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INTRABLOC AFFAIRS

Ripple Effects of Hungarian Changes on European Left

90EC0072A Budapest *MAGYAR NEMZET*
in Hungarian 23 Oct 89 p 5

[Article by Lajos Matyas Szabo: "Historical Entrapment;
Reorganization on the Left"]

[Text] The winds of stormy historical change are whirling in Central Europe. These historic winds may be signalling the creation of a new cleansing political atmosphere. In the Hungarian Republic the "political smog" is slowly dissipating. But what could we do to ensure that it disappears for good, never again to settle over the Carpathian Basin? When we start looking for an answer to this question we find ourselves coming back down to the stone-hard earth of our political realities. And to face those realities it is absolutely imperative that we explore the directions and possibilities of genuine reorganization.

It is an irrevocable fact that on 7 October 1989, at the 14th Congress of the MSZMP [Hungarian Socialist Workers Party]—inspired by the wish of an overwhelming majority of the delegates—the Hungarian Socialist Party was formed. This event signalled the end of a changing process that had begun several years ago, and at the same time it also marked the beginning of a new process.

The people behind the process that have made the change so marked could be found both within and outside the old MSZMP. But they have also received considerable help from beyond our borders, from East and West alike. The reason why this needs to be pointed out is because any attempt at offering simplistic explanations (i.e., claiming that the break-up of the MSZMP had been the work of liquidators, or that the MSZMP had fallen apart as a result of punishing blows from the opposition) can only provide a wrong starting point in our attempt to try to assess the new situation. Wrong starting points, consequently, can only lead to false conclusions and thus to misguided actions.

So we need to repeatedly stress that it was as a result of long years of steady prompting from many directions that the cover which had prevented the removal of this "political smog" finally cracked. What I am saying is that while a handful of the ruling elite had been referring to the old MSZMP as a left-wing, communist party, in reality none of its elements fit these descriptions. The leftist philosophy interpreted in its classical sense means simultaneous and equal protection for the weak and downcast individual and collective, and this—as life has shown us—has only partially been the case here. The original meaning behind the concept of the term communist, i.e., the complete liberation of society in every respect by revolutionary means, has also failed to deliver the expected results. At the same time, the MSZMP—if we accept the definition of a party as being a living and

moving entity which is indispensable for shaping the interests of various social strata into a collective political will—could not even be considered a party.

Without Demagoguery

In its actual state of existence, the MSZMP could much better be described as an enormous, heterogeneous, political conglomerate reduced by a narrow ruling elite at the top to a mere issue of legitimacy. This is why its ranks were filled with people of every political persuasion.

Further aggravating the problems was the fact that the one-party mechanism provided far better opportunities than generally realized for careerist and corrupt elements to assert their interests. Even knowing all these facts, however, we cannot flatly state that every member of the MSZMP was equally responsible for our present crisis. Particularly dangerous, moreover, are those superficial, over-simplified and demagoguery-laced criticisms that would turn all members of the former MSZMP into social outcasts. Naturally, simply retorting these attacks would offer little protection against the transition threatening, and thus from the point of view of society as a whole, dangerous effects of this kind of vulgar political propaganda. Hence what we need to look at now is what kind of changes the advent of the Hungarian Socialist Party has brought with it and at what levels.

Minimally, the changes may be observed at four different levels. The first pertains to European politics, the second to Eastern Europe, the third to the entire Hungarian domestic situation, and the fourth to the reorganization of the Hungarian Left.

On the European Left, the effect could be felt quickly and tangibly. It started a debate between the Italian Communist [OKP] and Socialist parties, and the head of the OKP paid a short but important visit to our capital. But we could also point to the Budapest visit of two prominent CPD [Communist Party of Denmark] leaders; the two examples clearly indicate that the process of reuniting the European Left has received a very significant, positive impetus from the East.

Those Left Out and the Apparatus

Naturally, the importance of the establishment of the MSZP [Hungarian Socialist Party] is far greater in terms of its impact within the "socialist camp." It has boosted the confidence of the forces committed to reform, and has strengthened the Moscow-Warsaw-Budapest "reform alliance." At the same time it has visibly weakened the position of those rejecting the need for reform, and has lessened the likelihood of the forging of a Berlin-Prague-Bucharest anti-perestrojka axis. This in itself will positively help to guide our country's internal processes in the right direction.

It also goes without saying that the appearance of the MSZP has changed the entire Hungarian domestic situation. This change in the situation has been the result of

the emergence of a new basis of comparison. For we can be sour about something, reject it, wait for it, or support it, but there is one thing we cannot do: ignore it. A new party, and on top of it one that has appeared in a highly visible place, will urge every party near the national political center to at least weigh the possibility of entering into new coalitions. For the MSZP represents nothing less than the organizational recognition of a new situation in which the basis of the new system is a multiparty system that operates according to the rules of parliamentary democracy, and which demands modern adjustment from the Hungarian Left.

This is how we have gotten to the fourth, and in our case the most important level of this complex effect mechanism, i.e., the reorganization of the Hungarian Left. Or to be more precise, to the purification of the Left according, finally, to political principles manifested in organizational separation. The new socialist party was indispensable for this purification to occur. The positive encouragement in this direction comes from the MSZP itself, which has called on all left-wing forces to show their true colors. Concurrently, this new line-up on the Left will help to give rise to a very important new sense of socialist identity, and at the same time serve as a natural source of legitimacy.

From the point of view of the new line-up on the Left, but also from the vantage point of our domestic scene as a whole, the desirable thing would be to have four provisional parties coming into being at the same time. Characterized briefly, the four could be as follows: a Hungarian Communist Party dedicated to the preservation of communist revolutionary activism and thus ready for action; the old-new MSZMP, which believes in and stands behind the "accomplishments" of the past, but which does not reject improvements, particularly if they are recommended by technocrats. It should be noted, however, that these two parties may—even though it would not be a happy development—"merge" with one another, in other words, this division may not be complete. The third one would be the new MSZP, which may also extend a hand to the communists, but which will do so while at the same time working out the details of a euro-socialist program (democratic socialism) and allowing its members complete internal freedom to implement it. The fourth would be the Hungarian Social Democratic Party [MSZDP], whose perimeters would be clearer with the advent of the MSZP, and which could undergo a unification process following a strong, social-liberal, bourgeois course. What is likely to emerge, in the final analysis, is an MSZP which in the classical sense will be more social-democratic in its outlook, and an MSZDP that will take on a social-liberal, in other words more right-center than Left-center character.

In the next few weeks and months this process will be hindered by the uncertain situation of the membership and especially the apparatus of the former MSZMP. This uncertainty is a culmination of several factors. One such factor is that during the first round—and this is only

natural—there were people joining the MSZP who still had not realized that the new party was not simply a means of preserving the old system. Or that the benefits they had enjoyed would no longer be guaranteed for them. This realization will finally come with the free elections, as a result of which these elements will probably leave this party. After all, in the next few months joining a left-wing party will not entail any special advantages. Another factor behind this uncertainty is the fact that it is difficult to keep track of the number of people who, taking advantage of this long-awaited opportunity, have opted for the "freedom of not being a party member." Today's often irresponsibly fuelled anti-communist public opinion, however, is not likely to respect their choice.

There Are No Make-up Tests!

This problem is even more acute in the case of the MSZMP's apparatus. The members of that apparatus know very well that a great number of them have become simply "unnecessary" by the new party. In addition to the abandonment of the concept of a state-party, this is obviously also due to the fact that compared with the membership of the old MSZMP, the membership of the MSZP will be considerably smaller. Hence every social entity must carefully reassess its attitude toward the former MSZMP members, but especially toward the members and employees of the former MSZMP apparatus. Keeping in mind the time element involved in the transition process and the importance of consciously reducing the danger of an explosion, this attitude cannot be one of unqualified and complete rejection. For this may result in the kind of entrapment which one's natural living instinct will tell him to try to break out of with everything he has and at all cost. Man's tendency to press his fate can lead to extreme radicalization. And as it is clear from the multitude of different extreme radical ideas circulating today, there are far too many of them to contend with.

We are facing an enormous sociopolitical test. The forces that are so loudly calling for democracy must not forget that democracy and tolerance are blood brothers. And the way to exercise tolerance today is by allowing people sufficient time and possibility to make an honorable exit. No more "B" lists or similar forms of retribution. For this could not only mean an end to our blossoming democracy, but also to our country's existence. And if we truly want to catch up with the rest of Europe, we cannot afford to fail again; we have no more make-up tests to take.

CZECHOSLOVAKIA

Leading Charta 77 Member Hejdanek on Past, Future

*36390105 Oslo AFTENPOSTEN in Norwegian
25 Nov 89 p 10*

[Article by Halvor Tjonn and John Myhre: "The Philosopher Who Survived the Ice Age"]

[Text] Prague.

"Leave the country? Yes, the thought occurred to me many times. But philosophy is my profession. A writer, writer or philosopher must live with the language. To leave one's homeland means to leave a part of oneself behind. Therefore, I chose to remain here."

Ice has covered Czechoslovakia for Ladislav Hejdanek's entire life. Now the ice has lost its grip. While snow falls over Prague in the November darkness, the people are in the process of divesting themselves of a 40-year-old tyranny.

Today Ladislav Hejdanek is a content retiree. At the age of 60 one can retire in East Europe. For Hejdanek this meant that he could consecrate his time to that which has been most dear to his heart his whole life: philosophy.

This has been far from the case for most of his life. His working years in the socialist vinyard were spent as a nightwatchman, a construction worker, and contributing to construction articles. As a non-Marxist this was the only type of work he could get. And one had to work, or the police leveled charges of "parasitic activities."

"The first time I was arrested was in 1971. The sentence was for 9 months' imprisonment. In 1977 came Charta 77. Together with Jiri Hajek I was the spokesman for the movement from the beginning. For 2 years uniformed policemen sat in front of my door. Three policemen sat outside in a car in the street. When I took the bus to work, two policemen accompanied me on the bus, while a third drove behind the bus in a car."

Hejdanek tells of 40 years of being watched and being badgered with a sense of humor and a gleam in his eye. No bitterness can be felt. After 41 years of being a foreigner in his own country, he is standing at the center of the drama which is now taking place in Prague. He cherishes every moment. The telephone rings without a break, people come and go in the apartment. Many want to hear his comments on what is happening. He is known for being sober, he would rather extract something from rather than add to the conversation when the current situation is analyzed.

