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National Radical Party Leader Interviewed

91BA0913A Sofia BULGARSKA ARMIYA in Bulgarian
18 Jun 91 p 3

[Interview with Dr. Ivan Georgiev, chairman of the Bulgarian National Radical Party, BNRP, by Nikolay Tsvetkov; place and date not given: "Nationalism Is the Salvation..."]

[Text] On 1 September 1955, a group of like-minded people founded a clandestine party. One of them was a 15-year-old boy. He was entrusted with the leadership of a youth organization, the purpose of which was to direct the high school students to military schools so that, as future officers, they could carry out a coup d'etat. The Sixth Directorate exposed the conspiracy, and the number of political prisoners in the country increased....

Dr. Ivan Georgiev described the first years of the Bulgarian National Radical Party with some restraint, probably so as not to give the impression that he was boasting about his merits in the struggle against totalitarianism. Today he is the party's chairman. However, he became better known to the public at large after he was elected chairman of the Seventh Alternate Grand National Assembly and shadow president of Bulgaria.

[Tsvetkov] What ideas have you supported since high school?

[Georgiev] Safeguarding the independence and freedom of the Bulgarian people and the territorial integrity of the piece of land left to us. Furthermore, we plead for the spiritual unification of all Bulgarians throughout the world. In a future European home without borders, this blood fraternity that exists between us and the Bulgarians in Vardar Macedonia, the western borders, and Aegean Macedonia will bring about the unification of the people and the lands within the Bulgarian state.

[Tsvetkov] Is it possible that in a Europe without borders the desire for unification may show up in a different segment of our population, this time with our southeastern neighbor?

[Georgiev] If it is a question of the so-called Turkish minority, let me tell you that it does not exist. There are very few ethnic Turks in our country; the others about whom there is speculation are the descendants of Bulgarians who were coerced into converting to Islam. Unfortunately, it is only in our country that an effort is being made to identify national awareness with religion. This is the work of DPS [Movement for Rights and Freedoms] activists, of a totally illegal party based on religion and ethnicity.

[Tsvetkov] In your view, how can an instilled national self-awareness be uprooted?

[Georgiev] The road is thorny. We are fighting a fanatical religion. Nonetheless, we must use all means at our disposal for the people to know their origins. An awakening already exists. In the Kurdzhali villages, 150 Bulgarian-Muslim families have already converted to Christianity.

The ruling oligarchy does not understand that today it is serving Turkish-U.S. interests. The plan of the two countries is to turn Bulgaria into a bridgehead as a counterbalance to the European Economic Community, through which U.S. economic penetration of Europe will be launched. At that point, the old continent will slam the door in our face because we would be acting against its interests.

[Tsvetkov] Your party has frequently surprised the public with its nonstandard political actions. What new developments will you propose to us in the next few months?

[Georgiev] Other than participation in the electoral marathon, we are creating the new Vuzrazhdane Trade Union, which we are now in the process of registering. It will protect the interests of Bulgarian families and will struggle to redress the negative demographic balance among the population. We intend to launch public civil trials of the culprits who contributed to the Turkification of some of the Bulgarian population.

[Tsvetkov] What is your comment on the advice of NATO's secretary-general about improving our neighborly relations with Turkey?

[Georgiev] At the present time, that is impossible. Konukman said that Bulgaria violated the Berlin Treaty by annexing Eastern Rumelia. Officially, slogans about a northern province have been raised in Turkey. Maps indicating the boundaries of the old Ottoman Empire have been spread on the beds of the Turkish soldiers. Do you believe that NATO could guarantee us good-neighbor relations? Greece, too, is a member of that alliance, but the problem of Cyprus remains unsolved. To us, it is much more important to sign bilateral or trilateral pacts with countries such as Armenia, Greece, and Georgia, and some Arab countries that experienced for themselves the hardships of "good-neighbor" relations with Turkey.

[Tsvetkov] You frequently raise the question of the Army and the militia. How do you view these institutions through the lens of nationalism?

[Georgiev] We are in favor of urgent reform in the armed forces and the enhancement of the status of the Bulgarian officer corps. We do not agree with removing our defense formations from the southern border. Nor do we accept the suggestion of destroying the SS-23 missiles. These are demands formulated by the DPS. The objective is to facilitate turning the Rodopi into another Cyprus.

We believe that along our southern border we must develop model military settlements, as is practiced by Israel. We also know that the Army is short of ammunition and fuel. For that reason, we have established connections with various political forces and businessmen abroad, through whom we intend to invest quick-turnover capital and allocate most of the profits to the armed forces.

[Tsvetkov] This radical nationalism that you preach—should it find fertile soil in the armed forces, would it not threaten the civil peace?

[Georgiev] On the contrary. By nationalists, we mean people who struggle for the defense of the national interests. The Army is the armed defender of a nation and must protect it from external as well as internal enemies. It must be wherever hotbeds of tension arise. If it fails to implement its protective functions, it would lose its identity as an institution.

[Tsvetkov] As a politician, what is your prediction concerning the development of the political situation in our country?

[Georgiev] At the present time, being a faction of the Communist Party, the SDS is breaking up like a malignant tumor. There is a feeling of great loss of hope among

the people, a despair about the fact that no electoral platforms were implemented because the Bulgarian people have seen neither success nor democracy. Today they do not exist; they vegetate. This is a purposeful policy, meant to bring this heroic people down on its knees, uncomplainingly accepting the political concepts being imposed on it from the outside. It is high time for us Bulgarians to assume power in Bulgaria. As a nonparliamentary force, our party has acquired exceptionally great prestige in the provincial areas. People who are perishing are turning around and seeking salvation in nationalism. That is why we believe that, in the next National Assembly, we must be a real force and participate in the government of the country.

Short Profiles of Political Parties

91CH0730A Prague LIDOVE NOVINY in Czech 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 22 Jul 91

[Article in 12 installments by correspondent Marek Boguszak of AISA, Association for Independent Social Analysis: "One Year After Elections and One Year Before Elections"]

[9 Jul p 1]

[Text]

Civic Democratic Party

Civic Democratic Party [ODS]—Vaclav Klaus, chairman: 17 percent.

At the present time, the party enjoying the greatest support in the Czech Republic: 17 percent of the voters, and favored by another 3 percent of citizens who are undecided or who would not vote. And those who support it give it a relatively—in contrast to other parties—strong support: 26 percent state that they consider themselves strong supporters, 51 percent average, only 21 percent weak, and 2 percent do not know. Among the parties to whom ODS voters never gave their vote the CPCZ [Czechoslovak Communist Party] is clearly dominant—91 percent, followed by Sladek's Republicans with 47 percent, the Slovak National Party [SNS] with 16 percent, and the Movement for Self-Governing Democracy—Society for Moravia and Silesia [HDS-SMS] with 13 percent. The split of the Civic Forum therefore did not lead to rancor between the ODS and Civic Movement [OH] voters—adherents of ODS do not bear ill will toward OH and vice versa.

According to demographic and social characteristics, adherents of ODS are equally represented by women and men, they are mostly concentrated in the 30-44 age group (of this group, 26 percent would vote for ODS), the ODS has little support in communities of up to 5,000 population (10 percent), it is relatively strongest in the North Bohemian Kraj (25 percent) and the North Moravian Kraj (23 percent), and weaker in the South Bohemian Kraj (8 percent) and South Moravian Kraj (7 percent). Support of ODS increases with the educational level (among individuals with basic education 15 percent, college graduates 25 percent) and professional status.

ODS supporters represent the population group that is the most satisfied with the current changes and most strongly favors the principles of market economy. Of ODS supporters 82 percent (as against 55 percent of the total population of the Czech Republic) think that individuals should assume greater responsibility for their well-being, and the same number supports the creation of a labor market, including unemployment and liberalization of prices. Most of them rate the current economic situation of their family as satisfactory, in spite of the fact that objectively their material condition is average. Only 10 percent of them want to work in the state sector, the overwhelming majority tends toward the private sector, where at present already 14 percent of ODS supporters work either as entrepreneurs or employees.

[10 Jul p 1]

[Text]

Movement for Democratic Slovakia

Movement for Democratic Slovakia [HZDS]—Vladimir Meciar, chairman: 29 percent.

In spite of declining support as far as the number of followers is concerned, it continues to be the dominant political party in Slovakia. At present, HZDS is supported by 29 percent of Slovak voters, for another 5 percent of the undecided it represents the party which they favor the most. And those who would vote for HZDS consider themselves to be relatively strong supporters: 32 percent feel they are strong supporters, 51 percent average, only 15 percent weak, and 2 percent do not know. Their attitude toward other political parties shows that this is a strong opposition force: 47 percent of HZDS adherents would never vote for the Public Against Violence [VPN], 44 percent for the Christian Democratic Movement [KDH], and 40 percent for Coexistence. Only 32 percent are unsympathetic toward the Party of Democratic Left [SDL]. The Slovak National Party [SNS] is fully accepted by the HZDS voters—only 4 percent of them would never vote for it. Moreover, HZDS is rejected by only a very negligible part of the Slovak population (2 percent).

Support for HZDS increases with age, is equally represented among men and women, is markedly strongest in large towns, in Bratislava itself it reaches 40 percent. Supporters tend to be more highly educated, skilled laborers predominate (38 percent would now vote for HZDS). Their attitudes in most cases are basically consonant with the Slovak average, it mostly amounts to a rejection of the economic reform and the principles of a market economy, and dissatisfaction with political developments. Nevertheless, in two areas the views of HZDS followers differ distinctly from the rest of the Slovak population. It is a group that is the most dissatisfied with its present material condition (only 18 percent of this group rates it satisfactory). At the same time it is the most critical of the current state of the economy, and wants a strong role of the state in the economy maintained (43 percent want to work in a state enterprise). HZDS adherents feel the most injured by the present form of the federation, 68 percent of HZDS followers think that it is unjust toward Slovaks (among SNS adherents it is 65 percent).

[11 Jul p 1]

[Text]

Communist Party of Bohemia and Moravia

Communist Party of Bohemia and Moravia [KSCM]: 11 percent.

Party of Democratic Left [SDL]: 10 percent.

Chairman of the CPCZ Federal Council: Pavol Kanis. Chairman of KSCM: Jiri Svoboda. Chairman of SDL: Peter Weiss.

Communists are supported by 10 percent of the population in the Czech Republic and by 11 percent in the Slovak Republic. Among the undecided and those who today do not want to vote, there are another 2 percent who favor them in the Czech Republic and 1 percent in the Slovak Republic. But a deeper analysis shows that their support could be a little higher, because the views of a number of the undecided is very close to the views of the KSCM and SDL supporters. At the same time, the KSCM and SDL voters belong among those who give their parties relatively the strongest support—among the KSCM supporters 23 percent state that they consider themselves strong supporters of their party, 54 average, and 23 percent weak. For the SDL, the corresponding numbers are 37 percent strong, 47 percent average, 12 percent weak, and 5 percent do not know. In the Czech Republic, 57 percent of KSCM adherents would never vote for ODS, 37 percent for the Association for the Republic—Republican Party of Czechoslovakia [SPR-RSC], 24 percent for OH, and 16 percent for KDS. They have nothing against Social Democracy. In Slovakia, unacceptable to SDL voters are above all the government parties Public Against Violence [VPN] (70 percent) and Christian Democratic Movement [KDH] (63 percent); they have no objections to HZDS [Movement for Democratic Slovakia].

Demographic and social characterization of KSCM and SDL adherents: In both republics they belong mostly to the older generation (in the over-60 age group, 20 percent would vote for the KSCM in the Czech Republic, in the Slovak Republic 16 percent would give their vote to the SDL), in the Czech Republic women have a slight edge (55 percent), in the Slovak Republic men (61 percent). A somewhat greater support for these parties is found among individuals with basic education, as far as occupational status is concerned mainly among unskilled laborers (13 percent in the Czech Republic, in the Slovak Republic as many as 20 percent). From the regional point of view, there are greater numbers of KSCM followers in Northern Moravia, and SDL finds support mainly in Bratislava and in Central Slovakia.

In spite of the fact that the leaderships of these parties self-designated themselves as a constructive opposition, the attitude of their voters is absolutely clearly against all the changes now under way. That is true mainly of KSCM followers, who, in sharp contrast to the majority of the Czech population, unequivocally give preference to features characteristic of the pre-November system.

[12 Jul p 1]

[Text]

Civic Movement

Civic Movement [OH]—Jiri Dienstbier, chairman: 6 percent.

In the end, OH came out of the Civic Forum split weaker than the ODS; at present, 6 percent of voters support it in the Czech Republic, and it has another 1 percent of supporters among the undecided and those who today would not want to vote. Those who support OH are

relatively lukewarm in their support: 12 percent state that they feel themselves to be strong supporters of OH, 45 percent average, 38 percent weak, and 5 percent do not know. OH voters harbor the greatest antipathy toward KSCM [Communist Party of Bohemia and Moravia]—82 percent would never give their vote to it. Their attitude is clearly less negative toward SPR-RSC [Slovak Republicans] (38 percent) and SNS [Slovak National Party] (9 percent).

There are slightly more women among the adherents; support is relatively stronger among the youngest age group of up to 30 years (in that group 9 percent would give their vote to OH), in towns with over 100,000 people (9 percent), in Prague (13 percent), and the Central Bohemian Kraj (12 percent). OH enjoys the greatest support among high school graduates, less among college graduates, and very strong support among private entrepreneurs (17 percent).

This is a group that gives the strongest support to the change of the political system now being implemented and to the economic reform. Their confidence in the success of these processes is extraordinarily great. Of all the voter groups they are relatively the most satisfied with their present economic situation (64 percent in contrast to 41 percent of the total population of the Czech Republic), and they also most often expect it to improve further (72 percent in contrast to 35 percent). These attitudes reflect the fact that their present economic situation is above average. However, the characteristic trait of OH supporters is the relatively low level of their own active participation in political life—a mere 2 percent in contrast to 8 percent of the total population of the Czech Republic.

The differences between the attitudes of ODS and OH voters are relatively small; the differences are in the extent of their rejection of the state's interference in the economy and their emphasis on the principle of individual responsibility, which is stronger among ODS adherents than among OH adherents. Even so, these two groups, together with adherents of the Civic Democratic Alliance [ODA] and VPN [Public Against Violence] adherents in Slovakia, comprise the only segment of the population where the current processes enjoy a practically unconditional support.

[13 Jul p 1]

[Text]

HSD-SMS—Society for Moravia and Silesia—Movement for Self-Governing Democracy

Movement for Self-Governing Democracy—Society for Moravia and Silesia [HSD-SMS]—Jan Krycer, chairman: 9 percent.

The relatively great and stable support at the 9-percent level is supplemented by another 2 percent among those who are undecided or do not want to vote. The strength of the support which the HSD-SMS followers give their party is average. As most unacceptable they consider especially KSCM (54 percent), followed by ODS (28 percent), and

OH (23 percent). Of the HSD-SMS adherents only 17 percent would never vote for the Association for the Republic-Republican Party of Czechoslovakia [SPR-RSC], which means that among all the supporters of the other parties they are the most tolerant of Mr. Sladek.

The demographic and social characterization of HSD-SMS adherents: They are equally represented among men and women, in all age groups, they are relatively most often residents of the smallest communities; they are most strongly represented in Southern Moravia (28 percent), in Northern Moravia they are substantially weaker (17 percent). As far as the educational level is concerned, they are concentrated in the least educated population group, employed mainly in routine nonmanual jobs. As a matter of interest: Among the HSD-SMS voters no more than 28 percent of individuals declare their nationality as Moravian.

