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ALBANIA

List of Victorious Opposition Candidates

91P20315A

[Editorial Report] Tirana ZERI I POPULLIT in Albanian of 3 April 1991, on pages 1, 2, publishes a communique from the Central Election Commission, dated 2 April 1991, on the results of the 31 March elections for People's Assembly deputies. Along with the Workers Party [PP] candidates, the communique lists the following candidates sponsored by groups other than the Workers Party who were successful in the elections for People's Assembly deputies held on 31 March. This list supplements and corrects the list from Tirana Domestic Service, published in the FBIS Daily Report: East Europe, on 3 April 1991. The number of the constituency is given in parentheses:

Diber District: (23) Haxhi Halit Lleshi (Veterans' Committee).

Durres District: (27) Bardhyl Mustafa Balteza (Democratic Party [PD]); (28) Spiro Vlash Doraci (PD); (29) Vangjel Petro Stamo (PD); (30) Bashkim Bahri Kopliku (PD); (31) Emin Hamit Musliu (PD); (32) Bardhyl Bexhet Reso (PD); (33) Naim Demir Kariqi (PD); (34) Sali Ram Berisha (PD); (43) Skender Ramazan Dika (PD); (44) Petrit Haxhi Llaftiu (PD); (45) Lindita Ylli Prifti (PD).

Elbasan District: (46) Argjir Jorgji Panariti (PD); (47) Neritan Hasan Ceka (PD); (48) Fatmir Rushit Manushi (PD); (49) Arben Ali Demeti (PD); (50) Oazim Hamdi Radoniqi (PD); (51) Daniel Pandi Karanxha (PD).

Gjirokastr District: (90) Jani Kosta Jani (OMONIA); (91) Panajot Niko Barka (OMONIA).

Korce District: (95) Petrika Perikli Minga (PD); (96) Natasha Petro Lako (PD); (97) Stavri Spiro Frasheri (PD); (98) Petraq Ilo Kolevica (PD); (99) Ilir Spiro Manushi (PD).

Kruje District: (112) Sadedin Shaqir Balla (PD); (117) Agim Asim Mero (PD); (119) Mark Martin Nokaj (PD).

Lezhe District: (130) Prec Gjon Zogaj (PD).

Sarande District: (177) Jani Sotir Gjyzeli (OMONIA).

Shkoder District: (182) Mehdi Seit Shabani (PD); (183) Blerim Naim Cela (PD); (184) Mendu Maliq Derguti (PD); (185) Bujar Qamil Golemi (PD); (186) Azem Shpend Hajdari (PD); (187) Ali Sulejman Spahija (PD); (188) Pjeter Ndoc Pepa (PD); (189) Dode Nike Kacaj (PD); (194) Kole Lin Tonaj (PD); (195) Agustin Zef Shqalsi (PD); (196) Pjeter Filip Arbnori (PD); (198) Gezim Shaqir Luli (PD); (199) Tonin Gasper Alimhilli (PD); (200) Francesk Kol Moisi (PD).

Tirana District: (205) Tritan Masar Shehu (PD); (206) Ylli Mexhit Vejsiu (PD); (207) Rushen Mahmud Golemi (PD); (208) Napoleon Dhimiter Roshi (PD); (209) Arben

Fari Imami (PD); (210) Mitro Pilo Cela (PD); (211) Besnik Bajram Mustafai (as published) (PD); (212) Ridvan Edmond Peshkepja (PD); (214) Albert Esat Karriqi (PD); (215) Teodor Endro Keko (PD); (216) Tomor Bajram Malasi (PD); (217) Genc Pellumb Ruli (PD); (218) Franko Gjon Kroqi (PD); (219) Dhimiter Pano Anagnosti (PD); (220) Gjino vefa Miti Ndrenika (PD); (221) Maksim Manol Konomi (PD); (222) Aleksander Gabriel Meksi (PD); (224) Emanuel Prokop Heba (PD); (226) Rexhep Sali Uka (PD).

Vlore District: (237) Gramoz Josif Pashko (PD); (238) Roland Perlat Tafili (PD); (239) Kosta Pali Koci (PD); (240) Abedin Elmaz Elmazi (PD); (241) Gafur Hasan Shametaj (PD); (247) Filip Nasho Taco (PD).

[The report continues] The results are as follows: the Workers Party, running in 242 constituencies, won in 162 constituencies, which is equivalent to 64.8 percent of the 250 constituencies. (In 19 constituencies the Workers Party candidates were joint candidates with the Democratic Front, the Youth Union, or the Women's Union).

The Democratic Party, running in 249 constituencies, won in 65 constituencies, which is equivalent to 26 percent of the constituencies.

The "OMONIA" organization, running in five constituencies, won in three constituencies.

The Veterans Committee, running in six constituencies, won in one constituency.

Since no candidate received an absolute majority of the votes in the constituencies listed below, according to articles 65 and 66 of the election law, the following candidates will participate in the second round of voting:

Berat District: (1) Fatbardha Skender Polovina (PP and Women's Union) and Abdi Hasan Baleta (PD).

Durres District: (35) Ismet Xhevat Ferizaj (PD) and Miri Ahmet Hoti (PP); (42) Gaqo Sotir Krista (PP) and Dhimiter Theodhor Miho (PD).

Gjirokastr District: (90) Jani Rrako Ziso (PD) and Foto Jorgji Fuqi (PP).

Kruje District: (118) Alfred Engjell Serreqi (PD) and Pashke Pellumb Marku (PP).

Lezhe District: (129) Esat Shaqir Myftari (PD) and Nikoll Pal Gjoni (PP); (131) Agron Kamber Belishova (PD) and Gjyl Rexhep Brahimi (PP).

Lushnje District: (138) Bardhyl Qemal Caco (PD) and Tahir Idriz Zelo (PP and Democratic Front); (139) Kujtim Masar Gina (PD) and Vasilika Jorgji Hoxha (PP and Women's Union).

Sarande District: (174) Andrea Kosta Zarballa (OMONIA) and Jorgo Stavro Loli (PP and Democratic Front); Alqi Thimjo Stillo (PP) and Thoma Jorgo Mico (OMONIA).

Shkoder District: (193) Hysni Ahmet Legata (PP) and Behadir Halit Bakalli (PD); (197) Kujtim Ramazan Ylli (PP) and Vehbi Hamdi Gruda (PD).

Tirana District: (213) Sokrat Andon Nesturi (PD) and Fatos Thanas Nano (PP and Youth Union); (223) Shaban Rexhep Memia (PD) and Zyber Fadil Sinani (PP); (225) Banush Mustafa Xhabrahimi (PP) and Fiqiri Isuf Xibri (PD).

Vlore District: (250) Petraq Arqile Curri (PD) and Priamo Spori Bollano (PP).

On the basis of Article 67, new elections will take place in constituency No. 142, since only one candidate, Faslli Banush Mezini, from the Democratic Party, received 31.16 percent of the valid votes.

Other electoral subjects have the right to register their candidates for this constituency.

The Commission recommends that the state organs and the election commissions of the respective voting centers and the constituencies strictly implement the Law on Elections of Deputies to the Peoples Assembly and the regulations of the Central Elections Commission, for the elections which will be held on 7 and 14 April.

CZECHOSLOVAKIA

Army Aid to Kurds; Military Police Formed

LD1704140891 Prague CTK in English 1256 GMT 17 Apr 91

[Text] Prague April 17 (CTK)—Material aid worth 7,900,000 crowns has been flown to Kurdish refugees by the Czechoslovak Army, Czechoslovak Deputy Defense Minister Antonin Rasek told journalists here today.

The Army's aid, including tents, blankets, food, and medicines, followed a decision by the Czechoslovak Government, Rasek said.

Other defense officials announced that a military police force will start operating in Czechoslovakia towards the end of April. Its major task will be supervising observance of military law and protecting Army property. The military police will have over 1,000 members, all professional soldiers.

Protocol on Ukrainian-Slovak Cooperation Signed

AU1704120891 Bratislava NARODNA OBRODA in Slovak 13 Apr 91 p 1

[Article by S. Tomanek: "Goods Worth as Much as \$100 Million; Ministers of Ukraine and Slovakia Meet"]

[Text] Bratislava—Yesterday in Bratislava, G.G. Nikitenko and Jan Holcik signed an agreement on cooperation between the Industry Ministries of Ukraine and Slovakia. As both partners proclaimed, it is the first step toward the realization of a remarkable plan, and it took

place less than a month after the meeting of the Republic Prime Ministers Fokin and Meciar. According to both ministers, the value of goods traded this year could reach \$100 million.

"We are grateful for the opportunity to create the conditions for an economically fruitful cooperation between our republics," Minister Nikitenko said. We appreciate the quality of the products from the majority of Slovak light-industry enterprises. This applies in particular to the products from Tatravit, Ozeta Trencin, and JAS Bardejov. We were intrigued by the Trencin exhibition of products manufactured by more than 30 enterprises as well as by the exhibits at the international fair in Brno. These observations brought about our endeavors to trade goods and initiate business contacts."

What does the Ukraine expect from us? "We are interested in both artificial and natural fibers, yarn, knitwear, etc. Very little time has passed since the meeting of the prime ministers, and we have done a lot of work together. Specific organizational problems will be dealt with at the meeting of experts in Kiev."

Minister Holcik observed that he expected offers for our goods valued at approximately \$38 million. "It came out that the possibilities are much greater. The Ukrainian-Slovak business center, the so-called Trade House, is acquiring concrete features. Its purpose is a mutual exchange of goods and services while the payments will be made on a national currency basis. We will present our proposals on forming joint working groups to the Ukrainian partners by the end of April." The Ukrainian and Slovak partners agreed to form joint ventures producing footwear, glass containers, and processing cotton and leather. Realistic chances for an improvement of the present dismal state seem to loom on the horizon for numerous Slovak light-industry enterprises. We would welcome it particularly in the case of Prutex Cadca, Plety Banska Stiavnica, and other enterprises threatened by layoffs caused by other than their own fault.

CZECHOSLOVAKIA

Four Proposed Variants of State Arrangement

91CH0477A Prague SVOBODNE SLOVO in Czech 21 Mar 91 p 8

[Article by editors of SVOBODNE SLOVO: "Proposed Variants of CSFR State Arrangement"—first paragraph is SVOBODNE SLOVO introduction]

[Text] A resolution of the Government of the Czech Republic appointed a commission for territorial arrangement. The results of the work of this commission are four proposed variants for the constitutional and territorial administrative arrangement of our state. The public has been challenged to become better acquainted with the proposed variants and citizens have been asked to state which of the variants they consider to be most suitable

for the future arrangement of the CSFR. Please address our editorial offices with your view also.

Variant 1—Territorial

The territorial arrangement for the Czech Republic considers the possibility of dividing the Czech Republic into two, three, or possibly four territories:

- a) Two territories—the Czech and Moravian-Silesian;
- b) Three territories—the Czech, the Moravian-Silesian, and Prague (that is to say, the region of the capital city);
- c) Three territories—the Czech, the Moravian, and the Ostrava-Silesian;
- d) Four territories—the Czech, the Moravian, the Ostrava-Silesian, and Prague (that is to say, the region of the capital city).

Subvariant a) revives the territorial arrangement which existed during the First Republic and between 1945 and 1948 with the difference that it considers the necessary adjustment of the historic border between Bohemia and Moravia, particularly in the Jihlava area.

Subvariant b) considers granting territorial status also to the capital city of Prague, much like, for example, the status enjoyed by Vienna in neighboring Austria.

Subvariant c) considers the autonomous territorial entity of the Ostrava-Silesian area, in addition to the territory of Bohemia and Moravia.

Subvariant d), like variant b), considers three territories as shown in the previous variant, but adds the capital city of Prague.

Each territory is to have its own territorial assembly, territorial government, and its own budget. The state administration will rely on a system of okres offices and consideration is being given to reviving some of the former political okreses.

Variant 2—Regional (Oblast)

This variant does not anticipate any territorial arrangement. It divides the territory of the Czech Republic into 15 to 30 regions, governed from Prague, with the regional borders ignoring the former territorial borders. This variant anticipates the elimination of existing okreses.

Variant 3—Combined

This variant considers the creation of regions like Variant 2, except that the outline of the regions will take into account the territorial border between Bohemia and Moravia. It is anticipated that it will be possible to establish two or possibly three territories which would, however, not have autonomous jurisdiction. They would be administered by external branches of central administrative offices in Prague.

Variant 4—Federal (Federative)

This variant anticipates the changing of the Czech and Slovak Federal Republic into a three-member federative state (a federation) consisting of the territory of Bohemia, the territory of Moravia-Silesia, and the Slovak Republic. Each territory (republic) would have its own constitution, president, government legislative assembly, its own government, and courts. The territorial administrative breakdown and possibly also the number of administrative stages could be different in the individual territories (republics).

All three territories (republics) would agree on their jurisdictions and on common federal organs, that is to say, on a federal parliament, a federal government, and a federal court. The federal government would only have a very limited number of ministries (for example, defense, finance, foreign affairs, communications).

Proposal of Variants for Territorial Administrative and Autonomous Arrangement for the Czech Republic

I. Historic Introduction

The present territory of the Czech Republic shared a common fate over the past 12 centuries. The knowledge of these common fates has been the fundamental unification idea, particularly since the 19th century, which is used today to justify the integrity of the Czech Republic. Next to it, there are manifestations of various intensity regarding the awareness of the specifics of individual regions and territories which were gradually constituted in the course of historic development to become specific entities.

The political program of the unity of the Czech lands in 1848 was accepted with hesitation and some rejection in Moravia and Silesia, but gradually the Moravian and Silesian territorial consciousness among the Czech population became a component of a nascent integral Czech national conscience. In the period 1860-1914, the territorial arrangement achieved its most extensive forms, even though the existence of the territories frequently came into conflict with the practical requirements of the territorial arrangement.

Following the establishment of Czechoslovakia, opinions prevailed which indicated that the territorial arrangement was a hindrance to progressive constitutional changes. The county system, which was established by law in 1920, was supposed to fulfill the ideal of a suitable, inexpensive, and flexible administration. The amendment of the county law, dated 1927, did manage to eliminate administrative dualism, that is to say, the higher components of territorial administration were nationalized, but the Territory of Bohemia was revived and Moravia and Silesia were combined into the Moravian-Silesian Territory.

In 1945-48, the territorial arrangement was revived in the form of territorial administrative entities, with an

external administrative branch of the Moravian Territorial National Committee functioning in Ostrava. The final termination of the territorial arrangement was brought about by Law No. 280/1948 governing the kraj system. The 100-year development of the territories as units of state administration and autonomy was, thus, interrupted.

The decline of the territorial system by 1 January 1949 is then viewed, on the one hand, as an unjust act resulting from totalitarian bureaucratic centralistic practices and, on the other hand, it is emphasized that the kraj system as it was created in 1949 was motivated by the county law of 1920 and that the resulting injustices with respect to the territories and regions were not the result of territorial division, but resulted from the practices of the communist regime.

The division by kraj in 1960 gave rise to inflexible inorganic and artificial entities, particularly in Moravia, which, moreover, in a number of places, failed to take territorial borders into account. This arrangement was brought about by the needs of the administrative and command management of the economy under conditions of a political power system imposed by a single party.

For this reason, questions of the efficiency of a territorial arrangement and a system of state administration and autonomy in the CSFR and in the Czech Republic are once more on the agenda. In this connection, emphatic voices are being heard for and against the introduction of a territorial system. The optimum solution requires that not only historical aspects be judged, but particularly that economic, sociocultural, constitutional, nationality, residential, ecological, and other aspects be taken into account.

II. Proposed Variants

Variant 1—Territorial

This variant anticipates the arrangement of the Czech Republic by territory.

From the viewpoint of the structure of territorial legal or possibly autonomous organs and their jurisdictions, three possibilities can be considered:

- a) Establishment of a territorial administrative office headed by an appointed territorial president;
- b) Establishment of a territorial organ of state administration and a territorial organ of autonomy which would share the same relationship as that which exists at the obec level currently;
- c) Establishment of a structure of territorial organs similar to the structure of the highest state organs of the Czech Republic (territorial parliaments, governments), but without the other characteristics of a federative arrangement.

From the standpoint of territorial breakdown, it is possible to consider the following:

1. Two territories—Bohemia and Moravia-Silesia;
2. Three territories—Bohemia, Moravia, and Ostrava-Silesia;
3. Three territories—Bohemia, Moravia-Silesia, and the capital city of Prague;
4. Four territories—Bohemia, Moravia, Ostrava-Silesia, and the capital city of Prague.

This variation anticipates four administrative levels: the obec, okres, territory, and republic.

A territorial system makes possible decentralization at the republic level. However, at the obec level it is neutral with respect to decentralization. In view of its four levels, this variant can be administratively demanding. This variant does not exclude any other organizational arrangement for the courts, the office of the prosecutor, and some administrative organs.

The breaking down of the Czech Republic into two territories (as listed in subcategory 1) means the introduction of dualism, something which is to be warned against on the basis of experience.

The solution listed under letter c) means the introduction of a third level of legislation (federation—republic—territory). It is particularly this solution which would undoubtedly mean a disproportionate increase in expenditures.

The territorial system takes into account the natural geographic features of a higher order, both from the standpoint of the closed nature of area relationships and internal congruity, as well as from the standpoint of internal details which reflect the economic, social, and cultural specificity of the area. This applies to versions 2 and 4 in which the Ostrava area is taken into account as a specific region of a higher order.

The territories would have their own budgets (with the exception of solution a)). Territorial autonomy would anticipate that the territories would have sufficient financial resources to reflect their requirements. Territorial organs could have a decisive role in asserting the regional policies of the state. Only at the republic level would coordination of decisions regarding the placement of republic investments be conducted.

However, decentralization in the area of regional development only at the territorial level is insufficient in view of the nature of this activity. In view of the internal spatial diversity among the territories from the economic, social, sociocultural, ecological, and residential standpoint, it is necessary to rely on lower territorial organs in this sector.

Variant 2—Regional (Oblast)

This variant anticipates the establishment of approximately 15-30 regions (major okreses) on the territory of the Czech Republic.

From the viewpoint of the structure of regional organs, two solutions are possible:

- a) Establishment of autonomous and administrative organs;
- b) Establishment of administrative organs only.

Regional organs will be involved particularly in decisions on regional and territorial development and will check on the administrative activities of organs of the first degree.

This variant does not view the territories as territorial administrative units. It encompasses three administrative levels (obec—oblast—republic). It anticipates the elimination of existing okreses. It does not exclude the possibility of any other organizational arrangements for the courts, the offices of the prosecutor, and for some administrative organs. To the extent to which regions will be autonomous, they will have the financial means commensurate with their requirements. Regional policy would be coordinated at the republic level as a whole; the actual execution of regional policy, however, would be within the jurisdiction of autonomous organs.

The advantage of the regional variant lies in its simplicity and symmetry; the disadvantage is that this is a nontraditional solution.

Variant 3—Combined

This variant combines certain characteristics of the territorial and regional arrangement. At the regional level, it is anticipated that regional administrative and autonomous organs will be established. The jurisdictions of the former include particularly the decisionmaking functions of the second instance; the jurisdiction of the latter includes mostly matters of regional and territorial development. The regions can establish territorial regional unions as autonomous corporations. The various territories may house external branches of central organs of state administration. So as to avoid the possibility of decisions which are unjust with respect to the individual territories, it is anticipated that their special standing will be anchored in a constitutional law. From the standpoint of territorial breakdown, two or three territories can be considered (Bohemia and Moravia-Silesia; Bohemia, Moravia, and Ostrava-Silesia) and 15 to 30 regions. This variant includes three administrative levels in each case: obec, region, republic; and in the event external branches of central organs of state administration are used, the administrative levels would be the obec, the region, and the territory. The advantages of this variant lie in the fact that it combines the advantages of the regional variant (intelligibility, lucidity) with the advantages of the territorial variant (the essential measure of decentralization at the republic level). The same

is true when it comes to social geographic viewpoints, particularly in the case of three territories. The budgetary rules under this variant of constitutional and territorial administrative arrangement would be quite complicated. The regions would have their own budgets (in agreement with the regional variant). The budgets of territorial unions would be made up of regional resources, possibly with subsidies from the state budget.

The system of decisionmaking regarding regional development could be designed in such a manner that the spatial framework of regional policy could be rationally differentiated in accordance with the nature of the appropriate goals and instruments of regional policy, both at the regional level and also on the territorial level.

Variant 4—Federal (Federative)

This variant anticipates the changing of the Czech and Slovak Federal Republic into a triple federation which would be represented by the Republic of Bohemia, the Republic of Moravia-Silesia, and the Republic of Slovakia.

Each republic would have its own constitution, legislature, the supreme organs of legislation, executive and juridical branches, and its own citizenship laws.

The territorial administrative breakdown and the number of administrative levels could vary in the individual republics.

Depending on the method chosen by the republics, decentralization could be either strengthened or weakened and clashes between the individual levels could be increased or decreased.

III. Conclusion

The four variants presented are worked up in such a manner as to contain the basic principles of the solution as they reflect the intention of the Government of the Czech Republic to present the proposal for the territorial administrative arrangement of the Czech Republic to the public for comment. The worked-out variants of the solutions all take into account the autonomy of communities and towns.

The question of renewing the territorial system is part of the solution for the entire complex of constitutional problems involving the Czech Republic.

Land Law Before Parliament Again in May

AU1204130391 Prague CTK in English
1433 GMT 10 Apr 91

[Text] Prague April 10 (CTK)—The 15th session of the Czechoslovak parliament, which is to resume the debate on the land bill, will probably be held after May 10, Czechoslovak Economics Minister Vladimir Dlouhy told a press conference here today.

Parliament failed to pass the bill last Friday. Dlouhy said that at tomorrow's session of the government, the Economics Ministry will put forth new materials which should be the way towards accord.

Dlouhy said that the opinion that the government draft of the bill disqualifies the private farmers has no grounds.

Deputy Claims Land Law Vote Agreed Beforehand

AU1204143991 Prague HOSPODARSKE NOVINY in Czech 9 Apr 91 p 2

[Excerpt] CTK—[passage omitted] Federal Assembly Deputy Vaclav Benda, Christian Democratic Party chairman, stated that representatives of the political parties represented in the parliament agreed that one chamber would vote for the land law's adoption and the other would vote against it. According to Benda, this was the only way of making sure that the Federal Assembly "did not turn out an imperfect unit—a botched job" and, at the same time, of making sure that deputies could soon return to the land law. [passage omitted]

Slovak Minister Counters Czech Daily's Criticism

AU1504153091 Bratislava SMENA in Slovak 11 Apr 91 p 2

[Statement by Slovak Minister of Finance Michal Kovac, made to SMENA correspondent Kveta Fajcikova when asked to comment on Jiri Leschtina commentary in 10 April Prague MLADA FRONTA DNES entitled "Beavers and Ostriches"]

[Text] In connection with the article in MLADA FRONTA DNES, the question arises of who Mr. Leschtina is and from whom he has information about the course of the session of the Finance Council. The article is filled with invectives and distortions of facts. It is clearly stated in the law on division of powers that the two Republics will avail themselves of generated resources so that they do not have to draw money from the central budget. Temporarily, for the year 1991, the following formula was adopted for dividing total proceeds of the profit and sales taxes: The federal budget will receive 40 percent, the budget of the Czech Republic 35 percent, and the budget of the Slovak Republic 25 percent. Consequently, the budget principles deviate from the previously adopted principle that the needs of the republics would be financed from their own resources. The crux of the matter is that the author, or rather those who are behind him, are interested in preserving the redistribution of total tax proceeds and, thereby, the opportunity for federal bodies to feed on the resources generated in the two Republics. This approach is paradoxical in that the interests of the Czech Republic are being identified with federal interests. This identity of interests does not apply to Slovakia. I would like to draw attention to the fact that when, for example, we demand softer taxes, we do not want them at the expense of the Czech Republic and when we want to extend

subsidies differently, we do not want to do so at the expense of the Czech Republic either. We want from the federal budget only what we had extended. All resources of the federal budget come from the two Republics. We are convinced that we contribute one-third to federal resources but we are not as convinced that we also receive for the needs of Slovakia one-third of federal services.