"I will summarize the four decades of communist rule in one sentence—It was a conspiracy of the inept." His words hit hard. The judgement is hard. "To have talent has always been dangerous. Our schools and universities are bad, our bureaucracy is miserable, our cultural life suffers from senility, and our businesses are decaying. All this is a product of the communists after 1948 looking upon talent as something suspect. Naturally the situation in 1945 was bad. The country's elite in large part succumbed in Hitler's camps. Then came the communists and they purged all who were not in agreement with them. Only true Marxists could get the leading positions. Following this a generation of reformed communists grew up. In 1968 the bell tolled for them. Only the talentless remained."

As an avowed Christian and a non-Marxist, Hejdanek was forbidden to publish his philosophical writings. He continued his activities anyway and was accordingly well known as one of the very few non-Marxist philosophers in Czechoslovakia. The relationship between religious faith and philosophy has been the main theme for his work.

Attributes of 'State of Laws' Analyzed

90EC0057A Bratislava NOVE SLOVO in Slovak
5 Oct 89 p 20

[Article by JUDr Lubomir Krivocenko: "The State of Laws: What Are Its Attributes?"]

[Text] Along with changes in the material life the restructuring process also brings changes in the superstructures. These changes find their (more or less adequate) expression in the political as well as legal vocabulary which seeks to give a concentrated expression to the continuity of past development and encompass the substance of the intended (or already instituted) changes.

As for the frequency with which the terms "perestrojka," "glasnost" and "democratization" are used, the concept of a "state of laws" is foremost, presently invoked in all kinds of contexts and popping up in many statements by state and party representatives.

It is not the ambition of this comment to define the above-cited terms or to encompass their substantive content in the full reach of their meaning; this is possible only by means of a thorough scientific analysis. Nor is it our purpose to examine how they are related to each other, what their connecting or possibly overlapping levels are, or quantify (and qualify) them as a method of the activity of the state apparatus.

The purpose is to point out the legitimate and unavoidable need to pinpoint the concept of a state of laws on the basis of its attributes (as a legal quality), to certain dimensions, at least demonstratively defined, which would be recognized not only by the legal (and political) science but also by the broad public.

The ideas of K. Marx and F. Engels on the advent of the socialist society as a classless (and stateless) society in which observance of established rules would be safeguarded by a conscious conduct of all members of the community, were in conflict with the present historical evolution of the socialist community transferred to a more distant time frame (and with that also the ideas on the role and status of the law as an immanent part of the social superstructure). Uncritical evaluations of the social reality in recent time led in our country to underestimation of the law's regulatory function. Insufficient attention on the part of the official bodies to working out theoretical thought about a state of laws was then the logical consequence.

If we consider for a moment the attributes of a socialist state of laws, it needs to be said that we abstain from a

closer definition of their systemic nature. (The individual attributes can be separated out according to different viewpoints, some may be merely a closer expression of another etc.)

For illustration (as one of the possible variants) I offer the following model of the attributes of a state of laws composed for the purpose of demonstration (apart from the attribute listed first, the sequence of the others does not express the rank of importance):

- 1) Sovereignty of the law;
- 2) Accord between international conventions and domestic legislation;
- 3) Creation of law on a broad democratic basis (referendum, national discussion);
- 4) Preponderance of legal statute in the enforcement of the law;
- 5) Scientific evaluation of draft laws by appropriate scientific institutions;
- 6) Independent constitutional oversight;
- 7) An informed public;
- 8) Protection of human rights and liberties;
- 9) Respecting personal and group interests;
- 10) Safeguarding national and nationality rights;
- 11) A consistent division of state powers, their mutual balance and independence;
- 12) Genuine opportunity to participate in power.

It is evident at first glance that a purely grammatical interpretation defining the term of a state of laws will not do to encompass the entire breadth and depth of the issues involved in this concept.

For a categorical reply to the question whether this or that state, given the goals, means and methods of its functioning, may be given the attribute of a state of laws (perceived not only as an adjective as well as epithet), or not (even though I do not favor placing the issue on such a categorical level), it is necessary to compile a catalog of requirements derived from the above-cited attributes and compare them with the existing state of affairs.

In the present stage of our socialist society's development the need for defining the content of the term state of laws (whether for taxonomic or demonstrative purposes) will in itself obviously not provoke a discussion. But disproportions may be expected in the sphere of defined attributes and their translation into social life. Each social group will evidently claim a model adjusted to its own interests.

The present democratization process should therefore not be identified with a fixation on evaluating the present reality as a state of laws without exception. This process puts before us the challenge of viewing the "state of laws" as both a means and a goal (considering that views of its content undergo evolution). In the opposite case there is the danger of restricting society's self-regulation elements to the area of "self-regulation"—that is, of efforts by a narrow circle of individuals capable of gaining their ends outside this area (and frequently even within it) only by the method

of administrative direction. This allows them to create fragmentation of society and apathy toward public affairs.

Hanak's Speech to October Plenum

90EC0065A Prague RUDE PRAVO in Czech 17 Oct p 3

[Speech by Lumir Hanak, member of the CPCZ Central Committee, executive secretary of the editorial board of the journal OTAZKY MIRU A SOCIALISMU, to the CPCZ Plenum, 6-7 Oct in Prague]

[Text] Developments in the world and in Europe are not idyllic at all, even though the policy of new thinking has had its promising results. However, we have not progressed much further than the statement by Gorbachev and Reagan during their first meeting in Geneva, namely, that a war would mean a nuclear war, and that would mean the end of life on Earth.

If 5 years ago we were in a situation of 5 minutes before the 12th hour which would bring about the destruction of the world, then today we are about 7 minutes away from that 12th hour. Gorbachev pointed out to us that the situation will be very complicated and that euphoria is out of place. The substance of our small successes lies in technological backwardness. That is costing us more than we thought. It is not even just the fact that in Vienna we essentially agreed to a bourgeois understanding of human rights. It is worse than that. Imperialism did not abandon its goal of destroying socialism, and let none of us doubt that attacks on Czechoslovakia will now multiply. I do not expect that there will be a war. Imperialist forces are trying for a peaceful convergence, a peaceful absorption of socialism into capitalism, under the banner of democracy.

We are pleased to hear statements that the political situation here has been by and large stabilized, and that people are behind the Party's policies. Nevertheless I ask myself—are we not cheering ourselves a bit too much, maybe?

I would be happy if we could all leave here with a deeper sense of historic responsibility for socialism that with which we came here. I find it difficult to understand the situation in Poland and Hungary as a renewal of socialism, as something that should be welcomed in the Soviet Union, even though I am trying to understand the inner concerns of Soviet comrades. In this respect I submitted a proposal for the foreign policy of the Party to the appropriate commission.

I also submitted a proposal for a change in the proposed first item of the draft resolution. I am against approving entire reports, even be they reports of the Presidium of the Central Committee delivered by the general secretary. I recommend that we approve tasks for the pre-congress period which are set down in the conclusion of the report, and that we approve the actions of the Presidium of the Central Committee since the 14th Congress.

The problem of creating and protecting the environment has been taken up by almost all the social organizations, the National Front, and the government, before we did. We have to admit that the obviously critical situation here is unique in Europe. It has its historic reasons in industrialization. The Soviet possession of nuclear arms and a good military preparedness of the socialist countries, to which our heavy industry also contributed, obviously prevented a hot war which was planned by the imperialists for the midfifties. We have to assume responsibility also for the past 20 years. But today the situation is different: the international situation, in which war is not anticipated, and a struggle for new political thinking allows us to reconstruct and restructure production. Let us not close our eyes to the fact that the complexities are enormous. The backwardness of technologies and the outmoded direction of our production are burdensome. But we started on the road to restructuring with high energy, with the knowledge that it is not possible without democratization.

We know that the state of the environment here is bad. We allowed ourselves, and not only we, this applies worldwide, to exploit nature so brutally that it is taking its revenge on us. Man must apologize to nature so that it will again accept him, so that he will again become part of it. Otherwise, ecological death awaits him. Together with the death of nature. It is a global, universal threat which hangs over all mankind.

I think that it is our duty to warn the public about the ecological danger in its full extent, because only thus it will better understand and will actively support the CPCZ policy. In this respect I submitted an addition to the proposed resolution: we cannot act in contradiction to the principle of keeping the public informed and we must call on all citizens of our country to show initiative and patriotic cooperation in the struggle to save nature and the people's health in our country. We must act the same way on the international level.

New Government Policy to Address Family Needs

*90EC0065B Prague LIDOVA DEMOKRACIE in Czech
12 Oct 89 p 4*

[Text] The unsettling increase in the divorce rate—at present one out of three marriages in the CSSR ends in divorce—is a serious social problem with which society must deal by measures in the legal system, in the economic sphere, in the employment policy, by assistance to families with children, and in the educational system.

Thus far, however, there has been no effective system to prevent these problems. For that reason it was decided to work out a proposal for a government family policy which would devise a complex of systemwide measures on the employment of women, family living standards, services, differentiated assistance to young families, and marital and parental education. In its totality it should guarantee optimal conditions for family life and the fulfillment of its function, so that the well-being of the

family becomes one of the most significant criteria for the success of social and economic development of society. The CSSR Ministry of Labor and Social Welfare was entrusted with developing the the concept of government family policy by the end of 1989.

The Ministry of Health and Social Welfare will also direct the CSR [Czech Socialist Republic] national committees to gradually realize in their marriage and premarital counselling a plan for national family assistance. Expected are, for example, a broadening of of the current services for engaged and married couples, increase in the assistance for foster families, and more divorce and post-divorce counselling and therapy. There will be newly introduced services, such as, for example, counselling on personal relations, counselling for young people and for parents of handicapped children. Branches and independent work places will be established in other municipal districts. In cooperation with the national committees ways will be sought to increase the effectiveness of social workers and to introduce other methods.

The necessity to strengthen the authority and stability of the family is emphasized also by other facts. Of the marriages entered into 10 percent require special assistance, and among problem families 5 percent are families with children, 30 percent single parent families with children, and 1.5 percent childless families.

The marriage and premarital counseling services, which were taken over in 1970 by the CSR Ministry of Labor and Social Services and now by the CSR Ministry of Health and Social Services, direct 60-70 percent of their capacity toward solving marital conflicts. Cases of premarital problems take up 5 percent, and the rest are other tasks—for example, foster family care, introductory services, etc. The substance of their work is to guide clients toward stabilizing their partnership relations by their own effort. With the cooperation of psychologists, social workers, sexologists, gynecologists, pediatricians, and lawyers they close roughly one fourth of the cases with complete success and only one tenth unsuccessfully.