The group of those who support HSD-SMS tends to be in opposition to the current system and the trends in its development, particularly the economic one. It is most strikingly reflected in the way they rate their own economic situation, which HSD-SMS voters rate as very much below average, and they are very skeptical also about its future development. A very high proportion of HSD-SMS followers state that they are not interested in politics at all—35 percent in contrast to 22 percent of the total population. They place an extraordinary emphasis on the fact that they have been employed in the state sector.

[15 Jul p 1]

[Text]

People's Party and Christian Democratic Party

Czechoslovak People's Party [CSL]—Josef Lux, chairman: 4 percent. Christian Democratic Party [KDS]—Vaclav Benda, chairman: 3 percent.

For a long time the support for these two parties in the Czech Republic has remained stable at a level under 5 percent—CSL 4 percent, KDS 3 percent. In addition, CSL is favored by 2 percent of those who are undecided or do not want to vote, KDS by 1 percent. The strength of the support for these parties is average—18 percent of strong supporters for CSL, 27 percent for KDS, 49 percent average supporters for CSL and 38 for KDS, 28 percent weak supporters for CSL and 35 for KDS, 5 percent of CSL supporters do not know. The supporters of these two parties assume a strongly negative stance toward KSCM in particular (77 percent of CSL supporters and 74 percent KDS supporters), and toward SPR-RSC (CSL 39 percent, KDS 48 percent). A significant number of CSL voters still bear ill will toward the Civic Forum—26 percent of them would never vote for OH or ODS.

The demographic and social characterization of supporters of the Christian Democratic Union [KDU]—CSL and KDS: among the supporters of both parties women predominate slightly; supporters tend to be older individuals, and their strength is traditionally in Southern Moravia. The older age group composition goes together with a

relatively lower educational level of the supporters of these parties; CSL has a relatively strong base especially among agricultural laborers.

Although the representatives of both parties define themselves as the right wing of the political spectrum, the views of their supporters, particularly those of KDS, are not in accord very much with that definition. At the same time, the differences between the supporters of these parties are so great that their coalition is more a matter of the party leaderships than the similarity of interests of their voters. They agree on rejecting the former system and on evaluating positively the direction of political changes; their differences, on the other hand, lie in their views on the principles which are to characterize our economy. Among CSL adherents, support of the principles of a market economy, although only slightly, nevertheless tends to predominate, but that is not at all the case with KDS adherents. To a considerable extent this stems from their truly difficult material situation, which is unquestionably the worse among all the voter groups.

[16 Jul p 1]

[Text]

Slovak National Party

Slovak National Party (SNS)—Jozef Prokes, chairman: 9 percent.

Not even the swelling of passions concerning the fate of the common state during the past several months has brought SNS a marked increase in voter support—at present 9 percent of the Slovak population endorses it, and another 2 percent could be gained among the undecided and those who do not want to vote. At the same time, the support given to SNS by its adherents is in the Slovak context only average. Their voters have a negative attitude—same as HZDS voters—mainly toward the government parties (50 percent of SNS adherents would never vote for VPN or KDH) and Coexistence (41 percent). They reject SDL less strongly (24 percent), and fully accept HZDS. It is the only party which is strongly rejected in the other republic—11 percent of the population of the Czech Republic would never give their vote to SNS.

According to demographic and social characteristics, there tend to be more supporters among men (they comprise 56 percent of SNS adherents) and the younger population, with a relatively weaker representation in the countryside. SNS has the strongest support among skilled workers (13 percent would give their vote to SNS).

Internally, it is a group deeply contradictory in its views. On one hand, there are individuals with a relatively good material situation and strong motivation to enrich themselves, who very often see their opportunity in the private sector. On the other hand, this group is characterized by a relatively strong rejection of the economic reform, strong aversion to the political and economic changes currently under way, and an extremely critical evaluation of the current economic situation—both of the state and of their own—and extremely pessimistic expectations for the

future. SNS supporters have the greatest tendency to push through their demands by means of strikes. Not only in that respect, but also in many other traits, they are related to SPR-RSC in the Czech Republic.

[17 Jul p 1]

[Text]

Green Party

Green Party—Miloslav Kejval, chairman (Czech Republic); Peter Sabo, chairman (Slovak Republic): 8 percent in Czech Republic, 7 percent in Slovak Republic.

After their lack of success in the elections, the Greens disappeared from the political spectrum; nevertheless the disillusionment of some of the population brought them new supporters: in the Czech Republic 8 percent support it, in the Slovak Republic 7 percent, and in addition they have in "reserve" among the undecided and those who do not want to vote another 4 percent in the Czech Republic and 3 percent in the Slovak Republic. The support of the Greens is, of course, among the weakest. Only 5 percent of their adherents give it strong support, 52 percent average, 42 percent weak, and 2 percent do not know. But on the other hand, this is a party that is generally acceptable—only 1 percent in both republics state that they would never vote for the Greens.

Women comprise 61 percent of the Greens' adherents; support decreases with age, it is relatively strongest in large towns with more than 100,000 inhabitants, they have a relatively strong base in Southern Bohemia (13 percent), and in Eastern Slovakia. Educationally, the Greens's base is concentrated among skilled workers, and as for the occupational status is concerned, they perform mostly routine nonmanual work.

As far as their stand on political and economic development is concerned, this is a group that gives slightly more than average support to the changes currently under way. Slovak supporters of the Greens are slightly more emphatic in their support of economic and political changes than are those in the Czech Republic. In Slovakia, therefore, this group comprises the only voter group, besides VPN and KDH, which favors the current developments. In both republics the number of those who actively engage in political life is extraordinarily low, which, together with the fact that otherwise these individuals have no strong views on other issues, again gives the Greens only relatively very low chances for any great success in the elections.

[18 Jul p 1]

[Text]

Christian Democratic Movement

Christian Democratic Movement [KDH]—Jan Carnogursky, chairman: 10 percent.

KDH is characterized by a relatively stable support at the 10-percent level, with only little potential support among

the undecided. The strength of the KDH adherents' support for their own party represents the Slovak average. Most unacceptable to them is Party of Democratic Left [SDL] (66 percent), followed by Coexistence (32 percent), much less Public Against Violence [VPN] (12 percent) and SNS [Slovak National Party] (10 percent).

Women comprise 56 percent. Overall, the greatest number of KDH adherents is found among the middle and older age groups (in the 45-59 age group 19 percent would vote for KDH), and the strongest following is in the smallest communities. KDH supporters are primarily among the least educated population groups; very strong support is among agricultural laborers (almost one in five is a KDH follower).

There has been an interesting shift in the stance of the voters of this movement. Whereas toward the end of last year they still tended to be in an antireform frame of mind and especially stressed the negative social impact of the reform, at present they are a clearly proreform force that will obviously support the political and economic developments now under way (even though sometimes against their own convictions, because, after all, liberal attitudes among KDH adherents are in the minority). A sensitive area for KDH adherents is the current status of Slovakia—an absolute majority of them think that the present system is unjust to them. KDH adherents are split in their attitude toward political life. On the one hand, more than one-third of them state that they are not interested in politics, on the other hand, fully 10 percent of them are politically active.

[19 Jul p 1]

[Text]

Czechoslovak Social Democracy

Czechoslovak Social Democracy [CSSD]—Jiri Horak, chairman: 7 percent.

Support for CSSD is increasing only very slowly and imperceptibly—at present it represents 6 percent of voters in the Czech Republic and 1 percent in the Slovak Republic. An extremely low intensity of this support (a mere 2 percent of strong supporters, 36 percent average, 60 percent weak, and 2 percent do not know) indicates that this party may not achieve any great success in the next parliamentary elections either. The dislike of CSSD adherents is focused above all at the Sladek's Republicans [SPR-RSC] (50 percent), somewhat less, and in contrast to the total population of the Czech Republic as well as in contrast to adherents of other parties, very much below average at Communist Party of Bohemia and Moravia [KSCM] (38 percent), and they have no liking either for the OH [Civic Movement] (16 percent) and the ODS [Civic Democratic Party] (14 percent).

Two-thirds of adherents are men, the average age is very much above average (9 percent is in the over 60 age group), they are concentrated mainly in large towns, particularly in Prague where they have a 12 percent support. They tend to be more highly educated and hold professional jobs.

CSSD adherents present an interesting contrast in their attitudes. On the one hand, they declare themselves to be giving above average support to the principles of market economy, but on the other hand, of course, they take a considerably critical view of the changes in the economy currently in progress, they think that social certainties are not adequately ensured, and their view of the economic situation is overwhelmingly pessimistic. They are the most prominent representatives of a relatively strongly represented population group that is enthusiastic about market economy as a general idea, but not now and not for us, and not at the cost of losing the strong role of the state and the uncertainties, difficulties, and personal problems resulting from it.

[20 Jul p 1]

[Text]

Public Against Violence

Public Against Violence [VPN]—Jozef Kucerak, chairman: 5 percent.

Following the internal crisis and the departure of Movement for Democratic Slovakia [HZDS], the situation in VPN looked almost hopeless in the spring. By the beginning of summer there were signs that VPN was returning to the political scene. It is now supported by 5 percent of the Slovak population and it is the party most favored by those who are undecided or do not want to vote. The strength of the support which adherents give their party is average in the Slovak context. They consider unacceptable first of all Party of Democratic Left [SDL] (71 percent), and also Slovak National Party [SNS] (48 percent). On the other hand, of course, VPN itself is a party that enjoys—besides SDL—the greatest unpopularity in Slovakia; only Christian Democratic Movement [KDH] voters consider it acceptable.

Adherents are equally represented among age groups, with a slight majority of women (57 percent), they are strongest in Eastern Slovakia where 12 percent of the population would vote for VPN. The educational level of VPN supporters is high; the higher the education, the higher the support (among individuals with college education it enjoys a 10-percent support), and with the social status of their professions (it is strongest among creative intellectuals).

It is a sharply defined group abysmally different from the rest of the Slovak population, individuals, who are giving extremely strong support to both the political and economic changes now under way here. Obviously because of a need to clearly define itself, the group of VPN followers is in the intensity of its support for economic reform and the principles of market economy close to the views of

Civic Democratic Party [ODS] and Civic Movement [OH] adherents in the Czech Republic. On the one hand, therefore, VPN has only a small chance at present to gain support on a mass scale; on the other, of course, it represents the only clearly proreform and liberal political force in Slovakia, which could bring it some increase in support as well as the loyalty of its followers.

[22 Jul p 1]

[Text]

Association for the Republic

Association for the Republic—Republican Party of Czechoslovakia [SPR-RSC]—Miroslav Sladek, chairman: 6 percent.

The difficulties, disillusionment, and growing uncertainty brought about a marked change on the Czech political scene during the first half of this year that should not escape close scrutiny. There has been a big increase in the number of followers of SPR-RSC led by Mr. Sladek. At the present time it has more than 5 percent adherents in the Czech Republic and 1 percent in Slovakia. These are strongly above average supporters, who hold a clearly negative attitude not only toward CPCZ [Czechoslovak Communist Party] (72 percent), but also against ODS [Civic Democratic Party] (43 percent), and OH [Civic Movement] (40 percent).

They are mostly younger individuals (in the 30 and below age group, SPR-RSC has a support of 11 percent), with men being a slight majority; they are represented most strongly in towns of 20,000 to 100,000 inhabitants, and almost unbelievably so in the South Bohemian Kraj, where one in every five voters would vote for them. They are most strongly represented among skilled and unskilled workers.

Although generally SPR-RSC followers do not exhibit too strong a bias against democratic principles and market economy, as soon as we ask specific questions, particularly how they evaluate the current situation, we get a picture of strongly negative views and considerable dissatisfaction in all areas—for example, only 17 percent of SPR-RSC adherents are satisfied with the present economic situation of their family (in contrast to 41 percent of the total population of the Czech Republic). A fertile soil for SPR-RSC is a profound dissatisfaction with the economic conditions among those whose material situation tends to be objectively above average, who would be dissatisfied with it practically under any circumstances, and who have a tendency to improve it by pressure tactics rather than by their own effort.

(In the study, which we have published in 12 installments, 1,260 respondents answered.)

80 Top Polluters Dodge Ministerial Requirements*91WN0623A Warsaw ZYCIE WARSZAWY in Polish
10 Jul 91 p 4*

[Article by Krzysztof Walczak: "Eighty Against the Wall: The First Point in Ecological Policy"]

[Text] It is said scoffingly that half the Ministry [Ministry of Environmental Protection] functionaries are poring over the mythical "List of 80," and an equal number of bureaucrats in the voivodships are poring over a "List of 200" and extending it to a "List of 800." At several press conferences, the "lists" were compulsory subjects, and for the subsequent ministers, they were a little sword to be used as a threat....

The initial skepticism and trace of irony were well-founded. After a few years of independent functioning of the Ministry of Environmental Protection and in the tenth year of existence of the State Environmental Protection Inspectorate, an attempt was made to identify and select the worst environmental polluters in the country. As if we did not know them quite well before. This time, however, the point was to make the selection according to precisely defined criteria of "who pollutes the most and why" and, what is more important, to revoke the thus-far liberal decisions on allowable emissions of pollution and draining of effluents.

The worst of the "80" have been told, "Enough." Since January 1990, when the "List of 80" was published officially, the Ministry and the "ecological police" began to make rigorous demands of the plants, which were placed against the wall, that they make concrete investments in environmental protection.

Inspections and injunctions flowed. This was followed by fines tens of times higher than before for exceeding the allowable amount of pollution and an increase in grants to be used as awards for responsible use of the environment.

In this way, the Ministry of Environmental Protection began to introduce the first point of the "State Ecological Policy," which means eliminating extreme sources of pollution. The government accepted a two- or three-year period and, in exceptional cases, a five-year period.

In practice, the administration method of forcing a polluter to improve the state of the environment meant, specifically, 26 decisions on total or partial cessation of activity, 200 decisions requiring technological changes, construction and modernization of preventive equipment, and establishing new, rigorous conditions for exploiting environmental resources.

It is hard to say whether a paralyzing fear possessed the managers of the polluting "80" at which the finger was pointed. Some started to withdraw, others continued to play the old game of temporizing, and most defended themselves, pleading lack of money, etc.

The chief environmental protection inspector, Deputy Minister Andrzej Walewski, in a report to the Deputy

Committee on Environmental Protection, asserts, however, that the administration bugbear is beginning to have an effect. Three-fourths of the plants on the list of the 80 greatest polluters have started at least to prepare to build scrubbers, to install new filters, or modernize old ones. The report of the State Environmental Protection Inspectorate, an institution that knows very well the method of dodging and simulated concern used by the polluting companies, does not hide the fact that we will have to wait at least until the end of this year for the first real effects of investment in environmental protection.

However, the fact is that something is happening. Administrative elements and elements in the economy are slowly beginning to act. Of 26 companies who were served ecologically based injunctions against operating, 12 responded. The Rzeszow firm Polam [mercury] stopped poisoning people and the environment, as did Wroclaw steelworks, Siechnice, and the Krakow soda plants (the renowned Solvay). The most harmful installations from the point of view of environmental protection were closed: departments of the chemical plants, Hajduki, in Chorzow; the zinc plant, Miasteczko Slaskie; and departments of the mining-metallurgy plant, Boleslaw, in Burkowno; the coke plants, Makoszowy and Knurów, and the chemical works, Oganika-Zachem, in Bydgoszcz; and Organika-Azot in Jaworzno.

