

JPRS-EER-90-053
19 APRIL 1990



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BULGARIA

Petkov Speech at Trade Union Conference

90EB0328A Sofia TRUD in Bulgarian 17 Feb 90 pp 3-4

[Report by Krust'o Petkov, chairman of the Provisional Executive Committee of the Independent Bulgarian Trade Unions: "Trade Unionism Means Protecting the Working Man"]

[Text] Dear comrades, delegates, and guests:

Under the conditions of the totalitarian system, trade union congresses followed a familiar scenario. A report was read to the delegates, having been already blessed by the high leadership of the ruling Communist Party. It formulated the line of work to be followed for the next five-year period, in accordance with the party platform. It was thus that the most responsible forum of the trade unions fulfilled its specific role of a transmission mechanism between the Communist Party and the working people.

The time of nomenclatural congresses is in the past. We are gathered here to determine, in a democratic atmosphere and after extensive discussion, the future of the Independent Bulgarian Trade Unions. It is only collective opinion that can lead to the formulation of our platform and determine our new organizational structure. This eliminates the need for a comprehensive report with categorical formulations issued by omniscient people and authorities.

Please consider my presentation as a foundation for thoughts and discussions of the packet of documents which were issued to all congress delegates and which will be the base of our action platform.

On 10 November 1989 the way was opened to broad democratic changes in Bulgaria. Regardless of how this date will be defined later, as the overthrow of Todor Zhivkov's dictatorial regime or as a bloodless palace coup, it marked the beginning of the process of dismantling totalitarianism and one-party rule. All of us hope that the conversion to a democratic system in society will be not only peaceful but also rapid.

New political forces appeared and an official opposition emerged on the political stage. This is a phenomenon encountered for the first time in 40 years. Reformist groups began to play an active role in the ruling Communist Party [BCP] and the BZNS [expansion not given], not only at the top but also at the base. Forms of internal party activity, forgotten or discarded, are being revived. A real struggle for power has been initiated in the country.

The Bulgarian people are becoming politicized. Everywhere—at work, in the streets, in means of transportation, in the homes, in the press, and the other mass information media, a lively discussion on the immediate past, the present, and the future of the country is taking

place. The Bulgarian people who, until recently, had become locked within themselves, and were forced to be passive, are now raising their voice and claiming their rights.

The Bulgarian Trade Unions could not remain indifferent to the changes in the country. They have found themselves in an unenviable situation, well-known to all of us from the recent past, essentially as a result of the nearsighted policy of the leadership of the Bulgarian Communist Party and their own subservience. A number of important new aspects in the development of the world and the country in the 1980's had been ignored. The growing significance of the trade union problem, the appearance of alternate movements as a counteraction to totalitarianism, corruption, and the worsened social situation of the working class and the intelligentsia, of the entire working people, had been underestimated.

Such underestimating was not accidental. The regime needed not strong but obedient trade unions. There were only brief periods after 9 September 1944 during which the Bulgarian Trade Unions had played a more essential role in political life. The routing of the trade union movement and its leadership in 1961, on the initiative and personal participation of Todor Zhivkov, were part of the series of steps the purpose of which was to eliminate any obstacle, any threat to the power of the ruling nomenclature. It was thus that the Bulgarian Trade Unions became passive and opportunistic.

We are very familiar with the results: a severe and obvious crisis of confidence on the part of the trade union membership in their own organization. The people became alienated from it and no longer believed that it could support and defend their interests. Despite timid reformist efforts made during the first half of the 1980's, the situation remained unchanged.

Immediately after the overthrow of the despotic system, the Bulgarian Trade Unions faced the fatal dilemma: either to reorganize through a profound internal reform, in order to become part of the radical changes, or else break down as an organization. Actually, the breakdown had already started. Not only individual members but entire organizations were dropping out at an alarming rate. A number of organizations disbanded themselves and stopped paying membership dues. The people were forced to seek another solution to the situation by developing alternate groups, some of which were not pursuing exclusively trade union objectives. Interest in the Podkrepa Trade Union, which, through its active efforts, began to attract membership in some sectors and areas of activity, increased.

It seemed as though the second alternative—a profound reforming and revival of the activities of the Bulgarian Trade Unions—had no future.

Our Path to Trade Union Independence

The only possible step leading to the revival of our organization was a declaration of independence by the

Bulgarian Trade Unions at their fifth plenum. The Bulgarian Trade Unions were also the first of the so-called formal organizations to decide to take such a radical step.

The plenum's resolution was received with mistrust by the people and with irony on the part of the former "senior" partners: the Communist Party and the state and economic authorities. The people could not believe that an organization which, until yesterday, had been dependent would, as of tomorrow, engage in independent action. The nomenclatural elite could not admit that one of the most obedient transmission mechanisms for its resolutions would become free from command-administrative control and work in accordance with its own views concerning its trade union organization.

The events which developed until the end of December 1989 confirmed the mistrust and skepticism. Instead of undertaking the implementation of the resolutions adopted at the expanded fifth plenum, many leading trade union authorities launched an internal factional struggle, a struggle for power. A number of high-ranking trade union leaders in the center and the local areas failed to understand that they had immediately to give up membership in the leading authorities of the Communist Party to clear the way to trade union independence.

The sixth plenum, which took place at the end of December, was held in an exceptionally dramatic situation. The collective resignation of the Central Council, Bureau and Secretariat was demanded. After tempestuous discussions in which, at times, the interests of the trade union nomenclature prevailed, one heard also accusations of desertion. Common sense, however, prevailed. The plenum backed the motion of electing a Provisional Executive Committee which would make preparations for the extraordinary 11th congress of the Bulgarian Trade Unions. The committee was staffed by people most of whom were inexperienced in professional organizational activities. They lacked the routine of members of the apparat but enjoyed the substantial advantage of not being burdened by the organizational hierarchy of the past.

The activities of the Provisional Executive Committee in the last month and a half are visible to all. Its resolutions were extensively publicized through the mass information media. They were discussed at the recently held seventh plenum. We tried to do that which is demanded today of us—for our activities to be public to all, to be under the control of our members.

It is not my intention and it would be hardly necessary to present a detailed report on the activities of the Provisional Executive Committee after the sixth plenum. However, I feel I must point out some aspects of its activities, which proved to be decisive, to take the firm road toward trade union independence. The lessons learned during this short period could prove to be exceptionally useful in the future as well.

What does being independent mean and what do we gain from this?

Independence presumed, above all, to become freed from the petty supervision of the Communist Party. For nearly one century the Bulgarian Trade Unions had been inseparable from it. However, during the entire postwar or, to be more accurate, the Zhivkov period in the development of the country, had proved that whenever the trade unions are tied with an umbilical cord to the Communist Party which has monopolized the power, they lose their trade union identity. If during the periods of acute class struggle in the past such a tie was justified, under the present circumstances it is absolutely unnecessary. Even during the first half of the 1980's the leadership of the Communist Party did not hesitate to deal further blows to the trade unions, to dull their activities, and to keep them in a state of obedience.

From the very beginning the Provisional Executive Committee adopted an emphatically independent and autonomous line of action. In connection with the roundtable meeting on the national problem, in the analysis of the situation in the country and in the trade union movement and literally in each one of our steps we were guided exclusively by our own conscience and the demands of the trade union membership. If we have gone wrong anywhere, we are ready honestly to acknowledge our error.

To say the least, independence means a declaration of autonomous action. If we had failed to defend our independence we would have been isolated from the national roundtable meeting and the "Polish variant" would have been repeated in our country. As a result of the independent agreement concluded between the ruling parties and the official opposition, there was the danger that the trade unions would be shunted aside and allowed to debate secondary problems. Our declaration to the effect that we are resolved to go to the very end in order not to be isolated from the discussion on problems pertaining to the vital interests of the working people yielded results. We are a full-fledged active participant in the roundtable.

The discussions conducted so far in the roundtable meeting lead to serious thoughts. Obviously, every regime deserves an opposition and vice versa. The level of arguments at the roundtable and their content and style may seem puzzling at times. It seems as though most of the participants in such an unprecedented political forum in our country do not realize the gravity of the situation in which we find ourselves, not to mention their responsibility to the people and to Bulgaria's future. This applies to both the representatives of the ruling powers and the opposition.

Apparently both sides of the "table" suffer from a lack of concepts: the opposition, as to how to seize the power, and the party, how to retain it. Against the background of a feverish formulation of plans, tactics, and strategies, however, time does not wait and does not take into

consideration our variant of political confrontation. Naturally, this does not make the crisis any easier for the Bulgarian working people. Nor does it solve the problem of the social and political price of the roundtable. Time will set it. However, it is already clear that it will be quite stiff, not least also because of delays in making a number of urgent decisions. And, which is even more important, the price will be paid not by the leaders of the political forces represented at the roundtable but by the working people, as in fact they have paid throughout the entire past period. This leads us to the idea that the ruling party and the official opposition are capable at some point to neglect the interests of the mass organizations and their members for the sake of their internal party interests. The only way to participate on an equal basis in the discussions with them would be to have a strong and independent opposition.

We have repeatedly stated that we shall be a constructive opposition to the government. We see this as the best and most proper place of the trade unions in the political system of society. Our formulation has nothing in common with the vague philosophy of the former regime, which appealed to the trade unions to be "partners and opponents of the governmental and party rule." Such a double position dooms the trade unions and discredits them in the eyes of their members and the entire society.

To be a constructive opposition means that we must engage in a constructive dialogue with the government and support our own views on any matter which pertains to the interests of the working person. For that reason, at the very beginning of the year we drafted a general agreement and opened talks with the government. For the first time in 50 years our trade unions revived a tried means of trade union struggle. The constructive opposition is cooperating with the government, not on its side but on the other side of the table. To us the government is a partner with whom we should engage in a dialogue among equals.

However, to be a constructive opposition to the government we also must take the necessary protective measures should the government try to avoid its responsibilities or fail to fulfill its obligations. Guided by this fact, and assessing the complex situation which prevailed since the end of January in connection with the wave of strikes, we took a step unprecedented in our most modern history: we demanded the immediate resignation of the government headed by Georgi Atanasov. This demand met with exceptional response and accelerated the formation of a new cabinet. This cabinet is interested in concluding with us the suggested general agreement within the shortest possible time. The reason is not only because this is consistent with the actions of government in many developed countries. It is a question, above all, of the interests of the country and the normal functioning of the production process, and laying the foundations of such a greatly necessary anticrisis program. Without a general agreement with the trade unions the government will be unable to rule efficiently, for it will

be exposed to the constant uncontrolled pressure on the part of the working people for the satisfaction of their demands.

Trade union independence requires the deep politicizing of our activities. However, this does not mean that we would be looking impartially at political confrontations and that it is all the same to us as to who will be developing a given system and how. History teaches us that whenever such a question has been underestimated by the working people and their trade union organizations, they have always been the losers. That is why we believe that the proper position at the present difficult transitional period leading to effective democracy is that of maintaining active political neutrality.

We already proclaimed our intention to participate in the electoral struggle. We held a referendum in which the majority stated that the trade unions must have their own platform. Since in recent weeks there has been a great deal of speculation involving this question, let me clarify our position. Our participation in the electoral struggle does not mean that we will be seeking to have a bloc of deputy seats especially reserved for the trade unions. We shall assess the electoral platforms of the candidate deputies and will appeal to our members and organizations to support those whose socioeconomic platform is the closest to our requirements. We have both the moral and the legal right to do so. The trade unions are and will remain a great force.

The depoliticizing of our activities means that we shall not participate in sharing the executive power. Nor do we lay claim to ministerial positions. Simply stated, it is not a matter of indifference to us as to what government will be ruling us. From this viewpoint, we have repeatedly stated that a broad coalition government, supported by the people, is the best solution. Unfortunately, this is not taking place. Not even a working provisional government was formed, which was to prepare a transition to democracy and to elections for a new National Assembly and submit a draft Law on Parties. Matters reached an unusual, I would say a paradoxical, variant of a single-party communist government in terms of today's circumstances, after the party abandoned its constitutional guarantee of being the leading role in society.

Let me be understood correctly. We are not criticizing Comrade Andrey Lukanov's cabinet. We consider him a competent head of the government. Let me especially note that for the first time in several decades a prime minister has stated, as he did, that the government will ensure the social protection of the interests of the working people. The major problem, however, is not that of the individual but of the political power mechanisms.

From this viewpoint we find it strange that both the ruling party and the official opposition, as well as some other organizations, agreed very quickly to accept a one-party government and proclaimed their support of such a government. Is this not an attempt to postpone

the formation of the new power structures? According to the logic of party interests such behavior is not astounding. However, the interests of the people stand above those of specific party interests. How are the political forces in the other Eastern European countries able quickly to reach agreements and form cabinets on a broad basis in order to undertake to resolve the most important problem of the moment—the resolution of the severe socioeconomic and political crisis? Regrettably, in Bulgaria we were unable to accomplish this.

The time during which we are defending and proving our independence is also marked by trade union pluralism. This is a unique aspect of the latest political history of the country. It is a fact which helps us to understand our true situation and place in the present and future Bulgarian social structure. We differ in principle from "Podkrepa" in that, unlike them, we try to stand on trade union positions and remain a pure trade union organization. The "Podkrepa" NFT [Independent Labor Federation] adopted the "Solidarity" model, which presumes combining trade unionism with political activities and developing trade union and political structures and leading units.

We have no right to condemn their choice. All we can do is note that by following the Solidarity model they are taking the path of one of the most interesting phenomena in the contemporary trade union movement throughout the world. Solidarity has a 10-year history, rich in lessons and positive results but also including a great many unanswered questions. As you know, some two weeks ago Lech Walesa, the respected and prestigious leader of Solidarity, said: "It is high time to let political parties deal with political problems, while the trade union part of Solidarity deal with trade union problems."

Is this not a lesson for us, the Bulgarian Trade Unions? Without involving anyone, let me say that if political forces interfere in an organization which calls itself a trade union, the chances of the trade union movement decline significantly. In that case the only role the trade union organization could play efficiently would be that of a carrier rocket for elite political forces and groups aspiring to seize the power.

This is also an indirect answer to those who ask whether it is possible to join forces with "Podkrepa!" Now that it is both a political and a trade union organization, such unification is not possible. For the duration of the roundtable meeting and until the first elections have been held, "Podkrepa" would hardly be able to act independently and autonomously from the Alliance of Democratic Forces, which is a political group. The opposite would be illogical, for it would conflict with the interests of the "Podkrepa" leadership. I do not exclude, however, the basic possibility of a future unification with the left wing "Podkrepa" group.

By proclaiming ourselves a nonpolitical organization, we are forced to explain the nature of our orientation in Bulgarian sociopolitical life. The Provisional Executive

Committee believes that the working people in our country need trade unions with a broad profile. This means that the future federation will maintain contacts with all political parties and movements, center and left of center. This will exclude extreme left wing movements as well as extreme right wing fascist or profascist organizations. Let us be vigilant when we look at the newly appearing organizations which follow the traditions of conservatism or else adopt the philosophy of neoconservatism. The facts of the end of the 1970s and start of the 1980s indicate that the new conservative forces show no hesitation; they aggressively advance against the trade union organizations, pass antitrade union laws, attempt to take the strike funds, and violate the rights of the trade unions.

We believe that an extensive ideological-political orientation will win over to our side millions of people. This is not an unprincipled position. It does not mean depersonalization for the sake of any degrading pseudo-unity, serving the interests of the ruling party. The Independent Bulgarian Trade Unions will not allow to be turned into a politically amorphous formation, such as the trade unions within the framework of the Fatherland Front, for which reason they clearly proclaimed their intention to leave it. The broad ideological-political orientation means a revival of the democratic principles in the structure of the trade unions as an organization which accepts within its ranks people of different political beliefs as long as they are not antihuman. From this viewpoint it would be proper for the congress also to discuss the problem of how to block all channels for exerting political pressure on our future activities by the various parties. The international trade union movement has rich experience in this respect.

Democratic, Radical, and Socially Just Resolution of the Crisis

The crisis in Bulgaria is part of the general and profound crisis affecting the Eastern European countries on which the Stalinist socialist model was imposed. In a number of respects it is also a crisis of the utopian communist ideal. If we do not acknowledge this we shall be seeking the origins of the crisis and the solution to it not where they reside. We would be seeking them in the external manifestations of the real reasons; we shall be seeking them unsuccessfully in the errors of corrupt representatives of the ruling parties, who should not be exonerated of their errors.

We are a trade union organization and it is not our concern to make cause and effect studies of this kind. Our purpose is to defend the working person. That is why we shall not allow such a person to be misled with superficial halfway explanations of the reasons and the scale of the crisis. The information provided by the plenums of the BCP Central Committee and at its 14th extraordinary congress, particularly in the part which deals with the state of the economy, tells only part of the truth.

The truth is that most enterprises and sectors in the country have raw material and material reserves for no more than a few weeks of work. Unless we make a change the production process will grind to a halt in no more than 1 month.

The truth is that the foreign debt of the country has increased immeasurably, and that we have no adequate foreign exchange to pay the interest, not to mention to repay the loan itself. We do not know who made decisions and how they were made, both in the past and the present, on such an exceptionally important problem which affects the destinies of the nation and the future of our children.

The truth is that enterprises continue to depend on the structures based on the decision to set up so-called company organization. The enterprise leaderships are rightless. They lack adequate funds. They are unable to resolve basic problems related to their investment and marketing policies.

The truth is that the standard structure does not allow them to engage in independent actions. Furthermore, it is crowded with contradictions and brilliantly proves the legal nihilism of the previous regime and the helplessness of our legislative system. One law contradicts another, legal acts take over from laws passed by the National Assembly, the Constitution is made powerless by ukases and, frequently, with a simple telephone call.

It is the truth that our market is becoming poorer with every passing day. Surveys indicate that most municipalities lack between 60 and 70 percent of the goods which are vitally important to the consumer basket of the population and to its daily life.

Given this situation, it is unexplainable why the government is delaying problems which can be easily resolved. Not all problems demand changes in the overall legal system such as, for example, eliminating the denigrating and illegal "bachelor" tax. We could immediately not only rehabilitate people who were repressed for political reasons but also we could credit them with their full labor seniority. Many other problems exist the solution of which would prove the desire of the new government really to change things.

It is equally unexplainable why the ruling elite is dragging its feet and does not go to the people with information on the real picture of the country's economic situation. Actually, is this explainable? It is rather logical, for proclaiming the truth would mean exposing the culprits for the crisis and this hardly falls exclusively on Todor Zhivkov and his closest circle (applause).

The times now are such that the people will not be satisfied with this truth alone, however openly it may be proclaimed. The people want the culprits to be punished (applause). We insist that the result of the study by the commissions which were set up to expose corruption in the high and local nomenclatures be made public and

that the culprits be tried in court (applause). The Bulgarian people have the right to know who and what groups accumulated wealth during the years of stagnation and despotic rule. Who benefited; what is the size of their personal and family wealth and how was this wealth acquired? These are not appeals for manhandling. It is a question of meeting a condition for which everyone in Bulgaria insists: before tightening up our belts we must know who starts from what position (applause).

Some may say that we are flirting with the temporary mood of the people. However, the experience of the other countries in Eastern Europe, who are engaged in practicing an anticrisis therapy, indicate that underestimating property differentiation and the polarization of the population into rich and poor could blow up an already unstable situation.

The outcome of the crisis has its social cost. We ask that this cost be met fairly by all popular strata, i.e., that the bigger burden be assumed by people with a higher income. Everyone clearly realizes that the solution to the crisis cannot be found without an overall competent anticrisis program. This need is not new. Unfortunately, the old government wasted months which proved to be incredibly costly.

The trade unions in all countries are formulating their own alternate programs by adopting radical economic reforms. It is not a question of duplicating the work of the government or even less so of assuming its responsibilities. It is a question of the type of alternate program in which the attention will be focused on social policy, on ways of satisfying the social needs of the people today.

However, given the lack of any, albeit basic, variant for an anticrisis program, we cannot discuss at the congress our own alternate platform. We are forced, on the basis of what our experts have achieved so far, to call for a discussion exclusively of our basic position on the most important problems.

Everyone realizes that state ownership monopoly is what brought the country to its present situation. Monopoly gave birth to a clumsy and inefficient economy of mass and constant deficit. This is the best foundation for the reproduction of the bureaucratic apparatus. It gives birth to plutocracy and leads to one-man power.

The elimination of state monopoly of ownership is an inevitable and urgent step. The question is how to do it. All of us are convinced that there are no ideal prescriptions. This is also indicated by the experience of countries which took the path of restructuring before us.

In this case two variants are possible in destatifying ownership and converting to a market economy. The first is the rapid and complete privatization; the second is a conversion to a mixed economy, to mixed forms of ownership.

Poland and some other countries took the path of total and fast privatization. What did their experience reveal?

Under conditions of state socialism few people have funds substantial enough to purchase state property which has been put on the market for sale. The essence of the problem, however, is not the fact that they are few but who are they?

On the one hand, these are speculators who used the old system to accumulate wealth in the hundreds of thousands and even millions of leva. On the other, these are people belonging to the higher nomenclature, who used their positions within the power system to accumulate fortunes. If at this point we undertake a total and fast privatization, it is most likely that it is precisely these two groups who will win. In other words, the rich will become richer and the poor even poorer (applause). Such polarization is dangerous. It clashes with the traditions of our country and with the most basic requirements of human justice.

We believe that under Bulgaria's specific circumstances, another variant would be preferable: a conversion to a mixed economy. This will not be a uniquely Bulgarian solution. Such a model is used in a number of Western countries, quite successfully. A mixed economy relies on the effect of market mechanisms: a minimal part of state ownership coexists with a number of other forms of ownership, such as cooperative, municipal, private, etc.

The greatest advantage of a mixed economy is that it enables us to combine a strong economy with a strong social policy. However, it would be unrealistic to expect this to happen today or tomorrow. We favor the type of organization of economic and social life according to which the state will play an important regulatory (but not mandatory, not barracks, not command) role. With such an organization we need strong trade unions which would represent and protect the socioeconomic interests and labor rights of the people.

State ownership and its restructuring are matters which affect the life and destinies of every Bulgarian citizen, of every family. We insist that before undertaking the reform a referendum be held through which the Bulgarian people would express their opinion, for the wealth of the state has been created by the working people, with their own hands and minds (applause).

As indicated by the practical experience of a number of countries in the 1970s and 1980s, the price of coming out of the crisis could also be a mass long-term unemployment. Furthermore, a number of governments use unemployment not only as a means of strengthening the economy and making it efficient and competitive but also as a political weapon against the working people.

We are against a preplanned unemployment policy. This would conflict with the traditions of our people, with their present feelings, demands, and expectations from the new political system (applause).

