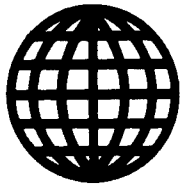


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26 OCTOBER 1989



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# ***JPRS Report***

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# **East Europe**

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# East Europe

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## CZECHOSLOVAKIA

### Dissident Sees Possibility of Shift in Party

23000240 West Berlin TAGESZEITUNG in German  
22 Aug 89 p3

[Text] [TAGESZEITUNG] Society seems to be slowly reawakening, following the long hibernation into which Czechoslovakia had fallen during the "normalization process" after the suppression of the Prague Spring.

[Sabata] Yes, that is correct. Society is not exactly gripped by an enthusiastic sensation of breaking out; but there are some signs of a change in mood. Mostly following the events in January, in conjunction with the memorial service for Jan Pallach. Even though the overwhelming feeling then was one of anxiety, it was possible to feel that there was no longer the old lethargy. In the last few weeks one could feel how the regime's propaganda about August 21 actually intensified this feeling. At the moment we find ourselves in a strange situation, because we cannot predict how the coming weeks and months will develop.

[TAGESZEITUNG] In the last few days the Polish parliament as well as the Hungarians condemned the invasion by Warsaw Pact troops. Is the effect of that not also to stir up emotions?

[Sabata] Certainly. That was a very strong thrust and an important factor which no longer allows us to judge relationships in the traditional framework. However, that changes nothing concerning the lack of any overview of the current situation in our country. Vaclav Havel has just appealed to the populace not to take to the streets on 21 August, because it was anticipated that the security forces would provoke incidents. He considers a massive show of strength by the opposition to be inadvisable at the moment. That is his opinion. Many young people do not understand that and are disappointed. I also happen not to share his opinion.

[TAGESZEITUNG] Was Havel's appeal not more of an advance safety measure, not to provide the state apparatus with an excuse to intervene?

[Sabata] From a psychological standpoint that is perfectly clear. Today my friends in the "Movement for Civil Liberties" and the "Democratic Initiative" delivered /published a statement, in which they appeal once again for a silent march for the victims of 21 years ago. The BBC is talking about a split in the opposition. That is not how I see it—it is only a minor disagreement, which will be forgotten in a few days.

[TAGESZEITUNG] Does the willingness to become politically involved again have anything to do with the obvious worsening of the economic situation?

[Sabata] It could be a reason, although the situation here is not nearly as catastrophic as in the neighboring countries to the east. The shortages cannot be ignored, and discontent is increasing. Recently I was at a session of

the KPC [Czechoslovakian Communist Party] in Brunn. The functionaries for the economy were speaking quite openly about the poor situation. It is no longer being denied, and the Communists also know that there is no prospect in view which could bring about a reversal. Next year's guide lines are the old ones, and the reforms from which the party leadership and the government expect something are being implemented only halfheartedly.

[TAGESZEITUNG] A few days ago Central Committee departmental head Rudolf Hegenbart gave an interview with the Soviet government newspaper IZVESTIA in which he advocated the need for political reforms with quite unprecedented openness, if the CSSR were not to plunge into a serious crisis. How do you evaluate this high-profile position?

[Sabata] First of all, I had certainly not expected it. In October last year, shortly before Strougal's fall as prime minister, Hegenbart wrote an article in the party newspaper RUDE PRAVO, in which he talked about a crisis situation. He accused the old guard of talking about perestrojka, although they were actually responsible for this situation. He is an interesting man and is now regarded as a candidate with better prospects than party chief Stepan in Prague. Even the state attorney of the CSSR Piescak recently gave a remarkable interview. He did not say one word—as is normally the case with him—about "antisocial forces," but to compensate he did criticize our inadequate sense of justice. That has to be taken as a distancing from the antiopposition campaign in recent weeks. Subsequently no further attacks appeared in RUDE PRAVO, at least until last Thursday. And even then the tone was not as sharp as previously, it was even moderate.

[TAGESZEITUNG] Does that mean that a reform-minded communist wing within the party exists, or that one is being formed?

[Sabata] There appear to be signs of a development similar to the one in the Polish party around trade union leader Miodowicz. He is criticizing conditions from an antibureaucratic position. Recently a leading functionary spoke to us with great emphasis about a "pre-crisis time." That is symptomatic, because neither Husak nor Jakes has ever spoken of a crisis situation in the CSSR comparable to the one in the Soviet Union. The younger generation rejects this old position and approaches an analysis of the situation in a different way. The inevitable end result is the need to change course as well. The attempt is being made to draw up—in party language—a new "general line."

[TAGESZEITUNG] Do these forces have any chance of gaining any influence within the party?

[Sabata] There are a lot reform-minded communists, of that I have no doubt. But I have no good information on the precise distribution of strength. Naturally I am familiar with a few interesting examples, but of course I would not like to make any of them known here.

[TAGESZEITUNG] Is there anything still linking the younger generation to the ideas of the Prague Spring, or has socialism in the CSSR been totally discredited?

[Sabata] You know, here a distinction has to be made between real political feeling and symbolism. The word socialism has become worn out in our country. Obviously there is a desire for freedom and a market economy. The mood has shifted fairly far to the right, which does not mean that there would be no basis in this country for a socialist orientation. I am not that sceptical. But a balance cannot be drawn in this unresolved situation. I myself have come down on the left. It is a sociopsychological problem that young people are much more radical. I was at the police station today, and I said that young people went about things with much more energy. The policeman said: "Yes, but they have no idea what 68 was all about." And I said, they do not have to have experienced it personally in order to develop a feeling for the meaning of events at that time. You—I was reproaching the policeman—cannot deny that the majority of young people are refusing to join the system, and he did not even deny it.

[TAGESZEITUNG] What forces make up the "Movement for Civil Rights" which you helped to establish, how does it differ from the socialist reform movement Obroda, which is forming around former Foreign Minister Jiri Hajek?

[Sabata] Well, I belong to the left wing of this movement. But the differences between the left and the right wing are not the same as those in a parliamentary democracy. All of us are in favor of universal pluralism on the political, intellectual, and economic level. All forms of property must be respected, to what specific degree is however still open. Those on the left have different ideas than those on the right, who are principally leaning toward privatization, but we are not.

Now, about Hajek's "Obroda." There is a lot of talk about socialism, but it never clarifies what it means by that. The positive side is that it is in favor of a political democracy in the Western sense, but even that is disputed.

[TAGESZEITUNG] Recently the opposition has shown some substantial differentiation, it has become a multi-form spectrum. Can the explanation be found in the fact that the intensity of external threats and harassment has diminished and it is no longer absolutely necessary to survive a closed formation?

[Sabata] Yes, certainly. The situation is not being blocked so much any more from above. It is now possible for internal differences to emerge. On the other hand one cannot ignore the fact that integration processes are in underway. The civil rights movement is still embryonic, but attempts can be seen to formulate a unified program, for example in the manifesto "A Few Theses."

## Establishment of Opposition Group Obroda Explained

### Reasons for Obroda's Inauguration

24000189 Rome LISTY in Czech  
No 19, Aug 89 pp 21-22

[Article by Milos Hajek dated 19 Feb 89: "Why Obroda Was Formed"]

[Text] Soviet restructuring has offered new hope to all countries in the eastern half of our continent but the internal conditions in each of them are quite different. Gorbachev's policies enable Czechoslovakia to relate to the live tradition of its Prague Spring but the regime installed by the military intervention is offering much greater resistance than the conservative forces in Hungary and Poland were able to muster. The main goal of Brezhnev's intervention was, in fact, to ravish the communist party—by expelling almost half a million members it ceased being a political party in the same sense as it had been up to 1969 and became merely a power structure. Ever since its proclamation by Gorbachev the idea of democratization (this formerly taboo word) in Czechoslovakia was enthusiastically received more by nonparty persons than members of the CPCZ. Two years later its leadership subscribed to the idea of democratization but in reforming the political system it obviously will not allow anything more than a cosmetic change. To be sure, the unadmitted collapse of the policy of "normalization" and the similarity of Soviet restructuring to the Prague Spring did change the climate. Fear did not disappear but it slackened and mass demonstrations of young people erupted spontaneously on the 20th anniversary of the invasion creating a new situation which was confirmed especially by the 5-day demonstration in January of this year.

The chasm between the governing machine and the community has deepened but the active opposition has so far been unable to show a specific way out. Its activists showed great self-sacrifice in their efforts to maintain people's rights. Last year they attempted to enter directly into politics by forming the Movement for Citizens Freedom and developing a generally democratic program. However, since this movement combines socialists and nonsocialists its possibility of working out a more precise political position is more difficult. A well-defined and structured opposition has been lacking so far in Czechoslovakia. The practice of Stalinism, it is true, discredited the very thought of socialism in the eyes of many people but far from all of them.

All of these reasons led the group of active participants in the Prague Spring—in part signers of Charter 77—to the formation of Obroda [revival], a club for socialist restructuring. We formulated our inaugural declaration very broadly and we conceive our club as an association open to every socialistically thinking citizen. We realize that if our membership were limited only to expelled communists then the club would be stillborn.

As a matter of fact, since even before the public proclamation we succeeded in getting even young people who never were in any party, we see the promise of success. Contrary to previous informal initiatives, we set ourselves up as an organization and asked the Ministry of Interior for registration. We believe that the causes that, after the first world war, led to a split in the socialist movement between communists and socialists are a thing of the past and we welcome efforts to renew unity with Europe's Left to which we subscribe.

We hope that the democratization process will not acquire an explosive nature. This also applies to our relationship to other initiatives and organizations. We support Charter 77 and other democratic initiatives in the struggle for people's rights. In regard to our relationship to the CPCZ, we welcome its profession of democratization, and we support its every real step in that direction. But we reserve the right to criticism and we believe that in the reform of the political system nothing, as it were, has been achieved. So we definitely condemn the repression with which the leadership reacted to the January demonstrations. The public's reaction to this repression can be roughly estimated. A certain part of the demonstrators is condemned—if we consider that there have been no demonstrations in Czechoslovakia for 18 years. But on the other hand, over 1200 cultural workers and almost 700 science and research employees signed the petition condemning the procedures of the authorities and asking for release of those in prison. This is a new and important factor: whereas in the past it was always the same group of "dissidents" who signed such petitions, these protests were signed in the overwhelming majority by persons whose livelihood depends on the establishment and who are well aware of the fates of hundreds of their colleagues who, 20 years ago, for similar political postures were put out of work in their sectors. And it is not only the intellectuals. RUDE PRAVO has so far not been able to publish the viewpoint of labor collectives who would have identified themselves with officialdom. On the contrary, among CPCZ members those voicing disapproval are increasing. Our club is free of any sectarianism and tries to address all citizens, including party members.

Leading politicians, meanwhile, found the only "solution" in intensifying legal prosecution of the demonstrators which they achieved in an unusual way without invoking a plenary session of parliament. In this situation the official reaction to the formation of Obrada was rancorous. The deputy chief editor of RUDE PRAVO, Kojzar, accused us of "rightist opportunism" and indicated that there is no question of a dialogue with us. With whom do the authorities want to enter into a dialogue when they refuse to do so with staunch adherents of socialist restructuring?

#### Preparatory Committee's Report

24000189 Rome LISTY in Czech  
No 19, Aug 89 pp 21-22

[Text] On 31 March 1989 a conference was held which included, besides members of the preparatory committee,

certain other club members, C. Cisar, J. Domansky, M. Gregr, M. Hajek, R. Horak, O. Jilek, L. Kohout, V. Kolmistr, V. Silhan, V. Vrabec and representatives of certain okreses and krajs of the CSR. At the meeting there was discussion about the early experiences of the club's activities in which all present participated. In this report we have summed up some of the opinions which were expressed here.

#### The Situation With Which We Work

Many external factors are actively affecting the social movement within our country, especially the revivalist socialist developments in the USSR, Hungary and Poland. The Soviet elections ended with a clear victory for supporters of M. Gorbachev's revolutionary line and defeat of the conservative trends and their supporters. Restructuring is growing in import and tempo. In Hungary the profound democratization is continuing and, among other things, has evolved into a reevaluation of the anti-Stalinist rebellion of 1956 as a historically legitimate people's movement (though occasionally a real counterrevolution entered in), as well as the rehabilitation of democratic efforts within the party and society, including the person of I. Nagy. In Poland the conclusion of the dialogue is approaching at the round table between representatives of the authorities and the opposition with agreements approved by the Central Committee of the PSDS [Polish United Workers Party]. These three countries now stand at the head of the struggle to definitely overcome the Stalinist aberrations and policies of stagnation and to promote a democratic concept of socialism as a pluralistic, socially just and free society.

Internal developments in our country are very belated and are lagging behind these developing trends in Europe. Although the normalization regime gives lip service to them, in essence so far it has not begun changing over to a democratic political system of intensely humane socialism, although practically our whole society is ideologically and politically prepared to support and carry out this kind of change. Attempts of the most active reformers in official structures and especially enterprising citizen associations (including our club) to proceed energetically with restructuring are meeting with ill will in conservative governing circles and bureaucratic resistance. The later is caused by fear among bureaucratic forces of losing their powerful positions and privileges and also of opening opportunities for public involvement of all classes and groups of society and the revolutionary consequences of the revitalizing progress of socialism. Consequently, we are living under conditions of a prolonged crisis which is intensifying rather than being resolved.

In this atmosphere the opposition of an ever broader public is naturally increasing but critical voices demanding more radical changes are also being heard in ruling structures. Under pressure of democratic public opinion the normalization regime is losing its former consistency and its principles of socialist ethics and

mainly its antiquated political procedures are breaking down. Nothing remains for it but to resort to Kojzar's [deputy chief editor of RUDE PRAVO] journalism, to convulsive power repression, all of which then suppresses the people's initiative and frustrates any kind of restructuring.

The core of power still resides with the conservative CPCZ apparatus whose offices bear the decisive blame not only for the stagnation of social development of many years' standing, but also for the current delays in carrying out essential reform changes.

The predilection for aged normalization practices are attested to by efforts to retain the rigidity of the bureaucratic-directive neo-Stalinist political system as well as the unwillingness to change over to a regulated market economy and to allow freedom of information and any intellectual life at all. Efforts continue to manipulate public opinion through the media and to restrict the people's democratic activity to the narrowest limits but also to falsify the intent of informal citizen associations, based on legality, and to impute to them untrue objectives, such as hostility to the republic, efforts to overthrow the state, the betrayal of socialism, etc.

#### Directions and Forms of Club Obrada Activities

As club members we profess to be democratic socialists which we consciously link with the best progressive traditions of the working and revolutionary movement. We recognize the importance of the struggle of social democracy and the communist party as components of the universal striving for liberty and justice. We value highly the revival process of the sixties and the ideas of the Action Program of the CPCZ of April 1968. At the same time, we reject all Stalinist and other undemocratic distortions of socialist theory and practice, all errors, mistakes and crimes which have sullied the path to socialism. We are advocates of the just disclosure and pronouncement of the full truth of the history of socialism as the only source of real enlightenment.

We reject efforts of defeatists to write off socialism in the name of some kind of new liberalism, "pure" democracy, "absolute" freedom, etc., which have no chance in real social life and wander about in the realms of fantasy. The crisis of Stalinism cannot be resolved by elimination of false ideology begotten by the cult of violence and dictatorship and their substitution by a humanistic ideology of democratic socialism.

If we want to avoid groping about politically and improving our activities we need to work out, against the background of the club, the characteristics of socialism as a social order, its theories and practices which are most essential for the modern socialist movement. No "eternal" precepts and definitions will solve anything, instead they entangle the problems. We need an open socialist ideology, changing in accord with scientific discoveries and the movement of life, although imbued with the ideals of human liberty and social justice as permanent principles of our orientation.

The club, however, must also grow in breadth and develop its organizational base and keep recruiting more members who can meet in branches or just in friendly circles in order to contribute their knowledge and abilities for the goals which were expressed in the Declaration of the Preparatory Committee on 15 February 1989. There are many citizens in our society including reform communists of the sixties and their friends who are progressive socialist thinkers and are looking for a way to contribute to the success of democratic restructuring. All of these persons as well as progressively oriented members of the CPCZ and other parties will find in our club a platform for the free exchange of opinions and political involvement.

## HUNGARY

### Critique of Law on Transformation Disputed

25000431 Budapest FIGYELO in Hungarian  
24, 31 Aug 89

[Article by Deputy Minister of Justice Tamas Sarkozy:  
"In Defense of a Law"]

[24 Aug p 5]

[Text] In recent weeks a number of criticisms have been launched against the Law on Transformation. Due to lack of time, no scientific analysis of the law has been prepared. No criticism based on practice has been made, because the law has not been applied. Entrepreneurs and specialists in enterprises do not criticize the law, supposedly because they have already realized that the law serves their interest. Mass communications, however, are full of criticism.

The basis of this criticism is a writing by Lajos Bokros, published in many forums. With some exaggeration it can be said that Bokros, an associate at the Hungarian National Bank, distributed the critique to all the media and to all "alternative" organizations. In his dissertation Bokros did not comment on the legislative proposal presented ultimately to the National Assembly, the one adopted by Parliament. Therefore, reliance on Bokros' views today often produces a distorted effect. The Law on Transformation can be interpreted only in the context of the Law on Business Organizations, and since Bokros is not a lawyer and thus does not follow the discipline of legal analysis, his views contain several misconceptions.

On the basis of my experience, I can state that an overwhelming majority of the critics have never read the Law on Transformation. At most they have glanced at it. And since the critics have not acquired the appropriate legal background, they do not understand the law. The criticism is peculiar in the sense that it originates from both the "Left" and the "Right," from respectable economic policymakers in government, from various groups within the Hungarian Socialist Workers Party

[MSZMP], from member organizations of the Opposition Roundtable, and from leftwing alternative movements. The arguments presented are identical because the basis of these arguments is not the text of the law, but Bokros' opinion.

#### Substance of the Critique

Simply put, part of the critique is exaggerated, for example, the statement that the Law on Transformation leads to a "Latin American type of dictatorship," (why not African or Asian type?). And then there are some statements which imply the existence of manipulation: "They mislead the representatives," "they railroaded it through Parliament," "extortion."

There are some statements containing traces of appropriate criticism. These are:

- The law transfers state property to the enterprise, and places managerial responsibility over public property at the enterprise, therefore the law represents the "salvaging of power."
- The law does not enable appropriate state activities in the interest of privatization; if enterprise leaders have an opportunity to choose their owners, they will sell out public property in an uncontrollable manner, placing such property on the block, wasting it.
- The Law on Transformation disguises this as a technical standard; it implements "reactionary changes in property" without societal debate or political agreement.

But why? Which paragraphs, or specifically, which parts of the text in the Law on Transformation support these charges? The tacit response: "just because." One cannot find specific reasoning in the text of the law to support the argument. It is so because they say it is so. And if this is so, then the Law on Transformation is "damaging." And if it is damaging, a movement must be launched to have it revised. Let there be a "new trial."

#### How the Law Was Prepared

Let us begin with the "procedural truth." It is not true that we forced the adoption of the Law on Transformation in haste, amid a deluge of laws dumped on the "poor representatives."

Since the summer of 1988 the Justice Ministry has submitted a total of three legislative proposals in the area of economic law. The Law on Business Organization was first, and the second and third pertain to foreign investments and the law enabling transformation into corporations, respectively. Both of the latter laws were expressly indicated by the Law on Business Organization, so the representatives were aware of the legislative schedule. Let me add here that in the past the specialized press criticized those who prepared legislation for delaying the Law on Transformation. Indeed, the degree of legal preparation needed for the Law on Transformation would have enabled us to implement this law as of

1 January, as with the other two. Nevertheless, we heeded the requests of economic policymakers to wait for the economists to finish their work on the appraisal of assets and the state trustee organization.

The Law on Business Organization has its own logic even in its afterlife. It presumes the existence of the "Investment Law" and the "Law on Transformation." In order for the Law on Business Organization to fully prevail, there would be a need this year for a law on corporations, and further, for a law on individual enterprise (in lieu of separate regulations for small trade and small business), as well as for a law governing the issuance of securities and the supervision of the securities market (exchange), and finally, a competition and antimonopoly law. A draft for all of these, molded into paragraphs, has been prepared. Accordingly, from a professional standpoint we are in a position to present these to Parliament, unless they prevent us from doing so for political reasons. This is so, not because we intend to manipulate the "old" Parliament for purposes of salvaging power, but because with the Law on Business Organization we have embarked on a path which must be followed to establish foundations for a market economy.

Following the adoption of the Law on Business Organization (which indeed may significantly affect prevailing proprietary conditions, though it does so, in my view, in a progressive manner, to strengthen citizen entrepreneurial property), the legislature consciously endeavored not to impede proprietary reform. The foundations for proprietary reform must be established by the constitution, and indeed, this must be preceded by broadly based societal debate. The laws pertaining to the state, to enterprises and cooperatives, can be changed only after the adoption of the new constitution. It is for this reason that we restricted ourselves to small changes in these two laws.

The so-called Law on Transformation does not pertain to the transformation of society or the economy, as some would believe based upon its simplified title. Instead it pertains to a transition of business, industrial, and agricultural organizations into corporations, and to the transition from one corporation to another, without the corporations' liquidation, and with universal legal succession. The law governs this special process from a technical standpoint. While the Law on Business Organization could be perceived as a pivotal law—to use today's terminology—its complementing law, the Law on Transformation, is not a pivotal law. From a political standpoint, an overwhelming part of its contents is politically neutral.

#### Forward-Pointing Elements

Bokros is correct of course in saying that there is no purely technical legislation devoid of value, and thus the Law on Transformation also contains elements which affect proprietary relations. One must distinguish however, between legislation primarily of societal significance on the one hand, and primarily of technical

significance, on the other. From this standpoint then, the Law on Transformation—whose contents were largely predetermined by the Law on Business Organization—is fundamentally a technical regulation. And further, the Law on Transformation and related changes in law, along with the fact that these laws do not make fundamental changes in existing conditions, in my view represent steps in the right direction. They are laying groundwork for comprehensive proprietary reform that is consistent with a market economy. Some of these elements are as follows:

- They provide an opportunity for small ventures, free of taxes and dues, to make flexible changes in their organizational forms and grow.
- We have broken through the dogma of indivisible cooperative property, we have settled the problems of small cooperatives and placed a supportive beam in the form of cooperative business shares and securities under the future ownership position of cooperative membership (even if there are abuses in this area, as could be expected).
- We have discontinued a number of earlier political links of state enterprises (deregulation) and we have severed one of the main channels of informal state administrative interference in state enterprise operations by placing legal supervision of enterprises and cooperatives under the jurisdiction of courts of registry.