HUNGARY

'Gang of Four' Discuss Expulsions from MSZMP in 1988

*90EC0062A Budapest MAGYAR HIRLAP in
Hungarian 7 Oct 89 pp 1-2*

[Interviews with Laszlo Lengyel, economist; Zoltan Kiraly, member of Parliament (independent faction); Zoltan Biro, executive chairman of the Hungarian Democratic Forum; and Mihaly Bihari, political scientist, by Sara Pogany: "Four of Them in Four Different Directions"; date and place of interviews not given]

[Text] In April 1988, Mihaly Bihari, political scientist; Zoltan Biro, literary historian and founding member of

the Hungarian Democratic Forum; Zoltan Kiraly, journalist and member of Parliament; and Laszlo Lengyel, economist, were expelled from the MSZMP [Hungarian Socialist Workers Party]. A year later, also on the basis of a decision by the Central Control Committee, they were "readmitted." Immediately following their expulsion, the four submitted a written appeal to the 14th congress of the MSZMP. This September they went before the congress' Appeal Committee—some in person, others in writing—reiterating their statement of April 1989, issued on the anniversary of their expulsion, saying that they no longer considered themselves to be members of the MSZMP, and hence requesting that their earlier appeal be disregarded.

Laszlo Lengyel: I Still Consider Myself a Socialist....

[MAGYAR HIRLAP] Why did you write that letter earlier?

[Lengyel] In order to return the moral support I had received from party members and nonmembers at the time of my expulsion. For me it is neither an accomplishment nor a sin to have been expelled from the party. I do not wish to reap any political profit from this incident. At the same time it brought me the kind of independence which I had tried to achieve earlier. I believe that we must indeed hold those party leaders accountable—irrespective of whether they are Central Committee, Politburo, or Central Control Committee members—who have brought the country to the brink of bankruptcy. Also to be held politically responsible is the current leadership, which since the 1988 party conference has been unable to effect a turnabout in the economy, and which continues only to pay lip service to political democratization in abstract terms. Let there be no misunderstanding about it. What I have in mind is not to take revenge, but to clearly identify those individuals who have committed mistakes and sins, and those who have brought a situation upon our country that will cause us to suffer for 10-15 years before it can be reversed. This essentially is what for me is still the most timely and important momentum of that letter.

[MAGYAR HIRLAP] Why did you not take advantage of the offer of readmission?

[Lengyel] Because just as it had been the case at the time of the expulsion, the readmission could be read about in NEPSZABADSAG before we even received the papers. On top of it all, simply to claim that the decision to expel us had been the correct one given the circumstances at the time, but now the circumstances have changed, is plain cynicism. The Central Control Committee has failed to engage in any kind of self-criticism. I have more respect for those who to this day remain convinced that we had to be expelled. To this day I see no evidence suggesting that there has been a fundamental change in the moral conditions that have prevailed within the MSZMP. And one more thing, I am sick and tired of taking abuse from people whose level of intellect and mental caliber are below those of an eighth grader, yet

obtrusively insist on exposing me to the wisdom of their political tenets. Unfortunately this kind of lecturing continues to go on within the party; Csaba Tabajdi's case comes to mind; the only difference is that they have stopped expelling people. It takes a strong stomach today to rejoin.

In October 1988, they had also begun disciplinary proceedings against Csaba Gombar, who could have been the fifth person to be expelled along with us, but the investigation against him was eventually called off. He deserves credit for choosing to stay in the party even after everything he had been put through. As far as the letter of the appeal committee is concerned, I think what we have here is a kind of gesture to appease a party membership that might decide to raise our case at the congress. Although I would be interested to know how they intend to talk to Zoltan Biro. Do they expect him perhaps to leave his post as president of the Hungarian Democratic Forum and go over to the MSZMP? So it is an awkward situation.... I do not want to exaggerate our own importance, but the action taken against us played an important role in the present collapse of the party. The party leadership has discredited itself morally, and the new leadership has been unable to regain its members' confidence.

[MAGYAR HIRLAP] Where would you presently place yourself on the political spectrum?

[Lengyel] I professed to be a socialist then, and that is what I still am today. I feel like I am moving away from politics. One must decide whether he wants to be a politician or work in his field of expertise without aspiring to be a professional politician. I have quit every party and movement I ever belonged to without joining any new ones. Virtually every party has looked me up telling me that they would appreciate my support. I feel, however, that by assuming an independent political role today, I can help the country more than if I became a party functionary in any of the parties. In this sense my position may be described as that of an independent expert.

[MAGYAR HIRLAP] What is your assessment of the MSZMP's situation and of the outcome of the congress?

[Lengyel] I feel that we are witnessing the tragic consequences of the fact that the present leadership, the reformers of the MSZMP, have failed to plant the seeds of a modern socialist party to replace the MSZMP. Even though they have had a whole year to do so. Today an enormous vacuum has been created on the Left which may put Hungary in a very precarious situation. The future course for Hungary to take is also to allow some kind of a rotational system to evolve in its political life, involving populists and Christian Democrats on one end of the spectrum, and Social Democrats and socialists on the other. What we have now is one end of the rotational system beginning to organize with good prospects of winning the elections, while on the other we see nothing happening. As far as the congress is concerned, there is

the possibility that a group of reformers in some kind of coalition will prevail, and will proceed toward becoming a modern type of socialist party. This, however, will be a slow and belated development as a result of which this party will be lucky if it can pull itself together enough to avoid a final defeat in the elections. Unfortunately my fear is that eventually the same people will emerge victorious who have always been running the party, and who for all this time have been integral parts of the county and enterprise oligarchies. Then the MSZMP will only vegetate and will be badly defeated in the elections. Any way we look at it, it would be in the best interest of Hungarian society as a whole if the MSZMP did not collapse completely. If it collapses then the holders of power who stand behind the MSZMP will see no other alternative than to cast peaceful transition aside and resort to some form of violence.

Zoltan Kiraly: We Need Independent Representatives....

[MAGYAR HIRLAP] You were in England when the news of your "readmission" reached you; how did you receive it?

[Kiraly] Yes, officially I could not react to the Central Control Committee's decision until after my return. I wrote a letter to Imre Somogyi in which, among other things, I pointed out that the brief justification attached to the decision of our expulsion was just as deceptive and meaningless as was their decision to expel us a year ago. Hence, retroactively to 7 April 1988, I consider myself to have resigned from the membership of the MSZMP, and request that this be kindly acknowledged. Our case was indeed the most perfect representation of the anti-democratic character of the party as a whole, of the very practice that has caused the party to get to this point; the practice which has meant the application of equally dictatorial methods in our political and state life. This was what I had stood up against in Parliament, and it was obvious that I had represented the same stand within the party.

[MAGYAR HIRLAP] You are a journalist, a parliamentary deputy, a member of the provisional presidium of the Movement For a Democratic Hungary [DMM], and not long ago you were nominated by the Social Democrats for the post of president of the republic. Could you tell me how you manage to reconcile this multitude of roles?

[Kiraly] Without having coordinated our responses, I fully agree with what Laci Lengyel has told you about being independent. I have also been consciously targeting my own activities in this direction since our expulsion. I, too, have been contacted and called by many. But because of my own principles, I would have considered it dishonest, upon refusing to return to the MSZMP, to shift my loyalties to another party. I can understand those who after leaving have decided to join other parties, but I could not have done it. I could not have done it, on the one hand, because the appeal was still under review, and to me the honest thing was to wait

until a decision has been made. The other thing is that you cannot just simply shift your loyalties. Even while still a member of the party I had represented the opposition, and this was the—at that time still nonexistent—entity which I tried to represent in Parliament. Since the byelections there is now a way to do this in a clearly defined, organized form.

[MAGYAR HIRLAP] Are you attaching increasingly greater importance to independence?

[Kiraly] Yes, I am. I considered the establishment of the Opposition Round-Table [EKA] to have been a very important development, for even though it did not represent the general public opinion, it definitely represented a broader kind of societal opinion from which ideas and opinions could be drawn. The EKA has functioned in a praiseworthy fashion, in the form of tripartite discussions as a result of which Parliament is now able to consider draft proposals that have had far more honest work go into them than ever before. I consider this very important, but at the same time—as we have already found out—sooner or later this entity will be transformed along the lines of various party interests, and those interests will become increasingly predominant. This is why I thought it was important to create a body of independent deputies as well. The opposition group that has now been created will—I feel—also be able to mobilize this independent entity. On certain issues we will be able to debate together, and agree to represent a collective stand. A hundred or so votes from an "opposition" side is nothing to ignore. And obviously the debate that precedes this can also mobilize others, and this one-third can significantly influence the two-thirds majority of Parliament. As for my nomination for the post of president of the republic, I have clearly told the social democrats that solely for this purpose I could not join their party. If they were willing to support me as an independent candidate, that would make sense. They told me that they would be willing, which is how I ended up receiving a provincial nomination. I am convinced that we can formulate an independent platform, and that there will be room for independent deputies in the next Parliament. This is not a very common practice around the world, even the British Parliament only has one independent member, but I believe that because of our historical situation, we have a better chance of having such deputies.

[MAGYAR HIRLAP] What do you expect to come out of the MSZMP congress?

[Kiraly] What I expect, regardless of the power balance that may evolve, is for the congress to unequivocally distance itself from the past 40 years, and to call for a change in the political system. There are those who are stressing the need for a renewal, while others are thinking in terms of an entirely new socialist party. To tell you the truth, I am looking forward to this kind of separation, for these differences must be brought to a head. I strongly hope that those reform communists whose representatives will be present will clearly commit themselves to

an—organizational—separation from those who are only calling for a change in the model. If this does not materialize, then the chances of reverting to the old system will indeed become greater, or at least there will be greater pressures within the party to move in that direction. I hope that this will not happen, but we must keep the danger in mind. The DMM, to me, represents a collaboration of our people's, our nation's intellectual forces, of individuals capable of thinking; it is an organization that symbolizes our country's future, i.e. the creation of a democratic Hungary. This is the combining factor that should be acceptable to everyone.

Zoltan Biro: I Have Committed Myself to the Hungarian Democratic Forum [MDF]

[MAGYAR HIRLAP] How did Zoltan Biro, managing president of the MDF, receive the appeal committee's letter of request?