Let me be understood accurately. We are not against reductions, including lay-offs of administrative personnel, specialists, and workers, if inefficient industries

must be closed down. We are not against the restructuring of the economy and its technological updating.

The question is how to carry out such restructuring? We believe that the recently adopted Council of Ministers Resolution No. 57 and other legal documents, which provide for worker insurance in the case of mass reductions, are halfway steps and are inefficient. We insist, whenever mass reductions become necessary, that special programs be drafted to deal with the professional and social status of the workers, specialists, and their families. That is the way we should act, for instance, with enterprises in the defense industry as well as projects which are ecologically dangerous. In this connection, I suggest that the congress discuss and adopt the point of view of the trade unions, which will be presented to the government.

We recommend to the government to consider the most promising solutions which have been adopted in other countries in the redirecting of production capacities. The contemporary trend is to invest funds in opening new jobs rather than providing assistance to hundreds of thousands of unemployed. Actually, the same policy was also practiced during the crisis at the start of the 1930s. It was also applied after World War II in Western Europe. I believe that such a policy is necessary today as well.

In the course of restructuring we must pay particular attention to the releasing of young workers and specialists, women, the handicapped, people for whom it will be difficult to take new jobs. Special concern must be shown for them.

Against this background, we are concerned that the government is delaying the creation of a special system for redirecting and retraining the manpower. Our experts estimate that this very year more than 100,000 people in industry will be affected by this process. Justifiably, the people ask: "Where shall we be looking for jobs? Who will help us?" In the future the old manpower bureaus must not go on with the bureaucratic registration of anyone seeking a job. We need an overall efficient system and a modern labor exchange. We insist that it be set up. We also insist on eliminating any barriers obstructing the free movement of manpower, including the special unpublished laws.

However difficult the present critical time may be, in addition to the steps taken to ensure economic recovery, special concern and investments are needed to improve working conditions and to create a normal, humane working environment. The problem of labor conditions was one the most neglected by the previous regime. This was no accident. Carried out by their fixation on the superindustrialization of the country and the neo-Stalinist variants of building "developed socialism," the regime deliberately neglected the health of the working people. Today we have hundreds of enterprises in which labor conditions are not different from what was typical

of the early period of capital accumulation. Furthermore, in a number of places working conditions are slavish, in the literal meaning of the term. And all this is taking place in a country in which until recently the rulers claimed that their prime concern was the concern for the individual.

This is not an isolated problem but one which extends over a broad range of closely related concerns for the environment, working conditions and the conditions in which we live and toil. In our time economic progress loses all meaning if nature is irreparably destroyed. Indeed, who should get up early in the morning to work many long hours only for the sake of generating more dust and more smoke and causing cancer and lung diseases?

I am mentioning this so that it may be clear to everyone that the present spontaneous mass demand for recategorization is not accidental. This is not a delayed reaction or a delayed rebellion of the victims of the irresponsible actions of an inhuman regime. If we do not cut across this tangle of contradictions and fail to take a serious look at the demands of the workers and the labor collectives, we shall be unable to avoid a spontaneous wave of strikes with ultimatums.

That is why I insist that the government of Comrade Andrey Lukanov, with no further delays, in the next few days, to make public the truth of the country's economic situation and its views on the matter of recategorizing, and to indicate the steps it intends to take and when. Only thus can we control the psychosis which has spread throughout the labor collectives, which calls for grabbing all one can today because tomorrow will be too late.

The Independent Bulgarian Trade Unions believe that in order to put an end to the strikes two other conditions must be met. The first is to discuss the draft bill we have submitted on labor conflicts and strikes and to enact it. Second, to pass a new Social Security Law.

At this point we touch upon the essential question of the attitude of the trade unions toward the social security system. We believe that the present system does not fit the new conditions, for it taught the people to keep looking at the state, at the superior authorities, and to expect of them a solution to their problems. Through the state security system the budget has one more additional resource with which to plug holes and deficits. The state is spending funds which are contributed by the labor collectives for social security in pursuing a centralized tax policy and redistribute such funds as it deems fit. Every year, by this method, hundreds of millions of leva contributed by the labor collectives go into the state budget. Since 1980 this has amounted to some 4 billion leva. Where did this money go? We do not know! Were the trade unions and labor collectives able to control it? They were not, nor were they sufficiently persistent.

That is precisely why we insist that the social security fund be set aside as an independent economic fund (applause). We are prepared to submit our own view on

how to set it. We insist that social security activities be supervised directly by the National Assembly. Today everyone wishes to be supervised by the National Assembly but the experience of the developed countries indicates that such important activities which affect the individual from birth to death must be supervised by the supreme legislative authority. We believe that in such an institution and its management the state authorities, the labor collectives, the political forces and, not last, the trade unions, should be represented.

To sum it up, I think that we need an overall reform of our country's social policy. Under the conditions of state socialism the policy of so-called "universal insurance" was promoted. The rulers were proud of it and we used it as one of the "strongest" proofs of the advantages of the socialist over the capitalist system. But let us ask ourselves what level of insurance have we reached? It is low, it is unworthy of the needs and interests of the contemporary individual. It is a policy which prevented hundreds of thousands of people from living better through their honest toil and capabilities.

The crisis destroyed even the last illusions. We need more than ever before a social policy with strongly developed defense mechanisms, which would counter inflation and price increases and would protect socially weak groups and strata. Guided by such considerations, we insist that the government formulate as soon as possible an anti-inflation program which would combine pensions, prices, and wages. Unless this is done, the situation, which we define as catastrophic, will become even worse. Presently more than 36 percent of the Bulgarian population subsists on the social minimum level. Hundreds of thousands of people receive a minimal pension which does not allow them to make ends meet. The same applies to most low-income young families. There are tens of thousands of families suffering from the uncontrolled price increases. The picture is made complete by the growing mass scarcity of goods and services.

However, the creation of an anti-inflationary mechanism requires information. The previous government was dragging its feet. We appeal to the new government not to make the same error and not to mislead the people. In turn, we are trying to provide a parallel assessment of the cost of living in order to develop our own viewpoint on what is the true living standard. Only thus, through annual general agreements with the government and through the other means of trade union struggle, shall we be able to defend the interests of the working people.

The despotic power of the ruling nomenclature stubbornly tried to pit workers against intellectuals; it demagogically tried to depict the former as producers and the latter as consumers of goods. It was thus that the nomenclature tried to conceal its own lack of productivity and its social uselessness (applause). This is because any type of work which creates values is productive, and this fully applies to creative work in science, culture, and other areas of what until recently was known

as spiritual development. The Independent Bulgarian Trade Unions will support the interests of all working people, the interests of productive labor, regardless of where it is applied. We believe that culture and science are as essential to a worthy and civilized existence of the individual as are bread, water, and air (applause).

In the matter of the new priorities in socioeconomic policy, we cannot fail to categorically mention agriculture. For many long years this sector was underestimated and its working people were subjected to exploitation. I do not hesitate to use this word, for the ambitions of superindustrialization of agriculture were being pursued by appropriating not only the added but also the necessary product. This led to the accumulation of grave social problems and depopulated entire villages and farming areas. We support the priority development of agriculture, the redirecting the resources toward it and engaging in an active and sensible effort to revive it.

I would like to say a few words about recreation, which is an important element of social policy. As a result of the arbitrary actions of the government in the 1970s, a tangle of contradictions developed, which will be difficult to unravel without harming the interests of various labor collectives. Repeatedly, on the basis of resolutions, the resting facilities of labor collectives were appropriated without anyone asking their opinion. At the same time, for a number of years, the government blocked the efforts of the Bulgarian Trade Unions to reconstruct, modernize, and broaden their rest centers. Starting with 1982, a constant struggle for limits and permissions to build has been waged.

As a result of the reconstruction, modernization, and expansion and the new construction, we have some 40,000 beds added to the 116,000 managed by departmental facilities. About 20 percent of the vouchers for their use are distributed among the labor collectives on a centralized basis. Additionally, some 20,000 vouchers annually are granted to labor collectives which have contributed their own funds to the improvement of material facilities. The impression has developed, however, that resting activities are bureaucratic and that the distribution of the vouchers is unfair. We do not deny that such elements do exist, as we can see from the draft concepts of the congress on this matter, published in the newspaper TRUD.

In recent weeks we sponsored discussions with the participation of a broad circle of specialists and representatives of trade union organizations. We intend radically to change the rest system, to decentralize its management, and to enable labor collectives who have claims on facilities built with their own funds to become their true owners. I suggest that the congress discuss the questions of recreation activities at a special work section.

New Confederation of Independent Trade Unions

The revival of real trade unionism demands a break with the present centralized trade union structure and a conversion to a new organizational structure. Life itself

and the actions of the people indicate that this is the only way and the only alternative.

A process of self-determination of the trade union organizations has been initiated throughout the country.

Prior to the start of the congress more than 60 new units appeared, in addition to the present federations and sectorial trade unions. This process was viewed by many trade union workers and organizations as something unusual, undesirable, and even dangerous. There are those who believe that the Bulgarian trade union movement will be splintered and lose its unity. Such ossified thinking is preventing many people from seeing that self-determination and, in frequent cases, the separation of the organizations is a legitimate process. It can be neither restricted nor prohibited, for it appeared as an answer and counteraction to the underestimating of the professional and sectorial principle in the activities of the trade unions, which lasted for decades.

To think otherwise means to be unable to understand the specific historical situation prevailing in the country and the new moods of millions of trade union members. The people are creating new organizations because they want to defend and express their professional interests. If we oppose them they will not hesitate to create alternate and entirely independent unions.

The Provisional Executive Committee took into consideration the new situation and supported most of the demands for organizing new trade unions. Some people understood us while others accused us of separatism. It was very difficult to remain passive during the past month. However, we were convinced and we are still convinced that we acted accurately. By supporting the demands of the people, we did everything necessary to preserve the main thing: the unity of the Independent Bulgarian Trade Unions (applause). This task stands above the interests of the past sectorial and territorial trade union structures. Anyone who has failed to understand this has fallen behind his time and life will reject him.

The present territorial structure of the Bulgarian Trade Unions also creates a number of problems. We know that several years ago municipal trade union councils were created in the country and last year, for no particular need, oblast councils as well. This was explained with the need to adapt the trade union structure to the new administrative and territorial division of the country. However, such a division, which was suggested by the previous regime in accordance with its views, followed the philosophy of "Divide, distribute, and rule over the dependent performers and the obedient nomenclature." This should no longer be the case. We must take into consideration exclusively the trade union interests of our members and organizations.

Some people have asked: "Would this not take us back and thus undermine the territorial principle? How to combine the sectorial with the territorial principles in the structure of the Independent Bulgarian Trade

Unions?" This is an argument which is theoretical, abstract, and alienated from reality. It avoids the nature of the problem in the interests of the already created authorities. It is our impression that the people, the rank-and-file members have little interest in the type of authorities which exist. They are calling for leaders and units which can better defend their interests.

Naturally, we must not be naive and engage in hasty action. Many of the social problems of the working people will continue to be resolved within the territorial systems. In all likelihood we shall also undertake the territorial-administrative restructuring of the country. Obviously, we need coordination on the territorial level. However, this must be precisely a coordination decided upon by the organizations themselves. In turn, the future confederation and its agencies will most likely also be interested in having their representatives in the large territorial units. However, the new coordination units should not have anything in common with the past command authorities.

We also intend to develop a trade union consultation network which would help the union membership in the area of labor law, social security, and so on. It will be no longer necessary to address ourselves to the center or to the seat of the newly-created federations any time that a labor argument or any other trade union problem arises. I suggest that the congress support the idea of setting up consultation teams and trade union legal counsel in the large territorial units, without this leading to an inflation of the personnel. We can attract competent lawyers who will provide free legal aid to our members, should they be in difficulty.

The draft confederation statutes have already been printed and distributed among the congress delegates. Allow me merely to note that the starting point in the future confederation structure will be trade union organizations in enterprises and associations, based on profession. They will decide by themselves whether to join a federation and thus become affiliated with the future center or else directly determine their affiliation with the confederation. In this case we shall act entirely democratically.

The development of the leading authorities will be an essentially important aspect of the activities of the future confederation. We are putting an end to nomenclatural stereotypes and plenums staffed by people who essentially represented no one but themselves. The overall trade union policy and position will be determined by the National Coordination Council, which will include elected representatives of federations and large territorial associations. In the period between congresses it will hold the organizational power on basic problems, such as general agreements, social policy, attitude toward the activities of the legislative and executive authorities, international relations, etc. The executive committee, the chairmen, and the deputy chairmen of the confederation will be accountable to the National Coordination Council.

It would be proper for our organizational structure to be open and flexible. We could have as members organizations with associate membership status; we could also integrate with unions which, in addition to their trade union requirements, pursue other objectives as long as they are not political. The self-determination of such organizations could take place at the present congress or immediately after it. We have no intention to prescribe or dictate conditions to such organizations and we declare that we shall respect their autonomy and interests. Should they disagree with our policy, in accordance with stipulated procedures the federations would be free to leave the federation. We believe that it is thus that we shall be able to respond to the aspirations and hopes of millions of trade union members and the new organizations, and be in step with contemporary trends in the world trade union movement.

The new confederate structure demands new people. The short period after the fifth and sixth plenums indicated that many people are afraid of the democratic nature of the structures and functioning of the trade unions. They find it difficult to abandon their habit of dictating and drafting and issuing instructions and telling the people what to do and what not to do.

The demand to promote new charismatic leaders is already becoming flesh and blood. In a number of places in enterprises, institutes, and establishments true trade unionists were elected. The strike committees and initiative groups were headed by people who could sense the changes and were able to defend the interests of the trade union members. We have supported this trend and we shall continue to do so.

There are some paid trade union officials who are rejecting the syndrome of obedience and raising their voice in defense of the interests of trade union members. They do not find their position very easy and we can understand this. In most places the nomenclatural system has not been dismantled. Our people are being threatened with sanctions and repressions. However, this is part of the "professional risk" and is the task of true trade unionism.

Daring people and trained union leaders are needed in the base and branch organizations, in the territories, and in the center. That is why I suggest at this extraordinary congress to recruit as members of the executive committee competent and authoritative leaders who will be able to put the common trade union interests above their own and above the interests of their professions and the enterprises where they work. It is thus that they can be of use to those who have elected them. It would be right for such people to have different political affiliations or to be neutral.

We must seriously reduce the trade union apparatus. There is no other solution, and let everyone try to understand this. Suggestions have already been submitted on reducing the apparatus of the Central Council by some two-thirds. We shall suggest to the future

National Coordination Council to approve a personnel reduction by 100 people. These will be highly-skilled specialists, the greatest possible experts, who are exceptionally needed in holding talks with the government, drafting our viewpoints, providing consultations, and interacting with sectorial and territorial organizations and units. We shall continue to rely an exceptionally great deal on the competent studies made by the trade union institute and on the active position adopted by the newspaper TRUD.

The cost of the apparatus must be reduced to a minimum in the immediate future. We must see to it that trade union membership dues will not be used for that purpose by promoting corresponding economic and other activities. As to membership dues, they should be used exclusively for trade union purposes: for the creation of a strike fund, social assistance, and supplementary trade union pensions.

Such radical changes should affect shortly the old trade union authorities in the federations and the territories. Currently they employ more than 1,500 paid trade union officials (I do not include inspectorates and other specialized units). We can work with one-third the regular personnel and prove that it is only an economical and highly competent structure that would be useful and needed by the Bulgarian Trade Unions.

The necessary prerequisites for a conversion to such a structure have already been created. Most of the membership dues—70 percent—will be kept by the organizations which alone will decide whether to have paid trade union chairmen or any other leading officials. Our recommendation is to emphasize the public, the voluntary principle, taking into consideration that the principle of mandates will be applied after the congress.

Furthermore, the organizations have been given the right to determine their own structure. Henceforth the center will not prescribe or impose any instructions or organizational systems. We believe that by themselves, taking into consideration the specific nature of their enterprises and professions, they will adopt the best solutions. Our recommendation is not to burden the federation with an unnecessary and inflated apparatus and not to repeat the errors of the past.

The statutes of the future federation formulate the basic principles only. They do not stipulate any details. We leave the details to the federations themselves and to the new units, although in this case again we hear voices: "Give us instructions on how to work." We have no intention of issuing instructions. The future National Coordination Council should deal only with areas which are within its range of competence and work under the control of the federations and the trade union organizations.

We are already engaged in work under the conditions of trade union pluralism and increased trend toward self-determination and autonomy, in circumstances which are more complex and more difficult. We operate under

realities which encourage us to be practical, active, and original in making our decisions. It is true that this type of work is more difficult but such work alone makes sense.

We are in favor of coordination and interaction with developing autonomous and alternate trade union associations and for tolerance in reciprocal relations. We define entirely clearly our trade union autonomy and openly state: "Join us, support us." We can be strong only if we are united (applause).

Today many people ask themselves the following: "What to do if an enterprise or sector has more than one trade union organization?" I presume that everyone here present realizes that simultaneous membership in two or more trade union organizations is impossible. Trade union members must make their choice on the basis of their own interests or preferences by affiliating themselves with one trade union organization or another. However, abandoning one and converting to another is entirely possible, providing that it is voluntary. In the future we shall provide consultations and help; we shall keep in touch with our members, with those who have opted for the confederation. We believe that the reasons for joining us will be sufficiently strong. They will include the new funds which we shall set up, the support which we shall provide to the people in cases of labor conflict and strikes, and if they find themselves in difficulty, when they need help in the case of lay-offs or find themselves in an unexpected difficult situation on the job or outside. As to the labor rights of the Bulgarian citizens, they are the same for all, regardless of the way in which they have been earned.

There are lively debates also on the question of trade union property. Today many people and organizations are calling for dividing the property of our organizations. We cannot ignore such requests. However, let us act as responsible and mature people. Trade union property took decades to accumulate. It was not accumulated by us alone but through the labor of millions of people. The Provisional Executive Committee took the necessary steps to determine the property status of the Independent Bulgarian Trade Unions, and we are ready to discuss this problem right here, at the congress. We believe that all the claims submitted by outside organizations calling for a division of trade union property should be submitted to the courts and solved in accordance with proper legal procedures.

The changing situation in the country, in all of Eastern Europe and throughout the world sheds a new light on our international cooperation with other trade union organizations and movements. Until now this question appeared to have been settled. The World Federation of Trade Unions, which was created more than 40 years ago, rallied organizations from 10 countries. The socialist countries, including Bulgaria, were active members. It is only in the past few years that voices were raised, including ours, calling for a reform of the World Federation of Trade Unions, which was entirely logical.

This federation was the product of the Cold War, of a world divided into opposing and hostile forces, starting with the end of the 1940's. Since that time the situation has changed and is continuing to change dynamically. The idea was launched of a common European home, and accepted by millions of people. We can no longer shut our eyes and avoid the question of the new principles of interaction among trade unions on the European continent.

The Provisional Executive Committee took certain steps in that direction as well. We told the representatives of the World Federation of Trade Unions that we favor its profound restructuring without delay, at its forthcoming congress. Should this fail to take place we shall review the question of our membership in it. I suggest that the 11th extraordinary congress of the Independent Bulgarian Trade Unions should discuss and pass a resolution on the view held by the confederation concerning the World Federation of Trade Unions.

At the same time, we favor maintaining broad contacts with trade union organizations and movements. We have already established contact with official trade unions and with already created alternate trade unions. Many trade union organizations in Western Europe and elsewhere are showing increasing interest in us. We believe that as we develop our integration processes and with the possibility of Bulgaria to interact with the European Economic Community and to open wide its door to economic, social, and cultural contacts with the developed countries in Europe and other parts of the world, we too should thoroughly review our policy.

Comrade delegates:

The 11th congress has all the necessary rights to discuss the suggested draft statutes; if supported, it could develop into the constituent congress of the new Confederation of Independent Bulgarian Trade Unions. I do not use this title in vain instead of the title suggested in the statutes. We should not be ashamed of abandoning our old name or hesitate, as has been the case with other organizations and parties. The history of the Bulgarian Trade Unions indicates that their name has been repeatedly changed depending on specific historical situations. The time has now come to restore true trade unionism and the words "trade union" should be included in the name of the new confederation.

Probably all of you have already studied the documents which you were issued at the congress. Some of them were also published in TRUD. I appeal for a free, practical, creative, and fruitful discussion. Let us not follow the example of the congresses of other organizations, which took place of late, and which were distracted by secondary, group, or private matters. Our work is being followed and will be followed today and tomorrow by millions of people in Bulgaria. Of late interest and trust in the activities of the Independent Bulgarian Trade Unions have increased. Let us not forget, however, that this trust is still fragile.

Let us be on the level of expectations and make decisions which will offer durable prospects for an independent trade union movement in Bulgaria.

I thank all of you for your moral support!

CZECHOSLOVAKIA

Housing Built With Contaminated Material

90CH0001B Bratislava PRACA in Slovak 7 Mar 90 p 1

[Article by M. Kimlik: "Depth of the Mire"]

[Text] I often reflect on Czechoslovakia's future. I admit, my mood oscillates between sturdy optimism all the way to deep pessimism. The feeling is influenced not only by weather but especially by information. That's because I cannot figure out what the situation is in the Czechoslovak economy. M. Calfa and other government members are presenting us, virtually every day, with a bill for the past period. The legacy is far from cheery. Even when the CC CPCZ [Czechoslovak Communist Party] still claimed a monopoly of truth, here and there critical voices were heard that our prices are not real prices, that ecology is not just a capitalist invention but rather a global problem for humanity, that our economy is on the wrong track. But what is the true "condition" of our economy? In their effort to uncover and repair the accumulated deformations the reformers in the government may come face to face with a multitude of facts until now kept as a secret. Who then can know how deep the "mire" actually is?

This was touched upon in the deliberations of the environment committees of both houses of the CSSR Federal Assembly. There was talk about the radioactive emissions from building materials. The worst situation exists in the vicinity of Jachymov where thousands of apartments were built from radioactive materials. In Prague, too, some houses built from prefabricates constitute a health hazard....

The information did not surprise me. Years ago already a friend of mine, an expert in radioactivity measurement, pointed out that for instance in the Federal Republic of Germany they test the readings of building panels in their factories. The "West German capitalists" would surely not increase their production costs by meaningless measurements. This fact alone should have had an effect on the conduct of responsible authorities. But those who were responsible have rather irresponsibly hidden their heads in the sand. Yet this "detail" too has surely contributed to the alarming rise in oncological ailments among both adults and children. But the powerholders of yesterday did not like to be hindered by any unpleasant facts in their pursuit of grandiose projects. It was more convenient to silence the critics.