Miklosko on VPN Split, Slovak Council Session

AU1204144391 Bratislava VEREJNOST in Slovak 8 Apr 91 p 1

[Interview with Frantisek Miklosko, Slovak National Council chairman, by Juraj Gressner; in Trencianske Teplice on 6 April: "Divorce Slovak Style"—first paragraph is VEREJNOST introduction]

[Text] Following Saturday's [6 April] extraordinary and expanded Public Against Violence [VPN] Slovak Council session in Trencianske Teplice, we interviewed Frantisek Miklosko, one of this movement's protagonists and founders, who today is Slovak National Council [SNR] chairman.

[Gressner] What is your evaluation of the meeting?

[Miklosko] I was aware of a mood of uncertainty. It seemed to me that every one of us was speaking a different language. Therefore, I do not know how and where we could still find a common language....

[Gressner] Is it necessary, then, for the VPN movement to split....

[Miklosko] Yes, but in such a way that everything is in order; that is, the split should take place before parliament and, in particular, before the voters.

[Gressner] This will be a great shame. After all, we promised ourselves so much following November 1989, especially from the VPN!

[Miklosko] This feeling will be multiplied several times for Slovakia, for the whole of Czechoslovakia.... Especially today when our new constitutions are being drafted. This could have a historical impact.

[Gressner] Where do you—one of the founders of the VPN movement—see the reasons for this "divorce"?

[Miklosko] It originally appeared to be a dispute between individuals. However, at the moment, it seems to me that society has become divided; therefore, the issue is not merely Meciar versus Gal. We are aware of uncertainty, nervousness, aggressiveness, and an inability to maintain a sense of tolerance and patience. There is no force that would succeed in uniting us.

[Gressner] It seems to me that most of all we lack humility and respect for each other....

[Miklosko] Unfortunately, this is true. However, I would like to say that I have not ceased to believe in our people

because I think today's situation does not correspond to what is good, representative, and honorable in them. I would say that, so far, they have not managed to orient themselves properly and that this is the reason for nervousness and irritation.

[Gressner] Many people are claiming that VPN-For a Democratic Slovakia [ZDS] supporters are clearly oriented—toward the left....

[Miklosko] A very interesting grouping has evolved in our parliament: The Party of the Democratic Left, the Slovak National Party, and the VPN-ZDS platform.... On the other side are the Christian Democratic Movement, the Hungarian Independent Initiative, and the VPN liberal wing who are mostly represented by intellectuals.

[Gressner] Many participants in the extraordinary and expanded VPN Slovak Council session complained that Vladimir Meciar did not participate in it. They thought that the extremely contentious issues would be resolved in peace and without emotions.

[Miklosko] Today's situation is rather schizophrenic. On the one hand, the VPN Slovak Council has issued a statement according to which Messrs. Meciar and Knazko are no longer part of the VPN. Therefore, from this point of view, I am not surprised that they did not come to Trencianske Teplice. On the other hand, however, both of them are still declaring that they consider themselves to be members of our movement. They should demonstrate this by their presence.... That is, we are witnessing a situation in which everyone is making specific and unequivocal decisions and is doing whatever suits him at a given moment.

[Gressner] You spent almost five hours in the SNR with Prime Minister Vladimir Meciar—face to face—just a few days ago. Did you manage to come to a positive and joint conclusion?

[Miklosko] To tell you the truth, we did not. At the moment, I consider the following to be the most important things: Putting an end to all the personal attacks and getting together at a roundtable where it will be borne in mind that we have one more coalition partner. At the same time, no one will demand that ministers, deputies, and so on be changed. Any other solution to today's situation would be a confrontational one and neither side should accept that.

[Gressner] What kind of role does Federal Assembly Chairman Alexander Dubcek play in this Slovak divorce?

[Miklosko] At the beginning, Alexander Dubcek stood unequivocally on one side; now he is trying to build a bridge toward conciliation, but, so far, he has not been successful.

[Bratislava PRAVDA in Slovak on 8 April on page 2, under the headline "To Whom Will A Chance For

Slovakia Be Left?," carries a 600-word report by Frantisek Melis on the VPN Slovak Council meeting in Trencianske Teplice on 6 April. The report notes a statement by Federal Assembly Deputy Ernest Valko that "of the 52 Federal Assembly VPN Club members, 16 support the ZDS platform, two—Alexander Dubcek and Milan Cic—are independent, and the rest support the platform represented by Fedor Gal."]

Current State of Academy of Sciences Reviewed

91CH0479A Prague TVORBA in Czech
27 Mar 91 pp 6-7

[Article by Jiri Koryta: "Scientists, Grants, Furriers"]

[Text] Radio Yerevan once asked: "Can a paralytic be an academician?" The answer: "Absolutely, but he must be a progressive paralytic."

Fortunately, such an image of representatives of the scientific community, festooned with academic titles, is not in accordance with the view the public has of people who are actually working in science. In a recent public opinion poll, which was conducted by the Institute for the Theory of Science of the Czechoslovak Academy of Sciences, docents, professors, and other scientific workers placed nicely in the upper 25 percent of the ladder of professions, immediately behind physicians. This is a noteworthy result because I do not think that we Czechs are specifically a "scientific nation"; for example—What was the share of the spiritual effort of our nation throughout its history which was devoted to research in nature? I believe that, in comparison with, say, the Germans or the English, it was less. The Czechs contributed to European culture in a different way—in the Middle Ages, they struggled for ethical values, and in modern times they contributed far more through the arts than through the sciences, and if they contributed through the sciences, it was through history. Until the end of the 19th century, we were, after all, concerned with the revival, the maintenance, and the development of the nation, and this was aided far more by literature, music, and the humanities....

It is said of our academy that it is a product of the totalitarian system which—like in Russia—was supposed to represent some ornamentation of an oriental type of despotism. There is a little bit of the truth in this, but the actual situation is more complicated and not all that bad.

The Czechoslovak Academy of Sciences came into being at the end of 1952. Its origin marked some kind of a breakthrough in the conception of existing institutes; an expansion took place in the direction of the humanities and in the direction of technology (even the president of the academy himself, Z. Nejedly, did not greatly concern himself with the progress of the academy). With the exception of the already existing institutes of the humanities (the institutes of history, Orientalia, the Czech

language, and Czech literature), there were predominantly smaller departments and laboratories headed, for the most part, by important advanced schoolteachers.

Of course, the academy had yet another feature as a society of selected members. In 1952, Stalinism was at its peak and yet actual representatives of our scientific community from the older and middle generations were appointed to the academy from the natural sciences (as well as from technology), and, to a certain extent, even from some of the social sciences. Perhaps only Bohumil Nemec, the outstanding plant physiologist, who unfortunately was expected to be a candidate for the Office of President of the Republic in 1935, was missing from this list, but within two years he, too, was elected to the academy. However, we must not forget the outstanding physicist, B. Goldschmied, who was found dead following a mysterious fall from the roof of a house where he lived, during the times of the show trials.

In the beginning, the academy resisted an overly topical dilution, which its vice president, V. Laufberger, called "thatchwork"—an effort to cover all scientific disciplines at academy work sites. The same view was also held by the principal organizer of the academy, F. Sorm, who was himself an outstanding organic chemist. However, he was accused of "chemocracy" because selected topics in chemistry, which were at an outstandingly high level in this country among the natural sciences, were supported within the academy. To the detriment of events, two negative trends began to gradually assert themselves. The requirement for proportional development of science meant that research would be ongoing in all possible scientific disciplines, completely counter to the original principles accompanying the establishment of the academy. Another trend—"face practical applications!"—emanated from political locations and was very welcome by representatives of the technical disciplines, who felt oppressed.

The existence of work sites focused on strongly oriented basic research, through work sites concentrating expressly on applied research (of course, predominantly without realization of the research in practice), was quite problematic within the network of academic institutions. However, the "technicians" suddenly strengthened their position with the advent of Dr. J. Kozesnik who had been head of research at the Czechoslovak Engineering Works. [The word "kozesnik" translates as "furrier," hence the article headline refers to followers of Dr. Kozesnik.] This mechanical engineer and quite a good applied mathematician was head of the "gun factory" during the war at the Skoda Plant at Plzen, a position for which he was awarded the Eagle of St. Wenceslaus. His star in the academy was in rapid ascendance. In 1953, he became deputy principal scientific secretary of the Czechoslovak Academy of Sciences, then was promoted to main scientific secretary, and, in the end, became a vice president of the academy. However, there were several vice presidents, including the influential F. Sorm. Toward the end of the 1950's, Sorm committed an unpardonable error. He gave millionaire Cyrus Eaton,

the American peace activist, a set of phonograph records containing Janacek compositions, on the occasion of Eaton's visit to Prague. This enraged Janacek enemy Z. Nejedly to such an extent that he demanded that the government immediately recall Sorm (V. Kopecky is alleged to have said that if Nejedly had power like Beria in Russia, Sorm would have already been shot)....

When Nejedly died in 1963, the political leadership could not decide for some time about his successor. They had originally intended to appoint L. Stoll, but, in the end, they acquiesced to the recommendations of the Soviet academy which said that the "president should be a researcher of world importance," which meant Sorm. However, this did not mean that Sorm was guided by some kind of Soviet example, as was being demanded at the time. On the contrary, the Semyakin Institute of the Chemistry of Natural Substances of the Soviet academy was organized according to the Institute of Organic Chemistry and Biochemistry of the Czechoslovak Academy of Sciences, which was headed by Sorm.

In the 1960's, some natural science work sites of the academy became internationally recognized research centers. But even in the social sciences, it was beginning to dawn. As an example, I shall list the area which is sacred to traditional Marxism—two contradictory philosophers, but both clearly defending non-Marxist opinions: Jan Patočka acquired the academic title of doctor of sciences in the Philosophical Institute of the Czechoslovak Academy of Sciences, and Ladislav Tondl actually became chief of the Department for Social Functions of Science of the Czechoslovak Academy of Sciences. Nevertheless, progress in the social sciences was constantly held back by the upraised finger of the Kouckys and the Hendrichs in the Central Committee of the Czech Communist Party. On the other side, ideological supervision in the natural sciences was completely negligible (the Lysenkoism, which was promoted in biology in the 1950's was being taken seriously in the 1960's only by individuals who were ridiculed by others).

However, the development of the academy did not only have its positive sides. Toward the end of the 1960's, the consequences of extensive growth and the unbalanced quality at work sites began to show up. The total number of employees was approaching 10,000, which was a number reached in the 1980's by the similar West German institution for basic research, the Max Planck Society, which was, however, outstanding in all disciplines. The number of scientific workers (3,000) was even relatively higher than the 38,000 at the Soviet Academy of Sciences in 1968.... The academy as a whole was aging because it was practically impossible to get rid of inefficient scientists who only found comfortable employment in science. Consequently, as an experiment, Sorm proposed that five-year or shorter work agreements be concluded with scientific employees. Institutes which accepted this experiment were rewarded by having their wage funds increased. This essentially sensible proposal, however, was transformed into its dialectical antithesis, as we will see directly.

It got to be 1968 and the academy began being criticized from various sides. The social scientists were complaining of oppression, the technocrat Sorm was accused of being conservative, the advanced schools criticized the academy for its priority position, although they themselves were at a generally lower level as a result of political incursions, Radio Prague saw the academy as an interesting object of criticism.... But then came August and both the presidium and also the institutes unequivocally opposed the invasion. Sorm's speech before the international scientific public strengthened the position of occupied Czechoslovakia.

However, the punishment was not long in coming. The presidium of the academy was restructured, Kozesnik was placed at its head (he had not participated in the August session of the presidium, but was "recreating" at the academy's chalet at Bechyne). The time-limited contracts with scientific employees were now legalized; anyone who had done anything wrong during the "crisis years" was given a contract shorter than five years (I personally never had a contract which ran that long). This was true of the natural sciences where forced departures were relatively rare (a number of outstanding scientists, however, did go abroad), whereas in the social science institutes there were mass dismissals. A number of standardized rectors and deans were appointed to the presidium of the academy—all were Central Committee Secretary J. Havlin's people—who nimbly saw to it that they got the plum jobs as directors of institutes. The foremost scientific workers were deprived of the leading functions in institutes, resources for research were curtailed, new members of the academy were only appointed or elected (both were possible) on scientific merits in a minority of cases and, mainly: the scientific climate in the institutes deteriorated. Typical proof of this was the interview given to the editor of RUDE PRAVO by chairman Kozesnik in 1978, "We Shall No Longer Cultivate Science" (that is to say, science will not be treated with consideration, but must turn its face to practical applications in a disciplined manner). This tendency continued even more expressly under the next chairman of the academy, B. Kvasil, who defended the principle that a scientific employee should not be evaluated in accordance with the international echo of his work, but in accordance with how he assists practice. The product of this pretentious orientation was, for example, the origin of the engineering institute of the academy (the Institute for the Technology and Reliability of Engineering Design at Plzen, about which evil tongues claimed that its principal task was to promote secondary ties with managers of the Skoda Plant). Nevertheless, a large number of scientists with international reputations managed to stay employed by the academy. Even the recruitment of the rising young scientific generation was subject to fewer political incursions than those afflicting the advanced schools so that anyone wishing to work in the natural sciences was generally able to do so. The voices which fundamentally cast doubt on the authority of the actual scientific elite (which are

mostly different from the set of members of the academy) are definitely not justified....

It became November 1989, but the academy joined the revolution late as a result of the indecision of its chairman, J. Riman (an important biochemist, but an excessively careful individual), and as a result of the composition of its presidium. In the institutes, however, things were bubbling and so, in December, the so-called elected representatives of work sites were elected according to a formula of one representative for every 50 employees. And so, both representatives of outstanding as well as average institutes managed to get into the "chamber," just like representatives of nonscientific units. The scientific employees in the chamber include important scientists, as well as scientifically average individuals. While this organ was adequate for the implementation of revolutionary measures, that is to say, the removal of representatives of totalitarianism from the leadership of work sites and the entire academy, in view of its composition, it is unsuitable to master the principal task—that of improving the structure by selecting those institutes suitable for basic research and their personnel, which would also be a sensible reaction to the current and frequently justified budgetary pressures.

At the beginning of the 1990's, there was the complete reconstruction of the academy's presidium. The outstanding scientist, Professor O. Wichterle, a personality known from the year 1968, was elected to be the new chairman. Members of the presidium were both some existing members of the academy as well as representatives of the "chamber," important and unimportant scientific employees. And it was precisely the latter who obtained key functions, among others the function of deputy chairman of the Czechoslovak Academy of Sciences, who chairs the committee for managing work sites, and the function of scientific secretary. According to an old principle, former revolutionaries rapidly became new privy counselors and it is precisely they who are moving the academy (frequently even without the knowledge of the academy chairman), they issue directives to institute directors—simply like things were under Kozesnik.

The current leadership sees the salvation of the academy in the so-called system of grants (financial support provided for research projects following a competition). For purposes of these support payments, approximately 15 percent of the nonpersonnel budgetary resources of the academy are allocated—in other words, a relatively small portion. Victory in a competition is supposed to be a certain mark of quality of the research team. The grant system was thought up by theoretical physicist B. Velicky. Theoretical physicists seek original solutions for their problems, but in solving the problems of the academy, originality is not exactly appropriate, but rather proven and tested experience (much the same as in economics). In West Europe, the grant system is utilized to provide additional support for research at advanced schools because their actual research resources

are devoted to the education of students. Elite institutions conducting basic research such as the Max Planck Society or the Centre National de la Recherche Scientifique in France do not consider the grant system to be purposeful (their employees are paid—much the same as in our academy—to perform research activities).

The future of the academy is of interest to the public and to specialists. I believe that the academy can obviously not find its way out of its crisis without the incursion of organs of the Czech Republic; these incursions should put an accelerated end to the government of the “chamber” and should result in restructuring the presidium of the academy (or possibly another organ—the appellation is not important). This body should be made up of several of the directors or chairmen of scientific councils of outstanding institutes and—as is the case in the management bodies of the above-mentioned German and French institutions—should also include representatives of some central offices at the level of ministers or their deputies. The solution of even only the most important tasks will not be simple; primarily, the selection of quality institutes and determination of their personnel structure (the criterion of quality of its employees cannot be anything less than the world-class reputation of their work, their publications activities in renowned foreign publishing houses, invitations to plenary lectures at international congresses, etc.). Institutes at which teamwork is not necessary and which can immediately tie in to research would be transferred to advanced schools. Technically oriented work sites (to the extent to which they are high-quality ones) would be transformed either into joint stock companies, possibly even with foreign participation, or would, together with some existing state research institutes, join institutions performing research for customers (like the German Fraunhofer Companies).

The embarrassment of the current academy leadership is attested to by a recent interview of the scientific secretary P. Vlasak by the same RUDE PRAVO editor who, 20 years ago, had interviewed Chairman Kozesnik. If our academy does indeed move along this path, it can find itself in a situation in which science will indeed cease to be cultivated by it.

Ousted Czech Minister To Chair Environmentalists

*AU1604105991 Prague CTK in English 1452 GMT
14 Apr 91*

[Text] Prague 14 April (CTK)—Bedrich Moldan, former Czech minister of the environment, who was forced to resign after being accused of collaboration with the former secret police StB, was elected chairman of the Central Executive Council of the Czech Union of Environmentalists at a congress in Olomouc, north Moravia, last night.

The congress, which started yesterday, continues today.

Slovak Students See Power Returning to Communists

*AU1504140091 Bratislava VEREJNOST in Slovak
9 Apr 91 p 2*

[“Text” of statement by the Union of University Students of Slovakia]

[Text] The Union of University Students of Slovakia is a special interest organization of students, whose program statement includes the defense of students’ rights. One of the inalienable rights of every citizen and, hence, also students, is the right to a better future.

We therefore follow with great apprehensions the development of economic reform in Slovakia. We were particularly taken aback by the results of the latest public opinion survey, conducted by the Center for the Research of Social Problems operating under the Comenius University Faculty of Philosophy, in which 63 percent of all respondents were in favor of slowing the reform.

As students, we initiated the November [1989] changes in the hope of building a better future for us. We participated with hope in the free elections, from which emerged a new parliament, which then appointed a new government. This government was to become the guarantor of economic reform, in the rapid implementation of which we see our hope. The Slovak Republic Government is cushioning the reform today, by which, in our opinion, it extends the latent period of depression. It does not do that for economic reasons but out of political self-interest, reckoning that this policy will win votes in the upcoming elections.

We realize that university students—a large part of whom are unemployed already and, in view of the existing school system, are without any hope for a rapid improvement of their situation—will be hit the hardest by radical economic reform. Cushioning the reform results, however, will extend this, for us, unpleasant period.

Unless the Government of the Slovak Republic embraces radical economic reform, we do not see any prospects in life for young people in this republic. If even this argument will not suffice for the government to realize its responsibility before the nation, then we will really have to admit that November 1989 was an irrelevant episode in our history and served the only purpose of returning to reform communists the power of which they were deprived in 1968.

Free-Lance Journalists Question Turnover Tax

*LD1604224191 Bratislava Domestic Service in Slovak
1630 GMT 16 Apr 91*

[Text] Representatives of Czech and Slovak free-lance journalists and authors agreed on close cooperation at a meeting in Bratislava to insure that readers of the Czech press are properly informed about life in Slovakia and

vice versa. At the same time they urgently asked the Federal Government to reevaluate its stand on the 22-percent turnover tax on periodical press which threatens the existence of free-lance journalists in both Republics.

Late Fascist Slovak President Commemorated

*AU1604105691 Prague CTK in English 1643 GMT
14 Apr 91*

[Text] Bratislava April 14 (CTK)—A rally took place here today to mark the anniversary of the execution of Jozef Tiso.

Participants in the rally, which started in a Bratislava Square, marched to a place of pilgrimage called Marianka near Bratislava where a feast of the rosaries was held.

HUNGARY

Capital Plans Gala After Departure of Soviets

*91CH0470A Budapest NEPSZABADSAG in Hungarian
18 Mar 91 p 5*

[Unattributed article from the Hungarian News Service: "Demszky Would Like Dancing in the Streets on 30 June"]

[Text] At the third site of the commemoration of 15 March, near the statue of Petofi on the bank of the Danube, Budapest Mayor Gabor Demszky delivered a speech. He greeted those who had gathered to celebrate, especially the "guards," the soldiers and police officers keeping watch.

He spoke about the demand, which was made in 1948 and soon to become true, that there be no Hungarian soldiers in other countries and that no foreign soldiers dwell in our homeland. He invited those present to celebrate by dancing in the streets of the entire city on 30 June, the day of departure of the last Soviet soldier. He spoke of his hope that by the turn of the century Budapest would be the capital of Central Europe and one of the noteworthy cities of the world; a place where daily life is not dominated by despair and self-denial, where citizens are engaged in launching enterprises and doing constructive deeds instead of antagonizing one another, recalling old wounds, digging up old grievances.

Budapest, as he said, now requires a thorough overhaul. The city urgently needs a law that takes into account both foreign experiences and Hungarian traditions. Asserting that the interests of cities and towns are identical, he emphasized that the country cannot prosper without Budapest, nor should Budapest thrive at the expense of the country. Finally, on behalf of the capital city, the mayor hailed those who struggle for their freedom elsewhere: the Albanians, Estonians, Latvians, and Lithuanians.

Central Budapest Government, Districts Feud

*91CH0505D Budapest MAGYAR HIRLAP
in Hungarian 21 Mar 91 p 5*

[Article by Janos D. Kiss: "The Forced Step To Be Taken by the SZDSZ [Alliance of Free Democrats]"]

[Text] The Alliance of Free Democrats [SZDSZ] was forced to take a step in the course of the poisoned public dispute between the mayor of Budapest and the various district mayors. Many fail to understand why the SZDSZ leadership failed to make its voice heard earlier, in the moment the dispute erupted. The SZDSZ is the number one interested group in autonomous local governing bodies in government because of its election victory, from the standpoint of both the mayor and the Budapest General Assembly on the one hand, and the district mayors and local representative bodies on the other. Further, a joint statement issued by the district mayors more than a week ago virtually challenged the party leadership when it said that "we can no longer remain silent because of party policy considerations." From the standpoint of the public, the issue is entirely self-explanatory: What kind of party policy consideration could enter into this dispute?