[Biro] I wrote to Sandor Balogh, from whom I had received the letter, and for whom I personally have the highest regard. This is what I told him: "I believe that there is no sense discussing my MSZMP membership, for as far as I am concerned this matter was closed at the moment I learned of the Central Control Committee's decision. Later, in the wake of the Central Control Committee's new decision rescinding its earlier ruling, I let my position be known in a letter and in the form of public statements. I made it clear that I did not consider myself to be a member of the MSZMP, and that I did not wish to rejoin the party. I have committed myself to the MDF, my own political independence, and above all to the cause of furthering Hungarian interests. I ask that you kindly acknowledge my decision." The reason I had written the appeal at the time was to size up the case, and most of all to reject the extremely sensitive charges that had been levelled at the MDF at the time. Humanly speaking, my experience in this matter has differed from that of the others; it has differed from person to person, and for me it was not a shocking experience.

By this, of course, I am not implying that this kind of a Central Control Committee investigation is a particularly pleasant thing, especially in the form this has been conducted. This is not what I am trying to say. I saw, starting in 1987, that the MSZMP had reached its final phase, including the Kadar era and the political configuration represented by the MSZMP at the time. And then and there, standing before the Central Control Committee, I let it be known that I saw no other way out except to adopt a multiparty system, or for the MSZMP to assume some kind of people's-front or people's-party like character which could perhaps save it from collapse. Even then I did not think that this would materialize, and their reaction was also quite predictable. In fact, the kind of single-party system we have seen evolve here is first of all not a party system, and secondly, it is a historical absurdity. I stated this before the Central Control Committee as, I believe, it is evident from the minutes of those meetings. When after the debate I was asked whether or not I would continue to organize the

MDF, I answered with a clear yes. It was in response to this statement that they called my position irreconcilable with theirs which we both agreed on. For me the session of the secretariat of the Central Control Committee, where in a hearing-like atmosphere they concluded our case, was only the final act.

[MAGYAR HIRLAP] Have you succeeded in creating the kind of MDF you and your colleagues had in mind?

[Biro] Yes, I believe we have. As we have stated in our founding charter, and as for now it is also reflected in our program, the direction followed by the MDF is primarily political. Because of the mood of society as a whole, however, the MDF has also been affected by radical ideas. The problem is not that the MDF advocates a radical pace in its push for democratization; in fact, even though it might already appear fast we would like to speed up the process even more. We are of the opinion, however, that this country must get over this extremely difficult transition state as soon as possible. In this sense we are very radical in our pursuit of our goals. As for setting the proper tone and thinking in terms of long-term perspectives, however, we would like the MDF to assume a more moderate, national, middle-of-the-road character. This is what we are striving for, although our aims appear to be contradicted by certain radical manifestations which simply do not recognize compromise in politics. Yet without compromises there can be no politics. Naturally this may be the subject of debate among certain MDF members and groups, but our real confrontations are with those political entities and parties that promote extreme radical ideas. I am thinking here of those blind and harebrained leftists who continue to raise the specter of armed violence, or at the other extreme, of those whose professed aim is to pound the communists into the ground. These extreme manifestations tend to give rise to one another, and may threaten our hope for a peaceful transition.

[MAGYAR HIRLAP] Obviously you will be keeping a watchful eye on the MSZMP congress?

[Biro] Yes, but I do not expect too much good to come out of it. What I would really like is for the MSZMP to break up into as many entities as possible. The reform leaders have been unable...[text missing]...a political force which is willing to abide unconditionally by democratic rules. If it were this kind of a political force it could easily integrate into Hungarian society. In terms of domestic policy issues it could present itself as a party with governing experience, willing to shed all influences described by words ending on "-ist." It could play an extremely important role in foreign policy as well, as such a party could build national ties with the leftist movements and parties of both Eastern and Western Europe. This is what the interests of our country demand, and it also would not be contrary to the interests of the MDF which has chosen to follow a different path anyway. Instead of aiming to represent the Left or the Left-Center, it should join with others in forming a "national center," and cultivate its most

important foreign ties with populist-party-like organizations. I am not optimistic, but I hope that even if only as a minority, such a party can be created. The most important thing now, not necessarily just in the MSZMP, the MDF, or any particular party, but in society as a whole, would be for a process to evolve that could provide a psychological guarantee to ensure a peaceful transition. What this will require, in my opinion, is for the elections to take place this year.

Mihaly Bihari: In Alliance Only With Reform Socialists

[MAGYAR HIRLAP] Why did you accept the invitation of the appeal committee?

[Bihari] Because I had learned that the appeal committee was made up not of Central Control Committee members, but of honest people whom I otherwise respect. So I felt it was my moral duty to go. Had Imre Somogyi, Andras Gyenes, or someone similar been involved, I would not have gone. With the existing Central Control Committee I have nothing to discuss. My interpretation of the appeal committee's invitation is that it agrees neither with the expulsion nor with the "readmission" decision of the Central Control Committee. Nor does it think it was fair that we had had to learn about our readmission by the Central Control Committee from the mass media, and that no one had talked to us prior to our readmission even though all of us would have considered such consultation most appropriate. I seemed to detect behind this invitation a determination to handle our case more honestly and more correctly. I also think that they fully understand that the statements we had made following the April decision to "readmit" us will continue to be consistent with our current decisions.

[MAGYAR HIRLAP] How do you see the situation of the MSZMP?

[Bihari] I am happy to be able to say that there have been truly epoch-making changes taking place in Hungarian political life as well as in the MSZMP. Mostly in the direction and, with the same content, that I and others had been pushing. Unfortunately I must also add that the internal political divisions within the MSZMP have also become markedly clear. The only group I could ally myself with within the MSZMP would be the reform wing which I had considered myself to be a part of until my expulsion. It is this wing that has represented and can represent in the future the platform of democratic socialism, the system of principles, goals, and values which I too had worked so hard to help evolve, and for the propagation of which a year ago I was expelled from the party by the conservative forces of the MSZMP. This wing is still much too strong, and it continues to discredit and politically undermine the MSZMP. The reform leaders have been unable to become a dominant force within the crisis-ridden MSZMP. I see only one solution left for the reform leaders: They need to organize an independent party of reform socialists on the platform of democratic socialism. This is the only kind of party I

could associate myself with, not with the existing MSZMP. Otherwise I consider the nullification of the expulsion decision a political success, even though my decision to resign from the party was a voluntary one for the above-mentioned reasons.

[MAGYAR HIRLAP] Where will Mihaly Bihari be, should a party representing your set of values and moral position fail to materialize?

[Bihari] I intend to continue as a democratic socialist to serve as a spiritual organizer in the historical struggle to merge the causes of the Hungarian people, socialism, and democracy.

[MAGYAR HIRLAP] What do you expect from the MSZMP congress?

[Bihari] In my opinion, anything can happen at the MSZMP congress. I give an equal chance to at least three main alternatives, but—just as it was the case at the May 1988 party conference—it is virtually impossible to predict what will happen. Last May, the reform wing failed to emerge victorious, instead there was a compromise between the conservative elements the new system party. Both had recognized that they would have to allow a little opening for the forces of reform. At that conference, the forces of reform were not partners to, but rather the subject of the compromise. Now the situation has changed, but I would still suggest that it is unpredictable. One possibility, in my opinion, is for a new party to emerge that would include everyone from the reform wing and the center to what I have referred to as the Berecz-Grosz brand of a new system party, excluding the extreme conservatives, one that would stand on a broad platform, perhaps choose a different name, and be ready to slightly tailor, generalize, and thereby neutralize Pozsgay's program declaration. To put it simply, the MSZMP will remain; only its signboard will be repainted perhaps. In other words, only the extreme left will be leaving it, and of course the reform socialists. I am intentionally not calling them reform communists. This would be the worst of all alternatives, for in this case nothing would be resolved; only irreconcilable platforms and personalities would remain in the MSZMP, hence it would be unable to participate in the election struggles as an organized political force. Practically speaking, it would thus be relegated to the political periphery.

The second alternative is for the congress to turn into a series of spiteful and squabbling platform debates and personal attacks. In this case the MSZMP will disintegrate into three or four weak parties. Moreover, they will not only not become stronger by election time but will continue to weaken. In this case it would be not the "MSZMP conglomerate" but the MSZMP's weak successors that would be pushed to the periphery. The third alternative would be to adopt a centralist compromise platform—ranging, let us say, from Rezső Nyers to Karoly Grosz—and to maintain a center-oriented MSZMP void of such left-wing elements as the Berecz wing and the Ribanszki line. This, in other words, is

where the party would break as, unwilling to associate themselves with the radical reformers, these elements would be forced into a position where they would have no other choice than to leave the party. This, in my opinion, would be the optimal outcome. In this case the MSZMP would continue to be what it is, while by seceding, the reform socialists would be able to rid themselves of the burden which the history of the MSZMP and socialism has laden them with, and could even become organized as a constructive opposition party operating on the basis of reform socialist and euro-socialist values.

This kind of a nationally based opposition party committed to European socialist values—headed by 10-15 credible leaders—could be capable of forming a coalition after the elections. It could fill the void in the Left-Center which both Laci Lengyel and Zoli Biro talked about. A democratic socialist party organized on national foundations—together with other strong parties—could guarantee a peaceful transition and political stability.

Berecz to Stay in Politics, Hopes for 'Good Socialist Party'

*90EC0081A Budapest NEPSZABADSAG in Hungarian
25 Oct 89 p 5*

[Interview with Janos Berecz, former MSZMP Politburo member, by Attila Gy. Fekete: "Will Janos Berecz Become an Entrepreneur? If There Are Many Who Want To Have an MSZMP, the Former Politburo Member Will Join Them"; date and place of interview not given]

[Text] There is virtual consensus, now that the congress is over, that the biggest loser to come out of the platform debates of the conference was a platform called "Collaboration for the Renewal of the MSZMP" [Hungarian Socialist Workers Party] and its sponsor, Janos Berecz.

[Berecz] I am not the "big loser of the congress." A man in his sixties does not work so much to further his own career as for his children's future. And from this point of view it is really only of secondary importance to worry about what will happen to me in the future. An incomparably more important concern is what will happen in the future to the party, the movement, and the country.

[NEPSZABADSAG] Then let me rephrase my point: The platform which bears your name was the biggest loser of the party congress.

[Berecz] That I can accept; the platform indeed did collapse, which, among other things, may be attributed to the fact that when a good socialist program finally emerged from the debates it immediately gave way to personality clashes, bickering, and position-seeking. We felt that we reform communists must not take part in this kind of a "struggle."

[NEPSZABADSAG] Could you be a little more specific? What kind of personality clashes and bickering are you referring to?

[Berecz] I do not wish to go into details at this time. Just look at the documents that deal with Ferenc Kosa's ominous interview. They reveal everything. Ferenc Kosa clearly described the situation and everything that had happened; that poor Japanese journalist took everything seriously and wrote down everything he had heard.