What is going to happen with the existing prefab buildings? Some of the apartments are a time bomb for some of the panels are "glowing." What would be the cost of

liquidating apartments posing a health hazard? What social tension would this measure cause in towns suffering from a shortage of housing? It is hard to estimate. But it is evident that the mire that has piled up during the rule of the Communist Party's top honchos who were above criticism and infallible, can be much deeper than we can imagine. After all, radioactive apartments are "merely" one problem.

Historical Background of Czech Part of Silesia

90EC0357A Prague SVOBODNE SLOVO
in Czech 2 Mar 90 p 6

[Article by Vaclav Pelant, Ph.D.: "Silesia and the Czech State"]

[Text] The government of John of Luxemburg, who was crowned in February 1311 and died at the battle of Crecy on Saint Ruth's day, 26 August 1346, was not a good one.

One cannot deny that he was an astute politician and tactician. He used military force at the right times to expand the territory of the Czech state. Ludwig of Bavaria pledged the state of Cheb, which was then much larger than it is today, to the Czech state in 1322. A 1319 agreement gained the western part of Upper Lusatia, the so-called Bautzen area, for the Czech state. In addition, John of Luxemburg purchased in 1329 the eastern part of the Gorlitz area for the Czech state.

John's son, the Czech king, Charles I, and then the Holy Roman Emperor, Charles IV, both continued these policies. Charles IV, through a convenient marriage to Ann of the Rhineland Palatinate, gained the additional territory of Lower Lusatia in 1368. In 1373 he purchased Brandenburg for cash.

Now about Silesia. In February 1327, King John took over Upper Silesia by force. This was the first annexation of this territory to the Czech state. Later Lower Silesia was acquired, with the exception of the principalities of Javor and Svidnice. King Charles acquired these two principalities based on a prior agreement in 1368. Through these actions of the Czech kings John and Charles I the Czech state became a superpower for a second time.

The Treaty of Bratislav ended the Austro-Prussian War on 11 June 1742, in the reign of Maria Theresa. This treaty gave the Prussian king, Frederick II, all of Lower and Upper Silesia, the Kladsko earldom, with the exception of the Opava and Krnov, small parts of the lower principality (Frywald) and the Ratibor area (Bohumin) and the entire Tesin principality. The Czech state thus lost a rich, highly industrialized territory and had its size reduced by one third. On 15 February 1763 the Seven Years War ended (it had begun in 1757). Queen Maria Theresa again affirmed the validity of the Peace of Bratislav. This ended the war over the Czech heritage.

On 21 December 1867 the non-Hungarian territories received a new constitution (the so-called December

constitution) which gave them the new name "Kingdom and Lands Represented on the Imperial Council." This applied, therefore, to Silesia.

There was a second period of reduction in the size of the territory of Silesia, when an independent Czechoslovak republic already existed. A conference of ambassadors decided on 28 July 1920 to divide up Tesin. Its larger and more populous half was given to Czechoslovakia so that the Kosice-Bohumin railway line, which connected Prague with east Slovakia, could remain on our territory. Part of Tesin was given to Poland in return for this railway line.

Silesia has accompanied us from the time of John of Luxemburg, with its subsequent tragic size reductions, to the present day. Its fate has always been connected with the fate of the Czech state and, later, with that of Czechoslovakia. In view of this historical evolution, and even though only Opava and Tesin, reduced still further by the 1920 agreement, remain from a much larger territory we need to take more of an interest in this area both now and in the future.

HUNGARY

Direct Election of President: Background Politics

25000685A Budapest HETI VILAGZDASAG
in Hungarian 10 Mar 90 p 74

[Article by Endre Babus: "Parliamentary Summary: the Last Tango?"]

[Excerpt] From time to time an odd cast played roles at last week's National Assembly session. While the Free Democrats [Alliance of Free Democrats—SZDSZ] took note of the government-initiated continuation of the mortgage interest tax as a constrained economic measure, in the heat of the election campaign a leading member of the socialist faction demanded that the Council of Ministers abolish not only the mortgage interest tax, but also provisions which call for higher residential rental fees. Despite this fact, the relationship between those in power and the opposition was not at all idyllic, particularly not after an SZDSZ representative urged politicians who were aware of the Duna-Gate case (Nemeth, Horn, Pozsgay, Szuros) to retire from their political careers. It seems however, that some Hungarian Socialist Party [MSZP] leaders aspired for the chair of the president of the republic instead of retiring, and their chances of accomplishing this appear to be better than negligible, since last week Parliament enacted a law which provides for the election of the president of the republic by popular vote.

The Hungarian National Assembly last Thursday took revenge on its political rival, the "shadow parliament," that functioned for three months during the summer of 1989. The provision of the republican constitution that was developed at the political conciliatory negotiations to which representatives are most sensitive was changed:

Thus, (following the parliamentary elections) the head of state will be elected directly by the people, and not by the new Parliament. The constitutional amendment was approved by a huge majority (309:10). It is obvious that the vote manifested the insult that was suffered, and the spite that was felt by some representatives as a result of the emergence of the new power center—the national triangle—and subsequently by last November's popular referendum organized by the radical opposition. In any event, with its decision concerning the presidential elections, the National Assembly accomplished the same as what a majority of the representatives accused the SZDSZ and the Association of Young Democrats [FIDESZ] of doing: It upset the trilateral agreement of 10 June 1989, according to which fundamental political issues would be decided only on the basis of negotiations with the parties after that date.

Simultaneously, Parliament also violated the agreement reached at last December's national summit, in which it obligated itself to manifest self-restraint until the parliamentary elections, and pledged that it would restrict its functioning to a few issues that cannot be delayed (HVG 16 Dec 89). Virtually the opposite took place. At its final ordinary meeting—the plenary session of 14 March is slated to be a ceremonial meeting only—the legislature elected in 1985 engaged in an actual race to legislate. Some representatives used this opportunity to clear as many as possible of the compromising rejects produced in the past, while others tried to present demands to Parliament which would increase their political stock in the election campaign.

The constitutional provision requiring the popular election of the president was probably the last effort to help a leading figure of the present political course to acquire the modest authority, but representative dignity of the head of state, allowing their party to remain at least a seemingly influential factor in Hungarian public life. This assumption appears to be supported by a recent report produced by the Hungarian Public Opinion Research Institute. Despite the gradual loss of authority by the MSZP, the socialists continue to be able to parade the most popular personalities. As of early February the sequence in the political top list turned out as follows: (1) Horn, (2) Nemeth, (4) Szuros, (7)-(8) Pozsgay, according to the report. Obviously, it was no coincidence the the present leaders who are striving to become head of state—Pozsgay, Szuros, and Kulcsar—wasted no time in welcoming Parliament's decision. It so happened that the measure was proposed to representatives by Zoltan Kiraly, the runner-up politician in the presidential contest who is presently in third place. Responding to an HVG question, the Szeged representative said that he had no intention of fighting for the presidential post in 1990, nevertheless it is conceivable that he would do so four years hence.

But even in this way the situation is rather touchy from a political standpoint. While the two most influential opposition forces, the Hungarian Democratic Forum [MDF] and the SZDSZ, continue to support the idea that

the head of state should be elected by Parliament (Miklos Tamas Gaspar termed the contrary action by Parliament an outright coup), the idea of a presidential election based on popular vote was lobbied for by Kiraly, a member of the MDF faction. The resultant vote makes it apparent that this took place to the greatest satisfaction of the MSZP bloc in Parliament. The HVG reporter asked Kiraly: "Don't you think that the new Parliament will view the present decision as the old party-state parliament's power salvaging effort?" Kiraly's response revealed that according to him it would be inconceivable for the new National Assembly to produce the two-thirds majority needed to restore the institution of the indirect election of the head of state by Parliament. Undoubtedly, there may be some truth to Kiraly's view, particularly if we consider how divided the MDF faction was in regard to this issue. At present it has only seven members: Erno Raffay and Attila Zsigmond supported Kiraly's initiative, while Gabor Roszik and Gyula Marx voted against, and Jozsef Debreczeni and Gyorgy Banffy abstained. [passage omitted]

Smallholders Party Chairman Interviewed

25000685B Budapest HETI VILAGGAZDASAG
in Hungarian 10 Mar 90 pp 72-73

[Interview with Vince Voros, chairman of the Independent Smallholders, Agricultural Workers, and Citizens Party [FKgP], by Florian Mezes; place and date not given: "A Small Large Party"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The Independent Smallholders trust that their hoped-for coalition partners—primarily the Hungarian Democratic Forum [MDF] and the Christian Democratic People's Party [KDNP]—will accept their concept that the settlement of land ownership must be accomplished on the basis of the 1945-47 land distribution. Vince Voros (age 79), the chairman of the largest postwar party, the FKgP, believes that his party will be among the five largest parties in the new parliament, meaning that they could be considered as partners in a coalition.

[HVG] Several other parties in Hungary regarded the distribution of land requisition forms initiated by the Independent Smallholders as a mere election tactic. Whether this is stated or not, in plain terms you are being accused of not even thinking about returning the land to the previous owners based on the 1947 land distribution, and that your demand amounts to no more than an election trick.

[Voros] I do not know why they are saying that, because we would by all means like to restore land proprietary conditions based on the 1945-47 distribution of the land.

[HVG] The accusation gains some foundation as a result of the fact that it is likely that the Smallholders will not emerge as the winners in this election, as they did a long time ago, but will be seated in Parliament as a relatively

small party instead. In other words, you will have no opportunity to enforce your will, and you are aware of that.

[Voros] This is our only chance of enforcing this demand. We live among peasant people, and we are aware of the fact that the desire to acquire or to reacquire the land is very much alive in the minds of people in the countryside. The power conditions in the future Parliament—whether or not we can realize our concept—are yet another matter; in any event, however, this is our goal.

[HVG] It seems that the only chance you have in Parliament of realizing your concept is to establish a coalition with other parties. With which parties could you perceive a coalition?

[Voros] We trust that we will be among the top five parties. If we were to succeed in this, we would likely enter into a coalition first of all with the MDF and with the KDNP, perhaps with the Free Democrats [Alliance of Free Democrats—SZDSZ], and with the Association of Young Democrats [FIDESZ].

[HVG] None of the parties you enumerated would accept your "1947" concept. This, in turn, means that you could enforce this idea in a coalition only with difficulty.

[Voros] Indeed, all of these parties hold different views, but we will try to negotiate on the basis of power conditions, and I believe we will be able to do so. I feel that they are unable to accept our concept due to misunderstandings. Only those persons who make a living from the land can understand the significance of our concept, and our greatest support exists in the countryside: the agricultural workers, individual entrepreneurs, and cooperative peasantry. This is why we developed our position most thoroughly relative to the land. In our view, historical justice demands that the land that was given away in the course of the 1945-47 land distribution be returned to those who owned the land at the time, or to their descendants. Since then, of course, many have died without leaving successors, and there is also state-owned land. These should become public property, to be distributed among those who were unable to requisition land between 1945 and 1947, because, let's say, they were deported, were prisoners of war, or are among those working in cooperatives but do not have ancestors who owned land but would like to farm. As we see it: If we present the details of our concepts, representatives of other parties will be inclined to adopt this solution. Most recently, for example, I attended a joint meeting with a FIDESZ person. At the outset he was very much against the idea, but he manifested more understanding once I explained to him what we had in mind.

[HVG] At the 10 February grand rally in front of Parliament you stated that the sty must be filled with animals, and plants must grow in gardens. It is hard to

believe, however, that this would come about as a result of a magic word, even if that land is owned by an individual.

[Voros] Nothing is needed but land ownership. Actually, large plant farming in its present form has gone bankrupt, after all, 600 of the 1,200 cooperatives are insolvent. Large plant farming has also destroyed the animal stock; there are hardly any animals in the villages, and this may also threaten a food shortage. The great leaders of cooperatives pocket premiums, while the membership receives nothing. At Baksa, not too far from where I live, they wanted the members to vote for a 900,000-forint premium to be paid to the leadership, while they would have received nothing. They let the leadership go. With regard to small peasant estates, the situation is entirely different; a similar situation cannot occur because in those places the outlook of an owner is alive. On the other hand, individual farmers do not raise animals because the price of feed is at an inconceivably high level. Such farmers could produce the needed feed on their own land, and then they would once again raise animals.

[HVG] Feed would hardly cost less than it does today if the land were to once again have value, and that price would become part of the price of feed.

[Voros] Land value would not become part of the price of feed if the farmer were to produce feed on his own land, just as he would not establish his work time as eight hours. He would work as much as is necessary to satisfy the needs of his farm.

[HVG] But not everyone would own land, and not everyone would cultivate the land, not even those who had ownership rights. They would only draw compensation—a leasing fee—from the land. Do you have data concerning the number of people who would want to cultivate the land once again?

[Voros] We do not have accurate figures; we have not yet summarized the land requisitions we received. But this much is visible: Several hundreds of thousands, a million people, would want to cultivate land. Quite naturally we do not believe that everyone in Hungary would become a smallholder overnight. We count on a gradual transition, and for this reason we do not intend to disintegrate today's cooperatives, particularly not the special purpose farms, for example the one at Babolna, because the farmers will experience great need for sowing seed and for the development of hybrid species. We feel that the outlook will slowly change if people see that it is worth pursuing individual farming, and that an increasing number of people will want to do so. And we are not just thinking in terms of production, but also in terms of sale. Under the aegis of the Peasant Alliance we want to establish a voluntary marketing farmers cooperative. This cooperation would exist on an entirely volunteer cooperative basis; the cooperative would pursue only interest representation. As a result of such cooperatives

we could eliminate the middleman mafias and the commercial chain, and a situation would not occur in which agricultural products are sold in stores at multiples of the buying-up price.

[HVG] Land ownership here, marketing cooperative there—the situation is that those who want to farm have no capital to start with. After all, the cultivation of land requires machinery, and animal husbandry requires a sty and stables. From what money would they create all this?

[Voros] In our view the state would have to contribute to the start. As far as we are concerned, we would like to put together a Farmers Bank. It would operate with foreign capital, and would grant long-term loans to the new starters, and would lease farming equipment. And the investments would have to be tax-free for a year or two.

[HVG] In what way would the state participate in the subsidies?

[Voros] According to our concept, part of the budget would have to be committed, after all, subsidies provided to cooperatives came from that source. I would not be able to tell accurately in what form this would be realized; this matter must be developed jointly with the new government. I will tell you frankly that we did not develop a specific concept for this, because we felt that doing so would be irresponsible. Many parties say that they have a ready-made, ready-to-implement plan for this case, once they become part of the government. I would never dare to make such a statement, because we cannot tell how the power conditions in Parliament will evolve, and which ones of today's concepts may be realized and how. As far as I am concerned I regard these "ready-made plans" as elections tactics.

[HVG] Do you have perceptions only, or promises with regard to the foreign capital share?

[Voros] The World Bank has indicated that it would gladly participate, provided that the money is spent on developing the food industry. We have not yet discussed amounts. Food industry development coincides very well with our perceptions, because it is part of our program to establish and develop the local food industry, all the way to the final stages of processing.

[HVG] This would be needed even more so because more than just peasants live in villages, moreover, the peasants are not even in the majority. What will happen to the stratum whose chief problem is commuting, and the industrial and service work performed in other settlements? How do you want to win over those who are not smallholders, in addition to establishing jobs for them?

[Voros] We concentrate primarily on the land, therefore in the case of small entrepreneurs, members of the intelligentsia, small tradesmen, and the village working class we accept the relevant recommendations made by the rest of the parties, insofar as those agree with our perceptions and plans.

[HVG] The Independent Smallholders want to become a national party. For a party of this kind, however, it is not sufficient to deal only with the land, because there are problems in Hungary which affect millions, and which must be addressed by every organization. To mention just one example: About 2 million pensioners live here in poverty or at the threshold of poverty.

[Voros] According to our perceptions, every pensioner must receive at least the existential minimum, always adjusted to inflation. This could be covered by reducing the large pension payments. Those who enjoy those large pension payments receive those undeserved, irrespective of the size of pension payment.

[HVG] What do you regard as a large pension payment?

[Voros] Pension payments in excess of 20,000 forints. Here we do not include those who deserve an even higher pension payment, because they worked for it; we do not include here the miners and the scientists, who do not receive their pensions without merit, regardless of the size of such pensions.

[HVG] But then, how will you define the group which draws high pension payments? What will you do, let's say, with the enterprise president, when one cannot tell whether his plant which was profitable for years was really profitable, or if profitability presented itself only in the framework of the distorted pricing system, or in the reverse?

[Voros] The matter of who is and who is not entitled to a high pension must be examined individually.

[HVG] One could not imagine an individual "examination," of everyone's accountability. And what is more important: This would be extremely humiliating, particularly to those who "deserve" a high pension payment.

[Voros] Quite naturally, we rule out the idea of holding, for example, every miner individually accountable. We are talking about those who held state and political positions.

[HVG] This would catalyze such a huge wave of complaints, for which there has been an example in Hungary in different cases, but perhaps it would not be beneficial to nourish the grounds for this kind of reporting.

[Voros] This threat indeed exists, and it must be prevented somehow. Lawyers and professionals are working on the issue that no one should be harassed superfluously, so that the holding to account should not turn into a witch hunt, and so that justice will prevail more than it has thus far.

[HVG] Parties are tied to each other or are separated not only by programs, but also by the relative security of the grounds they hold, by unity within the parties, and by the possibility of confronting the threat of schism within the party. The Smallholders once broke up into a National and an Independent Smallholders Party, and at present the threat of another rift is emerging as a result of your

dispute with Jozsef Torgyan, one of your chief functionaries. Allegedly you wish to exclude him from the party.

[Voros] The Smallholders Party did not break up. A few persons left the party instead, and they present themselves under the name "National Smallholders Party." In our view they have no right to do so: We initiated legal proceedings so that they are barred from using the term "smallholder"; we lost the case in the first instance, but we hope that we will win on appeal. True, this will not take place before the elections. The other matter has nothing to do with this; excluding Jozsef Torgyan from the party is out of the question. The issue here is that his statement reflects his private view, and did not coincide with the direction followed by the party. He must account for that, but in his case exclusion or revenge is out of the question.

[HVG] Accordingly, does party discipline have to exist?

[Voros] Of course it does. We will initiate disciplinary proceedings if a person does not want to, or is unable to adapt himself to the party line. There may, of course, be differences in individual views and expressions, nevertheless party members must represent the general party line; unity must be established in this regard.

[HVG] This is hauntingly similar to the communist perception. Are you not bothered by this similarity?

[Voros] Everyone has his own opinion, and no one should be restricted in this regard. On the other hand, it must not occur that a person consistently expresses views that are contrary to the party line.

State Secrets Versus Freedom of Press Clarified

25000685C Budapest NEPSZAVA in Hungarian
6 Mar 90 p 5

[MTI report: "What Qualifies as a State Secret—Briefing by Deputy Interior Minister"]

[Text] Deputy Interior Minister Sandor Ilcsik provided information concerning the relationship between the freedom of the press and state secrets. The briefing took place on Monday [5 March] at the National Association of Hungarian Journalists headquarters. Ilcsik said that in conjunction with the discontinued internal counterintelligence service the press revealed information regarding secret service work as a whole, as well as details of such work which should have been kept a secret based on considerations of state interests. At the same time he acknowledged the fact that although the 1987 decree having the force of law concerning state secrets and service secrets is obsolete, one must not disregard it because it is presently in force.

Relative to the issue of why the Budapest police chief filed a complaint against former state security officer Istvan Bajcsy, the deputy minister cited the legal provision according to which a person aware of a violation of state secrets has a duty to file a complaint. He noted,

however, that in his view no severe sentence may be expected, due to political reasons. Thus, the filing of a complaint is primarily to establish a precedent, and its purpose is to prevent the publication of additional data pertaining to secret service work, contrary to state interests. He added that they indeed destroyed between 80 and 90 percent of the secret service documents, but no one can be certain of whether secret data still remained in the possession of former officers assigned to the internal security service.

The deputy minister fielded several questions concerning Prime Minister Miklos Nemeth's announcement in Parliament last week, according to which an attempted coup was revealed to him by an unknown person early last November. In this connection, Ilcsik expressed his opinion that the prime minister was not prompted by political reasons to discuss this matter. At the same time, in Ilcsik's view, among the reports prepared by the internal security service there is only a single document which deals with a presumed left-wing effort to organize. It was written in December.

Parties on Soviet Troop Removal: Details of 5 March National Summit

25000685D Budapest NEPSZABADSAG in Hungarian
6 Mar 90 pp 1, 5

[Report filed by Attila Gy. Fekete, Tibor J. Keri, and Lajos Pogonyi: "No Agreement on Pace of Troop Removal"]

[Excerpts] [passage omitted] Relative to the first agenda item, Jozsef Antall of the Hungarian Democratic Forum [MDF] explained that his party supports peaceful transition, and that a joint stand must be taken against extremist manifestations. As far as Soviet troop removal is concerned, the Paris Peace Treaty must be regarded as one of the legal bases for such action. In the MDF view, an agreement should not be consummated if the government does not succeed in accomplishing troop withdrawal within three months from the date of signing the agreement. [passage omitted]

Tamas Nagy from the Agrarian Alliance said that [passage omitted] this government should not reach an agreement at all with regard to Soviet troop withdrawal.

Social Democratic Party [SZDP] Chairwoman Anna Petrasovits said that her party was not interested in peaceful salvaging, but that it wants to play a constructive role in peaceful transition. [passage omitted] Hungary's unilateral abandonment of the Warsaw Pact is not an acceptable way to accomplish this, and Hungary's neutrality is the function of an agreement reached by the great powers, Petrasovits continued. [passage omitted]

Christian Democratic People's Party [KDNP] Chairman Sandor Keresztes said that [passage omitted] the withdrawal of Soviet troops has been a long-standing desire of the Hungarian people, and that in this regard he agreed with the MDF position. [passage omitted]

Independent Smallholders Party [FKgP] Chairman Vince Voros said that he shares the position taken by the MDF and the KDNP.

Tibor Szabo [Entrepreneurs' Party] said [passage omitted] that the removal of Soviet troops should commence at the earliest possible date, as soon as technical conditions permit.

Dispute Over Deadline

Viktor Orban [Association of Young Democrats—FIDESZ] said [passage omitted] that it would be more appropriate for the Hungarian Government not to reach an agreement regarding Soviet troop withdrawal. As far as FIDESZ is concerned, Orban regards the agreement to be signed by the present government as acceptable only if the last Soviet soldier is withdrawn from the country by 16 June 1990.

