and also if the state defrays the interest on the credit of citizens who borrow money to buy apartments. In various analogues, the residential construction in Austria, Germany, and the Scandinavian countries is based on a similar system. One of the policies used is to make these investments deductible from the citizens' income taxes or business income.

The state should support investments by entrepreneurs, citizens, and enterprises. Then it will not be worried about social unrest or a drop in its revenues from the turnover tax. The state must regulate and direct investments according to its specific conditions. One yardstick should apply to Prague, another to Michalovce. We are

sorry, if Mr. Klaus is not versed in these economic principles, he can lecture at a university in Washington but he cannot interfere in the economy of Slovakia.

Let him take an example from Minister Rasin, and the Slovak minister should take an example from Karvas and Zatka. Economy and politics have been and are specific to the country where they are practiced. That is why even poor countries grow rich and some rich ones are ruined. Slovakia needs to grow rich.

Czech Weekly on Slovak Home Guard

91CH0789C Prague RESPEKT in Slovak 22-28 Jul 91
No 29 p 2

[Article by Milan J. Zitny: "Fear and Calculation: The Slovak Home Guard"]

[Text] The commotion caused by the chairman of the SNR [Slovak National Council], Jan Klepac (KDH [Christian Democratic Movement]), at its last plenary session when he proposed establishing a home guard on the territory of the Slovak Republic, will apparently continue for some time and will probably become a new source of tension and escalate the distrust between Slovaks and Czechs, or, to be more explicit, between separatist groups and the supporters and the federation, regardless of nationalities or political convictions.

Leaving aside the similarity, which is not accidental, with the Slovak National Army of the 1930's, and the present Yugoslav example that clearly indicate the role a home guard could play in the near future in Czechoslovakia, it is worth noting several interesting factors. This ill-omened proposal appeared at a time when the process of passing a law on a referendum was coming to a head in the Federal Assembly. In this context, the demand for a home guard could be considered either to be a further expression of the constant fear, or the inferiority complex of exalted Slovak patriots, or a deliberate, timely provocation aiming to introduce a new destabilizing element into the passing of the referendum and to evoke an appropriate reaction on the part of the Czechs. One could get the feeling that Czech nationalism and separatism are growing too slowly and not dramatically enough, that they do not match those in Slovakia, and the covert entity in the background is beginning to get impatient. The belief that a home guard is necessary, however, will most likely be the result of two trends, irrational fear and rational calculation, that specifically aim to break up the state.

It is worth noting which political figures supported Klepac's proposal. The minister of the interior of the SR [Slovak Republic], Mr. Pittner (KDH) justified his positive attitude with the need to increase the security of the Slovak Republic. But if we remember that his department is responsible for internal security for Slovak citizens, then he indirectly admitted that he is unable to carry out his task in a satisfactory manner and, at the same time, he puts in doubt the army's function and ability to act as a federal agency, and thus demonstrates

his political position which, in this case, is about the same as the position taken by the SNS [Slovak National Party] and Vladimir Meciar (HZDS [Movement for Democratic Slovakia]).

The manner in which the proposal for a home guard was put forward also indicates the disintegration of the long-proclaimed unity and stability of the KDH [Christian Democratic Movement]. The reaction of the leader of the group, Jan Carnogursky, to Klepac's statement indicates that members of the KDH were not consulted on the question of establishing a home guard, that is, the proposal to establish it, and Mr. Klepac was acting on his own. Obviously this makes public the conflicts between the nationalist and democratic wings in the Christian Democratic Movement. This split, which has been kept hidden from the lay public for a long time, could play a key role in the political aspirations not only of Jan Carnogursky, but also of the present Slovak coalition during the process of passing a constitution. Following the weakening of the VPN's [Public Against Violence] position in society and in parliament, and following a similar event in the KDH, the coalition is in danger of becoming a minority in parliament, and it is not certain that they will even have the 33 percent necessary to block the proclamation of an independent Slovak state, a possible confederation, which, in the end effect, will be a certainty.

Parliamentary vacation appears to bring peace to political life. But we can expect that at the beginning of fall some politically oriented individual will submit a proposal for a law to establish a Slovak home guard. It will be interesting to find out what financial resources will be needed, and from where he intends to get them for this purpose. That will tell us how strong the "internal and external enemy" of the Slovak nation is.

Bratinka on Political Forces, Federalism

91CH0796A Prague RUDE PRAVO in Czech 26 Jul 91 pp 1, 13

[Interview with Pavel Bratinka, chairman of Civic Democratic Alliance, by Vladimir Divis; place and date not given: "In the First Place I Feel I Am God's Child"]

[Text] Deputy Pavel Bratinka, chairman of the right-wing Civic Democratic Alliance, ranks among the most active Federal Assembly deputies in regard to the so-called de-Bolshevization. Prior to November 1989 he worked in the area of physics dealing with solids. For political reasons he was subsequently compelled several times to change his occupation. In 1977 he signed a protest letter by 55 Catholics against persecution of believers and of the church. He also signed the Charter 77.

[Divis] At a recent Civic Democratic Alliance [ODA] press conference there was hypothetical talk, in connection with the existence of the Federal Security and Information Service [FBIS] and its subordination to the government, about what might happen if per chance the

Sladek crowd or KSCM [Communist Party of Bohemia and Moravia] should win in the next elections. You suggested that such an alternative should be excluded beforehand.

[Bratinka] In reference to this your paper wrote that my demand was for making it legally impossible for both these parties to win the election. This is of course a total distortion of what I actually said. I was then responding to your question whether subordination of FBIS to the government might not be a dangerous thing if the Sladek crowd should become the election victor. My answer was that in such a horrible eventuality the Sladek people would likely arrange things their own way, without regard to what was before. After a while I also added that I cannot agree when the sole danger is seen in a possible election victory of the Sladek crowd and that I would regard also an election victory by the Communists as a disaster. Toward the end of the press conference I emphasized that it makes no sense to confront the danger of the state being seized by extremists through weakening the state in the hope that should the extremists win, they would inherit only a weak instrument. Not only would the extremists promptly reshape the state according to their ideas but moreover a weakening of the state would only make it more likely that they would gain power.

So what I propose is that parties whose evident goal is to deprive the people of their rights—as defined by the relevant international agreements—should be placed outside the law. In the draft of a law on political parties now before the Federal Assembly there is an article to the effect that parties acting anticonstitutionally to overthrow the democratic order are not allowed....

[Divis] Do you believe that today's communists are striving to overthrow the present regime?

[Bratinka] It depends on whom you have in mind. Within KSCM there are a number of groups which significantly reduces the transparency of this force. Of course we find there are also people who are not out to dislodge the government, but also those pining for a return of the old times. I have in mind the old Stalinist guard.

[Divis] Do you regard the Czechoslovak Communist Party [KSCS] as a whole as anticonstitutional?

[Bratinka] From the point of view of the legislation I mentioned I do not place it in the anticonstitutional category. But at the same time I believe that within the KSCM there is a noticeable current which may be so categorized. For the time being it is not playing the dominant role in KSCM. However, should that come to pass I would reverse my opinion.

[Divis] You personally as well as other ODA members are fighting vigorously for a so-called de-bolshevization of our society. How many former Communist Party members have you admitted to your party?

[Bratinka] Until now about seven. With two exceptions they were in the Party around 1968.

[Divis] You became prominently engaged also in the screening [lustrace] of deputies. How would you handle it if you were to receive the following information: Two Federal Assembly deputies independently of each other passed secret documents on to foreign intelligence services, one deputy to the Soviet KGB, the other to the American CIA...?

[Bratinka] I would react the same way in both cases....

[Divis] This means that you evaluate each of these acts in absolutely equal terms?

[Bratinka] By no means. I regard an information leak for the benefit of KGB as a very unfortunate affair harmful to our interests. As concerns CIA, I would not regard it as a terrible thing even though it would violate the law.

[Divis] As a deputy chairman of the Federal Assembly's foreign affairs committees how do you view the assurances of the deputy minister of foreign affairs and your party colleague V. Wagner, and ultimately also of Minister Dienstbier, that in our diplomatic services there are no longer operating and will not operate officials of the interior ministry and FBIS? This would make us unique in the world....

[Bratinka] This can never be excluded completely. There are written as well as unwritten rules. The effort to obtain information cannot be condemned. More important is what purpose is to be served by it. Therefore I take a calm view of espionage. I believe that Mr. Minister Dienstbier and his deputies have mentioned particularly the incompatibility of old State Security structures with the mission of diplomats. In practical terms I would not exclude the possibility that there may again be in the future intelligence officers working in our embassies. Of course we will not send them to friendly countries to avoid antagonizing their government. That would be a major mistake.

[Divis] If today you were to become the foreign minister, would you regard it as sufficient that in 20 months around 40 percent of the diplomats have left the ministry?

[Bratinka] This result I would obviously find unsatisfactory. I have a number of disturbing reports on the situation in the Czernin Palace about which I have sought to inform the parliament. Unfortunately no one has paid attention. Therefore I have resigned for the time being because I cannot fight on 10 fronts at the same time.

[Divis] Recently you mentioned the so-called chaotic parties which in your opinion have a chance of getting around 20 percent of the vote. Whom did you have in mind?

[Bratinka] It could be some people speaking for Moravia, also the Greens whom I regard as a strange group, but Sladek's Republicans too and other groupings hard to identify.

[Divis] How in this context do you view the Social Democrats?

[Bratinka] By all means we rank them with the solid left, even if this party gives me the impression of being intellectually exhausted. Nevertheless I believe that it can win the support of up to 20 percent of the electorate.

[Divis] Whom do you regard as the main adversary of the emerging right-wing bloc in the 1992 elections?

[Bratinka] It will be evidently a broad left-of-center coalition which will evidently adopt a liberal social label.

[Divis] How do you look forward to cooperating in a coalition with Messrs. Bartoncik, Sacher, and other pre-November People's Party figures?

[Bratinka] The People's Party does not consist solely of Mr. Bartoncik or Sacher. Much depends on how the situation there will develop, what spirit will prevail. Decisive will be whether the current represented by them will play a dominant or marginal role. There is an intense struggle going on within the party and so all conclusions are necessarily premature. If it will become the condition for bringing together a broad ruling coalition of the right that it include the People's Party including Bartoncik and Sacher, we will of course have no choice other than reconciling ourselves to it. Turning down the People's Party only because of a few individuals and thus denying ourselves for instance a possible right-wing majority in the parliament would be shortsighted. To me the much more important thing is to prevent the Left from coming to power in this country.

[Divis] Do you believe that this is threatening to happen...?

[Bratinka] Well, we have not won as yet. The Communists will gain about 10 percent, together with the Democratic Left and other left parties, 30 to 35 percent.

[Divis] Some of the better known ODA members concede that they have given preference to your miniparty solely out of concern about the limited intraparty democracy and rigid internal discipline in Klaus's Civic Democratic Party. But ODA with barely 300 members does not really recommend itself to right-wing politicians as a serious alternative. Or does it?

[Bratinka] Our desire is for one strong, solid party of the right. But that would have to encompass a variety of currents which put emphasis on different aspects. This is the case for instance in the British Conservative Party. The faces of parties of the right which could be present at the birth of one large united party are moreover often marked by the rather different conditions in which they were born. ODA has existed for nearly two years, the Civic Democratic Party [ODS] only for three months.

Therefore issuing any profound judgment on its is something I regard as quite premature.

[Divis] Yet the prevailing opinion is that Vaclav Klaus has become such a strong personality as to leave little free room in his immediate vicinity for other individuals or some prominence.

[Bratinka] We reckon with the alternative of going into the elections independently, should it become necessary....

[Divis] But the actual public opinion polls give you virtually zero of a chance.

[Bratinka] Within a month we jumped from zero to three percent. There is still a year until the elections and moreover we have not yet begun a pre-election campaign.

[Divis] Already a few times you have emphasized publicly that your citizen identity card lists you in the nationality column as a Slovak. In case the federation breaks apart, would you move back to Slovakia?

[Bratinka] I feel I am in the first place a citizen of the entire republic. Should Slovakia decide by referendum to break away, I am for maintaining continuity of the CSFR on the territory of the present Czech Republic with all obligations, claims and debts. If the Slovak Republic becomes independent, I would view its future in very bleak terms. First of all I would try to move my father and my brother's family to the Czech lands. My wife is Czech. As a Catholic I feel that in the first place I am God's child, with everything else coming far behind. Then follows the European, then the citizen of Czechoslovakia and only in the last place the fact that I was born in Slovakia. I should like to add only that in case the state breaks apart Slovaks will enter history as the first nation which because of a desire to have a state purely of their own weakened and ultimately broke up a democratic state precisely at the moment when it was capable of offering them the most ideal conditions for developing their national identity.