If, on the other hand, the SZDSZ leadership was left out thus far from the battle between the capital city and the districts because it wanted to avoid even the semblance of interfering in the "internal affairs" of autonomous governmental bodies, in a manner akin to party state traditions, by now the situation has deteriorated to the point where fundamental party interests have become endangered. One need not explain the fact that as a result of the positions, the SZDSZ controls in autonomous governmental bodies, it should be pressing the parliament to create a law for the capital which ensures the best management and developmental opportunities for Budapest as a whole. In other words, to enable the capital's autonomous government to work properly, and also its districts, pursuant to their peculiar tasks. But how could the parliamentary faction of the party stand up in the House in support of a law which suits both sides, at a time when opposing interests between the capital and its districts are tense? What position, or whose position should the SZDSZ represent? Accordingly, the present situation, insofar as hostilities between the capital and its districts continue, could easily lead to a point where the SZDSZ parliamentary faction is forced to hand over the terrain to the parties of the governing coalition. Let them create the law which governs the operations of SZDSZ autonomous governmental bodies in the capital, according to the interests of the governing coalition. All of this would greatly diminish the worth of the local election victory.

This explains why the SZDSZ leadership convened in a Tuesday evening conference of the members of the SZDSZ National Assembly faction, its Budapest mayors, its representatives serving in autonomous governing bodies, its national managing body, and the Budapest

members of its National Council. The brief report presented by this paper yesterday about the conference clearly reveals that the party leadership did not want to cut the cord by using the opportunity provided by this meeting to do justice directly. In other words, the goal was not to find out who was right regarding the various matters in the dispute between the capital and its districts, instead they provided an opportunity for rapidly reaching a necessary agreement between the opposing parties. We may also interpret this to mean that the consensus about to evolve between the capital and its districts represents the solution, rather than the central party position, a position which, according to indications, does not even exist as far as the details of the agreement are concerned.

However unavoidable an agreement may be, reaching an agreement promises to be difficult, considering conflicting interest between the capital and its districts, many of which flow naturally from the situation. The oft-times mentioned consensus may come about only if both the capital and the districts yield with respect to the positions held thus far. They must mutually evaluate each other's functions and tasks, and those indispensable and necessary conditions which must be granted to each body, so that each autonomous governmental body may be able to function in a manner consistent with the public interests of the capital. The dispute over who should be stronger, the capital city autonomous government or the autonomous governmental bodies in the districts, is outdated. Budapest should be strong, and so should its districts to the extent possible. This can be the only ultimate goal that flows from the agreement.

Former Ministers Testify at Secret Service Trial

*LD1104211791 Budapest MTI in English 1905 GMT
11 Apr 91*

[Text] (MTI)—The former prime minister of Hungary, Miklos Nemeth, and the former minister of home affairs, Dr. Istvan Horvath, were given hearings at the public trial of defendants, retired Brigadier General Ferenc Pallagi, former deputy minister of home affairs and retired Brigadier General Dr. Jozsef Horvath, former head of department of the state security forces, who are accused of using unauthorized means against opposition forces during the term of the previous government.

Horvath spoke about the large role played by the changes in the ministry of home affairs in peacefully realizing Hungary's change within the system.

Former Prime Minister Miklos Nemeth outlined the strategy of his onetime government for the achievement of social restructuring. He said that one of the main goals had been the establishment of a multiparty system in a peaceful way. Nemeth stressed that the head of the Ministry of Home Affairs at that time had had a large part in that process.

Speaking about the work of state security forces, he mentioned that both the South Korean and the Japanese

presidents visiting Hungary at the time, had spoken in praise of the work of the secret service.

When the court was adjourned, Miklos Nemeth told journalists that the new form of the secret service, still running under the present government, had been created while he was in office.

Free Democrats Announce Leader Visits

*LD1204180391 Budapest MTI in English 1544 GMT
12 Apr 91*

[Text] (MTI)—The Alliance of Free Democrats [SZDSZ] has a packed diplomatic timetable for the next few days, with President Janos Kis leaving for Paris, Ivan Peto, head of the party's parliamentary group, for Bonn, and executive Balint Magyar for Prague. The National Council will decide on the matter of whether to participate in the six-party talks proposed by the Federation of Young Democrats on Saturday. The SZDSZ supports the idea of calling trade union elections, journalists were told on Friday.

The SZDSZ's parliamentary delegation, headed by Ivan Peto, will be visiting Germany on 16 April, and will meet with Chancellor Kohl and Foreign Minister Hans-Dietrich Genscher. Istvan Szent-Ivanyi, member of the delegation and deputy chairman of the parliament's economic committee, pointed out to journalists that besides strengthening bilateral relations, the delegation wishes to win German support on points related to EC associate status, including agricultural export quotas, or a declaration on subsequent full EC membership.

SFRY's Maksic Cited on Arms Sales 'Scandal'

*LD1104171191 Budapest Domestic Service
in Hungarian 11 Apr 91*

[Text] According to the Yugoslavian deputy foreign minister, the Hungarian arms sales scandal cannot be considered closed. Belgrade expects the Budapest government to clarify the issue in the interest of neighborly relations. Maksic believes that there is a difference between the statement by Prime Minister Jozsef Antall, and that made by Tamas Katona, state secretary for foreign affairs, in Belgrade. The Yugoslavian politician also pointed out in the Belgrade parliament that the NEPSZABADSAG interview with Erno Raffay, state secretary for defense, was a classic example of intervention in domestic affairs. He said that the Yugoslavian Government has taken steps concerning the affair.

FIDESZ Standpoint on Compensation Law

*91CH0505B Budapest MAGYAR HIRLAP
in Hungarian 13 Mar 91 p 3*

[Article by Attila Farkas: "FIDESZ [Association of Young Democrats] Will Not Take Part in the Compensation Debate"]

[Text] According to Bela Glattfelder, the National Assembly representative at a FIDESZ [Association of Young Democrats] press conference yesterday, FIDESZ does not plan to become involved in the parliamentary debate over the details of the Indemnification Law, and has not introduced amendments either. Glattfelder noted that "FIDESZ has no position to support because it did not offer any amendments. At the same time, however, one cannot rule out the possibility that FIDESZ representatives will comment, because they must respond to possible attacks made against them." In Glattfelder's view, the debate concerning details may be regarded as a matter of formality because committees decide the fate of amendments. Nevertheless the debate promises to be quite lengthy because the Smallholders will try to "keep their irons in the fire" as long as possible.

Viktor Orban, the FIDESZ faction leader, joined the discussion and said that indemnification was not a national issue, i.e., one that is supported by a majority of the people. Orban said that the charged atmosphere that surrounded the indemnification may be attributed primarily to the Smallholders Party. Public opinion polls by far do not suggest that people attributed such great significance to this matter. Orban also reported the results of a survey conducted by Szonda Ipsos Ltd. on a 1,000-person representative sample. Given a choice regarding methods of privatization, only 20 percent of the respondents said that the former property should be returned to the owners. Responding to whether they approved of indemnification, only 27 percent answered in the affirmative, while 67 percent gave a clearly negative reply. The latter was justified by the country's present economic situation. Other public opinion surveys produced similar results. Orban was told that these will be made public within a few days.

The FIDESZ sponsored yet another survey by Szonda Ipsos Ltd. In this survey respondents were asked for whom they would vote if the elections were held today. The FIDESZ would receive 31 percent of the vote, 22 percent of the vote would go to the Alliance of Free Democrats [SZDSZ], 14 percent to the Hungarian Democratic Forum [MDF], 10 percent to the Smallholders Party [FKgP], 6 percent each to the Christian Democratic People's Party [KDNP] and the Hungarian Socialist Party [MSZP], and 4 percent to the Hungarian Socialist Workers Party [MSZMP]. In his further remarks, Orban found yet another finding of the public opinion survey as surprising: Contrary to common belief, the inclination of people to take part in elections has not diminished since last spring. Forty-nine percent of the persons asked said that they would certainly cast their votes, while 24 percent would probably go to the polls if parliamentary elections were held.

Zoltan Rockenbauer reported on a FIDESZ trip to France: The increased foreign policy activities of FIDESZ were related to the fact that FIDESZ has become a leading party, and this status demands that the party's external relations be elevated to a higher level.

FIDESZ does not want to conduct foreign policy instead of the government, it tries to contribute by using its own means to the evolution of a consensual Hungarian foreign policy, even if this is difficult for FIDESZ to do, as it was at the time of the weapons scandal.

Local RMDSZ Head Views Political Landscape

91BA0427A Budapest ROMANIAI MAGYAR SZO
in Hungarian 7 Mar 91 pp 1, 3

[Interview with Gabor Kolumban, Udvarhelyszek RMDSZ [Democratic Federation of Hungarians in Romania] head by Istvan Olah; place and date not given: "Politics and Civil Society; Thoughts on RMDSZ's Spring Congress"—first two paragraphs are ROMANIAI MAGYAR SZO introduction]

[Text] An unusual interview? When the political organization of Hungarians in Romania is the subject, RMDSZ [Democratic Federation of Hungarians in Romania] head Gabor Kolumban is concerned with at least four questions. The questions, just like the answers, manifest the balance of political power of our times, or the moment. Let us view this tactical interview as a critical interpretation of the RMDSZ's short but significant period of development, drawing a few lessons from it that may also be projected into the coming period. However, what Gabor Kolumban tells is not a moral story. He reflects and doubts, assesses and makes prognoses, painting civil society's distant reality (rather than its ideal) on the wall and, being a politician, or more modestly, engaged in politics, he does this with the abstractness of politics. Which is, after all, not realpolitik. It is too clean and idealistic for that.

Here, then, are the questions:

1. Why has the RMDSZ a populist accent?
2. What form of organization or activity is most appropriate for the populist demand?
3. Where do these practical forms clash with the change of system?
4. What does this organization expect from its leaders, in other words: what can a Magyar intellectual do in Romania?

[Olah] Let us, then, begin with the possible questions, i.e., with those that cannot be formulated as absolute truths....

[Kolumban] It seems essential for organizations and political structures, which can assume leadership roles in societies freed from totalitarianism, to be organizations that usually require and rally broad popular support; mass demands are also manifest in their ideologies, and this makes them nationally inclined. Their role in representing social interests is also evident. This is what the front is like which represented an all-national consensus in the beginning, being able to preserve this until it began its struggle for power; and this is what the RMDSZ is

like, and it is no accident that these are the two real political powers that exist in postelection Romania. The two differ from each other mainly in that their leaders and experts come from different political regions. The front, using the nation-state's reserve of experts, recruited its leaders from those close to the upper echelons of the establishment, and the Hungarians, who were eliminated from the concept of the nation-state and were frustrated and under pressure, obviously selected their leaders from the opposition. It seems that every experiment in creating a somewhat clearer and better-defined political (and a more decisive liberal Christian-democratic) movement has many more setbacks and needs a longer gestation period. The time has not yet come for traditional political parties in East Europe. This is indicated by both the election success of Hungary's MDF [Hungarian Democratic Forum] and the fact that liberals won the local elections. In Romania, the establishment is intentionally eliminating this second step by not holding local elections. Returning to the Hungarian issue: These formations need huge mass support for legitimization, and there are two reasons why their effectiveness is lower than that of the traditional parties of the international political field of power. One is that organizing such a mass requires a lot of work and time. This usually cannot be undertaken by active politicians (they represent the organization in the political arena). It follows from this that the danger of nondemocratic forms of operation are always present in an unorganized movement (self-appointed leaders, clique decisions, pseudoaction, manipulation, etc.). The other reason is that their activity is determined not only by their relationship with the establishment (acquisition-protection), but also by those social, economic, and cultural problems which they also want to help solve and organize.

[Olah] In other words, their organizational and leadership role in the everyday life of the membership, or more broadly, the national or social stratum that they represent.

[Kolumban] Exactly. However, the possibility of schizophrenia is inherent in this duality, for the present political arena demands people of entirely different attitude and thinking than for example, the building of a civil society. There is a danger that the membership's evaluation of the tactical steps and the various organizational manifestations will not be based on a political value system. In other words, public problems cannot be included as a whole in the sphere of politics. This is where the characteristically East European situation emerges in which politicians try to bring everything to the arena, in part to legitimize their own existence, in part precisely because of the arena's vague and undeveloped character. This phenomenon of one's private life also being almost a political issue is perceived by the membership as a kind of pressure, as politics' potential for terror, to say the least. In this country, everyone is engaged in politics at the workplace, in the family, in the media. In this way, peaceful everyday life has been

pushed into a minuscule corner. I almost do not even have a circle of friends anymore, for when I meet my old friends, we talk about nothing but the RMDSZ and high politics, about what other people do. What do you think of this or that, what so-and-so said in the parliament....

[Olah] It would be good to start depoliticizing our everyday lives.

[Kolumban] The totalitarianism (omnipotence) of politics is dangerous because it is an excellent vehicle for diversion. It diverts our attention and creative energies from society's fundamental problems that can only be solved by society through the development of a life style which would operate a civil society free of any kind of power dominance. Politics also has its generals, colonels, corporals and, finally, its soldiers without rank: the people.

[Olah] Let us go back to the big question: Is the RMDSZ a political movement or a force to organize a civil society?

[Kolumban] Presently, I think that we are at the moment of decision, and the answer to this question will in essence determine the future structure and character of our organization. Those forces that are more appropriate for a politician's form of existence are trying to structure or operate our organization in accordance with their own value system, primarily using the argument of the efficacy of party structures. On the other hand, nonpolitical and antipower people (the alternatives) would like to assist at civil society's birth. The goals of these two trends are often, but not always, the same, but their means and attitudes are almost always different. We perceive this now as a disorder. One example is the organization of the membership. The politician takes initiatives toward the membership, transmits his ideas through speeches and statements, and wants to lead and direct the membership. The nonpolitical person puts a high value on society's capacity for self-organization (this has live traditions in Szekelyland), and imagines his role to be more of an animator, participant, identifier, or assimilator. He does not want to direct other people's lives; he wants joint action. Obviously, because of the present situation, the former attitude's efficacy is higher, this form of action is more spectacular, and the sense of accomplishment comes sooner. Let us only think of the demonstrations last winter and spring, of the huge number of newspaper articles, all of which drew their creative energies from this source. The conditions for building a civil society are still almost nonexistent, the initiatives are only germinating, and it is almost impossible in the present grave economic and social situation to argue that this would be the solution.

[Olah] This is why it is not even worthwhile to sublimate this syndrome into an ideology.

[Kolumban] For me, this group of questions, which I have so nicely put into theory, becomes concrete in the demonstration of an everyday antagonism. The membership accuses me of not telling them what must be done

and of patiently waiting to see how I could help them do or organize something. In concrete terms, they say that I am not doing anything for them. The same thing is said of the RMDSZ leadership by some of my colleagues (who have a good political stance). By all means, I interpret this situation as a confrontation of the two essentially different attitudes and ways of thinking mentioned earlier. Of course, this is a peaceful struggle, taking place in the form of a dialogue; its possible results in the RMDSZ are a crystallizing of the political structures on the one hand, and the emergence of nonpolitical blocs on the other. In my opinion, this process is already beyond the point where it still endangered the existence of the RMDSZ, a uniting organization of interest representation. Local autonomy (within the organization) makes it possible for the membership to decide which of the two forms of activity it prefers.

[Olah] Does the membership need leadership—and leaders?

[Kolumban] My dilemma is that both the membership and perhaps the present political and social situation require authoritarian leadership. But how could a leader be authoritarian if he hates power and all forms of dictatorial leadership? I recognize that a leader with initiative and a consistent, almost aggressive stance is needed in this period, but I also see the dangers of the direction in which a membership that has such leaders for a long time can progress. Public life must progress in a direction in which one can outgrow as soon as possible the reflexes inherited from the previous regime and developed by paternalism and in which one can make use of the freedom that one does indeed have.

Chief Prosecutor Urges Gradual Change

91CH0470B Budapest NEPSZABADSAG in Hungarian
13 Mar 91 p 4

[Interview with chief prosecutor Dr. Kalman Gyorgyi by Andras Sereg; place and date not given: "Conversation With Chief Prosecutor: Change of Regime Cannot Be Assigned Specific Date"—first paragraph is NEPSZABADSAG introduction]

[Text] Last June the parliament chose Dr. Kalman Gyorgyi as chief prosecutor of the Hungarian Republic. Since then nine months have elapsed.

[Sereg] Are you sorry that you accepted the job?

[Gyorgyi] Not at all. I thought I could do a lot in this area to turn Hungary into a constitutional state, and I still feel that way today.

[Sereg] Nowadays more and more people are demanding that the criminals of the previous regime, all those whose deeds were winked at by the authorities, be called to account. Some say this is a task for the office of the chief prosecutor. What is your opinion?

[Gyorgyi] Look, the office of the chief prosecutor is an administrative agency, which means that its function is to uphold and enforce the laws. At the same time, it has no power to rule on individual cases. Its primary task is to see to it that other officials make decisions in accordance with the rules of law. It is not inconsequential that Hungarian society is currently undergoing a transformation. The change of regime cannot be assigned a date on the calendar. In my opinion, the legal system and the state organization can only be reshaped step by step. Problems will crop up, of course. What bothers me is that even though the goal of the transformation is clear, we do not agree on the way to achieve it. In fact, it is still undecided which path we should follow. As far as changing the legal system is concerned, we must struggle with an enormous number of inconsistencies. At the same time, there are in effect, rules of law that were enacted uninterruptedly at various periods and that espouse often contradictory concepts. If we overstep our province, we could come into conflict with the constitution. So my answer to your question is that a solution to these dilemmas exceeds the chief prosecutor's scope of authority.

[Sereg] Is there a solution?

[Gyorgyi] Today I'm afraid that questions concerning the judgment of history cannot be answered by applying the law. It is the National Assembly's task to enact laws whose enforcement will be in agreement with the overwhelming majority of society.

[Sereg] Aside from this, is political pressure on the office of the chief prosecutor increasing?

[Gyorgyi] I would like to state categorically that the office of the chief prosecutor is an agency whose employees are not allowed to join political parties or pursue any political activity. On the other hand, the chief prosecutor cannot be guided by political considerations in deciding legal issues. I really mean that.

[Sereg] However, intentionally or not, the law can clash with, or serve political interests.

[Gyorgyi] Because the law pertains to human relations, political interests can be affected, of course. Accordingly, the chief prosecutor's acts and failures to act may have political effects, but the latter derive from honest efforts to enforce the law. In our changing society, these efforts must be tolerated by the chief prosecutor.

[Sereg] Do you find it inconceivable that the office of the chief prosecutor might be used as a political tool?

[Gyorgyi] There are numerous examples from the past that serve as warnings. Today the situation is radically different. The current constitutional role of the chief prosecutor offers adequate legal protection against any such efforts. The professionalism and moral standards of the prosecutors amount to a human safeguard.

[Sereg] A week ago in the parliament you were asked a question, the essence of which was whether those who

fired the salvos in December 1956 would be held accountable or not. You replied that they would not and that the situation could only be changed by a new law. The representative who asked the question accepted your argument, but the parliament as a whole voted against it because lack of punishment was not considered appropriate in this case. Don't you regard the result of this vote as unjust?

[Gyorgyi] In my opinion, the question was asked to make the National Assembly aware of which laws effectively pertain to the criminal acts under discussion. When the representative urged the parliament to vote no, what he probably had in mind was to strike the issue from the agenda. I think his effort is understandable. At least it might be debated whether parliamentary question time is really the best way to explore an issue. In general, is it proper for the parliament to express its views on technical matters?

[Sereg] In any event, the issue is now explored, and the current law is off the books. What's next?

[Gyorgyi] The viewpoints of representatives the I am acquainted with differ substantially. There are those who would accept a symbolic reprimand and there are those who, despite the statute of limitations, would like a genuine criminal trial. Given my knowledge of foreign precedents, I can say that a political decision is necessary in this issue.

[Sereg] The representative who asked the question suggested that in connection with certain crimes the democratic parliament should reestablish the statute of limitations. He defended his suggestion by saying that previously there was no way to hold these people responsible. Is such an adjustment conceivable?

[Gyorgyi] From a technically legal standpoint, yes. In this context, however, legal, moral, and political considerations inevitably emerge. One is whether it is constitutionally possible to write a rule of law that is retroactively valid. What should also be investigated is whether extending the statute of limitations conflicts with international agreements. But perhaps an even more general question is raised, namely, what is the attitude of a democratic power toward official acts of the previous regime? In short, this is a complex issue.

[Sereg] What sort of foreign solutions are there?

[Gyorgyi] Several constitutional states acknowledge the concept of no statute of limitations. In addition to war crimes, for example, there is no statute of limitations for murder in Austria or Germany.

Rabbi Scores Compensation Law, 'Fascist' Book

*91CH0505C Budapest MAGYAR HIRLAP
in Hungarian 13 Mar 91 p 7*

[Interview with Chief Rabbi Tamas Raj by NAP TV editor Ferenc Szekely and reporter Tamas Forro; from a

television broadcast on 10 March 1991, place not given—first paragraph is MAGYAR HIRLAP introduction]

[Text] A volume of memoirs with a fascist tone, which was published last week by the Miskolc organization of the Hungarian Democratic Forum, caused much consternation. In NAP TV's Sunday broadcast, editor Ferenc Szekely and reporter Tamas Forro asked Chief Rabbi Tamas Raj about this provocation, and about the Jewish aspects of the compensation law.

[Forro] I will begin with a quotation: "Whoever deals with the Jewish question must confront two charges: He will either be regarded an anti-Semite, or, what is even worse: a philo-Semite." We, at NAP TV, are able to attest to the wisdom of this statement. Discounting dozens of mudslinging letters and telephone calls which are beyond description, in fact, one sober-minded viewer suggested that we stop probing this subject at all. We responded to this by saying that even though we would like to, we simply cannot do so. Unfortunately, these embers glow again and again. Two remarks were made last week, on the basis of which our editor felt that Alliance of Free Democrats (SZDSZ) representative, Chief Rabbi Tamas Raj, should be invited for an interview. One of these statements claimed that the SZDSZ announced that it would not to take part in the endless and unlimited debate on the indemnification bill unless the case of the Germans and of the Jewry were also discussed. I request you to summarize why the present legislative proposal is not suited to remedy the affronts suffered by the Jewry.

[Raj] This is indeed a very sensitive problem as far as the Jewry is concerned. By signing Section 27 of the Paris peace treaty, the then ruling Hungarian Government committed itself not to transfer abandoned, so-called Jewish property to state ownership. This was confirmed by Law No. 25 of 1946, but exactly the opposite took place. I would not have brought up this issue had it not been for the fact that the indemnification bill was placed on the agenda. As long as this is so, one cannot pass by this matter without comment, because some moral indemnification might have sufficed, it would have sufficed to make a gesture toward the Hungarian Jewry, some moral reparations which have been delayed for 40 years.

[Forro] When this issue was raised recently, several of our viewers claimed that the Hungarian Jewry was already indemnified in the 1960's. I do not believe that people have a clear understanding of the fact that indemnification came not from Hungary, from the Hungarian side, but from what was then the Federal Republic of Germany. Let us clarify this very accurately. Is there, or should there be some kind of new, different, Hungarian indemnification after the indemnification provided by Germany?

[Raj] The two can be separated from each other, of course, they must be separated. The then West German

Government made payments to the Hungarian state because property had also been taken away in Germany. People were made to work, moreover, there were some, and these people received more, on whom they conducted experiments, and the traces of such experiments remained throughout their lives, sometimes even in their descendants. Incidentally, at that time, the Hungarian Government accepted a certain amount, 100 million German marks, to use that money to make payments to Jewish citizens of Hungary.

[Forro] Accordingly, there is proof that the German state has paid a certain amount, but the Hungarian state paid nothing to anybody.

[Raj] Yes.

[Forro] Is this why you claim that the legislative proposal discriminates against the Jewry?