Rezso Nyers (Socialist Party) [MSZP]: [passage omitted] With regard to Soviet troop withdrawals he said that the MSZP accepts the MDF position in principle, but it is not appropriate to insist upon rigid deadlines. The timing of Soviet troop removal must not become a subject of discussion in the election campaign. [passage omitted]

Prime Minister Miklos Nemeth [passage omitted] said that the Hungarian Government has conducted intensive negotiations concerning the full removal of Soviet troops for the past two years. Consistent with a decision reached by Parliament in February, it is the duty of the government to continue negotiations, and to conclude them. There is only one disputed issue between the Soviet and Hungarian sides. Soviet authorities would remove combat units by 30 June 1991, while technology and other materiel would be removed by 31 August 1991. In contrast, the Hungarian side maintains that full removal must be accomplished by 30 June 1990. In Nemeth's view the new government would not be able to reach an agreement regarding an earlier date. [passage omitted]

One Minute Remarks

[passage omitted] With regard to Soviet troop removal [Keresztes], the KDNP leader said that his party is not satisfied with the 30 June 1991 deadline suggested by the government. [passage omitted]

Tibor Szabo offered the Entrepreneurs' Party's help in accomplishing the earliest possible removal of Soviet troops. They are prepared to help withdrawal with the 45,000 personal cars and trucks they own.

FIDESZ Proposal

Victor Orban called attention to the fact that originally they understood that Soviet troops would be withdrawn from the country prior to the end of this year. At the same time, in his view, there is no legal basis whatsoever for stationing Soviet troops in Hungary. Therefore, FIDESZ does not regard an agreement intended to be

reached by the government as binding upon FIDESZ. On behalf of the MSZP, Csaba Hamori said that his party was interested in the negotiations; on the other hand, he was not able to determine whether membership in the Warsaw Pact legitimized the stay of Soviet troops in Hungary. [passage omitted]

With regard to Soviet troop removal, SZDSZ' Peter Tolgyessy said that one should learn the arguments presented by the other party; why would it take so long to remove the troops? [passage omitted]

Prime Minister Miklos Nemeth made an offer to the effect that the leaders of the Hungarian delegation involved in negotiations are prepared to inform the party leaders of the government's position regarding troop removals. [passage omitted]

Thereafter Victor Orban recommended that the parties adopt an agreement that they will not support the consummation of an agreement prior to the elections. They would waive this agreement only under one condition—if troop removal is accomplished by 16 June. A brief debate ensued with regard to this matter; in reality every party voiced the importance of negotiations and the setting of the earliest possible deadline. Miklos Nemeth presented a compromise proposal by which representatives of the government would present to the parties the results achieved thus far, and he proposed that the 12 parties meet again. At the same time he called attention to the fact that originally they had initiated bilateral negotiations with the Soviet government, and therefore an agreement would also have to be reached with regard to whether the other negotiating side would be willing to agree to draw into the discussions the representatives of parties. Jozsef Antall then suggested that the parties meet again at 0900 hours on Wednesday morning, because in his view the various positions concerning troop removal are not so far apart. [passage omitted]

National Guardsmen Association Reestablished

25000346E Szekszard DATUM in Hungarian
14 Dec 89 p 12

[Announcement: "Call of the National Guardsmen Association"]

[Text] We are alive again!

On this occasion we greet everyone with patriotic love and friendship.

Until now we have always been born in battles, now we are reborn for peace. For the service of a peaceful life.

Accordingly, it is not power we want, but to serve peace, order, tranquility, progress, and the constitutional state of the Hungarian people.

Without arms! Because that is also possible!

Therefore, we invite all those to join us who profess as their ancestors the national guardsmen of 1848 and 1956 who then, too, served their country and their people.

We repeat: Our invitation is for peaceful service, for tomorrow, and this task is a hundred times more difficult than fighting again with arms would be. Defending peace is a thousand times greater than violating it; healing a wound is greater than inflicting it.

We will speak with you again about our further goals and tasks.

Everyone is welcome!

National Guardsmen Association, Budapest, X. Nep-
liget, Jurta Szinhaz [City Park, Yurt Theater]

Postal address: 1399 Budapest, P.O. Box 629

Tolna County address: Geza Vikor, 7144 Decs, Fo utca
[Main Street] 10

POLAND

Media Explosion: New Times, New Titles, 600 Registered

90EP0429A Paris LE MONDE in French 15 Mar p B13

[Article by Annick Cojean: "Renaissance of the Polish Media: 600 New Newspapers in Five Months"—first paragraph is LE MONDE introduction]

[Text] Without waiting for the abolition of censorship and despite the running inflation of paper prices, the Polish press is living a revolution. Underground newspapers are being published openly, while publications with a precarious future are increasing in villages, schools, and companies. Six hundred new newspapers counted in five months.

Censorship in the Polish press is officially living its last days. Within a few weeks, the feared Central Office for the Control of the Press, Publications, and Show Business will be dismantled. A succession of authors, editors and newspapermen, who had come to solicit the necessary permission to publish their work, passed through its unadorned offices located on Mysia Street, in Warsaw. A law being prepared in Parliament will decree its abolition. It will proclaim the freedom of expression without preliminary control and will put an end to years of drastic censorship and manipulation of the news. A young Karkow writer commented: "The disgusting beast will disappear, decried by a people unwilling to accept the gag which democracy has totally removed."

Censorship has been defeated. It was defied for a long time by the resistance and the vitality of an exceptionally strong underground press, a breeding ground for talents and a ferment for debates. It is now being disparaged by a flood of hundreds of newspapers of all types and sizes which are feverishly rounding up, censorship or no

censorship, all of the country's photocopiers, Roneographs, and printing presses.

The other day, Piotr Rachtan told the director of a printing house, who was demanding the control visa before she would accept for publication his No. 0 bulletin on the Polish economy: "Censorship? No knowledge of it!" "Censorship, I could not care less!" was the response of this young female journalist of GAZETA WYBORCZA, the daily newspaper linked to Solidarity, which has, since it was launched a year ago, dynamized the Polish press, but has to accept the daily humiliations of the censorship establishment. "Censorship?" The young boy burst out laughing while hiding a bundle of leaflets, printed on both sides, under his parka to protect them from the snow. "Ah! That would be the last straw if it were to interfere! If you think it is easy, even without it, to publish a newspaper for secondary school students..."

Taboo Subjects and Self-Censorship

Yet, and contrarily to what happened in other Eastern countries, the new government did not abolish censorship in Poland upon being installed. Henryk Wozniakowski, the government spokesman, explained: "The reason is that we are not operating within a revolutionary process, but within a legal government. We like neither sensationalism nor window dressing. Things are therefore being done gradually, by respecting procedures and the law. In many ways, the situation is unprecedented. We had to have time to study the best way to give back their independence to the editors of the publications previously held by the Communist Party and to abolish censorship while establishing the principle of the legal responsibility of newspapers."

The debate has shifted. A priori control is out—the new publications will simply have to declare their existence—and a posteriori control is in. It is desired by a government which intends to allow the seizure of newspapers the moment it appears that they contain "traces of violation of the laws governing the press." That is sufficient to start the debate going once again. What constitutes a violation of the laws governing the press? On what criteria will a public attorney base its indictment? Is this not a more hypocrite attempt to camouflage censorship? Barbara Labuda, a deputy from the Solidarity group, suggested wisely: "To punish abuses against the freedom of expression, let us therefore be satisfied with using again the dispositions provided in the civil codes of civilized countries." But some people do not seem ready to accept such a liberal legislation. A member of the democratic left warned: "A single word can kill. Not mentioning pornographic publications and those which debase culture!" Adam Michnik, a deputy and the director of GAZETA replied: "Let culture defend itself! It is not up to the censor to do it in its place!"

For the time being, impoverished and anemic Poland is living an incredible press revolution. No day goes by

without a new publication making its appearance on the newsstands. Towns see burgeoning small local suburban or neighborhood sheets: Villages acquire their own Roneograph to enable them to publish their own bulletin; parishes and various communities now have their liaison publication, not counting businesses, universities, secondary schools, and not forgetting jazz amateurs, taxi drivers, movie buffs, and poets' circles... Stefan Bratkowski, the president of the renascent Association of Polish Journalists acknowledged: "It is incredible, madening, and magnificent. I had foreseen the arrival of close to 500 publications within a year. I have counted 600 in the space of five months... The press is not taking its cue from tragedy, but from hope, energy, and renewal; just like the Far West in the good old days of the new frontier; or in France, after World War II. There is such a need for expression!" Stefan Bratkowski has therefore prepared a 'B.A.-B.A.' [basic, as in learning the alphabet] manual for use by these new entrepreneurs—who very often are amateurs dreaming of becoming professionals. After all, did not the underground press also have its small reference book, "The Little Clever One," which explained how each honest citizen could be made into a perfect printer with the aid of a stencil, an inked piece of flannel and a rolling pin. All biographical data are now published in local sheets which do not hesitate to call on the memory of old timers. In Witkowo, a small village of 2,000 inhabitants, the director of GAZETA WITKOWSKA—journalist, model maker, and salesman—asserts that he is distributing 2,000 copies every week. Stefan Bratkowski declared: "Professional journalists better watch out. These amateurs are overflowing with energy and ideas."

Yet, the Poles still want something else. Enchanted with the impetuosity of the local initiatives, which they support as best as they can and according to their means, they expect their press to open even wider the windows to the world; to speak about other countries; to tell about the difficult changes in Central Europe; with voices other than that of their minister of finance, to explain the economy during evening TV programs. As a Wroclaw female bookstore owner declared, tired of "having to decode basic articles" and impatient for a "reconciliation" with their media, they now demand more independence.

Mieczyslaw Gill, deputy to the Krakow City Council acknowledged: "That is the most difficult step. But it is essential. We must find once again the roots and reflexes of journalism; emphasize the training of young reporters; and abandon definitively the idea that a newspaper must deliver a message and be a driving belt. But who, in this country, knows how to be anything but an activist journalist?" GAZETA WYBORCZA? Its journalists believe so, who through the quality of their articles, have made their newspaper a required reference for the profession. "GAZETA WYBORCZA is the first private newspaper to be financed 10 percent through advertisement and 90 percent through sales, and we are independent," asserted Ernest Skalski, its editor-in-chief. "We

support the Solidarity government, but we are not afraid to publish letters from the readers, which are very critical of its policy..." The statement brought a smile to a female journalist: "It is up to the readers to be critical... As for the journalists, they can't quite bring themselves to be so. There are a few taboo subjects and traces of self-censorship. Years of propaganda cannot be wiped out in one day! Recruiting is today one of the most difficult thing to do."

It is Mieczyslaw Gill's problem in Krakow; he is in the process of putting together the editorial staff of a new daily—CZAS (The Time). "There are the professional journalists ready to act toward this government with the same docility as they previously showed to the Communists. Then there are the amateurs from the underground press, who have a ready activist pen and, often, approximate information... It is not simple." But recruiting is only one of numerous problems that Gill is encountering today, as do all those who want to launch independent publications. Financing, printing, distribution. He stated: "Not everything has been resolved, even if we hope for the support of small shareholders. Outside support would have been welcomed on the condition that it remained a minority party, but the Hersant group, for one, bluntly wanted to take over the title..."

J. L. Servan-Schreiber and GAZETA BANKOWA

Michel d'Ornano who, being of Polish origin, speaks Lech Waleza's language perfectly, has been traveling to Poland more often over these past few months. Nothing has yet been achieved, he declared on the day the group's radio station in Krakow was inaugurated. But the rumor in Warsaw is that he has signed an agreement with the monthly RES PUBLICA, to publish, in the near future, a daily paper to be called l'OBSERVATEUR. News travel fast in the press world. When Ruppert Murdoch came to spend a day in February, all the editors wanted to meet him, as they were curious to know whether he had come for rotary presses or television. No sooner was Robert Maxwell's visit to Bucharest announced that people inquired about the date of his next visit to Warsaw. As for Jean Louis Servan-Schreiber, who decided to open Eurexpansion—its European economic and financial information network already present in nine countries—in the East, he has already signed an agreement with the president of Zarzadzanie I Bankowosc for the joint running of the most influential Polish economic magazine, GAZETA BANKOWA. Moreover, it is the first time that the Polish law on "joint-ventures" [preceding word published in English] will be applied to the press. The weekly, which was launched in November 1988 and which distributes, each week, 22,000 16-page issues, hopes to take advantage of the French group's editorial contributions, marketing, and computer equipment and, in June, to double the number of its pages.

But the current euphoria conceals poorly the structural difficulties of Poland's press. Until now, the press was under control of the Communist Party through its tool, the RSW (Worker's Cooperative Publishing House), a

cooperative which practically held the monopoly for the printing, publishing and distribution of books and newspapers, and which is now showing signs of breaking up. In fact, the dissolution of the party got the better of the organization, which poses a real legal problem to the government. Is it possible to recuperate the personal and real estate property of the RSW? To give their independence to the various editorial staffs? To dispose of the equipment so coveted by others? A governmental commission is still making an inventory of the RSW properties, while experts are working on a report for a legal solution. Meanwhile, the printers have found their autonomy once again and are working headlong while former party newspapers, discredited and deprived of their former privileges, are losing ground one after the other. Some 50 of them have now disappeared, regretted by no one except for their staffs which are now unemployed. In fact, there is, currently, not a single publication which is not in the red. The liberalization of the paper market tripled the price of paper overnight and, within six months, it became 24 times as expensive. Rationing based on political criteria is now over—paper used to be allocated to each publishing house and each newspaper according to its docility. Here, the selection is through price. Newspapers, which now vie in craftiness to obtain paper outside of Poland (in Germany or Finland), are also working on circumventing the official, and costly, RSW distribution network.

However, who can predict what the fate of the Polish press in a year? How many publications will have collapsed? How many will have passed to foreign control? How many underground publications will have finally refused to make the switch to legitimacy?

A Solidarity deputy declared: "The media industry has to be rebuilt. The previous organization rested on totally artificial bases, with no connection to the demands of the readership. We owe to the underground newspapers alone the interest which today persists for the media. The others can die. In place of the traditional 'Workers of the world, unite', they can inscribe under their name the words, 'Workers of the world, we apologize.'" They owe it to their readers who were deceived for so long.

Formation of Anarchist Umbrella Federation Viewed

90EP0418A Warsaw KONFRONTACJE
in Polish No 2/25, 25 Feb-24 Mar 90 p 7

[Interview with Piotr Rymarczyk, activist in the Anarchist Federation and second year University of Warsaw sociology student, by Andrzej Papierz and Andrzej Mielnicki: "The Leadership Is Deteriorating"]

[Text] [KONFRONTACJE] What does it mean to be an anarchist in Poland today?

[Rymarczyk] It means to strive for the maximal expansion of individual and group freedom under our conditions. It's a question of having the government let people live and not interfere in their lives, not restrict them. So

we fight compulsory military service. We want to get rid of borders. As for communal freedom, we think that society should be organized from the ground up, based on all sorts of self-governing groups. Authority, both in towns and in the workplace, colleges, and schools, should be vested in the self-governing groups, and not in the government or any other sort of administration imposed from on high.

[KONFRONTACJE] Don't you sometimes confuse political doctrines? The syndicalists made the demand that self-government bodies be given authority.

[Rymarczyk] The difference between the anarchists and the syndicalists lies in the fact that the latter have demonstrated more the role of trade unions, while we think that the trade unions as such can just as easily be transformed into a bureaucratic structure. I think that Solidarity is a good example here.

[KONFRONTACJE] The fathers of anarchism envisioned revolution as the way to carry out their ideas. What sort of methods do you favor today?

[Rymarczyk] Most of the current anarchists, both in Poland and elsewhere in the world, reject the use of force. You can't force freedom on people. They have to reach for it themselves. So the revolution has to be based on the mass participation of the whole society. Therefore, it can't be adopted by the elite, because this would lead to rebuilding the government structure. For this reason, the syndicalists' idea of a general strike is close to us, a general action, as the result of which the society assumes authority in the country. If it's really a mass effort, then no governmental structure will be in a position to oppose it. This is the only way open to us, in no case a coup d'etat executed by an elite corps of revolutionaries.

[KONFRONTACJE] Don't you think that's unrealistic?

[Rymarczyk] We realize that this could be a utopia. But the partial changes we're striving for in the present situation should also be based on the participation of the interested parties themselves and not pacts with the authorities made by some sort of elite groups and a change in the order of things from on high.

[KONFRONTACJE] But after all, changes based, as you say, on the participation of the very people involved can conflict with one another. How can you reconcile them?

[Rymarczyk] Of course, in the short term special interests can win out, but everyone realizes that only a complete change in the structure and the creation of a new system based on cooperation can insure that all the groups' needs and aspirations will be met. At the present time people treat the government like a parent and demand that it give them nourishment. But this doesn't lead anywhere, until exploitation by state capitalists and private capitalists is done away with. The only way out is for the workers to take over the places of employment. Otherwise, we'll live in destitution and poverty.

[KONFRONTACJE] You people oppose parliamentary democracy, because the majority inflicts its will on the minority, which violates your sense of freedom. You're in favor of maximum decentralization, so the smallest possible social groups govern themselves, but ultimately, even in such a gmina, the majority will be inflicting its solutions. Besides, people are never all equal to one another. Let's note, for example, the various intellectual or practical possibilities ...

[Rymarczyk] There will always be some sort of division, but there's a big difference between having the state run by some small group without thirty-some million people having any influence on it and having it run by certain people who have distinguished them in certain situations but at the lowest level.

[KONFRONTACJE] Since you want to decentralize everything so much, why do you need a federation, or what is called an "interurban group," to head your movement?

[Rymarczyk] The Anarchist Federation is not a head. We're exploited by centralized structures, and so we can't fight the government at the neighborhood or plant workplace level. There are too few of us, and the struggle would be fruitless. This struggle must be fought on a larger scale, nationwide or even international.

[KONFRONTACJE] What is the origin of the anarchist movement in Poland?

[Rymarczyk] The first group in postwar Poland was formed in Gdansk in 1983. Its was the RSA, the Movement for an Alternative Society. The WiP (Freedom and Peace Movement) was formed in 1985, and part of the people from the RSA as well as anarchists from other cities became involved in WiP. In 1988 the Anarchist Interurban Group was formed as a Network of Positive Exchange [among anarchists]. Then in the summer of 1988 it turned into a federation, which includes various groups, such as the RSA, LAGA from Lublin, and several others.

[KONFRONTACJE] And what does a cross section of your movement look like in terms of the age and social situation of your participants?

[Rymarczyk] Our major support comes from school children and college students from families of the intelligentsia. Only in Gdansk are there several workers' groups. They don't belong to the federation, but they sympathize with us.

[KONFRONTACJE] Aren't anarchists more of a youth subculture, a form of protest, than a social or political movement? It seems to me that you could be put on the same level with punks, hippies, and skinheads.

[Rymarczyk] It's true we develop by answering back, but we don't want to be limited just to being provocative. We want to get beyond counterculture. It's probably going to

take a couple of years for us to be able to tell whether or not we're accomplishing our goals. The movement is just taking shape.

[KONFRONTACJE] You probably aren't being taken seriously for the moment. In this situation it's hard to convince anyone about your positions.

[Rymarczyk] That's true, but we hope that in time we'll force both the government and the mass media to start taking us seriously.

[KONFRONTACJE] Actions like the one in the Senate on 12 January? I hope that the police aren't the only people to take you seriously.

[Rymarczyk] It wasn't the Warsaw RSA that set up that demonstration. It was another group. Those people actually didn't break any windows themselves, but they also didn't do anything to stop the ones who did, because they thought that it was only through such provocative forays that the mass media would tell about our actions. I think that despite the fact that such actions actually do call attention to us, they do more harm than good. They provide support for the age old stereotypes of anarchists. What's more, people aren't interested in our slogans, just the broken windows.

[KONFRONTACJE] But do you realize that the 12 January demonstration took place at the very time that the Senate was discussing the possibility of cutting the budget for the Ministry of Internal Affairs and the Ministry of National Defense? You, who are calling for a reduced role for the government, and hence for the army and police too, could have been of great help to your opponents!

[Rymarczyk] In the long run support for the policy of a state in no way serves the cause of freedom. It's true that the present government, under the pressure of public opinion, is trying to reduce the role of the militia and the army in the life of society, but in the long run the consequence of the present government's policy will be to expand the influence of these institutions, as is well illustrated by examples of other countries in the Third World, to which Poland belongs. Where poverty and riches are side by side, great social conflicts arise, and in order to put them down the authorities have to use repressive forces.

[KONFRONTACJE] The views you present: rule by self-governing bodies and opposition to reprivatization, the influx of foreign capital, and unemployment, make you close to organizations like the OPZZ [All-Polish Trade Unions Agreement], RLP [Working People's Movement], and PPS-RD [Polish Socialist Party-Democratic Revolution]. Is there some possibility of getting cooperation going among you?

[Rymarczyk] There's a basic difference between the PPS-RD and the OPZZ or the RLP. The OPZZ and RLP are protesting poverty and reprivatization, but they aren't proposing anything in place of them. They're just

populist slogans. For them the thing seems to be to get their people into power. On the other hand, we share with the PPS-RD the concept of running things through a self-government, and we are working in concert with the PPS-RD.

[KONFRONTACJE] You're active. You do things, edit, write. What else? Don't you think it's possible to grow out of anarchism?

[Rymarczyk] Why should we? It's true that young people are probably more subject to radical ideas than older people, but that doesn't mean they aren't sensible. On the contrary, it seems to me that even when some people stop voting or implementing their views as they grow older, down deep in their hearts they consider them to be right!

Editorial Scores Rural Solidarity Parliamentary Leadership

90EP0409C Warsaw *DZIENNIK LUDOWY* in Polish
25 Jan 90 p 1

[Editorial by Jan Machynia: "Editorial: The Elite of Mr. Slisz"]

[Text] The Polish Peasant Party "Solidarity" (PSL-"S") comes from an anti-agrarian thesis, introduced by the left, which speaks about the conflict of interests of villagers. It has attempted, and not just recently, to divide the villages into better or worse, measured by the number of hectares and degree of mechanization. The famous exploits of Mr. Slisz and the company in Radom where the better candidate for a deputy's position, according to Mr. Slisz, was not a peasant, but a socialist, were therefore, not an accident.

Today as well, Mr. Slisz and Mr. Szymanderski and people like them prefer to go to self-government elections in the company of multicolored Citizens Committees rather than that of PSL and PSL "Rebirth." Coupled with this decision is the uncritical support for the Balcerowicz program, which has no consideration for the production interests of the village. The members of Mr. Slisz's party (the Marxist word, "partia," is more fitting here than the more traditional peasant word, "stronnictwo") also believe that this program does not hit the large farms, and this is probably the source of the subsequent declaration: "We must be the party of the village elite and not of the village bankrupts."