[Divis] Thank you for the interview.

Slovak Press Argues Over Bratinka's Federalism

Christian Democratic Commentator

91CH0797A Bratislava SLOVENSKY DENNIK
in Slovak 30 Jul 91 p 3

[Article by Marian Dudinsky: "'Slovak' Pavel Bratinka—God's Child...."]

[Text] Sometimes it seems to me that Masarykist irredentism has cut in the minds of some also-Slovaks a furrow so deep that they are no longer capable of thinking beyond it. If it is the Czechs who think and act according to the "Good Father" philosophy, that is something I can understand because they have been deliberately educated in it from the very beginning of the

republic. But if it is a Slovak advocating Czech irredentism while ostentatiously affirming his nationality, then my logical question is what is his purpose in doing so? Indeed, professing allegiance to a nation and at the same acting as member of an ethnic minority in one's own state requires a healthy dose of denationalization.

It is precisely among these minor figures fated to disappear any moment in the abyss of history that we find also the esteemed deputy of the Federal Assembly, chairman of the Civic Democratic Alliance [ODA], acclimatized burgher of Prague and Czech speaking "Slovak"—Pavel Bratinka. In Friday's interview for RUDE PRAVO he almost programmatically confesses his love for federation as well as abhorrence of Slovak nationalism. I could forgive my Christian brother Bratinka his lack of information caused by his life in a specific chauvinistic environment which has evidently deformed him, but it offends me when in his purposeful "de-bolshevization" philosophy he concedes only Slovakia's breaking away from the CSFR and never the other way around. Some recent Czech activities aiming at an independent Czech crypto-state are indeed more than evident. Only a "Slovak" whose statesmanlike "acumen" and equally ostentatious Europeanism can be envied by many a federal Slovak or Czechoslovak knows nothing about this, but an eventual Slovak independence toward which Slovakia is being pushed precisely by politicians of his sort, he views "in very bleak terms."

For the eventuality of Slovakia breaking up the beloved CSFR he already has his own emergency plan: "First of all I would try to move my father and my brother's family to the Czech lands...." And what does Pavel Bratinka say as a Catholic? "As a Catholic I feel that in the first place I am God's child, with everything else coming far behind. Then follows the European, then the citizen of Czechoslovakia. I should like to add only that in case the state breaks apart Slovaks will enter history as the first nation which because of a desire to have a state purely of their own weakened and ultimately broke up a democratic state precisely at the moment when it was capable of offering them the most ideal conditions for developing their national identity."

So much from the chairman of one Czech miniparty which would like to get into the government, albeit on a wave of primitive chauvinism. But I, as a Slovak having proper respect for the Czechs though never at the expense of my own national pride, can only thank Pavel Bratinka for the candor with which he documented how easily this "God's child" surrendered his national identity. His concern over a breakup of the democratic "non-hyphenated" state which will surely throw us Slovaks far into the Balkans is touching, but rather less sincere. A future independent Slovakia, legitimately accepted by Europe, will surely remember how uniquely but not at all originally Pavel Bratinka has already now entered history.

Public Against Violence Commentator

91CH0797B Bratislava VEREJNOST in Slovak
31 Jul 91 p 2

[Article by Peter Duhan: "A Slovak in Quotation Marks"]

[Text] I enjoy reading SLOVENSKY DENNIK. I enjoy polemics with a different opinion. But this has one important prerequisite: to maintain a measure of tolerance. Alas, yesterday's edition of the KDH [Christian Democratic Movement] daily carried an article written by Marian Dudinsky, "Slovak Pavel Bratinka—God's Child...." after reading which I felt a whiff of disrespect for the person, intolerance of his views. Scornful derision, unseemly irony and—may the author permit me—boorishness as well. For it is my conviction that nationality is not everyone's "lifetime profession." I do not see it as a reason to disparage such a person or to cast doubt on his free will or the hierarchy of values which he created himself and which has [words missing] also with his nationality.

If SLOVENSKY DENNIK manages to tolerate those who vehemently defend the idea of Slovak independence, it should equally respect a man who "...programmatically confesses his love for federation as well abhorrence of Slovak nationalism." Really, a belief in federation does not mean that Mr. Bratinka (we continue talking about him) cannot be at the same time a good Catholic, a deeply religious person affirming faith in the principles and morals of Christianity. Is there then some other Slovak Catholic criterion? Is confessing one's love of federation tantamount to Godlessness and does it mean subsequent excommunication because it involves a heresy worthy of burning Pavel Bratinka at a Slovak stake?

Marian Dudinsky disparages a man who has merely expressed his opinion. Nothing else. Or is it so that two brothers in Christianity, Bratinka and Dudinsky, have

gone so far that one has cast the other's opinion to the abyss of hell? The ironic context of the entire article which maliciously tars P. Bratinka with a "beloved CSFR" consequently disparages the author himself. "Beloved CSFR" is not an infectious disease or an advanced stage of leprosy, and those professing this love need not be condemned.

Then too the conclusion of the journalistic pearl knocks your breath out: "A future independent Slovakia, legitimately accepted by Europe, will surely remember how uniquely but not at all originally Pavel Bratinka has already now entered history." To tell the truth, after this lecture if I were in Pavel Bratinka's shoes I would move my father and my brother's family to the Czech lands immediately. In fact I realized that one Catholic is not like another Catholic. That is, he is not a Catholic who opposes separatist tendencies in Slovakia. I have the urge to ask Mr. M. Dudinsky how he views Protestants of the Augsburg Confession? I happen to be one of them. About Masaryk as also Stefanik I learned snippets of truth from my family in childhood and later. But I never felt I was a "Czech irredentist."

One more detail. Pavel Bratinka is indeed chairman of the Civic Democratic Alliance. Its "miniature" size (as M. Dudinsky characterizes it) does not however mean that its policies are unimportant. Its members sit in the Federal Government, the Czech Republic government, the Federal Assembly and the Czech National Council. Perhaps it suffices if I note that ODA has presented to the Czech Republic government a comprehensive public health program which is already being put in effect, and that it has initiated a good deal of other legislation including social.... Let Mr. Dudinsky judge whether this is rather little. I am not at all sure that the kind of article to which I am responding belongs on the pages of SLOVENSKY DENNIK. This is a newspaper of Christians, Catholics. Their faith is not an exceptional one. It is the same as in Austria, France, or Italy.... At least this is what I think.

Minister Pungor: R&D Ideas, Not Money, Lacking*91CH0844B Budapest REFORM in Hungarian
25 Jul 91 pp 6-7*

[Interview with Dr Erno Pungor, minister without portfolio and chairman of the National Technical Development Committee (OMFB), by Attila Samu; place and date not given: "They Submitted Something and Dared To Call It a Proposal"]

[Text] Rumors are that the "little tigers" from Asia spent the highest amount of money on research and development when their economy was at its deepest point. Thereafter they got wherever they got, somewhere at the leading edge of the world. In Hungary, however, virtually all research institutions are crying like—God forbid!—tiny church mice, they don't have money, they don't have this or that. Is this really true? Dr. Erno Pungor, minister without portfolio and OMFB chairman, discussed this matter with REFORM.

"The claim that there is no money is greatly mistaken at least insofar as the research institutes are concerned," we were told by the internationally acclaimed professor of analytical sciences. "In accurate terms they could say that there was little money in Hungary for central and state R&D functions and at the same time they should also state that the utilization of even this small amount of money ran into obstacles because they did not have enough feasible ideas. And this is the real catastrophe. In the framework of the OMFB competitive system we reached a point where we cannot accept about 80 percent of the proposals submitted simply because they cannot be regarded as proposals.

[Samu] Just whom are you qualifying by claiming this almost 80 percent failure rate?

[Pungor] Obviously those who submitted something and dared to call it a proposal. I will note here that those who proposed the "development" of things that may be obtained on the street or that are even worse than that also qualified themselves.

[Samu] Could you reveal the extent to which you are able to effectively represent the above-mentioned areas in Cabinet sessions?

[Pungor] Insofar as I am concerned I would prefer to see an improvement in the efficacy of R&D first. At this point we find ourselves in a situation in which we can award 1.5 billion forints of the available 5 billion forints, if we are generous. And this is the problem, notably that every complaint may be translated into Hungarian by saying that we do not have enough feasible ideas.

[Samu] You know, it's interesting that at this time researchers come to you for money, while previously you were sought out by heads of governments. For example, Miklos Nemeth paid a visit to you at the Technical University, perhaps because he wanted to "sneak" you into the government.

[Pungor] He did not want to sneak me in; he offered to me the position of industry minister. But I did not accept that offer even at the request of Prime Minister Antall because I was not competent in that field. In the end he asked me to chair the OMFB and I agreed to that.

[Samu] Forgive me, but you got what you deserved; your upstairs neighbor rang your bell—since you live in the same building as the prime minister.

[Pungor] Look, this is nonsense. First of all he is not my upstairs neighbor but my downstairs neighbor. They had been looking for me earlier and I discussed the research field with a host of people. Moreover, despite the fact that the prime minister and I have been living in the same building for 21 years, we did not run into each other often, not even in the stairway. Very simply, our time schedule was different.

[Samu] On the other hand you were exempted from being accused of lacking professional competence, because even as an academician you were able to view the prevailing cabinet from the inside. Is this a cabinet of experts?

[Pungor] A cabinet of experts cannot rely on parties, at the same time the present cabinet consists of members of the three parties and of a few party outsiders. Despite this, I respectfully submit that whoever claims that this cabinet has no expertise is a liar. This is an overall comment of a kind that I do not want to detail.

[Samu] For quite some time the OMFB functioned without a chairman, and now a strong man was put in charge—it seems that way at least. Elsewhere we find an estimate: 15 percent of the Hungarian researchers who accepted jobs abroad have indicated that they had no intention of returning home. Could it be true that they are afraid of "the" Pungor?

[Pungor] Come on now, just look at me! They are much rather concerned about not being able to make a living out of the salaries they receive at universities and institutes. Other than that, their Hungarian institutes are not appropriately equipped; they are attracted to foreign countries by the equipment and the appropriate value placed on research. I know of two kinds of brain drain. The one that can be reversed, i.e. when someone goes to do research at an institute with appropriate parameters, trains himself constantly, and returns once the conditions that have evolved in the meantime are established at home. And then there is the irreversible brain drain. This happens when a young researcher works under the supervision of a bad leader and a fear of competition evolves. This manifests itself in a situation in which the leader pushes under water the unfortunate talent until that talent drowns in the water. Unfortunately the latter process occurs more often in Hungary.

[Samu] The assessment of the performance of researchers is a hit topic nowadays in Hungary. What is your view of the equivalence reference index, of scientific grades? In general, what could serve as a yard stick?

[Pungor] Exclusively the end result in terms of developmental work. Basic research is another matter, but even there one should not make a fetish out of the number of instances a researcher has been cited. And I believe that in principle the system of titles must by all means be related to functions and performance.

[Samu] And what is the situation in Hungarian practice?

[Pungor] The two things cannot be related if in earlier days a person received his appointment on a buddy-buddy basis, so to speak. You better ask a wise woman from Buda whether many or only a few such appointments were made or bequeathed to us, because it would be meaningless to say something about a technical person without making a specific assessment.

[Samu] And yet, for example, you made statements earlier according to which "...some of our university professors are unsuited to conduct serious research or development...." Don't you think that your fellow professors will be offended sooner or later?

[Pungor] Proposals that make sense may be submitted by anyone, and everyone has a chance to receive resources, and thus the crisis may be dispelled. But how can a person be offended if he is unable to submit a sensible proposal? I am convinced that the financial crisis of those who complain is caused primarily by their intellectual crisis. And otherwise, it is life, not me, who qualifies these persons.

[Samu] These persons, who despite this fact continue to be university professors even today.

[Pungor] It will be possible to resolve all this in the framework of a general higher education and research-reform program without downgrading academicians and university professors, without breaking lives in half. We must build parking lots in which these persons are able to be capable of working commensurate with their own level of competence.

[Samu] And are you already building these parking lots?

[Pungor] Ask this question from the rest of the ministers....