[Raj] We feel that the legislative proposal is discriminatory primarily from the standpoint of timing and its subject matter. It is discriminatory from the standpoint of timing because the legislative proposal would indemnify those who suffered damages later, and this is impossible in our view, it amounts to legal nonsense. Along with this, one should not distinguish between the victims of the extreme right and the extreme left dictatorships. We would find it appropriate to deal with the two matters jointly as long as these matters were placed on the agenda.

[Forro] Many believe that 8,000 or 9,000 persons are involved, and therefore, it's not worthwhile to deal with this issue separately.

[Raj] If only a single person existed who must be indemnified morally or in any other way, this must be accomplished, and these 8,000 or 9,000 people also represent those 600,000 people who were destroyed in this country by the Germans and their assistants.

[Forro] Do you feel that it would be possible to rehabilitate the 600,000 victims of the Hungarian holocaust in some way if these steps were taken?

[Raj] This should have been accomplished by all means after the war, but a discussion of this matter failed to materialize for various reasons.

[Forro] In my introductory remarks I said that this week there were two manifestations which warranted your invitation here. The second manifestation was the publication of a certain book in Miskolc. This is a study written by a gendarme officer. This volume contains fascist filth which exceeds even the wildest of nightmares. Have you read this book?

[Raj] I have read the pages I received, presumably the most discriminatory passages. The gravest aspect of this matter is that this writing was published by the Miskolc organization of the MDF [Hungarian Democratic Forum], a party organization which not only is the ruling party, but which in its principles also committed itself to

abstain from such manifestations. Accordingly, I feel that those who made these statements should be seated here at this time.

[Forro] It is part of the truth that in a writing published in NEPSZABADSAG the MDF organization of Miskolc disclaimed this book. They said that their activities were altogether limited to proof reading and grammatical corrections.

[Raj] I feel that this is not simply a mistake the way they claim it to be. This is a crime, and this kind of thing must be avoided in the future. Not only the editors as individuals must disclaim this book, the organization itself must do so.

[Forro] What was your first reaction when you read these sentences?

[Raj] I was surprised, even though this was not the first case, there also were so-called "private statements" at the time of the elections.

[Forro] I think that the Supreme Prosecutor should order an investigation of this matter in the coming days. On the other hand, the political question is whether the book published in Miskolc is an isolated phenomenon, a simple mistake, clumsiness, or if it was prompted by some more deep rooted reasons. Notably, should we be concerned that in the wake of indemnification and a worsening economic situation we will witness a newly mounting anti-Semitic wave?

[Raj] I very much hope (they used to say that a Jew should always be an optimist) that this will indeed remain an isolated phenomenon, but care should be taken to prevent a similar incident. This becomes possible only if the official organs and the leadership groups of the various parties publicly delimit themselves from this matter. We are afraid that we are witnessing a restoration which is not desirable, and it is not desirable not only from the standpoint of the Jewry. I object to anti-Semitism, not because I am a Jew, but because as a Jew one may view anti-Semitism as the problem of the country, of society, and not of the Jews. I object to anti-Semitism as a Hungarian, because I feel that the country is deteriorating as a result of anti-Semitism, the country becomes endangered because anti-Semitism is coming to the forefront.

POLAND

Party Leaders on Parliamentary Elections

91EP0369A Warsaw GAZETA WYBORCZA in Polish
13 Mar 91 p 13

[Commentary by Donald Tusk, Kazimierz Michal Ujazdowski, Włodzimierz Olejnik, and Waldemar Kuczyński compiled by (WZ) and (LAW): "Whose Autumn Will It Be?"]

[Text] The Sejm has decided to dissolve itself this coming autumn, against the wishes of the president, who called for a 26 May dissolution. Center Accord [PC] believes that by acting thus in opposition to the president, "the Sejm has put a final end to its credibility" and the PC is announcing "the organization of society to battle for a democratically elected parliament." GAZETA WYBORCZA polled the following for their opinions: Donald Tusk, deputy chairman of the Liberal-Democratic Congress [KLD], Kazimierz Michal Ujazdowski, secretary general of the Forum of the Democratic Right [FPD], Wlodzimierz Olejnik from the PPS [Polish Socialist Party] Central Executive Committee, and Waldemar Kuczynski, Democratic Union [UD] activist.

Tusk: Opportunities for the Liberals Are on the Decline

The KLD favored the May date for elections. Today we find ourselves in an ambiguous situation.

Autumn elections will give the government of our colleague Jan Krzysztof Bielecki several additional months. The primary result of this will be mainly a greater number of privatized enterprises and the intensive building of a capital market infrastructure. On the other hand, one cannot expect a marked improvement in the quality of life.

For this reason, time may work to our disadvantage. It is likely that the autumn electoral test will turn out to be worse for our Congress than the May test. On the other hand, the opportunities for such postcommunist groups as the SdRP [Social Democrats of the Polish Republic] and the OPZZ [All-Polish Trade Unions Agreement] and for Tyminski's party will grow.

I do not think that the next government will be as liberal as the present government. That is why Bielecki, Lewandowski, and Zawislak will try to make maximum use of the time allotted them. It will not be easy. The last Sejm debate revealed the growing strength of the parliamentary left (not only the post-PZPR [Polish United Workers Party] left) and the disinclination of the left toward capitalist reforms.

Likewise the PC, the natural ally of the liberals, may distance itself from the government during the extended election campaign. Thus, Bielecki's team will be very isolated.

The vast majority of deputies know that they will not return to Wiejska Street after the elections. Consequently, they want to prolong their operation in the orbit of power. The unclear, unstable political situation in which no new constitution exists and there is a political contract with the Sejm will remain in force for a very long time.

I do not believe that Kaczynski's counteraction will succeed (for society, the elections are a secondary issue).

On the other hand, the effect of this counteraction may be the destabilization and worsening of the social atmosphere.

Turmoil in the Sejm will strengthen the position of the president. Not everyone will be happy about this. While the KLD supports Walesa, we believe that the efficiency of the state should emanate from the strength of democratic structures and not from the strength of the individual. But if no such structures exist, a one-person executive authority is better than no executive authority.

Ujazdowski: The Center Accord Is Involved in an Election Ploy

The FPD favored May elections, but it does not treat the Sejm's decision as a national tragedy.

This is particularly the case since the picture portrayed by the PC that the Belvedere camp favors May elections while all other forces are opposed is untrue and was created exclusively for the use of the election campaign. Just recently President Lech Walesa spoke in favor of the autumn date. His announcement of a competing draft electoral law was one of the reasons for putting off the date.

The false assertion that the main struggle is between the Solidarity camp and the forces of the old regime is likewise an election ploy. The real quarrel is taking place over the introduction of the capitalist market economy in Poland.

Jaroslaw Kaczynski is incorrect when he says that the average citizen thinks in the categories of communism/anticommunism. The PC is advancing the slogan nomenklatura but it does not disclose where the nomenklatura exists. During the presidential campaign the PC stated that nomenklatura existed in the government and state administration. Now the PC cannot say this because it supports the government.

Moreover, the PC operates in strange categories. If the president supports deputy Wieslawa Ziolkowska for NIK [Supreme Chamber of Control] president, he does not favor postcommunist forces. Meanwhile, in the opinion of the PC, one of the Solidarity groups in parliament favors these forces when it expresses substantive reservations regarding the presidential electoral draft law.

The recent announcement of the PC that it will organize society to fight for the autumn election date, which is already decided, is unacceptable and bad for the country and the reform. If the authority of the institutions in which the PC itself is grounded is so readily questioned, then we must be aware that this will bear consequences for the future state order and the future parliament, even if that parliament is fully democratic.

Kuczynski: The Mischief-Making Agreement?

The autumn election date has the advantage that it will be possible to make more extensive preparation of the electoral law and the parliamentary electoral campaign

itself. The disadvantage is that putting off the election until autumn likewise defers the time for completion of the building of the state democratic institution through the election of the Sejm by totally free elections.

However, since the Sejm made the decision it made, this decision must be honored. I believe that it is a wise decision and that this period ought to be used primarily for intensive legislative work on those laws that are the most important for the operation of the state and the economy.

At the same time, I do not know for certain whether the Sejm's opposition to the May date is an expression of its opposition to the will of the president or to his associates. If one follows closely the statements made by the president during recent months, one may conclude that he gave very serious consideration to the autumn election date, but it is also conceivable (this is my hypothesis) that he changed his opinion under the influence of the opinions of those around him. Moreover, the president is surrounded by people in important executive positions who are more predisposed to be autonomous and very ambitious politicians than to be executors of the president's policy.

The PC's appeal to involve the streets in the struggle for free autumn elections (Jaroslaw Kaczynski's 11 March statement in RZECZPOSPOLITA), i.e., the struggle over what will happen anyway since the Sejm made the decision to dissolve this coming autumn, is particularly disconcerting. This is an unnecessary appeal to go to war to make the sun rise in the east.

Quite simply, we are dealing with a tactic of muddying the waters to make possible the implementation of party interests without particularly considering the interest of the nation.

If the PC wishes to adopt this style of operation it must expect to be regarded not as the party of agreement but as the party of political provocation.

Olejniki: May Is Too Soon

As long ago as last autumn, the PPS already stated that first parliamentary elections should be held, then the constitution should be adopted, and finally the president should be elected. All of the present quarrels emanate from the disruption of this order.

The [Sejm's] Constitutional Commission took too long to prepare the draft electoral law. The PPS favored conducting elections as soon as possible, but if elections were to have taken place in May, then the period designated for the campaign would have been too brief. It is not a question here of the date itself. The important thing is that society should be able to consciously elect its own representatives.

I understand the position of the PC, which is afraid of a counteroffensive launched by postcommunist forces. I simply do not know whether the method proposed by the PC is appropriate.

Geremek Comments on Growth of Political Parties

91EP0370A Warsaw GAZETA WYBORCZA in Polish
19 Mar 91 p 5

["Excerpts" of speech by Bronislaw Geremek delivered at the conference, "Program for Poland in the 1990's," organized by the Renner Institute of Vienna and the Polish Labor Foundation in Warsaw on 9-10 March 1991, compiled by (krzem): "The Model of Government—Question Marks"]

[Text] In all the countries of postcommunist Europe we can observe, along with the fall of communism, the flowering of political parties. It is estimated that we have about 150 in Poland. Over 40 have obtained judicial registration.

Does this mean that the phenomenon of political parties is the solution that will organize the chaotic picture of the political spectrum?

It seems to me it is not. The first answer—the answer of 1989 was not parties but a very singular creation that we described as a social movement. Two years ago I was convinced that it was just the solution for the transitional period, that precisely this social movement, internally pluralistic, not very ideological and concentrated around fundamental values, would meet the needs of the transitional period.

And this was not only a Polish conviction, but also that of the Czechs, the Slovaks, and the Hungarians.

Now it is known that not only is a democratic system unthinkable without political parties, but there is also no way to think about the process of moving toward democracy without political parties.

In Poland the former Solidarity system is divided. We can see a similar phenomenon in the Czech region, where the Civic Forum has separated into two large political party-like formations; the same is true in the Public Against Violence in Slovakia, which at this moment is also separating into political parties.

Only in Hungary, alongside many incidental groups, is there a system of two political parties, sufficiently polarized and at the same time unequivocally anticommunist. One might wonder whether the weakness of civic society and the lack of a mass movement in the Solidarity mold did not become Hungary's opportunity.

It seems to me that in the experience of civic movements in postcommunist Europe there is a certain element that is the design of the future.

In postcommunist countries we can find as a recurring solution not the European system of political parties, continuing the great traditions of historical parties—those from before the communist period, but a trend toward the Anglo-Saxon two-party model.

I am referring here primarily to the American political system with its very distinct bipolarity and its understanding of parties not in ideological terms, but in pragmatic terms, not in terms of membership, but in terms of the electoral apparatus.

And here emerges a question of major significance for the formation of a future political model, the question of the citizen's role. For in this evolution one can perceive the loss of the most powerful value of the social movements from the time of the struggle against real socialism, as well as the loss of some of Solidarity's experience, as a social movement. The experience that made the activity and primacy of the citizen is the criterion for political action.

In the discussion occurring around Sejm electoral regulations, one can find this internal antagonism at its fullest. On one hand, from the top as it were, there is a tendency to confer a fundamental role on political parties. This is a tendency resulting from our knowledge of the mechanics of democracy.

At the same time there is a tendency toward a most far-reaching personalization of the elections. so that a citizen, who becomes a citizen when he is conscious of his choice, might elect a specific person rather than an idea, ideology, platform, or party.

Realization of this principle, often leading to a squaring of the circle in electoral techniques, appears to express social aspirations that do not result only from a situation of underdeveloped democratic institutions and weakness of democratic political culture. Perhaps it is precisely through expending the citizen's role that continuation of the experience of social movements is possible.

I think that a simple instruction by which we may be guided in building a future political model of democracy in postcommunist countries is to marginalize all authorial temptations and aim for an open society and parliamentary democracy. For whatever its weaknesses, a better system has not yet been found. And at the same time, to treat human rights, which have been the element that organized every program against real socialism, as the material for the future political model.

Which means (regardless of the costs with which this is associated) betting on territorial self-government, on broadly defined civil rights and on narrowly defined powers of authority—all authority.

Bujak Association: Party Status Denied

91P20316A Warsaw GAZETA WYBORCZA in Polish
4 Apr 91 p 10

[Letter to editor from Zofia Domaniewska in the name of the Founders Committee of the Democratic-Social Association]

[Text] In connection with the article that appeared in the 27 Mar 91 issue of GAZETA WYBORCZA, entitled "Bujak Criticizes," we would like to make clear that the Democratic-Social Association, which arose on 2 February in Warsaw—on the initiative of Zbigniew Bujak—is not a political party and has no intention of forming itself into a party.

This is an association, a social organization that intends to, among other things, support any initiative that has as its goal the self-organization of local circles and communities; it also intends to undertake wide and varied educational activities, which should make it easier for people to better acclimate themselves to the changing reality in Poland.

Religious, Church Affiliations Examined

Historical, Current Overview

91EP0365A Warsaw RZECZPOSPOLITA in Polish
4 Mar 91 p 3

[Article by A.F.T.: "There Are More Than 70 of Them in Poland"]

[Text] The largest [church], of course, is the Roman Catholic Church. The second largest, with nearly a million followers, is the Polish Independent Orthodox Church. The Protestant churches, associated with our history for four centuries—the Evangelical Reformed Church and the Evangelical-Augsburg Church, number about 100,000 followers, Calvinists about 5,000, and Lutherans 91,000. For several years, the Union of the Faith of Jehovah's Witnesses has won more and more followers. More than 90,000 Poles have been baptized. The smallest [churches] are the emerging Evangelical Christian and Oriental churches—Hindu and Buddhist.

For years in People's Poland, tolerance and traditions were discussed. The Catholic Pole was contrasted with other evidence—this is a country of 40 religions. Churches and religious unions may, for legal purposes, have their situation settled by statute. There are others, acknowledged by lesser administrative instruments, and recently registered at the Office for Religious Affairs [BSW] of the Office of the Council of Ministers [URM]. They represent the largest number.

Freedom of conscience and religion and equal rights for all religions and faiths is assured by the law dated 17 May 1989. Up to that time, churches in the PRL [Polish People's Republic] were recognized first by virtue of the regulations of the Second Republic. They cover the

Catholic, the Polish Independent Orthodox, the Evangelical Reformed, the Evangelical-Augsburg, the Evangelical-Methodist, the Old Catholic Mariavite, the Catholic Mariavite, and the Old Rite Eastern Churches, the Moslem Religious Union and the Karaimite Religious Union.

Not all prewar laws are favorable to the churches. The Old Rite Eastern Church won its rights by being something of a counterweight to the powerful Orthodox Church in the interwar years. The Polish Independent Orthodox Church (since 1924, officially since 1948) at that time numbered 4 million followers. To this day it is required to observe the rules of the decree of the president of the republic dated 18 November 1938. One of these provides that bishops visiting parishes must give the voivode two weeks' advance notice. Often the financial situation of church buildings is unclear. The regulations provide that a church has five years to accomplish this. World War II interrupted these efforts. In the Sejm, two committees, the National and Ethnic Minorities Committee and the Legislative Committee, are working on a bill proposed by 22 delegates, on the state's position on the Polish Independent Church.

In 1946, the minister of public administration issued a general paper in which he acknowledged the legality of the existence of the Polish Catholic Church, the Seventh Day Adventist Church, and the Polish Christian Baptist Church.

On 6 August 1949 the decree, Law on Associations, was issued—by May 1989 all other religious unions whose existence the state had treated as legal, in order to obtain legal status, were required to adapt to its regulations. Thus most of the names of recognized churches ended with the word "in the PRL." The law provided that no church having its leadership outside our borders could be legal.

That same day, 17 May 1989, the Sejm passed two laws, one on the state's relationship to the Catholic Church in the People's Republic of Poland and [the other] on the guarantees of freedom of conscience and religion mentioned above. The latter defines precisely the bases for "establishing church and religious unions." It is necessary to submit a declaration and apply for registration at the BSW URM (the office at that time). The declaration can be submitted by 15 Polish citizens having full capacity for legal actions. It should contain information about the religion's doctrinal foundations, a list of members and their thorough personal data and signatures, as well as the interim address and by-laws of the union. The by-laws must answer seven basic questions: the name of the church, its area of operation and seat of authority, the purposes of its activity and the terms of their fulfillment, its branches and their powers, sources of financing, the method for executing changes in the by-laws and, finally, the method for dissolving the church or union and the disposition of its remaining assets.

In addition, it should describe the scope and form of mutual relations if it is part of an organization of international proportions. Also, if it intends to establish orders, diaconates, or organizational units having legal status, the union should describe in its by-laws their names, scope of authority, modifications, and means of establishment and dissolution.

The BSW may accept the declaration or reject it. The latter decision is made when the declaration does not contain the information required by law or if it contains information incompatible with the protection of public safety, order, health, or public morals, or if it infringes on the basic rights and freedoms of others. The decision on registration is made within two months of the submission of the declaration.

There are, according to the law, three reasons why a church or religious union may be stricken from the register. They are either a regulation under another statute of the church's legal status and financial situation, a notice by the religious union of its cessation of activity or [a situation where] a church has not shown activity for two years.

Five days before the passage of the law on guarantees of freedom of conscience and religion, by virtue of the law on associations, the Watchtower Bible and Tract Society was registered. The Union of Faith of Jehovah's Witnesses, as the only one, registered not as a religion, but merely a legal representation of a few score persons, looking after the interest of all followers.

Affiliations Listed

91EP0365B Warsaw RZECZPOSPOLITA in Polish
4 Mar 91 p 3

[Unattributed article: "Churches and Religious Unions in Poland"]

[Text]

I. Christian

1. Catholic

a. Roman Catholic Rite:

- Roman Catholic Rite
- Greek Catholic Rite
- Armenian Rite
- Byzantine Rite

b. Old Catholic Churches

- National-Polish Catholic Church
- Mariavite—Old Catholic Mariavite Church
- Reformed Mariavite—Catholic Mariavite Church

2. Orthodox:

- Polish Independent Orthodox Church
- Old Orthodox—Eastern Old Rite Church

3. Protestant:**a. First Reformation:**

- Lutheran—Evangelical-Augsburg Church
- Calvinist—Evangelical Reformed Church

b. Second Reformation:

- Methodist—Evangelical Methodist Church
- Baptist—Polish Christian Baptist Church

c. Third Reformation—divisions of Protestantism in North America**Advent Awakening:**

- Seventh Day Adventist Church
- Seventh Day Christian Church
- Seventh Day Adventists, Reform Movement
- Reformed Church of Seventh Day Adventists

Pentecostal Movement:

- Christian Pentecostal Community
- Church of God in Christ
- Christian Church of the Evangelical Faith
- Pentecostal Church
- Evangelical Pentecostal Community
- Disciples of the Holy Spirit
- Scholars' Movements
- Society of Holy Scripture Scholars
- Union of Free Holy Scripture Scholars
- Epiphany Secular Mission Movement
- Union of Bible Scholars
- Disciples of the Holy Spirit

—Watchtower—Bible and Tract Society (registered Union of the Faith of Jehovah's Witnesses)

- Apostolic See in Jesus Christ
- New Apostolic Church

—See of God and the Lamb of Apostles in the Spirit Alpha and Omega, Beginning and End

Mormon:

- Church of Jesus Christ of Latter Day Saints

Churches of Christ:

- Church of Christ
- Church of Communities of Christ
- Church of God in Christ

Evangelical Christian:

- Church of Evangelical Christians
- Evangelical Fraternal Union
- Christian Community
- Community in Silesian Wodzislawie
- Bethel Evangelical Community in Katowice
- Zion Evangelical Community in Dziegielowa

—Community of Evangelical Christians in the Apostolic Spirit

- Community of Resolute Christians
- Christian Evangelical Community

Free Christians:

- Church of Free Christians
- Society of Christian Communities

d. Others:

- Arian
- Union of Polish Brethren

—Rosicrucian—Religious Community—Rosicrucian Reading Room, Affiliate of the International Golden Rosicrucian School

- Mission of Mercy
- Christian Science Society
- “Jesus is Lord” Bible Center
- Church of United Christians
- “Medical Service Center” Mission

II. Non-Christian**1. Islamic:**

- Moslem Religious Union
- Moslem Unity Society
- Ahmadiyya Moslem Society
- Moslem Brethren Society

2. Judaic

- Religious Union of the Faith of Moses
- Karaite Religious Union

3. Buddhist

- Zen Sangha Buddhist Union
- Zen Czogie Buddhist Society
- Community Without Gates—Zen Ranzai Buddhist Union
- Karna Kagyu Buddhist Society
- “Zen Canon Center” Buddhist Society
- Sangha Kandzeon Buddhist Society

4. Hindu:

- Brahma Kumaris World Spiritual University
- Adzpa Jogi Union
- Krishna Bhakti Yoga Consciousness Society
- Baba Ji Consciousness Movement
- Jainist Mission Institute of Transcendental Knowledge
- Society of Consciousness of Spiritual Love
- Western Sufa Order

Uniates Return

91EP0365C Warsaw RZECZPOSPOLITA in Polish
4 Mar 91 p 3

[Article by Zaneta Semprich: “Uniates’ Return Difficult”]

[Text] They acknowledge all Catholic dogmas and are subordinate to the Apostolic See. But for hundreds of years they have maintained their own separate church hierarchy and liturgy characteristic of the Byzantine rite. The Greek Catholic Church also differs from the Roman Catholic Church in certain canon law provisions and its calendar. The issue of celibacy, which stood out so sharply in the period between the wars, has practically ceased to exist.

The designation on 16 January of this year of Rev. Jan Martiniak of Legnica (born in 1939 in Lvov, graduate of the seminary in Wroclaw in 1963 and the Academy of Catholic Theology in Warsaw in 1968) as bishop ordinary of the Greek Catholic Przemyśl Diocese is undoubtedly the first step in building the separateness of that church in the Third Republic. Will this process proceed without conflict? That is doubtful. This is demonstrated at least by the growing dispute over the right to the church building in Przemyśl, which is—as some say—a Greek Catholic cathedral, or—as others assert—the

church of the Discalced Carmelite Fathers. It has already managed to antagonize the local community and there are even those who fear religious discord against this background.

Indeed, a diocese has been established, but is the bishop supposed to live in a tent on the San River and offer religious services by taking advantage of the hospitality of a garrison church, the Greek Catholics ask, recalling that since 1784 the disputed building has belonged to their church, and this ownership, confirmed by records in real estate registers, was acknowledged between the wars by the sovereign authorities of the Second Republic, Przemyśl municipal authorities, and Roman Catholic Church authorities in Poland.