This is an unequivocal attitude and certainly consistent if we consider it against the plane of interests represented..., but, nevertheless, not the interests of the peasants in any case. If, however, we compare it to the realities of the Polish village, then it will be evident that the goals declared in this way are not consistent. Will the "better" villages ensure the gentlemen from PSL-"S" the election success of which they dream? Surely the colored representatives of peasant interests assume that there is such an advanced pauperization of the village that the

votes will be bought for a handful of flour during the period preceding the harvest.

But the Polish village and the authentic people's movement will work to avert such pauperization. PSL-"S" still has a chance to find its place in this stream.

Agricultural Policy Shift Urged To Stem Farm Sales to FRG Citizens

90EP0409B Warsaw *DZIENNIK LUDOWY* in Polish
30 Jan 90 p 1

[Article by Barbara Deregowska: "Under Discussion: Selling Land to Foreigners May Be Dangerous"]

[Text] Jozef Stanislaw Mrowka, a farmer from Strzyzow, Zielona Gora Voivodship, is the chief of the voivodship district office of the Polish Peasant Party "Rebirth" (PSL-"O").

Recently, increasing offers have been coming from FRG businessmen wanting to "support" our factories, cooperatives or even private farms. Many proposals are being accepted by Polish management and agencies that partially or wholly pass under foreign administration. This situation is promoted by liberal economic law and is universally considered to be an advantageous development that may save many impoverished Polish enterprises. However, I believe that the situation is not altogether favorable or altogether clear. Zbigniew Mierzwa, a PSL-"O" deputy, spoke about this specifically during the last Sejm debates, appealing to the government not to allow the sale of our national capital to foreign citizens.

The matter concerns agriculture as well. Wojciech Mojzesowicz, a PSL [Polish Peasant Party] deputy, brought up the problem of attempts of Germans to buy our fields and farms; he demanded that the government take a decided stand supported by a statute forbidding the transfer of farms to foreign hands.

Nevertheless, thus far the voices of the deputies on this subject have not been heard. The government has not taken any stand and the process continues. This is particularly threatening in the western parts of the country. German proposals there are coming especially thick and fast: Germans want to buy vacation homes in Szklarska Poreba or Lubawa, a furniture factory in Olszyn Lubianski or a farm in old Kamienica. At this time, in the name of deeply appreciated patriotism, farmers are refusing the offers, but when they are pressed, will they persist?

I believe that, first, the government should begin at last to apply an agricultural policy that would make the farmers not want to sell their land. And second, it should clearly define its position with respect to the proposals made by FRG citizens in the sphere of their buying out our national capital, particularly farm land. But most of all, this should not take place on the Recovered Territories. Silence is universally accepted by the farmers as

consent. Such practices may threaten the presence of the Polish people and Polish government in these territories.

New Office Directors Named for Customs, Social Security

*90EP0409A Warsaw RZECZPOSPOLITA
in Polish 2 Feb 90 p 3*

[Article: "Personnel Changes"]

[Text] The president of the Council of Ministers made the following changes with respect to office directors in the central offices:

At the suggestion of the Minister for Economic Cooperation Abroad, Brigadier General Jerzy Cwieka was recalled from the office of president of the Main Customs Office and assigned to the Minister of Internal Affairs. Tomasz Bartoszewicz was assigned the presidency of the Main Customs Office.

After consultation with the Chief Board of Directors of the Social Security Agency (ZUS) and the Minister of Labor and Social Policy, Zofia Tarasinska was recalled from the presidency of ZUS and Wojciech Topinski was assigned to take her place.

The premier thanked Tarasinska and Cwieka for the work they had done.

Tomasz Bartoszewicz was born in 1947 in Warsaw into a family of intellectuals. He graduated from the Moscow Institute of International Relations. He earned the title of doctor of political science at the Polish Institute of International Affairs. He is the author of many books in the field of international economic relations and international trade.

He began his professional work in 1970 in the Ministry of Foreign Trade. In 1975, he transferred to the Institute for the Study of Business Cycles and Trends where he directed the section analyzing world trends. In 1976-1980, he was the senior expert on international customs problems in the Main Customs Office. Subsequently he was selected to act as chief of the Independent Self-Governing Trade Union of Customs Workers, and when the Confederation of Autonomic Trade Unions was formed, he directed the experts' group. In December, 1981, he returned to work in the Main Customs Office. Since 1982, he has been working in the editorial office of RZECZPOSPOLITA. Since 1989, he has also served as advisor to the Minister of Economic Cooperation in Foreign Trade.

He is a charter member of the Secretariat of the Dialogue Group, "Consensus." He is not a party member; he is married.

Wojciech Topinski was born in 1948 in Warsaw into a family of intellectuals. He graduated from Warsaw University and has a master's degree in economics.

He began his professional career as a programmer in the Warsaw Electronic Computer Equipment Center. In 1972-1978, he worked at the Machinery Industry Management Institute as chief of the planning committee and specialist in organization. The following year, he was director of the information station at the BUMAR Institute of Construction Machinery; subsequently, he worked as an organization specialist with NSZZ "Solidarnosc" in the Mazowsze Region. In 1982-1984, he was regional inspector for CARE, the international organization for food assistance. In 1985-1986, he did canvassing, then acted as deputy director in Polish-foreign cooperatives, and has been director of a joint-stock cooperative since 1989.

He is not a party member; he has two sons.

ROMANIA

Petition Supporting Hungarian Instruction at University

*90EB0344A Budapest NEPSZABADSAG in Hungarian
20 Feb 90 p 3*

[MTI report: "We Are Firmly Determined To Reopen the Bolyai"—first paragraph is NEPSZABADSAG introduction]

[Text] Almost 50,000 persons signed the petition requesting and demanding the reopening of the Bolyai Hungarian University. This was reported in VALOSAG, published in Bucharest. In connection with this, the weekly newspaper of Hungarian workers in Romania published the speech of Kolozsvar University faculty member Sandor Balazs, delivered on 10 February in defense of instruction in the mother tongue and in the interest of reestablishing schools with instruction in Hungarian, including Bolyai University.

The speech, entitled "Patience—For Another 30 Years," recalls Ceausescu's statement made 30 years ago at a general meeting in Kolozsvar, at the abolishment of Bolyai University: "What do you need a separate university for? Why, we do not maintain a university for three Arabs either." In response to this, Sandor Balazs said, "This is how we, 2 million Magyars, became three Arabs in our own land, even though we came to this region not in cars with license plates 12-CJ (the license plates of cars used by Arab students studying in Kolozsvar—the Editor), but on horseback.

In the following he touches on the question "why are we impatient?" offering this answer: "The arms were still resounding here and there when we stated in our appeal entitled "Word of Summons" that we are firmly determined to reopen the Bolyai. Is this impatience? Why, we have been patiently waiting for 30 years for the time to freely state our intention, which we never renounced, namely, that we want to exercise our right, acquired by being born here, of getting an education at all levels in our mother tongue. We stated this earlier, too—but not

openly. Over a year and a half before the dictator's ignominious fall, our tasks for after the overthrow of the Ceausescu regime were outlined in KIALTO SZO, our samizdat national minority review, and, already then, the reestablishment of the Bolyai was included among our objectives. We are patient now, too; we are doing nothing hasty although we have cause for being impatient. We have been cheated twice already; we were promised great things in 1918 in Gyulafehervar—and they remained promises; Groza's pledges were no less in 1945, and we all know what became of them; in 1990 the National Salvation Front announced a similarly great minority program—we do not want history to repeat itself again this time.

"Why do you need an independent university?" we hear today the dictator's voice from beyond the grave, in the interpretation of certain colleagues of ours, "when you do not even have any traditions?" Dear Romanian friends, many of you are unfamiliar with our history and do not know that the seed for a university of ours already existed in Kolozsvar in 1579. And, to take a great jump in time, our modern university was founded in 1872 in this city of treasures. The long interruptions in between were not our fault. What we want is not a new university but the revival of the universitas [as published] of Kolozsvar—which has changed its name and form several times—and the continuation of its centuries-old traditions.

In reply to a question posed by the Hungarian Radio and an MTI [Hungarian Telegraph Agency] correspondent, Premier Petre Roman, at his Monday evening press conference in Paris, said:

The cultural and linguistic autonomy of national minorities is guaranteed in Romania. "In the past decade, the past half a century, there has been no such democratic standpoint in this regard as that in the 22 December statement," stated the head of government. He stressed that schools and universities with instruction in different languages do exist in Romania. Attempts are being made to create possibilities for instruction in the mother tongue. "There are people who want to stabilize the school issue, and this has elicited a response among both the Romanian and Hungarian population. In this sense I oppose forcible change," he stressed.

Ceausescu's Resettlement of Romanians Into Hungarian Areas

90EB0344B Budapest NEPSZABADSAG in Hungarian
12 Feb 90 p 3

[MTI report: "Data on Forced Resettlement"]

[Text] The weekly newspaper HET has published confidential documents, found in Marosvasarhely, on the anti-Hungarian actions of Ceausescu's dictatorship. In connection with this it published an interview with Andras Suto. The writer stated that a confidential report, found among the documents scattered during the days of

the revolution, is testimony to an astounding cynicism regarding one of the greatest resettlements of all times.

It is apparent from the information published in the weekly newspaper that Hungarians constituted 62 percent, and Romanians 35.8 percent, of Marosvasarhely's population in the official 1977 census. This ratio changed to 55.9:42.9 in early 1985, with the Hungarian minority still leading. On the basis of the clandestine and confidential data of the Maros County party committee's first secretary, which has now come to light, the Romanian leadership wanted to achieve a Romanian majority by 1990. For this reason it was proposed back in 1985 that in the subsequent five years the resettlement of 22,800 persons of Romanian nationality should be permitted into the "closed city." It is our historic happenstance that the revolution of the Romanian people and the national minorities, brought jointly to victory through a great sacrifice of blood, came in time, virtually in the 11th hour.

YUGOSLAVIA

Inaction of SFRY Presidency in Kosovo Scored

90EB0318A Belgrade NIN in Serbo-Croatian 11 Feb 90
pp 8-9

[Article by Milorad Vucelic: "The SFRY Presidency: Power Without Responsibility"]

[Text] One approach that we can take to the Yugoslav and Kosovo crisis and drama is to see it as a drama of power without responsibility. Yugoslavia's supreme body of government, which has power and every means of legal repression and defense at its disposal, appears in moments decisive to the country devoid of basic responsibility for suppressing the civil war in Kosovo and Metohija and thus also elementary responsibility for the country's destiny. There is no other way to explain the slowness, lack of resolution, hesitancy, and tardiness of the reactions of the SFRY Presidency in undertaking decisive government action to protect and guarantee respect for elementary human and property rights and freedoms in a portion of Yugoslav and Serbian territory—in Kosovo and Metohija.

At crucial moments, it seems, the SFRY Presidency is turned into the leadership of some optional alternative political group which mainly broadcasts moralistic and unconvincing appeals instead of actually doing something. More accurately, doing something that would be appropriate to the most important body of government and the supreme command of the Yugoslav Armed Forces. The will of the Yugoslav state today [omission in text as published] includes some mechanism for self-destruction which becomes inoperative only when the self-organized will of the people is activated over matters of decisive importance.

So now once again the necessary measures in Kosovo and Metohija have been taken by the Presidency of the

Yugoslav state only following pressure of the people and its unambiguously expressed will all over Yugoslavia, but particularly in popular assemblies in Titograd and Belgrade. When the mechanism foreseen and regulated in law for resolving critical situations fails, the essential source of legitimacy—the people—comes on the scene.

In spite of the explicit ban of the supreme body of government in Kosovo, as is well-known, there were demonstrations, strikes, and unrest which escalated into outright violence and terror on the part of separatists representing Albanian expansionism. While all this was taking place before the eyes of our own and the world public, and while refugees consisting of Serbian women and children were leaving Kosovo (about 2,000 Serbs and Montenegrins were evacuated from Kosovo) in the face of outright terror and a direct threat to their lives, Dr. Janez Drnovsek, president of the SFRY Presidency, was issuing [omission in text as published] with the real and drastic situation, seemed not only out of place, but also hypocritical.

Faced with the outright terroristic offensive of Albanian chauvinistic separatism, Drnovsek found it appropriate to receive a secretly elected delegation of the Kosovo Academy consisting exclusively of Albanians and including noted Albanian nationalists like Redzep Cosja, Idriz Ajeti, Gazmend Zajmi, and others. Thus, it is as though the Albanian separatists have indirectly been recognized as the authentic and legal representatives of the Albanian nationality, so that soon we perhaps can expect outright spokesmen for Albanian expansionist terror to be recognized by an act of capitulation as a party to negotiations to solve the problems in Kosovo and Metohija. Incidentally, there would be nothing strange in that, since even now those who openly advocate secession of Kosovo and Metohija from Serbia and Yugoslavia and the use of every means to that end, including even terror, are taking an active part in the official determination of the will of the Yugoslav Government.

Members of the supreme body of government have been persistently assuring the peoples of Yugoslavia [omission in text as published] which has already taken place anyway and which is happening at the moment, and those are altogether tangible signs and elements of civil war. Members of the Presidency like Bogic Bogicevic have in the midst of armed conflicts spoken quite neutrally about "separating the parties to the conflict," just as though it were a conflict between two opposing gangs, not a conflict of the official agencies of law and order with terrorists.

Not a single alternative organization, either in Kosovo or outside it, has found it appropriate to take the Serbs and Montenegrins under protection or at least to take note of the evacuated Serbian children who have fled Kosovo and Metohija in the face of terror and the threats of the Albanian chauvinists. Under the guise of peacemaking in the midst of an armed rebellion, a call has been made to "rescind the emergency powers," and "state terror" has

been proclaimed the principal cause to be blamed for all the troubles in Kosovo and Metohija. In the language of the "democratic alternative," use of the word "weapons" places an equals sign between the two forms of repression, the weapons in the hands of the terrorists and the weapons in the hands of the legal forces of law and order which are under the legal command of the federal government. The Kosovo "democratic alternative" and a segment of the Yugoslav "democratic alternative" are reacting by advocating a dialogue mainly by lifting their gaze from the bloody immediate reality, but they are immediately brought back to it when respect is to be paid in an organized way to the "Kosovo heroes" who have fallen in the fight for "Kosovo a republic."

There is, of course, not a single word to say, nor could there be, to justify or excuse any or any kind of abuse by the agencies of repression, nor indeed for exceeding the right and powers granted them. Every such case should indeed be investigated, and those responsible should be severely punished. But it should also be said that most of these abuses can be placed on the shoulders of the SFRY Presidency, which by its indecisiveness and irresponsibility has in many respects created the conditions of acute tension which resulted in drastic consequences.

The question also arises of how the obvious coincidence came about between the initiative of the "democratic alternative," which is led by such people as Ibrahim Rugova, and the demonstrations and escalation of the violence in Kosovo.

By all appearances, the SFRY Presidency was itself paralyzed and blocked by internal divisions (the balance is probably four-to-four), and, as we learn from Dr. Janez Drnovsek's full report in the Federal Assembly, forces of the YPA [Yugoslav People's Army] became involved in pacification of the Kosovo-Metohija situation "on the recommendation of the Federal Secretariat for National Defense."

For all these reasons, the statements of Dr. Janez Drnovsek were rightly rejected in the large protest meeting of the people of Montenegro "because of the obvious indeterminacy and indecisiveness in resolving the Kosovo Golgotha," and a demand was issued for his removal. Slobodan Milosevic in fact pointed directly to the problematical nature of the work and behavior of this top level of government, saying that "thanks to the support of anti-Serb and anti-Yugoslav forces...the SFRY Presidency had been tardy in making decisions appropriate to its responsibility for the integrity of its country, while the disorders had escalated." Now it truly is "left for us to clear this up and inform the public.... The SFRY Assembly must examine the content and position taken during those days by the various members of the Presidency."

Dr. Branko Kostic, president of the Presidency of Socialist Republic Montenegro, openly pointed to the drastic consequences of the paralysis in the operation of

that institution at the popular meeting in Titograd we have mentioned, saying: "We are afraid that betrayal of the country is involved!"

And Lieutenant Colonel General Andrija Silic, commanding officer of the Pristina Corps, said: "At one point, the people were wondering why units of the YPA did not come onto the scene. It is well-known that under the Constitution the Supreme Command, and this is the SFRY Presidency, decides whether and when units of the YPA will be used under such conditions. In this case, it took several days for that decision to be made...."

The fact that even after the position was adopted in the Federal Chamber of the SFRY Assembly that "attempts to forcibly overthrow the order of the SFRY established by the Constitution" were involved in Kosovo and Metohija, members of the Presidency were unable to reach agreement either about the character of what was happening in that province or about the measures that should be taken is further indication of how alarming the situation is in the supreme body of the Yugoslav Government. This is indicated by the statement of Stipe Suvar, member of the Presidency, in which he denies the assessment that the Presidency was tardy with its decisions and adds that "the Presidency will also inform the Federal Assembly about this through the report of Dr. Janez Drnovsek, its president, which incidentally is his personal report, which we have only been supplementing through the debate." There really is no need for better proof of the poor work, indecisiveness, and absence of agreement in our Presidency than the fact that the president of that body would submit a "personal report"?

It seems that many twists and turns had to be negotiated to arrive from the "personal report" to the joint opinion of the Presidency, in whose name Drnovsek would speak in the Federal Assembly. Thus, the session of the Assembly was even postponed twice, and members of the Presidency who had arrived at the Assembly went off once again to their chambers to reconcile views at that late date.

Just before NIN went to press, Janez Drnovsek finished delivering his report. The first question that arises is whether really so much time and energy was necessary to adopt so many commonplaces, benign statements, and positions of a declarative nature, which are very difficult to apply anyway. The ineffectiveness and irresponsibility of the supreme body of government up to this point indicates that this is the case. After all, if the report expressed the positions and common viewpoint of all the members of the SFRY Presidency, then it really remains unclear what has been standing in the way of their application to the burning situation in Kosovo and Metohija. And if up to now this has not imposed on them an obligation to be vigorous, what will be the case in the future?

The conclusion is unavoidable that our members of the Presidency come closer to agreement as they move

further away from reality, life, and responsibility. Perhaps, of course, this assessment of ineffectiveness and irresponsibility does not apply to all members of the SFRY Presidency, but that kind of full and clear assessment can be arrived at only on the basis of the process of establishing accountability in public.

That certainly cannot and must not be evaded in this case.

Identity of Yugoslav Moslems Examined

90EB0272B Zagreb DANAS in Serbo-Croatian
30 Jan 90 pp 39-41

[Interview with writer Alija Isakovic by Selim Arnaut, place and date not given: "Between Recognition and Denial"]

[Text] Alija Isakovic (born in 1932) is one of those writers and intellectuals and, particularly, cultural figures, whose literary work bears the characteristic of multinationality. The novel, the travelogue, the short story, radio and television drama, and extremely valuable and fundamental work on literary history—those are the areas in which this writer has played a creative role since 1963, when he entered literature with the novel "Sun Over the Right Shoulder" [SUNCO O DESNO RAME].

The immediate occasion for this interview with Isakovic was his new book "On the 'Nationalization' of Moslems," just published by Globus in Zagreb, which attempts to discuss the problem of the national identity of Moslems in Yugoslavia with a multiplicity of arguments, and from several standpoints.

[DANAS] How do you explain the unusual and symptomatic title of your book?

[Isakovic] Titles are sometimes the author's, or sometimes the publisher's or editor's. In this case, I wanted to use the title to achieve a symbolic summation of the essence. It is unusual for a word in a title to be in quotes, but I could not avoid my own impulse: to achieve a slight irony about that condensed ethnic and interethnic material. I say "slight irony," because no matter how hot the topic was, and sometimes even incredibly hot, I perceive it today as a sort of childishness. Such childishness has also been present in other forms of our interdependence, e.g., in the concept and name of Dubrovnik literature, or the ballad "Hasanaginica." The little nonliterary war about the so-called Dubrovnik literature lasted until yesterday, and Serbs and Croats have been quarreling about "Hasanaginica" for a century. A more suitable title, consequently, could have been "The Nationality of Moslems Between Recognition and Denial." Moslems obviously existed even before they were politically recognized toward the end of the 1960's, regardless of all the political games concerning them, since "A man cannot choose what he is, but can choose what he is not," as one of the authors in the book wrote.

[DANAS] What is the book's approach toward its basic subject, the national identity of Moslems?

[Isakovic] The selection of texts included, which cover "101 Years of the Affirmation and Denial of the National Identity of Moslems (1886-1987)," was made in accordance with their characteristic nature: Moslems are Moslems, Moslems are Bosnians, Moslems are Croats, Moslems are Serbs, Moslems are Montenegrins, Moslems are Macedonians, or Moslems are Yugoslavs. Naturally, these contradictory statements, sometimes contradictory ones by the same authors, are given in chronological order, in order to reveal the formative process in that phenomenon of "choosing" and not choosing, and its persistence, which can still be felt. Actually, it will be clear to a careful reader that Moslems are not any sort of Yugoslav problem, phenomenon, or riddle, or sociological hybrid, or political invention. Moslems are a simple fact, like numerous other facts of ours. They are the third most numerous Yugoslav people, and live in all the republics and provinces, in every opstina, so to speak, just like Montenegrins, Croats, and Serbs. Unfamiliarity with some basic facts about Moslems is often seen in our public discourse, and that unfamiliarity causes disagreements and leads to erroneous conclusions, harmful misunderstandings, and antagonism. That was recognized and perceived even before the war by the Moslem leftist intelligentsia involved with Kikic's "Signpost" [PUTOKAZ] (Zagreb, 1939). One should see Skender Kulenovic's article from that period, "A Regret and a Necessity." Avdo Humo, in his recent memoirs, speaks clearly about that situation and the indecision: "Sometime in 1938 we Bosnians began to discuss the position of Bosnia-Hercegovina in Yugoslavia. We actually knew little about our own history. The one we learned in school only referred to Bosnia, and was one-sided, boring, and in many respects untrue. All sorts of things in it were unexplained... Nevertheless, the centralist regime in Belgrade succeeded, in a way, in having some vital questions about our own homeland pushed aside" ("My Generation," 1984). There is also the very interesting testimony offered by Osman Nuri-beg Firdus in NOVA EUROPA in 1925: "The idea of the national identity of the Moslems in Bosnia-Hercegovina could never have arisen among the Moslems themselves, because everything happening in that community is such that this idea is completely foreign to it." A certain Zihnija recalled everything in a natural way in BOSNJAK as early as 1891, and said: "We say once more that we will never say that we are not a separate branch of the Yugoslav peoples and tribes, who have gloriously kept our language, our customs, and our true nationality through so many centuries. We all have a glorious family tree with several branches, and each branch has its own characteristics. Let us be fair, and give everyone his due, and Bosnia will be peaceful."