Government Opts To Keep Volunteer Police Force

91CH0817A Budapest BESZELO in Hungarian
3 Aug 91 pp 8-9

[Interview with Deputy State Secretary Laszlo Korinek and Istvan Szikinger, head of the police and border control division, by Sandor Revesz; place and date not given: "The Alarm Bells Would Be Ringing Part II"—first paragraph is BESZELO introduction]

[Text] We concluded the first part of our conversation by discussing volunteer civil defense groups. At one of his press conferences last year, former Minister of the Interior Balazs Horvath made it clear that "under no circumstance should volunteer groups of citizens be regarded as

the successors of the former Workers Guard or of the 'volunteer police' movement, which became attractive mainly because of its proximity to power." (My emphasis—S. R.) In a May 1990 NEPSZABADSAG article Laszlo Korinek mentioned the volunteer police as part of the police's paramilitary auxiliary force. Effective 1 June 1990 Balazs Horvath suspended the decree providing for the compensation of volunteer policemen. In the fall the Interior Ministry and the National Police Command [ORFK] submitted a proposal to the government according to which a volunteer police institution could not be sustained in the future. We all believed that the volunteer policeman was a thing of the past. We were wrong.

[Revesz] There are more than 30,000 people of superior quality in Hungary still authorized by decrees in force to demand that their fellow citizens of lower quality prove their identity, and to arrest and take such citizens to the police station. These are the volunteer policemen. Until last April I thought that this was true only in theory. But last April the national chief of police issued a circular calling for the reactivation of the volunteer police corps that served in earlier days. The proposed law on police I know of does not even call for the repeal of decrees which deal with volunteer policemen. How should we interpret this?

[Korinek] We should take a thorough look at the circular issued by the national chief of police to see what exactly he had to say. According to my recollection it contained something to the effect that there exists or there might have existed groups whose maintenance was requested and initiated by the populace, or in given instances by autonomous local governments. But this matter should be clarified in the interview with the national chief of police. Disbanding a well functioning volunteer police group would not have been desirable just because people in Budapest held an adverse view of the volunteer police movement as a whole. But as far as I know—and this should be checked out—the authority of volunteer policemen has been significantly restricted, they obviously are no longer authorized to make identity checks, they cannot wear arm bands, etc.

[Revesz] Why not? The circular makes reference to the old decree, I am unaware of any new decree.

[Korinek] This issue must be examined in detail. I regarded this as a peripheral issue, and you see, the National Police Command [ORFK] has been removed from the ministry to such extent that on occasion such circulars do not even reach my desk. I repeat, inquire at the national chief of police.

[Revesz] I see. Last January Minister Boross made a statement to MAGYAR NEMZET according to which "a number of actions were taken in late 1989 and early 1990 to restrict the authority of police. This...was understandable under the prevailing power conditions but now we must reconsider some of these." What measures must

be reconsidered, and what measures need not be reconsidered, the way the Interior Ministry sees this matter today?

[Korinek] I am unable to improvise an itemized list, but I believe that the legislative proposal you have reflects the ministry's position. Here is a specific example: We received indications from an informer according to which foreign citizens would provide weapons to Hungarians, pending another telephone report. There simply is no time to intercept this telephone report because of the time the licensing process consumes. Although we are averse to the use of such secret means, these too are part of criminal surveillance work, and I do not believe that citizens would be reluctant to grant this authority if they were to vote on this subject. This would be limited to the rather narrow scope of grave crimes enumerated in the legislative proposal, of course.

[Revesz] The law permits this, for example, in regard to any crime "against property committed in series or in an organized fashion," and this could involve even a simple pickpocket.

[Korinek] Well, the crime must be pretty grave before the use of such means could be considered.

[Revesz] Your proposal states that a judge appointed by the president of the Republic decides within three work days whether to authorize the use of special means, but if the interest of the investigation so demands, any police chief may issue an advance and temporary authorization which then would either be confirmed or denied by a judge, and if denied, things must be destroyed—I assume the record of a secret search of premises—and the tapped conversation must be forgotten. Do you regard this after the fact judicial guarantee to be strong enough?

[Korinek] I do not believe that this presents a real threat. In my view, when independent Hungarian judges recall the Duna-gate affair and other incidents they will thoroughly scrutinize such requests. And a single instance in which a police chief authorizes the use of special means without appropriate foundations would set a precedent after which they would be very reluctant to use special means.

[Revesz] The legislative proposal enumerates the special kind of data the police may collect based on judicial authorization. Information concerning "racial origin" and "national and ethnic belonging" are among this data. How many kinds of racial origin could a person have, based on the present view of the ministry? And further, how could one collect data concerning national and ethnic belonging while observing the fundamental human right which holds that a person may be regarded as a member of one or another nation or ethnic group only on the basis of his own will and testament?

[Korinek] The listing of this data is based on a recommendation by the Council of Europe, but my colleague, Istvan Szikinger would be able to provide a more detailed response.

[Szikinger] As contained in our legislative proposal, provisions concerning the handling of data, correspond with the provisions of the legislative proposal on the protection of data. The Council of Europe has issued a recommendation concerning data processing by the police, and this too is based on laws designed to protect data. Quite obviously one cannot dispute the fact that either religious conviction or ethnic descent may become a factor in specific criminal acts. In this instance, the law attempts to rule out the possibility of establishing any kind of category, of let's say establishing categories on the basis of ethnic origin, but such data is indispensable in regard to certain criminal cases, particularly to the ones which relate to a given community. The police would be hard put to disregard the fact that a Satanic sect exists which in an alliance with Satan has as its goal to destroy people. General constitutional guarantees do not clarify the manner in which the police could uncover the commission of specific crimes against society, like for example in this instance. I will stress, however, that this does not constitute a general authorization, it is valid only in regard to a given case.

[Revesz] During the past weeks contradictory statements were made concerning rules governing weapons use. Colonel Nemeth, the deputy director in chief for public security of the ORFK said that the director in chief for public security reminds the personnel in the form of a decree to strictly observe the rules for weapons use, while Andras Tuross, the director in chief himself talked about relaxing last year's action which restricted weapons use. What restrictions are there to be relaxed?

[Szikinger] None, whatsoever. This is probably a misunderstanding, or perhaps the director in chief's statement is inaccurate. At issue is not the relaxation of restrictions, but the introduction of further restrictions. At present, weapons use is governed by a 1963 decree with the force of law, since then, on an international scale, things are progressing clearly in the direction of more restrictions. Rules concerning weapons use contained in the legislative proposal are consistent with the standards adopted at the Havana crime prevention congress. In essence, weapons may be used only if a policeman is seriously endangered or if the use of weapon is necessary in order to avert a threat to life. And weapons may be used against crowds only if the violent conduct of the crowd presents the above mentioned threats.

[Korinek] ...And if the crowd aims to acquire weapons. Clearly, we would like to have further restrictions, the inclusion of additional guarantees. God save us from a situation in which policemen have broader authority to use weapons—policemen who thus far were not accustomed to use their weapons, have no practice in that regard, and who from time to time reach for their weapons in an inadequate manner. We all experience an adaptation crisis, and this crisis manifests itself in a spectacular way in the context of problems concerning weapons use.

[Revesz] But perhaps it is not only the police which relates to this problem in an inadequate manner. Let us recall the first fatal weapons use incident after the government changed. At that time the interior minister decorated the policemen involved in a demonstrative manner, before the eyes of television viewers, and what's most important, before the investigation was concluded. Irrespective of whether these policemen were authorized to use their weapons, they did so by all means in a rather unprofessional manner.

[Korinek] Look, the interior minister is a member of the cabinet and provides a certain political dimension to the specialized staff. This political dimension is transformed here into some kind of professional structure. To be sure, had I been in a situation in which my views were sought, I most certainly would have dissuaded the interior minister from taking such demonstrative steps prior to the conclusion of the investigation, simply because this kind of prejudging is not desirable in a constitutional state. What I would like to point out is this: Here at the regulatory division, I and my associates regard ourselves as professionals and as much as possible, we would not want the political dimension to prevail at this place.

[Revesz] In the spring of 1989 when he was appointed as national chief of police, Major General Andras Turos said that a police free of politics existed nowhere in the world, and that such a thing amounted to an illusion.

[Korinek] I am more optimistic in this regard. During the transfer of power some feared that a flow in the direction of the ruling parties would start also within the police, guided by career ambitions and other inglorious considerations. This phenomenon exists indeed but fortunately only on a sporadic basis. We clearly state in the police law that policemen must not hold membership in any party. This solution was unanimously agreed to by

all forums which thus far reviewed the legislative proposal. The way I see things, the police has survived rather well the system change and it is also becoming depoliticized on a spontaneous basis. It is yet another matter that like anywhere else, the police may also have people who speculate on receiving faster promotions by running on the party production line. Incidentally, the fact that the political sphere regarded itself as omnipotent and competent in every field for forty years had very serious consequences with respect to the police. These manifest themselves in the fact that real police and regulatory research has not been pursued. We are trying to fill this void now. We are establishing a regulatory research institute with only ten people for the time being, but in the future we would like to develop this further. The police of a democratic country cannot function without a research base. For example, at this time it would be our duty to assign a serious research group to examine how the personnel engaged in the persecution of crime could react to the sudden increase in criminal activities. At this point, the officials at the division work in the office during the day as bureaucrats and become researchers in the evening reading professional literature.

[Szikinger] In precise terms, the problem is that in the absence of a research background answers are given to questions on the basis of emotional, or what's even worse political considerations, whereas appropriately, at least alternative responses should be provided on a scientific basis.

[Korinek] This is exactly the proper approach. While in the end, one cannot avoid a situation in which the political sphere makes choices from among the alternatives, the alternatives must be defined on a professional, scientific basis.

Solidarity '80 Decries Union's Efforts To Merge
91EP0655A Warsaw TRYBUNA in Polish 30 Jul 91 p 2

[Interview with Daniel Podrzycki, press spokesman of Solidarity '80, by Jerzy Wisniewski; place and date not given: "We Shall Not Pass On Orders Submissively"]

[Text] [Wisniewski] Recently the possibility of a merger between Krzaklewski's Solidarity and your trade union has been increasingly mentioned. Any comments?

[Podrzycki] We are not engaging in any negotiations on this matter. However, we are receiving various wooing signals from Gdansk, or more precisely via Warsaw. For example, the last meeting of our National Coordinating Commission was attended by an emissary of Krzaklewski, Maciej Jankowski, the chairman of the Mazowsze Region of Solidarity. He proposed, supposedly on behalf of the national committee, holding a joint meeting. Our response was that they should specify the time, place, and agenda of such a meeting. To this day Gdansk has not answered. On the same day Chairman Marian Jurczyk declared on television that, to put it in a nutshell, there could be no merger unless decided upon by congresses convened [by both Solidarity factions]. On television his words came out in a manner causing the interpretation of them to mean something opposite. Hence the confusion. Let me make it perfectly clear that the Gdansk Solidarity is thus trying to undermine our authority by making the public think that a merger is possible and desired by Solidarity '80. That is because we represent a real danger to that politicized grouping, which is close to the machinery of power.

[Wisniewski] Please explain.

[Podrzycki] The domestic situation is abnormal. The new head of state is a former trade unionist who for many years has not had anything in common with a trade union other than a label and a lapel badge. Similarly, the new prime minister is a former Solidarity adviser, but nowadays most of his decisions are aimed against those whom he used to advise. Many of the high-ranking government officials derive from Solidarity, and so are many of the Belweder [Walesa's "White House"] staff, but nowadays they have forgotten their past and are ruthlessly antiunionist. Who then is to bear the responsibility for the 30-month period of Balcerowicz's "mistakes and distortions"?

[Wisniewski] Are those "distortions" the only obstacle to merger talks with the Gdansk Solidarity?

[Podrzycki] They are not the only obstacle. Consider that the schism within Solidarity took place because the group from Walesa's entourage rejected the suggestions of the unionists from the so-called Agreement of June 1989 for Conducting Democratic Elections within NSZZ [Independent Self-Governing Trade Union] Solidarity. There also are differences in programs of action. For example, Walesa's men, such as Krzaklewski, Slowik, Rulewski, and Pietrzyk, had been from the very outset

made privy to the secrets of the "roundtable." They knew the reason for the registration of "Neo-Solidarity," and they were merely to make it easier for the lay Left to take over power and wield it effectively by appropriating the ethos and symbolism of Solidarity. We, on the other hand, believed that an authentic trade union defending the interests of the world of work and standing in opposition to the powers that be is needed. Such a trade union cannot be built from the top! It must represent its members and not the employer, that is, in general, still the state. Were Poland to be fully democratic by now, the claimant and oppositionist stance of Solidarity '80 would certainly mellow. But the principle of promoting individuals rather than programs of action still continues to prevail. Gdansk Solidarity unfortunately has only a weak and unconvincing program of action, if any. But as for our Solidarity '80, it shall never be a "transmission belt" [i.e., it shall not slavishly pass on orders from the top to the workers].