[NEPSZABADSAG] So what now?

[Berecz] As far as I am concerned, I would be very happy to see the emergence of a good socialist party of leftist values. I have the feeling, however, that in this party there will be no room for a solid worker and an agricultural cooperative oriented faction. Hence I will continue to adhere to what I said at the congress: Inasmuch as a—large—segment of the membership decides to stay within the MSZMP, I will join them. For it is not true that the MSZMP has been disbanded; this was never stated at the congress. The only thing said was that the era hallmarked by the MSZMP had come to an end, which is true because we have already moved on to a multiparty system. At the same time, the congress issued a call for the formation of a new party which has already begun. However, if a segment of the membership decides to organize and work under the MSZMP name, it has the right to do so. And I strongly feel that they would be entitled to at least their own corner in NEPSZABADSAG....

[NEPSZABADSAG] Is the MSZMP you are talking about the same as the one being organized by Robert Ribanszki and his followers?

[Berecz] No. I would like to make it clear once again: No one in this country can hope to build a future on the basis of nostalgia, old bolshevik enthusiasm, democratic centralism, or anti-reformism; anyone misleading their enthusiastic and goal-minded followers will only cause further political damage. What we need is a strong, left-wing party, not a narrow sect.

[NEPSZABADSAG] What are your personal plans?

[Berecz] Right now I am focusing most of my attention on my constituency and my work in Parliament. I faithfully continue to cast my votes in support of implementing the agreements we arrived at at the trilateral political discussions since these were also signed by the representatives of the MSZMP. I would like to maintain and strengthen my constituents' trust. Apart from that, I have also been thinking whether I should allow myself to be forced into retirement, or should become involved in some kind of a useful social activity, let us say an enterprise.

[NEPSZABADSAG] Janos Berecz, a prospective entrepreneur?

[Berez] No, I do not intend to become an entrepreneur, but I could definitely become a supporter of some profitable undertaking....

Committee Formed To Inventory MSZMP Assets
90EC0081B Budapest NEPSZABADSAG in Hungarian
25 Oct 89 p 5

[Interview with Ambrus Szantai Sarkozi, chairman of the MSZP Central Financial Control Committee, by Attila Gy. Fekete: "An Appeal to the MSZP Membership; There Will Be No Open Season on Party Assets"]

[Text] The title sentence was coined at yesterday's session of the MSZP [Hungarian Socialist Party] Central Financial Control Committee, where the seven-member social committee reviewed the tasks to be addressed during the coming period. It was about their plans and conclusions that we went to see the chairman of the committee, Ambrus Szantai Sarkozi, after the meeting.

[NEPSZABADSAG] Your appeal suggests that there are serious problems surrounding the issue of party property; do I have the right impression?

[Szantai Sarkozi] Actually, the new party is just being organized; the former city and county committees have been disbanded. All of this has resulted in a chaotic situation which has also affected the newly forming party's financial situation. There is indeed a real danger that if we are not careful the party's assets will become everybody's prey. After all, today there are several places where there is no single individual in charge who could be held responsible for possible irregularities in management.

[NEPSZABADSAG] Are you involved in something completely different now, or are you continuing the work of your predecessor organizations from where they left off?

[Szantai Sarkozi] So far the members of the committee had nothing to do with the party's financial affairs, so we are starting with a clean slate, if you like. We had made it clear at our first meeting already: Although it is very important for us to do everything in our power to ensure that we have the necessary financial conditions for our party to function, we are not willing to turn to, or close our eyes to, anyone resorting to illegal solutions or ill-willed methods. It is for this very reason that the request expressed in our appeal is addressed not only to party members.

First of all, however, we would like to get a clear idea about the size of the assets we are dealing with. We have recommended that immediate steps be taken to assess the party's movable assets and real estate holdings. This assessment could, in turn, also become the basis of any future negotiations regarding the distribution of party assets. We have recommended, furthermore, that the national presidium appoint one individual per county to be in charge of the preservation of existing assets. In the

coming days we will continue to collect information regarding the management practices of both the regional party organizations' and the party enterprises. We need to have a clear picture, for until we complete the above-mentioned assessments, it will be difficult for us to control anything.

[NEPSZABADSAG] And what about later?

[Szantai Sarkozi] I have already talked about the fact that the party needs a certain minimum set of assets in order to be able to operate. Well, it is unquestionable that the determination of how large those assets need to be lies with the presidium, although we are free to express our opinions regarding their judgement. We would like, furthermore, to set up a separate fund. We support the entrepreneurial section's recommendation according to which those who agree to support the party by paying more than the maximum membership of 150 forints, could have their excess payment deposited into that fund. The money thus accumulated can serve as a kind of enterprise fund which can provide a clear and transferable financial basis for the Hungarian Socialist Party.

The Central Financial Control Committee of the MSZP—which has begun a complete assessment of the party's assets and a review of its management practices—has made an appeal to the party membership. It is asking anyone who may be aware of irregular management practices, or know of instances where party assets have been neglectfully or fraudulently handled, to notify the committee (at Szechenyi pier 19, 5th District, Budapest, 1358.)

POLAND

Need for New Law on Political Parties Evaluated
90EP0080A Warsaw RZECZPOSPOLITA in Polish
26 Sep 89 p 3

[Article by Maciej Urbaniak: "The Law on Political Parties: Many Question Marks"]

[Text] Many people say that it is not necessary. It is enough only to free up the existing obstacles and spontaneous social processes will do the rest. Meanwhile, independently of one another, two competent, professional bodies have prepared drafts that need only the final polish before being directed to the marshal. We are speaking, of course, of the law on political parties.

A dozen or so months ago, the situation on the political parties "market" seemed crystal clear. Officially only three existed: the PZPR, the ZSL and the SD. Their role and place in Poland's political system were assigned, or rather, sanctioned by an entry in article 3 of the PRL [Polish People's Republic] Constitution on the leading role of the PZPR. This entry, while still formally binding, has only historical value today. Three draft laws now before the Sejm urging immediate change in the

PRL Constitution have been presented by the OKP [Citizens' Parliamentary Club], PZPR and SD clubs. All propose that this law be repealed. Clearly, only the current status quo will sanction this.

Beyond the official system, likewise illegal and semi-legal organizations have existed either under the name of political parties or aspiring to this name. The democratizing processes ushered in by the roundtable deliberations have fostered the manifestation and development of many such initiatives. No one today makes a stir about such initiatives in practice, although their situation from the legal point of view is not completely clear.

The often (and, it would seem, unjustly) forgotten article 84 of the Constitution states that "for the purpose of the development of the political, social, economic and cultural activism of the working people of the cities and rural areas of the PRL, citizens are guaranteed the right of association." Among the possible forms of such association the Constitution also names political organizations, adding however that "the creation of associations and participation in associations, the purpose or activity of which attack the political and social system or the legal order of the Polish People's Republic is prohibited."

Today lawyers are still quarreling over whether the Constitution allows or prohibits the creation of political parties other than the PZPR, the ZSL and the SD. Certainly, however, it does introduce bans and restrictions that are obsolete today. Moreover, the very manner in which the regulation is stated (i.e., these rights belong to the working people of cities and rural areas) is itself archaic.

The Constitution is a fundamental law. However, can even the best updating of this law regulate all problems associated with the creation and operation of political parties? That is the question.

Minister Aleksander Hall, the person responsible in the government for contacts with political parties and social organizations, gives a qualified yes to this question. On the other hand, he does not consider the creation of a special legal document devoted to political parties to be necessary. He maintains that there is not the danger in Poland of creating political extremisms, which, in his opinion, would be the reason for passing such a law.

On the other hand, Slawomir Wiatr, a deputy and also PZPR CC secretary coordinating work on the party draft law, holds that the Constitution itself is not enough here. During the period of such enormous changes in the state system and such tremendous mobility on the political scene, the range of formal-legal solutions is growing at a rapid rate. Specific rights and duties as well emanate from the fact of existence as a political party. To date, however, no one has fully defined these rights and duties. Nor is it known which of the organizations that aspire to the name of political party are really political parties and which are not. Clear and precise criteria are lacking.

Deputy Bohdan Osinski, secretary of the SD Deputies Club, is of a similar opinion. The passage of a law on parties, which will implement one of the points of the SD program, would have tremendous importance, especially today, in enabling spontaneous social processes to be comprised by a legal framework.

Basic questions to be resolved include granting political parties legal status, which will allow them to function normally as subjects of the laws and property obligations. To date they do not possess such a quality. They participate in legal turnover according to defective principles. In conjunction with changes in the civil code, it will be impossible to maintain these principles in the future.

In states with a developed political democracy, parties are considered to be such an important element in the process of exercising and controlling authority that the at least partial sponsorship of their activity out of the state budget is viewed to be necessary as well. In Poland, parties which have operated officially have also taken advantage of the various more or less open forms of such sponsorship. It is pointless, however, to look for a section called subsidies for political parties in the budget law, even though outlays for the operation of social organizations are provided for in the law. Thus, it is worthwhile to project such a principle and the rules of its application in this law or in another law.

"Parties are legal as long as they do not come into conflict with penal law and do not threaten democratic order," said Minister A. Hall to us in an interview. However, is only repression applied by the courts the best method of operation in policy? Thus, it seems indispensable to define by law the procedure and reasons for the delegalization of a party, if its actions are clearly in conflict with the democratic legal order in the state.

For the present, the solutions proposed in both draft laws are present only in general outline. Many detailed issues must still be resolved. It seems that the drafts concur on many points, since the authors (in the preparation of the PZPR draft law, the name of Prof Stanislaw Gebethner was mentioned numerous times) make use of the same West European models. Both drafts stipulate that the Constitutional Tribunal should play an important role in the process of creating a party. The issue of whether it would be a court for registering parties, or merely for verifying the compliance of proposed documents (the statute and the program of operation) with the Constitution and the laws remains to be decided. Its positive ruling would automatically grant a new party legal status.

Both drafts also make identical statements with regard to the controversial issue of the work of political parties within plants. S. Wiatr calls a spade a spade: "a party is wherever its members are." Thus, support is given for enabling all political parties to act within plants, although it is made clear that methods used in the past must be abandoned. The practice used to date of the obligatory financing of such activity out of plant budgets

is not permitted, nor is the direct influencing of political parties on the course of production activity. Meetings are not to be organized during work hours.