That was said 100 years ago!

[DANAS] Recently, the public in Bosnia-Hercegovina has begun to refer to Moslems as Bosnians. What do you think of this idea, in view of its considerable implications?

[Isakovic] That is not the subject of this book. Some authors talk about that, even very emotionally, but that did not seem so important to me now. That term for the Moslem nationality in Yugoslavia has not been accepted without reservations, especially by intellectuals, both Moslems and others, and the question will remain. In fact, that term puts Moslems at a greater distance from their country and their language. This name strongly suggests a religious identity, and introduces confusion and requires explanations, and our fragile spelling distinction (capital "M" for the nationality and lower-case "m" for the religion) has sometimes not been sufficiently convincing. Here is how one young poet (Zilhad Kljucanin) made a causerie out of that: "My country is called Bosnia, but I am not a Bosnian. I saw my father's military service record, and it said, 'Nationality: undecided.' My birth certificate says 'Moslem.' When I asked my father why he was undecided, he said, 'I did not exist.' I cannot understand why my father did not exist in 1960, when I was born... Today I studied the birth of my country. My country was born on 25 November 1943 in Mrkonjic-Grad. My father was born in 1938. My father is older than my country."

Every people, consequently, names itself. That is its historical right, and its historical inevitability. Anything else would be artificial and coerced.

[DANAS] Nevertheless, isn't this idea based on what is usually called "Kallayism," and in view of its mononational context, couldn't it even be understood as reduced Kallayism?

[Isakovic] There is not enough room in this newspaper to discuss that, nor am I the right person to talk with about it. There is no reason, though, to ban anything in public or in science. The concepts of Bosnians and Bosnianism is older than Kallay, and as far as the idea of interconfessional Bosnianism is concerned, its originator was not Kallay, but rather Osman Topal-pasa. The experts should sit down and separate the wheat from the chaff. We have the people, we have the institutions, and we also have the time. In his book "Nations and States" (Zagreb, 1980), the sober Englishman R. W. Seton-Watson sums it up as follows: the Moslems "were certain that they were neither Serbs nor Croats, and the official doctrine (realistically) denied that a Yugoslav nation existed. Moslems could not call themselves the Bosnian nation, because this would deprive the Serbs and Croats living in Bosnia of their Bosnian character. It was therefore difficult to oppose the conclusion that they constituted a Moslem nation. Speaking the same Serbo-Croatian language as their neighbors, but unified by religion, and historical and cultural tradition, they constituted a compact community, which cannot be said even of the people of Pakistan." I am convinced that the time has come, in our Balkans as well, when no one can

impose anything on anyone, or reject a dialogue. As far as Moslems are concerned, then, one thing is certain: they have always known what they were not, and that is enough for a reasonable man.

[DANAS] What do you think now about Moslems' making a choice, when this extensive system has been set up for you?

[Isakovic] In all the attempts, especially the postwar ones, to have the Moslems make a choice, there has been something dirty, and especially something uncultured. What is meant by that old slogan about returning to our "forefathers' religion"? In spite of our one-sided, zealous education in the tradition of how the Turks messed up everything here with their 500-year-long occupation, we have to remember that even before the Turks, there were three spiritual components in all strata of Bosnian society, to the same extent as there are today. Let us come back to us, however. The political recognition was relatively late and hesitant, and was not accompanied by any recognition during the next 20 years of the ethnological, sociological, and cultural facts. In this regard, there have only been a few, mostly individual, contributions, which have to date aroused more suspicion than support, as if it were enough for politicians to have political ethnic parity in the party and state hierarchy. "Nationality is not just an empty word; it also has its own content. Sticking a label on an empty bottle is not enough to denote its contents," wrote a certain K. in Sarajevo's SLOBODA in 1926. This was especially true because the delay in recognizing Moslems did not appeal to them. The words "It was thought that they would not be perceived as any separate group" were more than a political dismissal.

[DANAS] Wasn't that policy of "making a choice" pointed out even in 1945, after the end of the war and the formation of a new socialist Yugoslavia? I am thinking specifically of Husaga Cisic, a people's deputy at that time.

[Isakovic] In 1945 Husaga Cisic wrote an appeal to the federal government, in which he noted that the Moslems were not mentioned in the Constitution as they had appeared in the calls for the national liberation struggle. He was a people's deputy, and did not listen to anything except his own conscience as a deputy of the citizens. Thus, as early as 18 January 1946, he criticized the Presidency of the Constitutional Assembly in Belgrade: "Our Moslem element in Bosnia-Herzegovina is not uncommitted in an ethnic sense, as some people want to say: they are completely aware of their Slavic origin... That is why, in concluding this petition of mine, I am appealing to all the people's deputies in the Assembly to consider my comments and to support my proposal of inserting in article 3, in the fourth sentence of that article of the Constitution, 'instead of five, six torches placed at angles,' etc. [a reference to the Yugoslav seal], in order to satisfy the factual truth, with all the consequences resulting from that."

It is not hard to imagine the monolithic atmosphere in which such a constitutional debate took place. Cisic, a person with a considerable liberal-bourgeois pedigree, did not yield, and that first Constitution of the Federal People's Republic of Yugoslavia was adopted with him voting against it. That sixth torch was only placed in the seal by the 1963 Constitution. With the blunt rejection of Cisic's appeal, the political recognition of the Moslem nation was delayed for 20 years. The party hacks, primarily from Bosnia-Herzegovina, sent Cisic into retirement. Before that, they unsuccessfully "tried to persuade him." During the proceedings, he was answered by Djilas, who "explained" that the parliament "could not discuss whether Moslems were a national group or not... That is a theoretical issue, which people can argue about in one way or another, but can by no means be settled by a decree."

[DANAS] But that "theoretical issue" was in fact settled by a "decree."

[Isakovic] Yes.

[DANAS] At the 1963 Youth Congress, Josip Broz said that making a choice was "nonsense"; in spite of the charisma of Tito's words at that time, there was still a delay.

[Isakovic] The Moslem postwar politicians—typical party hacks, judging by what they did for the people they represented, or rather "represented"—Humo and Karabegovic, and others, never dared to utter a word that had not already been uttered. Furthermore, here is what they themselves "were" by nationality: Hasan Brkic was a Croat, Avdo Humo a Serb, Dzemal Bijedic a Yugoslav, and Salim Cerić undecided (according to "Who's Who in Yugoslavia, 1957"), and so forth. The supreme religious head of the Moslems at that time identified himself as a Serb. The Reis-ul-ulema! I do not remember his name. Other, different absurdities were committed then. Mostly, people copied the "Big Brother," who during those same years sent to Siberia not only individuals, like Tsarist Russia, but entire "unfit" peoples. To sum all of this up, Moslems, as those "responsible" for the historic evil, fared well. They did not have to be rechristened as they did in Montenegro during the reign of King Nikola, nor were they subjected to genocide, as after the 1918 "liberation," when the Sandzak village of Sahovici was wiped out along with its population (1924); those who did not have political ambitions were undecided, and those who were building a career, decided. As early as 1918 they lost their right to their name, the right to name their language, that pattern within the common language, the right to literature, culture... They do not have any death camp marked, although they proportionately suffered the most between 1941 and 1945. They still do not even "have" a single positive historical figure before 1941, except for that idiot Hadzi-Loja; they do not have anyone on our socialist postage stamps; they do not have any anniversary; they are the only people in Yugoslavia who do not have their own national institutions, etc. I would like to have Dobrica Cosic be a Moslem for at

least five to six months, so that he could become intimately acquainted with all of these relativities and exceptions, and then experience some new emotions of the peacetime losers.

[DANAS] What would you say about the present political reversal, which, one might almost say, is imposing a harsh ethnic Darwinism on us?

[Isakovic] Those in power in Bosnia-Herzegovina have been telling us for about 20 years now that we are Serbs, Croats, and Moslems. They have been telling us this in a raised voice and with such an intonation that it seems they want to intimidate us. It is as if these were three peoples which had just come from beyond the Carpathians into these Bosnian hills, and as if we were devouring each other. There has not been the slightest trust, relaxation, and security. There have been such hot speeches that neighbors look surprised when first meeting each other. There has always been some sort of threat or accusation hanging over people. The past has always been pulled out like Musa Kesedjija's mace. I do not mean to say that everything is ideal down below. There is a certain rustic bitterness and spite in what we do to each other and in how we relate to each other in Yugoslavia, as well as some strong jealous exaggeration in words, condemnations, and gestures. Why? We do not have to like each other, but that does not have to cause hatred. We are living together in this limited area, and we absolutely must respect each other and trust each other. Not only do we not have to like each other, but we also do not have to compete in everything and associate and compare everything with each other. There are countless wonderful things in which we can differ beneficially. What does that envy mean? What does it mean to win? We have even colored noble sports with envy, and so there is bitterness in grandstands, which should be a place for applause for both the winner and the loser. In the end, a lot more water will flow down the Sava while we get to know each other well enough. If the "Turks" have such a big seat, that does not mean that they are hiding their tails; they are only wearing their pants a little more loosely. Thus, there should be a little less fear and aversion. That jealous surplus of energy can be utilized in several ways.

[DANAS] Without wanting to enumerate the League of Communist's [LC] other original sins, as you say, "with self-confidence and contempt," I would like to ask a very prosaic question: what do you think about the increasingly greater fragmentation of the LC?

[Isakovic] That fragmentation does not bother me at all. That is healthy. Communists were best when they were a minority.

[DANAS] You were at the founding meeting of the Independent Writers in Sarajevo; can you explain those reasons and principles?

[Isakovic] When I heard the words uttered there again about what the Independent Writers were seeking, and when all of that became clearly understood, then it

aroused only sad associations. The Independent Writers are only demanding what they should always have had: freedom of thought, work, and values. What we are seeking has never been sought by others, because they simply have not lost it in their own country, among their own people. We do not have any more writers here; we only have politician-writers.

And so the official Federation has fallen apart. That bureaucratic state Federation was concrete; now it is rubble. One should not exaggerate—the Independent Writers are still only a voice in the wilderness. But we were together, sympathizing, thinking, and speaking, regardless of who was from what area or from what literature, without the slightest bit of aversion, pure and cordial. That is already something.

[DANAS] You hinted 13 months ago in DANAS's DNEVNIK that there were too many unclear aspects in the Agrokomerc scandal. How does it look to you now?

[Isakovic] I could outline the Agrokomerc scandal. It is a prehistoric dragon, half ice floe and half volcano. With the sudden death of Hamdija Pozderac, and also some unexpected retirements, the volcano was extinguished, but the ice floe rose to the surface, drowning everything around it, with a large total mass and at a rather rapid pace. In fact, the underwater (political) part was incomparably larger, but thanks to the orchestrated chorus of the mass media's barking, everything was reduced to governmental catastrophic dimensions. In just half a year, the word "Fikretism" [reference to Fikret Abdic] became a Yugoslav synonym for sinister brigandage, theft, and monstrosity, extending from the individual to the region and the people. But since the scandal was redirected (antiheroes play better than positive heroes) its implosion caused an explosion at the level of the republic and the state, becoming the most beneficial sociopolitical event of this decade. The Agrokomerc scandal changed all the criteria and became a model that imposes an analogy through its drastic nature. When an analogy starts working, even in the most undemocratic society, all the bowling pins fall down! I won't name them here. Everything is clear to anyone who has even once glanced through the list of our biggest losers. And then there are the national emotions aroused by television's cannibalistic enthusiasm: "Where you now see these live flocks, tomorrow there will be a graveyard!" The people in question felt this with all their senses. It is not just a matter of bread, by any means. That is the reason for that unreal gaudy carpet under the wheels of Fikret's Mercedes. That is the other, magical end of the same range, a socialist-realist version of the "1001 Nights," a profound striving to balance the pendulum of hatred and the pendulum of love, and to achieve the impossible through the possible. It is necessary to know that region, where for three centuries "everyone has chewed bloody mouthfuls," its role in the National Liberation Struggle, the "Huskinists" and Huska Miljkovic, a colonel buried to the sound of honorable partisan volleys near the Velika Kladusa mosque, a veteran and renegade on whose nameless grave grass is growing,

while his legend is growing among the people. It is necessary to clarify objectively their "uprising" in 1952, and to recall the great jaundice epidemic of 1965 and the concealment of the number of victims. Here there has been neglect, narrow-mindedness, rural dirt, suffering, and poverty. I am saying this calmly, but I have experienced most of that myself, in one way or another. Anyone who does not believe that can read my story "Epidemic" from 1969. And one should not drag in the tyrant Mujo Hrnjica from the epic past, because in that servile Osmanli context, Mujo Hrnjica was a petty border skirmisher compared to the "Turkish courtier" called Marko Kraljevic, that one of Mestrovic's and the one on the labels of the Skoplje brewery. Then there is the Mujo Hrnjica pepper and the Baron Trenk cognac, which has no equal in Slavonia... Now, when the courts have finished with the scandal, everything is clear: it is necessary to go back to the beginning! Only now, instead of actors, the writers and directors should do the acting.

[DANAS] Talking about today's Moslem intellectuals in Bosnia-Herzegovina, Darko Tanaskovic recently wrote this sentence in NIN: "In the midst of a real wave of irrationalism, the words of this intellectual and artistic creator, an extremely nationally aware Moslem, sound encouraging." He was talking about you; what did he mean by "extremely nationally aware"?

[Isakovic] I do not know what that means. If I were a Slovene, for example, could it be said that I was "extremely nationally aware"? No, that question is interesting, but I am not sure that I will know the real answer to it. A little while ago I said that in dealing with the Moslem national question, an author can arouse suspicion, in advance! Tanaskovic put a whole series of such names in a negative context. Why? He is very well educated, informed, and, as far as I know, well-intentioned. The Moslem nation only received political recognition in our society yesterday, so to speak. The Moslems in this country are the only ones who do not have their own national institutions, and what happens? When a Moslem intellectual originates, explains, and interprets his scientific, journalistic, political, literary, or folklore themes, he is subjected in advance to misinterpretation, suspicion, and attacks. Among other things,

this happens because even now, he is saying the words that others uttered toward the end of the last century, and he is doing what others did a long time ago (and in their own national institutions). Nothing can be skipped over, though, in following the genetic sequence. That now means in practice that Moslems are not yet equal at the level of the overall Yugoslav public, because at its center, that public cannot equate all civilized circles, all religions and occupiers. Moslem intellectuals are still not expected to say in public what is said by their colleagues from the other "senior" peoples, at the same time, in connection with the same events, and in the same living area. One should, consequently, get used to the fact that Moslems are an equal people, and that their intellectuals, and every individual, are equal in public life, in uttering their assertions and in the obligations arising from those assertions. The style of the obedient postwar generation, when Moslems were dispersed among all the other national categories, the generation from Humo to Raif Dizdarevic, does not obligate the new generations. Silence and uncritical obedience do not benefit either the one whom they temporarily suit, or the one to whom they do lasting damage.

[DANAS] What did you just say—if you were a Slovene?

[Isakovic] The Slovenes are a convenient example for comparisons. My young son asked me last year, "Is a Slovene a refrigerator?"

[DANAS] And?

[Isakovic] The only difference between Slovenes and us is that the Slovenes learned a lesson from all of our postwar stupidity, and we "southerners" did not. In fact, in order to learn a lesson, it is necessary to admit one's weaknesses and roll up one's sleeves, but we southerners, we moralists and martolozzi [16th-17th century Turkish name for Christians serving as soldiers in border cities], border soldiers, Illyrians and Vlachs, Turks and bandits, combatants, duelists and fighters, storytellers and fiddlers—we have all had a semi-robber economy since we settled in these districts and crags. By a robber economy, I mean a whole series of new forms of activity (up to Markovic!) and a substantial, indolent state-political stratum, as thick and frozen as alluvial deposits.

HUNGARY

Soviet Troops To Leave Hajmasker by End of 1990

90CH0004B Budapest NEPSZAVA
in Hungarian 16 Feb 90 p 16

[Interview with Ferenc Hornyak, chairman of the Hajmasker Village Council, by "(matetelki)" in Hajmasker on 15 February: "Soviet Troops Will Leave Hajmasker"]

[Text] The Soviet troops stationed in Hajmasker, Veszprem County, will be leaving by the end of this year. That is what Colonel General Iosif Organyan, deputy commander (for combat training) of the Soviet Southern Group of Forces temporarily stationed in our country, told MSZMP [Hungarian Socialist Workers Party] President Gyula Thurmer, who is running as his party's candidate in the No. 7 election district in Veszprem County.

Our county correspondent visited Ferenc Hornyak, the chairman of the Hajmasker Village Council, to get his reaction to the news. The chairman made no effort to conceal his delight, but seemed to be reining in his own enthusiasm.

[Hornyak] The most important thing is that the housing problems will be solved in our village. A total of ten four-story panel blocks have been built inside and outside the camp. By my estimate, they contain about 700 apartments. Naturally, we would solve the housing problems of our local residents first of all. But we would also welcome people moving to us from neighboring settlements, or even from Varpalota and Veszprem. And the problem of providing jobs could also be solved: Shops could be set up in the camp's large buildings to produce, say, automotive parts or electrical appliances. Hajmasker residents justifiably expect their requests and plans to receive serious consideration in the coming period. However, we are aware that these military installations belong to the Ministry of Defense.

Motorized Rifle Brigade To Be Disbanded

90CH0004A Budapest NEPSZABADSAG
in Hungarian 14 Feb 90 p 10

[Interview with Colonel Ferenc Csornai in Kaposvar on 13 February: "Soldier's Valedictory: Nagyatad Motorized Rifle Brigade To Be Disbanded"]

[Text] At the Nagyatad barracks of the Kaposvar Army Corps yesterday [13 Feb 90], the effective force of the motorized rifle brigade assembled for the last time: Lined up under their unfurled banner, the officers and men heard the announcement that the brigade was disbanding. Major General Bela Gyuricza, corps commander of the Hungarian People's Army, addressed the soldiers at the assembly. As a part of the unilateral 30- to 35-percent troop reductions, the disbanding will affect more than 1,600 personnel. In conjunction with the decision to disband the brigade, our county correspondent interviewed Colonel Ferenc Csornai, the Kaposvar formation's officer in charge of political education and social welfare.

[Csornai] Being fewer will not make us better. In the wake of the measures, nevertheless, I believe that the deployment of troops will better meet the requirements of defending the country's territory. Simply stated, we will be defending not just the Danube line, but every square centimeter of the Republic of Hungary.

[NEPSZABADSAG] Who will take over the buildings in Nagyatad?

[Csornai] We will continue to mount guard for the time being. We are leaving the closed-circuit TV system and the kitchen behind, but we will be removing the military furnishings. In cooperation with the Ministry of Finance, we will probably invite tender offers for the barracks.

[NEPSZABADSAG] What will become of the officers?

[Csornai] The defense minister and the army command have undertaken to retain in the Hungarian People's Army the officers who are fit to serve and want to remain in service. Several officers are taking early retirement. Others will be commuting to new assignments in Nagykanyizsa and Kaposvar. A few of the middle-aged officers will be switching to civilian careers.

[NEPSZABADSAG] Have you heard the rumor that the women's prison in Kalocsa will be moving into the vacated barracks?

[Csornai] Only the disciplinary barracks, already fenced off from the rest of the buildings, will remain in the area in question. I have heard the rumor, but so far I have not received official confirmation of such plans from any source. But then, many things can happen in this country.

CZECHOSLOVAKIA

New Figures on Air Pollution Provided

90EC0357B Prague DOKUMENTACNI PREHLED
in Czech 5 Feb 90 pp 9-10

[Unattributed article: "The Environment in Czechoslovakia"]

[Text] Air quality in Czechoslovakia is affected significantly by its position in the center of Europe. Sulfur dioxide emissions from all neighboring countries drift to the CSSR depending on meteorological conditions and

the prevailing winds. On the other hand, Czechoslovakia is itself a significant producer of emissions which it "exports" to neighboring countries.

The tables in this article have been taken from a report of the Ecology Division of the Czechoslovak Biological Society of the Czechoslovak Academy of Sciences [CSAV], and from the work of an ecology working group of the CSSR Council of Economic Research (published in 1989). These tables demonstrate the transmission of sulfur in the air between Czechoslovakia and its neighbors and overall emissions of sulfur dioxides and nitrogen dioxides in selected countries.

Transmission of Sulfur To Czechoslovakia (thousands of tons per year)

From:	1979	1982	1985	1986	1987
Austria	12	8	3	5	4
GDR	104	89	95	90	128
FRG	41	29	24	18	28
Hungary	56	48	40	47	45
Poland	73	75	74	89	95
USSR	2	3	4	3	2
Total	288	252	240	252	302

Transmission of Sulfur From Czechoslovakia (thousands of tons per year)

To:	1979	1982	1985	1986	1987
Austria	25	27	24	27	27
GDR	85	86	58	79	84
FRG	45	52	39	62	47
Hungary	31	29	28	21	31
Poland	169	154	109	142	145
USSR	134	112	107	103	107
Total	489	460	365	434	441

Sulfur Dioxide and Nitrogen Dioxide Emissions in Selected Countries in 1980 and in 1985 (in thousands of tons)

	Sulfur Dioxide Emissions		Nitrogen Dioxide Emissions	
	1980	1985	1980	1985
Belgium	799	467 ²	442	385 ²
Bulgaria	1,034 ³	1,140 ³	—	—
Czechoslovakia	3,100	3,150	1,204	1,127
Denmark	438	326	251	238
Finland	584	370	280	250 ¹
France	3,558	1,845	620	370
Netherlands	487	315 ¹	535	522 ¹
Ireland	219	138	67	68
Yugoslavia	1,175	1,800 ²	—	—
Canada	4,650	3,727 ¹	1,725	1,785 ¹
Luxemburg	22.9	13.4	23	21.7
Hungary	1,633	1,420	—	270 ²

**Sulfur Dioxide and Nitrogen Dioxide Emissions in Selected Countries in 1980 and in 1985 (in thousands of tons)
(Continued)**

	Sulfur Dioxide Emissions		Nitrogen Dioxide Emissions	
	1980	1985	1980	1985
GDR	4,000 ³	4,000 ³	—	—
FRG	3,200	2,400	3,100	2,900
Norway	141	100	—	215
Poland	4,100	4,300	—	840
Portugal	266	305 ¹	166	192 ¹
Austria	354	170	216	216
Romania	200	—	—	—
Greece	800	720 ¹	127	150 ¹
USSR (European Part)	12,800	11,100	2,790	2,930
Sweden	483	272	328	305
Switzerland	126	95	196	214
USA	23,200	20,800	20,300	19,400
Great Britain	4,670	3,540 ²	1,916	1,690 ²

¹ values for 1983; ² values for 1984; ³ estimated values

GERMAN DEMOCRATIC REPUBLIC

Official on GDR-EC Cooperation, COCOM Restrictions

90GE0019A East Berlin AUSSENWIRTSCHAFT
in German 28 Feb 90 pp 1-2

[Interview with GDR Deputy Minister for Foreign Trade Christian Meyer by Rolf Pramer; 15 January, place not given: "Trade and Cooperation Agreements Lend Economic Ties New Impetus"]

[Text] [AUSSENWIRTSCHAFT] Minister Meyer, the negotiations on a trade and cooperation agreement are in full swing. What is the present level of relations? What goals are being pursued with the negotiations?