[Wisniewski] Several months ago you promised to make public the extent of the funding available to Gdansk Solidarity at the time it became registered. Was that a negotiating card, considering that so far you have not mentioned the subject again?

[Podrzycki] Not at all, although even now I still can say little on this topic. Let me merely confirm yet again that our common funds were stolen from us by the present ruling administration. That was a sizable amount. We requested the Claims Commission to suspend work on Solidarity's assets until we become registered. If now that commission shall decide on the distribution of these assets, it shall thereby also clearly illuminate the situation in this country.

[Wisniewski] How do you manage then?

[Podrzycki] I believe that the work forces at the plants where our branches operate have confidence in us. We are gaining new members and by now our ranks have swelled to more than 200,000. I must admit, however, that we are adapting our activities to the possibilities and expectations. Therefore, we are at present stressing the resolution of the problems of individual members, and our sole funding source is membership dues. We cannot engage in profitmaking activities on our own, because we lack legal entity status, as we have not yet been registered. All our revenues from membership dues are kept by our branches at workplaces.

[Wisniewski] That is why you have not been very active, have you?

[Podrzycki] That is an exaggeration. Perhaps sometimes the public is unaware of our doings, but that is because we lack easy access to the mass media. Let me give you two recent examples of our activities. We were instrumental in prompting a Senate committee to hold a special session, which we also had attended, and suspend the formation of a holding company in the mining industry on the grounds that the government must first define its policy as to the future of that industry and

determine the country's fuel and energy balance. That was our position! Thanks to us—following, among other things, the protest actions at the Rozbark Mine, the employment of foreign nationals was suspended. This is in contrast to the inaction of other trade unions regarding problems of this kind.

[Wisniewski] You recently tried to scare the government by predicting strikes in, among other regions, Silesia and western Pomerania. But nothing has happened, has it?

[Podrzycki] We do not believe that the only way of solving problems is by escalating strikes. Nevertheless, strikes are the sole weapon left to the world of work in the current socioeconomic and political situation. A strike alert was held in Pomerania: All the work forces, including those at 11 large plants, stopped work for one hour as a sign of protest. As for Silesia, it dispatched to Szczecin an 11-point letter that we had transmitted to the prime minister. That letter just about concludes that unless the approach to the Balcerowicz Plan changes in Warsaw, August may become a "hot" month.

[Wisniewski] Where do you have the most members?

[Podrzycki] In western Pomerania, Silesia, and Mazowsze.

[Wisniewski] Will your party run for elections to the Parliament in those regions?

[Podrzycki] While the old electoral law still applied, last May Solidarity '80 had intended to nominate several candidates of its own for the national list. The decisive factor was to be the financial and organizational status of our regional branches. I think that now the National Coordinating Committee should take a more precise position on this. But for now let me say that just one thing is certain: Chairman Jurczyk will not be a candidate, and also to us focusing our efforts and resources on the electoral campaign is not a fundamental issue.

[Wisniewski] Then perhaps it would be easier to form an electoral alliance with another grouping?

[Podrzycki] It would have to be a political grouping that is also opposed to the continuation of the Balcerowicz Plan.

[Wisniewski] Unless you have your own men in the Parliament or the administration, it will not be easy for you to protect the interests of your membership.

[Podrzycki] Not at all. We desire no political power as we are a genuine trade union, unlike the Gdansk Solidarity or the OPZZ [postcommunist National Trade Union Alliance]. The authorities are pursuing a stick-and-carrot policy by rewarding the unions with scraps at times. Every matter over there is resolved by cronies in smoke-filled backrooms on the principle of I rub your back and you rub mine.

[Wisniewski] The new law on trade unions has been published. You now have an opportunity to register your Solidarity. Do you intend to drop your oppositionist stance then?

[Podrzycki] No!

[Wisniewski] Thank you for the interview.

[Inset] Daniel Podrzycki, 28 years old; in underground Solidarity since 1982, twice arrested. In 1989 cofounder of the Interfactory Solidarity Committee. In April 1989 he resigned from Walesa's Solidarity. The press spokesman for the National Coordinating Committee of the NSZZ Solidarity '80 since June 1990.

Local Governments Lack Personnel, Regulations

91EP0654B Warsaw ZYCIE WARSZAWY in Polish
7 Aug 91 p 3

[Article by Pawel Adamowicz, deputy voivode of Gdansk and prorector of Gdansk University, and Lech Mazewski, adviser to the prime minister on regionalization and local governments: "Local Democracy—Experienced People Are Needed"]

[Text] Many people feel that local governments have not fulfilled the hopes placed in them by society. Why? Let us try to consider at least some reasons. In the reflections below we wish to emphasize that we are deliberately omitting discussion of the financial problems of the gminas [rural townships, basic-level local governments] and focusing exclusively on the condition of local democracy.

Voters Versus Councilmen

A majority of the candidates for municipal gmina councilmen has been recruited from within Solidarity Citizens' Committees. The second major source was candidates unaffiliated with any organization—the political parties played only a minor role in the elections.

The organizing principle for the electorate and the candidates linked to the movement of citizens' committees had been unity and solidarity in face of communism as the common enemy. The electoral program was not an integrating or educational factor in the consciousness of the voters. During the electoral campaign emphasis was placed on the symbolism of the common struggle against communism and on the need to break up the communist *nomenklatura* entrenched in power locally.

When nominating candidates for councilmen, attention was paid more often to the political past of the candidates than to their qualifications and electoral programs. A majority of the newly elected councilmen had never before held any public office. To some of them the only public experience had been activity within Solidarity or in the worker councils operating at state enterprises. Hence, the councilmen are generally unfamiliar with the mechanisms governing democratic institutions. In particular, they are unprepared for engaging in negotiations

and concluding compromises in cases of clashing interests. Hence also, natural disputes often turn into sharp personal conflicts between individual councilmen. Also prevalent is the practice of engaging in backroom politics and holding secret meetings to resolve conflicting interests that could have been openly and clearly negotiated publicly on the forum of the council or in its committees. In a situation that abounds in dramatic crises, councilmen often resort to the practice of convening closed meetings to the exclusion of the public and the mass media.

A disturbing factor is the relative unfamiliarity of councilmen with the binding regulations governing home rule and the operating principles and procedures of councils and their committees. This accounts for the limited effectiveness of the measures taken by councilmen, the disputes as to the division of powers, and the wordy and barren nature of the discussions in councils and their committees. A side effect is the growing lack of interest of many councilmen in participating in council and committee sessions. Having been elected in conditions of anonymity, the councilmen are unfamiliar with their electorate. Most of the citizens' committees that had originally supported the councilmen have ceased to exist. In such a situation, the councilmen are left without any voter base of their own. On the one hand, their access to their own electorate is limited, and on the other their activities are not subject to monitoring and assessment by that electorate. This may result in the development of an oligarchy, considering that the elected councilmen disregard public opinion.

The Gmina Council Versus the Gmina Board

The Law on Local Governments makes the gmina board the highest-ranking body in the organizational structure of the gmina. It is the executive branch of the gmina, and its members are appointed and recalled by the gmina council. Hence, the activities of the board depend greatly on the proper functioning of the council and the existence of a stable majority supporting the board.

Councilmen who had been originally nominated by the same citizens' committee have now formed dissenting factions within the councils. This factionalization has often followed not political but personal criteria, such as liking or antipathy for the chief or some other member of the gmina board. The division within the councils is often so far-reaching that the emergence of a majority supporting the gmina board is difficult. When the status of the board is thus fluid, this affects very adversely the morale of the clerical personnel of the gmina and the smoothness of performance of the board because the board members have to focus their efforts on defending their own positions.

These circumstances as well as the procedure for forming the membership of the councils themselves resulted in that they include not only responsible and competent councilmen but also quite a few individuals who complicate the work of the council and the board and whose

approach is myopic and based on wishful thinking. These people are basically unprepared for the duties they hold. They lack political and advisory support from parties or organizations, and in many cases they do not know how to avail themselves properly of the broad powers delegated by law to the gmina council, and frequently they misuse these powers, thus complicating or even impeding the measures taken by the gmina board.

The gmina board as the new gmina executive body faced a major problem at the very outset. On the one hand, both the councilmen and public opinion have been demanding that offices be purged of those civil servants who are corrupt or have particularly strong links to the old regime, but on the other hand the gmina boards faced the problem of a shortage of experienced and politically clean administrative personnel. Another obstacle to accomplishing far-reaching personnel changes proved to be the low salaries offered to potential applicants. Hence the widespread tendency of many gminas to engage in a kind of "hunting" for good lawyers, economists, or geodetists. Given such personnel shortages, the employment of councilmen in executive positions within local governments has become a disturbing trend. As a result, a councilman who holds, say, the post of a department chief at a gmina office acts in the dual role of the custodian (as a councilman) and the object of supervision (as a department chief).

Early Elections?

Local democracy is not a mere collection of proper public institutions, laws, civil rights, and free press; it is something much more. Democracy is the difficult art of presenting and reconciling the conflicting interests of diverse social, ethnic, age, religious, and occupational groups. A thus construed democracy still does not exist in Poland. Nevertheless, the process of creating it has begun.

Given the current political and financial situation of the gminas and the shortage of experienced local-government politicians and officials, there is no simple prescription for a rapid improvement in the performance and of local governments, and hence also in their image as viewed by the local publics.

Increasingly often proposals are offered to shorten the current term of office of gmina councils and to schedule new elections. Such proposals do not seem proper. During the year of existence of elected local governments, neither new local elites nor new politicians have emerged. Presumably, in many cases, bad councilmen may be replaced by much worse ones.

But while we do not support the idea of calling for early elections to local governments, we propose strengthening the status of the gmina executive bodies. There is a need to diversify the legal institutional gmina model depending on category, population, and operating conditions.

Allowance should be made for differentiating the structure of gmina powers among gminas with population of up to 10,000 and gminas with municipal status as well as large rural gminas.

In gminas with populations of up to 10,000 the executive body should be one individual (the village head), elected by popular vote. The village head would at the same time hold the post of the chairman of the gmina council.

In municipal gminas the executive body would remain collegial, in the form of a board elected by the council. The members of the board would be appointed by the council, but only upon the recommendation of the burgomaster, and only from among noncouncilmen. The

chairman of the board should be the burgomaster, and he should be endowed with broader executive powers.

For all the types of gminas the powers of their executive bodies should be reassessed. The gmina council should have the right to delegate certain of its powers to the gmina board.

A separate category of gminas is the municipalities isolated from the future powiat [county] local-government association. The municipalities should combine the powers of the gmina and the powiat. Another separate category is large conurbations with a special status.

Ruling Demos Coalition Faces Governmental Crisis

91BA1003A Ljubljana DELO in Slovene 3 Aug 91 p 15

[Article by Janko Lorenci: "Corporals and Generals"]

[Text] Slovenia is still in an extremely difficult position even after the war. We are still waiting for the first international recognition, and we still have not started firm negotiations with Yugoslavia. Above all, the economic situation is the economic equivalent of war. Unfortunately, battles in that area are conducted more by corporals than generals.

All of this has been affected by political instability of completely domestic origin, the Demos governmental crisis, which was only thinly obscured by the war for a short time. It came to light with Jansa's proposal for an "internal" replacement of the government, popularly termed Jansa's coup.

A coup only has negative connotations, and consequently the expression is wrong. Jansa's move was based on a very simple and sound assessment of the situation: The situation, especially the economic one, is alarming, and the government that is most responsible for it is worthless. As a whole, with its head, i.e., together with Peterle, it has not shown any intention of even reorganizing itself. It would rather wait. Consequently, it should be replaced, again together with its head. Jansa, in his own way, proposed an expert government, only loosely covered by the Demos umbrella.