But there is another side to the coin. Despite the fact that the term for closing production expired at the end of last year, the steelworks and carbide plant, Bobrek, in Bytom continue to operate. In practice, three enterprises, the Chodakow textile and chemical plants, Chemitex, in Sochaczew; the Gdansk plant, Fosfory; and the Polam plant near Rzeszow disregarded the Ministry, the "ecological policy," and the voivodship authorities for environmental protection. Polam limited itself to stopping production, but is doing nothing to eliminate and reclaim more than 30 dumps of broken glass contaminated with mercury.

The report of the "green police" on the "80" subjected to special supervision uncovers typical behavior of industrial and state potentates. In order to free themselves of the odium and label of "poisoner" and to save the plant from bankruptcy brought about by fines and ecological charges, most of them undertook the construction and modernization of environmental protection equipment, treating this as the only method for eliminating the burden. Meanwhile, it is hard to find any remedy in real technological changes. Outdated technologies persist, and they work against pre-ecological modernization of industry. The inspectorate maintains that this is done with the approval of the voivodships.

For example, the chief inspector of environmental protection suggested to the voivodship governor in Katowice and the minister of industry that elimination of the raw materials section of the Kosciuszko steelworks in Chorzow be reduced to four years. The local administration turned down this suggestion. The voivodship governors treated the chemical plants in Oswiecim; the textile and chemical plants, Chemitex-Wistom, in Tomaszow Mazowiecki; and the Azot plant in Tarnow just as good naturedly.

Since January of the past year, among 17 of the publicly branded "80" there has been a definite lag in investments in environmental protection. The mines (Czeczot, Piast, Ziemowit) in which not even a plan for desalination of ground water has been developed and the power plants (Laziska, Jaworzno III, Konin, Turow) in which changing of old and modernization of existing electrofilters is lagging are examples. Similar accusations are made against the steelworks in Katowice; the paper mill in Wloclawek; Siarkopolowa in Tarnobrzeg; the coke plant, Przyjazn, in Dabrowa Gornicza; and the cement plant, Wiek, in Ogrodzieniec.

Real and palpable improvement of the environment can still be exacted from these potentates. If they do everything by 1995 that the ecological administration requires, applying severe economical sanctions, then the emission of sulfur dioxide should decrease by almost 40 percent.

But in a couple of branches, a fixed date, a bugbear, public opinion, or being backed up to the wall will not be enough. Radical structural changes are needed if the causes of environmental degradation in the copper and sulfur industries are to be eliminated.

In the copper field, the "ecological police" believe that restructuring should aim at as much as a 50-percent decrease in production and simultaneously putting a

copper reprocessing plant into operation. The present system of exploitation leads to drastic and rapid exhaustion of resources. The inspectorate is also waiting for the construction of a plant that would exploit the enormous beds of lead-bearing waste that burden the environment.

In the ecologically degraded sulfur field, the Ministry of Environmental Protection demands a decrease in sulfur mining from deposits in the southern part of the Tarnobrzeg Voivodship and suspending the construction of the Osiek and Basznia mines. Sulfur would be obtained from other sources, for example, from desulfurizing natural gas, coal, and liquid fuel.

As might be expected, some of the "80" grasp at whatever they can to avoid complying with the Ministry's ecological orders. They appeal administrative decisions, they sue in the Supreme Administrative Court. If this is not effective, they reach for an argument that seems to be ever more effective in swaying the minister for environmental protection, Maciej Nowicki: "Stop production, close...? And who will be responsible for throwing several thousand people out of work in the steelworks and the coke plants?"

Is this not reminiscent of the proviso, ubiquitous in totalitarian times, that yes, it is forbidden, but "because of important social considerations, it is allowed in exceptional cases"?

Vatra Executive President Opris Interviewed

91BA1002B Timisoara RENASTEREA BANATEANA
6 Jun 91 pp 1,7

[Interview with Dr. Zeno Opris, executive president of Vatra Romaneasca Union, by Mariana Cernicova; place and date not given: "Chauvinism Is Not a Romanian Invention"]

[Text] [Cernicova] You are primarily known as a reputed surgeon. What else should be known about you, especially in your new capacity as executive president of Vatra Romaneasca [UVR]?

[Opris] That I became involved in everything that has to do with this land and people the moment I realized the existence of things that bothered me and other of my conationals, and that we viewed it as our duty to cross over from the stands into the arena. I believe that the conditions that led to the ethnic conflicts in Transylvania no longer exist. Now we need to turn our attention to social, cultural, and economic aspects. Our tasks are outlined in the UVR platform-program and its statute. As in the period behind us, so in the future we must focus on preempting those peculiar, at times centrifugal tendencies that dangerously frustrated our efforts to achieve unity and induced a state of anxiety among the UVR members and that must be eliminated from the condition of an organization that is not and does not want to become a political union.

[Cernicova] How do you view the destiny of the UVR? What are its short-term priorities and what will be its long-term objectives?

[Opris] I would reverse your question and reduce everything to a single phrase: Romania Mare [Greater Romania]! In brief, in the short term our priorities are to select people capable of carrying out the various tasks we set for ourselves, and who capable of organizing better than we Romanians usually do. Discipline will be strengthened and we will have to utilize the entire human potential for the public good, but without attempting to create uniform political concepts or to uproot anyone's individualism. As for the cultural aspect, we do not wish to become an extension of the former "Hymn to Romania"; what is more, we do not wish to block the professional potential of people who can do that better than we can. While previously the leaders of the Transylvanian School strove to raise the cultural level of the Romanians, our duty is to raise their level of civilization in order to achieve the European patina that we have had for a long time [as published].

[Cernicova] How do you see the development of relations between the UVR and the country's political parties?

[Opris] I allowed myself to make a statement in plenum which I uphold and I will repeat it for your readers. I objected to the idea that the UVR is at an equal distance from all the political parties. The distance between us and political groups or parties that by definition or conjuncture are dangerous to the country's unity, territorial integrity, dignity, and progress toward democracy is astronomical to

the point of being adversaries, but as we turn to the parties which in their actions and programs embrace the program of our Union to the point of identifying with it, the distance becomes smaller and even intimate. The UVR can allow itself to enlighten the Romanian electorate about where the parties rank from the viewpoint of love of fatherland and democracy.

[Cernicova] What do you view as Romania's current major problems, especially in view of the fact that at the conference it was said that the moral crisis is more serious than the economic crisis?

[Opris] It is my impression that socioeconomic and political developments are following an oscillating line. We have ups and downs; at times the economic aspects prevail, at others the social, political, or national. Whenever there were economic problems, the representatives of communism always pushed the national issue to the fore. Currently, proletarian internationalism is being supplanted by European federalism. Speaking for ourselves, we are not partisans of any political structure. We follow the principle of a group that can weigh both the regime and the opposition and the ethnic groups according to their contribution to our principles and cause.

[Cernicova] Among your other statements we noted the one in which you declared that you were not burdened by the "bag of extremism and chauvinism."

[Opris] Unfortunately, some people have tried and still try to lay such adjectives at my door. I don't know that such things can be attributed to me, considering that I am fluent in Hungarian, still have Hungarian friends, and have never felt hostile toward Hungarians. According to any encyclopaedic dictionary, clearly being a nationalist is certainly not the same as being a chauvinist. As I have said before, I am a nationalist, but not a chauvinist. Chauvinism is not a Romanian invention, either semantically or ideologically. We are not the kind to burn our bridges, on the contrary, we are building bridges toward the ethnic minorities. I believe that all those who were born in this land have a right to live here and no one is invited to leave, but everyone must behave decently and respect what all of us are dutybound to respect. The general norms of coexistence are not the prerogative of a certain group or social class, they belong to the entire nation.

[Cernicova] Two new positions were created at the Tirgu Mures National Conference: founding president and honorary president of the UVR. As executive president, please tell us a few words about the people who were elected in those important positions.

[Opris] Regarding Senator Radu Ceantea, the founding president, I can speak about him only in superlatives; we began this project, which is not at an end, together and we advanced shoulder to shoulder, almost to the point of identifying with each other and often complementing each other. Mr. Ceantea is of an artistic temperament, while I am more pragmatic, so we complemented each other in what each one of us lacked. The datum of a founding president is like the year of birth. The decision to institute

this position was natural and I think it created a symbol. I am convinced that these names, which belong to the gallery of illustrious personalities, will join the prominent personalities of our nation. As for the UVR honorary president, elected in the person of Professor Iosif Constantin Dragan, he is a widely-known man, known as a good Romanian and a man of culture and of evident goodwill toward us. His presence will serve as a moral sponsorship and, I dare hope, material support. I am convinced that we have made one of the best possible choices. I also want to mention that we have decided to establish a honorary collegium that will include social, political, cultural, and economic personalities who will act as advisers to the Union, and naturally, Mr. Iosif Constantin Dragan's marking personality had to be one of them.

Policrat Explains Political Orientation

*91BA1002C Timisoara RENASTEREA BANATEANA
in Romanian 29 Jun 91 pp 1, 15*

[Interview with Deputy Rene Radu Policrat by Mariana Cernicova; place and date not given: "My Major Party Is That of All the Romanians"]

[Text] [Cernicova] Mr. Policrat, having opened the proceedings of the Assembly of Deputies on 9 June 1990, by 9 June 1991 you were leading a "national unity" parliamentary group (which you described as being of a "liberal orientation," but which features representatives of seven political parties!). What political orientation do you follow, Mr. Deputy?

[Policrat] My first political orientation is a Romanian orientation, and only in the second place is it a liberal orientation, although I have to confess that I find militant politics tiresome and not to my taste. I am inclined more toward political philosophy, which I view as being linked to the natural order of things. When I opened the proceedings of the Assembly of Deputies I spoke only about democracy and about the state of law. That is what interested us then and I think this is what we are still interested in. We anticipated difficulties, but we did not anticipate our disarray and division. After all, during the revolution we heard only one voice, a Romanian voice, and I did not imagine that we would come to the point where there is division not only among the parties, but even in the same party. Emotional troubles and great needs have led to confusion. People are demanding their basic rights in a chaotic manner. We have probably dwelled so long in the dark that now we are blinded by the light of freedom. You were saying that mine is a national unity group. I would like that to be the case. My major party is a Romanian party, the party of all the Romanians regardless of their ethnic origin. The Romanian people, the Romanian nation, has been a model of unity in history. Not everyone knows about us because we are not a big power. But we must overcome the personal passions and show what is absolutely necessary and essential for our existence.

[Cernicova] What are your relations with the National Liberal Party [PNL], which ousted you from its ranks?

[Policrat] I am a liberal and that's the only thing I can be. Otherwise I would be betraying my own nature. I struggled for the rebirth of this party and for its unity, and even for its reunification after the "young wing" split off. Currently I am independent, in keeping with the bylaws of the Constitutional Assembly. But I still hope that the liberal movement will be restored beyond personal interests and ambitions. We kept wanting to have a convincing alternative. Not necessarily in order to win the elections, but in order to win confidence concerning a possible effect on the administration. The party took an extreme measure and ousted me without asking me anything and without allowing me to argue my point of view, having deemed that I committed a serious offense by leaving the parliamentary group and forming another one. But although I had withdrawn from the liberal parliamentary group, I did not want to leave the party!

[Cernicova] What do you think is currently essential for the country?

[Policrat] Democracy! And democracy is not built overnight. No one has ever done it, especially not after half a century of darkness. Democracy is a path which you take with conviction and which takes a lifetime to travel. We had achievements in the period between the two world wars, too, but the emergence of extremist ideas tripped us up as it did other democratic countries. What makes me feel optimistic is that I can glimpse the bright horizon of guaranteed human rights. In the course of progress toward a society in which such rights are guaranteed one wins something all the time. If we wanted these things immediately, we would find out that that is impossible. We must first take small steps and they will lead to big steps. And in this differentiation I'm not sure that the small beginning steps are not the most important.

[Cernicova] Speaking of human rights, are they guaranteed in our future Constitution?

[Policrat] In hammering out the draft [Constitution] we did comparative studies of the constitutions of states that had the peace and leisure necessary to organize themselves. Romania's Constitution took over principles from the fundamental law of other states. We could not copy them, because had they been copied identically they would not have suited us. But the difficulties do not come from principles, but from their implementation. We cannot expect perfection. That is probably why so many amendments have emerged, to ensure that the means suit the principles. If we managed to achieve a democracy, I would say we were on our way to the harmony of which I dream.

[Cernicova] In your opinion, is the Roman Government a liberal government? At least that is what is said in many circles, and that may be the reason that you initially accepted to participate in the government.

[Policrat] There was a point when I wanted to accept to participate in the formation of the government. But at that time I was not alone. Others, too, would have participated, not only liberals. My idea, which I have not given up, was to form a national unity government. If there is national

unity, then all of Romania is in it, and then we needed to make concessions. We put everything aside except what concerns the country and the realities with which we have to deal. The prime minister is making liberal efforts, but having a fundamental liberal concept requires time. Any of us would have encountered the same difficulties as he does. We might have handled them differently perhaps, but we would have had them. We might have handled them differently if we had been free between the big powers. They are looking for a way, too. You saw how many delays there were in setting a meeting between Bush and Gorbachev. I closely follow the relations between the big powers and I try to guess beyond the declarations, even if I keep my conclusions to myself. Romania, however, must struggle to win international recognition and understanding from all. If we follow a wise foreign policy we may be able to act as an element of mediation between extremes.

Deputy Gionea on Constitution, Provisions

91BA1002D Timisoara RENASTEREA BANATEANA in Romanian 15 Jul 91 pp 1,7

[Interview with Deputy Vasile Gionea, deputy chairman of the commission in charge of drafting the Constitution, by Mariana Cernicova; place and date not given: "The Old Constitution Only Listed Civic Rights, the New Constitution Guarantees Them!"]

[Text] [Cernicova] Mr. Gionea, how far do you think that the process of drafting and presenting the text of the new Constitution contributes to achieving a consensus in our society?

[Gionea] I am convinced that this Constitution will be passed by the Constitutional Assembly by a large number of votes. Of course, these many votes will come from both the FSN [National Salvation Front] Parliament members [MP's] and from the representatives of other parties in Parliament. As is only normal, we also expect votes against or abstentions. But since the MP's represent so many parties—and thus political orientations—and as many of the citizens' options, we may say that the text of the Constitution will rally a consensus of the population.

[Cernicova] Do you hope that the adoption of the new text of the fundamental law will have an impact on the development of the transition process in our society in all its aspects?

[Gionea] In contrast to the constitutions we had under the dictatorship, this Constitution is democratic and will have a decisive impact first of all on the existing institutions, which will be subjected to changes so as to fit the constitutional requirements. The adoption of the Constitution will implicitly abrogate all provisions that contradict the fundamental law. Nevertheless, some institutions will continue to exist in their present form until such time as they can be replaced under organic laws. We cannot eliminate them at once, because that would bring the entire state life to a halt. Consequently, the existing institutions will be restructured and new institutions will be created. If we also take into consideration the transition from a centralized,

state-controlled economy to a market economy with a high level of privatization, and the emergence of institutions such as the Constitutional Court, the People's Advocate, and the Technical Legislative Council as a parliamentary working tool, it becomes obvious that all the conditions are being created for a democratic life in Romania!