[Meyer] The new agreement will be of great significance for the realization of the requirements of economic reform in the GDR and for the economic interests of all business circles.

Trade with the EC member states is running along on a course that has proved itself over many years. What we are interested in now is the qualitative organization and dynamic development of all our economic relations, including the utilization of the various forms of cooperation.

The increased development of economic possibilities through effective economic cooperation will result in a substantial increase in the level and volume of economic relations. To that end, the necessary contractual basis and favorable preconditions are to be created by the provisions of the agreement.

It is of particular importance that, through the agreement, access to the future unified EC domestic market from 1992 on be assured.

This largest market in the Western world, with more than 320 million consumers, is of extraordinary significance for our national economy and firms.

This is clearly emphasized by the fact that today approximately 80 percent of all GDR exports to developed industrialized countries are going to the national markets of the EC member states.

[AUSSENWIRTSCHAFT] What concrete conditions in trade and cooperation could undergo a change?

[Meyer] With respect to trade in all industrial and commercial goods covered by the agreement, the prerequisites and conditions for the development of an exchange of goods will be improved. This will emerge clearly from the granting of the most-favored-nation status planned by the agreement.

In addition to that, the quantitative import restrictions currently in effect for products originating in the GDR will gradually be eliminated.

It is a subject of the negotiations that, soon after conclusion of the agreement, import restrictions for a number of commodities will be eliminated or suspended by the EC.

In addition, efforts are being made to introduce quota increases for certain sensitive products, the increases of which are to be discussed and agreed upon by the Mixed Commission that is to be formed.

Without a doubt, the provisions of the agreement will have a favorable effect on GDR exports in its trade

relations with the EC member states, and will also facilitate the cooperation between the business partners.

An important supplement is the obligation by both sides to practice trade cooperation. Involved here, particularly, are measures for facilitating business contacts, for exchanging economic information, and for various forms of trade promotion, as well as support for participation in industrial fairs and exhibits.

Of fundamental importance are the expansion and the increased development of economic cooperation. Through the agreement, comprehensive industrial cooperation with EC firms will be made possible, including joint ventures and other modern-day forms of cooperation which are efficacious for the partners and for the national economies as a whole.

The planned sectors of economic cooperation which are to be especially promoted range from industry, transportation, environmental protection, energy, finances, etc., all the way to tourism.

In the implementation of a universal development of economic relations, the inclusion and support of small and medium-sized firms is being viewed as being of great importance.

[AUSSENWIRTSCHAFT] Can a relaxing of the COCOM regulations be expected?

[Meyer] With respect to the COCOM regulations that are not the subject of negotiations for the agreement, an elimination of all obstacles in the interest of the development of international cooperation should be sought as soon as possible. The implementation of an unimpeded technology transfer for the welfare and benefit of international economic life is urgently needed.

[AUSSENWIRTSCHAFT] What new demands will be made of the GDR economy, particularly considering the EC domestic market from 1992 on?

[Meyer] What will be required here is that all firms adapt themselves unremittingly to the demands of the marketplace, so as to achieve good economic results under the new competitive conditions. This requires, primarily, the production of quality merchandise for which there is a demand, as well as a high level of flexibility in adapting to changing market developments.

In a technical sense, it will be necessary to pay strict attention to the norms and standards in effect, as prescribed by the EC. Also, one agency that will be devoting itself to this task, in a leadership role, will be the Office for Standardization, Metrology, and Product Testing.

The unified EC domestic market of the future will also mean that marketing conditions will become more competitive. This will require qualitative changes in the organization of the marketing effort, in keeping with the larger dimensions involved, and make it imperative that a high qualitative level of activity by representatives and marketing organizations vis-a-vis their clients is assured.

[AUSSENWIRTSCHAFT] In principle, the EC provisions in effect so far have not applied to trade between the GDR and the FRG. Will the new agreement change this situation?

[Meyer] The trading system between the FRG and the GDR will not be changed by this agreement and will continue in its present form. This will be agreed to between the accord partners by means of an exemption clause in a separate article.

[AUSSENWIRTSCHAFT] What influence will the new agreement have on our positions vis-a-vis third countries?

[Meyer] With the agreement, we associate the desire to have the GDR economy more closely interlaced with international economic life and the international division of labor. To increase the efficiency and export strength of our national economy, an intensified industrial cooperation patterned on modern forms will evolve, both with productive firms of the EC and those of other third countries.

The agreements planned for the trade accord in the trade and economic policy sector are to insure that GDR firms, like the firms of other third countries, enjoy equal opportunities. Through the development of industrial cooperation as well as other forms of cooperation with partners from EC countries, suitable economic possibilities in marketing activities can also be developed. This can relate, for example, to concrete investment objects, including the public procurement system, as it can to taking advantage of financing possibilities.

[AUSSENWIRTSCHAFT] How is the development of relations with the EC to continue after conclusion of the agreement?

[Meyer] With this accord, a first and important step will be taken toward expanding and intensifying cooperation in trade.

There have been statements in the press about possibly farther-reaching cooperation variants between the GDR and the EEC, to take the form of an association agreement or even full membership, among other things.

In this connection, I would like to say that forms such as these in connection with future developments are not ruled out by the partners to the agreement. Currently, however, the mandate of the EC Commission is limited to negotiations on the trade and cooperation agreement with the GDR, which does not limit the possibilities for a further development of cooperation in the future.

Let me emphasize once again, however, that this agreement is bound to give many new stimuli to economic relations and uncover extensive possibilities to economic circles for their business activities.

UK-GDR Trade Volume for 1989 Published

90GE0020A East Berlin AUSSENWIRTSCHAFT
in German 28 Feb 90 p 3

[Unattributed article: "Industry Representatives Confer on Closer Cooperation"]

[Text] Questions of economic cooperation, especially its continued development through the introduction of new forms thereof, were discussed by [GDR] Deputy Minister for Foreign Trade Christian Meyer, the British Secretary of State for Trade & Industry Lord Trefgarne, President of the CBI industrial association Sir Trevor Holdsworth, Chairman of the British Office for Foreign Trade Sir James Cleminson, and the chairman of the Council for Trade with Eastern Europe, Dr. Wooding. During these discussions, his [Meyer's] primary purpose was to interest British firms in closer cooperation and to encourage them to take steps to that end.

Possible focal points of such cooperation are environmental protection, the power-generating industry, medical technology, the building trade, tourism, as well as sectors of the communications field.

Closer cooperation requires the rapid creation of the appropriate legal foundations. For this reason, the partners agreed that an agreement be drawn up at the earliest possible date on the avoidance of double-taxation. In addition, negotiations on an investment protection agreement are planned for the near future.

The British Government is prepared to ease its visa requirements for businessmen.

Among the subjects discussed was the manner in which the British Know-How Fund can be utilized for basic and advanced training. GDR representatives are currently already taking part in advanced training functions in Great Britain in the management sector.

Additional measures for the intensification of economic relations will be discussed by the 16th Conference of the Mixed Commission in Berlin, which was scheduled for mid-April.

Before that meeting, however, Secretary Trefgarne will utilize the Leipzig Spring Fair for talks on the future organization of the economic cooperation. Minister Meyer was accompanied in Great Britain by representatives of important industrial combines, e.g., the chemical combine in Bitterfeld, the combines for shoes in Weissenfels, Nagem, medical and laboratory technology, construction components and fibrous materials, as well as Narva, converter technology in Erfurt, and the pharmaceutical combine Germed.

Breakdown of Commodities Traded

	1989 ¹ in millions of British pounds	in percent ²		1989 ¹ in millions of British pounds	in percent ²
Imports from the GDR	142.4	100.00	Exports to the GDR	88.6	100.00
Foodstuffs, live animals	0.5	0.35	Foodstuffs, live animals	29.0	32.73
			Grains, cereal products	25.2	28.44
Beverages, tobacco	1.9	1.33	Beverages, tobacco	1.9	2.14
Raw materials, minus fuels	3.8	2.67	Raw materials, minus fuels	10.5	11.85
Fertilizers	1.2	0.84	Textile fibers	9.2	10.38
Fuels	5.4	3.79			
Coke, coal	3.2	2.25			
Crude oil, crude oil products	2.2	1.54			
Chemical products	26.6	18.68	Chemical products	16.1	18.17
Organic chemicals	2.8	1.97	Organic chemicals	6.3	7.11
Inorganic chemicals	1.3	0.91	Inorganic chemicals	1.0	1.13
Fertilizers	20.2	14.19	Plastics, semifinished plastic products	3.8	4.29
			Other	3.5	3.95
Processed goods	51.0	35.81	Processed goods	4.9	5.53
Rubber products	8.0	5.62			
Paper, cardboard, cellulose	1.2	0.84			
Textile yarns, textile fabrics	2.6	1.83	Textile yarns, textile fabrics	2.2	2.48
Mineral products	5.1	3.58			
Iron, steel	6.9	4.85			

Breakdown of Commodities Traded (Continued)

	1989 ¹ in millions of British pounds	in percent ²		1989 ¹ in millions of British pounds	in percent ²
Non-ferrous metals	24.3	17.06			
Machines, transport equipment	13.6	9.55	Machines, transport equipment	17.8	20.09
Engines	1.4	0.98	Special-purpose machines	7.2	8.13
Special-purpose machines	3.5	2.46			
Metal-processing machines	1.5	1.05	Metal-processing machines	2.2	2.48
Electrotechnical/electronic products	4.4	3.09	Industrial equipment	3.2	3.61
			Office equipment	1.1	1.24
			Electrotechnical/electronic equipment	2.5	2.82
Other finished products	39.3	27.60	Other finished products	7.7	8.69
Furniture	24.4	17.13	Scientific, control instruments	4.7	5.30
Scientific, control instruments	2.0	1.40	Other	1.2	1.35
Photo, optics	1.3	0.91			
Other	8.7	6.11			

1. January to October

2. Percentage Share of Total

Source of both tables: Annual Abstract of Statistics, 1988; Overseas Trade Statistics of the UK 10/89

Foreign Trade of Great Britain With the GDR

	Exports (fob) in millions of British pounds	Imports (cif) in millions of British pounds	Net Balance
1980	93.0	88.2	+ 4.8
1981	83.0	93.6	- 10.6
1982	63.7	133.9	- 70.2
1983	61.0	167.6	- 106.6
1984	92.3	198.1	- 105.8
1985	63.8	204.2	- 140.4
1986	81.3	195.5	- 114.2
1987	81.5	180.3	- 98.8
1988	113.2	153.0	- 39.8
1989 ¹	88.6	142.4	- 53.8

1. January to October

[Box, p 3]

Status and Structure of Relations

• Legal Foundations

—Long-term governmental agreement on the development of economic, industrial and scientific-technical cooperation of 1973.

—Program on the continued development of economic cooperation of 1983, including the 1988 agreement on its extension.

—Long-term agreements on cooperation between AHB Chemie and ICI and Shell.

• Trade Volume in 1989 (preliminary figures):

—Total Sales: 262 million British pounds, consisting of

—GDR Exports: 156 million British pounds,

—GDR Imports: 106 million British pounds.

• Primary Export Commodities of the GDR: Chemical products, including vehicular tires, furniture/

upholstery products, scientific-technical equipment, machine tools, printing machines, electrical household appliances, automotive electrical products, black metallurgical products, crude potassium salts/potash fertilizers.

- Primary Import Commodities of the GDR: Chemical products, machine tools, textile machinery, machines/equipment for the modernization of the food industry, textiles; major installation affected: flue gas desulfurizing equipment for the Thermal Power Plant Rummelsburg [Heizkraftwerk Rummelsburg].
- Focal Points of Economic Cooperation: Textile and shoe manufacturing machinery, machine tools, electrotechnology/electronics, chemical products, environmental protection, food technologies (including the processing and packaging technology), medical technology, energy sector.

Focal Points of Scientific-Technical Cooperation: Agriculture, chemical products, environmental protection, printing industry, biotechnology, standardization of testing procedures.

Trade Impediments: Imposition of quotas for the import of metallurgical products, textiles, ceramic/porcelain products from the GDR.

FRG Minister on Prospects for 'Economic Miracle' in GDR

90GE0008A Halle FREIHEIT
in German 26 Feb 90 p 3

[Interview with FRG Economics Minister Helmut Haussmann, by Dr Burkhard Keil; place and date not given: "Freedom" in an Interview With Politicians and Personalities of the FRG; An 'Economic Miracle' Is Possible With a Market Economy; FRG Minister Helmut Haussmann: 'The Right Political Environment Needed Without Delay']

[Text] [FREIHEIT] The founding of the Saxony-Anhalt branch of the GDR's Association of Entrepreneurs—what brings the FRG minister of economics to this event?

[Haussmann] There are three reasons. One reason is that I have a very good—though not of long standing—personal and professional working relationship with the president of the GDR Association of Entrepreneurs, Mr. Stadermann (editorial comment: who is from Sangerhausen); the second reason is that my ministerial colleague Hans-Dietrich Genscher asked me to go; and the third reason is that I, too, am a middle class entrepreneur and as a member of such an association; I know, therefore, how important it is for entrepreneurs to organize.

[FREIHEIT] From many sources in the FRG one has heard for some time now that industry is primed for the

race to invest in the GDR. But the start is always delayed. What, in your opinion, is the reason?

[Haussmann] The GDR is not a poor country and the Federal Republic not a rich country; we have nothing to give away and the GDR is not a charity case. The difference between us is that the FRG has a superior economic system, which is to say that entrepreneurial commitments, private capital, and government aid can only have a beneficial effect for the GDR in the right political environment. And I hope that such an environment will soon exist. The Federal Republic's offer of an economic union with a common currency is really the best answer. If the government of the GDR felt that it could not accept this offer, I really wouldn't know what better help to suggest to the GDR. We don't expect the GDR to capitulate, but, rather, to make a new start with a market economy.

[FREIHEIT] Aside from capital investments by corporations and private funds, the GDR also expects public aid from the FRG. What are the chances for that?

[Haussmann] In every market economy, even in the EC, we must carefully weigh the exact distribution of labor between the state and the economy. The state has the task of supporting the infrastructure and the private sector has the task, together with banks, of providing private capital, management, and marketing know-how. When both efforts are joined, a very rapid recovery process will take place in the GDR; the growth rate will exceed that of the Federal Republic and many FRG citizens will want to invest in the GDR; resettlers will also return because they will feel that things are improving and that their chances are better in a rejuvenated GDR than in the Federal Republic, where markets are saturated and where competition is consequently severe.

[FREIHEIT] The key words "introduction of the DM," trigger considerable social concerns about savings deposits, for instance. Is the frequently-mentioned 1:1 conversion rate realistic?

[Haussmann] As long as both governments have not exchanged all pertinent information and as long as the GDR has not concluded its discussions with the International Monetary Fund, the real situation with regard to GDR's currency, assets and liabilities remains obscure. To that extent any quoted conversion rate is based on speculation. At this time it is important to make those political decisions concerning monetary relationships which will guarantee that pensions, savings accounts, and socially disadvantaged people will have at least the same, but usually a higher equivalent value in the new currency. This was our promise to the GDR Government during our discussions in Bonn.

[FREIHEIT] Do you also expect the introduction of a market economy in the GDR to produce a "new German economic miracle?" How do you see the chances for that?

[Haussmann] One should be honest. An economic miracle is possible. But initially only in the sense of a reconstruction or investment miracle and not directly as a miracle for consumers. It is, of course, important that people feel themselves to be part of the recovery process. First of all productivity must increase rapidly, that will raise income levels and, in turn, demand. A self-financing process is thereby initiated.

[FREIHEIT] In the GDR 18 March is election day. What, in your opinion, are the important steps the GDR must take before and after this date?

[Haussmann] All agreements should be concluded quickly before the election. I am talking specifically about the privatization of industry, about tax reform, and about an investment-security agreement. That would mean that important milestones toward a market economy had been reached. After the election this may take too long. After the election the GDR must decide whether to accept the—as I see it—unique and historic offer of a monetary union within a common economy. That would be necessary to allow the GDR to pursue membership in the EC actively. That is my vision for the people of the GDR.

[FREIHEIT] So far you have always talked about two German states. How do you see the path toward a united Germany and do you dare predict the timing?

[Haussmann] Many of our schedules have been totally invalidated by events. Therefore, I won't speculate. I would be happy if I could make a significant contribution to a common economic policy and a monetary union. That would be necessary before the people of the GDR can also make far-reaching political decisions on the basis of their newly-acquired feelings of economic independence.

HUNGARY

Essentials on SZOT Transformation

25000688C Budapest HETI VILAGGAZDASAG
in Hungarian 10 Mar 90 pp 6-7

[Unattributed article: "MSZOSZ Instead of SZOT"]

[Text] On 3 March, eighty-six Hungarian trade unions established a new coordinating center called the National Federation of Hungarian Trade Unions [MSZOSZ], thus permanently liquidating the structure that was established in the late 1940's. At their last congress, organizations belonging to the National Council of Trade Unions [SZOT] returned to the post-1945 solution, in which the trade union center is not a peak organization, i.e. it has no authority to pass binding resolutions with regard to its members. Within MSZOSZ, member organizations retain their autonomy, and organizations remaining in the minority with respect to decisions reached will have the right to voice separate opinions. At last weekend's congress, SZOT Executive

Secretary Sandor Nagy, the only candidate, was elected chairman of MSZOSZ, which is meant to be a consultative mediation forum. He received 89.5 percent of the vote. Laszlo Sandor, the former SZOT secretary, and Andrea Szego, a member of the Scientific Workers Union [TUDOSZ], became the deputy chairmen. From among the organizations with full membership authority at the congress, only the Public Collections and Public Education Workers Trade Union [KKDSZ] did not join the new federation. Delegates of the 15,000-member KKDSZ were concerned about large organizations oppressing the smaller ones within the 4 million member organizations, and about the fact that MSZOSZ would grow above the trade union movement. The new trade union center rendered a decision with regard to the management of former SZOT property, and concerning the establishment of a property management stock corporation. They took the position that since SZOT has been discontinued, the Hungarian trade unions are no longer members of the communist-led World Trade Union Alliance. The MSZOSZ federation council will decide later whether it will join one of the international trade union federations, nevertheless they proclaimed that "the earlier one-sided international commitment" must be done away with. Regarding workers' interest representation they demanded that an interest reconciliation law be written, and that "social income, pensions, and minimum wages be automatically adjusted to increases in existential expenditures beginning in the second half of 1990."

Swiss-Hungarian Joint Chamber Established

25000688B Budapest FIGYELO
in Hungarian 8 Mar 90 p 9

[Interview with Mrs. Piroška Grof Sugar, cochairman of the Swiss-Hungarian Joint Chamber, by "ER"; place and date not given]

[Text] Headquartered in Zurich, a Swiss-Hungarian Joint Chamber was established recently. As of this time, some 200 Swiss and about 100 Hungarian enterprises are its members. We asked Mrs. Piroška Grof Sugar, the Hungarian co-chairman, about the chamber's program.

[FIGYELO] Earlier, a Swiss branch functioned in the Hungarian Economic Chamber. Is there a difference between the former branch and the recently established joint chamber?

[Sugar] Previously, Hungarian enterprises discussed among themselves what should be done to increase the Swiss share of exports. In contrast, the joint chamber provides an opportunity for Hungarian and Swiss firms to make joint decisions.

[FIGYELO] And yet, not all Hungarian managers received the new organization with the same enthusiasm you manifest....

[Sugar] Indeed, because some were afraid that this would mean new foreign exchange burdens to business organizations. This is out of the question, however. Any enterprise that is a member of the Hungarian Economic Chamber may join this chamber without paying additional membership dues. And we provide our members with information about the Swiss market regularly, and we convey Hungarian requests, offers, and ideas to Switzerland. At present, for example, we would like to bring together Swiss firms seeking foreign partners for the outplacement of their capacities with Hungarian enterprises which have uncommitted machines and labor due to the forced restriction of ruble exports. Our further plans call for joint appearances of the joint chamber members at the spring and fall international consumer goods fair in Basel, and in April at the international inventions exposition in Geneva.

[FIGYELO] Who initiated this kind of cooperation, and what group produced the members?

[Sugar] The Hungarian Chamber consummated a contract with the Swiss OSEC [Swiss Central Trade Promotion Association] in 1973, but this is a quasi-state commercial organization, and this character restricted our forms of cooperation. Since several small and medium-sized plants were established in Hungary recently which are similar to those in Switzerland, our organization in Switzerland evaluated whether there is a need for a joint chamber. More than 200 Swiss firms announced an interest, and since then more than 100 firms have indicated an intent to join. For the time being we have only 100 Hungarian members, although expanded cooperation would certainly be in the interest of more than that number. To be exact, among the 107 Hungarian enterprises we find producers and several machine industry and agricultural enterprises, in addition to the usual commercial firms.

[FIGYELO] As you mentioned, those who join need not pay extra membership dues. Out of what funds does the organization sustain itself?

[Sugar] We do not have a serious apparatus. We are headquartered in Zurich; the secretarial functions are performed by OSEC. In Hungary, the person in charge of Swiss affairs at the international division of the Hungarian Economic Chamber performs the needed functions. In addition to that, a 12- to 15-member presidium functions; it is headed by a Swiss and a Hungarian chairman. These are Mr. Condrau and myself.

A 2.8-percent share of all Hungarian exports is destined to Switzerland, while 2.6 percent of all Hungarian imports originate in Switzerland. Thus far 32 Swiss-Hungarian joint enterprises have been established; the two countries have consummated 70 cooperative contracts (of these 20 pertain to the machine industry, 26 to chemicals and pharmaceuticals, 14 are agricultural in character, and seven relate to light industry). Interest is

indicated by the fact that 26 Swiss firms have opened representative offices in Hungary.