Taking the building away from the Carmelite Fathers would be a peculiar sanctioning of the decision of the Austrian invaders directed against Polish society nearly two centuries ago, Latin Rite Catholics reply, at the same time expressing the opinion that the most appropriate means of meeting the Uniates’ needs would be their taking over the building with undisputed title and the construction of new buildings.

Who is right? The Vatican will resolve this dilemma and the verdict—whatever it is—will be accepted by both sides, let us hope, with due humility. But is this deference enough when secular authorities prove to be the proper ones to decide similar issues? Especially since the Greek Catholic churches are, as they have been in their history up to now and surely in the future will be, centers of Ukrainian national identity.

Annihilated Church

In Poland, and not only in Poland, in the last 40 years one did not talk at all or did not talk loudly about the Eastern church, about the tragedy of Greek Catholics. Meanwhile, before the war, along the borders of our state this rite numbered more than 3.5 million followers. The metropolitan see was Lvov and dioceses operated in Stanisławowa and Przemyśl. Also belonging to the Greek Catholic Church were the Ploiesti Diocese in Rumania, the Mukachevo Diocese in Hungary, a Uniate bishopric in Krzywocze, which included all Uniates in Yugoslavia, a diocese in Canada, and two bishoprics in the United States.

After the Second World War, the Greek Catholic Church was declared illegal in the USSR. In 1946, by a decision of the so-called Lvov Synod, it was incorporated into the official Russian Orthodox Church, which prohibited all connection with the pope. Earlier all Greek Catholic bishops had been arrested and deported.

Nor did the hierarchy and a major part of the Greek Catholic clergy left within the boundaries of the postwar Polish state escape deportation. Przemyśl Bishop Ordinary Josafat Kocyłowski died in a prison hospital in Kiev. Suffragan Bishop Grzegorz Lakota also died of exhaustion from work in a gold mine in Vorkuta. Mitered Rev. Aleksander Malinowski, administrator of the church at Lemkowszczyzna, left Poland in fear of

arrest. The last Greek Catholic clergyman arrested in Poland and then sent to the USSR was Rev. Stefan Hrab, a parish priest in Krakow.

The day before the start of the Vistula Campaign, there were only about 110 priests in the Przemyśl diocese and Lemkowszczyzna Apostolic Administration. What was their fate? Along with the faithful, about 90 were resettled, twenty-two were put in a camp in Jaworzna, and several were arrested and charged with collaborating with the Ukrainian Insurrection Army.

At the request of Cardinal A. Hlond, the Holy See attempted a temporary resolution of the Greek Catholic Church's situation in Poland. On the basis of extraordinary plenipotentiary powers, Pope Pius XII gave Cardinals A. Hlond and A. Sapieha the right to grant Greek Catholic clergy permission to hold services and carry out liturgical functions in the Latin Rite. A few months later he appointed Cardinal Hlond a special delegate to the Eastern Rites (Greek Catholic and Armenian) in Poland and issued a mandate for the care of and authority over the clergy, faithful, and property of the Greek Catholic Church. What did this mean in practice? That for 10 years Greek Catholics were deprived of religious services in their own rite.

As of June 1946, state authorities ceased recognition of the Greek Catholic Rite as officially and legally existing. Nor did they recognize the aforementioned powers of the Roman Catholic Church. In the initial stage, they intervened vigorously in the event of resumption of services in the Greek Catholic Rite, notes historian Eugeniusz Misilo.

In the plan of secular authorities, this situation was supposed to produce a process of gradual movement of part of the Greek Catholics to the Roman Catholic Church (which was to be associated with polonization of followers) or the Orthodox Church. Admittedly, the situation changed in time, but authorities of the PRL, to the end of its existence, in acknowledging freedom of religion for that rite and the activity of the Greek Catholic clergy, did not accept within that rite the establishment of separate church positions (pastors, bishops) and its own structure.

Toward Normality

The Greek Catholic Church resumed open ministerial activity only after 1956. Services took place in Roman Catholic Church buildings. For Greek Catholic Rite centers were not—because due to orders by secular authorities they could not be—parishes. They operated in Koszalin, Olsztyn, Wrocław, Legnica, and Szczecin voivodships. And, of course, in Przemyśl. The clergy—the great majority of whom were born after the war—were educated in Roman Catholic seminaries. Many, like the newly appointed bishop ordinary, graduated from the Academy of Catholic Theology in Warsaw or Lublin Catholic University.

In the 1960's, despite the lack of a bishop, the Przemyśl Greek Catholic Diocese chapter got its activity under way. On 16 September 1989, an assistant bishop to the primate of Poland for the followers of the [Greek] Catholic Rite was consecrated. It might have seemed that the situation was gradually turning toward normality. Unfortunately, the Sejm, in passing the law dated 17 May 1989 on the state's position on the Roman Catholic Church, did not take into account the existence of the four rites within that church.

"Theoretically, the legislature might assume that the law will not distinguish such subtleties," says lawyer Roman Lubieniecki. "But this means that the Greek Catholic Church is deprived of a separate identity, with all the attendant consequences for its legal, social, and financial position, contrary to logic and common sense."

It is precisely this last issue, the assets of the Greek Catholic Church, that appears most sensitive today. By the end of the 1940's, with small exceptions, the assets were seized as state property. The hypocritical argument for this annexation was the resettlement to the USSR of all people included in the operation of that church. Contrary to obvious facts, it was still being repeated in the 1970's and 1980's.

The great majority of this property cannot be reclaimed today for purely practical reasons. Today, followers of the Orthodox or Roman Catholic Church use some of the church buildings, without having the slightest idea of who their former owners were. One must also anticipate obstacles of an official, legal nature. The newly appointed bishop ordinary—according to the law of 1989—has barely two months to prove which buildings belonged to the church of his rite and commence reclamation proceedings. In such a short time, this is impossible.

The faithful of the Greek Catholic Rite perceive further dangers in the bill on the state's position on the Polish Independent Orthodox Church. They fear that this legal instrument will give the Orthodox Church the right to property taken from them in the 1940's, churches and other buildings.

The Greek Catholics are in a hurry. They have already submitted an application for the return of the seminary building in Przemyśl and eight applications for the return of property of the cathedral chapter. They also promise action in the matter of returning the property of the bishop's palace, although—as they emphasize—they fully understand that this is not possible immediately, because the valuable museum collection exhibited there cannot be taken elsewhere overnight.

"We want to come to a compromise on this matter," new appointed Bishop Martyniak assured PAP journalists in an interview on 28 January. "But we must remember that up to 1946 Przemyśl had all the church and accompanying buildings necessary for the normal operation of the diocese and the church. And that by decrees of the communist authorities we were deprived of them."

"Look, look, their Blessed Virgin is like ours," a parishioner of the Roman Catholic faith once marveled on seeing a procession of the faithful of the Greek Catholic Rite.

This is symptomatic and characteristic. It proves how little we know about that community and how little we want to know, and so it has been invariably for decades, maybe even for centuries.

Mormon Activities

91EP0365D Warsaw RZECZPOSPOLITA in Polish
4 Mar 91 p 3

[Article by K.Gr.: "Latter Day Saints"]

[Excerpt] [passage omitted] In Poland, a Mormon community existed from 1922 to 1971 in the town of Zelwongi, about 20 kilometers from Morag. In 1971 all members of the community went to West Germany. The church renewed its activity six years later. It has about 250 followers. That number is growing.

In Warsaw on Wolska Street, a House of Prayer has been built. It also serves as a mission chancellery.

ROMANIA

FSN Vice President Moldovan Interviewed

AU1804120991 Bucharest AZI in Romanian 13 Apr 91
pp 1-2

[Interview with Ioan Moldovan, vice president of the Executive Bureau of the Steering Collegium of the National Salvation Front, by Liana Segal; place and date not given: "Social Democracy—Live"]

[Text] [Segal] Mr. Ioan Moldovan, you are currently facing an extremely difficult and sensitive problem. You have been appointed by your colleagues from the Executive Bureau of the Steering Collegium to establish effective and mutually beneficial relations between the Front and the trade unions of Romania and to monitor how the social policy formulated by the ruling party is being applied. How do you view your mission?

[Moldovan] First I want to mention that I have Mr. Ioan Oancea, deputy of Harghita County, at my side. Thus, I am not alone in facing this "specter." Second, like the other political leaders in the counties, throughout the period preceding the National Convention I paid attention to two aspects, being somewhat familiar with this activity, which—on the basis of the Roman motion—is now entering a new stage. We have to bear in mind the important role of the trade unions as the only institutionalized representatives of the various sectors of the population. Having constant contact with them is the best way to communicate with the people themselves and to become acquainted with the complexity of objective facts. As a first objective, I propose to identify the position of each trade union on the various problems in

the current period. Thus I propose to obtain exact and correct information. Then it will be necessary to explain the position of the National Salvation Front [FSN], as the ruling party and trade union partner. We want these organizations to be able to convince themselves—on the basis of objective information—that the Front is the political formation that is best able to respond to the interests of trade union members, that it is able to guarantee certain rights, and that, through the clear adoption of the objectives pursued by social democratic ideology, it reflects the interests of wage-earners in a nondemagogic way.

Experience so far reveals that there are enough trade unions that do not yet understand their role in society; they behave either too aggressively or too reticently. Since there are no genuine employers in Romania, almost all trade unions wish to negotiate their claims directly with the government, something that is not natural nor useful for either side, nor for the economy in general. At the same time, one can note that conflicting interests may exist or crop up between social groups and among various trade unions respectively. As a result of an improper understanding of the stage we are currently going through, or of what our society wants to turn into, many people think that certain rights, especially financial ones, are derived from the state, which, very often, is viewed as a predatory and covetous institution taking "the skin off people" and which, consequently, should in turn be "tapped" by all possible means.

It is time for people to understand that, in fact, anything that goes beyond the things they are entitled to and beyond decency is not being extracted from the purse of this "disagreeable entity": the state, but only from the purse of all citizens.

Bearing all this in mind, it is necessary for the trade unions to seek a new way in which to negotiate their viewpoints, first and foremost, among themselves in order to arrive at a common position before taking their claims before the government. In this way we can visualize a different and more natural way to achieve social peace, namely not by rallying trade unions around a political idea, but by uniting common social interests.

Likewise, it is necessary for trade union leaders who participate in leadership roles to master this art/science better, above all by understanding the role of the social institution at whose helm they have been placed by the employees. The FSN will try to identify those trade unions in countries with experience in this kind of activity—I am referring especially to Western ones—that are prepared to pay leaders who will share their general knowledge about the role and position of trade unions in society, and about the way in which this role should be played.

[Segal] What can you tell us about the other aspect of the activity for which you will be responsible from now on, namely social policy—which actually is very close to the aspect of relations with the trade unions?

[Moldovan] The National Salvation Front is a party of social democratic orientation; its concern with ensuring social security qualify it to be included in the political arena. Within this framework, social protection represents just one aspect of the social security that every strong social democratic party has to ensure and is mainly directed toward those social groups that are not able to protect themselves on their own (the young, pensioners, and handicapped people). Social security in general can be compared with the result of the operation of all state structures—created for the purpose—that permit the development of a large and strong middle class. More precisely, social protection is meant for those belonging to this middle class. While we expect to be able to ensure social protection in the immediate future, social security will require a longer time and even a preliminary strategy. This strategy has to bear in mind equally the material possibilities of the given time and the mentality of the people.

As far as material possibilities are concerned, we are now working out the legal framework that will form the basis for the operation of economic and social laws. For clarity, I will give an example: Linking salaries to the price index is a principle of social security. Compensation, however, is an aspect of social protection. A study of the current situation illustrates that the budget cannot sustain sizable price increases unless they are directly linked to what the economy produces; on the other hand, new ways and means can be sought to make people's lives easier. Thus, if material increases cannot be granted, then costs can be reduced for the members of society. We have inherited, for instance, important housing stocks to which we have all contributed by making great sacrifices. We have thought about distributing this housing to our citizens under advantageous conditions, proceeding gradually from distributing it free of charge, up to granting special facilities of a financial nature. This way rents or installments will disappear or will be reduced substantially, something that actually represents social help as well.

The Executive Bureau of the Front's Steering Collegium has asked the government to assume the responsibility of presenting a draft law to Parliament as soon as possible. Certain criteria governing the distribution of housing have already been worked out and the idea is being promoted of distributing the state's central housing stocks and apartments of the third and fourth category—in terms of comfort—free of charge to current tenants. The other apartments will be allocated free of charge or will be paid for in installments depending on the amount paid so far in rent by the tenant. A number of important facilities have been provided for young families, pensioners, and handicapped people. By the same token, the possibility was discussed that those who have already bought their apartments from the central state stocks receive compensation in accordance with the certificates of value [titluri de valoare] issued by the state, with which those in question may participate in the social capital of various trading companies.

[Sega] Referring to social security, you were talking about a certain mentality of ours, of all of us, that has to be educated.

[Moldovan] I have studied various ways in which social security is provided in the developed countries of the world. To be more clear, I will give an example: In Sweden any citizen may go to a regional social assistance office, any time he wants, to claim state aid in cash without being asked for reasons or documents to justify his claim. The only document he has to present is his identity card.

At the same time, however, the government press organ publishes periodic lists of citizens who have requested such aid. The moment the name of someone who has decided to take this step appears in those lists again, he is seriously affected because he is fully compromised. This community reaction of rejecting people who accept money from the state that is not earned reveals a certain concept and mentality with deep roots: The state represents all citizens and such "begging" from the public coffers actually means profiting from the pocket of everybody. On the other hand, the idea of obtaining undeserved money is condemned.

Were this system of social security actually to be applied in Romania we would probably not have enough forests to supply the paper for all the lists we would have to print. And, in these lists, we would probably discover the names of mayors, directors, and so forth.

[Sega] Since we have reached the sensitive subject of the fitness of those holding certain leading positions, let us talk a bit about corruption and the forms it has taken in Romania lately.

[Moldovan] The legal situation of a nation is also an element of social security. The more the law prevails and is accepted and observed by the many, the healthier the given society is. Its citizens are secure and certain that they are protected by the law and that they do not have to face any type of aggression all by themselves. Undoubtedly, there is corruption in Romania, especially bribery. It is the ruling party's obligation to get seriously to grips with such tendencies; people will point to the National Salvation Front especially if a director or mayor has taken bribes. Hence the need for the Front to become a strong and well-organized party that is able to control antisocial phenomena. I personally believe that an anticorruption brigade should be set up as soon as possible at the level of the Ministry of Interior. Moreover, the notion of public order has to be reconsidered. Every citizen is entitled to live in security. He should not be intimidated or, even worse, terrorized by a troubled social atmosphere, and by elements that are at variance with the norms of social coexistence. Ensuring a material and cultural level of comfort that is as close as possible to a decent level of civilization is a duty that the National Salvation Front has constantly to bear in mind.

Bucharest Mayor Oproiu Discusses Problems

91BA0494A Bucharest LIBERTATEA in Romanian
27 Mar 91 pp 1-2

[Interview with Bucharest Mayor Nicolae Viorel Oproiu by Darda Bossun; place and date not given]

[Text] Since I visit City Hall at least once a week, my path inevitably and often crosses that of Nicolae Viorel Oproiu, mayor of the capital. And so it came to pass, that without any formal appointment, on a springtime afternoon, over a cup of tea, we held this conversation. It is not a true interview, but rather a "sharing of thoughts" during a moment of peace.

[Oproiu] What is on your mind?

[Bossun] Right now, on the spot, I do not have anything specific. I assume that after three and one-half months of being the city's number one official, you have experienced at least some confrontations (you have served through one winter!). However, let us start with something pleasant.

[Oproiu] Let us look at "confrontations" for a while, because they are a legion, all of them the result of the city's lack of facilities. They are not available, not because we, Romanians, do not know how to provide them, but because of the system, which defined this situation over the long term. On one hand, it adopted unsatisfactory approaches, and on the other, even those eventually became insufficient. Let us look at one indicator: population. In 1948 Bucharest had 830,000 inhabitants; currently, and including the Ilfov agricultural sector, we are faced with the living, housing, and cultural needs of no less than 3 million people! People who were gradually subjected to and suffered restrictions of heat, light, gas, transportation—not to mention food.

But coming back to your suggestion of something pleasant, how about heat and hot water in apartments. (It would seem that the topic is no longer "seasonal," but we will certainly see another winter.) The city's energy balance is in the population's disadvantage. The heating plant system, which is being used by more than one-half of the city's buildings, cannot be faulted; it operated very well between 1960 and 1970; it is economical (compared to small heating installations) and nonpolluting. But it has deteriorated in recent years, especially as the number of consumers has grown significantly, while production plants and distribution networks have remained practically the same, so that its hydraulic capabilities are no longer adequate. Studies are currently underway to increase the supply and modify the network; we hope that their findings will be implemented beginning with this year. As we know, no heating plants were allowed to be built in the city's northern section in past years, with the result that the heating medium has difficulty reaching users after moving through 80 km of pipes, as it does from CET (Thermal Heating Plant) South, for instance; or it does not reach them at all, as has happened this winter, when entire neighborhoods were

forced to suffer. The studies I mentioned propose the construction of plants in the city's northern area, as well as a restructuring of the entire network so that effective repairs can be performed in case of problems.

[Bossun] At the beginning of February we did not know what else to stuff under the doors or around windows to stop the "draft." It was no use against the gales that were blowing! In the words of the poet, "cold heater, cold pipe."

[Oproiu] Yes, of course, the question of thermal insulation for apartments. Infrared scans have shown that 85 percent of the apartments are currently leaking a lot of heat to the outside. We can no longer afford to heat the surrounding air rather than the one inside! That is why we will begin an enormous operation of installing external insulation for more than 500,000 apartments. Although the effort and amount of work are huge, difficult, and costly, we will have to do it, and do it very well. We will have to learn to work to the tenth of a millimeter in construction, just as we do in industry. With perfect airtight carpentry and adequate outside insulation, two-three heater unit segments will be enough, as is the case in foreign construction standards.

[Bossun] Still on the subject of households...

[Oproiu] Let us talk about water. I should have said in fact, that the city hall's primary "policy" is to assure, in order of priority, heat, water, light, and food, all of which are more important, let us say, than transportation. In our opinion, the water supply is satisfactory, but we continue to be interested in expanding supply and distribution, as well as in improving the quality of the water. Last year, we contacted a large company in France because we wanted to adopt ozone water treatment (instead of chlorine), which proves to be more efficient and healthier. Even though the Bucharest drinking water falls within standard specifications, the city's population will drink much better water in two-three years. The administration council has approved a 3 billion lei investment to build a water treatment plant at Ogrezeni, in the Arges water basin.

The natural gas supply has been hurt by the extensive construction site at the center of the city, and by the Dimbovita improvement project, which has practically amputated the entire network. IRIDGN and the Ministry of Resources are now responsible both for rebuilding the network, and for assuring adequate supplies in the city's incoming gas supply.

Electric power is currently not a problem. I say it again: All the power interruptions for specific consumers during this winter was due solely to network overload (electric heaters, hot air blowers, hot plates, improvised installations—everything was being plugged in for a wisp of heat!). Hence the power shortages and more importantly, the recurring damages.

[Bossun] Even though you did not list it as a "priority," public transportation remains a serious problem. My

personal opinion is that the poor service is due not only to the extreme decay of buses and electric trolley cars, but also to the poor quality of the personnel, to their lack of interest.

[Oproiu] As far as I know, the new independent managements that have inherited the former ITB [Bucharest Transportation Enterprise], have not only taken steps to restore the stock of vehicles using both domestic (I might add that many orders have still not been filled by suppliers and manufacturers) and imported production from government funds, but have also aimed at other areas. The latter involve measures to improve the living conditions of public transportation workers by providing adequate housing, salaries, social and medical assistance, and so on. Civilized living conditions make people more aware and helps them develop a sense of obligation.

[Bossun] In other words, if you receive a gift you have to respond in kind. In a market economy you can easily become...available! And so (if you will pardon the pun), we can go on the road!

[Oproiu] Where nothing has been done in recent years! Except for patching, which we are still doing at this time. The city's subsoil is unstable, and the work performed in the new zone was defective, without protection against corrosion. The installation of the water supply system in prestressed concrete with inadequate supports, even in the vicinity of the trolley tracks, has effectively destroyed the distribution network. In any case, we will take action this spring with all available means, first of all in the area where the subsoil does not have any problems. By mid-spring, a new concrete plant imported from Germany will be placed in operation. We hope to have the major arteries repaved during the next two-three years. It all depends on material as well as financial resources!

[Bossun] As an old reporter, I remember press campaigns—mostly in the spring—which under the slogan "Our city, the most beautiful and best maintained," would mobilize the population for "patriotic labor." It is not that I miss it, but given Bucharest's sorry condition, I find myself wondering what (else) can city hall do?

[Oproiu] We are far from having solved—and certainly not controlled—the city's cleanup. We have so far taken emergency measures, one of which is underway now: With rented equipment and means of transportation, and with an expanded work force, we have set the goal of completely ridding the city of excess garbage in a maximum of three weeks. This campaign will cost us 30 million lei. And there still remains the serious problem of disposing of this garbage. (The peasants in areas near the city have barred access to the garbage pits, which are veritable cores of epidemics, and which have fouled the water table.) We will restart the small but efficient incineration plant experiment at Militari, and we will expand the process (we also have foreign proposals). At the same time, we have launched a program that will cost 1.5 billion lei, to urgently create new areas for garbage

removal with ecological protection. In the future, however, by recovering and reusing categories of waste (glass, textiles, paper, and so on), by burning and collecting the thermal energy, or by reusing compost as fertilizer, we will completely solve the problem of garbage disposal.

[Bossun] I suggest that we stop here, simply because you will monopolize the whole paper if this conversation is published. And I also can see from your secretary's determination, that a possible French partner is waiting to be received.

[Oproiu] That is very true. In closing, I can tell you that the city hall administration not only has good intentions, but also the capability, the professional potential to fulfill them. We know what we have to do, and the decisions we are taking are technically and economically sound. The remaining problem is financing. Presently, only 10 percent of our budget comes from the central budget, the rest has to be provided from local resources; theoretically therefore, 50 percent of our programs' completion is assured up to now. The obstacle is the gap between demand and the prospects of obtaining construction and processing industry materials from suppliers. I am convinced that gradually, and only with our participation, the participation of all those who live here, our lives will improve and prosper. It is only under this condition that we can operate as a whole.

[Bossun] I thank you for the opportunity to know you better, and to learn, even if only a little, how you see us from your mayoral seat.

[Oproiu] And I thank you as well.

YUGOSLAVIA

DELO Said To Want Caretaker Government

*LD1804130791 Belgrade TANJUG in English
1120 GMT 18 Apr 91*

[Text] Ljubljana, April 18 (TANJUG)—Federal Prime Minister Ante Markovic arrived unexpectedly Wednesday evening at Strmol Castle, in Slovenia, and talked for three hours with the republic's President Milan Kucan. The content of their talk was not disclosed.

The Ljubljana daily DELO today quotes chief of Kucan's cabinet Marjan Siftar as stating that the "Meeting was not aimed at a kind of a deal between Slovenia and Markovic on the eve of the federal parliament's debate on the fate of the federal government and its reforms programme, or at any special guarantees to Markovic beyond the current Slovenian policy towards the federal government."

"As far as we know, Slovenia does not plan to give in on anything in the forthcoming parliamentary debate, and the same goes for the Republic of Croatia," says DELO.