It follows from the above that the claim that the Law on Transformation was preceded by a huge professional debate is false. I have spoken already about the fundamentally positive view of economic interest groups. In seeking views from government administrative organizations, the Hungarian National Bank, the Economic Policy Secretariat of the Council of Ministers, the Ministry of Finance, and the National Planning Office registered some objections, but did not present fully developed counterproposals. We carried on professional debate with all concerned parties, not only among lawyers, but also with economists. There were two rounds of debate over this law. In parliamentary committee meetings and in societal and professional forums we first debated the fundamental principles, and then the entire text of the law. We obtained concurring views from the National Federation of Trade Unions [SZOT] for example, thus it is odd that critique launched from the "third side" is strongest coming from trade union representatives. At a debate held at the Institute of Economics, Tamas Nagy and Marton Tardos showed fundamental agreement with the proposal. We forwarded the legislative proposal to representatives of the Opposition Roundtable in April, and to a number of "opposition organizations" (Alliance of Free Democrats [SZDSZ], Association of Democratic Youth [FIDESZ], etc.), noting that we would be pleased to debate this issue, to be open for consultations, etc. We received no response to this call. At the same time, the Law on Transformation contains such complex, legal, professional technology, that publication of its text in the daily press would have amounted to pseudodemocratic manipulation.

Accordingly, statements to the effect that we did not abide by the provisions of the law on legislative drafting are false. A law, whose effect to the extent of 99 percent applies to business organizations, cannot directly affect the rights of a broad stratum of citizens.

### Two Variations

Just how much we did not intend to mislead anyone is well demonstrated by the fact that we presented two alternatives of this law to the Council of Ministers. The second alternative reflected the delays experienced by economists. We stated the disadvantages in adopting the law both at parliamentary committee meetings and in the minister's expose at Parliament's plenary session. We gave consideration to views expressed by Representative Kalman Szabo, according to which an appropriate means for the appraisal of worth and the state trustee organization had not been devised. Despite this fact we recommended adoption of the law, because in our view (and I still hold this view), the advantages of adopting the law outweigh the disadvantages.

Accordingly, the statement that the entire Law on Transformation was arguable is a fib. No one objected to the merits of an overwhelming part of the law. The only matter that presented itself for argument was the transformation of state enterprises, and even then only the transformation of a certain group of enterprises, notably the transformation of self-governing, self-directing (enterprise council and general meeting) enterprises. Only about one-tenth of the Law on Transformation pertains to these.

Under such circumstances why did we not leave the part that applies to state enterprises out of the Law on Transformation? Obviously, it would have been more convenient from the standpoint of legislative drafting. No sober mind could have suggested that we postpone the parts applicable to small enterprises and cooperatives, because delaying these provisions would have caused entrepreneurs to suffer economic losses of such proportion that postponement would have been politically unacceptable to everyone. A delay regarding state enterprises, however, could have been sustained politically. On the other hand, as long as a legislative draft seriously endeavors to establish a market economy structure, it cannot work on the basis of regulating certain sectors only. The Law on Transformation is a unified whole, and the individual provisions are correlated; from the standpoint of legal policy and legal technology individual parts could be removed only artificially.

### Government Debate

Within the government, the criticisms are supported by actual debate. A number of leading professional economists (financial, central bank) believe that "new, original capital accumulation" to be implemented at the expense of enterprises is the sole passable way in view of the unusually large state indebtedness and in the interest of reducing the budgetary deficit. Accordingly, the property decentralized at the level of state enterprises must be

taken back by way of centrally coerced transformation, primarily into stock corporations. Since state enterprises are owned by the state, all stock should be transferred into a future state trust, with the authority to manage stocks according to its liking, to reprivatize, etc. The value received would then reduce the state's indebtedness and the budgetary burden.

The theoretical foundation for this "centralizing" concept was provided in a study written by Laszlo Antal last January. But since Antal's conceptual recommendations could not be developed in specific terms so that they could be expressed in the form of law, the main attention focused on the critique of the decentralized, "pro enterprise," legislative proposal developed by the Ministry of Justice in agreement with economic interest groups. And as soon as the concept of "renationalization" commanded only a minority at the Council of Ministers, advocates of this very influential trend tried to change the decision, and to correct the "obvious flaws" (?) of the Law on Transformation following its adoption, through pressure exercised by mass communications and by making use of the alternative organizations. In contrast, I have not changed my mind regarding the idea that sustaining the decentralized, proenterprise concept is necessary. All this indicates that the debate concerns economic policy more than it pertains to ownership.

Since by necessity only existing organizations can effect transformation, the Law on Transformation had to have the status quo as its starting point.

Hungarian social science literature contains some theoretical perceptions that are diametrically opposed to the presently existing institutional system. From the standpoint of our theme we must mention two of these. One is Tibor Liska's theory concerning "personal social property." This theory is reflected in two trends, in part through Istvan Siklaky, and in part in Bertalan Diczhazi's and his associates' theory of "the people's stock ownership." Laszlo Kotz' conception of interest in property is second. This concept operates on the basis of personal community foundation segregation. All of these are worthy approaches from a scientific standpoint, but unfortunately, in the course of pragmatic legislative drafting, these theories could not be taken into consideration for two reasons.

On the one hand, these theories would require a revision of the entire body of laws pertaining to Hungarian enterprises and corporations. Quite obviously, this task cannot be one for the Law on Transformation, which is secondary as compared to basic law. On the other hand, these theories were not developed in technical terms, so that they could be verified through legal provisions. Once they reach this level of specificity, we will be pleased to entertain these ideas.

All this does not mean that we did not make use of partial elements of these theories. One of these is the concept of amortized stock which we adopted at Laszlo Kotz' suggestion; another is the role of municipalities in

the process of transformation, the strengthening of worker's shares, etc. We will follow this practice in the future, e.g. in the process of modernizing the institution of foundations. On the other hand, the Law on Transformation could not take into consideration a fundamentally "alien" institutional system.

#### Managers' Rule?

Similarly, the statement that the Law on Transformation establishes a situation in which managers will rule in Hungary does not correspond with the truth. The opposite is true. The new law reduces the possibility of ruling by managers because:

- It discontinues the president's membership in the enterprise council, and mandates that a worker delegate must be the chairman of the enterprise council.
- It establishes conditions for the long-term interestedness of enterprise councils in property.
- It increases the opportunities of interference on grounds of public interest, in the event that violations are found in enterprises. For example, the 1984 regulation did not at all enable the discontinuation of enterprises; this time we were able to include such provisions. Accordingly, the law reduces the ownership rights conveyed earlier to enterprises.

From the standpoint of the struggle against unwarranted rule by managers, the law enacted during the summer of 1989 creates an improved situation, not a worse one. The ownership rights of the state were conveyed to the enterprises by virtue of enterprise laws enacted after 1967, primarily by the law of 1984, and not by the Law on Transformation. The Law on Transformation was unable to change the basic setting established by the post 1967 laws, because this was not a function of the Law on Transformation. It was able to make only small corrections, and it did so.

Critical claims blaming the law for not having discontinued the institution of enterprise councils, for not "renationalizing" the state enterprises, would be factual. A decision of this caliber concerning ownership would indeed demand societal debate and clear-cut political decisions. In such a case, the law would have indeed accomplished a hidden proprietary reform, but we did not do so.

But I do not even agree with the idea of central public authorities coercing "competitive" state enterprises to transform into corporations, and of discontinuing the autonomy and self-regulation of workers' collectives within the state sector. Left-wing alternative organizations that claim that worker's autonomous governance and self-regulation in the state sector must be sustained in the long term are correct. Accordingly, the institution of enterprise councils must not be discontinued; instead its character as a formality, which is the contradiction contained in prior rules, must be diminished, and this is

precisely what the legislative draft endeavored to accomplish. Erzsebet Szalai was correct when she wrote in KAPU that in the area of autonomous governance and self-regulation the 1984 law utilized many of the ideas propounded by Tamas Bauer, Laszlo Lengyel, and Karoly Attila Soos. To mention the bankruptcy of an institution without fully assessing 3 years of experience gained by that institution is devoid of any scientific foundation. Enterprise councils and workers' autonomy can function more efficiently in a democratic environment, under developed market conditions. It is yet another matter that in 1984 and 1985 enterprise councils were forcibly introduced in too broad a sphere. For this reason it would be appropriate to narrow the enterprise sphere, toward transforming large enterprises into corporations, and toward direct workers' self-regulation, the general meeting form in smaller enterprises.

### [31 Aug p 3]

[Text] Incidentally, transformation necessarily discontinues enterprise councils and the overlap between ownership and enterprise management functions. It would be very difficult to salvage a weak enterprise president's power in a state enterprise transformed into a stock corporation where, let's say, foreign companies or banks control a majority of the stock. Those who talk about salvaging power know nothing at all about the functional logic of Western market economies. In this way, of course, changes in management do not take place all at once in a spectacular fashion, but gradually.

In this respect, many people misunderstand those provisions of the Law on Transformation by which an enterprise transformed into a corporation "may itself retain" the unsold stock for a period not exceeding 3 years. This rule encourages transformation because, considering the lack of capital in Hungary, in cases involving larger enterprises the sale of all the stock at the start would frequently prove to be impossible. Pursuant to the general provisions of the Law on Business Organization (as a legal supplement the Law on Transformation cannot create a separate kind of stock), the subject of this "retention" would be so-called corporate shares, without voting power and with no dividends. Under no circumstances could this be construed as the rule of managers; the state trustee (necessarily receives 20 percent of the stock) and outsiders (the condition for transformation is 20 percent of the stock held by an outside member) exercise ownership rights, while the corporate shares would gradually find buyers.

If we do not discontinue the institution of enterprise councils, because the state conveyed the bulk of its ownership to these bodies in 1984, then it becomes necessary for enterprise councils to decide in these kinds of enterprises whether or not they want to transform the enterprise into a corporation. The Law on Transformation is moving along a constrained course. Generally speaking, transformation is voluntary; it depends on the enterprise's own decision. At the same time, in cases in which enterprises abuse their authority, the Law on

Transformation includes the possibility of forced transformation as a matter of guarantee. One case in which this provision can be invoked is the improper use of assets [25.(3)], and the other is the frustration of the rules applicable to concerns [25.(1)-(2)]. As an ultimate safeguard, the government may turn to Parliament on the basis of the enterprise law, in order to seek return of the enterprise under state administrative direction for purposes of transforming the enterprise into a corporation.

### Taking Action Rather Than Expressing Regrets

Doubtless, the possibility of voluntary transformation is accompanied by the fact that there will be no mass transformations. A significant segment of enterprises will not opt for the "large operation," for the complete discontinuation of the enterprise, or for transforming into a corporation on a one to one basis. Instead they will choose the normal method of corporate organization; they will make part of their assets, individual factory units, into corporations that are common with others. But why would this be a problem? This is the natural way throughout the world. Corporations are formed through decentralized actions of firms, and not as a result of centrally managed state campaigns. The general provisions of the Law on Business Organization constitute the main rule, therefore full transformation necessarily would become the relative exception (and this does not prove the nonfunctional character of the Law on Transformation).

Quite obviously, enterprise councils may have strong disinterest in transforming an enterprise into a corporation. But there is already interest today in transformation (e.g. advantages attached to the attraction of foreign capital), and economic policy can strengthen such interest. In any event, in comparing the transformation endeavors of state directed enterprises with those of enterprises directed by enterprise councils, for the time being the scale weighs heavier on the enterprise councils' side. It is simply incomprehensible that governmental economic experts can express regrets about forcing the government to adopt a passive attitude, at a time when for a protracted period governmental economic management has done nothing in an area where it has had a free hand all along, in enterprises under state administrative direction.

At this point I would mention another misunderstanding. The Law on Transformation is not a reprivatization law, it was never intended to be one. Transforming into a corporation may serve the purposes of privatization, but not completely, because it is possible that all of the future stockholders are state owned business organizations. On the other hand, privatization is not only accomplished by transformation into corporations; other means include the sale of stores, units, etc. Privatization is not limited to what the state's central organization performs or to what direct budgetary revenues inure. Decentralized privatization accomplished by enterprises also falls under this heading. Central governmental activities have abundant room in enterprises

under state administrative control, and there is no obstacle to government presenting a package plan to Parliament concerning the full privatization of enterprises. But by now the time has come for action to take the place of conversation, conferences, and arguing in the broad area where the legal opportunity for privatization exists.

### Real Interest in Property

Indeed in this situation the enterprises managed by enterprise councils and their creditors, primarily commercial banks, are negotiating with prospective shareholders. This situation, however, does not at all suggest that the head of an enterprise chooses his own proprietor. It is the enterprise council, not the president, who decides. In addition, the entire structure of a stock corporation rules out the possibility of permanently determining the group that owns a corporation (even in the case of a privately owned company, and let us not forget that the state trustee is necessarily the owner). And anyway, could this be done differently? Could we establish a central state trust capable of exercising ownership rights in regard to all enterprises in Hungary, which could transform these into corporations in a manner that is most economical from society's standpoint, and which could choose the best owner and the best purchase price? Hardly! In my view, such a degree of power concentration would be very contrary to a market economy, and would also carry concepts of a state organization in a constitutional state.

Independent of a basic dislike, we could not elect this path in the framework of law for practical reasons. At the time the Law on Transformation was drafted, not even the outlines of the state trust organization, the State Trust Fund, were visible. In general, even today one cannot tell what will cause this organization to have a real interest in the safeguarding and proper management of property, and what makes it the "ultimate and natural owner." What guarantees exist to safeguard against the excessive exercise of power? What prevents this organization from functioning as a real state administrative organ, and from not adopting a midlevel state administrative direction? (The organization's subordination to Parliament in and of itself means nothing.) We waited 6 months for the appropriate response; the law could not be delayed further. This is why we chose the solution of leaving the establishment of the state trust organization to be treated under a separate law, while delegating the state trustee's authorities to the founding organs (ministries and councils) until such time that the separate law is enacted. This is a temporary emergency solution, which in the case of branch ministries (the situation is different with councils) is inappropriate in principle. In the short term, however, it provides a vehicle for the Law on Transformation to function.

The law concerning the state trustee organization is progressing under the leadership of a government commissioner. If this organization comes into being, it can take over the trustee functions from the founding organs.

Nevertheless, economic organizations' perceptions are at such initial stages, and differ so greatly, that full-fledged regulation cannot be developed. In my view, fundamentally the trust fund and the authorities of the state trust organization must be contained in the framework of the Law on Transformation. There may be a need of course for one or two supplemental provisions and changes, thus, for example, the state trust organization may be assured of a prepurchase option on corporate stock held by the corporation (so that such stock cannot be sold below par value without justification), minority rights within corporations may be strengthened, and some founders rights regulated earlier may be transferred to the trustee. In addition to the provisions of the Law on Transformation there is a need for the development of realistic safeguards against abuse on the part of enterprises. On the other hand, the arbitrary exercise of authority vis-a-vis enterprises cannot be permitted, and we cannot agree to the deformation of the state organization which ensures an unrestricted exercise of power under the pretext of ownership, and impedes effective governance.

If the state trust organization fundamentally remains within the framework of the Law on Transformation, its regulation may be hardly regarded as a pivotal law reaching to the merits of proprietary conditions. In this case, the law may go into effect on 1 January 1990. This would represent a little step forward.

### Protecting Competition

Could the building of a model for voluntary transformation mean that enterprises mutually purchase each others' stock, and thereby ensure the survival of managerial rule? No, this is not possible. Charges based on the idea of an intertwining of antimarket and anticompetitive activities in the face of corporate law, which for the first time brought control over concerns and mergers in Hungary, is deeply unjust. The Law on Transformation is the first standard which fights so-called post office box enterprises, by requiring that in the event that an enterprise creates more corporations out of its factory units than the prescribed limit, its headquarters are obliged to transform into a corporation within a limited period of time. Thus in practice the method of "internal stock issues—the creation of limited liability corporations" would become widespread, rather than cross stock ownership between independent enterprises.

Irrational enterprise concentration was not brought about by legislation, and it would not be justified to expect legislation to discontinue monopolistic situations. Let economic policy take action at last, for example by decentralizing large enterprises under state administrative direction before they are transformed into corporations. We are doing what can be accomplished through legislation. A modern competition law is virtually complete; it will provide new means of economic policy direction to fight monopolies.

The evolution of enterprise cross ownership of stocks is restricted in the Law on Transformation by sequestering excess capital contributions from the outside and making those part of the basic capital. (We prescribed 20 percent or 100 million forints in order to exclude the possibility of establishing "pseudo stock corporations." With this 20-percent capital contribution the outsider does not purchase the enterprise, because that contribution is offset by a mandatory 20-percent contribution to the state trustee, and the state trustee enjoys a further advantage in acquiring additional stock, because in reality he pays only 20 percent of the value of such stock.) As long as the trustee functions as he is supposed to, stocks cannot be sold under par without cause. Stock issued on the basis of existing enterprise assets, and 80 percent of the value of the enterprise's own corporate stock remaining with the enterprise for 3 years, will be withdrawn by the trustee. Accordingly, the acquisition of cross stock ownership does not at all represent good business for enterprises. Quite naturally, one could never completely rule out the possibility of abuse, but it is unlikely that the Law on Transformation provides an institutional means for abuse.

#### Seemingly Abusive Depreciation of Assets

Even if it wanted to, enterprise management could not sell public assets in the process specified by the Law on Transformation. Independent of the fact that in order to achieve majority foreign ownership the joint permission of the Ministry of Finance and the Ministry of Commerce is required, each transformation must be reported to the state trustee organ. Such reports must have the plan for transformation and the enterprise's balance sheet attached. The state trustee organization can veto the proposed transformation if it finds unwarranted depreciation of assets. Further, the intent of transformation must be announced publicly, in other words, societal control automatically enters into the picture.

The Law on Transformation does not force the "state" to be passive. Guarantees against abuse perpetrated by enterprises are available. By necessity, the state trustee is a stockholder; if he actively participates in the formulation of corporate business policies every opportunity is given for the protection of the public interest. (Since the trustee has the value of 80 percent of the stock returned to him, he can acquire a majority position with relative ease, but one must not forget about the protection of minority rights either.) Quite naturally, state intervention to the point at which the State Trustee could order the transformation of any state enterprise at any time, and thus automatically acquire all the stock of the corporation formed out of the state enterprise, is not possible under the law. The law presumes reductions of state intervention in the market economy and economic reflexes.

In addition, we have included among the rules of transformation some requirements intended to strengthen socially desirable owners. One of these is the rather forceful, diverse support of property acquisition by city and municipal councils, or the so-called temporary stock based on

credit for purposes of social security and public interest associations and foundations, in addition to the already mentioned mandatory workers' shares. Workers' participation, trade union rights, are fully supported by the Law on Business Organization. As to the merits, employees will find themselves in a better situation at a business corporation than in a "traditional" state enterprise.

#### Stability

One could say that the rules of "sharing" included with the Law on Transformation, which were meant to provide proportionate satisfaction to all real interests, are "arbitrary, artificial," and "rigid." The first part of the critique is fully justified. We struggled for more than half a year preparing the draft. In the course of debate we made several changes in our perceptions until the present technique, which has a relatively closed logic in law, evolved. Those who prepared the draft know best how problematic this regulation is. But the breaking up of the historically monolithic state property under present Hungarian market conditions is possible only by applying artificial structures. Such a process has never taken place in the world; international experience has only limited applicability. For example, one may obviously question the rule which requires that the value received from the sale of a corporation's "own" corporate stock remain with the corporations, because by virtue of this requirement the stockholders benefit in the form of assets over and above the basic capital. If, however, we consider the fact that workers' shares must be issued to offset this amount, then this part is not too large and may serve as an incentive to outside investors.

One could argue endlessly, but we had to start somewhere. For example, we had to make it clear to foreigners just who represents the state as the owner in various types of enterprises, with whom they must negotiate, etc. At this point, we should put this law into practice, let practice show the weak points of the law, and then, after a year or two, based on the practice there may be foundations upon which the law can be changed. None of the cases involving suspected abuses came as a result of applying the Law on Transformation.

On the other hand, it is not true that the regulatory provisions are rigid. Paragraph 17 of the law states that rules pertaining to the attraction of external capital and sharing are mandatory only if the state trustee organization and the enterprise do not reach an agreement within a specified period of time. The trustee organization can help enterprises by providing transformation committees and by other means, virtually by providing engineering services to the enterprises to accomplish their transformations. If it can recommend something better than what the enterprise thought of, or what the law provides, the enterprise certainly will accept such advice. On the other hand, the enterprise cannot be obligated to reach an agreement. Accordingly, the law is aware of the method of agreement, except that it does not make it mandatory or establish agreement as a condition for transformation.

Having the right to say the final word, the Law on Transformation is a relative optimum. In and of itself it does not constitute proprietary reform, instead it prepares for such reform in a progressive manner. One cannot expect to see a mass transformation of state enterprises, and the law does not produce irreversible consequences. The law is not good as far as the part that deals with the state sector is concerned, but for the time being there is no better solution. A "new trial" is not possible, because new facts have not emerged since the adoption of the law. The law cannot be revised, because there is nothing that could be inserted in place of sections to be omitted; no one has another prepared technology that could be applied. There is of course one possibility: to repeal the entire law, or that part of the law which pertains to state enterprises. Such an act would be damaging, however; it would make the evaluation of practical experience impossible, it would shut off state enterprises for an indefinite period from corporate forms consistent with the market, and we would lose our credibility abroad forever. A continued tug-of-war in decisionmaking, and the constant arbitrary changing of decisions reached, does not help the country's economy.

**Opposition Hopes To Declare 23 October Holiday**  
*25000434b Budapest NEPSZABADSAG in Hungarian*  
5 Sep 89 p 5

[Text] Representatives of the Endre Bajcsy-Zsilinszky Friendly Circle, the Independent Smallholders, the Agricultural Workers and Bourgeois Party, the Independent Hungarian Democratic Party, the Christian Democratic People's Party, the Hungarian Democratic Forum [MDF], the Hungarian Independence Party, the Hungarian People's Party, the Alliance of Political Prisoners, and the Recsk Association have formed a 23 October committee to organize for the declaration of 23 October 1956, when the revolution and fight for freedom commenced, a national holiday, and to celebrate that event. The committee is recommending to the National Assembly that in the course of its September session it declare 23 October a red letter national holiday, with no work on that day.