[Cernicova] Does the manner in which the basic rights and freedoms are formulated guarantee that they will indeed be observed, considering that the 1965 Constitution also featured democratic provisions?

[Gionea] The difference between this Constitution and the previous ones is precisely that while the old Constitution merely enumerated civic rights, the new Constitution also guarantees them. The guarantees come in several forms. For example: There is one provision according to which any citizen who is unhappy about a given action by some institution, or thinks that one of his rights has been violated, can go to court. This constitutes a guarantee for the citizen. Let's say a state administration body (the government, a ministry, prefecture, city hall, etc.) has issued an abusive act that violates civic rights. The citizens are entitled to take administrative legal action. We have already passed the bill on administrative disputes! So a person may demand that the act in question be repealed and that the right that was thereby violated be observed. Or, if a citizen does not receive a reply to an application within 30 days of filing it for reasons of bureaucracy, he is entitled to file an administrative suit and the respective administrative authority will be sentenced, in the sense that it will have to observe the citizen's right and will even have to pay him damages for each day of delay. The Constitution envisages that no citizen may be detained for more than 24 hours. Once that period of time has lapsed, the person must be released. If a person is arrested, he must be immediately apprised of the actions of which he is accused, in the presence of a lawyer of his choice or an appointed one. These are all guarantees for the rights envisaged in the fundamental law.

[Cernicova] You represent the only political party that published its own version of the draft Constitution, the National Peasant Christian Democratic Party [PNT-cd]. Are there big differences between the draft of the parliamentary commission and that presented by the party you represent in Parliament?

[Gionea] The draft presented by the PNT-cd was hammered out by a commission that I myself chaired. Of course, that draft was completed before the text presented by the Parliamentary Commission to the Constitutional Assembly was finished. There are, of course, differences, because the former handled the political options of a single party, whereas the draft Constitution being debated by the Constitutional Assembly is a compromise, the outcome of disputes, agreements, and concessions from all the political parties represented in Parliament. Let's not forget that the majority of the members of the Constitutional Commission also belong to the government party. The texts and principles were adopted unanimously whenever we became convinced that they were necessary to the entire

nation. But there were also cases in which the decisions were adopted by a majority of votes, whereby, as I said, the majority came from a very diverse combination of options. Although the final text constitutes a compromise, it would not be correct and I could not repudiate it on grounds that it is a bad draft. There are passages in it with which I personally do not agree. At the time I expressed my views to the commission, they were put up for vote, and the solutions passed at times differed from those I would have chosen. But that is a different matter entirely.

[Cernicova] So, as a whole, the Constitution is not politically "colored," or at least it expresses the general choice of Romanian society at the end of the 20th century?

[Gionea] I wouldn't be objective if I claimed that this draft Constitution reflects only the options of the FSN, despite its majority in Parliament and in the commission. It is the outcome of lengthy discussions and debates and of the search for—and, we hope, of having found!—solutions apt to meet the needs and current stage of Romanian society.

Dragan Describes Chauvinism as 'Pathological'

91BA1002A Timisoara RENASTEREA BANATEANA
in Romanian 6 Jun 91 pp 1,7

[Article by Constantin Dragan: "The Individual Lives Through the Nation"]

[Text] Having emerged as a natural reaction, Vatra Romaneasca [UVR] from the beginning set out to defend the rights of the majority nation, the Romanians, and to respond to the eternal challenges of the Hungarians, who question Romania's territorial integrity, the unity of the Romanians in the Middle Ages, their political and legal status, the significance of the great battles for independence, and the Romanians' place in world history.

This organization has been joined by millions of people throughout the country's provinces for the purpose of defending the human rights, which do not prescribe that an ethnic minority should dominate or should want to manage the majority, as was the case in the past when the Hungarians, Szecklers, and Saxons formed an agreement, deliberately ignoring the majority Romanian nation, which was subjected to a whole string of arbitrary treatment by the ruling nobility: "Unio Trium Nationum."

The passage of foreigners through our ancestral land left behind "cohabiting ethnic communities" whom the Romanians always treated without racial discrimination and viewed as equal in rights and duties within the state that today is a Republic. But, unless they violate international rights, they cannot aspire to detach themselves and portions of the country's regions, which belonged and continue to belong to the native nation that has for millennia lived between the Carpathian Mountains, the Tisza, the Danube, and the Black Sea. Anyone who wants to become the subject of another state is free to make that choice in view of the fact that no barriers of any kind exist now, after the revolution. And if they do not do so, they must remain loyal citizens of the country that gave them shelter.

The individual lives through the nation and the nation through the national state, which is generally made up of the majority nation and possible minorities. It is the duty of the individual to love his nation and serve it, just as he must love his fatherland (his state—the all-embracing political-legal organization) by virtue of a profound sentiment called patriotism. These basic ideas may be neither desecrated or interpreted at will, just as exaggerations leading to pathological manifestations and chauvinism are to be deplored.

We hailed the initiative of the ardent patriots who after the revolution, at a politically important point, took a stand against the abuses of minority citizens. In violation of human rights, the latter stirred serious and unacceptable disturbances in a state of law in which privileged status is banned. The UVR demonstrated the need for civic education designed to expand and deepen classroom education among all the ethnic minorities. Only a correct civic education, carried out in keeping with the above principles, can lead to a better understanding among people and to a more peaceful life based on persevering work designed to create material and spiritual wealth.

With this expression of Romanian sentiment I want to hail the UVR supporters who have been active in all of the country's counties, and its leaders, and to thank everyone for the recognition and trust they showed me by electing me honorary chairman.

Timisoara Chief Rabbi Neumann Interviewed

91BA1002E Timisoara RENASTEREA BANATEANA
in Romanian 16 Jul 91 pp 1,7

[Interview with Dr. Ernest Neumann, chief rabbi and president of the Jewish Community of Timisoara, by Ildico Achimescu; place and date not given: "In Timisoara, Those Intent on Sowing the Seeds of Hatred Have for the Time Being No Chance of Success!"]

[Text] [Achimescu] Esteemed Dr. Neumann, it is to be assumed that not many people in Timisoara know that you used to be a passionate and...feared reporter!

[Neumann] That is first of all because I used to publish under a pseudonym: Naumeanu (otherwise it would not have been possible; that was in 1941!) and secondly, it's been a long time since then. Anyway, I keep close to my heart many issues of BANATUL, where I published editorials and foreign policy commentaries. I believe and I continue to strongly claim that the printed word is a powerful weapon! I had a remarkable journalist for a mentor, Professor Ilie Murgulescu, who taught us with calm and moderation and admonished us not to go to extremes.

[Cernicova] So the name Naumeanu is linked to your beginnings in journalism?

[Neumann] No, after I graduated I was to teach Romanian language at a famous high school in Budapest, Berlitz, and I was asked to take a name that sounded Romanian. How could a Neumann have taught Romanian?!

[Cernicova] You speak very beautifully, with colors and nuances....

[Neumann] I grew up in the commune of Ceica in a Romanian environment. Later I drank from a remarkable Romanian spring in Beius, where I went to the united Romanian High School Samuil Vulcan. To tell, or not to tell? After the graduation exam I was ranked first out of 50 candidates. It even says so on my diploma. When it came to choosing a university I was hesitating between law and theology. In Cluj there were rumors of violence and attacks; as I was not a very brave youth, I chose to go to Budapest to the rabbinical seminary. The requirement there was to also take university classes. So I took philology and philosophy. After graduation I wanted to come home....

[Cernicova] Your life, like so many others, was tragically marked by the consequences of anti-Semitism. Each episode carries that mark and constitutes a warning that such terrifying events should not be repeated.

[Neumann] That's why I'm telling you everything in greater detail. So, at the time when as I young graduate I was dreaming of going back home, the Iron Guard and Marshal Antonescu had come to power. Northern Transylvania had been separated from the rest of the country. My passport carried a stamp. You know what it said on it? "Does not have a valid visa to return to Romania," and being Jewish, I could not legally return to Romania. Two smugglers brought me across the border after midnight at a spot only they knew. "You're bringing disaster on our home," my parents exclaimed when they saw me, instead of being happy about the reunion. I was told not to let myself be seen. I went to Bucharest and that's where I was when the legionnaire [Iron Guard] rebellion broke out in January 1941. I saw everything or almost everything, what happened at Vacaresti and Ducesti. With my own eyes I saw the graffiti on the window of a jewelry store, which said: "Looted by mistake, will be returned later." This because the robbed owner was actually not Jewish, but the looters found that out only later.... Thirty days after the rebellion I went to the memorial service for the victims. It was moving! At the time there were still over 100,000 Jews in the country.

[Cernicova] On 3 April 1941 you went back to Timisoara and never left again.

[Neumann] I began by teaching religion at one of the Jewish high schools and serving as rabbi until the elections. During class I used to put a map on the blackboard and follow the progress of the war. From the pulpit and the classroom desk I constantly encouraged the youth and the entire community. There was a great need for courage! On 3 August 1941 all the Jews of Timisoara were gathered at the Electrica arena. The young and able-bodied men were taken to "public work" camps. At the gathering we were told very clearly: "At the slightest sign of unruliness you'll be decimated!" And that was not in the least an empty threat. Then came the critical year of 1942 with the massacre at the Iasi police station and the massive deportations of Jews to Transnistria; the forced Romanization of

factories and stores, and signs like "Jewish physician," which meant that he wasn't allowed to treat other nationalities. What was our state of mind at the time? We suffered, but we continued to hope and to wait that something might change for the better.

[Cernicova] Then came 23 August, when people perhaps thought...

[Neumann] We had every reason to welcome the change enthusiastically. And as far as we were concerned, we had only three martyrs. Timisoara had been an oasis. I remember that at the memorial service for the three, more than 2,000 mourners came to the Jewish cemetery. I tried to give them heart, to tell them that it was going to be better.

[Cernicova] But it was not to be; all the illusions and hopes were slowly dissipated.

[Neumann] All of us suffered during the totalitarian period. We suffered for being Jewish. The "man"—frankly, I don't want to say his name again—was an anti-Semite. Even though he launched confusing slogans, in his heart he encouraged the poison of hatred against us. Our hopes were revived in December 1989. No other reversal could have been more beneficial. And everything started here, in Timisoara! Then came the establishment of a democracy—frail at first, but then increasingly vigorous. That is why I'm so pained.... I feel the same pain again and again; once again there are attempts to sow the seed of discord. There are only 17,000 of us left in Romania, scattered among 60 communities. Most of us are elderly; the average age is over 60. Who do you think stands to gain anything from all the anti-Semitic articles appearing in so many publications?! I think and I claim that this hurts the interests of the country as a whole. We are digging our own grave, all of us. And this at a time when the country's president and the government are endeavoring to forge a dignified behavior and life. Is it really impossible to preempt this madness? Is it really not possible to find a remedy against it? You see, the development has been bizarre: First came the Hungarian "problem." Now there is the Jewish problem. In reality, we inherited a miserable situation. We should all want to advance together from one step to the next. We should all get together to build a democratic and prosperous society. Why is this obstacle being raised in our path?

[Cernicova] You are still under the influence of the emotions stirred by the event you attended at the end of last week, the commemoration of the Arad victims.

[Neumann] There were martyrs there, too. A few. The pretexts invoked for the massacre were false! In Arad in that fateful September, under the Hungarian occupation, the first measures taken by the new authorities were to decide where the ghetto was to be, prepare the train cars for the deportees, and decree that all the Jews had to wear the yellow star. In the same historical context of "temporary" occupation of a few days, 126 Jews were killed in Sarmas. Why exactly 126? Because that was how many Jews lived there; 45 of them were children! Eyewitnesses

said that the earth shook, not under the burden of that horrible massacre, but because many of them had been buried alive! Such inhuman acts cannot, must not ever be repeated. I am firmly convinced that a fascist revival is out of question, which does not mean that we can remain passive. Public opinion must react and put an end to any attempt to revive terror.

[Cernicova] Here in Timisoara anti-Semitism did not and does not have chances of succeeding; is that certain?

[Neumann] I feel very proud of being a Timisoran. In September 1990 when the Romania-Israel Friendship Association was founded, all those who were invited, both Romanians and Hungarians, were glad to join. Once again, so far those who are trying to sow hatred have not been successful in Timisoara. But any lie or columny, repeated often enough, may in the end seem true. This is what we

ought to fear, that those who today are immune to the poison may not tomorrow succumb in any way!

[Cernicova] What can be done to avoid getting to such a point?

[Neumann] You, your newspaper, have a powerful weapon, the pen! Use it! You will thus serve the higher interests of the country. What can be more natural than for people to draw closer to each other into a united family. "Love your neighbor as yourself!" Moses' precepts are as immediately valid today as they were in the past. There is no difference or there should be no difference among people. Each person must be allowed to lead a dignified life in conditions of complete equality and peace. All of us, all God's creatures, have a right to a blessed life. Once again I want to say, with hope, that the mood here in Timisoara is not yet diseased. I don't see and I don't feel any such signs!

Soviet Arms Shipments for Serbia Reported

91P20447A

[Editorial Report] Zagreb VJESNIK in Serbo-Croatia on 5 August on page 1 reports that the Trieste daily PRIMORSKI DNEVNIK of 26 July claims that the arms shipments to the Montenegro port city of Bar are Soviet, and that they are intended for the 200,000-man Serbian Territorial Defense Force. According to VJESNIK, the Trieste paper, citing unofficial but well-informed sources, states that the Soviet arms are valued at \$300 million.

Submarine Reported Damaged in Collision

91P20447B

[Editorial Report] Zagreb VJESNIK in Serbo-Croatian on 7 August on page 3 reports that a collision occurred in the port of Split between a freighter and an unidentified object believed to be a submarine. Although Army sources deny the incident, a damaged submarine was brought for repair into the Split Shipyard. However, the shipyard refused to repair the submarine for the Yugoslav People's Army "as long as there is a possibility that it might be used in an attack on Croatia." The paper states that the activity of the submarine is only part of a "great movement of various supplies and equipment from the military port of Lora, the Maritime School Center, and other naval facilities in Split toward the southern Montenegrin coast."

Slovene Negotiating Positions Presented

91BA0992A Ljubljana NEODVISNI DNEVNIK
in Slovene 1 Aug 91 p 4

[Statement by Slovene Prime Minister Lojze Peterle; place and date not given: "Negotiating Positions"]

[Text] The Brioni Declaration commits the signatories to negotiations on the future of Yugoslavia, which are to begin on 1 August 1991.

In accordance with this, the Assembly of the Republic of Slovenia, at its last meeting with the Presidency of the Republic of Slovenia, proposed and charged the Executive Council with preparing the negotiating positions.

On 25 June 1991, Slovenia became independent in a way that did not cause any interference with the functioning of the Federation, since we primarily carried over Federal legislation and furthermore proposed to the Federation that during the transitional period we would remain within the joint monetary system, would preserve our presence in diplomatic and consular representations, and would settle relations with the Yugoslav Army gradually, in three years.

Taking into account our responsibility to others, and in the interest of further cooperation, we left the door open for settling all the issues by agreement.

Instead of talks, Slovenia's decision was followed by a crude military intervention, with the signature of the Federal prime minister.

For the first time since World War II, a real war took place in the heart of Europe. That unfortunate fact made relations in Yugoslavia, already tense in any case, even worse, and gave the entire world a clearer picture of Yugoslavia and certain new facts and information.