In our reality today, the law on political parties cannot harm anyone. The definition of a minimum number of founding members (the figure is set at 1,000) will constitute a barrier only for small initiatives of local importance, which do not have the more extensive support of society. The party is something more than an association, which 15 persons can call into existence. And for the sake of clarity on the political scene (which does not mean that there will be only a few actors on this scene), in light of the free elections to be held in less than 4 years, such a barrier is also needed.

Dire Economic, Social Situation in Lodz Reviewed
90EP0079A Warsaw ZYCIE WARSZAWY in Polish
21 Sep 89 p 3

[Article by Ewa Wilk: "They've Run Out of Mortadella"]

[Text] On Thursday, 14 September, the local bishop received a candidate running for president of Lodz. The Presidium of the People's Council received unionists from the Federation of Light Industry Workers, who were protesting against everything and everyone. The First Secretary of the PZPR CC [Central Committee of the Polish United Workers' Party] spent three hours pondering the condition of the party with comrades from his home Basic Party Organization at the Fenix plant (hosiery and stockings). At one industrial plant, a hall that had just been built collapsed, killing a 22-year-old woman tractor driver. And the mortadella [type of sausage] had run out.

Precisely at the point when M. F. Rakowski was saying that "things can only get better through sweat and tears," a stentorian voice outside the window of the small conference room attached to the director's office proclaimed, "People! People! The mortadella has run out!"

And somehow nobody found that funny, because, just a moment before, the women comrades from the First of the Basic Party Organizations, in the flowered aprons they wear when standing by their machines, chain-smoking extra strong cigarettes, were saying:

"Comrade, we're all worked to death. And we don't feel like living. And we don't believe anybody any more. All we see when we look through our simple eyes is the same mess everywhere. We're beating our heads against the wall. Can you tell us, comrade, what will become of the sugar, the matches, and all the rest? The Basic Party Organization Secretary tried to assuage this lament (something of a more political nature, perhaps?), but in the end he himself had to back off: "We're not in a positive mood, we don't have a clear offensive."

But the First Secretary, himself pulling cigarette after cigarette out of his pocket and resting his gloomy face on his hand, said quietly, "Believe it or not, when I was

Premier, and even before then, Jaruzelski and I would sit around sometimes and say, 'Oh, that Lodz, oh, those Lodz women ...' And then we got short-sheeted. There are problems, comrades, that nobody can skip. Mazowiecki can't skip them, either. There are, comrades, two ways out: the dictatorship of the stick and the dictatorship of money. Both have their good and bad sides. One way or the other, a time of renunciations awaits us..."

Everybody in Lodz whom you ask about the city tells you to go out on the street and ... Look at the faces of the women. And everybody drills two numbers into the newcomer: 93 percent of the people in this voivodship live in the city; only 7 percent make their living from farming.

"Lodz is a city in decline," says Dr Jerzy Drygalski, who decided to run for president on the formal recommendation of the ZSL [United Peasant Party] and the SD [Democratic Party], but who in fact holds a mandate from just about all of the post-opposition groups. "The downtown area is decaying, and the bedroom towns are all concrete. Filth and devastation, and the worst thing is that it's as if people have gotten used to them. The city has been sick since birth, and its genetic heritage spreads over what we have now.

"I don't like the term 'peculiar to Lodz,'" admits Adam Walczak, who has only just replaced Niewiadomski as First Secretary of the Lodz Committee of the PZPR at the celebrated behest of the party organization at Polmerino. "But in this city there are no chickens, no pigs in the sties, no families in the suburbs who could spare a few eggs. The women are incredibly active professionally, the birth rate is negative, the population density per square meter or kilometer or however you want to figure it is the highest [in the country]."

"Of the seven economic depressions in the country, Lodz is the bottom of the barrel," says Docent Dr Zdzislaw Puchorski, Deputy Chairman of the People's Council. "Our light industry is one and a half times more profitable than the mean in Polish industry. We have got to believe in light industry, we've got to start modernizing it. We've got to restructure the economy in such a way that it can have raw materials and machinery. There are programs, there are the resolutions of KERM [the Cabinet Economic Committee], but nothing is being done. Lodz is buried in its production. Obviously we want to share, but we also want something in return. Food."

"Chaos, economic anarchy, and creeping destitution" is how the unionists—OPZZ [National Trade Union Confederation] members—characterize the situation in Lodz in a protest announced in the press and on posters.

When one walks through Lodz, it really does seem that things are the same here as they are everywhere in the country. Torn-up streets, empty butcher shops, crowds scurrying wildly. The one thing that strikes the eye is how many apartment buildings there are, how many dark courtyards and niches, the incredible number of discontinuous, blank walls without windows. It creates the

impression that there is more here, per square meter or kilometer, of everything in the country: there are more holes in the pavement, more empty stores, more apartments without gas, water, and sewage, more sick children, and more sullen people.

In the physical sense, Lodz has been crumbling for years; in the political sense it crumbled last spring.

First the people's council dismissed the president, denying him absolution. Then a dramatic conflict erupted among the Lodz Solidarity leaders, reaching its apogee during the union's registration battle. That conflict is bearing fruit today in the disintegration of the union movement. Most of the Solidarity locals are aligned with the Walesa-backed "S" [Solidarity] of Ryszard Kostrzewa; the minority are aligned with Andrzej Slowik and Jerzy Kropiwnicki. There are organizations that are not affiliated with anybody, there are workplaces with no Solidarity at all. The disintegration is also reflected in the union's membership rolls, because in the best case (MZK [the Urban Transportation Works]), half of the members from 1980 have signed up. "S" activists themselves admit that the Union is losing influence, that protests are breaking out that are under nobody's control whomsoever, that a certain morality is being lost (people to whom it would never have occurred in 1980 are striking: railroad workers, rescue workers, bakers), that predatory group egoisms are manifesting themselves.

Finally, the First Secretary of the Lodz Committee fell in September.

Why did all of this happen in Lodz? Perhaps because there is also more politics per square meter there than anywhere else in the country. No kidding. For example, among the "S" authorities there, there were as many as five members of the union's Polish national...

So Lodz has no authority, and nobody has authority over Lodz. True, the new First Secretary stands valiantly at the tiller, if the tiller is two gigantic telephones with a thousand colorful lighted buttons. "Push them, brother, push those markets about three times a day," he is saying into the mouthpiece when the head of the Internal Affairs Division interrupts us. "You say that the price of sugar and matches is skyrocketing? That it's going to hit the danger level? OK. But we've got to fight, because it's a damned curse."

The Secretary, who himself says that he is of the ZMS [Socialist Youth Union] generation who put aside party work only while he was president of the Voivodship Residential Cooperative, who came up through the "ward committees," knows that something different must be done now. But he is convincing: "This period is temporary, the old steps down, the new hasn't jumped up yet." And he asks, not that we make it especially public, but that we appreciate the fact that it was he who got the 600 additional tons of sugar from Ireneusz Sekula that are now being distributed around the factories. And also—not that we should make it public, but that we

should note—that because of the struggle between the old and the new, Lodz factories are engaged in barter in kind: socks for pigs. It would therefore be a relief to Secretary Walczak to hand the tiller over to the president of the city.

If Lodz is a lens for what is happening in Poland today, then the so-called presidential crisis is a lens for what is happening in Lodz.

Secretary Walczak offers the view that the dismissed president was not some exceptionally unsuccessful manager.

The reason behind his beheading was very complex; in essence, the incompetence of the city authorities lay "in the very conservative mindset of the middle cadre." In general, it is hard to say whether those who recently fell from their armchairs in Lodz were felt to be all that bad. One simply hears from the people of Lodz, "All I can say about Niewiadomski is that he knew all the hallways in the Polish Mothers' Center." Jerzy Kropiwnicki, one of the leaders of one of the Solidarity factions, is wont to say, "As city president, Niewiadomski was reliable on all sides."

The formal reason that Lodz has not had a president since May is so simple a child could grasp it: for months Poland had not had a premier who could take the matter in hand and present candidates to the People's Council. Now that there is a premier, the decision has been made to help him by offering several election candidacies. And that decision marked the beginning of an exciting political concert in Lodz. Secretary Walczak played the overture.

Jerzy Kropiwnicki presents it this way: "He appeared on TV as secretary for the first time and made a terrible political mistake. He said that only a party member can be president of Lodz. He was at least 10 years behind the times. And he caused the only possible reaction. Anybody but a party member."

Adam Walczak has a less categorical interpretation of his television appearance, but he insists: "Our United [Workers' Party] has the greatest cadre resources of anybody. What does that mean? That means that we can, at any moment, call up on the computer the names of people with qualifications for any position. Years of work, reserve cadre study, you yourself understand... And whom do they propose? A novice scholar, a theoretician."

Kropiwnicki: "Nobody questions Drygalski's intellectual qualifications. We don't like the way his candidacy emerged, but because of Walczak's nomination we issued a statement in support of Drygalski, calling on everybody—the Confederation for an Independent Poland [KPN], the Catholic Intellectuals' Club [KIK], the Labor Party, the Green Party, "S", Rural Solidarity [RI], the Polish Catholic Social Union [PZKS]—to do the same."

Drygalski formally introduced the ZSL and SD councillors at the People's Council meeting, though Ryszard Kostrzewa from the Walesa-backed faction of Solidarity had suggested to him that he join the contest for the president's chair. Time flew so fast that he had no time to reach a consensus with other opposition elements. They got a little angry at that, but Secretary Walczak got even more angry at the ZSL and SD: "I accuse my colleagues of disloyalty. On 30 August we held a meeting to decide whether the nominations were current, and they said yes, they were. Now it turns out that both before and afterwards they had to talk with Solidarity."

The meeting at which Drygalski's candidacy, and that of four other candidates, was announced was a stormy one. The ZSL and SD councillors would not agree to a vote, which would be an arbitrary poll of the odds. In the end, a plebiscite was conducted, and the PZPR councillors' candidate, Włodzimierz Jalocho, director of one [PZPR union] shop, won (104 votes). Drygalski took fourth place with 15 votes.

Walczak: "We have reason to suppose that the premier will send the council two candidates: Jalocho and Drygalski. True, the party councillors don't have an absolute majority, but the power to tip the scales lies with the non-party people, and a lot of them have common sense."

Drygalski: "It is probable that the premier will send two candidacies—Jalocho and me, which would be an elegant decision. Then I would lose. The First Secretary has shown great power in mobilizing the non-party councillors. But who knows, the social pressure is immense."

Kropiwnicki: "Even if Drygalski loses now, that's still a great achievement. Perhaps it's history's joke, but Walczak played the leading role in consolidating the opposition groups."

Walczak: "No matter. I want to have a strong opponent."