**Jewish Association To Cooperate With MDF, SZDSZ**

*90EC0019b Budapest MAGYAR NEMZET in Hungarian*  
26 Sep 89 p 3

[Unattributed article: "Hungarian Jewish Cultural Association Establishes Relations With Political Parties"]

[Text] The leadership of the Hungarian Social Democratic Party recently paid a visit to the presidium of the Hungarian Jewish Cultural Association [MZSKE] for informational discussions. The Hungarian Democratic Forum [MDF] initiated discussions with the Presidium, and negotiations with the Alliance of Free Democrats [SZDSZ] are in progress. A communique is being issued

concerning the negotiations, and future cooperation with the leadership of the MDF and the SZDSZ.

The MZSKE is not a political party, nor does it want to become a political party. At the same time it cannot exclude public life from its own activities, nor can it remove the Jewish association from public life. It is very important for the association to maintain regular and good relations with political parties and governmental institutions. This is because the existential security of the Hungarian Jewry demands this, and because the flourishing of Jewish culture would be inconceivable without the development of institutional forms for the protection and reconciliation of interests.

The MZSKE will not commit itself to any political party, but is prepared to cooperate with all parties which advocate peaceful transition in Hungary to a democratic, constitutional state.

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In a period when Hungary is changing and democracy is developing, it is of special importance that mutual understanding and agreement prevail in all parts of society. In this spirit discussions were held between the MZSKE presidium and the MDF leadership.

The MDF expressed its recognition of the fact that the establishment and functioning of the MZSKE is providing a great service in the interest of formulating the public spirit of a new Hungarian democratic society. The MZSKE welcomes MDF efforts in the interest of establishing constitutional statehood free of prejudice.

The participants agreed to develop a permanent and organized relationship. Their cooperation will extend to all issues of mutual interest. They will publish articles in each other's publications, will make presentations at functions, and will grant special emphasis to cooperation between their respective youth organizations on as broad as possible a basis.

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A silent revolution is taking place in Hungary today. All parts of society are filled with great expectations, and no small fears. The stakes are very high. We are in the drift of a transition unprecedented in the country's modern history. The goal is for the transition from autocracy to a democratic constitutional state to be peaceful and successful. In the interest of accomplishing this goal negotiations were held by the MZSKE presidium and managing representatives of the SZDSZ.

In the SZDSZ view the cultural and economic activities of the Hungarian Jewry are an organic part of Hungarian national traditions. This tradition contributed greatly to Hungary's adoption of European civilization. In this spirit the SZDSZ leadership and the MZSKE presidium have agreed to develop close cooperation, to publish in each other's publications, and to make presentations at each other's functions.

The MZSKE presidium will support the SZDSZ efforts with its own means, so that constitutional order and a constitutional system may come about in Hungary in which all benevolent people, independent of their outlook, religion, or faith, may live and prosper without fear, and may raise their children in the spirit of respect for human dignity.

## POLAND

### Solidarity Role in Government Questioned; More Strikes Not Ruled Out

26000716 Warsaw GAZETA WYBORCZA in Polish  
22 Aug 89 pp 4-5

[Interview with Bogdan Borusiewicz, Gdansk Region chairman, member of Solidarity's National Executive Committee, by Anna Bikont; date and place not given]

[Text] [GAZETA WYBORCZA] You have just returned to the region from the strike organized by Solidarity at the Gdynia Construction Combine. Were you persuading them to return to work now that we already have our own premier?

[Borusiewicz] The strike has just ended. I was not persuading them. I took part in the formulation of a wage agreement which also contains a clause on the suspension of wage claims until the end of October. The workforce received part of what it was supposed to get and I think that the decision to end the strike, made by the Solidarity Plant Commission, might have been affected by the new political alignment.

[GAZETA WYBORCZA] Tadeusz Mazowiecki, in an interview for GAZETA WYBORCZA, said that in the event of a Solidarity government dispute, the government will appeal to public opinion. How do you take this statement?

[Borusiewicz] I think that society will be of the same opinion as Solidarity. And that will be the end of the government.

[GAZETA WYBORCZA] Do you envisage, therefore, that in the present economic situation, there may be dramatic differences between the intentions of the government and the expectations of Solidarity members?

[Borusiewicz] The basis for the functioning of the government must be that it will have Solidarity's trust. I look at the situation calmly. I am sure that in those cases where the government should take the opinions of the trade unions into consideration, negotiations will be conducted.

[GAZETA WYBORCZA] What do you see as the basic fields of conflict?

[Borusiewicz] The basic field is the burden of overcoming the crisis. Who will bear it. No one wants to agree to it and that will be a problem.

[GAZETA WYBORCZA] Will Solidarity continue to organize strikes?

[Borusiewicz] If it is necessary, yes. Although I believe that in a situation where the government is with us, conflict-producing situations will be thoroughly discussed so as to avoid strikes.

[GAZETA WYBORCZA] What is your position on giving ministries to the PZPR [Polish United Workers Party]? There is mention that in addition to the Ministry of National Defense and the Ministry of Internal Affairs, they also want the Ministry of Foreign Affairs and the Ministry of Information.

[Borusiewicz] Two ministries are entirely enough for them. Absolutely we cannot give them the Ministry of Information.

[GAZETA WYBORCZA] Who should Solidarity have in the government besides the premier?

[Borusiewicz] It is not Solidarity that is to govern.

[GAZETA WYBORCZA] Let us say, then, people connected with Solidarity.

[Borusiewicz] That is not just a question of words. A trade union should not be part of the government and appear in the role of employer. I believe that all of the ministries connected with the economy should be headed up by people connected with "S."

[GAZETA WYBORCZA] And what is Solidarity's present role?

[Borusiewicz] It is not very well defined. The situation is new, not final. But Solidarity's forces cannot be measured by the number of its members. It is not for nothing that the citizens committees want to be called Solidarity citizens committees.

[GAZETA WYBORCZA] In November of 1981 there were similar empty shelves in the shops and you, one of few, foresaw what would happen and "hid" printing machines. Will you do this again now?

[Borusiewicz] No. I believe that the situation is better. Furthermore, some of these machines are "hidden" anyway, working for underground publishing houses.

[GAZETA WYBORCZA] Just before martial law, you resigned from Solidarity leadership because you could not tolerate the agreements in the region and Walesa's unlimited control. Now the situation has become even more aggravated—Lech Walesa appointed a premier without consulting with the Solidarity leadership. What do you have to say to that?

[Borusiewicz] I think that it is good that Lech Walesa takes upon himself the decisions that are not within the competence of the union. I, as one who fulfills the duties of the chairman of the region, do not feel that I should take part in such decisions. Perhaps it is too bad that the Citizens Parliamentary Club was not consulted on this.

Walesa does not interfere in decisionmaking on union matters in the region nor does he make critical comments. That has changed, as compared with 1981.

[GAZETA WYBORCZA] Does the chairman not interfere because the union is now of secondary importance?

[Borusiewicz] Maybe that is how Warsaw sees it, but from Gdansk's perspective the union is of primary importance.

[GAZETA WYBORCZA] But when I was in Gdansk yesterday, the empty corridors in the cavernous quarters of the region made a depressing impression on me.

[Borusiewicz] Yesterday was Sunday. Now the corridors are full and the dozens of people waiting for me do not permit me to talk any longer.

### **Solidarity's Ability To Deal With Popular Criticism Discussed**

26000717a Warsaw GAZETA WYBORCZA in Polish  
30 Aug 89 p 3

[Article by Piotr Bratkowski: "The Solidarity 'Them'" ("Them" refers to Teresa Toranska's book "ONI" (Them), consisting of interviews with leading party officials in the post-WW II and Stalinist years)]

[Text] In Warsaw's Grochow district at the time that the premier of the Polish People's Republic was General Kiszczak, the following story was told: "Question: How do the authorities differ from Solidarity? Answer: By the color of their Mercedes—one prefers black, the others white." During the same time, throughout the length and breadth of Poland, the subject of political conversation—aside from the problems of buying unavailable, but because of that frightfully expensive, food—became the cigarettes, imported from the capitalist countries, which were smoked in large quantities by the deputy, Jacek Kuron, during a television interview.

Naturally, this can be dismissed with a shrug of the shoulders. It can be passed off with the statement that there will always be people who think up similarly stupid stories. Likewise, these people do not pay attention to what Kuron is saying but how he looks in front of the cameras and is he perhaps smoking something more exclusive than the Vietnam "Mice," the latest hit in our empty cigarette kiosks.

But a political fact can also be perceived in this: The first "anti-Solidarity" popular jokes are appearing. Here is a situation where a distinguished member of the opposition, at a time when he is speaking not from behind bars or on a jammed radio broadcast, but from the most popular official mass medium, is seen as someone from the other side, as one of "them."

Will such a tendency turn out to be something temporary and disappear when Solidarity sets about forming the first noncommunist (knock on wood!) government? Obviously not. The tendency to observe the present

opposition with criticism and distrust will most certainly gain strength when it forms a government.

First, because the perception of the government as being a foreign body has a tradition that goes back, without interruption, half a century, and this habit may turn out to be stronger than any reasonable premises. Second, because the influencing forces, interested in making sure that the actions of the noncommunist government be given the least amount of confidence and sympathy of the people, will always be operating. And finally, third, because—and this is a truism—this government, when it is already formed, will also have to begin to function and not all of its actions will necessarily inspire universal applause.

And what then? As Brecht ridiculed, "dissolve the nation and choose a new one?"

The nightmarish economic situation and the inept social policy has put everyone at odds with everyone else. The worker is reviling at the peasant (because food supplies are expensive and poor) and at the private shopkeeper (for obvious reasons), the peasant is reviling the worker (because there are no tractors) and the middleman (because he is extorting), the intellectual [is reviling] the worker (because he can strike and in this way gain a couple of zlotys). The old rant against the young (and vice versa), the members of the union structures against the members of the citizens committees, and everyone together at the operations of the post office and at "them."

Well, good, but what happens if there are no longer any of "them?" If instead of "them" there is "us." What are our people to do then so as not to function in the character of "them" in the minds of the people?

Sen Karol Modzelewski, in a recent television program, recalled that during 1980-81 it became a practice in Solidarity for the stronger to strike on behalf of the weaker; those who could strike, in the interest of those who, by the nature of their work, could not. Drivers, in the interest of charwomen, metalworkers, in defense of physicians.

It is worth remembering this at a time when the occupational groups which have the greatest strength to prevail are grabbing everything that can be grabbed, leaving the weaker groups at the mercy of employers and the uncertain indexation, intensifying social inequality, and by so doing, consolidating the conflict of interests. It is well to remember this not only in the context of possible strike strategy, but above all, in giving thought to Solidarity's special philosophy at a time when it is assuming at least part of the power of government.

It is easy to be in solidarity with people of identical viewpoints, similar standards of living, professing similar philosophies of action. For Solidarity, for example, it would be easiest of all to practice solidarity with its own parliamentary and union cadre (although, this too, is not always possible).

Except that Solidarity already, at this moment, is too large a social force to permit this. In order not to transform itself into a new "them," it must also feel compassion for those who do not identify with it. With those who are not concerned about the government, but about the price of bread. With those who are exasperated with negotiations and compromises, who are too desperate and have too little, right now, to gain, to be impressed with the speeches of the Citizens Parliamentary Club members. Yes, also with those who have too little imagination to understand how great are the stakes of the fight now taking place, and whose perception of political events stops at Kuron's American cigarettes.

This, probably, is not just a political necessity, it probably had to be like this. In the last analysis, Solidarity is not only the name of a movement, it is also a word which has its own entirely specific human and social meaning.

### Trade Union Loyalty vs. Government Service Discussed

26000717b Warsaw GAZETA WYBORCZA in Polish  
1-3 Sep 89 pp 4-5

[Interview with OKP, Citizens Parliamentary Club Deputies Grazyna Staniszewska, chairman of the Podbeskidy region, and Zbigniew Janas, Solidarity chairman in Ursus, by Anna Bikont; date and place not given]

[Text] [GAZETA WYBORCZA] In GAZETA WYBORCZA No 56, you warned: "We have divided ourselves into a union, a parliament, and now some people want to form a government. The job of conducting union work will probably be left to the elves." A Solidarity government has already become a fact. Are you still skeptical?

[Staniszewska] I am afraid that everything happened too early. There are not enough people. There is no cadre. Walesa has put us in a situation where we are forced to do something. We have become a progovernment parliamentary group. Now there is no way out. We have to help the government.

First of all, we must split up among those who will be involved with the union and those who, being in parliament, will support the government. These functions conflict with each other.

[GAZETA WYBORCZA] What is the basic conflict?

[Staniszewska] The viewpoint of the government-employer, or at least the work organizer, is different from that of the trade union. The trade union must defend everyone, even the person who holds a superfluous job, and the government is supposed to eliminate superfluous jobs.

After all, a government directed by a trade union is unimaginable. A colleague from the region came to me recently with a complaint: "Why are you deciding to raise teachers' wages? A worker does not earn 200,000

zlotys. You are supposed to watch out for the interests of the workers, because the workers elected you." This is often the point of view: Solidarity is a workers trade union, therefore the Solidarity government should care about the interests of the workers. Confusion and jumble. These two matters must be separated as quickly as possible. If the situation were to remain without change, we would become like the old unions, the party's transmission drive belt to the masses.

[GAZETA WYBORCZA] The following persons have already resigned from leadership in the union, choosing parliament: Henryk Wujec, secretary of the national board; Janusz Onyszkiewicz, press spokesman; Stefania Hejmanowska, representative of Gorzow Wielkopolski region to the national board. Will you be next?

[Staniszewska] One of the next. The other solution would be to resign from parliament. But that would not be responsible right now. Many more people elected me than belong to the union.

[GAZETA WYBORCZA] Are you in favor of the announcement of a strike moratorium by the Solidarity leadership?

[Staniszewska] That would be a very dangerous step. A strike is the trade union's basic weapon.

However, there is another matter: A procedure should be established preceding the strike, so that the strike is the final element of a certain process of attaining one's rights. It is not a case of using the strike weapon. But it must be available. Otherwise the immediate employer, or director, who for some time will still be from the nomenklatura, will block workers' matters. Sometimes there are absurdities in the plant which cannot be fought through without a strike. A strike moratorium will give the directors too much latitude.

Furthermore, there are a good many people who do not belong to either union and I doubt that they would comply with a moratorium announced by one or both unions. This might discredit Solidarity.

[GAZETA WYBORCZA] Will the union, which is already weak, be able to manage when considerable numbers of the cadre leave?

[Staniszewska] When I ask people in Solidarity whether I should resign from parliament they reply: "No, this government is our only chance." Just as we in the Sejm have to adapt to the new situation, so the unionists, too, must train new cadres.

[GAZETA WYBORCZA] Don't you think that there is a certain danger in the parting of company between the union and the Citizens Parliamentary Club?

[Staniszewska] We should be opponents in the same sense as in a plant the trade unions and the self-management are opponents. Coming from one movement, we hope that we will be opponents who play honestly.

[GAZETA WYBORCZA] Do you square the problem-free functions of a deputy with those of a chairman of "S"?

[Janas] For the time being, yes. Thus far there have been no wage demands in the plant which have gone beyond the limits of reason or harmed the interests of the country.

[GAZETA WYBORCZA] Are you in favor of a strike moratorium?

[Janas] Yes. Matters must be settled through negotiation.

The license department in Ursus, which through all of the difficult years initiated protest campaigns, has now struck. They were always very tough and could always be counted on. Immediately, the "S" executive board accepted their demands as their own and began to negotiate. But when those people want to strike who were not with us in the past, when it was necessary to remain steadfast, then I begin to have my doubts.

I do not want to say that the matter of money is unimportant. For many years, even when I was in hiding, I concerned myself with matters relating to the cost of living, with setting the poverty level. But I believe that we should not, at present, push forward strenuously on wage matters. When the workforce of one plant wins an increase, it agitates others and provokes the next conflict, which from the standpoint of the state is very bad.

[GAZETA WYBORCZA] Is it alright that the chairman of Solidarity looks at the plant from the viewpoint of the state?

[Janas] It is alright. The activists in a such a large plant as Ursus, so important to the country, must be concerned with what is happening in the country.

[GAZETA WYBORCZA] In 1980-81 Ursus was the bastion of Solidarity. It was said then that the government would not dare to do something because Ursus would strike. Now I hear the chairman of Ursus' Solidarity say that strikes are not good for anyone. Are the people able to keep up with this about-face?

[Janas] I am not saying that under no circumstances should a strike be called. The trade union cannot give up this form of battle. But now time is needed to formulate an economic program. Our premier has the right to expect that we will give him this time.

[GAZETA WYBORCZA] Recently a sit-in strike broke out in the Ursus branch in Wloclawek. Did you try to end it?

[Janas] No. They fought to remove the management. I thought—too bad. If they are really not able to come to an agreement with the director, then the nation will not be changed and therefore the powers that be must be changed. The director was suspended. A competition for a new one will be announced.

[GAZETA WYBORCZA] And how are Solidarity's relations with the management at your plant?

[Janas] With the director—good. We see no obstinacy, no desire to make our lives difficult. Anyway, he is one of a few nonparty directors of large workplaces. We have nothing against his staying on as director, but he must be selected through a competition which we plan to announce. Then his ability to function will be much greater and the truths which he tells about the plant will be listened to.

[GAZETA WYBORCZA] Is it possible to deal with the nomenklatura without conflict?

[Janas] There is no reason to make a clean sweep of personnel, to say that this one is ours, this one is not, because that would mean that we are giving up a certain number of people who may turn out to be good managers. Often people who were ambitious, who wanted to do something, got into the nomenklatura. It is not our people who have to manage the plant, only the best people.

[GAZETA WYBORCZA] You are optimistic.

[Janas] I speak optimistically. But of course the atmosphere is nervous. The worst thing is the time pressure—we get 3 days from the workforce to settle matters that have not been touched for 40 years.

#### **Future of Radio Solidarnosc, Independent Radio Viewed**

*26000735 Krakow TYGODNIK POWSZECHNY in Polish  
No 36, 3 Sep 89 p 5*

[Article by Witold Beres: "Radio Solidarity Speaking"]

[Excerpt] [Passage omitted]

#### **The Year 1989...**

to the "Malopolska Radio Team" meant chiefly the elections. The "round table" permitted conducting Solidarity's electoral campaign also by means of regional radio stations. Thus, this time it was possible to operate legally. The effects, at least the journalistic ones, were by then much better—the years of experience were of benefit.

The 15-minute programs of "Radio Solidarnosc Malopolska," broadcast five times weekly, and linked to the editorial team of the Krakow Election Studio of the Malopolska Solidarity Citizens' Committee, contributed to our electoral victory. Aleksandra Zieleniewska, Marek Jodlowski, Marek Pacula, and Stanislaw Tyczynski (who came from France especially for this purpose) found themselves again in their element. But as they all emphasize, that would not have been possible without the assistance and proofs of sympathy from the salaried employees of the Krakow Polish Radio Station on Szlak Street. It was they who had provided equipment (which

this time Solidarity failed to come up with) and, frequently, other substantive assistance. Stanislaw Tyczynski said, "They treated us as welcome guests and not as intruders."

It was clear, however, that Solidarity's Electoral Radio Station was good only during election time when the candidates of the Citizens' Committee had to be helped and there was no time for regular radio broadcasts. Zieleniewska commented, "We are not and would not want to be a propaganda mouth for Solidarity. Our independence means our divorce from Solidarity. After all, the opposition too has to be monitored somehow. This may sound trite, but our strength resides not in unity but in diversity."

The outcome of the "round table" deliberations warrants hoping that this will be possible:

"The parties to the accords jointly support a speedy drafting by the new Sejm of a corpus of legal regulations in the form of decrees defining the status of the Committee for Radio and Television and 'Order in the Ether,' as currently contained in the Decree on the Committee for Radio and Television and in the Communications Decree. This will make possible the growth of radio and television stations financed from various sources (including local communities) or commercial stations operating on less than national scale, as well as the development of satellite and cable television, telecasts, etc."

Among other things, it was precisely owing to this "round table" accord that the "Krakow Foundation for Public Communications" was registered and notarized on 9 June 1989. The board members of this Foundation include, in addition to the original Solidarity radio team, the Solidarity activist Stanislaw Handzlik from the Lenin Steelworks, Sejm Deputy Edward Nowak, Senator Krzysztof Kozlowski, and Attorney Jerzy Bachminski.

#### What Future?

The statute of the Foundation declares that its paramount purpose is the idea of "disseminating free public communications, reliable and objective information, and a free expression of views."

First of all, once the concerned minister—in this case the minister of culture and art—gives his consent, and once the 1985 Communications Decree, which endows the government with monopoly on radio and television activities, is revised (it is expected that the Sejm will attend to this problem in the immediate future), the Foundation intends to establish "Radio Malopolska." This is to be the beginning, to be followed by such attendant initiatives as phonograph studios; concert offices; a publishing center focusing on the publication of books and brochures on information science, radio, and television; the introduction of a subscriber-based computer information network as an appendage to the telephone system in Krakow (as in the French Minitel); the construction of a television center, and who knows what else....

But, while the greatest barrier is the legal barrier, there are at least two other barriers—the financial barrier and the barrier of performance. How to get the money for such a major investment and how to win a niche on the market?

The financial aspect seems particularly difficult: according to an estimate prepared by Perifelec, a French company, the cost of the radio transmitter alone, as adapted to the requirements of the OIRT (International Telecommunications Union) and sufficient to broadcast local programs in Poland (UHF, 65-73 Mhz band, 5-kW transmitter power), will be at least 750,000 French francs or about \$100,000. The construction of the transmission antenna tower and equipping the recording and broadcasting studios will cost just as much. In addition, there is the cost of purchasing the building as well as a number of other, minor outlays.

The organizers claim that a substantial part of the funds can be obtained rapidly and that all that is needed is the final decision of the minister. As for the remaining funds, they will be obtained from loans that will be repaid by means of many future economic initiatives to be associated with the new radio station and without which even the opening of the station would be inconceivable, e.g., the aforementioned publishing center, the concert office, the phonograph studio, etc.