It is high time that we in Yugoslavia acknowledge each other's real interests, and that we determine without external or internal pressures which interests we have in common.

The Brioni Declaration also proceeds from the fact that a new situation has arisen in Yugoslavia, and requires negotiations about the future of Yugoslavia, but not about a future Yugoslavia. It says in the English original, "of future of Yugoslavia," not "of future Yugoslavia" [as published].

Fundamental Positions

With the Declaration of Independence, Slovenia decided on independent statehood. Through the agreement with the Troika on 30 June 1991 in Zagreb, implementation of the Declaration was postponed for three months, but not the Declaration itself, or independence. Those positions are written very concisely, and I will not continue with the usual clauses that we have already stated many times, that we will not renounce that and so forth.

Let us state here, of course, that we only agreed to a moratorium for three months, and then we will continue in the formal status that we have already achieved through our decisions.

In the second place, we understand the three-month suspension of the Declaration as an opportunity for the peaceful settlement by agreement of the issues related to Slovenia's disassociation from Yugoslavia that we were not able to settle before independence, in spite of our willingness and offers.

In the third place, although Slovenia no longer considers itself part of Yugoslavia, it is prepared to contribute to a peaceful settlement of the Yugoslav crisis, and to negotiate on future ties among political entities on the territory of Yugoslavia as an equal partner, on the basis of real and genuine interests.

In our opinion, Yugoslavia can only be a voluntary community of republics and peoples. First of all, it is necessary to determine whether such an interest exists.

In the fourth place, Slovenia is prepared to conduct talks in this regard only as a sovereign entity with international legal standing, and only with those partners who accept and implement European standards in the area of respect for human rights, the rights of national minorities, democracy and economic life, and environmental protection. European measures and European standards are very clear here.

In the fifth place, Slovenia, as a successor state, is prepared to leave the right of the full use of the name of Yugoslavia to those who would wish to establish ties with each other

under that name, and to recognize that community as an international legal entity, provided that the other side also does the same.

In the sixth place, it is in Slovenia's interest to establish conditions on the territory of the former Yugoslavia for lasting peace and cooperation on a democratic basis, which is also a basis for inclusion in European integration processes.

In the seventh place, Slovenia wants to regulate by treaty the means of operation of Federal institutions during the period of the suspension of the Declaration of Independence, and in that regard consents to the activity of the most necessary functions of the former joint state.

These are the positions prepared on the basis of the Executive Council's initial discussions and materials.

Today we had a meeting of the extended Presidency at which we discussed the context of these initial positions in more detail, and we determined the following:

In several days we can count on important new facts. One of those is associated with President Kucan's visit to Rome, which is taking place right now.

Another is the Troika's coming to Yugoslavia again, which is to happen on Saturday, when we will probably hear a great deal about the negotiations that are supposed to have started a day earlier.

We have to take into account the fact that the European Community [EC] is also preparing some sort of model that Yugoslavia is supposed to discuss, and that the political scene in the EC, and its views on solving the Yugoslav question, are not entirely uniform.

Serbian Radio Broadcasts From Slavonia

*91BA0956C Belgrade NOVA RIJEC in Serbo-Croatian
10 Jul 91 p 9*

[Article by M. Stefanovic and M. Zegarac: "From Wheat to Ether"—first paragraph is NOVA RIJEC introduction]

[Text] The Serbian radio station for Slavonia, Baranja, and western Srem has begun to operate.

For the last several days, a new radio station has been "thundering" in the villages of eastern Slavonia: Serbian free radio for Slavonia, Baranja, and western Srem. The "credits" of the multihour programming, which will quite certainly last 24 hours, begin with the song "Tamo daleko" ["There Far Away"] and the announcement: "Here is Serbian radio for Slavonia, Baranja, and western Srem...."

The program is being broadcast from "somewhere in Slavonia, from the wheat." All this is still in the beginning stage, but the people are enthusiastic about having credible and prompt news. That is most important at the moment, they say in the Resistance Headquarters.

We travel a long way to the station. Our "guides" wonder whether to blindfold us so that we cannot see where we are going.

"Understand what importance the radio station has for us. At a cost of scores of lives, we cannot allow the forces of the Ministry of Internal Affairs to find it, since it is our outlet to the world; it encourages us and informs us. Finally, it is our truth," says one of the people from security for vital installations in Serbian villages of Slavonia.

The station is located on the distant periphery of a Slavonian settlement. A large city is about 10 km farther. A modern building, nothing special in appearance, but the antenna is, obviously, somewhat hidden. The steps lead down to the basement, and in there one can already hear a "program in progress."

"You are the first 'foreigners' in our radio station. I am the skipper," says a woman who introduces herself as Milena. "I have never done this work. Someone 'chose' me because they say I read fluently. Only when I read the 'credits' for the first time did I realize that this is something to be proud of and my patriotic duty [three words illegible]," says the woman.

In the small but well supplied facility, the newest equipment was set up.

"Many have promised support. We are more than modest in everything for now, except for the news that we offer our listeners in abundance. We check every piece of news twice, because we do not want to report anything that would cause panic and give our adversaries the opportunity to show how inaccurate it is," says Bora B., the chief and only technician in the Serbian radio station for Slavonia, Baranja, and western Srem.

Serbian songs, many of which have long been forgotten, resound over the airwaves of the new radio station. Thanks to Resistance Headquarters, citizens bring their cassettes and offer assistance.

"We need everything, so we are hoping for assistance from colleagues from many radio stations. We wish only to spread the truth about our struggle with the forces of the Ministry of Internal Affairs and the Croatian Democratic Society, about their torture of the Serbian populace," claims Ljubomir P., a staff member of the radio station.

Serbian Information Minister on Press in Krajina

*91BA0956B Belgrade NOVA RIJEC in Serbo-Croatian
20 Jul 91 p 4*

[Interview with Lazo Macura, minister of information of the Autonomous Region of Krajina and director of Serbian Radio-Television Knin, by Milorad Bosnjak in Knin; date not given: "An Information Blockade Is Becoming a Thing of the Past"]

[Text] Professor Lazo Macura, minister of information in the government of the Serbian Autonomous Region (SAO) of Krajina and director of Serbian Radio-Television, was very hard to find in Knin in recent weeks. The reason for this has been his frequent trips in connection with the final organization of the information network that will cover areas settled by Serbs outside Serbia proper.

It is not necessary to emphasize the importance that this network will have for the population of the Serbian Autonomous Region of Krajina, subjected to an information blockade of public media in the Republic of Croatia, over which the ruling party has absolute control. Serbian Radio-Television and the press are well on their way toward breaking this information monopoly, and toward becoming a resource in the hands of the Serbian man devoted precisely to him and to all segments of his life in society: political, cultural, historical, entertainment, etc.

The effect of the network that is being created is, therefore, twofold: the right of the Serbian people to their own word, and the opportunity to tell everyone—*urbi et orbi* [in the city and the world]—the truth. Thus, with a curiosity aimed in this direction, we sought a conversation with Professor Macura.

[Bosnjak] Tell us, Mr. Macura, in what phase is the realization of Serbian Radio-Television Knin's project?

[Macura] Serbian Radio-Television Knin was conceived as a receiving-broadcasting point that would incorporate the satellite programming of Television Belgrade. One part of that programming has already been realized; Knin and vicinity have already been watching Television Belgrade for some time now. A second part has been set up on Petrova Gora, so that Banija and Kordun will soon be receiving a clear picture. The next phase, which is already in progress, is a studio in Knin. On Petrova Gora, we already have facilities in Spomendom. The studio will be completed on 15 September at the latest; this means that we would then be able to initiate our own programming. It still remains for us to set up a transmitter on Pljesevica, and the final phase would be repeating installations throughout the whole area, so that everyone can watch this programming. That is now a very extensive project, purely American, and about \$500,000 is necessary to cover it all, but I hope that we will be able to complete it without serious problems.

[Bosnjak] Have you already worked out a personnel scheme?

[Macura] It's possible that assigning personnel will be a big problem, but in any case we are on the way toward resolving the thing, because we have people from our area with specialized experience. We have cameramen, a director who completed a film in Belgrade, and we will engage a news team; this means that we will be able to start programming.

[Bosnjak] You recently returned from a visit of several days with Serbs in Canada. The aim of that trip, the contacts made there, and the results that have perhaps been accomplished interest us.

[Babic] I went there at the invitation of our people in Canada who organized "Krajina days" there for the first time. We were in the Toronto area, a banquet and picnic were held in Hamilton, and \$70,000 were collected there, of which \$20,000 went for Bosanska Krajina, \$40,000 will be going for the SAO of Krajina, and \$10,000 remains in the account, since this fund should be further increased.

The main idea of this activity was to collect material assistance for Krajina, since we know what the circumstances are; however, I think that more was accomplished in the plan of animating our people and uniting the people in diaspora. The Serbs in diaspora have been more severely divided than here. That has been done systematically from our country. They also had a schismatic church, now they are on the way to resolving that too. The synod met, and they decided that the church unite. I must say that the Serbs in Canada gathered together for the first time on the same task, and that is very positive. All of them are living practically for the idea of Krajina, and they are ready to support it morally and materially. We have a great opportunity to introduce our businessmen to this Krajina, but I think that we must go a little more courageously and that we should decide that people who left a long time ago, as well as those who went during the war, can return here. This means that we should not just say this verbally, but make it official, so that they know they are safe here when they come. And someone who has some capital to invest that he accumulated over the years, will certainly invest it more readily in the land of his birth than there, in a country that was never his.

[Bosnjak] Have the Serbs in Canada retained their ethnic identity—the language, primarily?

[Macura] I must say that they speak a mixture of Serbian and English, so that it's a little funny to listen to them. It wasn't a problem for me, since I speak English, otherwise it would be difficult to follow them all the time.

[Bosnjak] What is the approximate number of Serbs in Canada?

[Macura] There are around 90,000 Serbs in Canada, about 50,000 in the Toronto area alone. Hamilton is the largest Serbian colony in Canada, and since their departure they continually get together, gather for church and their organizations, which serve them on a daily basis at the same time. They also have clubs and folklore and sports halls. The Serbs in Canada are in a much more favorable position than those in the United States, since the United States has what is called a "melting pot," i.e., a "pot" in which everyone should put himself. Canada is different, it is multicultural, so the Serbs there, as well as all other immigrants, retain their culture, identity, and customs.

[Bosnjak] Could it be said that you are satisfied with the results achieved?

[Macura] By all means. Professor Nikola Koljevic of the Presidency of Bosnia-Herzegovina and I were there, before one Krajina and then the other, and we are very satisfied with that which we have achieved. They are equally satisfied with us, because we never slandered or disgraced, but we presented the situation the way it is, and presented possible ways out of that situation. And thus we converted many people, for all practical purposes, to the Serbian Democratic Party [SDS]. They have now established two SDS councils there, and I see that they are leaving Draskovic's party for the SDS. I think that this unity is stronger than in these areas.

[Bosnjak] Let's return to you as the minister of information. We are interested in upcoming activities in this field, except for Serbian Radio-Television, about which we've talked.

[Macura] Yes, many activities are already in progress. We founded the "Nova Rijec" [New Word] Serbian News and Publishing Enterprise in Vojnic, which will be the nucleus of our publishing venture. Here, in Knin, SRPSKE NOVINE [Serbian Newspapers] is also underway. I think that we must unite them, and see exactly who will do what. This means that we will attempt to unite Serbian Radio-Television, newspaper operations, and in a later phase publishing of textbooks and the rest, and we will attempt to operate on a broad front, together.

[Bosnjak] Is cooperation with Bosanska Krajina in the information sphere being considered?

[Macura] We had talks in Banja Luka in considering the agreement between the two Krajinas, which we also signed. We agreed that BANJALUCKI GLAS [BANJA LUKA VOICE], which is the only daily newspaper in this area for now, will carry informational content. Indeed, it must undergo changes in directorship, etc., since it isn't even a Serbian paper, although there are 70 percent Serbs in Banja Luka. Krajina can be represented in it as a unified whole. We will have our daily paper there; this will be sufficient, I think, and the others can be weeklies, monthlies, and the opening of correspondent offices in many places will follow.

We parted from Professor Macura with undisguised satisfaction because of two observations: first, because of the knowledge that the complex filling of the informational vacuum in Krajina had finally begun, and second, because of the material possibility of the realization of these efforts.

Babic on Latest Developments in Krajina

91BA0956A Belgrade NOVA RIJEC in Serbo-Croatian
20 Jul 91 p 2

[Interview with Dr. Milan Babic, president of the Serbian Autonomous Region of Krajina, by Milorad Bosnjak; place and date not given: "The First Border-Area Inhabitant Before the United Nations; Croatia Can Survive Only If It Does Not Touch the Serbian Autonomous Region of Krajina"]

[Text] The Serbian Autonomous Region (SAO) of Krajina, whether anyone recognizes this or not, is slowly evolving into an independent federal whole, and this process is accompanied by all the implications inevitable among the so-called "tectonic" changes within a federal whole. Its development involves completely new relationships in a political, military-political, diplomatic, and—judging by the frequent clashes—combat plan.

Therefore, there are a multitude of reasons for a conversation with the president of the government of the SAO of Krajina, Dr. Milan Babic. The conversation, which we carried out after many days of effort, was conceived in order to give the reader a cross-section of the situation in

which the Serbian people of Krajina currently find themselves, taking into account the aspects cited above. The shortage of time (as far as Babic is concerned) caused the number of questions prepared to be cut in half.

[Bosnjak] The latent clash that has been taking place between the Republic of Croatia and the SAO of Krajina for almost a year has been flaring up in recent weeks. Do you consider unavoidable the attack on Krajina, especially Knin, by large forces of the Ministry of Internal Affairs and the Council of the National Guard?

[Babic] First of all, I think that Croatia can survive only if it does not touch the SAO of Krajina and does not cut out Serbian territory from it. Every large-scale combat clash would, for all practical purposes, be a general war by all Croats against all Serbs. In that war, Croatia would probably lose, and one could no longer imagine how it would be organized as any kind of state, especially as an independent and sovereign one. My message to them is to accept negotiations with the SAO of Krajina about peaceful restrictions.

[Bosnjak] Has an invitation been extended to them to this effect?

[Babic] It has, and there is certainly a readiness on our part to negotiate the drawing up of territorial borders and the sharing of postal and rail service, existing joint resources, etc.

[Bosnjak] For the Slovene and Croatian leadership, as well as for a large percentage of the people in these republics, the Yugoslav National Army [JNA] is an occupying and undesired force. What are your relations with the JNA?

[Babic] The position of the SAO of Krajina about the overall structure of future relations between peoples has been that Yugoslavia should be constituted as a federation. The Slovene and Croatian people have decided to form their own independent states. We agree with this, but we think that the modalities of the secession should have been agreed on first. And we continue to remain oriented toward a federation with those peoples who want the same thing, so in that context we support the JNA. If Slovenia and Croatia secede, the JNA must protect the integrity of those territories that maintain the continuity of the federation.

[Bosnjak] How is the cooperation of the Krajina leadership with the Federal Secretariat for Internal Affairs [SSUP]?

[Babic] Inspectors of the SSUP have been here. My opinion is that the SSUP is not nearly involved to the degree necessary to assure the security of Serbs and their property in areas that have been subjected to the territorial assaults of the Croatian fascist government. It hasn't done anything to prevent the widespread clashes that Croatia is provoking in these areas.