Who is Drygalski, the first Solidarity candidate for president of a city in Poland? "He's the one whose doctoral dissertation defense was scheduled for 14 December 1981, and he defended it last year," they say in Lodz, which means that the delay was not accidental, that Drygalski had been interned, that he had founded Solidarity at the University of Lodz prior to that. That affair has again assumed prominence. The current vice president of the People's Council, who was dean of the Department of Economics and Sociology at the University of Lodz at the time when the dissertation authored by Drygalski and Kwasniewski was having its ups and downs, explains without being asked: "It may look like nitpicking, but there really were certain formal considerations, we had no choice..."

So Jerzy Drygalski and Jacek Kwasniewski, two close friends, are sitting on the top floor of the university

building at the corner of Revolution and People's Army Streets, and talking over with each other about how it was, how it will be.

"People had already thought it all out," says Drygalski. "Look at this briefcase. In the course of a week they've sent down dozens of detailed, expert plans and programs. The [stock and/or commodities] exchange statute. A program for nursing the Lodz health service back to health. Environmental protection."

When you look at and listen to Drygalski, it immediately becomes clear why he became the candidate of the new coalition. Jerzy Drygalski—viewed through a woman's eye—is the personification of graciousness. There is nothing of the dignitary in him, nothing of the commander, not even anything of the people's tribune. He is a lean, blue-eyed man with a warm, calm voice. He looks even younger than he really is (42). There is nothing in him that could possibly be irritating: no arrogance, obstinacy, capriciousness, sophistry. He says, "The mode in which my candidacy was put forward aroused a controversy, and it is extraordinarily important to preserve form. The worst thing I could do would be to embark on open conflict with the PZPR. My decision is risky, because the president's powers are much less than society's expectations."

If Drygalski has a flaw, it is this: an utter lack of any experience in governing anything like a city. Happily, history proves that a lack of practice can also be an advantage.

Is he capable of lifting the weight? He supposes that he is capable of collecting all of the best forces to save the city, not excluding the ones who have experience in present authority structures. He is in a position to mobilize the expert elite. He is in a position to build for himself relationships with all political forces on a partnership footing. He is in a position to show Lodz to the world as an attractive economic opportunity.

He is also in a position to show a true picture of Lodz, its areas of poverty, and to hasten to their aid. It is unnecessary to add that the remaining candidates for president think the same about themselves. But none of them has received so many expressions of support in the past few days, from the bishop all the way down to the Association of Polish Journalists.

Something is starting to gel in Lodz. Solidarity will soon hold its great common elections. Soon, the elected will become president of the city.

But for the time being, everybody continues to caution that the city is standing on the brink of something very dramatic. They call it an act of despair. And it won't take much. All it would take, for example, would be for the mortadella to really run out.

PAX Deputies Club Sees PRON as Outdated, Seeks New Alliances

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27 Sep 89 pp 1, 2*

[Interview with Jozef Wojcik, chairman, PAX Deputies Club, by Dorota Ciepiewska: "Behind the Club Doors: We Are Seeking a New Place"; date and place not given]

[Text] [RZECZPOSPOLITA] We are asking the chairmen of deputies clubs about the work of these bodies. Today we are interviewing Jozef Wojcik from PAX.

It has the shortest calling card of any club: 10 deputies, including 2 in their second term. Everyone has a higher education, and 4 are KUL [Catholic University of Lublin] graduates. What would you like to add to this?

[Wojcik] Everyone has a base of PAX communities and sympathizers. They are real social activists and often initiate important social actions. The majority have been strongly grounded in the territorial self-governments for many years. These include: the chairman of the WRN [Voivodship People's Council] in Torun, the deputy chairman of the Warsaw People's Council, two members of the presidia of voivodship councils, the chairman of a WRN commission and the voivode of Lublin. It is worthwhile to add that approximately a thousand council members at all levels belong to PAX. They make up a convention, which is chaired by deputy Alfred Wawrzyniak.

[RZECZPOSPOLITA] You sit in the Sejm between the OKP [Citizens' Parliamentary Club] and their coalitions. Is this really the position of PAX?

[Wojcik] That placement is just an accident. With regard to our political position, we are seeking a new, autonomous one both in the parliamentary structure and in the extraparliamentary structure, since the political geography in existence until now has undergone basic changes. The party's former unique position has become obsolete and the PRON concept has become outdated. It has exhausted its historical potential and no longer has any real influence on the course of events in Poland.

For many years, we have been founded upon a political doctrine which we call the Polish school of patriotic thinking, which has its sources in the history of the nation and the state. This alludes to the experiences that developed out of Poland's geopolitical situation between Russia and Germany and it defines the connections that should exist between a nation, the understanding of its welfare and the functioning of state structures. It expresses the need for real freedom and democracy, but in conjunction with a strong executive authority—Poland cannot become an anarchy. It also speaks of the ties between the world view of democracy and the development of political structures. We inherit the not yet fully resolved problem of the limitations that Catholics have encountered in public life. The essence of the

PAX mission rests upon changing this status quo. That is why we have organized Catholics—so that they may become active in people's councils, in the Sejm and in the entire structure of state life.

[RZECZPOSPOLITA] What do you plan to do to finally overcome the effects of the discriminatory restrictions of which you speak?

[Wojcik] I believe that the developing political pluralism will enable (and, to a great extent, already does enable) secular Catholics to act within the particular political forces, with full respect granted to the plurality of world views. At the same time, a strong sociopolitical current with an unequivocal Catholic world view orientation is crystallizing. We will foster both of these processes through our dialog stance and our readiness to establish contact and work together.

Likewise, for many years, the "divide and conquer" approach has been used against PAX, breaking up the organization. While this has done much harm, it is in no way an exhaustive explanation for the natural divisions arising elsewhere among the various Catholic secular groups. Three clubs of Catholic and Christian deputies in the Sejm are also partly a reflection of these earlier difficulties. We want to come out together on many issues in the parliament. Joint meetings have been held to discuss important events related to the crises of the last few months. We are pleased with this and we are also considering further cooperation on the Sejm plane. Obviously, we want to work together and carry on dialog with all political forces, including Solidarity, if this is indispensable for solving problems on behalf of the common good.

[RZECZPOSPOLITA] By comparison with the other bodies in the Sejm, the PAX Club seems to be practically a monolith.

[Wojcik] This unity emanates from common ideas, experiences and work. Our members are not casual people, but people who are deeply associated with the orientation and sociopolitical work of PAX. Under changing circumstances, we have preserved a clear ideological face, formed by a system of shared Catholic values, the social teachings of the Church and patriotic values.

[RZECZPOSPOLITA] Does this connection mean that you are the "entry" in the Sejm for the PAX leadership?

[Wojcik] It is not quite that way, because the club has its own autonomy which emanates from the rights and duties of deputies. We keep in natural contact with the PAX leadership and we also feel the obligation of representing the generally accepted line. All Sejm deputies, including our deputies, maintain the firm stance that they should not yield to outside positions. Such pressure in the past, including the ninth term, did too much harm to the Sejm's authority. The reason for this is that one must be deeply involved in parliamentary work to see how to act in a given situation.

I would like to emphasize that in preserving our ideological-political orientation, we plan to assume a consistent position with regard to the events and problems that appear before the parliament and not to be fixed in bloc ties. We were totally autonomous and unequivocally positive in speaking out in favor of the nomination and election of Tadeusz Mazowiecki as premier because the orientation that he presented parallels our own concern for the state, respect for the needs of the nation and being motivated by the common good. We believe that the new man, known for his Catholic commitment, has opportunities—due to the system of social and patriotic values—for outlining the future vision and banding together the various political forces around these plans. This is an opportunity which we shall foster.

[RZECZPOSPOLITA] Formerly you also granted your support to Gen Jaruzelski.

[Wojcik] We firmly supported that candidacy. This arose from our assessment of the situation that while extensive changes are needed in Poland, we also need to preserve equilibrium between these changes and that which needs to be stabilized and continued. The person of the general was a guarantee that this equilibrium and state, internal and international security would be maintained.

[RZECZPOSPOLITA] How would you define the PAX sphere of interest in the legislative work of the parliament?

[Wojcik] In general, each of us belongs to two different deputy commissions. From this arises our interest in the various legislative initiatives, of which there are very many. Deputy Bonawentura Ziemia is deputy chairman of the Sejm Economic Policy, Budget and Finance Commission, which focuses on key economic problems, including legislation. Deputy Wojciech Janicki is chairman of the Rules and Deputy Affairs Commission, which faces the urgent preparation of a new code of regulations of Sejm work. Deputy Szczepan Balicki works on the Legislative Commission which is involved in analyzing all legislative initiatives. Thus, there is a great deal of work that arises from being appointed to Sejm commissions.

On the other hand, we are especially interested in social policy in its broadest scope. While it is necessary for us to conduct a market economy, at the same time we must remember the fundamental needs of society, above all the needs of families. For example, the issue of demographic and housing policy and education and upbringing are related to this. In this area, we shall closely investigate the legislative work of the Sejm and the actions of the government.

Another sphere of our interest is international policy. I myself am a member of the Sejm Foreign Affairs Commission. This commission deals with the stability of the international conditions for Poland's security and it observes new phenomena and those dynamics which will determine Poland's place in the common European home.

[RZECZPOSPOLITA] The result of actions conducted until now was that PAX clear sightedly rejected the possibility of the free play of political forces. Now this is changing. Will PAX come out with its own program as a player in this game?

[Wojcik] For a long time now we have been discussing the need to act as a party, or a political party. Moreover, in spite of the fact that PAX has association status, it actually plays the role of a party. We have always been in favor of the need to develop democracy within our social system, in favor of parliamentary, indirect, i.e. electoral democracy—to the Sejm, to people's councils and to the self-governments. We are pleased that many of our proposals, such as the proposal regarding the indispensability of alternative socioeconomic programs have become obsolete, since they are already in effect. Of course, the extensive changes that are occurring also confront our movement with the need to renew and thoroughly reevaluate our programs. And this process is ongoing.

POLITYKA Weekly News Roundup

26000732 Warsaw *POLITYKA* in Polish
No 35, 2 Sep 89 p 2

[Excerpts]

National News

[Passage omitted] After appeals by Lech Walesa to help the new government, the wave of strikes has gradually ended.

Activists of the nationalist movement decided on 26 August 1989 to renew the activity of the National Party.

The CSSR ambassador to Poland was handed a protest note over the construction of the coke plant in Stonava, next to the border with Poland and a reminder concerning damages for the pollution of the Odra with mazout in 1986.