But what novelty will the new radio station come up with on the market? First of all, its 24-hour programming, a thing as yet absent in Poland, including an all-night stereophonic music program retransmitted from the Paris-Notre Dame radio station (it is said that the negotiations already are in an advanced stage); professionally conducted (also owing to assistance from certain Western radio stations) lessons in foreign languages combined with music (Tyczynski: "A living method for learning languages") and a broadly conceived regional scope of the radio station through the formation of problem-oriented task forces attached to the Sejm deputies and senators elected from Krakow and the sponsorship of the activities of all Krakow youth communities. For it certainly will be, as the organizers say, "the radio of young people."

Besides, there still exist many obstacles (for example, what about preventive censorship? How will it be applied to a "live" radio, a radio moreover that is independent and, by its nature, political?), but not one of the founders of this new radio station believes that these obstacles conclusively bar the chances for freedom of speech in the ether.

Consider this passage from a flyer distributed by the Krakow Foundation for Public Communications:

"Conscious of the strength of mutual bonds and the inner unity of mankind, we believe that our goals shall contribute to translating into reality an Europe without boundaries and at the same time we trust that we shall not remain alone in pursuing these goals."

### Importance of Territorial Self-Government Issue Stressed

26000707 Warsaw *TYGODNIK SOLIDARNOSC*  
in Polish 18 Aug 89 p 3

Interview with Professor Jerzy Regulski, chairman, Senate Commission for Territorial Self-Government, by Wieslawa Grochola: "Local Authority Is One-Third of the State System"; date and place not given]

[Text] [TYGODNIK SOLIDARNOSC] Prof Regulski, for more than 10 years you have been studying the theory and practice of the territorial self-government in Poland and throughout the world. You have written a number of books on the subject and you have done much research and prepared many expert analyses. Only a few months ago, there were no signs that this issue would become so widely recognized by society, by political activists and by politicians. And now the importance of these questions has brought you to the Senate and has called in to being the Senate Commission for Territorial Self-Government Affairs which you chair.

[Prof Regulski] True, these issues were not considered important, nor was there any opposition to them. Even the very concept of the territorial self-government was generally not understood. Why, a half-century has passed since the self-government ceased to exist. The gmina and the small town are small organisms that appear not to be involved in the great battle over basic issues. To be truthful, few people actually knew what the self-government I was proposing really was. At the round table talks I found myself on my own, to some extent, and these issues were lumped together into one package—"the association and the territorial self-government," a grouping which shows a complete lack of understanding. An attempt was also made to link them to issues of the employee self-government (another clear misconception). With the passage of time, it was only the resistance shown by the authorities in negotiations on the subject of the self-government that caused opposition activists to turn their attention to these issues (since the authorities are so persistent, they are obviously important matters).

Today there are no longer any doubts regarding this question. The election campaign dispelled any lingering doubts. At the preelection campaign meetings, all the candidates to parliament heard the resounding regional voice: we want to manage our own affairs in our local areas! And so this issue made a rapid and real impact. Today I feel the enormous burden of the duty I have undertaken towards the constituency.

Statistically speaking, the local authorities (gmina and municipal) represent one-third of the state system. This is 20 percent of the state budget and 120,000 administrative positions, or three-fourths of the state administration. In addition, the local authorities touch the local, elemental community, the locality where the manager is the ultimate echelon, where there is no alternative and no choice, as in larger systems. The individual peasant

farming on his own is in essence most dependent upon the authorities, considerably more dependent than, e.g., a manufacturing industry employee, who can alter something in his life at any time, if only his employer.

[TYGODNIK SOLIDARNOSC] Differences of opinion occurred in the round table settlements.

[Prof Regulski] We determined there that the establishment of the territorial self-government and the constitutional guarantee of the right of local communities to self-government is a necessity, and that a necessary condition for implementing this right is the treatment of local communities as the subject and the treatment of the territorial self-government as the subject of public authority and the subject of the civil-legal turnover. That necessitates the full autonomy of the units of this self-government (restricting supervision exclusively to ensuring the legality of its actions), property and financial autonomy and a democratic manner of appointing these representatives. The negotiators for the government side did not agree to our demand for abandoning the principle of so-called uniform state authority (purposefully combining and blurring the powers of the central administration with the powers of local electoral bodies). They did not agree to granting cities autonomy (apart from any other consideration, this would hamper the indispensable future revision of voivodship boundaries), so as to preserve the existing hybridized structure whereby the voivodship possessed its own property and legal identity, but decisionmaking was in the hands of the voivodship governor—the representative of the central administration. Nor did the government negotiators agree to the right of cities and gminas to associate in unions. However, as everyone knows, much has happened since the round table settlements and today we find ourselves in a situation that allows us to demand the implementation of indispensable goals.

We are operating at present under the pressure of our constituency; we have society behind us. These are no longer the views of the experts: it is a great social movement. The citizens' committees that were created to prepare the election are being transformed into a local quasi-representation, or at least into bodies preparing the future elections to the territorial self-government. The representatives of these committees are taking part in the work of the present councils. They hold observer's rights and create the beginnings of social control over council work. From all over Poland we are being pressured to push for elections to the new councils to be held within 6 months. Recently, we received letters from Swarzedz, Kalisz, Szczytno, Chorzow, Weherowo, Klodzko, and the gmina of Rzecznica in Slupsk. People demand training, handbooks, information, and even...directives! They are also asking questions, including some shocking ones: does everyone have to belong to the self-government? Will the self-governments take political pluralism into consideration? etc. It may sound grotesque, but it should come as no surprise, since those who remember the real self-government already belong to a past generation. Here is how I treated such a

situation at the preelection meetings. Questions asking what direction a road should go in, how to preserve a forest or how to sell milk are practical issues rather than ideological ones. Therefore, the application here must use common sense and thrift rather than political views.

The baggage of negativism is enormous in Poland, and it is addressed very concretely to the local representatives of the state authority. The manager has "oppressed" the peasant, the tradesman, and the resident and today the apathy and desire for revenge—for everything—is directed at him. Things have reached a point whereby several dozen municipal councils, which, at their sessions devoted to the execution of the plan and the budget, recently passed a resolution granting absolutism to the authorities in office until now, then dismissed the manager, frequently having no one better to take his place.

[TYGODNIK SOLIDARNOSC] Exactly, and what about the local apparatus?

[Prof Regulski] We did not want to fight against people who were officials of the local administration until now just because they held these positions. On the contrary, during the course of the proposed reforms, we want to empower them, to lend their work qualities of social usefulness, to equip them with the social mandate, and thereby to eliminate the conflict in which they found themselves—sometimes without their own participation—with regard to the local community. We want them to gain a field for their personal initiative and to experience a growth in their prestige and earnings. I think that this creates tremendous opportunities for people who are qualified and worthwhile.

[TYGODNIK SOLIDARNOSC] What will constitute the major directions of change?

[Prof Regulski] The self-government system must be crystal clear and transparent. It must stipulate a clear differentiation of roles, rights and powers, as well as responsibilities. At the level of cities and gminas freely appointed by residents, the self-governments must make use of an abundance of rights to act on matters that are not within the exclusive competence of the state administration. They must have the right to their own property and to a legal identity. They must possess their own, local administration, completely independent of the central administration. Indispensable state subsidies for cities and gminas should be based on completely objective criteria (the number of residents, the degree of urbanization, and the like) and these subsidies must be awarded directly from the central authorities, without the participation of the voivodship, as was formerly the case. A specially appointed professional body should have exclusive control over the economy of the primary level self-government.

We anticipate a completely different status for voivodship organs. The degree of identification of people from the voivodship is considerably lower than with their own city or gmina. Practically speaking, the strong link of

present voivodship authorities with the central authorities renders impossible their transformation into real self-governments. Thus, the voivodships should continue to be recognized as the domain of the state administration. In conjunction with this, they cannot possess a legal identity or their own property. However, they must be subject to public supervision. This supervisory role should be performed by the voivodship council, representing the self-governments of the cities and gminas of the given voivodship. And so, between the voivodship and city or gmina a line separating state management and responsibility from the sphere of activity of the self-government should be drawn. Obviously, the principle of any sort of subjection should be rejected and the principle of the cooperation of both these spheres must be regulated legally and subject to control.

[TYGODNIK SOLIDARNOSC] Obviously, a new law on the territorial self-government is needed.

[Prof Regulski] Not only. The proposed changes necessitate a review of practically the entire law and changes in a significant part of the law, especially the legislation on the subject of economic and territorial planning, land management, budgetary and agricultural law and the civil code. The legislative work itself is an enormous project. In addition, Poland is asking us for practical, organizational, and advisory help. It is demanding the shortening of the term of the present councils and the acceleration of elections for the new councils. We have 2,500 cities and gminas in Poland, and we need tens of thousands of trained activists. We need instructors, publishing houses and funds. But I am from birth an optimist.

[TYGODNIK SOLIDARNOSC] How did it happen that when no one was thinking about the issues of the lower level self-government, you were occupied with this very subject?

[Prof Regulski] In the eighties, when I studied the issues of city planning, I ascertained that such planning was ineffectual. The conclusion was simple: no planning will help if there is no landlord, if there is not autonomous policy of local authority. In May of 1981, together with coworkers from Lodz University, I held a seminar "Experience and the Future" and gave a report there calling for the restoration of the territorial self-government.

[TYGODNIK SOLIDARNOSC] Did you believe in such a possibility?

[Regulski] Yes. Moreover, I was certain that it would come about much earlier. As I said, I am an optimist by nature, so I do not believe that absurdity can last very long. In the fall of 1981, at the recommendation of the incumbent minister for reform affairs, Prof Baka, we organized a team made up of three experts, three voivodship governors and three directors from central institutions, to prepare a reform draft. Unfortunately, martial law canceled out these possibilities. On the other hand, we did succeed in appointing an Institute for Regional

Management out of the PAN Institute of Economic Sciences, which enabled us to continue with the indispensable study and comparative research. My life has shaped up so that whenever the possibilities for broader action have been cut off, I have done more intensive work on a long-term basis. The result of this has been that whenever the opportunities did open up, as a rule I was ready for them and made good use of them. This time, when the round table finally became a reality, we were ready from the theoretical side—and it paid off. Soon it turned out that the self-government issues became a preelection "smash hit," that society really wanted it. The parliament is by now also convinced of the importance of the issue—one-third of the senators are members of our commission.

[TYGODNIK SOLIDARNOSC] Apparently your own path leading to involvement with this issue was not a straight one either.

[Prof Regulski] True, after completing my studies at the polytechnical school, I started as an employee and, soon, the director of a construction enterprise (50 of my buildings stand in the housing settlement of Mlynów). Then I received my doctorate in the field of economics and my Dr. *habilitatus* degree in the architecture department (in territorial planning). Then, while I was employed at the university, I again changed the direction of my interests, looking for issues that were more and more complementary, and holistic—finally arriving at the problem of self-government. Perhaps as the years go by man aims more and more for synthesis.

[TYGODNIK SOLIDARNOSC] To my knowledge, your first contact with People's Poland took place in prison.

[Prof Regulski] Yes. I was a member of the first board of the Society for Brotherly Aid of Polytechnic Students. At age 20 I received a year's sentence for "knowing and not talking" as it was told to me at the time. I was "alien in class terms" and I was lucky to be arrested in 1945 when the sentences were lighter. Three years later my father was "priced" at 14 years and got out after 7, after which he was exculpated.

[TYGODNIK SOLIDARNOSC] Was the prison a school for working in a positivist style?

[Prof Regulski] Yes, it was. But it was also an education, a community. My father, if I may mention him here, was one of the few great industrial managers in this country before the war. He codeveloped the Polish electrical industry. He built many electrical power plants that are still in operation today, a cable factory, an EKD [Suburban Electric Railroad] line (the first Polish electrical railroad), first using Polish capital and, when this was insufficient, using Belgian capital. I had to learn both diligence and "positive" thinking from someone.

[TYGODNIK SOLIDARNOSC] What is your greatest success?

[Prof Regulski] I still have not attained it. As yet, nothing has happened in Poland; only certain opportunities have emerged. Success for me is to do something concrete and enduring, and at present we have only promises. But a powerful grassroots movement is supporting us. When, during the preelection campaign, people asked me about the shape of the new local self-government system, I answered them, that its shape would be the shape into which they molded it themselves. The task confronting us as parliamentary representatives is exclusively to eliminate the barriers that make it impossible for people to govern themselves in their own way.

[TYGODNIK SOLIDARNOSC] For my part, I envisage an enormous opportunity for rebuilding society in the rebuilding of the local self-governments. Barriers to social development are not merely external; they reside within us as well. The 45-year lesson in powerlessness, helplessness, passivity, being ruled from without and irresponsibility are a long-term school in social demoralization and the deprivation of people of their natural rights and civic attitudes. The result of this is the cultural, social and economic picture of Poland, and especially of the Polish province, meanwhile the province is the truest fatherland, as everyone knows. I believe that the restoration of the self-government will in time work to rejuvenate society, that it will become a mass school for the rebuilding of civic attitudes. I wish for the success of the legislative initiatives you recently proposed in the Senate and I thank you for the interview.

#### **Dismantling of Nomenklatura in Police, Army Advocated**

*26000733 Poznan WPROST in Polish  
No 35, 27 Aug 89 pp 8-9*

[Article by Boguslaw Mazur and Grodzisk Wielkopolski: "Dismantle the Nomenklatura," under the rubric "The Polish Tower of Babel"]

[Text] The nomenklatura was not conceived by the communists, for, properly speaking, ruling elites have existed since the beginning of civilization and are to this day encountered in every country in the world. In the United States the picturesque term "the spoils system" is even used, meaning that, after a new president is elected, "all the president's men" are awarded major lucrative posts in the administration. Thus, the nomenklatura as a social phenomenon is as old as the world; nevertheless, it was only in Soviet Russia and subsequently in the USSR and other communist countries that it has acquired a completely new quality. This has ensued partially from the doctrine of Marxism-Leninism and partially from the political line of J. Stalin. A doctrine which presupposes that political power should be exercised on behalf of the working people solely by the communist party introduces the element of permanence of one-party rule, an element alien to democratic systems of exercise of political power. Superimposed on this element was Stalin's desire to achieve totalitarian rule. It can even be said that Stalin could not have existed in the absence of

that doctrinal element. To attain totalitarian rule, Stalin needed subservient individuals, which the old, idealistic party fighters could not be. Moreover, Stalin did not believe that rule over the young state could really be based on "working people." Accordingly, he decided to create a mighty army of administrators of not only political but also economic and social life, people whose careers would be linked to the consolidation and expansion of totalitarian rule. In this way two purposes were accomplished, because, on the one hand, the "young wolves" got rid of the "old guard" of revolutionaries and, on the other, they created a self-proliferating system of integral control of life in the state. Here precisely we are dealing with a new quality of the ruling elite. That is so because the nomenklatura system created by Stalin persists to this day with insignificant modifications. Of course, this is related to the fact that many people have begun to join the party out of motives other than ideological ones. Their group interest was based on the theory that the interests of the state are linked to the interests of the communist party, and the interests of the party are represented precisely by its cadre. Now, however, the time is coming for a systematic elimination of this mighty army of administrators and controllers of "man's life," often termed "the new aristocracy" or "the new class," because a system based on control, subservience, and dictatorship has proved to be immoral and unproductive.

The nomenklatura as a social group is not uniform; on the contrary, many smaller groups can be distinguished within it. Extremely visible, of course, is the group of individuals holding leading offices in the state. At present some of these offices are being relinquished to the opposition and it can be hoped that in a couple of years they all shall be staffed through free elections. However, the nomenklatura is not confined solely to that relatively small group of individuals, for it also encompasses other, large and influential groups, such as the economic nomenklatura, which consists of persons appointed to leading posts in the economy on the recommendation of the PZPR [Polish United Workers Party] or its allies. Operating on a similar principle are the groups of the nomenklatura in state administration, in administration of justice, in the Army, and in the militia. In addition, there is the nomenklatura in culture and social organizations, except that there precisely it is shrinking owing to the advances in the pluralization of cultural and social life, but it still is numerically large in other communist countries. Lastly we must mention a specific group which is not a nomenklatura in the same sense as the other groups, namely, the group forming the apparatus of the PZPR. That party members form the party apparatus is natural, of course on condition that the cost of maintaining that apparatus be offset solely from the revenues of the party itself. If that is so, then the size of that apparatus is an internal matter to the party; if that is not so, then, of course, that is no longer an internal matter of the PZPR.

We should also try to answer the question of how the nomenklatura in its Stalinist form can be eliminated.

Currently mention is most often made of not only abolishing the nomenklatura in leading posts in the state but also the nomenklatura in the economy, and the theory of so-called proprietization of the nomenklatura is being proclaimed. Simply put, according to that theory, enterprise managers who had been appointed upon the party's recommendation will cease to be members of the nomenklatura, and may even be interested in its total abolition, once they are rewarded with a (probably controlling) share in the enterprise's assets in the form of stock transfer. But this solution may elicit doubts. It can be assumed, for example, that persons suddenly given highly valuable securities will lack belief in the permanence of their situation, which may prompt them to support not liberals or Social Democrats (although some of the latter support the "proprietization" theory) but the "old" political nomenklatura. Also dubious is the argument that proprietization will affect positively the motivation of the "proprietized" plant manager. It appears that a poor manager is most often likely to be a poor owner, whereas a good manager cannot become any better. Moreover, this theory disregards self-government ideas. That is a pity, because, contrary to the claims of the proponents of managerism [as published] but in consonance with the reality, various forms of self-government in the economy are not at all condemned to failure under a democratic system of exercise of political power. It is not a good idea either to frighten the party-appointed plant managers by claiming that worker self-governments will not accept them for political reasons. On the contrary, it can be assumed that an energetic and competent individual will be accepted by the worker self-government at his factory, even if he is a member of the party's Central Committee and, to save the factory, has to dismiss, e.g., 30 percent of the workforce. The remaining 70 percent will, in their own interest, support and even generously reward him. In one way or another, however, the party is slowly retreating from staffing leading posts in the economy with "its people." This end of the dominance of ideology over personnel policy is due besides not only to the experience of the past and the needs of the reform but also to the simple fact that the party cannot afford to continue its old personnel policy. It simply lacks an adequate number of members competent to staff all these posts.

The problem of abolishing the nomenklatura in government is more complicated. It is a fact that "laundering" the ideology out of the nomenklatura is possible only to a certain extent, because, by the nature of things, it is subject to the influence of the forces exercising political power. Hence in this respect abolishing the ideology of one party dominating the machinery of government in favor of an "etatist" ideology, or, in other words, reversing the currently binding principle of "who can" to "who cannot," is desirable. Thus, for example, anyone competent, whether he is a conservative, a Christian Democrat, a liberal, or a socialist, with the sole exception of a person whose political views impel him to aspire to overthrow democratic order in the state, should be equally eligible for the post of army officer, public

prosecutor, or school principal. That is, now the only qualification should be that he be not a terrorist. The process of breaking up the monopoly of the PZPR and its allies on the staffing of government positions, and the process of the "opening up" of the government's personnel policy to the political pluralism of our society appears inevitable, and the only concern should be that it unfold peacefully and that it result in an increasing ideological neutralization of the machinery of the state, as defined by an "etatist" ideology. Consider that free elections are to be held 4 years hence. If they result in loss of power by the communist party, how will this affect, e.g., the Army or the militia, considering that their cadres will continue to feel linked to the party? And how will this affect the position of the party? Will it make of it the political opposition? Besides, the so-called apparatus of coercion by now must feel threatened, because it may mistake slogans of ideological neutralization for pacifist slogans, some of which generally negate the possibility of its existence. Sometimes also a situation also may be encountered in which the social privileges of the Army or the militia are viewed as privileges of the nomenklatura. This is an obvious misunderstanding. Throughout the world, the professional cadres of the Army or the police have certain privileges, as otherwise they would cease to exist owing to lack of candidates for forming them. To put it simply, the abolition of the nomenklatura in the Army or the militia should mean the abolition of political rather than social privileges. This does not mean that a reallocation of "forces and resources" is not necessary, especially in the militia, which should be subjected to control by not only the society as a whole but also local communities. But everyone will probably agree that poor living conditions of sergeants and generals would be just as reprehensible as the miserable pay of the personnel of the health service.

The process of abolishing the nomenklatura in the Army or the militia will of a certainly take a long time, if only owing to psychological considerations: after all it is certain that most of their cadres will remain in active service in the future as well. However, within the broadly conceived machinery of government and administration of justice this process should be commenced even now. It may be accelerated by the elections to people's councils. Correspondingly, greater powers should be granted to plant workforces, which to this day as yet often do not have much to say on personnel policy. And lastly, the apparatus of the party itself is worth considering once more. As we mentioned, its size is an internal matter of the party, so long as it is maintained with the revenues of the party itself. It may be that in the future (or even tomorrow, time is racing so fast nowadays) a sizable cut in that apparatus may prove necessary. Assuming this possibility, it must be realized that that apparatus has influence and power. If its members get panicked they may infect the entire nomenklatura, which in its turn may lead to undesirable consequences. And since that is so, the eventual process of reducing that apparatus, like that of reducing part of the nomenklatura staffing the

machinery of state, will have to proceed in a properly planned manner. The point is to enable these people to make a soft landing so as not to make them feel as though they are "superfluous people." Hence, it is necessary to avoid both zeal in acting as "nannies" to thousands of adult individuals and zeal in "dismantling" the nomenklatura, because this may panic it. Still, the process of that "dismantling" is ineluctable. The implementation of the International Pacts on Civil and Political Rights which were ratified by the Polish People's Republic and which declare that, among other things, every citizen should have the right to "public service in his country on the general principles of equality of treatment" is after all a sine non qua for the growth of the Polish state.