[Bosnjak] Do you think the SSUP could have done this?

[Babic] As a branch of Ante Markovic and his anti-Serb policy which he is conducting in federal organs, it couldn't

have done this at all. It is a paradox that federal institutions are being led by people from those republics that are no longer in Yugoslavia. I am thinking of the Presidency, the Federal Executive Council.

[Bosnjak] In your opinion, if large-scale armed clashes do not occur, how long can the situation go on the way it is now, i.e., where smaller clashes in which people are dying are breaking out periodically?

[Babic] It will continue right up to the time that we agree definitively on mutual relations and borders.

[Bosnjak] How much longer can the stalemate last at Plitvice?

[Babic] We are tolerating this presence of the Ministry of Internal Affairs on the territory of Krajina for one sole reason: the JNA is taking care of them there and we do not want to get into a clash with it. It is necessary for the JNA to resolve this problem so as to bring about the withdrawal of this force or to allow us to do it.

[Bosnjak] Are there prospects for the problem of Glina and Dvor na Uni to be resolved without further clashes?

[Babic] The whole problem of Banija can be resolved only when Croatian armed units withdraw from all territory in Banija. Then, when there isn't a single one of their soldiers there, there can be peace in Banija.

[Bosnjak] Your comment on the mobilization in areas of the Bosnia region?

[Babic] This was a necessary step for the protection of their territory from the planned invasion by the Croatian army. This also gave impetus for the defense of the whole territory of United Serbian Krajina. After the Decision on Unification was made, our region and the Bosnian Region have become a single, firm whole.

[Bosnjak] In the government of Croatia—who knows in what way—there have been changes in personnel. In place of Boljkovac—Cvitan, in place of Spegelj—Bodan. Do you think that this will lead to a still more radical approach by the Croatian government to the SAO of Krajina?

[Babic] It is difficult to assess who is the more radical among all of them. As far as their approach is concerned, it does not differ in substance, so that we do not see reliable counterparts among them for different resolution of the problems.

[Bosnjak] Recently a spokesman for the British Government reported that his government does not question the right of the Slovenes and Croats to secede, but that the same goes for the Serbian population in Croatia. What do you think of this position of the British which, indeed, speaks in favor of Krajina? More exactly, do you consider it sincere?

[Babic] As far as the position of all Europeans toward us is concerned, I think that each of them is protecting our interest. It is clear from a historical perspective that they have not applied rights or emotions to us, but simply personal interests. Thus I would not comment on sincerity,

as far as the British position goes. The legal solution to the Serbian question in Croatia is beneficial for all of Europe, since there will be no peace there if someone makes it impossible for the Serbian people to realize their national interest fairly, i.e., to live in a state that they voted for in two world wars.

[Bosnjak] The Brioni declaration: First, do you think that this and similar acts that the European body of 12 intends to adopt can defuse the war volcano in Yugoslavia? Second, considering that the president of Serbia also participated in its approval: how, in that sense, does the Declaration require the government of the SAO of Krajina to abstain from clashes with armed Croatian units?

[Babic] It is clear that neither the Slovenes nor the Croats would behave aggressively in this manner had they not had the support of certain international entities. They have taken advantage of the betrayal in the JNA, as well as the treasonous policy of the Federal Executive Council toward Yugoslavia, to bring about publicly the internationalization of the political conflict. The international factor, through the marionette powers in Slovenia and Croatia, as well as with the assistance of Ante Markovic and the people who carry out his bidding in the Federal Executive Council, has manifested itself with ultimatums toward Yugoslavia. My opinion is that this is a shame for the members of the Serbian people who participated in the acceptance of such ultimatums, beginning with the placement of Stipe Mesic as the president of the Presidency and so on. The Serbs have never accepted the ultimatums, regardless of whom they came from, in what form, and with what content. The SAO of Krajina will not accept any kind of ultimatum. And as far as a cease-fire goes, the Serbs were not even the first to open fire. Those who are seeking a cease-fire must first achieve the disarmament of paramilitary forces in Slovenia and Croatia, whose armament they secretly but also publicly made possible.

[Bosnjak] How far has it gone in the presentation of the Serbian question to the world public: first, by means of informational media; second, since Krajina also has a Ministry of Foreign Affairs—by means of contacts of a diplomatic nature?

[Babic] The presentation about which you speak has not been sufficiently developed even in Yugoslavia; institutions and informational media of the Republic of Serbia bear the greatest responsibility for this. Next, there has also been insufficient action in other fields, on the part of organs and institutions of our people.

[Bosnjak] If I'm not mistaken, the first step of a diplomatic nature was the departure of a Krajina delegation to an international meeting in Geneva.

[Babic] I was the first Serb who brought the Serbian question before the United Nations. Naturally, that is not to my personal credit, since the troubles of the people in Krajina forced us into such a move. The government of Serbia should have worked on those questions much more and more actively. We created the government of Krajina, including the Ministry of Foreign Affairs, with the author

Jovan Radulovic at the head. All this with the aim, utilizing contacts with our emigrant community and with international institutions, of appearing before the international public. A concrete success of this ministry is the involvement of the International Red Cross in the exchange of prisoners between the SAO of Krajina and the Republic of Croatia.

Serbia's Economic Trends During Moratorium

91BA0979B Belgrade *EKONOMSKA POLITIKA*
in Serbo-Croatian 29 Jul 91 pp 15-16

[Article by P.S.: "Serbia: Old Ideas in a New State"]

[Text] How did the Serbian authorities perceive the decisions of Slovenia and Croatia to become independent, and what are they doing to protect their economy against the adverse consequences of that act? The answer to the first part of the question might be stated most briefly this way: Independence inevitably means that the economies of those republics are leaving what up until now has been a unified market and economic space. This in turn means that one must define his own economic system. In this connection, the government says that it already has all the laws embodying the system, but for the moment it is mainly issuing (secret) orders through paragovernmental institutions such as the Economic Chamber not to pay trading partners for goods from those two regions, it is recommending that "our" goods not be sent there (unless paid for in advance in hard currency), and it is suggesting that purchase-and-sale partnerships with enterprises in the now independent states be replaced by partnerships of the same kind with partners from countries which were foreign even before.

At present, even the authorities themselves are not denying that they do not have the balance sheet of the future state ("but others with certainty already do"—is the public reproach being made to them), but the conclusion can be drawn that the authorities themselves are not worried about that. The permanent orientation toward other markets, taken as a whole, will not be such a great problem—these are suggestions which one can read or hear. After all, the dependence in production technology of the agroindustrial production of the republic is practically negligible compared to Croatia and Slovenia. The relations between Serbian enterprises and enterprises from those two republics are conventionally commercial in nature and mainly come down to one-way deliveries to meet the needs of "population, the tourist industry, and export" in those republics. Nor is the production of Serbian agricultural machines and equipment dependent on Slovene and Croatian enterprises, and insofar as it is, this can be made up by imports, and here it is an important circumstance that "Serbia will always be the producer of food surpluses for the market."

There is no reason for concern in Serbia when it comes to the electric power industry except for possible problems related to marketing a surplus of electric power in the West because the transmission network crosses these western republics. But difficulties could arise in the transport of

petroleum, and here "even a complete cutoff should not be precluded," and alternative solutions must be brought into play (the port of Thessalonica, for example). Serbia's metallurgical capacities, that is, the Smederevo Steel Mill, could have difficulties because of coke, because transport of both coking coal and the coke itself "cross Croatian territory." As far as the chemical industry is concerned, the present dependence for raw materials can be made up with imports, but there will be a problem with drugs for a long time.

The adverse consequences of the current situation are already evident in the transportation sectors, because they "have already experienced considerable damage," but they will continue to be a target, and "international highway and rail transportation from Serbia, Montenegro, and Macedonia to the European countries should be routed through Hungary." As far as banking is concerned, care should be taken "not to grant new credits or issue guarantees to enterprises from those republics" and existing receivables should be collected through "appropriate departments that have to be created in the National Bank of Yugoslavia."

The situation is considerably more complicated with sectors of the metal manufacturing industry which are "very highly dependent on the technology" of enterprises in Slovenia and Croatia for many components. The production of automobiles, trucks, buses, and transportation equipment in general is concentrated in Serbia, but suppliers of vital assemblies are in the republics that have now become independent. They also constituted a sizable part of the market. So that now the reasons for creating business and commercial ties outside Yugoslav space are dual. After all, present capacities cannot be fully employed with orders on the reduced market, even if the factories in this space master production of the components, which is an effort now being made, but "it is rather hard going." As far as the production of equipment is concerned, and this is another sector which Serbia has been developing, the greatest problems will be in the supply of quality steels, which up to now have mainly come from Slovenia.

If, then, the situation is such that the Serbian economy, and its industry in particular, has already outgrown the national market on which it can count—then "improvement of economic cooperation with foreign countries is one of the most important future activities," states one of the programs just launched from the republic Economic Chamber. The very idea of Serbia's more aggressive inclusion in international commerce is an inevitable topic of newspaper articles and conversations both with business executives and also with prestigious economic strategists and politicians. And one of the things one hears is this question: What is the actual focus of the principal activity related to improvement of foreign trade? This is where it is: Society as a whole is interested in stable and more rapid development, and it therefore must create and regulate a business atmosphere through the government and its institutions so that business entities have additional motivation to improve trade with the world. The focus of activity here is on economic entities, and their role is indispensable here.

That "indispensable role" is supposed to see to it that Serbia increases its exports from \$4.3 billion in 1990 to \$7 billion in 1995, that is, at an annual rate of 10.2 percent. It would, of course, be much more desirable if the rate of increase of exports would be all of 18.4 percent, and reach a target of \$10 billion of exports in the year 1995. But as far as the state and its institutions are concerned, it will see to "cooperation with the governments of the republics of the USSR," because trade is moving away from the center there, too. There are increasingly frequent suggestions that the government actually open an office in Russia that would be in the charge of none other than one of the government's deputy prime ministers.

Development Minister on Costs of Chaos, War

91BA0984A Zagreb DANAS in Serbo-Croatian
30 Jul 91 pp 24-25

[Interview with Bozo Marendic, federal secretary for development, by Ivo Jakovljevic; place and date not given: "The Federal Executive Council Did Not Start the War"]

[Text] A year ago, when Bozo Marendic, federal secretary for development, in an interview for DANAS reduced his analysis of the main economic and political trends in Yugoslavia to the dilemma of "Markovic or civil war," there were many people who perceived him as a "pessimist not to be taken seriously." But in the last 12 months we have seen that we are actually at war, while Markovic and his government are not far from a collective resignation, and reform has been kicked out of bounds. A lot is being blamed on the Markovic government these days. The top leadership in both Slovenia and Serbia is against it, and a majority of the political parties in all republics have shown almost equal opposition to him, which is also particularly strong in the general staff of the Yugoslav People's Army [JNA], each of them with its own particular reasons. That is why we began our interview with Bozo Marendic with this question:

[Jakovljevic] Was it actually the FEC [Federal Executive Council] itself, because of its decision in June to take over the customs service in Slovenia once again, that brought open warfare between the JNA and the Slovenian Territorial Defense, and therefore the final breakdown of the economic and political program for reform in the entire country?

[Marendic] To blame the FEC for the war in Slovenia is to completely overlook the real facts.

First of all, it was never part of the FEC's mandate to direct the Army, nor has the Army asked for advice on any military question. The General Staff of the JNA has always considered the SFRY Presidency its supreme command, and that is in any case what is written in the 1974 Constitution. The FEC and JNA have found themselves working on the same tasks through the Federal Secretariat for National Defense only concerning regulations in the area of nationwide defense and at the time when the level and structure of the Federal budget were being established. The FEC decision in dispute, which some have seen as a poorly disguised order to the Army to occupy Slovenia and

overturn the government there, was very precise. It ordered Slovenian customs officials to begin to pay duty into the Federal Treasury, or, if they refused, for Federal customs officials to take over the Customs Administration in the Slovenian section of the Yugoslav border, or—if they are not allowed to do so—that they be given help by appropriate forces of the Federal SUP [Secretariat for Internal Affairs], and in the final, complicated situation, by border units of the JNA. You will agree that there is no instruction in that decision of the FEC to set tanks and airplanes in motion against all of Slovenia. It only remains, then, to establish who has abused that decision of the Federal Government.

[Jakovljevic] Following the "Slovene" experience and after its mid-July publication of its minishock program of economic policy for the period of the post-Brioni moratorium (of the Slovene and Croatian decisions on becoming independent), is the FEC itself prepared even to manage the economy in wartime?

[Marendic] In its program, the Federal Executive Council has not included any military operation either within the country or abroad. This FEC is not a war government, it does not even have some contingency version of economic policy nor a contingency version of a wartime economy. Even if it did have, or if certain other people had one instead of the present members of the Federal Government, it would be difficult to carry out. The FEC, then, is not thinking about waging war with anyone. The FEC is constantly saying with regret that it has no influence on the military and political situation in the country, but at the same time, it does not wish to take the consequences of the increasingly destructive military operations. The FEC is a government representing peace and development. We will try to do everything we can to restore peace, so that we can talk about the future political system of the country at peace, and then also about restoring the market, economic activity, and ties with the rest of the world.

[Jakovljevic] Because the peace zone in Yugoslavia is becoming narrower and narrower every day, while the war zone is expanding, is the FEC actually facing resignation, especially after its members from Slovenia have walked out? Incidentally, of what is the FEC the government today?

[Marendic] The FEC is still representing the interests of those social groups which support the economic and political reform in the entire country. We are not fighting for the existing Yugoslavia, nor for a federal Yugoslavia, nor for some third Yugoslavia, but for Yugoslavia's peaceful transformation from an autocratic to a democratic country and from a nonmarket to a market economy. It is our assessment that the costs of that transition will be appreciably smaller if all the republics in Yugoslavia undertake them in concert, honoring on their respective territories human rights, free enterprise, competition among owners of assets, and freedom of thought. It is also our position that none of the present conceptions of that transformation in Yugoslavia, including our own, constitute a reason for a single person to die. But dozens of people are dying

every day under horrifying circumstances. In this kind of political environment, both those who want to secede and those who intend to occupy such people are against the FEC. The FEC is also opposed by advocates of the former regime, but also by many who think that they can reach Europe by simply stretching out their hand. At the moment, Markovic's FEC is bothersome to a majority of political entities in Yugoslavia on the basis of differing and indeed even opposed interests.

But history long ago confirmed that reformers in all times and countries have suffered from the storms and tempests which their reforms initiated. That is why this FEC has for a time kept its resignation in an envelope in the top drawer.

[Jakovljevic] What more do you hope for?

[Marendic] Peace, more than anything and above all. We truly hope for peace, which is why we adopted the minishock program for the July-September period. In any case, Ante Markovic himself has announced the collective resignation of the government back in the meeting of the SFRY Presidency in Ohrid, and this was also written in one of our recent papers for the collective chief of state unless the political consensus at the national level allows the FEC to carry out its program for renewal of the reform in coming weeks. The FEC simply has no intention of taking responsibility for leading the country into an utter disaster. It will oppose such intentions to the full extent of its ability, mindful of the historical responsibility of all its ministers.

[Jakovljevic] The FEC, then, has adopted its shock program, which, it seems, it is already carrying out, although it has not in the meantime been accepted by general political consensus, because the alternative is the entire country's long-term economic disaster. Is there a possibility of this kind of program being evaded in some places? In that case, could there be consequences even darker than those envisaged?