It seems that Peterle has been hanging on a thread for some time. The voting in the Demos council ended with an outcome of 3:3. That outcome, a close one, to be sure, showed that the old balance of power in the coalition has remained essentially unchanged, in spite of the war, which advanced certain SDZ [Slovene Democratic Alliance] ministers so much. Demos deserves a great deal of credit in connection with the independence of Slovenia, of course, but in doing so it also wore itself out, and is becoming more and more similar to the former party: self-sufficient, and blocking itself because of its contradictory nature. That blockade is being transferred automatically to the government.

That is how Jansa's "coup," although it was probably aimed at more long-term results, could end for now only with a meager compromise: the appointment of a commission that was to thin out and renew the government. That compromise could probably only give rise to another one, even a little more fruitless: a somewhat changed government, which would continue to be headed by Peterle, more than a personification of the previous regime. That is bad.

The radical approach that Jansa wanted has thus, from all appearances, been watered down. The behind-the-scenes struggle in Demos is still continuing, to be sure, and various ideas are in circulation, among other things the concept of a small, effective government with

at most a dozen ministers, who would really be competent and would "neutralize" Peterle and his silent majority of ministers. Nevertheless, even if Jansa's initiative brought, as an important individual achievement, for example, the appointment of a capable economic "superminister," who would handle the entire economic sphere, we can expect that this would still be only an improvement, and not a change in the government. The substantive schism in Demos will still continue to be reflected in the government, and the principal antagonists will also continue to remain in it. And if we also add to that the fact that the open conflict in the ruling circles will introduce further confusion among Demos's body of deputies in parliament, where the opposition will probably continue to wait comfortably for the outcome in the ruling coalition, or an abrupt end to it, then we probably cannot expect that the "output" of the legislative-executive body will become more productive and provide the new paradigm for thought and action that Slovenia so desperately needs. In short, the crisis of authority will continue during an extremely difficult period. Anything else would be a small miracle.

Consequently, Lojze Peterle remains, or is again becoming, the personality of this postwar period. Is he a personality of the right sort for this period, which is still a critical one? It is difficult to judge such matters, and mistakes can be made in haste, but nevertheless, on one hand anyone in Peterle's place, even such a fine person, would have enormous difficulties—partly because of the extremely difficult objective circumstances, and partly because it is difficult to head any coalition, and especially one like Demos. In our opinion, the extenuating circumstances for Peterle mostly end here. Peterle could arrange the government's difficult relationship with Demos for the general benefit, by "mastering" it. In order to do that, however, he would have to fulfill two essential conditions: being an exceptional politician, and advocating national interests with fanatical firmness, instead of parochial party ones. This means that he would have to butt heads with each coalition partner separately, and be cooperative toward the opposition at the same time. In spite of all his outward tolerance, conciliation, and skill in communicating with the public (in that respect, and also by virtue of his proverbial and sometimes seductive optimism, Peterle is a sort of "Great Communicator," a Slovene Reagan, which is not anything bad per se, of course), therefore, Peterle has not fulfilled these two essential conditions. On the contrary, if we look at this first year of his, he at least partly contributed to the government's being a smaller copy of the divided and ineffective Demos, and to its never acquiring its own esprit de corps. This was most obvious in the economic area, the government's chronic weak point, and there Peterle quite undoubtedly bears objective and subjective responsibility for the government's economic wretchedness. After all, he is its top man.

Let us therefore look at his relationship with the economic part of the government.

With Mencinger (and Kranjc), he obtained a competent macroeconomist, who gave the government, in addition to credibility, an economic vision, an overview of the situation, and a systemic look at the future (the law on privatization). Mencinger, of course, was not a flawless knight. His difficult and perhaps also his fault was that he did not have competent "specialized" and effective ministers beneath him. Even worse was the fact that he was a poor politician, or no politician at all, always wavering and in doubt, especially in relations with Yugoslavia. At last, however, after the plebiscite, when Slovene independence was solidly outlined, Peterle should have presented Mencinger with a clear choice: Either you take that independence for your own and subordinate your economic activity to it, or you leave. Peterle did not do anything, and so Mencinger kept vacillating, because he obviously did not have clear political leadership. Then came the affair with Sachs. The matter remains somewhat Rashomonic: It is unclear whether Peterle deliberately arranged everything so that Mencinger, so to speak, had to resign, because Peterle had repudiated him, or whether he just casually let him go. The first alternative is worse, and supports the thesis that the prime minister wanted to get rid of the deputy prime minister so that he could let the American and his people prepare the new privatization law, which, in its present form, provides for vigorous nationalization and has a strong political and ideological slant: Through oversight committees, it would permit the current policy control over an extensive portion of the economy, and thus built it a material base for the future as well. The second alternative only indicates Peterle's negligent treatment of the few good people that he has around him, since Mencinger and Kranjc were followed by Ocvirk and Sesok, people of far lower caliber, while the rest of the pale and obedient economic ministers, of course, remained. The result is that the government has a weak economic team, just as before, but it is left without people capable of strategic and complex economic thinking. The result of that result is that the government is not capable of judiciously putting out the current fires (the policy of survival), and even less of planning the economic future. The economy is drying up and in despair. It will never regain confidence in the present government, which has been only cosmetically improved.

The Mencinger story tells the banal truth that as a rule, outstanding personalities around nonoutstanding leaders are an exception. That does not mean that Peterle could not be an acceptable prime minister in more normal times—and perhaps he will be again. (Kucan has allegedly said that Peterle has certain specific capabilities, as a result of which he will be an important figure on the Slovene political scene for another decade or two.) Unfortunately, the times are not normal.

What now? The events and their predictable outcome indicate that the government, directed only by Demos, cannot be radically changed. The crisis of authority, in all likelihood, will continue and hurt Slovenia as a whole.

Will one more attempt like Jansa's be shifted to the parliament and at least loosely coordinated with the opposition? Will the government fall from a no-confidence vote? The difficulty is that most of the parties, including the opposition parties, are not in a hurry for new elections; and because they are obviously already inevitable, because a government crisis forcibly swept under the carpet will only bring a continuation of the political agony, and because precious time is passing away fruitlessly, it would be best to have the elections as early as tomorrow. After the war, we can and even have to be able to afford them. If Peterle were to come out on top again, at least there would be a stronger and more natural coalition behind him. It seems that no one has enough willingness, unselfishness, and wisdom for an expert government, which would probably actually be the best for this transitional period. Essentially, only one person can cut through the knot of the present crisis: Peterle, by resigning. That would not be a defeat for him, but rather an investment in the future. As he says himself, "Retiring would only benefit me."

Zulfikarpasic on Muslim-Serb Agreement

91BA1004A Belgrade NIN in Serbo-Croatian 9 Aug 91
pp 20-23

[Interview with Adil Zulfikarpasic, leader of the Muslim Bosnian Organization, by Luka Miceta; place and date not given: "I Believe Milosevic"]

[Text] Adil Zulfikarpasic, leader of the Muslim Bosnian Organization [MBO] is a descendant of the Cengic family, well-known in Bosnia. The Zulfikarpasic's got their name from Zulfikar-Pasa Cengic, muteselim of Foca and commander of eastern Bosnia.

Adil's father, Husein-beg Zulfikarpasic Cengic, was the largest owner of timberlands in old Yugoslavia. That is not, of course, what led young Adil, member of SKOJ [Communist Youth League of Yugoslavia] to go off into the forest in 1941. The reasons were different in nature.

"When I told my father that I had become a Socialist, he laughed, thinking that the son of a bey could never be a Socialist." The ideals of the one and the errors of the other resulted in communism.

"I accepted the ideas of communism, but I did not immediately give up my religious sentiment.... Communism seemed very logical...."

Hasan Brkic expelled him from the party. The grounds: He had read Krleza's *Antibarbarus*. That is logical; communism and the antibarbarians did not go together. During the war, he was imprisoned by the Ustashi. He served time in the prisons in Zenica and Sremska Mitrovica. Pavelic's drumhead court condemned him to death. He did not ask for clemency. The Zagreb party organization freed him from the Ustasha fortress.

After the war, he became a civilian commissioner of liberated Sarajevo and then assistant Bosnia-Herzegovina minister for industry.

He emigrated to Trieste at the age of 25. Communism no longer seemed logical to him. From Rome, he went to Switzerland and began to work as a journalist. The government of people's Yugoslavia lodged a protest. It was honored.

He became a rich and prestigious businessman.

Since his return to Yugoslavia, he has been one of the most influential leaders of the Muslims in Bosnia-Herzegovina. With Alija Izetbegovic, he created the Democratic Action Party [SDA]. They soon parted company, and he and Muhamed Filipovic, member of the academy, established the Muslim Bosnian Organization.

The Muslim-Serb agreement, which came about at his initiative and has aroused stormy reactions, was not the fruit only of the present political moment and the apocalyptic situation in Yugoslavia. At the beginning of 1990, when parties still did not exist in Bosnia-Herzegovina, he declared: "I do not preclude the possibility of cooperation even with the Serbian parties. If Tudjman were to win and desired to annex Bosnia, the Bosnian Muslims and Serbs would have to put together a coalition against the Croat tendencies that would then emerge in Bosnia...."

"Croatia does not have the stomach to digest that many Muslims and that many Serbs. I have never been Tudjman's enemy, but I am very much against his nationality program...."

[Miceta] The Serb-Muslim agreement has been reached. It has already been called historic. How really important is it?

[Zulfikarpasic] It is historic, because it became at this time a necessity for survival, above all for the Muslims of Bosnia-Herzegovina, but, I would say frankly, also for the Serbs who live in this republic. It has been accepted by the people, both Muslim and Serb.

[Miceta] The Democratic Action Party has rejected that agreement....

[Zulfikarpasic] I would like to think that the SDA rejected this agreement in a moment of haste. This is a bit strange for the simple reason that Mr. Alija Izetbegovic, the head of the SDA, took part in those talks. In addition to Mr. Izetbegovic, other participants in the meeting were Messrs. Karadzic, Koljevic, Krajisnik, and Mr. Filipovic. For almost three hours we had a friendly and frank conversation about the importance and elements of the agreement. Mr. Izetbegovic said at one point: "I have no alternative to this agreement. But, please, let us put this down on paper now and then let everyone think it over with his own associates." It did not occur to him at the time to say that this agreement was directed against the Croats. Nor did he say: I want

representatives of the HDZ [Croatian Democratic Community], that is, of the Croat people, to be present at these talks. Mr. Izetbegovic could not in fact have said that, because at the very outset of the talks we emphasized that the agreement between the Serbs and Muslims was in no case directed against the Croat people and its interests in Bosnia-Herzegovina.

[Miceta] That is stated clearly and unambiguously in Point 5 of the agreement.

[Zulfikarpasic] That is clear, at the same time we also contacted Mr. Kljajic and proposed parallel talks.

[Miceta] Perhaps that is a question of vanity. One gets the impression that with this initiative you came to the forefront of the Muslim people.

[Zulfikarpasic] It is possible that Mr. Izetbegovic reacted as he did because he did not want to acknowledge that this idea, which has taken on national importance, was an idea of Adil Zulfikarpasic. However, regardless of what happens, the great importance of this action cannot be diminished, nor can it be halted. I also want to add that this agreement is still in the rudimentary stage and still has not been worked out in detail, which is something that we will be working on in the time immediately ahead. The thing that makes it important and realistic is that the Serbs and Muslims have a keen interest in it.

[Miceta] You recently spoke about this with Mr. Slobodan Milosevic. What agreement was reached between you?

[Zulfikarpasic] I had the impression that Mr. Milosevic had given this idea very careful thought and had an accurate idea about how important it could be to the Serbian people as a whole. I think at a moment when many people want to isolate Milosevic and Serbia and drive him into a corner like a naughty schoolboy, that he would like, more accurately, that he cannot refuse, an initiative that comes from another nationality and which contains elements of the most necessary Serbian interests at this historical moment. I frankly told him that we are aware that he has plans to divide Bosnia and Herzegovina. I also let him know quite definitely that under no conditions can we accept that or regionalization. He replied that in a possible evolution of the situation the Serbs want and have to protect territory in Bosnia-Herzegovina where the Serbs are in a majority. So, I agreed with him concerning the most important issue, and that is this: Bosnia must not be divided. That can only be done by war, and whoever does the dance of death in Bosnia will have to dance it to the end. It would be easy to start, but the question is whether it would be easy to stop it and when.

[Miceta] Do you believe Mr. Milosevic?