## ROMANIA

### Interest in Battle of Kosovo, Support for Serbs Recalled

27000078 Timisoara *ORIZONT* in Romanian  
7 Jul 89 p 8

[Article by Cornel Ungureanu: "Kosovo—600"]

[Text] Did Mircea participate in the Battle of Kosovo? Most sources say yes, but Iorga and P.P. Panaitescu, with an abundance of arguments, do not think so.<sup>1</sup> One important writer tells me that Mircea is absent from the monument at Kosovo. Basically I think this is not Mircea's battle; there are other battles which created his legends. But it would be hard for a Romanian researcher, mobilized by anti-Ottoman unity, to think that Mircea did not help Tsar Lazar. It would go against a fertile myth; it would go against an oft-repeated legend: Here we are side by side facing great historical vicissitudes. Eminescu himself would answer violently when the problem was posed of a difference between the Romanians and the Slavs "from the south." As Eminescu wrote, "NEUE FREIE PRESSE is deceiving itself when it admits there is real antagonism between the Slavs from the south and the Romanians. We all have Thracian blood running through our veins."

Even if Mircea was not confirmed by some historians as being at Kosovo, it was in the nature of history for him to be there.

Did Eminescu translate the poetry collected by Vuk? Eminescu wrote about Kosovo in passing and his relationship with Dionisie Miron undoubtedly linked him with the heroic Serbian epic. The late Voislava Stoianovici even thought he had translated it with Dionisie Miron, as well as on his own. The evidence, found wisely and with talent, should be developed. But we can imagine the national poet meditating on Kosovo. In his paradise "of 1400" the great poet often gathered his heroes. The first part of "Letters III" can offer the person making comparisons a vast field of action in this regard.

Documents about the Romanian-Serbian relationship are everywhere and all we have to do is go through the

libraries to find moving lines about Kosovo. Or (and) about the heroism of our neighbors. In 1916, difficult times for the Serbian people, a Stefan Berechet published "The Popular Epic Poetry as a Source of Serbian Bravery and Nationalism" in SOLIA (issues 3, 4, 5, 7, 8, 9 and 10) and later in a brochure. "Border to border with our country," the author said, "these people led a peaceful life on their land as cattle growers and ploughsmen. Little pretensions and much temperance. These are qualities for peacetime. Understanding very well the word "homeland." The streams of blood and tempering of their bodies through centuries of suffering raised their souls to the highest virtues, not reached by other people. All this proves abundantly the durability of this nation. Anyone, enemy or friend, today bows before these heroes from the tales, before these martyrs in body. Through the incomparable power of their love of country, through the inextinguishable flame from within their hearts, through their unwavering faith in the destiny of their country, they proved to the world that the soul is victorious, not lead." And the author asks where this bravery comes from. In other words, how does the soul become victorious? S. Berechet feels that the popular poetry educated the Serbian people. In Stefan Berechet's opinion there are three stages worthy of being considered: The first defines the popular epic poetry up until Kosovo; the second contains the popular Kosovo poetry; the third continues the popular poetry following Kosovo. This is not the first time that Romanian writers have been concerned with the popular Serbian epic. But never has the relationship between Serbian spirituality and Kosovo—and the popular poetry connected with Kosovo—been formulated so directly. Kosovo is part of the definition of Serbian spirituality, as the author says, and he ends movingly: "The time will come for the country in the north to pay for all the vile deeds committed against the people who shed their blood defending their lives and liberties. Zeus the Sun, the white Vid with his silver javelin and armor, will again come down to his Slavonic people to drive out the darkness and coldness of the Turkish-Bulgarian-German oppression from houses and fields. The Serbian people, for centuries educated in the spirit of their popular poetry, overcame the patient suffering of all other existing peoples in their perseverance. These are the Serbs, whose popular psychology I have now shown in their songs, which they learned during so many centuries in between their sufferings and torments."

Some 600 years since the coronation of Mircea, 200 years since the birth of Vuk Karagic, a century since Eminescu's death and 600 years since Kosovo. The anniversaries intersect and mutually brighten each other. Broad studies signed by Voislava Stoianovici or Radu Flora show the relations of Vuk Karagic with the Romanians. The one who gathered ballads about Kosovo not only establishing a direction for the folklore research, but the Serbian literary language, which brought the Kosovo epic into written literature, and had lasting ties with the Romanians. Two Timisoara researchers—Bugarski and Stepanov—have produced new documents about Vuk's

presence in Timisoara. The scholar knew Romanian; even if he did not collect Romanian folklore<sup>2</sup> (Radu Flora is insistently against these ideas), it does not mean that he could not have collected it. That he was not friends with Asachi does not mean that he could not have had cordial relations with the Romanian writer. Among his Timisoara friends are also some of those who, no matter how we spell their names, are of Romanian origin.

Vuk was loved by Romanians. There is much evidence of that love, even if we do not always have it at hand. Tincu Verlia's "Church History" (a book usefully read by Eminescu in Cernauti) has a long footnote with this confession: "This man (Vuk, editor's note), even as I write these lines, I heard had died in Vienna. He posed the very problem of life for himself, of getting into the people's hearts in order to bring to light the treasures that are more precious than gold and precious jewels. And the best spirits of all nations mourn the deceased because the people are in solidarity with regard to what they emulate and do not always ask about language or clothing but they are more mindful of the light of the merit brought to them by the brilliant Serbian man." (Nicolau Tincu-Velia, "Church History," Sibiu, 1865, p 284).

#### Footnotes

1. P.P. Panaitescu, "Mircea the Old," Schools Publishers (1944), pp 216-223.

2. Also see D. Caracostea, "An Examination of Awareness of 1915," subtitled "Impressionism and Popular Literature." Making a history of our collections of folklore, D. Caracostea notes that Vuk is an important spokesman for interest in popular poetry following "Voices of the People,": "Appearing in Vienna in 1814 was the first collection of popular poetry of a south-eastern European nation. Several years after this came the first contact between this current of ideas and a Romanian writer. After 1822 Asachi spent time in Vienna where he had the privilege of getting to know Vuk Karagic closely, then famous and in contact with leading writers from Germany. How much popular influence Asachi could gather in the most auspicious circle in the world also is seen by the fact that precisely in 1852 (following the appearance of Alecsandri's ballads) he found the occasion to tell us that Vuk had given him popular Romanian poetry. Could Karagic have given Asachi popular Romanian material? Very likely. Vuk also lived in northeastern Serbia, in Cladova, and was a member of the council of the famous outlaw Veljko, the one also sung about in the popular poetry of the Romanians from Serbia." (D. Caracostea, "Selected Writing," the edition edited, prefaced and notated by Mircea Angheliescu, Minerva Publishers, 1986, pp 107-108). Since he is interested in Southeast Europe, D. Caracostea also should be kept in mind as one who would have evidence of Romanian-Serbian relations.

## YUGOSLAVIA

### Dangers of Dogmatism in Current Political Struggle

28000185b Zagreb DANAS in Serbo-Croatian  
5 Sep 89 pp 16-17

[Article by Dr Zdravko Tomac: "A Law-Governed State or a Party State"]

[Text] The drama of the transition from the monist one-party system to a modern pluralist system in the socialist countries is being expressed in diverse ways. Communists in Poland suffered a catastrophic defeat in the elections, and to some extent they are giving up power as well. In Hungary, they say that they are ready to give up power if they lose in free elections. In China, Tian Men Square was turned into a tragedy of bloody revenge and cessation of all reforms. In the Soviet Union, the situation is increasingly uncertain with the passing of each day, just as it is in Yugoslavia.

Yugoslav society is at a crossroads, since clear answers have to be given to certain essential questions concerning the denouement of the crisis: sticking with the concept of socialist self-management democracy or abandoning it, sticking with the concept of nonparty democracy or going back to the two party or multiparty system, sticking with the conception of the delegate system or going back to the representative system.

Only in principle is there a high degree of consensus concerning the need for radical reconstruction of the conception of socialist self-management democracy and concerning the need to incorporate all the essential achievements of bourgeois democracy with respect to civilization (unrestricted political association, political pluralism, free elections, the independence of civil society, the law-governed state, competition in the system of ownership). That is, when the attempt is made to put that conception in operational terms, it turns out that on the main issue, which is how to move from the conception of the party state to the conception of the law-governed state, there is not even agreement in principle. There is still less agreement in answer to the question: Is it enough to incorporate only the achievements of political democracy and the market economy through reforms, or is there a need to insist on at least elements of socialist self-management democracy.

The political struggles being waged over the strategy of Yugoslavia's future development and the outcome of the crisis in Yugoslavia's future depend above all on resolving the basic dilemma between the party state and a law-governed state. Those battles are very complicated, it is difficult to distinguish the fronts and the ultimate intentions of certain political groupings, since even the advocates of renewing the party state are saying that they favor the law-governed state.

That is why it is necessary and worthwhile to formulate clearly the principles of the law-governed state and to

present the essence of the conception of the party state, so that every citizen can conclude for himself who is actually advocating what kind of reforms.

If a law-governed state is to be constituted on the principle of full equality of citizens, the conception of class democracy and dictatorship of the proletariat and also the delegate system, in which greater or lesser rights in management of the state are given to certain classes and strata of society, would have to be abandoned, along with the monopoly of the party in managing society.

The second condition for constituting a law-governed state is to bring about freedom of association, the individual's freedom to join various political alliances and associations.

The third condition for constituting a law-governed state requires an essential change in the constitutional status of the League of Communists. Political organization and association must be on a voluntary basis, association of the like-minded so that they might, in competition with other political programs, influence as effectively as possible the makeup of the state that will carry out those programs. So long as the League of Communists is organized as a system parallel to the legal and legitimate political system in all the institutions of the system and in the factory, in the hospital, in the armed forces, in the schools, and also where people live, regardless of the proclamations the League of Communists will remain a conventional party and the state will continue to be a party state in which alongside the legal state it wields power directly.

The fourth condition for constituting a law-governed state is certainly the creation of civil society and an economy as independent spheres and working out relations among the state, the economy, and the political party in a new way.

However, constitutional changes are not by themselves sufficient to establish a law-governed state, but there is also a need for essential change in the ideology and balance of power and the conception of the party state and revolutionary coercion have to be thoroughly abandoned, that is, we have to abandon the conception of a society that is based on the supposed ability to know the laws of social development in which the dictatorship of the proletariat and the ideological coercion of the monopoly party guarantees the accomplishment of that pattern. The basic problem in that is that today, contrary to the proclamations, the tendencies in favor of the party state are becoming stronger as a whole, especially in certain segments of the League of Communists. Once again, there are growing tendencies on the part of bodies of political leadership, as command staffs of the revolution in the interest of the future, to assess what is revolutionary and what is counterrevolutionary, regardless of legal standards, without respecting democratic procedure or any rules of the game. Once again, the law is in practice being transformed into revolutionary law, becoming the property of the political leadership, which

in the name of the revolution makes an assessment as to when and in what manner to apply it and when not to apply it. There are once again growing tendencies to turn the entire political system and the state into a transmission belt of that kind of revolutionary will. There is nothing stable, no rules are valid, everything depends on the balance of power. The fight for personnel and for one's own people is more and more becoming the central issue crucial to the outcome of the crisis and the answer to the question in what direction will Yugoslavia move? In accordance with the classic Bolshevik model, the cadres, since they are people of a special stamp, are supposedly deciding everything.

The essential thing, then, according to this conception, is to change the personnel, not the conception. We have been witnesses of an unsparing battle in the League of Communists in the struggle for power and of each for his own people, so that they are placed in all the essential positions in society, and then accomplishment of the imagined model is guaranteed through democratic centralism and the unity of thought and action. We have also been witnesses of factional struggles on the one hand and of official establishment of one and only one truth on the other. Those who lose or remain in the minority are removed or "differentiated," which is a nicer word for purge. Differentiation, renewal of personnel, the antibureaucratic revolution, rallies, democracy of the masses, and many such things that have been happening to us recently take us back to the past, to the model of the party state. Since the conception of the party state is well known and has been tested in practice, one can foresee what awaits us should that conception triumph.

Since even the protagonists of this conception and of renewal of the party state and of neo-Stalinism know that the working people and citizens in all parts of Yugoslavia do not want a return to the past under the guise of reforms, what is going on in Yugoslavia is a political game in which real goals and conceptions are concealed, that is, in which even the advocates of the party state and of a return to the past try to portray themselves as democrats and people who will renew a rich socialism and a law-governed state and political pluralism. It is extremely important because of all that that every citizen of Yugoslavia be able to recognize who is actually advocating the law-governed state and who is advocating the party state, who is advocating democracy and who is advocating totalitarianism. In view of that situation, it is interesting to present a few quotations from Stalin's famous "K voprosam leninizma" [On Questions of Leninism], which unfortunately is becoming relevant in Yugoslavia once again. In leafing through Stalin's book once again, I wrote the following comment in the margin: "No one in history ever seized power so successfully, effectively, and swiftly as Stalin. That is, no one in history knew how to defeat so effectively adversaries thought to be much stronger than Stalin."

Every reader can decide for himself whether anyone and who is using Stalin's instructions in the struggle for power even in Yugoslavia by comparing our situation

with Stalin's following instructions about how to take power and preserve it: "1. Concentration of the main forces of the revolution at the enemy's most sensitive point at the decisive moment (p 63). 2. Choice of moments for the decisive strike (p 64). 3. Unwavering pursuit of the course already chosen through all possible difficulties and complications along the way to the objective; it is indispensable that the vanguard not lose sight of the main objective of the struggle and that the masses, as they head toward that objective and seek to rally around the vanguard, do not begin to lose their way (p 65). 4. The maneuvering of resources is calculated for orderly retreat when the enemy is strong and when retreat is inevitable (p 66). 5. The party, as the unity of will, is incompatible with the existence of factions. The implementation and maintenance of the dictatorship of the proletariat is impossible without a party that is strong in its monolithism and iron discipline. But iron discipline in the party cannot be imagined without unity of will, without complete and unconditional unity of action of all members of the party (p 81). 6. The road toward development and consolidation of proletarian parties passes through the purging of opportunists and reformists, social imperialists and social chauvinists, social patriots and social pacifists from those parties. The party is strengthened by purging it of opportunistic elements (p 84)."

It is obvious that such a political system of the party state and revolutionary violence which is recommended by Stalin cannot function without centralism and without a leader, without a leader who becomes the judge and passer of judgment and the embodiment of truth and providence. I leave it to every reader to conclude for himself whether these rules are being used in the political struggles in Yugoslavia, that is, to conclude who is applying them. The essence of Stalinism lies in monism and the absolute unity of thought and action, in the merciless violent devastation in the name of the revolution and the higher goals of all the autonomous protagonists of social initiative and elimination of individuals who think differently (elimination may be political, but also physical).

So that we might illustrate the essence of Stalinism still more concretely in order to show what is concealed behind democratic rhetoric, we will present two quotations from literature on the essence of Stalinism which are also relevant to our own present day; they may help in examining the essence of the conflict between democracy and monism.

In Arthur Koestler's famous novel "Darkness at Noon," there is a debate about Bukharin's trial and the intellectual and ideological struggle between Ivanov the investigator and Rubeshev the accused, in actuality Bukharin. Investigator Ivanov tries to justify the use of revolutionary violence and repression in the name of the revolution. Here is one of the things that Ivanov says in that context: "The principle that the end justifies the means is and remains the sole maxim of political ethics.

All the rest is babbling. Dostoyevsky's student, Raskolnikov, kills the old lady in order to take money, and he is guilty. But if Raskolnikov had killed the old lady by order of the party, for instance to replenish the strike fund or help an illegal print shop, then he would not be guilty. There are only two conceptions of human ethics and morality, and they are to be found at opposite poles. One is the humanistic; it proclaims what pertains to the individual to be sacred and declares that the rules of arithmetic cannot be applied to human principles. The other follows from the basic principle that the end of the collective justifies all the means and not only permits, but indeed demands that individuality always be subordinated and ready to make a sacrifice to society, which can dispose of it as it would with an experimental rabbit or scapegoat."

It is still better to quote the work of a less-well-known author published while Stalin was alive. This is the novel of Aleksandr Putko, "Vlastito breme" [One's Own Burden], in which the philosophy of the revolutionary course and revolutionary violence on behalf of higher ends is justified as follows: "Do you see the end in front of you? Do you believe in it? Assault it. Take it at any price. Do sacrifices have to be made? Make them. If you are stingy, it will cost you more in the end. The ends are so great that all sacrifices (including, of course, one's own life) are nothing compared to them."

These quotations beautifully illustrate the conflict between two conceptions: the conception of individualism and democracy and the conception of collectivism and totalitarianism, that is, the conception of the law-governed state and the conception of the party state, which is now being waged in all the socialist countries. In the conception of individualism and democracy and the law-governed state, the state guarantees the freedom and development of human individuality by establishing the rule of law and laws and the same rules of the game for all citizens, while in the conception of collectivism and totalitarianism the party, through the party state, disposes of the individual as its own property and has the right to dispose of his destiny in the name of the revolution and the higher ends.

Back since 1950, Yugoslav society has been trying to make a break with the model of state socialism and with the ideology of the party state, the dictatorship of the

proletariat, and revolutionary violence. To be fair, we should say that we were brought up at a time when many people authentically believed in the possibility of bringing about the idea of communism, primarily through the dictatorship of the proletariat, ideological violence, and application of revolutionary law, when they were not only ready to sacrifice themselves and others for higher ends and ideals, but they also did so in the belief that the individual person was not important, that the triumph of the revolution was more important.

In the context of the scientific-technological revolution and the immense changes in the world, today there are fewer and fewer such people who out of idealism believe in the possibility of bringing about a happy future, socialism, and communism, primarily through ideological coercion and the party state, but unfortunately there are quite a few of those who are going back to that idea as a weapon in the struggle for power and for achievement of that power, since it makes it possible for them to proclaim that all their political opponents who think differently and are seeking democratic socialism are counterrevolutionaries.

It follows from everything we have said that we advocate not only the law-governed state and all those constitutional changes and other changes which have to be made if Yugoslav society is to become a law-governed state in its constitutional law, but we also advocate the launching of a specific political and ideological campaign to change the unfavorable balance of power in order to expose the conception of those who advocate the party state under the cover of a struggle for reforms and for a law-governed state.

The status quo in Yugoslavia cannot last much longer. Yugoslavia will soon have to carry out reforms decisively if it is to set itself up as a law-governed state in spite of all the difficulties, or even in spite of the will of its population and indeed even of leading political forces, it will by necessity have to return to the classical model of the party state, neo-Stalinism, and centralism.

Which direction is taken depends both on each individual and on his activity in the political struggles between the advocates of democracy and the advocates of dogmatism. In the situation today, every person in that struggle is essential, however much it might seem to him that his contribution is unimportant.

## POLAND

**Statistics Given on Generals in Polish Army**

90EP0002b Warsaw ZOLNIERZ WOLNOSCI in Polish  
12 Sep 89 p 1

[Statements by Col Marian Stuglik, deputy chief, Cadre Department, Ministry of Defense, as noted by Lt Col Andrzej Medykowski]

[Text] In connection with numerous queries from readers interested in army personnel affairs, we asked Lt Col Dr Marian Stuglik, deputy chief of the Personnel Department at the Ministry of National Defense, for an additional explanation of certain data contained in the interview recently published in our newspaper. Below are his comments:

"In the Polish Army there are 544 general officer posts, but only 156 are staffed. The other posts, envisaged for generals, are staffed with officers of lower rank, basically colonels."

"I also wish to clarify the meaning of the term 'the general index,' employed in the interview. It refers to the ratio of the number of generals to the total personnel of the Armed Forces, as expressed in promilles. In the Polish Army this ratio is 0.004, which means that there is 1 general for about every 2,500 soldiers (in the military cadre and basic military service)."

"What are the corresponding proportions in the armies of other countries? In the FRG and Belgium, for example, there is 1 general for approximately 2,200 soldiers; in the United States, 1 for 2000; in Great Britain, 1 for 1,500; and in Denmark, 1 for 1,000. The greatest proportion of generals, as many as 1 general for every 752 soldiers, is in the DDR, Italy (1 for 762), and Hungary (1 for 769)."

"Likewise, in relation to the number of officers the number of generals in the Polish Army is small: 1 general for every 360 officers. In comparison, in the DDR and Hungary there is 1 general for every 130 officers; in the United States, 1 for 180; and in Great Britain and the FRG, 1 for about 200. The record holder is the Italian Army, in which there is 1 general for every 60 officers, just followed by the French with 1 general for every 70 officers."

"As the above indicates, there are relatively few generals in the Polish Army. The attainment of highest military ranks is possible only in cases in which officers demonstrate extensive military knowledge and proficiency at applying it in practical command. Thus only the cream of the cream can win the general's trouser stripes."

"I believe that the foregoing explanations serve to infer that in our Armed Forces both the number of generals and their proportion to the enlisted personnel and the officer corps are at rational levels."

**Doubts Expressed About Military's Ability To Convert to Food Industry**

90EP0010 Warsaw TRYBUNA LUDU in Polish  
2-3 Sep 89 p 5

[Interview with Brig Gen Zdzislaw Pietruch, chief of Military Manufacturing and Repair Enterprise, by Stanislaw Reperowicz: "Following the Resolution of the PRL Senate: Military Industry [To Serve] Agriculture and Food Industry"; date and place not given]

[Text] [TRYBUNA LUDU] This interview was prompted by the Resolution of 1 August 1989 of the PRL Senate Concerning Agriculture and the Food Industry. In that resolution, the Senate deemed it necessary "to indicate the manufacturing and service plants of the military sector which can immediately commence production for the needs of agriculture and the food industry." What are the conditions for implementing this resolution, considering that it was caused by concern for increasing food output?

[Pietruch] I share this concern, and so do the employees of the WPRP [Military Repair and Manufacturing Enterprises]. It was also out of this concern that years ago, as part of our drive to utilize spare capacity, we began to provide services and manufacture goods for the national economy. In 1988 the value of such shipments was 8.8 billion zlotys, or 15.6 percent of the overall output of the WPRP. Nearly one-half of these shipments, worth 3.8 billion zlotys, was allocated for the needs of agriculture.

In addition, the WPRP is exporting its services and products, to Payments Area 2 ["capitalist countries"] as well, on a business basis. In 1988 these exports accounted for 24.3 percent of the output of the WPRP. The resulting hard-currency profits totaled \$7 million, not including the income in rubles.

This indicates that barely 60 percent of the production capacity of the WPRP is used for the needs of the Armed Forces. The diminishing demand for repairs of military equipment will serve in the very near future to allocate another part of our potential for meeting the needs of the society, inclusive of expanding the food industry facilities. This is inseparably connected to the restructuring of the Army, that is, to its systematic reduction as mentioned by, among others, the Minister of National Defense Army General Florian Siwicki in TRYBUNA LUDU. As a result of this restructuring, already this year the WPRP will be able to devote as much as 20 percent of its overall output to the civilian sector while at the same time maintaining its profitable exports and fully meeting the repair needs of the military.