West German Employment Conditions Relaxed

*90EC0343B Budapest NEPSZABADSAG in Hungarian
10 Feb 90 p 11*

[MTI report: "The Employment of Hungarians in the FRG"]

[Text] The conditions under which Hungarians may be employed in the FRG have been relaxed considerably. An agreement to that effect has been signed by representatives of the State Office for Wages and Labor and the FRG Federal Ministry of Labor and Social Affairs. The annual quota of Hungarians who may be employed in the FRG under contracts between Hungarian and West German firms has been increased from 2,500 to 3,500. Because many Hungarian enterprises will probably be wanting to arrange such employment, the quota may be used for those business deals whose forint cost of earning a unit of hard currency is the most favorable.

The FRG also wants to help alleviate Hungary's unemployment problems by receiving, under a similar arrangement, 1,200 construction workers a year through 1992, over and above the quota of 3,500. In addition to all of this, work permits will be issued to 500 individual job-seekers a year.

Corruption in Budapest Land Office: Possible COCOM Implications

*90EC0343A Budapest NEPSZABADSAG in Hungarian
6 Feb 90 p 8*

[Article by Bela Szilagyi: "Has the Land Office Been Swindled Away?"]

[Text] The scandal that rocked the Budapest Municipal Council over bills of exchange that were unprovided for has been public knowledge since December of last year. We reported at the time that, on the council's suggestion, the head of the Budapest Municipal Land Office, Gergely Gonczy, issued unauthorized bills of exchange totaling millions of forints, for the realization of a plan to computerize the city's incredibly obsolete and overadministered land records. The Budapest Municipal Land Office formulated its requirements for the computer system and area's technical database, and also founded its own technical development enterprise, INFORT, for their practical implementation. Together with a team of distinguished international experts, INFORT analyzed and designed the system and selected the world-level technology necessary to set up the database. All the products, every single item of equipment proposed in the systems study, were on the COCOM list. Thus there was a plan and the technology was given, but the only things lacking were cash and a COCOM license. INFORT, in cooperation with leading American companies, devised a way to gain access to the technology by "skirting the law," under a service contract to provide organization

and technology management. This offered an opportunity to get the products over to our side of the border (which has not yet happened to date), and for the Budapest Municipal Council to acquire title to the products by 1 June 1991. Until then the supplier, Canada's GEOREF Company, would retain title.

Implementation of the plan began in 1987, but it soon turned out that the INFORT combination's assets were not enough to continue with the plan. It was then that Gergely Gonczy, relying on the promises the Budapest Municipal Council had made in 1986-87, decided to issue unauthorized bills of exchange, first for 40 million forints and later for 150 million. In addition, he also guaranteed a loan of more than 60 million forints. The OKHB [National Commercial and Credit Bank] was the first to sue the Budapest Municipal Council, and it won its case.

Trips to America at Public Expense

The press campaign that followed the publication of the article presented Gonczy and his associates as the victims of their own well-meaning efforts. Everybody else was just obstructing them.

But what happened actually? It is an established fact that, in the interest of creating the database, \$2.4 million left the country through fictitious bank transactions, and that nothing was received in return, but on those funds a number of people traveled to Europe and America on trips of varying duration. The following persons, for instance, can be said to have traveled regularly: Gusztav Gyulai, the chairman of the 20th District Council; Ferenc Dudas, now deputy chief of a main department within the Ministry of the Interior and formerly the secretary of the 20th District Council's executive committee; Istvan Gaspar, private secretary to the chairman of the Budapest Municipal Council; his younger brother, Matyas Gaspar; Peter Szegvari, secretary of the executive committee; Andras Marosi, the chief of the secretariat; Gonczy and his wife, of course; and also INFORT's managing director, Karacsony Eori, and his wife.

Karacsony Eori had to resign from his previous job with the Power Plant Planning and Design Enterprise in 1985, over a similar affair in which he "signed for" 110 million forints in conjunction with the construction of the Paks Nuclear Power Plant. It was then that he and Gonczy hit on the bright idea of forming the INFORT Development Combination, with the Budapest Municipal Land Office and the SYSTEM (now SZENZOR) Organizing Enterprise as its members. However, noticing the series of gross irregularities that the Gonczy-Eori duo committed, SZENZOR's management withdrew from the combination after its formation. The Csepel Works Electronics Enterprise took SZENZOR's place, but it, too, was unable to stand the "suspense" and soon withdrew. Then the Somogy County Land Office joined the combination. It should be noted that the wife

of INFORT's managing director is the chief of a department within the Budapest Municipal Land Office, the supervising agency. And the wife of that agency's administrator happens to be the combination's negotiator. All of INFORT seems to be a family business.

Gonczy and his associates learned that experts in Vancouver, Canada had developed an area information system which could be adapted to the conditions existing in Hungary. The only trouble was that every element of that system was on the COCOM list. Then Karacsony Eori offered to use his personal connections to acquire the "impossible" and then to resell it to the council.

One of the interesting aspects in this whole affair is that in Western Europe there is a system in use that is similar to the Vancouver one, is perhaps even better, and most of all is cheaper. Moreover, it is available legally. But the "persons concerned" chose to disregard this trivial consideration. Instead, they established INFORT-Austria in Klosterneuburg, intending to keep it in operation for \$3 million until the council bought the system, lock, stock, and barrel. Incidentally, the two principal actors in this affair justified the establishment of the aforementioned firm by claiming that the equipment and the software on which the system operates could not be imported directly to Hungary, because of the COCOM ban.

However, anyone who visited the trade show of Western European systems, held last August in the Budapest Municipal Concert Hall and on the premises of the MTESZ [Federation of Associations for the Technical and Natural Sciences], knows that the Vancouver system is no wonder. At this show INFORT displayed merely a trigonometric field station equipped with a personal computer, worth no more than a couple hundred thousand forints.

Along the way, yet another enterprise was formed to pay for the nonexistent hardware: the 50-percent Swedish owned INFORT, which registered its business address as 34 Benczur Street, the building of the Budapest District Land Office.

No More Official Land Register?!

Meanwhile Gergely Gonczy, the head of the Budapest Municipal Land Office, transferred the building of the Budapest District Land Office, at zero valuation, to INFORT as property manager. And what a coincidence: The very same Gergely Gonczy happens to be the cochairman of INFORT's management committee! A mortgage of 110 million forints, guaranteed by the Hungarian Credit Bank, was obtained on the building. Gonczy instructed the head of the Budapest District Land Office to enter this illegal agreement into the building's land register file. By law, a decision of the organization managing the property would have been required to make such an entry. But then it would have been obvious that Gonczy transferred the Budapest District Land Office's building, free of charge, to INFORT, an enterprise. There was also transfer tax

fraud: As property manager, INFORT should have paid at least eight percent transfer tax on the building's value.

If the Hungarian Credit Bank levies execution on the building—as it is very likely to do—because of the 110-million-forint bill of exchange, then the Budapest District Land Office would have to move out, leaving Budapest without an official land register. It is horrifying to even think of what that would mean for the 225,000 separate properties in Budapest. But let us continue our narrative.

In April of 1989, Gonczy and his associates staged a show in Klosterneuburg, in the building of INFORT-Austria. To this show they invited the leadership of the Budapest Municipal Council, and representatives of the Budapest public utilities. The 110-million-forint bill of exchange was about to come due, and the council's leadership had to be softened to pay up. A stratigraphic map and a utility survey map of a part of Budapest were shipped to Austria for the show. All such maps bear a top secret classification, mainly for security reasons rather than political ones. Such information is guarded even in the West. The hardware and software at the show was worth \$200,000 at most.

To avoid having to state the actual value of the hardware and software, the plan mentions everywhere only a \$3 million service contract for system management. It is pointless to process Hungarian data on an American or Canadian system without domestic adaptation, which in its turn requires knowledge of the conditions in Hungary. Yet Gonczy and his associates have been unwilling to bring the hardware and software into Hungary, even when they were instructed to do so. Probably because the hardware and software do not even exist. The COCOM ban is merely an excuse because, under a certain value, many of the items on the list can be exported.

Gordian Knot

Knowledge of the facts raises certain questions in the minds of laymen and experts alike.

Was Gergely Gonczy authorized to issue bills of exchange? If he lacked the authority to do so, what will be the consequences and when will he suffer them?

Is it permissible to spend public funds without the payer's getting anything in return within a foreseeable period of time?

Do the committed irregularities (the transfer tax fraud amounting to many millions of forints, and all the rest) not warrant a criminal investigation?

Over and above these, numerous other questions also come to mind: the use of the 20th District's motor vehicles, the payment of salaries to various persons and their relatives, etc. Even the construction of Gergely Gonczy's home could be linked to this affair.

On the basis of the preceding, this affair does appear to involve the misuse of between 200 and 240 million forints of public funds.

In other words, there was or still is, a well-intentioned plan to eliminate bureaucracy. At the same time, the leaders involved have taken maximum advantage of the resulting opportunities, for their own benefit. A series of abuses and irregularities color the affair that gradually is becoming a Gordian knot. Will there be someone to cut that knot out?

World Bank Findings Regarding Industry

25000688A Budapest FIGYELO
in Hungarian 15 Mar 90 p 5

[Text] For months and years, World Bank experts have been examining the situation of Hungarian industry. They are preparing various studies on how to improve the competitiveness of that branch of the economy. Last week we attended two presentations. Yohihikomo Sumi presented a report at the Ministry of Industry concerning the comprehensive examination of industry, while experts from AT-KEARNEY—Don Hilton, Del Wible, and Roger Quince—reported the results of an analysis of the machine industry to representatives of government offices and to enterprise managers at the International Trade Center. The manager of the American firm, Fred. G. Steingraber, and some of his colleagues visited our editorial offices a few days earlier.

The statements and recommendations of the Japanese and American experts did not come as a surprise to the Hungarian audience. "We know, we are aware of our shortcomings even without them, and yet it is somehow a different matter to be confronted with these statements on our shortcomings," they said during breaks in the presentations. Are we really aware of those shortcomings?... Yohihikomo Sumi and his four Japanese associates visited 22 industrial enterprises last summer, and took part in several consultations. Here are some of their findings concerning changes they have recognized since then: By now it is not at all that increasing exports payable in convertible currencies are the redeeming salvation from the standpoint of Hungarian industry. Although improvements may be observed in the competitiveness of semi-finished products, a decline in the area of investment goods may be seen. The positive effect of import liberalization could be felt in competition; shippers have endeavored to adapt better to the demands of their customers, but a negative effect can also be felt: Growing competition is beginning to squeeze out machine industry enterprises from the domestic market.

The Japanese experts prepared tables of data that characterize industrial processes; these suggest the following: The efficiency of work has been continuously improving from 1982 to this date, despite the very low level of investment. Return on capital in individual branches is fluctuating from one year to the next, but one can see a continuous decline in the efficiency of capital in the

mining industry and in the energetics sector. That is, capital adjustments (investments) are always responsive to changing demand, and never precede it. Further, the regrouping of resources from loss areas to more efficient production is not at all appropriate. We are witnessing a repetition of the extensive development of the 1970's, but Mr. Sumi is not at all confident that this can be maintained. The reaction in supply is very slow and weak. The reasons? Our technological backwardness can be traced to the unsuitability of our leaders, and to the shortcomings of our institutional background. What are these shortcomings? The soft budgetary barriers, the shortcomings of our wage and price mechanism, and the fact that there is no open market structure—competition is missing. The Japanese expert also recognizes the No. 1 problem in the unclear nature of proprietary rights. In his view, the Hungarian Government must (should) take part in the regrouping of resources, in structural transformation with various measures. One cannot expect these to be resolved by the (nonexistent) market.

As a result of studying the Hungarian machine industry, the American experts feel that the productivity of this sub-branch can be significantly improved, as a first step by taking the steps they recommended, without any considerable capital investment. Some random examples: The machine industry is characterized by the total absence of a market network, of direct customer and partner relations. Supposedly this is also true in the rest of the industrial branches.

Hilton called attention to the fact that products go through too many hands between the factory and the end user, and thus it is no wonder that the factory and the end user do not communicate. Regarding enterprise organizational structure, Wible remarked that information is lost in the hierarchical decisionmaking system. This is why it would be advisable to streamline structural pyramids and to retain a maximum of four or five levels. (It occurred to the American experts that perhaps the Hungarian managers do not even notice this distortion, because they grew up with it. And it is possible that for the time being they would not know what to do with information that they did not need earlier.) These findings of the American experts are sad, but at the same time surprising: In the West there is one white-collar worker for every 70 manual laborers; in Hungary one administrative worker "services" every three manual laborers. But even in this way the people working in the plant do not receive appropriate support from the administrative area, because the appropriate information does not filter down to the appropriate place.

The American experts examined between 300 and 400 product groups in our machine industry enterprises, and did not find a single one (!!!) they could regard as a strategic product, one that holds out the promise of significant results. How could this problem be resolved? Their critical remarks suggest that we are using the incorrect method to find whatever is "new." The place for research and development is not at the business organizations, according to the Americans, because

research and development are too expensive and are not recovered soon enough. The passable way for Hungary is the transfer of technology, of technological know-how, between partners, as well as the development of our own applied research and development, according to the experts.

Mixed Views on IMF Loan Prospect

Early January Expectations

90EC0340A Budapest FIGYELO
in Hungarian 11 Jan 90 p 15

[Article by Istvan Garamvolgyi: "Mid-Week"]

[Excerpts]

Agreement With the Monetary Fund Within Reach

Last December, a virtual war of words raged between a certain foreign news agency and the leaders of the Hungarian National Bank regarding the status of its negotiations with the International Monetary Fund. The second report published by this foreign news source—still during the first part of December—with the intent of clarifying the ambiguities in the first one, raised high hopes that by January we would have signed a—from the point of view of the country's solvency—vitally important agreement. Since this announcement, which had helped soothe public concerns, new reports have surfaced, some in December, and some in January, offering more precise predictions about the possible date of an agreement. On the last working day of the year, Ferenc Bartha, president of the MNB [Hungarian National Bank], issued the following statement: "...The IMF delegation, which is expected to arrive in our country in early January, is coming here to make a final assessment of our national economic balances, such as the budget, and to gather certain additional information about our balance of payments, our state obligations, and our foreign debt.... By mid-January, we can expect to have a final agreement." During the first week of January, without specifying a target date, IMF Managing Director Michel Camdessus informed NEPSZABADSAG's Washington correspondent that they were awaiting information from the Hungarian side about what Parliament had decided. From the information received, he said, "we will see whether or not the fiscal, monetary, and structural programs are in a state that will allow the International Monetary Fund to commence financing."

From Whom, How Much, and for What?

The two people quoted above, the president of the National Bank and the managing director of the IMF, also pointed out that an IMF agreement was virtually a key precondition for obtaining assistance and aid from various international and national organizations and governments. Ferenc Bartha mentioned the World Bank's structural adjustment loan program, and Michel Camdessus spoke about the EEC's offer of 1 billion ECUs [European Currency Unit] in financial loans. We

could also have access to many other loans, aid packages, and assistance programs waiting to be used if we only had a precise and detailed list of the various assistance pledges and initiatives that have been offered and published in announcements, speeches, and interviews—both collectively and individually—since the American president's visit to Budapest by the Group of Twenty Four—the OECD countries—the Group of Twelve—the EEC—and the Group of Seven—the United States, Great Britain, the FRG, France, Italy, Canada, and Japan. [passage omitted]

Whether intentionally or not, getting credible information has been made even more difficult by the fact that the intended recipients of the pledges made by the above organizations have not been specified by name; instead, in most cases they have been made jointly to Poland and Hungary without the amounts mentioned—e.g., the European Investment Bank's 1 billion ECU investment allocation over three years—containing breakdowns and projections by country. Just to mention one “high-level” example of this shortage of credible information: in November 1989, the Secretariat of the UN's European Economic Commission had to rely on press reports and its own estimates in preparing a tabulation of financial aid activities sponsored by the Group of Twenty Four.

This background of lacking information has more than justified the establishment of an interministerial committee which has been tasked with coordinating the utilization of the financial aid promised and pledged by the Group of Twenty Four. This official definition of the committee's task is rather broad; it merely outlines the final goal and future utility of its work and operation.

The bulk of its efforts should be concentrated on finally preparing an itemized list of all official proposals and pledges made—and not only in the press, radio, and TV—by various international organizations and countries. And just so that there is no misunderstanding: It is not enough simply to know the amounts of money offered; we must also know everything about their purpose, function, manner of utilization, and conditions. For even from the less than 100 percent reliable information we have, it is clear that the assistance offered ranges from freely usable financial loans through investment loans, commodity credits, and government loans to fostering certain types of activities—i.e., stimulating private enterprise, expanding managerial training, improving general and language education, strengthening scientific and cultural ties, promoting environmental protection, etc.—and is aimed to sponsor reforms not only in the economic, but also in the social, political, and cultural spheres of life.

Once we have more credible information and a better overview of the availability and proposed aims of these various assistance programs, we can begin to hammer out all the state, government, and financial institution level agreements necessary for taking advantage of them, and later to work out how the assistance and aid received can be most rationally utilized. Instead of the traditional

kind of domestic interbranch cooperation, what this will mainly require is close cooperation with the foreign organization or country providing—financing—the given assistance program. For it is already clear from the foreign press reports that the governments and organizations which sympathize with and support the Hungarian reform and democratization processes consider it essential to ensure efficient utilization, hence in many cases they intend to be actively involved in the utilization phase. [passage omitted]

“At the Threshold of an Agreement”

90EC0340B Budapest HETI VILAGGAZDASAG
in Hungarian 3 Feb 90 p 7

[Unattributed article: “At the Threshold of an Agreement”]

[Text] On 28 January, Sunday morning, the negotiations that had been going on in Budapest between expert delegations of the International Monetary Fund (IMF) and the Hungarian government came to a successful conclusion. Essentially this leaves only a few formalities to be worked out before an agreement can be signed concerning a new, one-year, almost 130-million-SDR [Special Drawing Rights] (equalling about \$150 million) preparedness loan to be extended to Hungary by the international monetary organization. The draft letter of intent is expected to be signed by the prime minister of Hungary and the president of the Hungarian National Bank before the end of this week. In the meantime the apparatus of the IMF will fine-tune the agreement, and by early March, the document is expected to reach the desk of the IMF board of directors. As Gyorgy Suranyi, state secretary of the National Planning Office, pointed out, there has never been a case in which, overruling the experts, this body would have refused to approve a loan agreement.

As far as the Hungarian Government is concerned, the requirements specified in the agreement pertain mostly to loan assumption and hard currency reserve management, which can only be met by adhering to the government's 1990 economic policy program adopted last December. Included among the key provisions of this program, as we know, is a stipulation that our balance of hard currency payments for this year cannot show a shortfall of more than \$550 million, and our budget deficit cannot exceed 10 billion forints. One of the important elements of this economic policy is strict monetary control which must ensure that at an annual inflation rate of almost 20 percent, our total credit obligations do not increase by more than 13-14 percent. Within these limits, credits to the business sphere may follow the rate of inflation, while at the same time loans to the state budget must be strictly curtailed. The experts are quick to point out: The signing of the IMF's letter of intent is an extremely important step in the eyes of the international world of finance, for on its basis the Hungarian Government can reassume its ties with its usual creditors regarding the conditions attached to the

first installment of the 1 billion ECU [European Currency Unit] loan to be extended to the Common Market.

IMF Proceeds With Caution

90EC0340C Budapest FIGYELO
in Hungarian 8 Feb 90 p 15

[Article by Maria Lakatos: "Is the IMF Cautious, or...?"]

[Text] In the past few months the experts of the Monetary Fund have been practically trampling over one another in Hungary. Understandably, the Hungarian Government has been trying as rapidly as possible to prepare the conditions for the next credit agreement. A year ago the idea was to assume an approximately \$300 million bridging loan to be repaid over a two- to three-year period.

The concepts and conditions proposed by the negotiating parties, however, have been quite far apart. The IMF has insisted that the Hungarian Government adhere to its earlier commitment to limiting its balance of payments deficit to not more than \$500 million, and it also viewed the higher than planned budget deficit as an obstacle to a new agreement. After a few unsuccessful attempts, the Hungarian Government gave in. One reason why it has decided to do so was because in the last few months of the year, the indicators of the Hungarian economy had begun to further deteriorate, and its subsequent attempts to make a few "clever" adjustments to the data pertaining to its gross debt obligations and budget deficit figures only caused the hardening of the international experts' position: no further loans until the budget deficit has been drastically reduced. The Hungarian position, of course, has always been a reflection of the prevailing perception of how badly we need the IMF's assistance in financing our obligations in 1990.

Although Hungarian diplomatic efforts have also been effective in collecting and organizing the effort to obtain various types of loans and aids, the results have not been particularly heartening. The reason is that most of the moneys offered have been specifically earmarked for training, education, and environmental protection, and that compared with the capital needs of the Hungarian economy, they have been merely symbolic in terms of their amount.

There is a growing tendency on the part of the creditors to make the granting of larger loans—including the East European package plan of the Group of Twenty Four,

and the Japanese pledges—contingent on agreements with the IMF. Such an agreement is viewed as a guarantee of Hungary's solvency, qualifying it to remain in the club of acceptable debtors.

In early January, while the negotiations were still going on in Brussels, Hungarian financial leaders were talking about an imminent agreement; this, as it now appears, was more wishful thinking than an announcement. For even if there is an agreement with the international organization regarding the conditions, it takes at least a month for its apparatus, which is no less bureaucratic than ours, to submit and approve the decision. Moreover, when it comes to Hungary, the IMF has become cautious. For as we remember, last year it refused to send the last installment of a still valid credit agreement, because instead of the projected 10 billion forints, our 1988 budget deficit had been 20 billion forints. And now, instead of the promised limit of 20-21 billion forints in 1989, even the government has admitted to having amassed a budget deficit of 53-54 billion forints, and according to the MNB's [Hungarian National Bank] minute sheet, our current balance of payments deficit has reached \$1.4 billion.

The agreement, even if it is signed within the next couple of weeks, will only be enough to provide minimal assistance to a government which is in its last few weeks of existence. The experts of the international organization, although they have often stressed their detachment from politics, never fail to include the factor of preselection uncertainty in their counterarguments, just as they will not forget to remind us that the existing government is not in a position to offer any guarantees that its commitments will be adhered to.

So will we have a credit agreement with the IMF by the end of March? No one today dares to give a definitive answer to this question. What is even more doubtful, however, is that the series of negotiations which is slowly coming to an end will be followed by new ones. After all, Hungary does, and will continue to need new, large loans—amounting to more than just \$10 million here and another 10 million there, enough only to help relieve day-to-day payment problems—and long-term capital investments. Our catastrophically deteriorating economic indicators suggest that the economic leadership might have taken too long to take firm hold of the reins. And it is merely a poetic question to ask how the new government intends to take control of those reins, and when it will realize that the bounds of the road do not change.

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