[Zulfikarpasic] I do believe Mr. Milosevic. This is a man who in this abnormal situation has very rarely changed

his views and opinions, least of anyone. He is a full-fledged politician we might not agree with, but we must in any case respect him.

[Miceta] You have frequently attacked Mr. Milosevic and said that he is Yugoslavia's gravedigger.

[Zulfikarpasic] Yes, I was one of the first to attack Mr. Milosevic, because it seemed to me that he was breaking up Yugoslavia with his policy. Even today I do not agree with many of his methods and the positions in his policy. However, I now have the feeling that he does not want to break up Yugoslavia. Now that a third Yugoslavia is being created, he wants to satisfy the interests of Serbia and the people he represents to the greatest possible degree. That is his legitimate right and he would not be a convincing politician if he did not make the maximum effort to secure for his people the best possible position. But I will always come into conflict with him if he wants to gain that position at the expense of my people. It is completely logical for the representative of any people to fight for its interests. Mr. Milosevic's interest is to secure the most favorable possible position for the Serbs, which is legitimate so long as it is not fascistoid, which is something he cannot be accused of, and so long as it does not have a Bolshevik implication, which is also very difficult to impute to him. I go to Belgrade often, and I see no difference between Paris and Belgrade, nor between Zagreb and Belgrade, when it comes to human rights, civil liberties, and indeed even freedom of the press.

Certainly, he does keep the official press under his control to a great extent. But no one is preventing anyone, say, in the opposition press or even their own newspapers, from writing the worst things against him, his party, and the way he is leading Serbia.

I would also like to particularly emphasize that Mr. Milosevic did not propose to me any secret agreements. His position is that the public should be made aware of everything.

[Miceta] Do you think, if war should come to Bosnia-Herzegovina, that it would be primarily waged between the Serbs and Muslims rather than between the Serbs and Croats?

[Zulfikarpasic] We are on the verge of civil war. The prime minister of Bosnia-Herzegovina has recently said that the question of civil war in Bosnia-Herzegovina is not a question of the day, but a question of the hour. All of us in Bosnia are aware of this. I think that that war would be waged between the Muslims and the Serbs. The Muslims and Serbs live in 102 mixed opstinas, while the Serbs are mixed with the Croats in three opstinas (Derвента, Kupres, and Modrica). It is not difficult to imagine how horrible that bloodshed would be.

However, there is yet another factor here that stands as a warning. This would not be a national liberation struggle, there would not be any external enemy, Germans and Italians, this would be exclusively a fight

between Serbs and Muslims. This would not be preoccupied by the Germans, Italians, and other occupiers. All the energy would be spent solely on one adversary. For Muslims, then, there is no alternative to Yugoslavia.

[Miceta] But Yugoslavia no longer exists except, perhaps, as a theoretical concept.

[Zulfikarpasic] Yugoslavia does exist. In spite of everything, Yugoslavia has not been buried. In any case, I feel that Yugoslavia is the best solution for the Muslims and, if you like, also for all the nationalities that live within its borders.

[Miceta] One agreement already exists among the Muslims, Croats, and Serbs. This is the agreement made by the leading ethnic parties—the SDS [Serbian Democratic Party], the HDZ, and the SDA. However, there has not been any improvement.

[Zulfikarpasic] We have become convinced that this coalition had no depth. It was a policy that lived from day to day.

[Miceta] Do you think that will not happen with your agreement?

[Zulfikarpasic] I am completely convinced of it.

[Miceta] To what extent is all this actually only a media and political promotion of the Muslim Bosnian Organization?

[Zulfikarpasic] I can say that that never occurred to me at all. We arrived at this idea when we realized, on the basis of certain documents, that annexation of eastern Herzegovina to Montenegro was being prepared and that unification of SAO [Serbian Autonomous Oblast] Krajina was being prepared with our own Bosnian Krajina. At that point, I went to Izetbegovic and said: What can you do about this? He answered: Nothing. Mr. Izetbegovic, as president of the Republic of Bosnia-Herzegovina, had not been thinking about that at all. The reaction of me and the other leaders of the Muslim Bosnian Organization was to undertake open talks with the legitimate representatives of the Serbian nationality in Bosnia-Herzegovina, with the Serbian Democratic Party. We encountered absolute understanding. Our ideas were accepted, and we entered the first phase of that agreement.

[Miceta] You are now criticized for moving from a confederal option to an option which is very close to the conception advocated by Slobodan Milosevic.

[Zulfikarpasic] I want to say at once that what Slovenia has done is not the confederal option. Also, what Croatia is doing now cannot be classified under the confederal arrangement of a state. In the conception which Mr. Slobodan Milosevic advocates, there are many more confederal elements than there are in the positions of the Slovenes and Croats.

[Miceta] There are serious indications that Messrs. Tudjman and Milosevic have made a division of Bosnia and it is only a question of the day when that program will be carried out. Was that perhaps also a topic of the talks between you and Mr. Milosevic?

[Zulfikarpasic] He says that he never proposed that. However, perhaps he would concur with a division of Bosnia-Herzegovina if we took a passive stance or if we took a position against the Serbs. I'll tell you now, no one is going to look at you with sympathy if you are working against his elementary interests.

[Miceta] Which means the mission of the agreement between the Muslims and Serbs was a reaction to a possible and certain division of Bosnia?

[Zulfikarpasic] That was only the initial percussion cap. In strategic terms, from the standpoint of the interests of the Muslim people, that agreement is necessary, and it must yield practical results as soon as possible and its advantage over other alternatives and conceptions offered to the Muslims.

[Miceta] One serious obstacle to that agreement will be the accumulated historical legacy and the stereotypes that can be summed up in one sentence: The cross and the crescent have never been able, nor will they ever be able, to go in the same direction.

[Zulfikarpasic] Those are medieval insanities. Those are marginal things. The fundamental thing in aspiration of every normal man and people is a good and peaceful life. Nothing can be achieved along the path which you mention. I have spoken even with Vuk Draskovic. He also feels that the agreement has crucial importance to both nationalities.

[Miceta] Did you also offer the agreement to him to sign?

[Zulfikarpasic] No, I did not suggest it to him. I said that this agreement was in the works and if he could and wanted to help, that we would look upon his constructive contribution with favor and gratitude.

[Miceta] What will you do about the HDZ? The Croats are absolutely not a negligible factor in the mosaic of Bosnia-Herzegovina. On several occasions you have declared that you are inclined toward the Croats.

[Zulfikarpasic] I will say even now, speaking to the most prestigious Serbian newspaper, that I am highly inclined toward the Croats. I think that this is a civilized people and a hard-working people. I consider the Independent State of Croatia to have been a serious outrage in history, a kind of Cambodia, and I do not believe that it does or will represent its identity. I have many Croat friends who are horrified by that monstrosity of a state.

[Miceta] Mr. Tudjman declared at one point that the NDH [Independent State of Croatia] was an expression of the historical aspiration of the Croat people.

[Zulfikarpasic] I am convinced that when Mr. Tudjman said that he was not thinking of the NDH. Do not hold it against me if I make a comparison. I would say that the Serbs are obsessed with unification and with their own Piedmontese position in that unified state. The Croats are also obsessed with creating their own Croatian state. I think that this is not just a fine point and that if one is to take an honest approach to his political adversary, he must see this and respect it.

[Miceta] Do you think that in free elections in 1941 Ante Pavelic would not have gotten a majority of votes from the Croat people?

[Zulfikarpasic] It is certain that if Ante Pavelic had run for election at that time, he would have obtained a majority of the votes of the Croat people, but, please understand, for the creation of a Croatian state, not for a racist state in which the Serbs would be slaughtered in that kind of frenzy. I think this distinction must be made. From the aspiration to create a Croatian state you cannot project either crime or something that is not legitimate. It is just when certain things happen, as now with the proclamation of the Serbs as a minority, that a man has the right to think in this way about the state being created. The Croats should have said in their Constitution that the Croat state is a land of Croats and Serbs. They should not have passed over the Serbs in silence. Allow me to make a brief excursion into history. When the Rakovac rebellion occurred, when the Serbs rebelled, it was led by a Croat, Kvaternik, whom the Serbs chose as their leader. Ban Jelacic was not put in power by the Catholic archbishop, but by Bishop Rajic, who presented his gold cross for the Croatian homeland, for his own Croatian homeland. The new Croatian republic should have been based on that kind of political cooperation and should have been an extension of that spirit, not an extension of the spirit that launched the NDH.

[Miceta] In Croatia, they do not look kindly on this agreement. It is more than evident that the Muslims are perceived even today, and in the future, as the "flower of the Croat people." This is also confirmed by the policy of the HDZ for Bosnia-Herzegovina, is above all formulated in Zagreb rather than in Sarajevo.

[Zulfikarpasic] The HDZ of Bosnia-Herzegovina assures us that they and not Zagreb are conducting Bosnia's policy. Up to now, they have always said that they stand for the principle of the sovereignty of Bosnia-Herzegovina....

[Miceta] That is subject to serious doubt in view of certain statements by Mr. Kljucic that the Croats of Bosnia will defend Croatia and join its guard.

[Zulfikarpasic] It is my opinion that every nationality must be tested with those plans and policy which are for the good of Bosnia. If representatives of a nationality fail that test, that is, begin to work against the interests of the republic in which they live, we cannot consider them our allies.

The last thing I expected was for Izetbegovic to be against an agreement of this kind, because he was the first one to say in public that he favored a federation with Montenegro and Serbia within the framework of Yugoslavia, which would accord a broad confederal status to Slovenia and Croatia, while Macedonia would be somewhere in between. You see, he was the one who first put Bosnia in a position of having links only to Serbia and Montenegro in a specific way. Then he changed that. Under pressure from his party. I think that this present change which he has made is also the result of pressure from his own party, but this time there probably was also pressure from Croatia. After all, it is more than evident that he has entered into a coalition with Mr. Kljucic in the parliament.

[Miceta] Perhaps the SDA would have signed this agreement if you and the Muslim Bosnian Organization had been left out of it?

[Zulfikarpasic] I will tell you in advance that I consent to that. Believe me, I am not interested in being a leader nor in political advancement of that kind. The important thing for me is to arrive at this historical agreement, an agreement of our nationalities, not of individuals.

[Miceta] Have you thought about the possibility of the Serbs being omitted from the agreement because the largest Muslim party does not consent to it? After all, it is not going to work against a majority of the Muslim people.

[Zulfikarpasic] It would be fatal if the Serbs were to conclude from all this that the Muslims are wavering, because the Muslim people welcome this.

[Miceta] The main argument that is made is that the agreement is aimed against the Croats. Mr. Izetbegovic has made a pronouncement to that effect on several occasions.

[Zulfikarpasic] Mr. Izetbegovic was himself present when we talked about this agreement. Mr. Kljucic was some 10 yards away from the office in which we were talking. Mr. Alija Izetbegovic could have said at that time—let me call Stjepan Kljucic, because I feel not that this agreement is aimed against the Croats, but that it could be so interpreted. Mr. Izetbegovic did not do that. He did not do it because this agreement is simply not directed against the Croats.

[Miceta] This agreement is perceived in Croat circles as Muslim betrayal of their natural ally....

[Zulfikarpasic] If that is what they think, then they have no idea what a natural ally is. If they think that we are their natural ally in subjugating the Serbs in this country, and if they think that we should fight the Serbs just to please them, then they certainly are not our friends, nor are they our natural allies, nor our political partners.

[Miceta] Fairly large hopes have been placed on this agreement. Both by the Muslims and the Serbs. What if it fails?

[Zulfikarpasic] Insofar as this agreement depends on the factors who initiated it and who now represent it in political terms, it will not fail.

[Miceta] Might it be said that under these conditions and in the present political constellation of power within Yugoslavia, as well as within Bosnia itself, this is in a way a utopian idea?

[Zulfikarpasic] I can tell you that this is not a utopia at all, but a much more realistic idea than people think. This idea has made its way into every village.

[Miceta] Can we soon expect the same kind of agreement with the Croats by both the Serbs and the Muslims and also that the Bosnian state will stand behind those agreements?

[Zulfikarpasic] That must occur. The sooner that occurs, the better it will be for the nationalities that live in Bosnia-Herzegovina. Through agreements of that kind we must make an effort to dispel as many illusions and irrational beliefs in the historical ballast as possible. Certainly, that cannot be erased completely, but the fewer there are of those tendencies, the better the situation in Bosnia will be.