[TRYBUNA LUDU] I must say that I, and of a certainty not only I, feel disappointed by the absolute figures you mention. After all they are not the kind of figures that could help achieving a radical turnabout in Polish agriculture.

[Pietruch] That is true. I think that many other people will feel likewise following our interview. Hence, I wish to state that the ministry of defense is operating 19 manufacturing plants termed Military Repair and Manufacturing Enterprises, which altogether employ approximately 17,000 workers or as many as a single large plant. Several of our plants are adapted to repairing aviation equipment. Several others handle the repair of motor vehicles, i.e., tanks, transporters, cars, etc. The remaining plants repair armaments, communications equipment, electronic equipment, engineer equipment, etc. The Naval Shipyard works for the needs of the Navy.

They are primarily repair enterprises. They were established for the maintenance of military equipment. Their manufacturing activities focus chiefly on the spare parts which industry is not providing us with, like the valve gaskets which are so scarce in Poland, as well as on "anti-import" products with the object of saving foreign exchange.

[TRYBUNA LUDU] But let us now focus on the involvement of the WPRP in the national economy and agriculture.

[Pietruch] By way of an example, let me describe several current agreements and assignments being performed. For example, our enterprises are at present repairing for the national economy 148 delivery vans, of which 70 for agriculture; 467 trucks, of which 150 for agriculture; 2,000 automotive engines, of which 500 for agriculture; 900 diesel engines (chiefly for the mines and railroads); 105 power shovels, snow bulldozers, tracked vehicles, etc.; and more than 200 aircraft engines and other parts for civilian aircraft, e.g., crop dusters.

We also are implementing contracts for the manufacture of 30,000 shock absorbers for farm trailers and machinery; 14,000 sacking implements for threshing machines; 120 tree pullers; and 350 1.5-ton trailers, of which 80 for agriculture. This year we shall also manufacture for the economy: 650 safe locks, 9,000 bus heater regulators, 5,800 thermal coupling switches; 12,000 telephone inductors; 1,200 trash containers; 100 radar screens; 200 automotive shock absorbers; and dozens of other scarce items, such as liquid waste purification tanks, fuel tanks, spare parts for farm combines, deep-reach excavators, firefighting equipment, concrete mixers, currant pickers, cherry shakers, etc.

Contracts are being negotiated for the production of electric motors for refrigeration equipment, parts for the Tarpan farm vehicle, cabins for Ursus tractors, rotary mowers, potato-harvesting combines, potato sorters, manure shakers and loaders, blowers, harrows, etc.

[TRYBUNA LUDU] Can it be hoped that in the immediate future the WPRP will expand its services to agriculture and the food industry as postulated by the PRL Senate?

[Pietruch] Yes. We must consider, however, certain constraints on the extent of our services to the economy.

For example, the WPRP's manufacturing facilities include good diagnostic and measuring apparatus, much of it unique in this country, as well as considerable space for assembling and disassembling operations, but our pool of machine tools is small and many of them are old-fashioned. They are designed to machine single spare parts or short production series adapted to regenerative operations. The WPRP has never handled mass and large-series production, and it is not prepared for it. A major and sudden change in its production structure would require substantial outlays on new manufacturing equipment.

[TRYBUNA LUDU] What then should be done in order to, excuse the expression, "squeeze" as much as possible from the WPRP for the food industry?

[Pietruch] The problem is that military production cannot be instantly retooled to civilian production, because it has to correspond closely to the structure of the freed production capacities, include the same technological processes, and correspond to the skills of plant personnel. In addition, as noted before, additional subsidies for altering the equipment are needed.

Since neither the Ministry of Defense nor the WPRP have the funds needed for this purpose, and we are aware of the concern of the PRL Senate for increasing food output, we are exploring rational solutions. We believe that at present our actions should reduce to lengthening our current production series, exploring products that could be manufactured with equipment of a nature similar to that which we have on hand, and exploring stable ties with entities of the national economy which would, in return for prompt shipments of high-quality products, be ready to provide us with assistance in getting the needed technological facilities.

[TRYBUNA LUDU] What problems and obstacles are being encountered by the WPRP in following this strategy?

[Pietruch] They are many. For example, the WPRP cannot start manufacturing farm machinery from the scratch, beginning with design work, because it has no experience in this field. On the other hand, it can successfully refine, in the course of the manufacturing process, the designs of the machinery already being made in this country. Still, we would have to obtain from outside the needed design blueprints. But here we are meeting with a categorical refusal. For example, we were refused access to design blueprints for the manufacture of the Karlik potato-harvesting combine, which is scarce and in great demand, and the rotary grass mower. I am not naming the enterprises which refused to provide us with these blueprints, so as not exacerbate relations. It seems to me that a way should be found to break the monopoly on the production of farm machinery, of which shortages exist on the market. Unless this is done, monopolist producers will continue to dictate the number of farm machines available for sale and, by the

same token, they will be able to hike their prices, thus resulting in hikes in the production cost of food.

Another major obstacle limiting the extent of our commitment to agriculture is the shortage of even the most elementary materials such as ordinary steel without any quality requirements. We have been waiting for priority treatment in allocating producer goods to us for priority production [but so far nothing has been done about it]. Likewise, the WPRP is still waiting to be granted tax exemptions similar to those applying to other industrial subsectors manufacturing for the needs of agriculture.

In conclusion, I wish to declare our goodwill and faith in our ability to resolve these difficulties. We would like to contribute our best to rescuing the country from its current crisis situation on the food market. Please believe me that this is the desire of the workforces of all the Military Repair-Production Enterprises.

[TRYBUNA LUDU] Thank you for the conversation.

### **Civilian Access to Topographic Maps, Map Declassification Discussed**

*90EP0002a Warsaw ZOLNIERZ WOLNOSCI in Polish 22 Sep 89 p 3*

[Interview with Colonel Henryk Bednarek, representative of the Topographical Service of the Polish Army, by Major Marek Sieniawski: "Map Declassification"; date and place not given]

[Text] [Bednarek] Soon now the public will have access to topographic maps. What has prompted this decision?

[ZOLNIERZ WOLNOSCI] During the interwar period topographic maps of Poland were universally available. Anyone could buy them. After the war, restrictions were imposed. That was due to the then political and military situation. The need to protect government and military installations was decisive.

[Bednarek] So the fairly rapid change in the country's infrastructure and the need to keep it secret from the enemy were the determining factors?

[ZOLNIERZ WOLNOSCI] Hence the numerous overflights by reconnaissance aircraft. If only for this reason, such detailed data on Poland's operational territory could not be made public.

[Bednarek] But now such information is no longer confidential and secret, is it?

[ZOLNIERZ WOLNOSCI] The political situation has now changed abruptly. The level of military contacts and exchange of information also is different. Foreign observers have appeared at military exercises, and military installations are being monitored. In this connection, the preparation of suitable materials is necessary.

[Bednarek] Besides, terrain is no longer of confidential value, because it can be monitored from outer space.

[ZOLNIERZ WOLNOSCI] Once artificial earth satellites appeared, the first priority was to utilize them for reconnaissance purposes. At first, their discrimination of detail had been limited. We have been following up these developments for years. We have been aware that data on Polish territory are well known.

[Bednarek] Besides, mapping information on our territory has long been known.

[ZOLNIERZ WOLNOSCI] Between 1877 and the last days of World War II the Prussian Surveying Office has produced maps scaled 1:25,000 as far away as Moscow. It can be readily seen that only a few details were unknown. That is why for some time now we have been attempting to broaden public access to topographic maps.

[Bednarek] Was the publication of a 1:10,000-scale topographic map of the Tatra Mountains such an attempt?

[ZOLNIERZ WOLNOSCI] That was an unprecedented accomplishment on the scale of our entire military system. And it is worth noting that it elicited considerable public interest. The entire edition of that map has now been sold out. A new edition containing more information, some of which made available to us by the Czechoslovak side, is being prepared.

[Bednarek] Ever since the methods of remote terrain telesensing have acquired a new importance, the concept of state secrets and service secrets has changed, has not it?

[ZOLNIERZ WOLNOSCI] Consider that under our laws information is classified but the bearer of information, e.g., a map, is not. [as published] Hence, unless it contains unclear information, a map may be disseminated. Until quite recently the possibilities for telesensing had been limited owing to the insufficient discrimination or legibility of details on satellite photographs. In the 1970's that discrimination was about 50 meters. This concerned generally accessible systems, since intelligence systems had somewhat greater possibilities.

[Bednarek] But now major advances have been achieved in this technology.

[ZOLNIERZ WOLNOSCI] The discrimination on satellite photographs now reaches 5 meters and sometimes even 1 meter, as for example with the Soviet "Kosmos" system. This makes it possible to update topographic maps even on the scale of 1:25,000. Consider that on such a map 1 cm corresponds to 250 meters of terrain and 1 mm, to 25 meters. The American "Landsat" and the French "Spot" record images in digital form and transmit them to Earth, but their discrimination is somewhat smaller. It is conceivable that space shuttle reconnaissance by now has reached the same level of discrimination as the Russians.

[Bednarek] What map information is still classified?

[ZOLNIERZ WOLNOSCI] This concerns chiefly military objects, such as the infrastructure of airfields, or military compounds with description of each facility. Likewise: data on road capacity, ferries, bridges, tunnels, and forests, which make it possible to determine the transportability of combat equipment. Also classified are data on, among other things, missile sites, military communications hubs, radar stations, ammunition and fuel depots, underground defense facilities, and specific facilities of discrete ministries.

[Bednarek] It is to be surmised that such data will not be contained on topographic maps to which the public can have access?

[ZOLNIERZ WOLNOSCI] Both these data and others correct to 5 meters. Military airfields, barracks buildings, etc., will be shown. But military maps with classified sections will continue to exist, with the proviso, however, that the public map will be the basis and additional data will be printed in another color.

[Bednarek] What was the situation up to now?

[ZOLNIERZ WOLNOSCI] During the postwar period we adopted a coordinate system which we term "1942," and which is based on the Krassowski Ellipsoid. But that is a technical detail. This applied to all the socialist countries and was used eminently for military purposes. In the early 1970's this system was withdrawn from use by the State Geodetic Service but it remained in use by the Topographical Service of the Polish Army. This had bothersome consequences, since two different systems and two different kinds of topographic maps had to be used in this country.

[Bednarek] So this resulted in duplication of topographic work, did not it?

[ZOLNIERZ WOLNOSCI] Precisely, work on military maps duplicated the work on civilian maps. And both kinds of maps were classified.

[Bednarek] And it was not possible to unify this work at the government level?

[ZOLNIERZ WOLNOSCI] The military system was so closed that a new model of maps for the national economy had to be developed. Aside from atlases and tourist maps, there was no public access to exact maps. Moreover, even tourist maps were missing for some of the country's regions, and many objects were shown only schematically.

[Bednarek] Do you think that there is a demand for maps of this type?

[ZOLNIERZ WOLNOSCI] We do not engage in marketing. But judging from the sales success of the map of the Tatra Mountains, we believe that the demand is here. Single sheets of that map can be bought on the black market for 6,000 zlotys, whereas we had priced them at several hundred zlotys a sheet.

[Bednarek] This is certainly doing business.

[ZOLNIERZ WOLNOSCI] As a result, subsidies from the state budget for the operation of the topographic service of the Polish Army can be reduced. Two separate kinds of maps, one for the national economy and one for national defense, will no longer be produced.

[Bednarek] When did the turning point occur, and who initiated this new way of thinking and acting?

[ZOLNIERZ WOLNOSCI] We are the only socialist country to introduce such a policy on publishing topographic maps. This was initiated by the heads of the Topographic Directorate of the General Staff of the Polish Army. This shows that our superiors understand our efforts [to convince them] about the greater discriminating ability of present-day satellite photographs. In addition, new agreements had to be reached with state institutions. We were able to draft documents representing the formal-legal basis for the publication of such maps. We also gained the support of the chiefs of the topographical services of the armies of the Warsaw Pact at their meetings.

[Bednarek] Are topographic maps similar to those you are proposing being published in the West?

[ZOLNIERZ WOLNOSCI] Over there they can be store-bought, except that their contents also are simplified and do not contain all the data.

[Bednarek] When are the first copies of such maps to be expected in the bookstores?

[ZOLNIERZ WOLNOSCI] At first we shall publish four map sheets on the scale of 1:200,000 for the region of Warsaw and environs, in about 2 or 3 months. This should be of interest to the residents of the Nation's Capital, owners of vacation lots, and persons engaging in angling, hunting, and tourism. These maps will be updated on the basis of satellite photographs of 1987. We shall include the most recent details on the basis of project documents.

[Bednarek] We are awaiting these maps.

## HUNGARY

**Possible Pullout of Austrian Bank From  
Tungsram Discussed**

25000453 Budapest HETI VILAGGAZDASAG  
in Hungarian 26 Aug 89 pp 62-63

[Interview with Andras Gabor, Tungsram chairman and president, by Pal Reti: "No Resistance Yet, but There Is Lack of Understanding"; date and place not given; first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The capitalist group headed by the Austrian bank Girozentrale is in no hurry to take possession of the new property it has purchased, 46.9 percent of Tungsram, Inc. stock purchased last May for DM207.3 million. Sometime in the fall they will send their two delegates to Hungary to fill the seats they are entitled to in the 5-member board of directors. Presumably these will be Austrian managers. As they say, their job will not be easy in an enterprise where even a few years ago the party secretary "reigned supreme over life and death," and where the position of the president—with brief intermissions—was accompanied by a membership in the Hungarian Socialist Workers Party [MSZMP] Central Committee [CC]. Andras Gabor (age 59) was president of Tungsram before, and has been chairman and president of the firm since May. He continues to be a CC member, but he quit the trade union. He is determined to make a truly multinational corporation out of Tungsram.

[HVG] It has been more than 3 months since the Austrian bank Girozentrale became part of Tungsram owning close to a 50-percent share. At that time you said that soon the Western managers would appear in Ujpest, and Tungsram would undergo a radical transformation. It appears that the Austrians are not in a great hurry; they have not even appointed their representatives. Has any essential change taken place at all since Tungsram became a mixed nationality firm?

[Gabor] The essential changes already began taking place in the spring, when a sleeping stock corporation awoke, and along with the state the Credit Bank became an owner. Since that time Tungsram has been preparing not a traditional plan, but a so-called business plan, which sets revenue requirements and expense limitations on the factories. Further, we also prescribed a 10-percent reduction in force, and made possible the payment of extra wages for extra production.

[HVG] These days they are talking about the same things in virtually every enterprise. According to data presented by you, Tungsram closed a rather successful 6-month period. The unsuspecting reader would think that this has to do with the appearance of the Western owners, whereas they actually have not yet appeared.

[Gabor] It is unquestionable that part of the success during the first 6 months may be attributed to the devaluation of the forint, and further, to the fact that Tungsram—thanks to the capital contributed by the new

owners—was able to reduce its borrowings. Because of this alone we were able to save between 500 and 600 million forints in interest payments in 1 year. On the other hand, our achievements were lowered by the fact that during the first 6 months we paid 210 million forints in production taxes. This came straight out of our sales revenues, after deducting socialist exports. I have no idea how I will explain to the new owners that instead of a 22-percent profit these exports result in only a 4-percent profit, because the difference is simply pocketed by the state.

[HVG] But taxes must also be paid elsewhere....

[Gabor] Hungarian regulations do not clearly reveal whether mixed nationality enterprises must pay production taxes after their socialist exports. One thing is certain however, this tax is not governed by a law adopted by Parliament, and not even by a decree having the force of law. It is governed only by a directive issued by the Ministry of Finance.

[HVG] In addition, if I understand it correctly, it comes with a top secret classification. As far as you know, to what extent are your Austrian partners familiar with these rules of the game?

[Gabor] They are not at all familiar with them. They incorporate into contract drafts provisions such as "the state must not interfere in corporate life through any special sanctions." Such requirements could only be put on paper by someone unfamiliar with the system by which the Hungarian economy is managed. I believe that there will be some conflicts as a result of this, not to mention everyday management anomalies, which are also unknown to Austrian managers. To mention just one example, we must obtain a permit to import various kinds of foreign materials.

[HVG] Could it be that the Austrians have some notion of all this, and that this is the reason why they are in no hurry to appoint representatives to the board of directors?

[Gabor] I do not think so. In any event, however, we are very apprehensive about this fact. We were counting on the appointment of an Austrian financial and a technical director to the 5-member board in May, a few weeks after we complete the stock transaction. A few weeks ago, at the last general meeting, they promised to find the right persons by September. We understand that in the end the Taus group, which has been very successful in recent years, did not agree to manage Tungsram. Incidentally, the Taus group made its name in Austria by reorganizing a paper manufacturing company. They also planned to make very radical changes at Tungsram. They wanted to dismiss several thousand employees within a 2-year period. Our plans called for slower processes.

But whomever they appoint, it is certain that we will have to become friendly with the rules of the game that are different from our way of thinking, and with the aggressive character of money. The past 30 years in

Hungary had some humanistic features, the blue blood attitude disappeared and a direct relationship evolved between workers and leaders. Western capital would be able to register high profits in Hungarian services, without disturbing these conditions too much. Nevertheless it takes years to make changes in industry, and the aggressiveness of money prevails in a far more painful manner.

[HVG] But this is precisely what you wanted! Is it not for this reason that you wanted to attract Western capital to Tungsram?

[Gabor] Quite naturally, we prepared ourselves for this; we know exactly what we want to do and how we want to do it, but we do not know whether we have the appropriate persons to accomplish this.

[HVG] When the Austrian managers appear at last, and when Tungsram makes great strides toward becoming a capitalist firm, what will you do with such strong, traditional organizations as the MSZMP, the Workers Guard, or the trade union?

[Gabor] There are no problems with the trade union. It can perform its job like anywhere else in the world. The party's situation must be settled before the congress, or before the end of this year. It is certain that the party will remove itself from the enterprise premises; the Communist Youth Organization [KISZ] has already moved. And Tungsram's independent party secretary became the secretary of the district party committee not too long ago. In any event, no party work can be performed during work hours. We have designated a building outside of the enterprise premises. This will be the house of politics, where alternative organizations gather. Not too long ago I met with the Tungsram leaders of the Hungarian Democratic Forum [MDF], the Alliance of Young Democrats [FIDESZ], and the Social Democratic Party. They agreed to the above principles, and only asked permission to use the Tungsram newspaper. Two weeks ago I spent a Sunday visiting the Workers Guard exercise, trying to reassure them. I told the workers guards that before the end of the year we would find a solution for them to function outside the factory premises.

[HVG] According to what you just said, did you experience some resistance on the part of the workers guards?

[Gabor] There is no resistance yet, but there is a lack of understanding.

[HVG] It is apparent that this lack of understanding will not improve when the Austrian managers appear, together with their Austrian managerial salaries.

[Gabor] No easy going in this regard either. In this managerial category the annual pay is the equivalent of between 300,000 and 500,000 marks—in other words, the amount of my net income in forints paid in West German marks. And with that there comes life insurance, an official car (a Mercedes, at least), and a residence.

[HVG] For the time being, however, the managers are not here, and it is possible that they will not come at all. The Austrian press has reported that Girozentrale has begun to sell its Tungsram stock.

[Gabor] I am not aware of a sale, I do not believe that this could be true, and it is not true. According to our basic agreement they cannot sell the Tungsram stock for 3 years, and we have not yet decided in what form they can sell their stock after the 3-year period. If they could take the stock without any restrictions to the market, the competitors could buy up the Tungsram stock. We want to avoid this at all cost. In any event, the report concerning the sale signals the fact that our relationship is not without problems. It is a fact that the Austrians have nothing to lose. If Tungsram does not do as well as they thought it would, or if they are unable to sell the stock, the Credit Bank, under a guarantee provided by the Hungarian National Bank, must repurchase that stock after 3 years. But this will not take place. Results can be achieved at Tungsram and this will assure that the stock appreciates.

#### **\$100 Million Japanese Commercial Guarantee**

*25000434a Budapest NEPSZABADSAG in Hungarian  
1 Sep 89 p 2*

[Text] Japan is offering a \$100 million commercial guarantee to Hungary to support Japanese investment and export transactions this year, according to Thursday's announcement by the Japanese news agency KYODO. This step is part of the East Asian country's endeavor to contribute to Poland's and Hungary's economic development.

### **POLAND**

#### **Solidarity's Wujec Reflects on Past, Focuses on Present Potential**

*26000696 Krakow TYGODNIK POWSZECHNY in Polish  
No 33, 13 Aug 89 p 1-2*

[Interview with Henryk Wujec by Jerzy Jastrzebowski: "The People Will Prevail"; date and place not given]

[Text] [TYGODNIK POWSZECHNY] The autobiographical notes in "Who Is Who—The Roundtable, the Opposition," published by Thought Publishers, says: "One can live in various ways... They say I am a workaholic, that I want to work for two, even perhaps for everyone. This is an exaggeration. I have simply chosen such a style of life." The personnel of the office of the Citizens' Parliamentary Club call you "Hank the Machine." How many hours have you worked today?

[Wujec] Today? Not so many. I got up about 0800; I took a break as you know for dinner, when we ate; I returned home not so long ago.

[TYGODNIK POWSZECHNY] It is 20 minutes past midnight.

[Wujec] Yes, and we will work another half hour or perhaps an hour.

[TYGODNIK POWSZECHNY] And yesterday?

[Wujec] Yesterday was the same; only I got up a little earlier, and I returned probably before midnight because I wanted to read the Regulations for Deputies. I fell asleep with the rules on my heart.

[TYGODNIK POWSZECHNY] How many positions do you hold?

[Wujec] I do not perform them all at once.

[TYGODNIK POWSZECHNY] But you can list them all at once.

[Wujec] Yes, this will be interesting. My newest position is secretary of the Citizens' Deputy Club, which includes 259 Solidarity deputies and senators. Andrzej Celinski is the joint secretary. The next position: secretary of the Citizens' Committee under the chairman of NSZZ Solidarity. I have held that position since December 1988.

[TYGODNIK POWSZECHNY] The next position.