[Marendic] The FEC's three-month program is already being carried out, although it has not gone through the entire parliamentary procedure. We de facto no longer even have the SFRY Assembly, because both the Chamber of Republics and Provinces and the Federal Chamber are truncated, whether by two republic delegations, the Croatian and Slovenian, and by one province, Kosovo, or in terms of their jurisdiction. That is why the FEC does not even hope for political consensus to support its economic program in that kind of SFRY Assembly. Today, the republics are the real power, and in some of them only individuals. That is why we have turned for consent to the real "bosses," i.e., to the SFRY State Presidency and to the presidents of the republics or their presidencies. We told them: We have chances of pulling out of this, but only provided everyone guarantees that the shock program is carried out and then there is a peaceful agreement on the country's political future. The FEC's main purpose here was to place responsibility for war and peace where it belongs, so that the Yugoslav public clearly sees whose interest lies where and who is blocking the FEC: Who is

blocking the reform and who wants peace and development? If there should not be agreement in practice, it is possible that our program will be evaded. The FEC, for example, is demanding oversight of the National Bank of Yugoslavia [NBY], so that those of its decisions which are not in keeping with the reform policy that has been generally accepted can be vacated. The most recent case of a decision of that kind by the NBY Council of Governors concerns the monetary and foreign exchange blockade of Slovenia and Croatia, which is both a professional and a political mistake. Twice the FEC has recommended to the Council of Governors that it review those decisions, but it is obvious that that body is already infected with germs which at another level have brought about the scenes of war in Slovenia and Croatia. If we do not have that kind of control over the NBY, the country's foreign exchange reserves will evaporate still more quickly, more and more dinars will be printed, and inflation will break entirely free of its chain.

[Jakovljevic] What is the practical meaning of the words "economic collapse," "disaster," "complete downfall," in the most recent Yugoslav case? What is it, then, that is perhaps already lying in wait for us?

[Marendic] What stands behind all those metaphors is war, the threat of its expansion, uncertainty about the level of its casualties, and the time it will last. The war games and war policy are the main reasons for the immense drop of production in the first seven months of this year. The war is the reason why the balance of current international payments has deteriorated, the reason why the foreign exchange remittances and inflow from tourism are down, the reason why the country's foreign exchange reserves have shrunk, why we have smaller imports, but also exports. In practice, we are facing a moratorium on payment of the foreign debt unless this madness is stopped, if the FEC minishock program is evaded, if war becomes an everyday thing.

[Jakovljevic] What would a moratorium on payment of foreign debt signify for the entire country?

[Marendic] If the political consensus is not forthcoming on the FEC's economic program for the period from July to September, or if it is not carried out, the country's foreign exchange reserves will perhaps fall below the critical \$2.4 billion even in early September, when the Federal Government would have to publicly admit that the country is no longer able to pay its foreign debt. The FEC would have to formally notify the IMF, the World Bank, the Paris Club, and other institutions, but they would already know it all as soon as there was the first halt in payment of installments that have come due on the foreign debt. Only a foreign moratorium would face Yugoslavia with an economic boycott and complete closure of the world capital market, seizure of most of our foreign exchange and real property abroad (ships, airplanes, real estate, and so on), and the worst thing of all, i.e., the long-term loss of a market for exporters, who after 1983 accomplished a kind of miracle by doubling their convertible inflow. Serious politicians ought not to contemplate such a development

of events in Yugoslavia even in their dreams. But in our country, unfortunately, it still seems that everything is possible.

[Jakovljevic] What has so far been the price of the political chaos and military operations over the last 12 months in Yugoslavia? What has been the actual flight of capital (abroad and under the mattress)?

[Marendic] If it were not for the war, if the reform had continued, in Yugoslavia in 1991 at least another 300,000 new jobs would have opened in the private sector, the growth rate would have been 2 percent, tourism would have brought in another \$3-4 billion, approximately as much would have come from foreign exchange remittances, the harvest would have had its effect, and so on. Instead, we will have a drop of at least 20 percent in the social product, a drop of industrial output of 30 percent or more, a drop in the size of the employed labor force by another 300,000, collapse of tourism and remittances, disintegration of trade in commodity and money, war, plunder, and chaos. If under normal circumstances we had a social product of about \$100 billion, then this year, because of the war and the flight of capital, we will lose more than \$20 billion!

[Jakovljevic] Under those circumstances, is it possible at all to calculate the so-called threshold of social endurance in the entire country, beyond which perhaps all four horsemen of the Apocalypse will travel over this country, from Triglav to Djevdjelija and back?

[Marendic] The experiences of others are of no benefit to us in such assessments, because the Yugoslav case is today truly something special, unfortunately. There are four specific features in this tale. First, a third of the social product in Yugoslavia is already being produced in the gray economy, which is to some extent diminishing the effect of the enormous decline of the social product in the "visible" sector. Second, we are still a society with many citizens who still have one foot in the country, so that the decline of the standard of living in the city can to some extent be offset by income in kind. Third, we are still a patriarchal community in which a family can frequently provide a great deal of help to those who reach that threshold of social endurance. And finally, fourth, the war atmosphere is having its effect, and people are mentally ready for greater casualties and suffering. For all those reasons, the threshold of social endurance in Yugoslavia is today very low, much lower than in many European countries. It is likely that if another 500,000 people lose their jobs or their pay over the next five months, there will nevertheless be no force that can hold back that type of rebellion and chaos.

[Jakovljevic] With what reserves does Yugoslavia today enter upon civil war, if that direction is truly someone's policy?

[Marendic] I will even answer that question, although it is far from my portfolio in the Federal Government. I know that there are both wartime and civilian reserves of petroleum, for example, and that they are not small. I know that

the Federal and republic commodity reserves contain sufficient food from last year's inventories, and that the high yields this year promise the same. I assume that there are sizable inventories of goods in many households all over the country as well. I am unable to judge the inventories of weapons and ammunition. In any case, for all political entities in Yugoslavia it is today five minutes after 12 to reach agreement on a policy for a peaceful disentanglement of the Yugoslav tragedy. Otherwise, we will witness a disastrous continuation and escalation.

Problems of Monetary Payments System Discussed

91BA0979A Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 29 Jul 91 pp 11-12

[Article by V. Grlickov: "The Monetary System: Positional Warfare Over Money"]

[Text] In the belief that it is in the interest of all republics (states), including Slovenia and Croatia—the Federal Government is continuing to insist on the dinar as the sole currency and on the single monetary system backed up by the National Bank of Yugoslavia [NBJ] and the national banks of the republics. It is, of course, a question of the proposed agreement on the functioning of the country during the moratorium, with the proviso that it assumes that Slovenia and Croatia must, during that time, "put on ice" all statutes whereby they secede in a monetary sense or whereby they intend to do so (without saying when that will be).

The problem here is who will take the first step. The Federal Government is insisting that the first step be taken by the NBJ (Board of Governors), which would bring Slovenia and Croatia back into the monetary system immediately, accompanied by the belief that this could be the beginning of restoration of the confidence that has been lost between the republics. We, of course, have to believe that afterwards Slovenia and Croatia will place a moratorium on statutes whereby they secede from the monetary system and on the right of primary note issue. It is a mistake to suppose that Slovenia and Croatia have today been entirely excluded from the monetary system. That is, they can use primary note issue in the form of cash to pay personal incomes increased to cover inflation, just like all the other republics, provided they withdraw all surpluses from their SDK's [Social Accounting Service] (totaling 20 billion in the country) and banks (totaling 9.6 billion in the country) and place them in the NBJ; they can also use primary note issue to purchase grain. In essence, the decision on "exclusion" from the monetary system applies only to liquidity credits, and they are particularly essential in guaranteeing payment to savings depositors.

As for cash in Slovenia, as of 13 July it had been reduced to the minimum 1 billion dinars under the influence of "more rapid expenditure" (based among other things on obligations to individuals), whereas in Croatia there are still surpluses, so that the National Bank of Croatia is not thinking of placing them in the NBJ treasury (this involves

6 billion in "their own SDK's" and 2.8 billion in banks) until that republic is completely reinstated in the monetary system.

With its insistence on a single dinar in the period of the moratorium, the Federal Government envisages large primary note issue. After all, that is the sole remaining source for financing Federal functions, above all the minimum budget of 23 billion dinars to the end of September (assuming that a portion will be covered by customs duties) and obligations in servicing foreign exchange savings, which in the government proposal were defined as monetization of foreign economic relations (the problem of savings would be solved if they are turned into real private property through the purchase of socially-owned housing units, economic units, and so on). In all of this, there would no longer be what have been called selective credits from primary note issue for various sectors of the economy (they have been frozen), except that there is a clear intention to turn that job over to the banks, whose legal reserves would be reduced for that purpose ("would be held at a low level") and opportunities would be created for interventions on behalf of liquidity on the money market. In all of this and in this context of indicating the directions of primary note issue, the Federal Government has been pointing up the need to suspend all republic statutes and then also the regulations of the NBJ (the reference is to the enactment of exclusion from the monetary system), which even in the sense of formal law prove that there is no unified monetary system.

In all of this, the government is optimistically trying to avoid primary note issue, which has occurred on yet another basis, especially in the recent past. It is trying to "normalize" the almost completely paralyzed SDKJ [Social Accounting Service of Yugoslavia] and the blocked movement of payments and the phenomenon of nonpayment of obligations covered by payment orders (and checks) to creditors in other republics. This indicates its belief that it is still possible for the SDKJ and NBJ to take back control and oversight in this area, that is, that they will "exercise their powers consistently."

But it seems that the situation in the payments sector showed most dramatically the extent to which money flows in Yugoslavia have been severed. Let us start with particular cases. There is the finding that the SDK of the Stari Grad section of Belgrade is refusing to place Agency funds for Financial Rescue in the account of the Bank of Ljubljana. There are cases where certain SDK's do not seek security (reserves) of means of payment when opening letters of credit. Perhaps another example is still more dramatic: The Rijeka SDK, with the help of the Croatian MUP [Ministry of Internal Affairs], took an inventory of gold and silver in the "Zlatara" store from Majdanpek and confiscated it, supplying a "proper" receipt that it had done so. And there are equally serious violations in cases of appropriation of the property of others in the findings that attempts have been made through local SDK's to "execute" debit orders against banks and juridical persons in other republics (without any authorization or basis for debiting those banks and juridical persons).

Certain SDK units in Slovenia, Serbia, Croatia, and Vojvodina are not executing payment orders when payment is to be made to creditors from other republics. The findings pertain to the period from the beginning of July, which provides the basis for belief that this "sickness" is spreading to other republics.

There is clear evidence that the payment system is completely blocked in the now "old" practice whereby local SDK's refuse to collect checks from individuals (and credit cards) which originate with banks and enterprises (so-called drafts) in other republics. These are not just "defects" in the work of local SDK's, banks, and national banks (the National Bank of Croatia has even recommended this) in just "certain" areas, because it seems that there are fewer and fewer of those who are immune to this "disease"; there have also been cases like this in Serbia, Montenegro....

The list of disrupted payments does not end here. Even earlier, the Croatian SDK's decided to drop out of the telecommunications system which transmits data and payment orders to other republics and does so in both directions (the sending and receipt of money). At the same time, the Slovenian and Croatian SDK's are not furnishing data on the liquidity of their banks, so that no one knows what their condition is and whether they and their depositors should be blocked in case of illiquidity. In any case, payments and the payment system have for all practical purposes fallen apart, and it is not clear how the functions of this system will be restored even in the course of a three-month moratorium.

Prospects of Belgrade Stock Market

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in Serbo-Croatian 29 Jul 91 pp 24-26*

[Interview with Branislav Cosic, director of the Belgrade Capital Market, by Vladimir Grlickov; place and date not given: "The Capital Market: A Question of Space"]

[Text] The first sales transaction of securities was recorded the other day at the Capital Market (Exchange) in Belgrade. The amount of sale was not spectacularly large, but the occasion should be marked. The small Karic Bank purchased shares of the Belgrade Bank (above the nominal value, accompanied by revaluation), and on that basis the Belgrade Bank ceased altogether to be a shareholder or co-owner of the Karic Bank.

This does not mean that the conditions have been brought about for any major trade in securities. It is not just a question of the unfavorable political and economic situation, but also of the slow process of privatization of enterprises, which constitute the main prerequisites for securities to be issued and traded in large amounts. There are also certain ideological errors because of conceptions and dogmas that have not been superseded. On all of this and other obstacles holding back the transactions of the exchange, we interviewed Branislav Cosic, director of the Belgrade Capital Market.

[Grlickov] What has been your actual experience with the buying and selling of securities on the Capital Market?

[Cosic] This is now the second sizable transaction conducted through us at the Capital Market; the first had to do with shares of the Vojvodina Bank, when an agricultural cooperative sold them to other customers of that bank. The second transaction is the one of which you speak, and on that occasion the Belgrade Bank sold shares in the Karic Bank to that bank itself. There are hints that there will be an increase in the securities trade on the Capital Market as its principal function.

Of course, in the difficult political and economic conditions today, when all money flows are being severed and shut off and when people are thinking above all about "bare life" and how to survive, we cannot count on large new investments in securities.

[Grlickov] Was that transaction conducted on the so-called official market and through the official list of securities quotations, or did this go to the unofficial exchange which you recently established in an attempt to activate the trade in bank shares?

[Cosic] The transaction with the shares of the Karic Bank was conducted through what is called the order book, that is, on the unofficial exchange, as you say. We did not go through the official exchange and quotation list, because the shares of the Karic Bank are still not quoted with us. And the purpose of these unofficial exchange meetings and transactions through the order book, which we have introduced, is among other things to cover all securities which have been properly issued, but are not officially quoted on the Capital Market.

[Grlickov] Nevertheless, it seems that a majority of the banks are not showing interest in selling securities; one gets the impression that their owners are still not included in the exchange sessions.

[Cosic] We hold in our safe a sizable amount of bank shares. A few days ago, we even obtained the shares of banks purchased by individuals; for example, we have shares of the JIK Bank, which an individual brought intending to sell them (and he bought them from the bank in order to obtain credits for small business).

We have quite a few shares of banks which we can offer for sale, and every Monday we publish the list with prices in the daily newspapers. In this way, the economy and individuals can be informed which shares are available for them to buy. When individuals and juridical persons decide to buy these securities, we act as brokers.

[Grlickov] Can private individuals conduct transactions directly on the Market, or only through a broker?

[Cosic] They can conduct transactions directly on the Market, and one reason is that we have established unofficial exchange trading through the order book. Brokers in securities trading have unfortunately not become organized as yet or capable of conducting these transactions and of offering individuals and juridical persons services

of this kind. So an individual who possesses a lawfully issued security can take it directly to the Capital Market. In this case, it is deposited in the Market, the individual obtains a receipt to the effect that the security is here, and we publish it in the list. And we in the Market try through our channels to obtain a sale for that security.

[Grlickov] Nevertheless, we still cannot speak of any major volume of sales on the Market, because there are still basic impediments to the securities trade. The political conditions are not good, there are no investments, and changes are not taking place in property relations....

[Cosic] The primary securities market surely has not developed as yet, so that this does not facilitate any sizable trade on the secondary market, which includes our exchange. The main reason is that we still have not had the appropriate change in property relations and transformation of social capital to private capital, which are the most important prerequisites for greater activity with securities.