[Miceta] In this kind of situation, can a Muslim believe a Serb and vice versa?

[Zulfikarpasic] I think that he can and must. I am a person who believes in the differences between us. I am a person who believes that every nationality should defend its own interests to the maximum, but not so far as to threaten even the smallest members of another nationality.

[Miceta] You will soon go to London with Mr. Izetbegovic to present Muslim interests, Muslim views, and Muslim commitments in the framework of everything happening in Yugoslavia. What will that be like when you and Mr. Izetbegovic take opposing positions?

[Zulfikarpasic] That project has fallen through. I canceled it and made my apologies to Mr. Major. That visit did not take place, because in the meantime there was a statement by Mr. Tudjman about the division of Bosnia. When we planned that trip to London, we planned it without a representative of the Serbs, because at that time we were both of the opinion that the Serbs were the factor endangering the existence of Bosnia-Herzegovina. We wanted to internationalize that problem. After that, we wanted to go to Bonn, Paris, Rome, Brussels, and other European centers.

When the statement was made by Mr. Tudjman, it was altogether illogical for me to go to London with Kljucic and to denounce the Serbs there as the destabilizing factor of Bosnia-Herzegovina.

[Miceta] As the head of a Muslim party, does it bother you in negotiations with the Serbian Democratic Party

that there is a high degree of correlation in the views and goals between Serbian policy and the policy conducted by Mr. Radovan Karadzic?

[Zulfikarpasic] That does not bother me. I certainly would like it better if the Serbs in Bosnia-Herzegovina were more independent in the conduct of their policy. That also applies to the Croats. All the nationalities in Bosnia-Herzegovina must realize that we do not have reserve homelands and that preservation of Bosnia-Herzegovina is our most important objective. However, I believe Mr. Karadzic and I have confidence in him.

[Miceta] Yesterday was the burial of 3,000 Serbs in Prebilovci whom the Ustashi slaughtered during the war and also dedication of the foundation of the Orthodox church which will be built there. Two important people were not there at that moment, Mr. Vuk Draskovic and you.

[Zulfikarpasic] Had I been invited, I gladly would have attended that important event of the Serbian people and bowed my head to the spirits of the innocent victims of the Ustasha terror.

[Miceta] Does your proposal and its realization make it possible for the Serbs to satisfy at least partially their desire to live in one state? If that does not happen, do you think that that could upset this agreement?

[Zulfikarpasic] I do not accept the idea of the Serbs living in one state. My tolerance does not go that far. Let us understand each other, I do not accept the idea of all Serbs living in a state that would be an expanded Serbia. I do accept the idea of all Serbs living in one state that would be called Yugoslavia, that is, in republics that would be within the framework of that Yugoslavia.

I am completely aware that there will be no problems if Croatia remains in Yugoslavia. But if Croatia separates completely from Yugoslavia as an independent state, then the issue of the Serbs in Croatia is a very, very important problem. Especially after the experience with the Independent State of Croatia and after the experience with the Tudjman government, which did not recognize them as a nationality. It is completely clear that in this case Serbia would not be indifferent.

So, I support Yugoslavia, which makes it possible for all Croats to live in one state, all Bosnians to live in one state, all Macedonians, and so on.

[Miceta] This agreement would certainly have greater weight if it were supported by reis ul ulema Jakub Selimovski and His Holiness the Serbian Patriarch Pavle?

[Zulfikarpasic] You are completely right. That would be a great thing and a great relief for both the Serbs and Muslims. Tomorrow I have a meeting with the reis ul ulema. I will propose to Mr. Selimovski that he meet Mr. Pavle and that the agreement between the Serbs and Muslims be one of the points they discuss. I have the feeling that reis ul ulema Jakub Selimovski is a man who

is working with all his being to develop the best possible relations with other religious communities and that he is moving along the line of the prosperity not only of his own nationality, but also of all the other nationalities living in Bosnia-Herzegovina.

[Miceta] That could be an impetus for a meeting in the foreseeable future of all three religious leaders: Mr. Kuharic, Mr. Pavle, and Mr. Selimovski!

[Zulfikarpasic] I would be overjoyed if that agreement occurred. I am convinced that it will happen and that it will yield extremely constructive results.

Krajina Operations Against Croatia Criticized

91BA1013A Zagreb VJESNIK (VJESNIK U SRIJEDU supplement) in Serbo-Croatian 7 Aug 91 p 7

[Interview with "Milan," member of "Capt. Dragan's" military group, by K.D. at an unspecified location on the Adriatic; date not given: "Confession by Terrorist in Capt. Dragan's Group: 'IRA Instructors Are True Lions'"—first paragraph is VJESNIK introduction]

[Text] Exclusive interview with a 25-year-old, college-trained philologist from Belgrade and member of the terrorist mercenary group of Capt. Dragan, on his days spent in Samarica, on the unpaid 6,000 German marks [DM] for work performed, on IRA instructors, and on the way in which operations are conducted against the Croatian police.

We came across Milan, a 25-year-old Belgrade resident, unemployed philologist, and now a member of the special unit of Capt. Dragan in Knin, by accident at a location on the Adriatic. He was on vacation at the seashore with his girlfriend, after three months of day-and-night attacks on Croatian police and guardsmen.

He is approximately 180 centimeters tall, with an athletic build, and acts quite normally, although one senses exhaustion and apathy in his voice, traces of the horror and inferno that he has experienced. Without hesitation, he talks to the gathering of people his same age:

[Milan] I will return to Knin, but only for a short while, to gather up my things and get rid of my weapons and equipment; and then—home, to Belgrade. Both me and several of my friends from Belgrade. We have been cheated and disillusioned.

[K.D.] How did you end up in Dragan's group?

[Milan] I have been unemployed for some time now, even though I finished college. In Belgrade, tens of thousands of young men and women have no hopes whatsoever for the future, for work, housing, and peaceful married life, and there are easy spoils to be had by those who are recruited for this and similar jobs.

[K.D.] Who signed you up?

[Milan] If I were to run into him again, I would really have it out with him. Indeed, everyone knows that this is being done by the Ministry of Defense in the Serbian Government, but they are really dealers in the white slave trade behind the scenes. One man offered us each DM2,000 a month, and he gave us each DM200 as an advance. However, we never received the rest of the money, despite our repeated demands. That is why we are leaving Knin, and I think that a large number of the soldiers will do the same thing.

[K.D.] Does that mean that the ranks of Dragan's group are diminishing?

[Milan] It's hard to say. It is certain that the cheated young men from Belgrade will leave Knin, because they have realized that this was outright deception, but Capt. Dragan will probably find replacements from some other strata of society, because poor, desperate people can always be found. In any event, there is no truth to everything that is being written about how these people are workers and peasants from Knin and the surrounding areas; rather, they are true, genuine legionnaires.

[K.D.] Who is leading them besides Capt. Dragan?

[Milan] There are also two Irishmen, specialists in guerrilla warfare, clearly from the IRA. They are exceptionally competent instructors, they know everything about military skills, true lions. The three of them each get DM10,000 a month. I don't know where from. Allegedly from Australia, but it is more than certain that they get something from Belgrade as well. To be sure, they are being paid to fight, so that what we are talking about is clearly not some sort of Serbian patriotism, but rather pure commercialism.

[K.D.] What is it like to shoot at people for money? Describe the military operations.

[Milan] Killing people is a job like any other, unfortunately, as natural in Yugoslavia as in certain African countries. Moreover, we heard that the Croatian side as well has numerous mercenaries who are also killing people for money. Only that we are much more skilled at it, because we are more intelligent, better educated, and fantastically dressed. Although I arrived in Knin in top condition, it was hard to endure the 15-hour training routines that we were forced to undergo by Dragan and the Irishmen. These were primarily drills on how to kill people more efficiently, in which our instructors were true craftsmen. Thus, none of our operations during those three months lasted more than four minutes. Our informers from the MUP [Ministry of Internal Affairs] and National Guard forces tell us when and from what direction the enemy is moving, and how many of them there are, so that it becomes a clean technique for slaughtering the undressed mob in which there are many black people of various nationalities. This is evidenced by the fact that for months they have lain unburied in the woods and mountains, because the Croats have been unable to bury them. These people are numbers, and nothing more. Just as we are, in fact, but since I have

been here none of us has gotten so much as a scratch, while our unit alone has wounded them by the hundreds!

[K.D.] Can you sleep at night after all these massacres?

[Milan] For now I can. This is simply a struggle for survival, for living on, but I repeat, I will not continue with it, because I am not being paid. Practically speaking, I am going on strike for unpaid personal income.

[K.D.] So your political and national conscience does not bind you to Knin?

[Milan] No way. Among the fighters in the so-called special unit, there are very few who are fighting based on that motivation. Indeed, even our instructors are doing everything for money. If the other side offered them more, they would certainly waste no time changing uniforms. Surely you must realize this: Killing people has become a profession in Yugoslavia!

Milan did not want to say any more. He left suddenly, just as suddenly as he had appeared with his girlfriend. Soon, he will trade in the woods and mountains for Belgrade's "promenade" and his Kalashnikov for a tennis racket, perhaps. Provided that no offers for new "business" comes from some other quarter. Or, provided that Milan's conscience does not awaken him and disturb his peaceful sleep.

Current Data on Foreign Trade of Republics

91P20458A Belgrade VREME in Serbo-Croatian
29 Jul 91 p 33

[Article by D.B.: "Deutschland Ueber Alles" (Germany Above All)]

[Text] Although the maxim "Tell me with whom you trade and I will tell you who is your friend" has never been recognized on our territory, the trade balances of the republics are being hastily reviewed these days in order to determine who supports whom and with whom it would not be wise to quarrel. The Federal Bureau of Statistics has updated the data on the trade of our republics with foreign countries for the first half of this year. It is rather interesting to look at the specific figures, which might indicate the diplomatic strategy of our republics, if the actual economic interests of individual parts of Yugoslavia are also taken into consideration.

Looking at the table below, which represents the major partners of our economically strongest republics, showing the payments by and to various countries, the significance of trade with Germany for all our republics is conspicuous. Leaving it to our readers to analyze these figures, we will only note that the abusive term "lackey of Germany," coined by Serbia for the "northwestern republics," can also be applied to Serbia itself.

This silly term makes sense, when the issue is one of economic dependence (which always works both ways), only in connection with the fact that the export prices of

domestically produced products are about 40% lower than the domestic prices of the same products.

Payments in Billions of Dinars by Country: January - June 1991

Export		Import	
SERBIA			
1. Germany	10.5	1. Germany	11.8
2. Italy	4.4	2. Italy	5.1
3. USSR	4.2	3. Austria	4.5
4. Switzerland	2.5	4. USSR	3.7
5. Austria	2.0	5. Great Britain	3.4
Total:	38.7		45.9
CROATIA			
1. Germany	9.0	1. Germany	9.0
2. Italy	6.1	2. Italy	7.0
3. Austria	1.7	3. Austria	3.1
4. Great Britain	1.57	4. Switzerland	2.17
5. USSR	1.46	5. Great Britain	2.14
Total:	30.7		39.5
SLOVENIA			
1. Germany	11.8	1. Germany	12.1
2. Austria	5.26	2. Austria	6.8
3. Italy	5.23	3. Italy	6.4
4. France	4.0	4. France	4.3
5. Switzerland	1.22	5. Switzerland	1.6
Total:	37.0		40.2

Bosnian Minister on Petroleum Supply Problem

91BA1021B Sarajevo OSLOBODJENJE
in Serbo-Croatian 7 Aug 91 p 1

[Interview with Prof. Dr. Resad Begtic, Bosnia-Herzegovina economics minister, by E. Kantardzic; place and date not given: "Tanker of Petroleum Arriving"]

[Text] Evidence of the extreme seriousness of the economic situation in BH [Bosnia-Herzegovina] is provided by the recently founded Commission for Urgent Intervention, comprising representatives of the government and of the BH Economic Chamber. The task of this team of 10 experts is to commit certain economic factors and potentials to resolving problematic issues and to propose urgent measures to be taken by the government. We learned from Prof. Dr. Resad Begtic, the minister for economics in the BH Government, that one of the first tasks of this commission, is to solve problems in supplying the market with petroleum products.