"Those who believe that Markovic is facing a big crisis and that he is prepared for anything are not few," writes the paper, adding that in this context "one may also talk of a potential danger of a military mediation in Yugoslavia in alliance with Ante Markovic."

It says that "Markovic is in a hopeless position" and that the "only question is whether he is fully aware of that."

DELO holds that the "point in question is Markovic's definitive stepping down from the Yugoslav political scene," which it says "would bring two major benefits to all—the process of reaching an understanding among the republics in Yugoslavia would be concluded without hindrance, and the world would get rid of a tiresome illusion that there is a man in Yugoslavia who can save it from breaking up by a kind of a reform programme."

"What Yugoslavia needs at present is a caretaker government, not some sort of a political 'ideologist,'" concludes the paper, mentioning President of the Yugoslav Chamber of Economy Dagmar Suster as a possible new prime minister.

Demos Leader on Slovenia's Independence

91BA0507A Ljubljana NEODVISNI DNEVNIK
in Slovene 6 Apr 91 pp 4-5

[Interview with Dr. Joze Pucnik by Jak Koprivc; place and date not given: "Everyone in His Own Little Garden!"]

[Text] [Koprivc] Why are you so aggressive with criticisms that Slovenia is too slow in seceding, or separating?

[Pucnik] My assessment of events on Yugoslav territory forces me to do so. In the first place, the internal political difficulties in Serbia have shifted the interest of Serbian politicians to Serbian events only. On the federal level, that has created somewhat more maneuvering room for Markovic and his concept of a unitaristic federation. At this time, it seems to me that Markovic is just as much of a danger to Slovene independence as Milosevic or Jovic, if not more so. There have been some indications that Markovic is now entering into a coalition with the Army. That can be dangerous, since Markovic still has what in my opinion is an unjustified reputation in the Western world, where he is thought to be a market-oriented economist and a democrat. Because of that reputation, a coalition between Markovic and Kadijevic, and possibly someone else, is a potential danger to the independence of Slovenia, and that is why it is necessary to hurry. The other thing is the collapse of the economy, both Slovene and Yugoslav. I am interested primarily in the Slovene economy. It is necessary to prevent that collapse through radical economic reform, but for that we need a healthy banking system. We will not create a healthy, reliable banking system without settling the monetary issue. In order to settle the monetary issue, we need sovereignty and our own currency, or some other monetary link, for instance, with Croatia or someone else. At any rate, that

issue has to be resolved, because as far as I am concerned it is the premise, the condition, for settling our economic situation. There is no more time. We cannot afford to negotiate for another six months, going to Split or Belgrade or wherever; there is quite simply no time. We are adults. Very experienced politicians who know Yugoslavia—who are negotiating. Why is it necessary to talk so much? The talks should be brought to an end, and we should begin to try to solve the everyday ordinary problems—everyone in his own little garden, and Slovenia, of course, in Slovenia. A few days ago a sort of mild—one might say hypocritical—Balkan form of a military coup happened in Belgrade. These are harsh words, but the wording of the announcement from the general staff does not allow different interpretations. That is why I think that it is necessary to speed up the federation's death throes. We Slovenes must become independent, and as soon as possible. I myself supported having that done constitutionally and legally back at the last session of the republic assembly, but the actual process for that independence is longer, of course.

Impatience, Adventurism?

[Koprivc] Obviously, there is no consensus on this in your coalition.

[Pucnik] There have been serious objections, from certain ministers as well, that allegedly everything necessary for that has not been done yet.

[Koprivc] Some people in your ranks and in the opposition are criticizing you for impatience, and even adventurism...

[Pucnik] So far I have not been criticized in Demos for adventures, but some renovators there are trying to discredit me; some people there still believe in the federation, as they did a year ago.

[Koprivc] A considerable number of people think that Yugoslavia should not be abandoned crudely, by cutting off all ties. There is also increasing criticism that the economic situation is getting worse and worse, and they blame the present authorities for that.

[Pucnik] Do not forget that the economy was in a total mess when we assumed power. That is why it is very surprising that some people are still trying to prove that it has been worse for everyone since Demos came to power.

[Koprivc] Are all the steps that you have taken here in Yugoslavia and in Europe the optimal ones, however?

[Pucnik] I am in favor of analyzing this, without our being attacked on the basis of demagogic positions: "We in the opposition are for the standard of living, the ruling Demos coalition is against the standard of living." I am in favor of professional criticism and analysis of individual specific problems, and not just theoretical ones. When I take an interest in criticism within Demos, I am also thinking of criticism outside Demos—with the same

function of monitoring the authorities and seeking better solutions. Those in the opposition who flaunt different statements and ideas are forgetting that Slovenes are not that naive. Perhaps they can score some point with such behavior in the short term, but in the long term that is certainly not productive.

[Koprivc] Do you think that things are straightforward in Demos? Could not one also speak of unnecessary aggressiveness in the case of Demos?

[Pucnik] Certainly there have been mistakes, but it is inconceivable that those mistakes are being declared to be evidence of an aspiration for totalitarian influence and control. How is it possible to equate Demos with obscurantism and lament the former "enlightenment"? Where did such critics live until now? We could ponder over their intellectual discernment, especially since there are many incomparably more important problems on which they could vent their critical spleen.

[Koprivc] How do you view the mania over Austria?

[Pucnik] That has been partly encouraged by various critics. Bucar's words have also been misinterpreted; he was thinking about cultural ties and relations with Central Europe. The Austria option does not come into consideration for Slovenia. That is quite clear, and it is not even worth discussing. Of course, financial and other ties are another matter, but not political union with Austria and also with other states. No one in Demos is seriously discussing political union with Austria, not even as an option.

[Koprivc] Are you thinking about being a candidate for president of the republic?

[Pucnik] I do not know. If it seemed politically advisable, yes. I was a candidate in the last elections primarily so that Demos would be the focus of public and media attention. I wanted to win, of course. I did everything that I could and that I knew how to do.

[Koprivc] How do you view the work of Milan Kucan, your opponent in the last presidential elections?

[Pucnik] Kucan is intelligent. He is a realist, a pragmatist. Except for one big mistake, that time with the weapons, when in spite of our clear warning he waited for 48 hours before he prohibited turning over the territorial defense weapons to the Yugoslav People's Army, he has not made a single mistake, in my opinion. He makes good moves, he is effective, cooperative, and he has actually adopted Demos's policy on Slovene independence; although before the elections he advocated something completely different, that should be welcomed. I do not have any critical comments about his work, except possibly regarding his attitude toward individual parties, but I would probably also do the same in his place.

[Koprivc] You are said to be a person who wants to get out of Yugoslavia at all costs. The president of the SDP [Party of Democratic Reform], Dr. Ciril Ribicic, is also

criticizing you for something like that, saying that in a situation in which possibilities are appearing for a sensible agreement on settling the Yugoslav question, you are forcibly pushing Slovenia out of Yugoslavia.

[Pucnik] Some people forget that there was a plebiscite and that that was the decision. If they wanted to change that decision, they should hold a new plebiscite. The SDP is trying again to keep all the options open, and they think they could afford to begin representing a Yugoslav orientation again. In the plebiscite they were totally on our side, and they did not have a different position, but now they would like something different again. Obviously they like to oppose things, but in addition to that they particularly like to attack me.

[Koprivc] When you talk about different options, which option is unacceptable to you?

[Pucnik] A joint state and joint state bodies are not acceptable to me. We cannot have any confidence in bodies that would be derived from the present federal bodies. If joint bodies ever appear, then they have to appear on a different basis and through a different procedure—from bottom to top. It is not possible to settle the question of the federation with all the unclear and indefinite elements of the past, with all the Yugoslav mythology that has a destructive effect but not a unifying one.

[Koprivc] Do you see a confederation as a guarantee of new relations?

[Pucnik] Yes, a confederation, as we envision it, with consultative bodies, but not a parliament that would make decisions and a government that would carry them out. The consultative bodies would be representatives of individual governments, who would agree on joint projects, on financing joint projects, on the conditions for participation, nonparticipation, withdrawal, and so forth. I am in favor of a community based on economic interest, from which some new state entity could possibly appear in the future, in 20 or 30 years, if there is a need for it at that time.

Poll on Status of Serb Communes in Croatia

AU1404174591

[Editorial Report] Zagreb VJESNIK in Serbo-Croatian on 3 April on page 3 of its VJESNIK U SRIJEDU supplement carries a 500-word report by Bruno Slogar on the results of a public opinion poll on the secession of Serbian communes from Croatia, entitled "13.24 Percent of Serbs Favor Secession."

According to the report, "the poll was carried out between 26 and 30 March, that is, before Sunday's bloody events. It was conducted by telephone and involved 453 respondents from Croatia."

The results of the poll are summarized in several bar and pie charts, converted to tables, as follows:

What do you think about the Croatian leadership's policy toward the rebellious communes? (in percentages)

It is doing the best that could be done under the given circumstances	43.49
It is not sufficiently resolute	41.28
It has completely failed	11.04
Do not know	4.19

What do you think about the secession of the so-called Krajina from Croatia? (in percentages, as published)

	All respondents	Only Serbs
I support it	8.83	55.82
I oppose it	83.44	47.06
Do not know	7.73	19.12

How should the status of the rebellious communes, the so-called Krajina, be resolved? (in percentages)

	All Respondents	Only Serbs
Things should stay as they are	76.38	47.06
New autonomous regions should be set up	6.32	19.12
Secession should be allowed	3.75	13.24
Do not know	13.69	20.58

New Railroad Enterprise Set Up in Knin

AU2004201091 Zagreb VJESNIK in Serbo-Croatian
18 Apr 91 p 5

[Article by M. Curuvija: "'Krajina' Deputies Elected"]

[Text] Knin—In a secret ballot taken at a joint session of all three chambers of the Knin communal Assembly, seven deputies were elected to the Assembly of the so-called Serbian Autonomous Region of Krajina. A decision was also made to set up the "Knin Rail Transport Public Enterprise," with its headquarters in Knin. Financing for the beginning of the work on this enterprise will come from the former Knin Rail Transport Basic Associated Labor Organization. The enterprise's administrative organ will be a management committee of five members. Three members of this committee will be appointed by the communal Assembly and two members will be elected by the enterprise's workers. The Executive Council of the Knin Assembly will administer the enterprise until the management committee is selected.

Dr. Milan Babic, president of the communal Assembly, said that the decision to set up this enterprise will be rescinded if the Knin railroad workers do not agree with it. This decision will be made through a referendum to be held by Wednesday evening.

The session of the communal Assembly was attended for the first time by two representatives of the Drnis commune—the local communities which decided through a referendum to accede to the Knin commune.

POLAND

Army Opinion Polls Reveal Negative Self-Image

91EP0364A Warsaw RZECZPOSPOLITA in Polish
5 Mar 91 p 3

[Article by Jan Rogala: "The Army on Itself"]

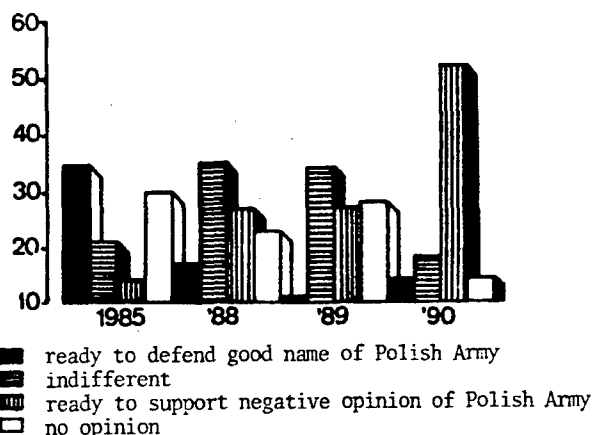
[Text] The Army usually enjoys a high degree of social confidence in all questionnaire surveys conducted by various services for the study of public opinion. How do the servicemen evaluate themselves and their service?

In December of last year, the Military Institute for Sociological Research conducted a survey of 1,036 servicemen which was supposed to come up with answers to these questions. The following were surveyed: 367 soldiers drafted into the Army in the fall of 1990, 351 soldiers who had served for half a year, and 318 soldiers who had been in the Army for a year. The survey covered 12 military units throughout the territory of the country, stationed in both large and small cities.

To what degree is military service accepted by the soldiers? More than one-third of those surveyed expressed opinions to the effect that compulsory military service needs to be preserved, whereas almost two-thirds believed that it is not needed. A mere several percent failed to answer this question, or selected the response "hard to say." When the survey was analyzed, it turned out that the attitude toward compulsory military service depends on how long a young man has been in the Army. Those who have served for a year are considerably more often (one-quarter more often) in favor of preserving compulsory military service—53 percent. Those who have served for half a year or those who have just been inducted come out in favor of the need for this service considerably less often, at a rate of about one-fifth (20 and 21 percent).

Major Dr. Krszysztof Barg and Major Henryk Dziewulski, who conducted the survey, are of the opinion that the prevalence of views negating the need for compulsory military service is the result of the recently repeated official statements on the need to increase the percentage of professional soldiers in our Army. Hence, the conviction appeared in the consciousness of a considerable segment of those surveyed that the introduction of such a service will eliminate the necessity and the need for compulsory military service. This view is bolstered by the convictions of those surveyed on the topic of the security of Poland. Only one in four of those questioned sees a threat for the state given the current international situation.

A lot has been said recently about restructuring the Army. More than two-thirds of the soldiers surveyed are interested in restructuring; one-fifth do not have an opinion; slightly less than one-sixth do not show any interest in it. However, it turns out, in a more detailed survey, that the soldiers know little about the direction



of changes in the Army. The interests of those surveyed are focused mainly on transforming the Polish Army into a professional army.

The evaluation of the security of our country is likewise optimistic. More than one-half of those surveyed believe that there is no military threat to our country. However, one-quarter of the soldiers are aware of this danger. It should be recalled that during surveys taken in previous years the group perceiving a threat was considerably larger. The views expressed on the issue of the security of Poland do not depend on the length of service in the Army. This decline in the perception of the military threat influences directly the failure to recognize the need for compulsory military service and the lack of moral and social motivation to perform the duty of soldiers.

Do the soldiers identify with the Army?

Compared to the previous surveys taken by the WAP [Military Political Academy] Institute of Sociological Studies, a decline in the number of soldiers identifying themselves with the Polish Armed Forces as a state institution has been registered. Readiness to defend the good name of the Army is associated with this.

Over several years, a segment of positions in [the group] expressing indifference or refraining from taking a position has markedly shifted to the group stating its readiness to support unfavorable opinions of the Army. In December of last year, this group turned out to be the largest compared to the surveys taken since 1982.

What can be the reason for a critical view of the Army taken by the soldiers?

It may be caused by bad experiences during Army service. Opinions concerning poor experiences reach the young people of pre-draft age through relatives and acquaintances; hence, those embarking on life in the Army have a negative opinion of it.

In the opinion of those conducting the survey, the data collected make it possible to conclude that the morale of the community of soldiers in basic military service is deteriorating. This is accompanied by other unfavorable trends: the negation of the need for compulsory military service, a decline of the perception of threat, and a negative attitude toward the Army. Therefore, a decay of motivation to conscientiously perform the duties of a soldier in the Army is registered.

[Boxed item: The Military Institute for Sociological Research has been in operation since December 1990. It was set up in order to conduct scientific research into the social issues of the Polish Armed Forces and issues associated with the defense of the country.]

YUGOSLAVIA

Military Police Leave Ljubljana Defense Building

*LD1604143191 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1155 GMT 16 Apr 91*

[Text] Ljubljana, 16 Apr (TANJUG)—Members of the military police yesterday left the former building of the

Territorial Defense in Ljubljana, which they had occupied on 4 October last year. They left devastated premises behind, the Slovene republican Information Secretariat reported.

The report notes that the Yugoslav People's Army members had literally robbed the premises before they moved out. They took with them all office furniture, telecommunications, and other technical equipment. They even took curtains, flooring, telephone and electric apparatuses, and lamps.

The Slovene republican Secretariat for National Defense, the report says, protests most energetically against such uncivilized behavior and at the same time calls on Veljko Kadijevic, federal secretary for national defense, to organize the return of the usurped property.

The furniture and fittings in the building in No. 4 Prezihova Street in Ljubljana is the property of the Republic of Slovenia. The report goes on to emphasize that, unless the property is returned by 22 April of this year, competent organs of the Republic of Slovenia will initiate criminal proceedings against responsible persons before a court in Ljubljana.

INTERNATIONAL AFFAIRS

Quebec's Dominant Role in Polish-Canadian Trade*91EP0362B Warsaw RYNKI ZAGRANICZNE in Polish
14 Mar 91 p 1*

[Article by (Man): "Quebec Closer to Poland"]

[Text] The Quebec Economic Commission, headed by J. Ciacci, minister for international affairs, is visiting Poland. The delegation includes representatives of 22 institutions and enterprises. The purpose of the visit is the creation of conditions for development of trade and economic, scientific, technological, and cultural cooperation between Quebec and Poland. Anticipated is the formation of a joint Polish-Quebec committee to aid companies on both sides in realizing various goals, especially in the fields of energy, telecommunications, the agricultural-food industry, and environmental protection.

Before leaving Quebec, Minister Ciacci met with Polish emigres and members of the commission and specifically announced the creation of a fund backed by the provincial budget and by private enterprises to be used in guaranteeing credits. Also, the government of Quebec announced the creation of a trade organization specializing in cooperating with our country. Beginning this year, the province also intends to participate regularly in the international trade fairs in Poznan and in the Polagra trade fairs.

Quebec, the largest Canadian province, plays a dominant role in Polish-Canadian relations. In 1989, almost half our exports to the maple leaf country went to Quebec (43 million Canadian dollars as against a total of 88.9 Canadian dollars). The leading positions of export merchandise were: textiles (38 percent), parts for aircraft motors (15 percent), electric motors, industrial implements, products of the mineral industry, chemicals, and shoes. Meanwhile, our imports from Quebec amounted to 9.5 million Canadian dollars, which is 30 percent of our imports from Canada.

BULGARIA

Discussion of Problems by Energy Experts**Maritsa-Iztok Director***91BA0407A Sofia DELOVI SVYAT in Bulgarian
25 Feb 91 p 4*

[Statement by Rusi Danev, general director of the Maritsa-Iztok SO [Economic Association] and the Bulgarian Socialist Party deputy in the Grand National Assembly, recorded by Mara Georgieva: "We Live Three Times Worse Because We Spend Three Times More"]

[Text] The Maritsa-Iztok Industrial-Power Complex is nearly 40 years old. It covers an area of some 270 sq km.

The complex is developing on the basis of the Maritsa Iztok coal deposits. The coal is creating huge technological problems. It is low-caloric and high-ballast, containing lignite, with an ash content ranging between 20 and 45 percent of dry matter and 56 percent of moisture. These parameters determine its heat-generating capacity of 1,300 to 1,500 kilocalories per kg.

The Maritsa-Iztok complex consists of three big mines: Trayanovo-1, Trayanovo-Sever, and Trayanovo-3. Their maximal total annual output is approximately 27 million tons of coal, which is 70 percent of the country's total output. The coal is strip-mined. The ratio of coal to mass is approximately 1:5. In other words, to obtain 1,000 tons of coal, we must dig, haul, and dump 5,000 cubic meters of earth. There also are three electric power plants, with an overall installed capacity that at present is 2,100 megawatts. Maximal electric power production at the Maritsa-Iztok is 11.5 billion kilowatt-hours. In various years, the complex's output has accounted for 22-27 percent of the overall electric power production in the country.

Briquettes are the second end product of the complex. The briquette factory was built in 1961 and produces about 1.5 million tons of briquettes annually. It accounts for 65 percent of the domestic hard coal used by the population.

The complex also includes two large investment directorates that, in old prices, invested some 300 million leva annually. It has a large machine-building plant and central repair base, with an annual output in excess of 50 million leva. The area on which the complex sits also includes the Energoremont, Promishleno Stroitelstvo, Energomontazh Maritsa-Iztok, and Minstroy Maritsa-Iztok enterprises. Maritsa-Iztok employs more than 30,000 persons.

Result of a Lack of Gray Matter

The biggest difficulty facing Maritsa-Iztok and the entire power industry is the preservation of the environment. Ecological problems were underestimated for many long years, not because of a lack of funds but for lack of gray matter and farsightedness. The developed countries in Europe faced the same problems but were able to solve them 25 years ago. We are only now starting to face them. We successfully dealt with tapping the dust in the complex two to three years ago. This is an unquestionable accomplishment. However, we have yet to do something substantial to reduce emissions of sulfur and nitrogen oxides and to treat the water and soil in the area. Treatment programs have been formulated. However, it is precisely now that we are facing a total lack of funds. According to the specialists, the installation of treatment facilities in the complex would cost in excess of 1 billion leva, the overwhelming amount of which in foreign currency. We must either solve these problems or lower output in order to remain within acceptable bounds. No other way is possible. At the same time, for the next 10 years, Bulgaria has no choice but to develop

Maritsa-Iztok as a source of energy, construction of the nuclear power plant in Belene having been stopped.

Together with the National Labor Hygiene Center, the Maritsa-Iztok SO has undertaken a comprehensive study of the influence of this industrial complex on human health. So far, only partial medical studies have been made. Had such problems been resolved at the right time, both the consequences and the needed restoration funds would have been smaller. However, the power industry, like many other areas, had no possibility of applying Western technology. In addition to prohibitions, it was influenced by the fact that it was linked to the USSR and the other Eastern European countries, which, as a rule, were on the same level. We must involve the entire scientific and engineering capacity so that, within a single decade, we can lower pollution to the stipulated standards. We do not have to reinvent the bicycle. We must use the experience of the developed countries. However, the basic steps must be designed and carried out domestically because the whole project requires huge funds. In the future, we must also change coal-burning technology. At the present time, the most advanced technology that ensures a substantially lower emission of sulfur and nitrogen oxides, as compared to the present system of direct burning, is that of the fluidized bed. It, too, will require substantial funds because it will require total replacement of equipment—naturally, over a longer period of time. The main activity in the preservation and restoration of the environment will also include the recultivation of the land taken by the mines. Every year, 1,500 hectares are recultivated. This costs between 9 and 10 million leva. This will be the main concern until the entire deposit is exhausted, over the next 40-50 years.

The Power Industry Was Poor and Remains Poor

The financial problem is the second huge problem facing the power industry, after the ecological one. So far, power was sold to both the population and enterprises substantially below cost. Such a social policy, which I would not dare to qualify as wrong, was pernicious. The reason was that the power industry, as an economic complex, accumulated a debt of 6.8 billion leva. According to the specialists in the sector, and not only those in this sector, this amount will have to be written off. The new prices, however, would make self-financing even more difficult. Currently, the power-industry workers are penetrating more deeply into the problem, metaphorically speaking, compared to the time prior to the reform. When the price was 4.5 stotinki, our annual losses were much lower, totaling some 400 million leva. Now the anticipated loss is estimated at 2.4 billion leva, with the new prices.

Nowhere else in the world does the power industry operate on a planned-loss basis! In some countries, only coal extraction is partially subsidized. The reasons for the planned losses are several. So far, funds for capital repairs and social projects, scientific research and new technologies, interest paid on loans for working assets

and investment credits, and so on, were not included in production costs. Now they will be, in accordance with the new Law on Accounting. Furthermore, the price structure is such that the prices of much of the materials essentially used in the power industry have gone up by a factor of between 5-7 and 12.