[Wujec] I am a member of the presidium of the National Executive Committee of NSZZ Solidarity. Previously, I was secretary of the National Executive Committee from its founding until 1987. Walesa wanted me to be a member of the Presidium and live in Gdansk. That proved to be impossible because of my other activities. Thus, other than Zbyszek Bujak, I am the only member of the presidium living in Warsaw, and I complain about my slight share of the work of the presidium.

[TYGODNIK POWSZECHNY] Your next position.

[Wujec] The next one is a little more for show. More than a year ago I became chairman of the Warsaw Section of the Society for Restraint and Work. No one else wanted to take the position; so I took it. At present, I am still chairman, although it is rather fictitious as Stefan Boguslawski manages the work in outstanding fashion.

[TYGODNIK POWSZECHNY] Your next position.

[Wujec] Isn't that enough? Ah, I am a member of the Temporary Board of the Mazowsze Region, a large body, that meets from time to time and in which we are colleagues.

[TYGODNIK POWSZECHNY] Is it not characteristic that in this crowd of positions you forgot about your most distinguished position? You are a Sejm deputy.

[Wujec] Yes, that is surprising; I must apologize to my constituents.

[TYGODNIK POWSZECHNY] Which of these positions do think is most demanding?

[Wujec] At present, the position of secretary of the Citizens' Parliamentary Club. We are organizing the work of the Club from the ground up; it is completely new. The Senate has not previously existed, and the entry of the opposition into the Sejm requires changing the structure of its bodies, establishing the membership of our participants in the commissions. We are not prepared for that. As secretary, I feel responsible for everything, but I have no experience. The organizational work takes up a great deal of time.

[TYGODNIK POWSZECHNY] At the Warsaw premier of the documentary film "KOR," I saw a picture of your mangled face. A group of assailants had beaten you in front of the door to Jacek Kuron's apartment. That was 1979. Is what is happening now in Poland the fulfillment of your dreams of 10 years ago?

[Wujec] It has exceeded all of our dreams. None of us foresaw, I surely did not, the full extent of what is happening now. Something different from what we expected is happening. We thought, that the system would slowly evolve, step by step. But in 1980, the processes became so rapid that the formation of Solidarity surprised everyone. The recent period, 8 years later, after the interruption of martial law and the period of suspended animation and waiting, has also been a surprise. If a year ago, someone had predicted the current situation, I would not have believed him. The situation is so surrealistic that I myself am still unable to take myself too seriously in the Sejm. At the first session, I appeared without a coat and tie because it seemed to me that a tie would emphasize the absurdity of my situation. A year ago, if I had appeared with my large tote bag, which I always carry with me, the first militiaman I encountered would have searched me and taken the contents of the bag. In fact, that happened a year ago. And now suddenly I have immunity, and no one can take my bag. That was the first visible benefit for me: I can walk down the street and feel safe. It is hard for me to get used to it.

[TYGODNIK POWSZECHNY] Is that all that makes it surrealistic?

[Wujec] No, Jacek Kuron once described this situation accurately. It is surrealistic because suddenly, almost directly from prison, we found ourselves in the "palaces of authority." We still felt that we do not deserve a place in the palaces. My office for the Citizens' Parliamentary Committee includes a new, freshly furnished office in the Sejm building complex, and I, Henryk Wujec, sit behind a new desk and am a very important bureaucrat. Important individuals in suits come to me and ask for something. Now, that is surrealistic.

[TYGODNIK POWSZECHNY] Do you see any danger in such a rapid leap from prison to the palaces of authority?

[Wujec] Undoubtedly, it can end badly. Let's begin with the obvious items: a person quickly becomes accustomed to comfort. At present, as a deputy, I can travel for free

in any transit vehicle, and I like it a great deal, because I have never had too much money and travel is expensive. Thus, I consider such a situation a plus. I go to the Sejm restaurant where I can buy dinner, without standing in line, for 1,200 to 1,300 zloty, which is impossible in the city. But people from the outside cannot enter this restaurant without a pass or an invitation. Thus, again I find it convenient. You sit behind these desks, in elegance; you deal with important issues; you live in a world created by the press, what the premier said, what the opposition replied. And the external world slowly ceases to exist; you lose contact. I myself feel that I am losing contact, although I think that I am well enough aware to prevent me from losing it. It is a simple, but real, danger. And the next one derives from it.

Human emotions, especially ambitions, play a large role in the current situation: who is first, second, third. There is a fear that people will become so entangled in personal rivalries that the common interest will recede into the background. It has not happened yet, but it, too, is a real danger.

But the greatest danger lies elsewhere: many people, to be sure, think that it is all very well for the opposition to be in the Sejm and Senate, and forcefully present at that. But now people are wondering whether the opposition will be able to influence reality. Will it have any effect on the constantly worsening standard of living? And this question includes a horrible danger: an opposition occupied with its own interests in the Sejm and unable to influence the course of events in Poland. Such a turn of events could turn an angered nation against the opposition.

[TYGODNIK POWSZECHNY] Have you encountered the following argument: the regime is executing a classic judo maneuver—it falls backward, pulling its opponent over in the hope that in the end the opponent will end up on the bottom?

[Wujec] I know the argument. I find it unconvincing. I know that the regime is attempting to execute it, but I think that the maneuver is no longer possible. The judo fighter no longer has any strength. He can still be saved by someone from outside, but that does not appear to be imminent. I am not afraid of this judo fighter; let him pull. It is enough that we are aware of his plans.

[TYGODNIK POWSZECHNY] Are you an optimist as regards the further course of events in Poland? How on a scale from zero to 100 do you rate the chance that democracy will succeed? Where would the arrow of Henryk Wujec land?

[Wujec] It would fall very high, above 50, especially now, after the elections and the resolution of the legal problems, the national list, the oath of office, etc. I must add that we accomplished all this with the aid of the authorities. Obviously, the argument will be made that the authorities are still drawing us into their wake, but I do not agree with it. Perhaps, I am wrong; perhaps I am naive, but I think that the authorities have played a

wholly positive role in the postelection period. I think that the authorities are also interested in the gradual evolution of the system, without violent convulsions, without the risk that the entire process will breakdown over some detail, that a Chinese situation might occur. I think one must give them this honor.

[TYGODNIK POWSZECHNY] Would your positive recognition of the authorities go so far as a public statement that General Jaruzelski and Premier Rakowski are true patriots?

[Wujec] Oh, no. I would not want to say that either publicly or privately. In any case, I do not like the word patriot.

[TYGODNIK POWSZECHNY] I can say that in light of the events of the last 6 months General Jaruzelski's actions are not subject to an unambiguous evaluation. There was a time when we actually condemned him, but recently he has changed greatly; simply, he has contradicted his policy of martial law and braved the effort of making great changes. It was generally said that as long as Jaruzelski remained, there would be no Solidarity. Exactly a year ago, I had an argument with Janek Litynski and Zbyszek Bujak, perhaps also Konrad Bielski, in the Mazowsze Region. They promoted the view that "Jaruzelski must go." They wanted to arouse people with this slogan. I did not like the slogan because it confused the issue. We are not interested in the departure of one person but in changing the system. And it has turned out that the slogan was off the mark. Jaruzelski, instead of leaving, was capable of making changes which were unimaginable a year ago. I think certain higher values played a role.

[TYGODNIK POWSZECHNY] Did I hear you correctly: you see authentic values here and not necessity?

[Wujec] Yes, values. Obviously everything happened in a favorable international climate, etc., but, in Jaruzelski's actions, I see the conviction that for the good of Poland a process of internal democratic changes is necessary, the conviction that any other course of policy would lead to a much greater risk of catastrophe, including risk for the PZPR [Polish United Workers Party]. The interest of the party obviously plays an important role; it is the force that perhaps will lose out completely in the process of democratization.

[TYGODNIK POWSZECHNY] You claim then that Jaruzelski when he leaves, in the natural course of events or is forced out, will not end his career completely on the margins of history?

[Wujec] Not entirely, to be sure, not entirely. It is hard for me to say that, but that is the case. A year ago I would surely not have said so.

[TYGODNIK POWSZECHNY] And what will happen with the union Solidarity?

[Wujec] Listen, that is the worst thing in the present situation. I am not the best source of information;

because lately I feel like I have not been doing enough as a member of the Presidium of the National Executive Committee, and we seldom meet in the Mazowsze Region. I get the impression, however, that the union will be unable to handle the current situation. There are political and organization difficulties in finding people with ideas to continue the union. NSZZ Solidarity is in serious crisis.

[TYGODNIK POWSZECHNY] Is it still the same union as in 1980?

[Wujec] No, the spirit is completely different, so the union is different. The current conditions cannot even be compared to those of 1980. Through the middle of 1981, that union was a growing union, powerfully going forward, gathering up everything. Shortly afterwards, the difficulties began, but martial law saved us from an internal crisis. To be sure, I do not agree with Jaruzelski when he says that he saved Solidarity, but we got something positive out of martial law—we could test ourselves.

At present, however, Solidarity is legal; it is on the lips of many people, but it has gained few members. People do not want to pay dues. In 1980, they knew that the money given to the union would change the country, but now the country is changing in another place, as a result of the election, the Sejm, the negotiations; Solidarity has for the moment ceased to be a factor for political change.

[TYGODNIK POWSZECHNY] I repeat what will happen with the union Solidarity?

[Wujec] I do not know exactly what will happen with the union Solidarity.

[TYGODNIK POWSZECHNY] What power will the 259 deputies and senators have if the union lacks strength? Will they not eradicate you when they see that that is the case?

[Wujec] Yes, Walesa has presented this opinion, and I myself have also said publicly that without the union they will eradicate us. But it must, however, be viewed a little differently. Perhaps I am wrong, but I think that there are various periods in history. The 1980-81 period consisted of the construction of the first independent institution with which human hopes were associated. That was the period of the creation of the union. Now there is another historical moment. Now people think that the union will not change the nation's situation. They are counting rather on a social and political movement. That became clear in the elections. During the elections, people became involved who do not necessarily want to become involved in the union. That surprised everyone, especially me, to whom the task of organizing the elections was assigned under the National Executive Committee. I did not want to accept this assignment because I had had enough of everything after the roundtable. Under pressure, I agreed, and a week later I regretted the decision. We held a meeting with the

local activists in order to form regional and local committees; we had very little time, barely a couple of weeks. Terror gripped me, and suddenly I felt a mood in the meeting hall that I had not felt for a long time, different from the one at the meetings of the National Executive Committee. There was no habit; a new spirit prevailed; people really went to work. I claimed that the idea to organize committees was better received by society than by us, the old lazy Solidarity activists. We approached the elections unwillingly.

The movement crystallized in the committees and local groups. I think that at that moment we had to entrust everything to the committee movement and to create a social and political force out of them. By no means a party, but a broad movement, a "national front." People would rediscover themselves in this front and would become the force behind our deputies and senators.

Unfortunately, the traditional Solidarity activists felt threatened by something new, exceeding their experience. Thus, the decision of the National Executive Committee to end the work of the regional committees. I did not agree with that decision and fought against it; as a result, I have come into conflict with many activists, including the chairman of the union.

[TYGODNIK POWSZECHNY] So you think that the building of the union has passed and the construction of a social and political movement has begun. Perhaps it is necessary to go a step further and say: it is time for an independence movement? Do you think that is a 19th-century concept?

[Wujec] Yes, for me, it is a completely 19th-century concept. I think that many other people are of the same opinion. I feel no need for an insurrection.

[TYGODNIK POWSZECHNY] But do you not feel a need to get rid of the remains of the system that still has Poles in its grasp?

[Wujec] That is something else again. For me, the Soviet Union is not present in Poland; I do not see the Red Army; it is sitting somewhere in the forest, a leprechaun. On the other hand, I do deal on a daily basis with our system, with our apparatus. Our independence is crippled because of the old, ossified system, which we must breakup, explode. At present, we are becoming the masters of our own country.

To be sure, we will continue to be bound allies, but the Warsaw Pact, which must undergo change, will not hamper us in building a normal, democratic Poland. It will be a state with significant, but not complete, external independence. Prewar Poland was also bound by various pacts.

[TYGODNIK POWSZECHNY] My last question was to be "now what will happen to Poland?" To a great degree, it has already been answered. How different will our IV Republic differ from the prewar II Republic, still represented by the emigration London government?

[Wujec] That is a difficult question for me because I am not an historian, and I do not know prewar Poland firsthand. I simply sense that it will be a completely different Poland. Perhaps it is the influence of my schooling, but, for me, the II Republic was too aristocratic, too much for the landed gentry, too authoritarian. I personally as the son of a farmer think that I would have felt out of place in that Poland, although I well know that Witos became a great man under it. The II Republic had an unjust social order, not through its law, but through its tradition. The son of a farmer had to struggle hard in order to get ahead.

I think that the IV Republic will not take up that tradition. On the other hand, I do not agree with the PRL propaganda that claims that the II Republic was a bad period in the history of Poland. I think that in certain respects it was an outstanding period. Poland burst forth in 1918, and over 20 years Poles accomplished a miracle. The unification of the three partitions was a miracle in history.

I hope we can accomplish something similar in our times. I hope for the appearance of enthusiasm among the people; I hope that it will help us overcome the crisis that has built up over the more than 40 years of the destruction of our social bonds. Just let the people see a chance freely to shape their fate. The people are still waiting for the moment when they can finally begin to govern themselves.

Our current situation is more difficult than that of 70 years ago, for the social bonds have been more thoroughly destroyed than during the partitions. Nevertheless, I trust that, as soon as we are masters in our house, enthusiasm and a sense of responsibility will win out. The people will prevail.

[TUGODNIK POWSZECHNY] Thank you for your comments.

#### **Lack of Agricultural Investment Credits Noted, Criticized**

26000728 Warsaw ZYCIE GOSPODARCZE in Polish  
No 33, 13 Aug 89 p 5

[Article by Wlodzimierz Sadowski: "The Farmer Is Looking for Credit"]

[Text] Our agriculture uses credits to a very small degree. This is shown by the small amount of debt owed by private and socialized farms in the cooperative banks. At the beginning of 1989, the debt of the State Farms (PGR) and the Agricultural Producer Cooperatives (RSP) was equal to the value of 10 months of their production, while the debt of the peasant farms was equal to 3 months of production. In Western Europe, the debt represents a value of 2 to 3 years of farm production.

As a result of unfavorable tendencies in agriculture, the peasants have not only cut down on the amount of livestock they are raising, they are also investing less in

their farms. For example, the number of hogs on private farms dropped 9.7 percent in the last 8 years, and at the end of 1988 totaled only 14 million (in 1980 there were 15.5 million). In 1980 the peasants built 27,300 farm buildings; in 1985, 18,300; and in 1986 only 15,500. It has even come down to this: Many of the new buildings are empty. And although not everything depends on credits, we should not forget that along with the decline in the profitability of production, the role of credit has also shrunk. In 1979 credit constituted 37.4 percent of current expenditures and 34.9 percent of investment expenditures (outlays). In 1988 these same indicators were lower, 19 percent and 32 percent respectively.

#### **Who Gets Credit?**

The mistake of past credit policy was the high (economically unjustified) credit granted to socialized agriculture and the neglect of private farms.

In terms of 1 hectare of cropland, the peasants in the Bialystok Voivodship, for example, in 1987 received an average of 4,000 zlotys; PGR, 12,600 zlotys; and RSP, 7,300 zlotys. In 1988 the private farmers again received less credit, only 7,500, while PGR received 29,600 and RSP 10,800 per hectare. The figures clearly show that the peasants in this voivodship were simply discriminated against in the division of credits.

The situation throughout the country was the same, although in a few voivodships it was slightly different. For example, in Kalisz Voivodship the private farmers received an average of 10,000 in 1988 (11,000 in 1987), and PGR only 7,600 (2,300 in 1987). Although PGR received less money from this source than the peasants, RSP received much more—24,000 in 1987 and 37,800 the following year per 1 hectare of cropland.

The use of credit is also shown by the debt of the individual farms. A farmer from Bialystok Voivodship owed the cooperative banks in 1987, by virtue of turnover and investment credits (combined with housing construction), on average, 13,200 zlotys per 1 hectare (18,800 in 1988); PGR, 119,000 (200,000 in 1988); and RSP, 65,300 (Z 90,800 in 1988).

For some time there has been talk about treating all sectors of agriculture equally, however this is not the case in practice. For example, two PGR (Kieszczele and Kuznica in Bialystok Voivodship) received 720 million zlotys of nonrepayable subsidies to farm 2,817 hectares, while all of the young farmers (to age 35) in the entire country received only 434 million zlotys of production credits in 1987 for development of 7,500 new farms covering over 25,000 hectares. Additional credits awarded in 1987 to agriculture and farm-food processing by the president of the National Bank of Poland (NBP) were also divided unfairly. The peasants were allocated 11.2 billion zlotys, the socialized sector received 20 billion, and 1 billion went to crafts, services and private trade.

The low profitability of farm production and the lack of credit are the main reasons that peasant farms are being liquidated. The young people continue to leave the countryside with the hope of finding easier and better paying work in the cities. Left are the old people who, after a few years of farming, turn the already neglected farms over to the State Land Fund in return for a pension or annuity. In 1988, 38,400 peasant farms were liquidated (i.e., 2,400 more than in 1987) and almost five times more than the number of new farms established during this same period. The acreage of the new farms is small, averaging 3.7 hectares in 1988.

#### 'Poor IGLOOPOL'

Another interesting example of the division of credits and subsidies is the IGLOOPOL Farm-Industry Combine (now a company). For many years the main source of financing its economic operations was credits and subsidies. For example, in 1987 the share of turnover credit in financing stocks was 80.7 percent (87 percent in 1986). That same year the combine, after drawing 41,649 million in credits (turnover and investment) and obtaining 6,897 million in subsidies, made a profit of 4,761 million zlotys. IGLOOPOL could boast of truly "sensational" economic results. Total sales amounted to 74,751 million, while total costs were 80,748 million zlotys. The situation was the same in 1988. The combine drew 73,268 million in credits and received 19,036 million in subsidies, and the financial return was 15,968 million zlotys, with total costs 174,344 million and total sales 156,323 million.

Had IGLOOPOL occupied itself only with managing the abandoned land then perhaps the poor economic figures could have been understandable. But that was not the case. At the end of 1987, the combine had 44,046 hectares of cropland and sales of farm-derived production made up only 27 percent of the aggregate sales (i.e., 20,227 million), while industrial production brought as much as 71 percent of the receipts. It should also be added that during that period IGLOOPOL had a network of 181 retail shops and eating places. The large credits and subsidies permitted it to look boldly to the future, only in 1987 the farm acreage increased by 20,000 hectares.

Is it no wonder then that after years of taking advantage of huge credits and subsidies the giant transforms itself into a company? But it is too bad that up to now the state always rememberd about the large plants and PGR and RSP, and forgot about private agriculture. The right time has probably come to make some basic changes in the credit system.

#### What Should Be Changed?

The unfair division is an important shortcoming in the credit system, but by no means is it the only one. Changes cannot be limited simply to reforming and improving the operations of local cooperative banks, because they are responsible for the present state of

affairs only to a small degree. They are the obedient (naturally, not by choice) executors of plans, directives and circulars emanating from the central offices and NBP, and the credit limits fixed by the Sejm at the beginning of each year for private agriculture.

If the banks were guided mainly by cost-effectiveness and could fully dispose of the savings of their members (as should be the case), then most of the directives would certainly be superfluous. For example, did the Sejm last year have to raise the limit of farm debt three times (in June, September, and December)? In accordance with the first decision, the debt could have increased by 122.8 billion zlotys, and after all of the changes (at the request of the president of NBP) reached 208.8 billion. At the end of 1986, the difference between the savings of the bank members and their debts was only slightly over 40 billion zlotys, but by the end of 1988 it amounted to 140 billion.

Why was not all of this taken into account earlier? Who gives credit to whom? Had industry supplied more materials, equipment and machines then certainly the savings would have been much lower. It should be mentioned at this point that 55 percent of the peasants make no use of credit at all, and most of the money goes to the wealthiest farmers who have the largest farms. In 1988, 25 percent of the total debt of private farmers fell to 15-hectare and larger farms, which constitute not quite 7 percent of the total number of farms. The poorer peasants borrow much less and only one in eight of them (having a 2-hectare and smaller farm) used credits.

The young farmers (to age 35) are most critical of the present credit system because they cannot buy much for the money received. And although last year they drew approximately 30 percent of all of the investment credits (combined with credit for housing construction), the average payout was only a little over 900,000 zlotys. There is no great problem if a young farmer takes over a farm which is equipped with new machines and equipment, but what are those supposed to do who begin with only a scythe, a pony, and a cottage?

The employees of the local cooperative banks are not responsible for the mistakes in the system of credits for agriculture, although they are the ones to whom the farmers come with complaints. For example, in mid-1988 there was a considerable amount of confusion after the variable interest rate was introduced. The credit contracts contained a clause making it possible to change the interest rate in the following years. In this situation, many farmers, fearing a high interest rate, decided not to take advantage of credits at all.

This year is no better than last year, either. During all of January no one knew what interest rate would be in effect in 1989. The farmers and the bank employees were exasperated and not until the beginning of February was information received giving the size of the interest. The interest on investment and turnover credits rose from 9 to 27-31 percent. Such a high interest rate cannot last

long and in March it was reduced to 25 percent (this applies to all credits drawn starting 1 January of this year). Obviously the employees of the cooperative banks are less happy about this than the farmers because they have to revise the interest calculated earlier.

But the troubles regarding this did not end because the interest rate on credits for housing construction were not confirmed until the beginning of April (the interest rate rose from 3 to 6 percent) and the banks did not begin to pay out the money until the beginning of May.

As a result of the changes made in the first half of this year, by the end of June as many as 72 percent of the cooperative banks (1,187 out of the existing 1,662) suffered financial losses. But it could not have been otherwise because the rise in the interest rate on savings was greater than the rise in the interest rate on credits. Under these circumstances, the banks could not expand credit operations because the savings became too expensive a source for financing these operations. The interest rate on payable-on-demand savings is 21 percent, 44 percent on 1-year accounts, and 55 percent on 2-year accounts. However, starting with the second quarter, 3-year deposits paying 66 percent were eliminated.

The large growth in the interest rate on refinancing credit, which the Food Economy Bank receives from NBP, aroused the most controversy. As of 1 January the interest rate is 22 percent (in 1987 it was 4 percent and in 1988 it was 5 percent). Although about 90 percent of the credit granted applies to accomplishment of priority goals (agriculture and farm-food processing), the Food Economy Bank, in comparison with other banks functioning in Poland, is in the worst financial situation.