I think that the attempts so far to do this through internal shares are not appropriate. Once again we are trying to do something which is not customary in the world. And Professor Henke, who is a well-known expert in the problem of privatization, has pretty much said that attempts with internal shares essentially come down to legalizing the existing system of self-management. The owners of these internal shares cannot redeem them, because under present regulations this is not possible, because the possibility for sale and transfer of the ownership of those securities has not been regulated.

[Grlickov] There are hints that the prohibition may be removed from the sale of those securities, which would make it possible for internal shares to become external shares.

[Cosic] In any case, that would be a step forward in the process of privatization. But it must be clear that there are important restrictions. For example, the period for payment (purchase) of the internal shares lasts 10 years or more, that is the time it takes for them to be entirely purchased, and there are all kinds of discounts.

[Grlickov] Can one conclude that internal shares requiring such a long period are unfit from the practical standpoint for transformation into external shares?

[Cosic] Yes, except that enterprises and individuals could use some of the shares which have been purchased (paid for) at face value for external sale. And that would again depend (also) on decisions in the enterprises themselves, where the owners of the shares could play an essential role in demanding that their sale be permitted, because this would be a way of obtaining cash.

[Grlickov] Suppose the sale of today's internal shares is allowed and they turn up on your exchange? What do you think, will it be feasible to sell them?

[Cosic] I think that it will, because these after all are shares of the better enterprises, and for that matter most of them have become joint stock companies under present statutes.

I therefore believe that individuals could show an interest in buying these shares. The important thing now is to remove the restriction and turn the internal shares into general shares and make it possible for anyone to possess them with capital or by agreeing to buy them.

I am not certain in this connection that the transformation of internal into general shares will go easily, because the old procedure is still in effect in performing the preliminary operations of issuing them; that is, the SDK [Social Accounting Service] is the one that provides the assessment of the soundness of enterprises, and then also there is the consent of the federal securities commission.

[Grlickov] The Serbian law on transformation of social property into other forms of property is going through parliamentary procedure. Does it contain any of what you advocate in the process of privatization?

[Cosic] The law does not make a distinction between internal and ordinary shares; they are all given the same treatment. To be more precise, 50 percent of the shares of enterprises retain their internal character, and 50 percent can go up for public sale. The revenues from the sale of shares go 10 percent into the fund for the unemployed, 30 percent into the pension fund, and 60 percent into the development fund.

[Grlickov] Has this proposal been brought into conformity with the proposed changes in the federal law?

[Cosic] There is a question of whether the federal law will be enacted at all because we have moved further and further away from any joint economic policy at all.

[Grlickov] The Serbian proposal contains sizable appropriations into government funds, which could signify that privatization of social property is not the orientation.

[Cosic] The bad thing is that every socially-owned enterprise is left to itself and its own decision whether to go private or not. Another bad thing is that it must sell assets, and all revenues from external sales must go to public institutions. There is a question of what incentive the enterprise has to embark upon a process which costs between 5 and 15 percent of the capital it might attract. That is, it itself would have to cover those costs and transfer all the proceeds from the sale of shares to certain funds. It would be much better if those funds took the shares, and then let them be concerned about selling them, that is, selling the enterprise. They would have to play the role of owner just as in market economies and take the risk of a good or bad sale.

[Grlickov] Still, those are not the only limiting factors holding back major trades in securities. For instance, an appropriate climate for investment is not being created.

[Cosic] There is no appropriate investment policy, and everything is concentrated on imports to purchase consumer goods when anyone has any capital. Individuals have no incentive to save and invest; on the contrary, they are stimulated in every way to spend. We have an inflation which is not having a favorable effect on the growth of

savings; then foreign exchange savings have been "frozen," and new remittances and inflow of foreign exchange are questionable, which means that the guarantee of the government has "been lost" (and we know that in other countries it exists, if only up to the amount of \$100,000). In our country, there is no longer a guarantor even for \$1,000 of foreign exchange savings.

Something else I wanted to say is that tax policy is not encouraging investment either: In Serbia, for example, we have a property tax that acts as a disincentive. What is more, another reason why investment is down is that the basis is not being created for more rapid realization of the idea of purchasing socially-owned housing units (this is not being used to improve the "cash flow" of enterprises). Finally, there has been no progress in carrying out the idea of creating several pension funds for investment in which individuals would invest directly by setting aside a portion of their personal income that would not be taxed (in Sweden, the portion invested amounts to 15 percent of personal income). The resources built up in the funds would be used to purchase securities and would rapidly get back to production and would promote economic development.

[Grlickov] In that context, is it possible to think about the "use" of foreign exchange savings directly here on the Capital Market?

[Cosic] First, I would say that the foreign exchange market is not operating, which again encourages the formation of so-called internal foreign exchange markets accompanied by the formation of a realistic exchange rate. Such a market has been operating, for example, in the exchange in Ljubljana, and there everyone has the right (I am talking about the situation before the military and political events there) to bring his foreign exchange and sell it at a freely established rate.

In any case, I would agree with you that it would be good if savings outside banks could go through the exchange and be invested in securities. Especially because it does not seem that we can count on any major foreign support. Which is not to mention the fact that even if it is forthcoming, those funds will be very expensive. In any case, a way should be found for the foreign exchange savings of individuals not serving an economic function, which does not suit the individuals themselves, to be mobilized for projects that would afford a safe return and the possibility of obtaining money before maturity if the foreign exchange is put in securities. For example, these might be investments in transportation projects where the revenues are certain. Nor is it without interest to study the idea of a foreign bank standing behind these securities "in foreign exchange" that would be issued in our country. In that case, an individual who, say, purchased a bond in our country might redeem it in Zurich, London, or elsewhere in the world if he judged that it would not be safe for him here. To be sure, it might be difficult today to find such an institution, but I believe that they will show such an interest when general conditions are better.

[Grlickov] Let us complete the discussion of the reasons for the low volume of trading on the capital market and about the obstacles to the emergence of securities and true capital that are still being set up on ideological grounds.

[Cosic] There is ideological resistance to the capital market and exchange trading of securities. After all, the stock exchange is usually identified with the capitalist system. But people should realize that the first stock exchange was created in the 15th century, before capitalism emerged. People forget that the stock exchange is above all an instrument of the capital market and that market cannot function without exchanges. Exchanges, after all, are places where the offers of and demands for securities come together.

It should also be borne in mind that capitalism today is not what it was perceived to be before the war, nor does it conform to the opinion of it we have on the basis of the education we "received."

[Grlickov] In the present political environment, when we do not know whether Yugoslavia will survive, the territorial jurisdiction of your Capital Market (Exchange) is also uncertain. What prospects do you actually see for your exchange?

[Cosic] It is clear to everyone that Yugoslavia will not be what it has been up to now. This in any case necessitates a new approach by the exchange in Belgrade. Up to now, we have had good cooperation with our members, who come from Osijek, Rijeka, Skoplje, Sarajevo, and Belgrade. Just today I received an invitation from Skoplje to go and help them organize a brokerage service within the bank.

All of us who have worked on establishing the exchange are bound together by the same goal—and that is to develop a market economy in which the exchange will have an important role. We will be trying hard to achieve good business cooperation with all the exchanges that have already been formed or will be formed on the territory of what today is Yugoslavia. Just as today we are cooperating with exchanges in the world and attempting to carry over their experience to our situation and adopt international operating criteria (we are members of the world association of stock exchanges).

New Director of Serbian Commodity Reserves

91BA0989A Belgrade BORBA in Serbo-Croatian
30 Jul 91 p 11

[Article by B. Stepanovic: "Mitevic From the Reserves to the Reserves"]

[Text] In the transitional phase of disassociation, when every republic, consistently applying the "grab system," has attempted to seize for itself as much as possible, the turn has now come for the Federal commodity reserves. Slovenia and Croatia have blocked those reserves stored on their territory, and the possibility has existed that the other republics would follow suit and everyone will seize "his" share.

For the moment, nevertheless, a compromise solution has been found: Slovenia and Croatia will cease their blockade of the Federal commodity reserves, and the FEC [Federal Executive Council] commits itself in return to not sell those commodities and they will remain in their present storage facilities. That in itself is a very unusual decision.

Has Serbia, to which the largest "piece" of the Federal commodity reserves would fall, also been thinking about such a step? And in general what do our republic reserves have at their disposition?

By a decision of the Serbian Assembly, the Republic Directorate for Commodity Reserves was recently taken from the jurisdiction of the Secretariat for Trade and made independent.

The appointment of Mitevic to be director of that institution was unexpected both for the public and still more for those employed in the directorate. After all, there had been no talk previously about this sort of move, and the position of director of commodity reserves was not even vacant. On the contrary, the previous director, according to statements by those employed, had done his job quite properly and did not even know that he would be replaced until the last moment. The government of Serbia, however, decided without explanation to make this post available to Dusan Mitevic, who was "unassigned." It is true that the talk on the street "assigned" him to many positions, from ambassador to his return to Radio-Television Belgrade, but this particular move was not mentioned.

In the Serbian Assembly, however, there was unofficial "whispering" that Prime Minister Zelenovic had been given the task "from the very top" to "employ" Mitevic, and the Directorate for Commodity Reserves was found. It has actually become a kind of separate ministry, and its director will be in direct contact with the Executive Council instead of the Republic Trade Secretariat (as has been the case up to now).

The new director of the directorate (appointed some 10 days ago), which could in the future have great strategic importance for Serbia, did not wish to make a statement. His secretary sent us to his aides—the former director Hranislav Virjevic and Cedomir Prelevic.

"The Serbian directorate has not been thinking about blocking Federal commodity reserves that are located on its territory, and if we had a law-governed state there would be penalties for the offenses. Thus, the competent organizations in Croatia and Slovenia, which are storing the reserves and have a contract to that effect with the Federal directorate, could be punished with prison sentences from three to five years for misappropriating them. This way, it can all go unpunished," said Cedomir Prelevic.

As far as Serbia's republic reserves are concerned, they are classified in two categories—so-called permanent reserves (which include certain quantities of a number of indispensable products and are used for interventions in the case of war, possible disasters, or any sort of extraordinary situations) and market reserves (mainly the principal foodstuffs

with which the Serbian government regulates supply and demand, that is, stabilizes the market). These reserves function altogether independently of the Federal reserves, exclusively on the order of the republic government, and they are located all over Serbia, in proportion to regional needs.

Data on Croatian, Slovene Customs Duties Debt

*91BA0989B Belgrade POLITIKA in Serbo-Croatian
2 Aug 91 p 10*

[Article by B. Komljenovic: "Croatia Is Not Paying Duty Either"]

[Text] Since 1 July, the Republic of Croatia has not been paying a dinar into the Federal budget from customs duties collected, although by law that revenue belongs entirely to the Federation. It has "diverted" 1.52 billion dinars to its own use, clearly by an arbitrary decision, something that Slovenia did back at the beginning of May. The Slovenes, incidentally, have so far appropriated 3.7 billion dinars in duty, and there is little prospect that they will restore it to the Federal treasury.

In the Federal Customs Administration they say that they are in constant contact with the northern republics, but that they have been getting promises instead of money. The Croatian Ministry of Finance, for instance, promised that it would pay off the debt for last month in several installments. The people in the Slovene government in turn were supposed to come to Belgrade on Monday to agree about practical application of the Brioni Declaration, which literally says that "the revenue from customs belongs to the Federation"; however—as they have done in the past—they postponed their arrival.

The two republics which are the leaders in development and also have a great deal of border and local border traffic have arbitrarily decided—why not tell it like it is—to steal from the state treasury. As a matter of fact, this is not the only aspect of their piracy. The day before yesterday Dusan Vlatkovic, governor of the National Bank of Yugoslavia, announced in the SFRY Assembly that Croatia and Slovenia—again without authorization—have in the last few months spent 10.8 billion dinars from primary note issue. Or again, recently the governments of those two republics have blockaded the strategic Federal reserves of the entire country which are located on their territory.

It is surprising that the Federal Government has now fallen silent about the "retention" of money from customs duties, although this is the most abundant source of revenues for the Federal budget. We should recall that on 20 May the Federal Executive Council adopted a strict decision on collection of customs duties, the gist of which was this: Imported goods cannot be taken until the money "sits" in a separate revolving account in Belgrade. At that time, to be sure, not only Croatia and Slovenia, but also Serbia and Macedonia were "diverting" collections from customs duties into their own budgets. The threatening decision, which the prime minister brandished about excessively, was never applied. As a matter of fact, everyone except the Slovenes stopped taking the money

that was not theirs, and when the notorious decision was supposed to take on even official status at border checkpoints below Triglav, as we witnessed, shots were fired.

The two northern republics obviously do not care any longer about supplying the Federal treasury, which is why they are printing money that is not covered (primary note issue), which we will inevitably all have to pay for in the form of disastrous inflation. The National Bank of Yugoslavia, it was stated yesterday in the Yugoslav Assembly, is again opening its purse to supplement the Federal budget with 14 billion dinars from primary note issue, but much of that has already been "eaten up" in the first half of the year.

What is left in the end is for the Federal Government to implement the decision on compulsory customs administration in the two northern republics or for the other four republics to "close the faucet" as well. In any case, the next move is up to the Federal Government, assuming, of course, it is still in power.

Slovenia Adopts Short-Term Economic Measures

*91BA0992B Ljubljana NEODVISNI DNEVNIK
in Slovene 27 Jul 91 p 4*

[Article by Marjan Lacic: "How Can the Risk Be Reduced? Short-Term Measures for Normalizing the Economy"]

[Text] Ljubljana, 27 Jul—The military intervention in Slovenia also shook the foundations of economic life in our republic. The risk in doing business in Yugoslavia and thus also in Slovenia has increased, which has substantially interfered with foreign trade flows. Exports in June decreased by around 40 percent in comparison with May. The Slovene economy has also been faced with decreased sales in the Yugoslav market and a blockade of goods already purchased. Because of the extremely serious economic situation, the republic government has prepared certain measures for the current (three-month) transitional period, which should ensure the normalization of economic life as soon as possible.

The direct damage because of the military intervention in Slovenia is large, but the indirect damage because of the sudden severing of halted economic flows with other Yugoslav republics and foreign countries is even larger. Estimates thus indicate that in 1991 the real social product will be at least 16 percent lower. Consequently, in the opinion of the Slovene government, it is necessary to ensure increases in production and exports, and to settle economic relations with other republics.

The government will use current economic policy measures to try, above all, to preserve foreign exchange liquidity and normalize the operation of the payment and financial system. The latter is primarily the task of the Federal Executive Council. If the Federal Government will not ensure payment transactions between Slovenia and the other republics, and if it will not prevent the seizure of Slovene enterprises' property, the republic government will compensate for the damage through lower payments into the Federal budget. Budget expenditures in Slovenia

will be adjusted to financing capabilities, and thus the government decided yesterday on a rebalancing of the republic budget, and forwarded it for further action.

The government proposes introducing a solidarity contribution for the most necessary elimination of the damage. It is to be paid until the end of the year, at the rate of 2.5 percent. The ones obligated to pay it, the base, and the means of payment will be decided based on the Law on Special Solidarity Contributions. The exchange rate policy is to

remain the same, and it will only be necessary to eliminate the deficiencies that occurred when the dinar exchange rate was set in the Ljubljana stock exchange. A higher exchange rate would stimulate the purchase of foreign currencies. For the time being, wage policy will not change. The government only recommends that enterprises where higher wages could be paid wait until the September accounting, when it will be better known how the present situation has affected the operation of individual enterprises.

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