The Old New Problems

We are continuing to suffer from a total lack of basic materials. The power industry absorbs huge resources in terms of labor, materials, and finances. The materials that we are using directly in the production process account for more than 80 percent of production costs: coal, a great deal of water, chemical agents.... Every year, the Maritsa-Iztok SO needs, for example, some 60,000 tons of fuel oil, about 2,000 tons of gasoline, about 5,000 tons of various types of oils and, on a daily basis, 45 tons of diesel oil. Considering the existence of a universal crisis in fuels and lubricants, these figures become even more frightening. At the present time, the three mines together work some three to four days a week instead of around the clock.

The rest of the time is used in repairs and waiting for supplies of diesel oil, lubricants, and so on, which come to us piecemeal. Naturally, this system is quite inefficient, for which reason last year we were unable to meet the planned stripping by about 20 percent. This has hindered coal extraction this year.

Against the background of unemployment in the country, it seems anachronistic that we are experiencing a scarcity of manpower. We need some 1,200-1,300 skilled workers and specialists—excavator operators, electric locomotive engineers, mechanics, contact-grid personnel, and power grinders. The reason is that, in the middle of last year, the Law on Social Security and Pensions of Workers in Energy Production and Energy Industry was amended. Many of the specialists were allowed to retire not at age 60 but at 55. In a period of five to six months, more than 2,000 persons were pensioned off. One cannot turn a miner or a power worker into a good specialist in a few months, or even in a few years. Although there is unemployment in the settlements around Maritsa-Iztok, we have no tangible influx of personnel. The reasons are numerous: a commuting distance of as much as 70 km daily, work in shifts, and the handling of huge and expensive machines, the responsibility for which is crushing. Furthermore, labor conditions are poor. All of this is not sufficiently compensated through wages and incentives.

I believe that privatization of the power industry is possible, although some people are firmly opposed to it. We must begin with the more peripheral activities that service the power industry. By this I mean repairs, services, quarries, automotive facilities, railroads that move the workers within the power complexes, and bases for technological development and geological studies.

Today Bulgaria produces almost as much electric power per capita as does France. In France, the national

product per unit of power is three times higher. This means that we live three times more poorly because we waste three times more. I am referring to the structure of the economy, consumption standards, and so on because the power industry mirrors the country's economy.

Commission Chairman

91BA0407B Sofia DELOVI SVYAT in Bulgarian
25 Feb 91 p 4

[Interview with Kiril Nikolov, chairman of the Grand National Assembly Power Industry Commission, by Mariana Khristova; place and date not given: "How We Missed the Budget"]

[Text] [Khristova] Your commission was the first to formulate categorical demands for changes in the budget. Why?

[Nikolov] Indexes for changes in expenditures were planned in the course of the preliminary discussions held among specialists from the Committee on the Power Industry, the Committee on Prices, and the Ministry of Finance. It was on this basis that the prices of the end products were set. For that reason, the initial price estimates called for 271 leva per 1,000 kilowatt hours of electric power and 165 leva per gigacalorie of thermal energy. Under those circumstances, the power industry would have shown a profit of about 1.5 billion leva. Subtracting taxes and other payments, a certain reserve (albeit small) of possibilities for development existed, although the overall self-financing of the sector could not be ensured. In January, however, changes were made that worsened the balance. The first was the newly passed Law on Accounting, which included in the cost the interest paid on loans and investment borrowing, and expenditures for scientific research and development and capital repairs. As a result of this, the cost of output rose to over 2.5 billion leva—that is, the profit melted away, leaving some 1 billion leva in losses. The second feature that changed the initial concepts was the reduction of prices for the population, after the agreement with the trade unions was reached. However, what was ignored was the other side: Who would absorb this difference? In terms of the power industry, it amounts to about 1 billion leva. This led to the accumulation of the 2 billion worth of shortfalls in the power industry, caused by operational expenditures alone. This meant continuing the old policy of the power industry, guaranteeing low prices to the population for the sake of social stability. If we add to this the fact that 6 billion leva are needed for capital investments (or at least part of that amount) and cannot be found, the prospect of remaining in the dark will remain with us for some time to come....

[Khristova] You are suggesting that the power industry should be given the possibility of setting realistic market prices with compensations to the population. Would that not add heavily to the already existing budget deficit?

[Nikolov] I do not believe that such compensation would be a great burden. It would cover precisely what a family

needs for normal availability of power for consumer needs. Higher consumption will have to be paid for. There are internationally accepted standards, and it is possible to compute the normal need for power and pay exclusively on this basis.

[Khristova] There are such limits elsewhere in the world, but, in those cases, both sides honor the contract. Currently, in our country we are guaranteed steam heat not to exceed 15 degrees Celsius....

[Nikolov] Retaining the present system would automatically make any structural changes in the power industry impossible. There would be an overall authority over all economic activities, which would deal with the Ministry of Finance and thus procure all the necessary funds. In turn, it would keep down any entity that lacks financial autonomy and would not be interested in the extent to which the consumers are satisfied with the quality of the services offered.

If we are unable to encourage producers with economic incentives and make them aware of the fact that penalties would follow the nonfulfillment of their obligations and that they would have to pay out of their own pockets, we will achieve nothing.

[Khristova] Do you believe that by April you would be able to have your views accepted and have them influence the new budget system?

[Nikolov] We shall insist because these are not exclusively problems of the power industry. In the final account, they will have a reflection on the overall development of the country and the living standards of the population.

[Khristova] Do you not believe that the current position held by the government was adopted under the diktat of the trade unions, which will defend it to the end?

[Nikolov] I fear that other unions—that is, those of the power-industry workers—could also formulate their demands as ultimatums. I am saying this as one familiar with the mood of the collectives. They are no longer willing to work under present conditions.

[Khristova] They have already had one of their demands met—a change in the leadership of the power industry.

[Nikolov] It was not a question exclusively of the leadership. They oppose the present management system. They demand financial freedom, improved working conditions, and compensations for the ban on power-worker strikes. They are correct to demand all of this.

HUNGARY

Opposition Parties Evaluate Kupa's Economic Plan

SZDSZ's Qualified Approval

91CH0453A Budapest MAGYAR HIRLAP
in Hungarian 2 Mar 91 p 3

[Article by Attila Farkas: "The SZDSZ [Association of Free Democrats] Endorses Kupa's Program"]

[Text] Marton Tardos stated at the party's press conference yesterday that, according to an evaluation by the SZDSZ [Association of Free Democrats], the economic program described by the Minister of Finance represents a departure from the coalition parties' election program and an advance toward the ideas of the SZDSZ.

Marton Tardos argued that the economic program, developed by Mihaly Kupa, implements the policy of financial strictness and wants to lay the foundations of privatization by turning financial success into economic achievement. At any rate, one can rejoice that manifested in this program is that the Hungarian economy's road of development cannot be perceived as a wide field. The government's economic policy has already departed, even through the Rabar concept, from the coalition parties' election programs.

Marton Tardos only mentioned two kinds of problems regarding the concept. He emphasized that it is imperative, that the coalition, and its leading force, the MDF [Hungarian Democratic Forum] in particular, steadfastly stand behind it. It is encouraging that the prime minister demonstrated his support by appearing together with Mihaly Kupa but, at the same time, several statements, made mainly by Minister Bela Kadar, could be mentioned which contradicted the finance minister's concept. On the other hand, Tardos voiced only his reservations regarding emphases. He disapproved of the fact that the problem of the CEMA's collapse is not stressed enough in the material. He also thought that elaborations on concepts related to privatization were lacking. Marton Tardos pointed out that Minister Kupa's dissatisfaction with the privatization process is apparent, but it is unclear how he plans to accelerate it.

Then he announced that he, along with Matyas Eorsi, Ivan Peto, and Karoly Attila Soos, wants to present a resolution proposal to the parliament on Monday, in which they will recommend that the government present the compensation bill in harmony with the privatization bill to the parliament by 31 May. Tardos' words revealed that the reason why this was considered important was that the last four weeks' debate on the compensation bill failed to produce any results, and the prerequisites for a national consensus were not delineated. Even the coalition lacks unity in this issue, and the fact that new arguments were not presented in the past weeks makes any further debate senseless. Tardos thought that an extended debate would stand in the way of arriving at a

consensus. He added, regarding their resolution proposal, that it determines what qualifies for compensation, it excludes direct reprivatization, and it connects compensation with the privatization of state properties. The proposal makes it clear that the SZDSZ continues to uphold its concept of compensation as presented during the bill's debate.

MSZP Reservations

91CH0453B Budapest MAGYAR HIRLAP
in Hungarian 2 Mar 91 p 4

[Article by A.Sz.: "MSZP [Hungarian Socialist Party]: Kupa Is Building on Shifting Sand"]

[Text] Imre Szekeres, the MSZP [Hungarian Socialist Party] executive deputy chairman acknowledged at his press conference yesterday that the Kupa program provides a midrange chance to change the economy. He continued by saying that it is a sensible plan, not a mere draft. On the other hand, its biggest flaw is that it does not say anything about this year, about the 1991 economic crisis. It does not reckon with the possible collapse of the Central European market and with the tragic developments in Hungarian-Soviet economic relations which were also triggered by the government. The program mentions neither social tensions nor agriculture, and it does not say whether inflation or unemployment is the primary target to fight.

Imre Szekeres said that this is why the MSZP national committee thinks that the Kupa program is building on shifting sand because its basic assumption is that the economy will start next year from the same, relatively favorable, position as it did this year. A further concern is that 45 legislations are needed to implement it. However, considering the parliament's work up to now, the cohesion of the government coalition, and the bills' preparation by the government, it is hardly conceivable that this will be accomplished. Szekeres argued that a true change of system is needed for Hungarian society's modernization; however, attention is diverted, for instance, by the political action taking place in conjunction with the compensation or retirement bill. According to the MSZP, all problems can be solved exclusively through parliamentary action, and it is untimely to induce a government crisis. True, the administration is bad, but a possible improvement would serve political stability.

Journal Praises Kupa's Economic Plan

91CH0440A Budapest HETI VILAGGAZDASAG
in Hungarian 2 Mar 91 pp 5-7

[Article by Istvan Csillag: "A Draft Economic Plan; Four Lean Years"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] On the day that this issue is published, the government will begin to debate a working draft submitted by Minister of Finance Mihaly Kupa as an

economic action program entitled, "Stabilization and Convertibility." The author of our article, the deputy director of the Financial Research, Ltd., describes the "Kupa Plan" as well timed, straightforward, and objective, although he is somewhat surprised at the finance minister's almost heightened sense of optimism.

The timing of finance minister Mihaly Kupa's 1991-94 economic plan, entitled "Stabilization and Convertibility" is a testimony to his exceptional tactical acumen. Acting before any other member of the Antall government, he has simply done what he promised to do, thereby killing three birds with one stone. First of all, the draft plan was revealed on the same day when the board of directors of the International Monetary Fund (IMF) approved a three-year credit agreement with Hungary. Second, the plan came out before the announcement of a crisis management program by the Free Democrats, who now claim to be in a position to form a government. Third, before it was put before the government, the program had been presented to the press, which is always grateful for exclusive treatment, and thus, to the public at large.

In this case we have a perfect unity between content and form. The preparer of the program has put on paper exactly what he could in light of the facts.

And the facts are clear. The only way to finance the country is by ensuring that the gap in our balance of payments and our budget deficit does not exceed the levels considered realistic by the IMF. It was on the basis of this reality that Kupa had proceeded to prepare his plan, while also using his experiences from the 1980's; he knows that half-truths spoken by politicians are half-lies.

The Kupa program, which is registered under a Finance Ministry reference number, bluntly and objectively explains that navigating between the Scylla of a socialist economy, which is stranded in a state of total organizational crisis, and the Charybdis of international financial institutions monitoring our performance in servicing our debt obligations, is a dangerous task that will require sacrifices for many years to come. The challenge is to establish a fragile economic, and an even more fragile political balance within the "magic quadrangle" of inflation, unemployment, economic growth, and balance of payments.

In the first two years (in 1991-92), the main task of our economic policy will be to build defenses against inflation and unemployment, because these are the most serious consequences of the steps that need to be taken to reorganize our crisis-bound economic structure. In the second half of the program (1993-94) we will be able to worry about growth and our balance of payments.

The message is clear: He, who makes it through the first two years, will then be able to look further ahead. According to the program, there is a good chance that we will make it, as the rapid growth in private business activities in 1990 and the market shift reflected in our foreign trade balance have given us a good start from

which we can gather further momentum. The rebuilding of the economy is facilitated by the existence of a sound legal framework, and by the fact that privatization is already an ongoing process, not just an empty slogan.

At the same time, the program does not try to gloss over any problems, and admits that the failure of the big entitlement systems (such as social insurance, home financing) and unemployment are problems which seem virtually impossible to solve. Nor does it fail to mention the danger of a collapse of our trade with the East, or include in its calculations the possibility of deterioration in our turnover ratios. However, it does claim that these processes, which could easily lead to rendering the economy completely unmanageable, are problems that can and will be resolved by putting into place concrete crisis management programs, so in this sense its overall assessment of the situation is cautiously optimistic.

The preparer's optimism is reflected in the program's supplemental (matrix-based) plan of action (see our box below). By offering this plan, Kupa has not only preempted action by experts of the IMF or the World Bank, who in negotiating credit agreements usually demand adherence to task matrixes containing similar schedules and commitments, but has also lent more credibility to his program. In contrast with past, a program-makers (compared with the Program of National Renewal, for example) task in his plan is not used as a mixed metaphor.

However, on those points where "the great battles of class struggle are being fought" in our country, this program is also ambiguous or too laconic. It avoids, for example, the issue of property sharing between local governments and the treasury, which if not resolved will not only cast doubt on the future of privatization, but also on the influx of foreign operating capital. Perhaps not by accident, Kupa's intent is to draft a law about treasury-owned property, not local property or management.

On the other hand, he takes a very firm stand on the question of artificially revved up demand which has already proven to be catastrophic in many instances. The emphasis in Kupa's program on the comprehensive regulation of macro-level demand is consistent with the release of additional purchasing power by issuing restitution coupons. The finance minister, who is working hard to preserve the country's economic integrity, has apparently failed to distance himself from the issuing of restitution coupons, which from the point of view of the need to restore people's sense of justice, and for emotional reasons is, of course, justified.

The least detailed chapter of the program deals, very laconically, with the most emphatic change, the task of establishing a private proprietary system. On this matter it either takes no position (for example, on the feasibility of continuing preliminary privatization), or offers only platitudes disguised in technical jargon with a few populist slogans mixed in. It is hard for the analyst to

describe the proposed law to offer compensation to individuals whose rights have been violated, and especially the program to make masses of workers part owners of their enterprises, as measures promoting legal clear-sightedness.

A surprisingly bold feature in Kupa's program is the chapter emphasizing the diminishing economic role and withdrawal of the state. It is surprising not because it is new, after all, practical implementation of the program of deregulation had begun already under the Nemeth government. What is surprising is the fact that it runs contrary to the Antall government's policy which so far has been pressing for recentralization (as evidenced by the status change of the State Property Office, angry outbursts against local governments, etc.), i.e., for the strengthening of the state's economic role by creating new bureaucracies.

The professional standard of Mihaly Kupa's program far exceeds that of other documents produced so far by the Antall cabinet. This offers hope that from the professional point of view at least, its practical implementation is not out of the question. However, the big question is who on the political scene will be able to identify with it, and be willing to sponsor it. Another question, of course, is whether or not the program will be forced to make a pact with the devil of details when it comes to such challenges as finding specific crisis management methods to address the situation of Ikarus-Csepel Auto-Raba, i.e., the unmanageable problems of our Soviet trade. According to the finance minister's program, the scope of possible economic decisions is so narrow that we are compelled to choose between black and white, make the necessary decisions, and begin the operation now without putting the patient to sleep, using some local anaesthesia if we have to. I fear that for a government which likes to hold meetings "until it hurts, and for parties that like to play on people's emotions, Mihaly Kupa's program is much too dichromatic.

One can only hope that the finance minister will not only make it until, but will actually bring in the summer. His efforts will be helped by his philosophy which he expressed in his program as follows: "Here I am, for I have no other choice."

Agriculture Minister on Livestock Farming

*91CH0486C Budapest HETI KIS UJSAG in Hungarian
15 Mar 91 p 7*

[Article compiling answers to questions posed to Minister of Agriculture Elemer Gergatz in the parliament by Deputy Peter Kadar of the SZDSZ [Association of Free Democrats] and Deputy Gyula Pasztor of the Small-holders Party; date not given: "Measures To Aid Livestock Farming"]

[Text] To alleviate the difficulties that have arisen in the branches of livestock production, we have implemented or are planning the following measures:

- Regarding the three branches most affected by market disturbances, it has been decided to raise by 5 percentage points the rates of the export subsidies that are in force. Accordingly, the 20-percent export subsidy on pork cuts has increased to 25 percent; and the 30-percent export subsidy on milk, dairy products, and poultry has increased to 35 percent. The impact of the increases will be close to 1.0 billion forints.
- An agreement has been reached with representatives of the dairy farmers to cut production by 15 percent, in order to alleviate the problems of "overproduction."
- To improve the technical solvency of the dairy-industry enterprises and to reduce the accumulated stocks, the Committee for an Orderly Market for Farm Products has authorized the export of about 5,300 metric tons of butter and about 3,700 metric tons of milk powder, at increased export subsidy and on the basis of export orders won by tender. (The shipments will have to be despatched by the end of April, and the additional export subsidies involved will amount to about 150 million forints.)
- To speed up payments to dairy farmers for the milk that they supply, negotiations are also under way with the milk-purchasing organizations on the possibility of extending them about 2.0 billion forints of additional credit. The Committee for an Orderly Market for Farm Products will assume 50 percent of the interest payments on this credit. (The impact is expected to be between 150 million and 200 million forints.)
- On the basis of a preliminary agreement between the Ministry of Welfare and the Ministry of Agriculture, we intend to introduce as of 1 April 1991 the distribution of milk to the most needy welfare recipients (about 150,000 persons). (The impact of this program will be 450 million forints.)
- We also intend to relax the still remaining restrictions on the marketing of livestock products.
- Within the framework of an orderly market for farm products, we have reviewed the difficulties that have arisen in the successive stages of hog production and have adopted measures to alleviate them.
- Retroactively to 27 February 1991, the conditions are being elaborated for the slaughter and marketing of 100,000 heads of excess-finish hogs. (The impact will be between 60 million and 80 million forints.)
- But we must also realize that the total of 29 billion forints approved by the parliament for agricultural export subsidies and the handling of market disturbances limits to a large extent what we are able to do. There undeniably are many problems, but it is also reassuring for the longer term that the business organizations, too, are using their own resources to adjust to market conditions. As a positive sign of this we may regard the meat industry enterprises' continuing,

extensive program of price cuts, in the interest of boosting domestic consumption.

In conclusion, I wish to emphasize that there neither has, nor will there be any agreement to cut back farm production as a condition of our drawing closer to the EC or joining it.

SZDSZ Economic Program Discussed With Juhasz

91CH0440B Budapest HETI VILAGGAZDASAG in Hungarian 2 Mar 91 p 6

[Interview with Pal Juhasz, member of the National Council of the Alliance of Free Democrats, by Andras Peto; place and date not given: "Bird's Eye View"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] Why is it that the crisis management program of the largest opposition party will not be ready until April, while the government's plan is already on the table? This was the question we put to the economic sociologist Pal Juhasz, member of the National Council of the SZDSZ [Alliance of Free Democrats].

[Peto] I heard from someone the other day that the reason why he had voted for the SZDSZ a year ago, was because he had thought that their program was the best suited for governing the country, but now he learned with disappointment that the SZDSZ would not have a program "suitable to govern" on the table until April.

[Juhasz] That someone is wrong. We have a party program in place that outlines the kind of institutional system that we want to establish in Hungary, and with what techniques. What we do lack indeed is a program that outlines the steps needed to be taken in the coming months in response to the crisis symptoms that have come to the forefront early this year. We cannot be expected to have such a program in place, as we do not have a presence in the various official apparatuses and because we, too, have been caught off-guard by many things.

[Peto] I assume that the SZDSZ will continue not to have a presence in those apparatuses until April, and to make things worse the government, i.e., its finance minister, has already come up with a program. So what will you be able to show in April?

[Juhasz] We have been forced into doing what no opposition party has had to continually do: to provide simultaneous assessments of the myriad of problems and data systems of state administration, and of whatever difficulties they may be facing at the moment. This is not a game played to counter similar efforts by the finance minister; it is work which parallels those efforts. After all, when we started, Mr. Kupa was not even the finance minister yet.

[Peto] Then why did the SZDSZ consider it necessary right at this time to announce the impending completion of its crisis management program, and to announce that it feels suited to govern?

[Juhasz] In our two-part national conference, the first held last November in Szombathely, the second last weekend in Budapest, the party leadership was virtually forced to admit that in the eyes of the public there are no clear distinctions among political groups. This image of the parliament is close to the old central committee model, which "makes decisions and assumes collective responsibility for the country's policies." They still do not feel that the parliament is a popular assembly where decisions are made by majority vote, not by consensus, or that the parliament is a legislative forum, not a government agency. Another reason is that the SZDSZ's political activities have been confined to the parliament, hence on many issues, the public has lost sight of the unique characteristics of the SZDSZ position. This is why the party leadership has been forced to declare that it opposes the present government, and that it is ready to govern. As a continuation of the program of political change, we are setting up debate circles around the country, which we believe will bring into focus the details involved in a system building program. They will help us to decide what our schools should be like; how housing should be managed on the local level; how the SZTK [Trade Union Social Insurance Center] should be reorganized; and how we should go about privatizing health care.

[Peto] So the party has decided to take contentious issues outside of the walls of the parliament. Will it also go as far as calling people to the streets to protest the government's policies?

[Juhasz] This brand of populism is not part of our plans. Issues cannot be resolved in the streets. All we are saying is that we have an ineffective government; we have no complaints at all about our constitutional order. We would like at least to have an effect on professional opinions by taking our case to the legislature, and exerting an influence on the preparatory stages of law-making.

[Peto] Your reaction to the compensation law does not seem to reflect this new perception.

[Juhasz] The position which we have taken on this subject in the parliament was intended to draw clear distinctions, as our own vision differs drastically from the draft law. I agree that the manner in which our position was presented may not have been ideally conceived; after all, our new vision concerns not so much compensation as privatization. The aim has been to show that in the opinion of the SZDSZ, privatization should be pursued with more imagination and greater vigor. The selling of public bonds could be one technique of broadening demand. Privatization, accelerated with the help of securities poses a much smaller inflationary threat than the same goal pursued through wasteful

credits. Proprietary compensation itself, in our opinion, is neither desirable, nor acceptable. However, we do agree that if the government is bent on granting financial compensation, such compensation should be in the form of certificates of purchase; this in turn means that purchase coupons must be made an integral part of the overall privatization process. Such a privatization program could offer even more than just compensation certificates. Of course, privatization techniques constitute only a small segment of the crisis management program, as privatization is a medium-range task, while crisis management programs take one to two years to show results.

[Peto] To what extent will the SZDSZ program to be put on the table in April, reflect the views of the two main, or as some describe them, liberal and near social democratic trends within the party.

[Juhasz] There are indeed two trends represented within the SZDSZ, but I would not describe them as liberal and social democratic. The real distinction is between a legal and an anarchist trend, representing different styles and objectives. As far as I can tell, "thank goodness," the majority is behind the legal trend, which thinks more in terms of helping to build a political order than opposing the government in power. As far as the content of the program is concerned, not even a liberal party can afford to be fundamentalist. In addition to liberal principles, such a party must also accept values dictated by solidarity, but not by social democratic means, as we do not want to rely on our state institutions to achieve our goals.