Without making comprehensive changes in the present system for granting credit to agriculture, it will definitely not be possible to accomplish the tasks facing the entire farm economy and forestry. First of all, larger than heretofore funds must be found for credit operations and local cooperative banks should obtain the right to freely and fully dispose of their client's savings.

An important matter which must be settled is also that of adapting credit terms to regional economic and social conditions. Because up to now agriculture's debt grew only approximately 37.2 percent in comparison to last year, there is a fully justified fear that the real value of this year's credits will fall.

It would also be well if, beginning with next year, the larger portion of the credit could be, in accordance with needs, allocated for the first 6 months. In the second 6 months the farmers always have more money and it is too bad that this obvious fact has not been taken into consideration in the past. The fight for higher credits for peasants must succeed because it is a chance and is good business for all of us.

### **Indexation Controversy; Wage-Price Overregulation Attacked**

26000708 Warsaw *TYGODNIK SOLIDARNOSC*  
in Polish No 12, 18 Aug 89 p 5

[Article by Ryszard Bugaj: "Indexation—Doubts, Threats"]

[Text] On 31 July, the Sejm concluded a nearly 6-month-long battle over indexing earnings and over a method for protecting farm income. Four decisions included in the law are of especially vital importance here.

The first is the adoption of that interpretation of the round table agreement that concludes that the amount of increase in the rate of earnings is not dependent upon what kind of earnings increase (and for what reason) employees have already received during the quarter being indexed. Thus, even those people who doubled their wages in the second quarter have the right to added indexation increases, provided, of course, that the plant has the funds available.

Second, it was adopted that farm income will be protected with the help of minimal, guaranteed procurement prices, which will be structured to enable farmers to attain so-called parity (in this way, earnings that are designated for consumption and nonproduction capital spending projects by someone who is professionally active in farming cannot be below similar earnings in the socialized nonfarm economy). Given the fact that farm earnings last year did not reach parity (in all probability, they constituted 95 percent of nonfarm earnings), the legal solution represents something more than protecting farm earnings against inflation—it is a decision that offers an essential corrective in the proportions of the share allotted to farming.

In the third place, it was established that compensation for the price increase in all food items in August and September (excluding stimulants) will be a complete compensation based on the total amount. This represents a fundamental change in government plans, whereby only so-called basic food items sold until now at official prices were to be covered by a compensation based on the total amount.

In the fourth place, it was established that the valuation of employee earnings in the budgetary sphere (compared to employee earnings in the material production sphere) will take place in quarterly periods. This is an important change that offers some hope that the employees of this sphere will not be completely left behind by a sudden growth of inflation.

Of course, the law contains other important decisions. However, everyone already knew what shape these decisions would take (e.g., the decisions protested by the OPZZ [Trade Unions] that the indexation factor is 0.8 while the indexation payments will be made within the framework of enterprise funds, in order not to break the

principle of self-financing). Also of vital significance is the Sejm resolution adopted in parallel which indicates the need to protect benefits and the urgent definition of new annuity and pension rates and the like.

Thus, the question arises: do we at present have an efficient system for protecting private earnings against inflation? If we were making an abstract assessment that did not take into account the realities of time and place, we might risk an affirmative answer. But things look different when we take such realities into account. The two decisions listed here, i.e., the full compensation based on the total amount, in the next few months, of the effects of the increase in food prices and the shortening of the period of valuation of employee earnings in the budgetary sphere create no doubt in my mind. The two other decisions, however, do create basic doubts.

A contribution of the present government is a price and taxation mechanism that is extremely out of control, as well as a defective economic-financial system in enterprises. As a result, enterprise earnings are objectified by the market to an insignificant degree. Consequently, the vast majority of enterprises can obtain large sums of money for emoluments and can perform an advance "wild" indexation, largely due to the increase in prices. Other enterprises are becoming uncompetitive in terms of wages, although not necessarily and not always due to their own fault, and their workforces are exerting pressure for wage increases in proportion to what is happening in other enterprises. As a result, only a few enterprises are carrying out the "wild" indexation. Under such conditions, the decision adopted in the law that grants everyone the right to make indexation increases may constitute real inflationary pressure. It does not seem that under such pressure, the already extremely strained principle of self-financing can survive. On the other hand, these decisions of the law should not be denounced. For if the widely understood system of emoluments regulation is disintegrating and enterprises can pay as much as their funds allow, then of course the moderate solutions of the indexation law would not be the limit for payments. Even the best law cannot replace an entire, poorly operating system.

In spite of this, a more moderate solution would create a somewhat more favorable situation. That is why, during the Sejm Extraordinary Commission deliberations, I proposed a solution that stipulated that the increases obtained during a quarter would be subtracted from the sums of indexation increases if they meant an increase in the rates of all employees. This was justified by the assumption that these were increases that essentially were in advance of indexation.

The Solidarity National Commission rejected this solution. Then I proposed another variant which somewhat moderated the unconditional payments to all. That, too, was unsuccessful. Obviously, I understand very well that reasons for which the National Commission rejected these proposals. In no way do I make light of the political

arguments favoring the decision adopted. However, I cannot help thinking that a solution that was the lesser of two evils was adopted.

The other highly doubtful solution under present circumstances concerns the parity of farm earnings. It is a fact that as early as 1981 farmers were promised that farm earnings would be maintained at the parity level. The question arises, however, whether in a situation of extremely spiraling inflation and declining production, it is possible in the course of 1 year to take measures that aid farming by 5 percentage points? There are no miracles. At the present time, this improvement must be effected at the expense of reducing the living standard of nonfarm people (although it must be kept in mind that due to the structure of those that are professionally employed, an improvement of 5 percent on behalf of farming is accompanied by a worsening outside of farming of only 1.5 percent). Obviously, this is also an element that sharply increases inflationary pressure. That is why I (and not only I) also tried to insist that the improvement in the level of farm income in 1989 should not exceed 3 percentage points.

I also lost on that score, since both "our people" and the ZSL [United Peasant Party] farmers were absolutely unyielding on this issue and they threatened that if their demand for obtaining parity as of in 1989 was rejected they would jointly block the indexation law. Of course, it should be added here that, just as in the question of the indexation of emoluments, the weight of the legal entry here carries theoretical value to a significant degree. With the market determining food prices, farm earnings can also shape up at a level exceeding the amount of parity.

It may be said that the law is equally just towards farmers and nonfarm employees. Unfortunately, in this shape it is not the most well-aimed step towards repairing the Polish economy. People concentrated in structures of authority who are disinclined toward accepting any sort of instruments for protecting private earnings against the consequences of inflation will certainly take advantage of this fact.

## YUGOSLAVIA

### Report on Production of Volkswagens in Sarajevo

90EB0019a Duesseldorf *HANDELSBLATT* in German  
2 Oct 89 p 17

[Article by Josef Hess: "VW Golfs and Caddys with Wolfsburg Quality—The 300,000th VW From the Sarajevo Automobile Factory"]

[Text] Last Thursday (28 Sept), an alpine white Golf rolled off the assembly line at the TAS Tvornica Automobila Sarajevo (Sarajevo Automobile Factory). It was the 300,000th Volkswagen assembled in Yugoslavia. VW Director Dr Karl Hahn had traveled to the Bosnian capital to drive the car off the assembly line himself.

The 300,000 cars might seem a paltry amount to most managers in the home office in Wolfsburg. For the sake of comparison, the VW corporation will produce around 3 million vehicles this year; the Wolfsburg factory alone has a daily production rate of 4,000 vehicles and can reach the magnitude of 300,000 in a good 3 months. For the joint venture TAS, though, in which the Yugoslavian mixed company Unis (United Metal Industry Sarajevo) has a 51 percent share and Volkswagen AG has 49 percent, this benchmark is already a remarkable accomplishment. This is not just because of pure volume, though. The standard of quality achieved during the 16-year production history is impressive: in internal quality comparison checks with Golf factories in Wolfsburg, Brussels, and South Africa, the Sarajevo factory has been coming in second place, after Brussels, in past years. The Golf "made in Yugoslavia" is currently being shipped across the nearby Adriatic Sea to Italy, and Sarajevo is actually the only assembly site for all of Europe for the Caddy, a light-pickup-truck version of the Golf.

Vehicle production	35,000
Delivered to VW AG	17,500
Unit vehicle price	DM15,000
25 percent local content	DM3,750
Value of exported vehicles (17,500 x DM3,750)	DM65 million
Value of exported parts	DM85 million
Balance of hard currency available for imports	—
Balance of hard currency from parts and vehicles	DM150 million

The quantity and quality achievements are also amazing because they were won under the most unfavorable surrounding conditions. For example, the hard-currency accounts must be balanced, which means the factory must, with its exports, "earn" its own hard currency for imported parts and assembled VW and Audi motor vehicles for which it deals. In the Yugoslavian worker self-management system, manager positions are filled with veteran party comrades rather than with nonpartisan, qualified experts. The feeling for Western levels of quality and marketing must be tediously nurtured. The work suffers under a burden of bureaucratic restrictions and sand in the gearboxes everywhere. It can take 6 to 8 months until banks can process issued checks.

Above all, inflation is galloping ever faster, and the rate of cost increases will reach the 1,000 percent mark before the end of the year. This means that mint's printing presses, which are turning faster than ever, are printing Dinar notes worth only one-tenth of what they were a year ago. The member republics of Slovenia and Croatia are already leaning towards breaking away from the rest of Yugoslavia.

All of this demands a lot of flexibility from management. The cash and finance managers, in particular, must be able

to juggle with every legal and "half-legal" possibility. It is precisely this Balkans-style management which is needed to insure deliveries and quality and protect against inflation.

With about DM65 million, about half of the direct German investment at TAS has been repaid since 1972. Even if there are no dividends flowing back to Wolfsburg from this capital investment either now or in the near future, VW has still purchased entry into the market, because without at least one factory in Yugoslavia itself, Wolfsburg could forget this market. So, since production start in 1973 (daily production then, 27, today 140), 27,000 Beetles, 125,000 Golf I's (Rabbits), 69,000 Golf II's, 6,000 Jetta I and II's and 73,000 Caddys have been assembled. About half of them were sold in Yugoslavia, along with a few thousand additional complete imported VW's and Audis.

In addition, VW was able to deliver motors, transmissions and numerous other parts for 28,300 (1987: 30,600) vehicles produced in Sarajevo. In 1988, 29,300 (29,900) vehicles were sold, from which about 15,000 were for the domestic market. This represented 8 percent of the market. At the end of 1988, TAS employed 3,129 people. Sales were DM478 (DM456) million, of which DM130 million went to exports.

This year, TAS managers are targeting production (assembly of CKD parts) of 35,000 vehicles, of which about half would go back to VW AG. This half represents an export value of DM65 million earned in Yugoslavia—earnings of about DM4,000 per automobile assembled in Sarajevo plus the value of parts purchased domestically with Dinars for assembly of the export autos. This local content ranges from 20 percent for Golfs to 27 percent for Caddys. In the first half of 1989, production and sales have risen by 25 percent and 50 percent respectively without any change in manpower and only with financial incentives, so the ambitious plan goal may be achieved.

The export of Golfs and Caddys does not come near covering the hard currency value of the imported parts. Since the Yugoslavian currency balance cannot be affected by TAS, though, the VW strategists found a loophole in the delivery of simpler parts from TAS to VW factories outside of Yugoslavia. For example, daily delivery of parts for diverse VW models includes about 4,000 jacks, about 3,500 muffler assemblies, about 650 rear axles, 1,500 seat tubular frames and about 4,000 cables. These deliveries far exceed TAS' own needs and bring in a calculated value of DM85 million in hard currency (see the table). Finally, TAS works together with over 70 Yugoslavian subsupplier factories which currently export into the VW assembly system for DM100 million annually.

In the middle term, TAS wants to invest about DM90 million by 1994 and increase assembly and sales to 40,000 vehicles annually. Sales are to grow to DM700 million, exports to over DM300 million, and the domestic market percentage to 12 percent. The engines are to be mounted in Sarajevo and, for example, rear axles delivered to the VW-subsiary Seat.

## POLAND

**Private Education: Background, Growth, Problems**

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[Article by Joanna Lachowicz: "Conceiving a School"]

[Text] At the Niemcewicz Academic High School in Warsaw, as at other secondary schools, the admission exams to the first-year classes are over by now. The emotions are the same, but the scale is different, smaller: 160 children competed for 24 vacancies in two classes. Thus, there were more than six candidates for each vacancy; such a proportion is the same as in the most renowned academic high schools with old traditions, which is a lot considering this is a new school about to open. What measure of hopes and expectations can be better?

In September children will begin to attend the first community schools. For the time being they are few—at most, several thousand children throughout Poland. But if we consider the difficult beginnings and the obstacles that had to be surmounted to accomplish this goal, we can say that the success was great.

In education, as in other domains, the monopoly is being overthrown and changes are taking place in social awareness. The fact that for more than 40 years the school system was nearly 100 percent in the hands of the state had at one time become something considered obvious and natural. In general, the postwar generation could not conceive that it might be otherwise. How else could it be considering private schools, the relics of ancient years, supposedly could not compete with the so-called indisputable accomplishments of socialism? Probably little was lacking before the overcrowding of schools, the overloading of curriculums, the poor teaching conditions, and a nearly total neglect of the upbringing role the school has become just as obvious as facts which simply could not be accepted. And if that did not come about, it was partially of a certainty because this concerned children.

So now the public is assimilating the idea that schooling can be organized and conducted in different ways, and the resistance of the group of diehards has crumbled quite radically.

**Well or Free of Charge?**

Everything began, properly speaking, by chance, with the usual widespread complaints about the status of the school system, at a quite private social occasion. Someone asked, why not found a private school? Before a couple of weeks passed, a petition for registering the STO [Community Educational Society] was submitted to a court. At the time no one had surmised that within a couple of months the acronym STO would very frequently appear in the press and be accompanied by

either superenthusiastic or extremely critical commentaries. Besides, the founders of the STO are for the most part persons representing various occupations and professions, who are not professionally linked to education but "merely" concerned about its state. This is the best example of personal initiative—something that had almost completely disappeared during the postwar period.

The STO did not bring in any big guns and, although it formulated quite ambitiously its overall purpose—as that of acting to improve the state of education—it intended to begin its activities quite modestly by organizing small schools of several classes each at which, in return for a fee, children would be solidly taught and properly brought up by well-prepared and, moreover, properly paid teachers. Still, this quite worthy purpose proved to be simply revolutionary, which unfortunately is another proof that a good school has long since ceased to be something normal.

The heated press polemics focused on the issue of fee-charging instruction and the possible, as the opponents claimed, "bribing" of teachers from state schools. The crucial question was, however, unspoken: since the educational system as a whole is bad, why should the few learn in better conditions, in elite schools? Hardly anyone dared to put the issue so unambiguously, but the discussion was more than once burdened by the spirit of extreme egalitarianism.

The idea of founding community schools arose independently in various regions of Poland. The Malopolska Educational Society, the Wroclaw Educational Association, and others, traveled the same road as the STO: the road of official refusals followed by appeals. The situation might have continued to this day had not it been for the explicit change in the atmosphere and attitude toward public initiatives. The registration of the STO (in December of 1988) and its founding congress (in January 1989) signified transition to relatively free attempts to establish community schools.

The educational authorities nowadays are no longer opposed to this idea. On the contrary, public participation in the school system—however ambiguous this expression may be—has become the motto of the day. Some contradiction is worth noting, however. The official position of the ministry [of education] is that of full acceptance of secondary community schools and community preschools coupled with a cautious approach toward community elementary schools. Yet most of the proposals concern precisely elementary schools and, contrary to declarations, are being settled positively. Somehow, the regulations do not distinguish among the principles for establishing schools at various levels and hence the ministry's preferences lack a legal basis.

"The ministry's mistrust, its apprehensions about the management of the community schools are quite comprehensible," admitted the Secretary General of the STO Andrzej Wiwicki. As a result, community elementary

schools will at first only teach grades 1 to 3. "The educational authorities prefer to wait until we prove ourselves. Only then will they be able to grant us general consent for operating the schools. For at present the opening of every individual school requires submitting a separate request."

### Vain Fears

The high schools in Ursynow, Rakowiec, Targowek, Milanowek, Radosc, and Krakow, and the elementary schools in Stegny, Ursynow, and Saska Kepa, as well as in Krakow, Szczecin, and Augustow are some of the schools established precisely by the STO. The schools themselves lack legal entity—they have to be established by associations, organizations, or business firms. The secondary school in Suwalki was founded by the "Gaudium et Spes" Association, in Torun by the Poltech Company (on the initiative of employees of the Institute of Pedagogy and Psychology, Mikolaj Kopernik University), and in Kielce by a teachers' cooperative. The aforementioned Niemcewicz High School will be operated by the Society of Friends of the Community Academic High School, which was founded especially for this purpose, and the elementary school in Podkowa Lesna, by the Warsaw Club of the Catholic Intelligentsia.

Although it is still several weeks before these schools open, it is known by now that at least some of the apprehensions of their opponents have been disproved. How sacredly outraged were those who believed that the constitutionally guaranteed right to free education is tantamount to the duty of such education, however much it has become distorted into a duress and mismanaged. "Schools for the rich"—such was the crude catchword covering up the attempts to discredit the idea of community schools and at the same time to divert attention from the essence of educational problems.

Soon, however, it turned out that in no case can we speak of schools for children of the rich. Community schools are organized chiefly by the intelligentsia, which can hardly be considered as belonging to the wealthiest strata. And hence, the choice of the community school is based not on personal wealth but on understanding the importance of thorough schooling and the needs of the child.

The school fees will, of course, be greatly differentiated according to the needs of parents, the nature of extracurricular activities, and the cost of renting the premises. It is clear that wherever children play tennis and study several languages the school fees must be higher. Most parents try, on the whole successfully, to find sponsors who could assist the schools financially. Such sponsors are both private individuals and companies which can deduct their contributions from their taxes. Such subsidies will account for about 30-50 percent of the operating cost of schools, which at many such schools will serve to keep the monthly fees at a relatively low level—about 15,000 zlotys per child at an elementary school and 20,000-25,000 zlotys at a secondary school. Is that much?

Given the present prices, these are hardly exorbitant fees for a month of solid teaching; besides, the parents also are of this opinion.

Teachers should be paid decently: this is a basic assumption of community schools. Decently, meaning 150-200 percent more than the salaries paid by state schools. Who will teach? The critics who had in advance accused the STO of luring teachers from state schools proved to be poor prophets, and their fears proved totally groundless. Besides, how could it be otherwise considering the number of teachers that can be employed by small community schools compared with the Moloch of state education? The applicants for teaching posts at community schools are chiefly persons who had left the teaching profession for various reasons, as well as pensioners; in addition, certain state-school teachers are desirous of overtime work.

Thus, hiring the teaching personnel is not a problem, in principle. The greatest problem is space. For the time being, community schools are small, to be sure, but even so space must be found for them. Their organizers, being unwilling to postpone their opening, most often rent space in houses of culture and housing project lounges. These are, of course, provisional measures, and troublesome as well, and therefore all the community schools intend to erect their own buildings and even now are petitioning the authorities for assignment of sites. As for the authorities, their attitude is favorable on the whole, and besides they are perfectly aware that the ministry of education will be unable to utilize most of the sites earmarked for the construction of new state schools in the next few years anyway. Then why let them lie vacant?

### The Road to Normalcy

Public participation in education is an idea which the educational authorities have, despite their initial resistance, finally accepted and to some extent even made their own. They intend to apply it to the state school system—perhaps on the principle of competition of ideas. But this raises the question of how the public can participate in state-run education? The most logical idea seems to be to involve parents in the affairs of the school, since for obvious reasons they are interested in the forms and results of its work. But this requires overcoming certain bad habits. Parent committees, and in theory representation by parents, which is bound to consist of the most activist parents, exert negligible influence on the functioning of schools. It is difficult to speak of partnership in organizing education and upbringing when the field of action is restricted to fund gathering and assistance in school excursions by parents. As for the remaining parents, they show even less interest and, so long as their children cause no big trouble, they rarely show interest in the school.

Thus if the ministry is relying on parent committees as the vehicle for public participation in state-run education, and offering a broader field of action to these committees, it may proceed from a justified premise but

the consequences are bound to be insubstantial. It is necessary to overcome not only a deeply rooted inertia and the habit of acting within a traditional framework but also certain fairly widespread apprehensions such as that a father who is too much activist as regards the school will adversely affect his son's standing.

The Ministry of Education also is presaging decentralization of the school system by, among other things, enhancing the powers of school principals.

Such initiatives of course are not trivial and it can only be desired that they produce changes to the better at state schools. But, even given the best intentions, can public participation in state-run education be ordered from the top, considering that this is supposed to be a grassroots process? The opportunities for such participation are harbored in the grassroots, in initiatives, ideas, and concepts that are not foreseen by any ordinances or regulations. This is best exemplified by the rise of the STO. Ideas about public participation in state-run education should be conceived at the schools themselves—and they do not have to apply equally to all schools.

That this is possible is proved by the example of a Warsaw elementary school which has asked for patronage by the STO, which in practical terms is to mean, among other things, additional financing, provision of equipment, and a

general concern for changing the methods of work. Whoever thinks that this idea came from a rebellion-minded group of teachers is mistaken. It was the school's principal herself, together with its faculty, that turned to the STO. The changes resulting from the first contacts with the STO include hiring an additional first-grade teacher so as to reduce the number of students to 20 per classroom and diversifying the forms of school work, e.g., bringing in animals from the zoo for lessons in Biology, and these changes gained the acceptance of the Ministry. As for the Education Department, its attitude remains more reserved, perhaps because this involves allocating more funds, or perhaps because of the well-known conservatism at the lower levels.

In numerical terms, enrollment at community schools may seem marginal compared with enrollment at state schools. Yet, the rise of community schools signifies the beginning of a totally new chapter in education: the realization that in this previously totally monopolized domain we still can accomplish "something," and contrary to appearances that "something" is quite substantial. Public participation in education is the beginning of the road in the right direction. It may be that we shall live long enough to finally witness one day the official approval of the founding of private schools, which would be very desirable owing to various social considerations. Under normal circumstances, after all, many equally good solutions exist—in the domain of education, too.