[Begtic] Yesterday, we established that resolving this task is the top priority. There were representatives of the petroleum industry, banks, and exporters present. The problem was localized to several key points. This is first a problem of dinar and foreign-exchange solvency, and that means that it is quite emphatically a question of the survival of the Bosanski Brod refinery. There, they have a permanent shortage of working capital amounting to some \$80 million, due to the measures of the FEC [Federal Executive Council] in 1989 and 1990. At that time, I remind you, the exchange rate was frozen and at odds with the current rate, and "Energoinvest" was unable to charge the real export price by selling foreign exchange, which weakened its economic strength. For this reason, we decided to solve this problem through a restructuring program at the Bosanski Brod refinery. Unfortunately, we cannot rely on the federal government, which is quarreling with the refineries. Obviously, it should have guaranteed compensation for the petroleum industry, because controls on inflation were borne by exporters, and thus by the petroleum industry as well. This is an energy problem that apparently we will have to solve ourselves, at the expense of our resources and standards.

The second urgent task is to underwrite a \$20 million letter of credit to import petroleum. This would cover petroleum imports for around 25 days' work at the refinery. We agreed with the government, by way of the Ministry for International Cooperation, to again intervene with the Libyan Government for 240,000 metric tons of petroleum, which amounts to BH demand from Libya. Of this, one 80,000-metric-ton tanker is for the exclusive demand of "Energoinvest," for the sake of work performed.

[Kantardzic] Is any petroleum expected from the USSR as well?

[Begtic] We have reached an agreement with the USSR whereby 60 percent of the debt will be paid in hard currency, and 40 percent through clearing. We have prospects of getting a tanker with 60,000 metric tons of petroleum. The Federal Government as well is negotiating with that country about securing 2.5 to 3 million metric tons of petroleum, which would stabilize the situation at the refineries. It was also agreed at the meeting that our exporters, amidst sticung—i.e., a real bonus on the official exchange rate—will relinquish their foreign exchange to a business bank which will direct it to the economy for payment for the imported petroleum. The government of BH has undertaken the obligation of immediately intervenin with an 80-million-dinar loan for a letter of credit covered by dinars, and of providing another 70 million as a loan for reestablishing the solvency of the Bosanski Brod refinery.

[Kantardzic] So you are close to a solution to the petroleum problem?

[Begtic] Exactly. Right now, we still have to reach an agreement on the price of petroleum, because the current

one is inadequate. The FEC [Federal Executive Council] has released the price of petroleum from controls, and the refineries can now establish it independently. Still, it is hard to believe that agreement on the price of petroleum will be reached on the level of the entire country. We have agreed that the realistic exchange rate will be included in the price, and that the refinery will also be able to operate more regularly.

[Kantardzic] When do you expect the first deliveries?

[Begtic] We believe that at the next meeting, with the establishment of these letters of credit and the arrival of a tanker that is already in the Adriatic Sea, it will be possible to proceed with production in our refinery.

Essentially, it is very important to us that this petroleum policy be pursued jointly by the economies of Croatia and BH, because we are mutually bound to our production and distribution capacities. We will also have to jointly establish a price policy, a policy of oil pipeline exploitation, and further investments, because these capacities are complementary for us, and the market is unified, and in the event of any split there would be major damage inflicted on both economies, Prof. Dr. Begtic emphasized at the end of the interview.

Bosnian Krajina Withholds Public Funds

*91BA1021C Sarajevo OSLOBODJENJE
in Serbo-Croatian 7 Aug 91 p 1*

[Remarks of Prof. Dr. Resad Begtic, Bosnia-Herzegovina economics minister, as quoted by E. Kantardzic; place and date not given: "Appropriation of Trade in Krajina"]

[Text] The Commission for Urgent Intervention is also considering problems that have emerged through autonomous decisions by lower sociopolitical communities. For example, the Bosnian Krajina is taking certain illegitimate steps, which I would say are moreover to its own detriment. It is obvious that incompetent people are taking erroneous steps, attempting to solve their problem in the short run and failing to consider the long term. Later on, they will probably expect the republic to [illegible word] the damage that is being incurred in this way. They have adopted the decision to render daily receipts with firms from Croatia and Slovenia to a special account of the opstina, in order to, as they say, cover the losses resulting from the state of war. Our viewpoint is that this is detrimental and that the SDK [Public Auditing Service] must take action to see to it that these funds continue to be paid to the SDK account. Momir Pejic, our minister of finance, has proposed several acceptable measures. These are: Not one economic subject in BH [Bosnia-Herzegovina] who wants to render payment to his creditors in Croatia and Slovenia should be blocked from doing so, meaning that the disputed claim can be settled if the economic subjects wish to do so, but if he has objections, then it should be deposited in a special SDK account. Furthermore, since

we also have claims from those two republics, compensation should be effected in clearing accounts. This is an abnormal situation that we will attempt to resolve, but not by confiscating gas stations, stores, and so on, because that is a direct blow to the free market and to the right of economic subjects to freely dispose over their resources and do business normally. It is likely that these separatist decisions by this region are intended to force the BH Government into choosing sides in the dispute between Serbia and Croatia, which would be extremely absurd.

Slovenia Tries To Attract Danish Firms

*91BA0996A Copenhagen BERLINGSKE TIDENDE
in Danish 28 Jul 91 Sec II p 2*

[Article by BERLINGSKE TIDENDE correspondent Per Lyngby: "Slovenia Courting Danish Firms"—first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Ljubljana—The Slovene authorities are offering very favorable terms to Danish firms that establish a business in the little republic. Specifically, Danish office buildings, purchasing centers and charter tours have already been aired.

Slovenia could be a bonanza for Danish firms. The small republic that is in the process of seceding from Yugoslavia is coming right out and asking the Danish business sector to invest in Slovenia.

The carrot that is being used is that those who sow first will reap first.

"There are no limitations for firms that settle here," said Matjaz Sinkovec, chairman of the Slovene parliament's Foreign Affairs Committee.

Sinkovec, who is also group chairman of the Slovene Social Democratic Party, SDP, continued:

"Danish firms can establish themselves in Slovenia right now. Not just in the form of joint ventures but as pure proprietors. Firms can feel secure here and they will have access to skilled labor at low wages."

Slovenia sorely needs economic cooperation with other countries. Especially at this time when a number of foreign banks have shut off credit even though the civil war in Slovenia has ended.

Foreign Minister Dimitri Rupel criticized banks in Italy, Austria and Germany for deserting Slovenia. "We will not beg for financial aid. But we are asking our friends to normalize financial relations with Slovenia," he said.

Danish Conservative Party foreign policy spokesman Niels Ahlmann-Olsen is currently visiting Slovenia. His small delegation includes director Peter Forchhammer, who established a number of valuable contacts with top people in the Slovene administration.

In talks with Jadrav Hocevar of the Slovene Justice Ministry yesterday Peter Forchhammer was promised that Danish investors could acquire property in Slovenia on ordinary commercial terms. And that is not all. Peter Forchhammer was given an option to buy the state office buildings that will be vacated when Yugoslavia pulls out of Slovenia.

In addition he agreed with the authorities that the Centerplan firm will try to improve the state-operated Slovene purchasing centers. This could provide work for Danish contractors and possibly give Danish supermarkets a foothold in Slovenia.

Finally the Slovenes showed great interest in getting tourism going. There are good hunting and fishing possibilities in Slovenia and there are a number of warm springs here. Peter Forchhammer delivered a letter from Lars Larsen Tours yesterday offering to set up charter tours to Slovenia. The Slovene authorities are now very interested in talking to Lars Larsen Tours to get tourism going.

Data on High Costs of War Noted

*91BA1021A Belgrade POLITIKA in Serbo-Croatian
6 Aug 91 p 13*

[Article by Blagoje Komljenovic: "Economic Side of War: Billions of Dollars Killed"—first paragraph is POLITIKA introduction]

[Text] The war zones have already cost us more than \$23 billion. Through raids into the country's system of payments, Croatia and Slovenia have secured dinars in order to purchase foreign exchange. Even savings deposits have been spent to buy weapons.

The days of profitable colonial wars are long gone. The attempt by Iraq, last year, to occupy rich Kuwait backfired on it to an outrageous degree. The cost of the war to Kuwait is roughly estimated to be \$200 billion, and it will be borne by the aggressor.

The war reparations of the Third Reich have yet to be paid off even after five decades.

Slovene and Croatian secessionism too carry a major price, not only political, but also economic. Their idea that they can unilaterally break away from Yugoslavia by force and moreover fashion new, monoethnic states in Europe is already costing all 23.5 million Yugoslavs dearly. What is worse, there is no end in sight to the war in Croatia, nor is it possible to foresee the final bill.

Frozen Credits to Yugoslavia

Our rough estimate, even superficially, indicates that the current political divisions, which unfortunately have already been transformed into dangerous war zones across Croatia, are costing us more than \$23 billion. We deduced this figure from what has already been lost: \$12 billion has been casually spent from the foreign-exchange reserves; \$3 billion has been lost in tourism; another \$3

billion less in foreign exchange arrived during the first half of the year from our people around the world; and finally, nothing has come of the expected \$5 billion from the International Monetary Fund, the European Community, and the World Bank.

All foreign financial institutions, to our misfortune, have frozen even those credits to Yugoslavia that were already approved, making their remittance conditional on a peaceful resolution of our political crisis.

The state has simply—and irresponsibly—spent the citizens' savings. Until recently, the federal government has always promised that it will convert obligations towards savers into public debt, anticipating for this a special item in the budget amounting to nearly 30 billion dinars, in order that the federal treasury ultimately be split in two and most of all "purified" of planned incentives for the economy and payment of bad debts to the business banks, which intermediated between citizens and the National Bank of Yugoslavia in receiving foreign exchange for safekeeping and in the name of the state providing guarantees to the effect that they are "inviolable."

The bank foreign-exchange market has long since been frozen, because the country's dollar reserves have entered into dangerous waters (around \$3.6 billion), while the free buying and selling of dollars—so-called "sticung"—is flourishing. In Slovenia, for example, the market price of the dollar and mark is 60-percent higher than the exchange rate, and trends in Croatia are similar. Both northern republics have secured dinars for this through unauthorized raids into the country's system of payments. Without the permission of the National Bank of Yugoslavia, they have spent 10.8 billion in prime-issue dinars.

On the contrary, this is not the end of the story concerning our war losses. Foreign trade in goods, aside from weapons, recorded an ebb first at the end of June in Slovenia and now much more so in Croatia. Moreover, firm international agreements are falling apart, and transit routes across our country are drying up due to the inadequate safety of railroad lines and roads in northwestern Yugoslavia. Naturally, these too constitute enormous losses, the consequences of which have scarcely been felt.

Dinar Does Not Cross Republican Borders

But local factories are also idle because of the same reversals of fortune. For example, Osijek's "Saponija" has long since ceased operation, because no one can bring the raw materials for detergents from Serbia and Bosnia into Osijek, where MUP [Ministry for Internal Affairs] and National Guard forces fire on everything that is not Croat. Or, trains are not arriving from the iron-ore mine in Ljubija, in Prijedor district, to Smederevo's MKS (six trains were captured near Slavonski Brod), and for that reason production has been shut down at the biggest Serbian ironworks.

Similarly, the interrepublican flow of money has ceased. The flow of payments, which under the law is supposed to be supervised by the SDK [Public Auditing Service] of Yugoslavia, is restricted to within republican borders, which is being largely orchestrated by the SDKs of the federal units, which are no longer heeding the law and instructions from headquarters in Belgrade. This is a new type of self-financing using other people's money, although of course without paying interest. It must be known that this is a form of robbery, the perpetrators of which will ultimately be answerable most of all to their own people, whom they have "fed" with confiscated resources that are not backed up by funds.

Ultimately, one needs not only two opposing sides for warfare, but also weapons. These are largely rushing across our borders, and they are easy to get through illegal and legal channels. The greatest secret of every participant in this darkest crime against the people is

how much he is spending on weapons, because to a certain extent this provides him with fighting strength. Still, there is increasing speculation to the effect that Croatia and Slovenia have already spent at least a billion dollars each on this arsenal. Unfortunately, both the Croats and Slovenes are letting it be known that this is not the end of it.

Where will the money—and foreign exchange—for weapons come from? This is known only by the republican bosses, who have centralized all sources of financing, and moreover "diverted" into their coffers federal revenues from customs and federal taxes on commerce. It is certain that they have also spent the dollars of foreign-exchange savings for this as well. Since this state and its federal government has long since lost true legitimacy, it is no surprise when one evil overtakes another in this Balkan region.

NTIS
ATTN: PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD, VA

2

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.