[Peto] Peter Tolgyessy, the former leader of the SZDSZ faction, appeared willing to form a coalition with the Smallholders at last week's delegate conference. Does the present leadership of the party share his view?

[Juhasz] No, we would not enter into a coalition with today's Smallholders party. Incidentally, subsequent speakers all rejected Tolgyessy's proposal. In principle, we share the concept of a grand coalition, and other similar ideas, provided that we can agree on the details. We consider it essential for the focus of the government's efforts to be on economic issues and on the creation of new institutions. There already appear to be signs of a consensus, as most politicians of the MDF think in terms of West European models.

[Peto] So the only problem is that the government coalition is not focusing on what it should?

[Juhasz] Exactly.

Implications of Possible Grain Surplus Analyzed

91CH0486A Budapest TALLOZO in Hungarian
15 Mar 91 p 489

[Article by Tunde Torok reprinted from the 6 March 1991 issue of VILAGGAZDASAG: "A Grain Surplus Could Lead to Agriculture's Collapse"—first paragraph is VILAGGAZDASAG introduction]

[Text] If there is a good wheat crop this year, we might have to cope with a grain surplus of 2.5 million metric tons after the harvest. According to experts, this could be a much greater problem than what milk and meat production pose; the very survival of the Hungarian village could be in doubt. With the ban on wheat exports still in place, the domestic demand declining, and the government unable to act in the interest of retaining the Soviet market, grain prices in world markets have dropped to their lowest point in several years.

Cooperation among those who have an interest in the grain market is becoming increasingly urgent, as has the support of also the Committee for an Orderly Market for Farm Products. It was announced at the two organizations' meeting held yesterday that a Grain Council will soon be formed with the help of representatives of the National Committee of Grain Growers and the Grain Industry Association. Grain growers, processors, traders, and the ministries concerned will be represented on the Grain Council. Similar organizations were formed in West Europe 40 to 50 years ago, in situations that likewise were most critical. We can hardly expect the Grain Council to perform miracles; it will be able to assume a more meaningful role only by the autumn of next year at best. The government holds the key to a solution in the present situation, and it is the government's responsibility to come up with a solution.

As far as our domestic and foreign marketing opportunities are concerned, the representatives of our biggest grain traders (Agrimpex, and the Grain Trading Limited-Liability Company) have no reassuring news regarding the long-term financing of grain stocks.

The price of wheat in world markets is at its low, thanks to an abundant wheat crop. There is a virtual trade war between the United States and the EC, over dismantling their grain surpluses. Which means that we are unable to compete with the \$50 export subsidy of the United States, and the EC export subsidies ranging from \$120 to \$130.

The end of the Gulf war could produce slight marketing opportunities only through the lifting of the embargo against Iraq, but Hungary is unlikely to get a share of supplying this additional demand.

German reunification means that we have lost also our GDR market, to which we were exporting between 160,000 and 170,000 metric tons of grain. Since the reunification, we have been petitioning the EC to compensate us for this dropout by giving us at least a share of the aid shipments to the Soviet Union, but so far, the EC has been turning a deaf ear.

The Soviet Union is also a key issue in the case of wheat. With the changeover to trade denominated in hard currency, we have lost practically all of the overnight markets that previously were secure. Grain has been removed from the indicative list, and the barrel agreements have been suspended. According to our traders, Hungarian government agencies do not realize how

serious the situation is. Grain cannot be exported to the Soviet Union at the enterprise level, in small quantities; instead, agreements are necessary at the government-to-government level. But the enterprises have been left to fend for themselves.

Because the Soviet Union is technically insolvent, even the United States, Canada, France, and Australia are able to conclude grain deals with the Eastern superpower only if their respective government provides export guarantees. For the time being, Hungarian banks flatly refuse to extend any export credit. Our only hope, regardless of how callous this may sound, is that we might be able to get a share of the aid shipments if the grain shortage in the Soviet Union becomes catastrophic.

According to experts, the stocks of grain in Hungary are momentarily sufficient to last until the harvest, despite the spring drought. Essentially, the area sown to grain has not declined, and there has been no winter damage to the grain crop so far. Thus, based on the experience of years past, we can expect a grain harvest of at least 14 million metric tons. But domestic demand will be declining significantly, considering the foreseeable development of the livestock population, and our export channels have become clogged.

According to pessimistic predictions, the foreseeable grain surplus of between 2.0 million and 2.5 million metric tons could bankrupt the large-scale farms and result in agriculture's complete collapse. Liquidity problems are threatening grain growers and processors alike. No one can say exactly how much it costs to grow wheat or corn, but it is already evident that the bids received so far are in the \$82 to \$85 range, while the costs of fertilizer, fuel and transportation are rising.

According to growers, all is now quiet in the villages. What the villagers fear today are the parliament's decisions, rather than the "green barons," i.e., the chairmen of the agricultural cooperatives. The villages' future depends on what the parliament will decide. After the harvest, the wheat issue will become the entire village's concern.

The competent officials of the ministries concerned are persisting in their refusal to lift the ban on wheat exports. The ban became necessary in the aftermath of the drought, to ensure a seller's market for the growers at the time of a shortage psychosis. The measure fulfilled its intended purpose long ago, but the Ministry of Agriculture and the Ministry of Foreign Economic Relations want to play it safe and are waiting for estimates of the livestock population at the end of March. Only when those estimates are available will they dare to decide how much bread grain and feed grain the country will need, and how much can be allowed for export.

Corporation Formed To Evade Compensation Law

91CH0486B Budapest HETI KIS UJSAG in Hungarian
15 Mar 91 p 3

[Interview with Deputy Karoly Javor of the Hungarian Democratic Forum by Marton Balla; place and date not given: "The Sasad Corporation; Champions of Legality?"—first paragraph is HETI KIS UJSAG introduction]

[Text] The Sasad Agricultural Cooperative is being discussed in the press, in the parliament as well as by the public at large, but this is not hampering the cooperative the least bit from transforming itself into a corporation and thereby cleverly circumventing the Compensation Law that will be enacted. Deputy Karoly Javor (Hungarian Democratic Forum), who has spoken out repeatedly against such tricks, was invited to attend the cooperative's general meeting that also happened to be the corporation's organization meeting. This is how he describes what took place there.

[Javor] The most infuriating thing about such transformations is that their initiators present themselves as the champions of legality and brag: "Look how we are adjusting to the new market conditions and implementing the government's economic program!" True, the cloven foot is showing, but what does that matter? Our present laws still permit such sharp practices, and it is a serious omission that the National Assembly has not yet plugged the loopholes of this type.

[Balla] Does this mean that the new corporation's formation cannot be challenged?

[Javor] No, it does not, because the promoters had committed a few mistakes. For instance, notice of the organizational meeting was not filed with the registry court 30 days in advance, and no announcement to that effect was placed in a national newspaper. It is conceivable that even the mayors of the surrounding villages learned about the Sasad Cooperative's proposed transformation only by accident and at the very last minute. The printed invitation I received was merely to the cooperative's customary general meeting; the corporation's organization meeting was mentioned only on a sheet attached to the invitation afterwards. Which of course does not mean that the corporation's formation also took the cooperative's leadership by surprise. The sole purpose of the secrecy was to leave us no time to torpedo their plan.

[Balla] Did you have any opportunity to inform the cooperative members about how the transformation would affect them?

[Javor] That is a very interesting thing, because the agenda went as follows: First, there were the speeches marking the end of the cooperative era, and the distribution of the bonuses; then information about the proposed transformation, and the proposal's adoption by secret ballot; and only then came the debate. I voiced my

objections about this to Dr. Mihalik, the cooperative's chairman, but he merely shrugged and said: "The scenario is ready, and we will not make any changes in it."

I had requested the floor several times before the secret ballot, in order to protest about the irregularities and to defend myself against the accusations that had been leveled at me, but the chairman who presided at the meeting refused to recognize me.

[Balla] What were those accusations?

[Javor] At the beginning of the general meeting, Mr. Mihalik launched a passionate, 30-minute attack against the parliament. He claimed that the parliament was not doing any work and was merely promising transformation. But when somebody attempted to carry out a transformation, certain deputies would begin to heckle him. He mentioned the command-directed system and the absence of democracy, but he gave me no opportunity to reply to this public humiliation of my person.

Soon thereafter a woman seized the microphone and began to shout that she preferred to get her land back and did not want a corporation. The presiding chairman kindly told her that they would discuss this matter the following week. Big deal. By then the corporation would have been formed, and it would not have been possible to withdraw anything from it.

Dr. Mihalik was not so soft-hearted. He called the woman a provocateur and had her led out of the room.

[Balla] And the 2,000 persons who were present at the meeting tolerated this without a word?

[Javor] I am convinced that most of them were not even aware of what was happening around them. They, like everyone else, had not been properly informed and did not clearly understand what they were voting on. Yet it would not have hurt them to know that representation of their interests would cease with the cooperative, that they could be turned out into the street at any time, and that they would never be able to reclaim their property. Instead, they would get stock certificates, which they might or might not be able to sell for a fair price. Moreover, the ratio of shares in the corporation is such that a relatively small clique (consisting mostly of the members of the cooperative's board) can impose its will at any time on the 2,000 small shareholders. I told them all of this, but unfortunately, I was granted the floor only after the vote, and by then what I said was as effective as the holy water sprinkled on a corpse.

[Balla] What future do you predict for the corporation?

[Javor] I hope that its formation will be declared null and void. If not, then I would be very pessimistic. Although the corporation's officers are professionals, it is to be feared that they will be using their professionalism primarily to milk the members for all they are worth.

POLAND

Untapped Potential Noted in Trade With Hungary

91EP0362A Warsaw RYNKI ZAGRANICZNE in Polish
19 Feb 91 p 8

[Article by (Jok): "Free Trade With Hungary"]

[Text] With the beginning of this year, as in relations with other West European countries, free trade based on hard currency has been reestablished in Polish trade with Hungary. As a result, from the aspects of attractiveness, transaction technology and methods, and forms of payment, trade with Hungary is really no different from trade with countries that have a developed market economy. True, the state sector continues to dominate both production and trade, but the participation of the private sector is growing rapidly.

As the Office of Trade Counsel in our Budapest embassy informs us, foreign trade has been demonopolized over a broad spectrum and hard currency banks are obliged to honor foreign payment orders of Hungarian importers without obtaining any permits for merchandise liberalized for import. The degree of liberalization of imports is significant. It is estimated that at present approximately 90 percent of imported merchandise does not require import permits. In export, on the other hand, approximately 30 percent of export merchandise will not require permits.

Traditionally, with respect to trade, Poland has been Hungary's sixth most important partner, and Hungary [has been] Poland's 11th or 12th partner. During the past year, Poland's position has dropped. Exports amounted to approximately 400 million transfer rubles [TR] and approximately \$35 million, and imports correspondingly, [dropped] to approximately TR235 million and \$16 million. Hungary's hard currency imports in 1990 totaled \$7 billion, and export, approximately \$6 billion. In trade computed in transfer rubles, imports and exports amounted to 5.8 billion rubles each.

In 1990, only 109 Polish enterprises, of the more than 4,700 registered in foreign trade statistics, engaged in trade with Hungary; of these 52 carried out 97.5 percent of the joint trade and service exchanges during the year. A comparison of these figures certainly indicates an unexploited potential that should come forward under conditions of free hard currency trade.

The Office of Trade Counsel is urging enterprises interested in developing exports and the potential for making favorable purchases in Hungary to become active in this market.

The Office of Trade Counsel in Budapest gives assistance free of charge to parties interested in taking their first steps in the attractive Hungarian market (telephone: 0-036-1-25-14-337, 537, 737, or 937; telefax: 25-29-289, telex: 224383 mohan h). In addition, there is a network of representatives of 23 Polish enterprises active in this

market. A new handbook on the Hungarian market is being prepared and will be published in RYNKI ZAGRANICZNE.

Tasks for New Defense Industry Council Noted

91EP0374C Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 2-3 Mar 91 p II

[Article by Krzysztof Szczesniak: "Defense Industry: Controlled Independence"]

[Text] Our defense industry, which consists of several dozen enterprises, is going through a difficult time. The reason is still the same: an embargo on materiel deliveries in conjunction with the war in the Middle East, obsolete technologies provided to us so far by the USSR, and demilitarization in general. Clearly, the deteriorating condition of the entire economy also adds to all of this.

However, it appears that despite everything, we should not allow our armaments industry to collapse. We should look for salvation to new systems of economic operations and financing which take the rigors of self-financing into account. To a large degree, this role devolves on the Defense Industry Council, established by a resolution of the Council of Ministers dated 3 December of last year. Representatives of very many ministries, most frequently at a level of undersecretaries of state, as well as those of banks, administrative bodies, and foreign trade organizations, belong to the council. Industry Minister Andrzej Zawislak became chairman of the council.

The Defense Industry Council convened its first meeting on 1 March of this year. As an official communique states, guidelines for organization and financing in this peculiar industry were discussed. Several changes are in the offing, the most important of which involves dividing the enterprises which have so far had the status of so-called "S" enterprises into two groups. About 10 large enterprises, which will continue to be state armament enterprises, will belong to the first group.

Among others, at issue are all the enterprises which, for example, produce munitions, but not only munitions. It should be conjectured that what they produce and test should be entirely secret. Therefore, these enterprise will be simply military enterprises, though with their own balance sheets, at which, obviously, civilians will work. However, these companies will be excluded from all privatization plans, even if most lucrative. They will not be able to join any joint venture companies.

The second group of enterprises is treated somewhat differently. There are about 20 companies on the other list which produce for the market, while at the same time maintain a certain segment of their production potential on continuous standby with a view to war and the necessity to defend our sovereignty. It is obvious that the

State Budget should finance costs of this nature. However, in many cases it is impossible to determine accurately to what degree a particular machine is used for market production, and to what degree its production capacity is reserved specifically for such special circumstances.

So far, various arrangements have been made. On most occasions, enterprises of this type were granted various kinds of tax relief which were supposed to offset the costs incurred in maintaining our defense capability. However, at present it is necessary to replace arbitrariness with some arrangement, and it is hard to say what arrangement so far. One thing is rather clear, these enterprises may, and even should, enter into partnership arrangements with other capital (of course, for their market segment only), maintaining the principle that a majority share should be held by the State Treasury after all.

There is a third group of enterprises which is not too big, but its situation is the best. These are companies whose "S" designation has actually been revoked already due to decreased need for special products. This group includes, for example, the State Telecommunication Enterprise in Warsaw. Last year, it formed a joint venture company with Alcatel Standard Elekrika from Spain under the name of SETEL, and for this reason sought to officially change its status to date.

We should say clearly that all of the above are merely proposals. To be sure, time is short. However, first the KERM [Economic Committee of the Council of Ministers] must take a stand on this issue, and only later the Council of Ministers should make a decision. Therefore, under favorable circumstances final decisions may be a month or two away, or even further if the concept is revised during this period of time.

Voices are beginning to be heard that the issue should be altogether postponed until a detailed defense doctrine of our state is worked out, and alliances in Europe become clear. However, this should perhaps be treated more as an attempt to avoid the discussion of difficult topics. Work on the doctrine will take years, whereas the workforces of many companies want to know what they can count on in the immediate future.

Mazowsze Solidarity Comments on Excess Wage Tax

91EP0374A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 4 Mar 91 p II

[Interview with Jadwiga Szydłowska and Julian Srebrny of the NSZZ [Independent Self-Governing Trade Union] Solidarity, Mazowsze Region, by Antoni Kowalik; place and date not given: "Making the Excess Wage Tax Civilized"]

[Text] [Kowalik] The Wage Group of the Mazowsze Region has been following the consequences and results

of the application of the excess wage tax. You make no secret of the fact that you do not like the excess wage tax.

[Srebrny] This form of compensatory tax has not worked out. The effect of the excess wage tax on the economy has been destructive and disabling. For example, it does not take into account a very essential point—that under our circumstances wages are an essential factor of production. Restricting wages the way it is done now reduces the utilization of production capacity, and ultimately the national income and social productivity of labor. The desire to make money, which should be the driving force of economic growth, translates into economic losses and social frustration in our country. This is an action inducing recession.

[Kowalik] What about inflation? This is a very real danger. In addition, the excess wage tax is supposed to promote privatization. Do you also fail to accept this effect of the tax?

[Srebrny] We believe that privatization may be compromised in this manner. The excess wage tax forces the workforce to accept the first offer that comes along, regardless of its economic effect. Meanwhile, as examples in Hungary indicate, enterprises bought out by large Western concerns are frequently liquidated. This was the case with Videofon. This is precisely what the self-management bodies of the former Warsaw Television Enterprises or Polcolor are afraid of.

As far as inflation is concerned, reducing everything to an excessive amount of currency means simplifying the matter. Our studies suggest that in the long term, the barrier to which the excess wage tax now amounts simply promotes inflation. To be sure, it reduces demand, and the people do not have money for purchases. However, at the same time it promotes inflation due to insufficient production. It should also be kept in mind that at present wages amount to less than 50 percent of the disposable incomes of the people.

[Szydlowska] At present, a considerable part of this money comes from so-called speculative capital. In this manner, the conviction is being perpetuated that nothing will be accomplished by regular work. There is no work, there are no wages, and there are no goods either. A situation has developed whereby about 20 percent of our society, those who have grown rich, fully take advantage of the opportunities of the market. The rest do not have money, and soon they will not have anything to buy, because production is declining. In turn, these 20 percent ensure good business for the West because our goods are no longer of interest to them.

[Kowalik] Does this lead you to the conclusion that the excess wage tax needs to be eliminated in order to free up wages? So, there should be no regulations?

[Srebrny] We do not seek to eliminate the excess wage tax and thus close the issue which arose in conjunction with it. After all, views in this matter are mixed. We want

to change the tax system. We believe that this is necessary in order for wages to stop being the only restricted element of the cost of production. Actually, they amount to just one of many cost factors.

This is why we propose to replace current taxes, which place an effective burden on enterprises, with a tax on the cost of processing and a profit tax. What the proportions of such withholdings should be, and what the guidelines for applying them should be—all of this needs to be studied and established on the basis of specific situations in enterprises. Only in this manner may we learn what the consequences of a tax are going to be for enterprises, for the State Budget, and so on.

[Szydlowska] Eliminating the excess wage tax and leaving this sphere without regulation would also be dangerous for the economy. However, this is not to say that there is no other way to go about these regulations than the current one. This is precisely what we propose.

[Kowalik] Specifically, what is this proposition about?

[Srebrny] It was developed by Dr. Marek Gruchelski from the SGPiS [Main School of Planning and Statistics]. This is how it may be outlined figuratively: If an enterprise wastes raw materials or spends money in an irresponsible manner, e.g., by allowing itself gold plating, expensive semifinished products from a broker, and high wages in addition, then processing costs will increase, and this tax will be paid on precisely this basis. If an enterprise manages thriftily and reduces costs, it pays less. The case is the same with profits. Profits received in dishonest ways, for example, by jacking up prices, will also fall prey to the tax guillotine. This system is very similar to the value-added tax which is used in all of Europe, and it is easier to introduce given our realities.

[Szydlowska] So-called pent-up demand is very significant for this proposal. Since wages cannot grow because there are not enough goods in the market, a way to restrict the influx of cash needs to be found with a view to [control] inflation. This is precisely what pent-up demand is supposed to accomplish. This will call for the people to receive a segment of their wages in so-called worse money, for example, vouchers with which one can buy only some goods manufactured by selected branches, e.g., from enterprises whose warehouses are already full. These could be vouchers to be spent immediately, for example, for clothing for which the people currently do not have money; the production of these items is also being restricted. It could develop under this system because vouchers would generate demand.

Another possibility is to save up the vouchers for special purchases, such as apartments, garden lots, shares of privatized enterprises, or even for foreign exchange deposits in bank accounts frozen for three years. In this manner, society will simply vote by means of the vouchers on which economic sectors should develop. In this manner, higher wages, of which we are so afraid, will not fuel inflation but, on the contrary, will facilitate the development of production. Also, there will not be the

horrible situation which we have to deal with at present whereby the people do not have money with which to buy basic items, and at the same time, they do not have an opportunity to make money, and production declines.

[Kowalik] Therefore, is this not yet another experiment? After all, nobody can guarantee that the introduction of these taxes will not be as effective as that of the excess wage tax. Are you convinced we should embark on this experiment?

[Srebrny] This is only a proposal which needs to be studied and reviewed. This is precisely what we want. It has been under discussion for a year now; various ideas have been in circulation, and nothing has been done. Nobody has said that it is necessary to set up a group, to give these people means and opportunities in order to consider this. This is a grievance we have against the government.

[Szydłowska] If it turns out that we should give up the excess wage tax there will not be any alternative, no other concept. Worse yet, they said that the excess wage tax must exist because there is nothing to replace it with. The time has come to finally do something in order to have such an alternative.

Preferential Credit for Fertilizer Purchases

91EP0374B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 2-3 Mar 91 p II

[Article by Edmund Szot: "Is Two Trillion a Little or a Lot? How To Bite Into the Fertilizer Credit"]

[Text] Opportunities to use preferential credits for purchasing fertilizer and pesticides have given rise to somewhat excessive hopes among farmers. Roman Grochowski, deputy director of the Agricultural Experimental Station of the Agricultural and Instructor Higher School in Siedlce, is surprised by the provisions of the local BGZ [Food Industry Bank] which offers farmers loans for fertilizer in the amount of 40,000 zlotys per hectare.

In his estimation, "this is a ridiculous amount because one ton of saltpeter costs 1.05 million zlotys, and a ton of polyphosca—2.2 million zlotys."

Offers made by the BGZ in Zielona Gora and Pila are even more ridiculous if we stick to the same terminology: 13,000 and 12,000 zlotys per hectare.

We asked the director of the Credit Department at the BGZ main office to explain the guidelines for granting fertilizer credits.

Director Krystyna Majerczyk-Zakowka communicated to us that, "credits are only granted to economic entities which engage in crop farming and are creditworthy. The interest rate on such loans amounts to one-half of the interest rate on refinancing credit which currently amounts to 72 percent, or 36 percent, but no less than 20 percent on an annual basis.

"Therefore, if the interest rate on refinancing credits falls to, for example, 30 percent, the rate for fertilizer loans will amount to 20 percent. These loans may be taken out until 30 June of this year, and they should be repaid prior to 30 November. The interest is paid together with the repayment of the loan. This is a special purpose loan which means that it should be used for strictly defined purposes, that is, purchasing nitrogenous, phosphoric, potassium, or multicomponent fertilizer, or to purchase pesticides specified by the Ministry of Agriculture (a list of these agents, set forth by the Ministry of Agriculture and the Food Industry, includes 151 items). Proof of purchase should be provided to the bank within two weeks. Otherwise the loan is reclassified as commercial credit at a regular rate of interest."

The budget has allocated 1 trillion zlotys for fertilizer loans, and another trillion will be drawn from the funds of the BGZ. Before 21 February, 400 billion zlotys were transferred to the banks, and another 300 billion zlotys were transferred on 1 March. Director Majerczyk-Zakowka is convinced that the farmers will use all the funds of the fertilizer credit. It is easy to calculate how much this will be per hectare, keeping in mind that the farmers use 18.8 million hectares of land in Poland.

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