On the 21st anniversary of the intervention by the Warsaw Pact in the CSSR, there was a demonstration under the slogan "No More Fraternal Help." It was organized by the Cieszyn Homelands, the Solidarity Citizens' Committee, and the Polish-Czechoslovak Solidarity Group.

The employees of Hortex in Szczecin during their strike carted the director out of the plant in a wheelbarrow. The workers' self-management had twice given him a vote of no confidence according to *GAZETA WYBORCZA*. The director did not agree to any pay increases even though the financial situation of the enterprise could provide for them.

A group of PZPR deputies has proposed a law to delete the provision from the constitution that "the leading political force in society in the construction of socialism is the Polish United Workers' Party."

Beginning with the new school year, in accord with a decision by the minister of education, Russians will no longer be a required subject in middle schools in the Konin, Krakow, Lodz, Olsztyn, Poznan, Przemysl, Szczecin, Warsaw, and Wroclaw Voivodships.

Beginning on Sunday, 3 September 1989, the broadcast of special radio programs prepared by the Radio and Television Editorial Staff for Catholic Programs will begin.

Piotr Andrzejewski, a lawyer, will be the candidate of the Solidarity Citizens' Committee in Skierniewice in a supplementary election to the Senate from that voivodship. Piotr Baumgart of Individual Farmers' Solidarity recommended by the Citizens' Parliamentary Club, who in June lost the election in Pila to the only current independent senator, Henryk Stoklosa, did not receive sufficient support. The SD nominated Stanislaw Kersz, president of the SD Voivodship Committee.

The Malopolska is a new international train that will travel between Krakow and Lvov. Krakow also wants to have a direct connection with Bratislava, but the Slovak side sees no need. [passage omitted]

At the Industrial Construction Enterprise in Lublin, the list of names of workers supporting a petition expressing a vote of no confidence in the current Workers' Self-Management disappeared from the office of the plant commission of NSZZ Solidarity. The prosecutor has initiated an investigation into the matter.

On the basis of a decision of the leadership of the Ministry of National Defense, the names and sites of nearly all of the units of the Polish Army have been published. Practically, until now, military censors have permitted the publishing of the names and sites of only a few units and higher officer schools and the names of their commanders.

In Lublin, a conflict has broken out between the Voivodship Confederation of Trade Unions and the NSZZ of the Workers' of the City Transit Enterprise. The Confederation protested against the drastic fare increases for city transit and threatened to undertake protest action. The trade union at the transit enterprise thinks, however, that the increase is not excessive and is a result of the financial situation of the enterprise and the city. The Confederation would do better to protest against price increases for other products and services by other plants, and the threats of protest action by the confederation can in turn lead to protest action by the transit enterprise.

The gmina offices in Zamosc Voivodship are threatened by bankruptcy because the farmers are not paying their agriculture tax, insurance, and social insurance. For example, the Turobin Gmina Office had received only 1.601 million zloty on 10 August, or not quite 0.5 percent of the taxes due. The gmina offices are behind with payments for construction and road repairs; they

are limiting investments already begun. The situation is being saved by subsidies from the voivodship and loans from commercial banks.

LAGA is the Lublin Autonomous Group of Anarchists. A dozen or so of its members are occupying the Lublin International Press and Book Club and demanding the city authorities provide a facility for independent center for free culture.

Nominations. The president has named Jozef Czyrek to be secretary of state and Jerzy Kuberski ambassador to the Vatican. The premier has named Jacek Ambroziak, legal counsellor of the Episcopate and deputy editor in chief of TYGODNIK SOLIDARNOSC, under secretary in the office of the Council of Ministers. The Pope has named Archbishop Jozef Kowalczyk, papal nuncio to Poland.

On the Left

Kiryl Mazurov, deputy premier of the USSR in 1968, who was assigned supervision over the intervention in Czechoslovakia: "Gomulka and Ulbricht were supporters of the harshest decisions. In spite of slight differences, the joint position was that it is necessary to intervene. It was difficult to imagine that there could be a bourgeois parliamentary republic on our borders and that it would drown in Germans from the FRG and then the Warsaw Pact. . . . You want to know if today I would agree to direct a similar operation? No! In no case. But in the specific situation of August 1968, I would without harm to my conscience, and if such a situation occurred again today, I would do the same."

Gen I. Pavlovski, commander of the military forces that intervened in Czechoslovakia: "We had about 500 tanks in Czechoslovakia . . . and frankly society was not friendly to us. In spite of the fact that our army liberated Prague, that together with Czechoslovak units we participated in the armed struggle against Hitler, every Czech had a right to feel wronged. Why did we come? We dropped leaflets from planes explaining that we had come for peaceful purposes. But you know that if I, an uninvited guest, appear in your house and begin to boss you around, no one would like it. It has become the habit in the Soviet Union to criticize everything. Everything was bad! But if one examines the military-political situation at the time? My views have not changed."

The Romanian Communist Party has 3.8 million members of whom 55 percent are workers employed directly in production, 18 percent are farmers, and 20 percent are intellectuals.

N. Ceausescu in response to a question from PRAVDA about whether he sees a need for transforming the mechanisms of cooperation among the CEMA member countries: "The organization had a significant role in the cooperation and development of the socialist countries. Some mistakes were also made, and they must be removed. But it is impossible to deny what is good. In

the opinion of Romania, the current CEMA mechanism serves the current conditions, and there is no need to change it or substitute something else for it, especially something unknown." [passage omitted]

The opinions of the residents of one Hungarian village concerning political parties. Several residents have become members of the Democratic Forum. "But there are those, who have no affiliation among us." The older peasants say the MSZMP is a better organization. "Its members are important, educated people one can respect." They also say that they themselves would join a peasant party, but there is none. "The Populist Party looks down on us; it does not have the courage to put the word peasant in its name." "The Small Farmers' Party is an organization of farmers from the city. They do not smell too much of the countryside inasmuch as you do not see them here." "The social democrats by name are too similar to the MSZMP." The Christian Democratic Popular Party—"why do they not say whether it is a catholic party or a reformers' party." According to a survey of public opinion 28 percent of the residents of rural areas would vote for the MSZMP, 13 percent for the Independent Hungarian Democratic Party, 12 percent for the Hungarian Democratic Forum, 10 percent for the social democrats, 9 percent for the Union of Young Democrats (FIDESZ), 8 percent for the Small Farmers' Party. Other parties would received from 3 to 6 percent of the vote.

Will Karoly Grosz leave the political scene? From comments for the NEPSZABADSAG: "It is for the party to determine whether I participate. Even if I myself wanted to retire, the deciding vote would belong to the MSZMP. . . . The opinion that the primary cause of the current problems is the struggle for power, which has broken out in the party, has been widely distributed. In no case do I want there to be a struggle for power. That would not be good either for the party or the country." [passage omitted]

Opinions

Marcin Krol, columnist:

(RES PUBLICA No 2, 1989)

"In Poland—the only source for ideological identity in use is the tradition of political thought, a tradition, in my opinion, that is largely dead. In spite of the appearances, the organizers of new ideological groups are aware of the situation and are attempting to arouse some signs of life from that tradition by reaching for breath-taking combinations of ideological traditions. They combine Christianity with liberalism, christian democracy with socialism, nationalism with the Pilsudski tradition and so forth. Such copies cannot lead an existence of their own, so the next portion of time is devoted to discussing them and putting them in such a form that the viewers are not petrified."

Alfred Miodowicz, chairman of the OPZZ:

(ZWIAZKOWIEC 27 August 1989)

"I repeat, pluralism, yes, but with a great dose of political manners. We are for competition but also for cooperation.

For clear situations. It is necessary to clearly delimit union and political activities. But it is also unimaginable that someone belong to the party and the NSZZ Solidarity or to our union and the Solidarity Citizens' Committee. Such dual attitudes would be dangerous for both sides; it would confuse people. In spite of appearances, it would hamper, not facilitate cooperation."

Dr Jerzy M. Nowak, director of the Department of Studies and Planning of the Ministry of Foreign Affairs:

(Interviewed by Anna Bilska, KONFRONTACJE No 7-8, 1989)

[Answer] Talks on a restructuring of the Warsaw Pact that would better adapt it to the changing situation in the world, in the socialist community, and contribute to the democratization of internal relations, demilitarize foreign policy, be an affirmation of the free choice proclaimed by the Soviet Union (marking a separation from the beliefs of the Brezhnev doctrine) have been under way for some time. I do not claim that the process has been easy: the same difficulties and resistance encountered in all changes in the socialist block appear here. Nevertheless, we have made progress. The CEMA, which was formed during the Stalinist period requires similar modifications, for it no longer is suitable to the reforms or the interests of the concerned states. [passage omitted]

Artur J. Kowzan, president of the National Board of the Society of Friends of Grodno and Vilno:

(Interviewed by Michal Boltryk, KONTRASTY August 1989)

[Question] It seems that in Torun there is a national Society of Friends of Vilno. Do the activities of the two societies not duplicate one another?

[Answer] Personally, I am for combining with the Torun society.

[Question] What obstacles stand in the way?

[Answer] Provincialism and regional views.

[Question] Whose?

[Answer] Ours and the people in Torun. A large number of the members of the Society in Bialystok does not even want to consider it. Dr Elzbieta Feliksiak, an employee of the Bialystok branch of Warsaw University, is an activist in our Society. It turns out that she is a member of the board of the Torun society. In Bialystok she has been accused of betraying the interests of the Society of Friends of Grodno and Vilno. A complete absurdity. . . .

[Question] How has the Polonia in the east received representatives of the Society?

[Answer] They are a little surprised that there are so many societies in Poland. They would like to cooperate with one of them, establish closer contacts, but they do not know with whom.

Jerzy Robert Nowak, secretary of the SD Central Committee:

(KURIER POLSKI 25-27 August 1989)

"A venerable friend of mine, an unaffiliated professor of law, a former deputy from the post-October thaw, more than once pointed to Solidarity's failure to organize its own independent Society for Polish-Soviet Friendship in 1981 as a great mistake, for that would have shown that Solidarity is not opposed to the USSR as such and would have liquidated the monopoly of Polish-Soviet friendship by one party. I fear, however, that even 10 Solidarity Soviet-friendship societies would have made no impression on Brezhnev. The situation today with Gorbachev is different. Why should the coalition of Solidarity, the SD, and the ZSL not support the formation of a completely new volunteer Society for Polish-Soviet Friendship, separate from the bureaucratized version, a society supporting an authentic USSR. For example, by creating an Aleksander Hercen Polish-Russian Society led by people like A. Michnik, A. Drawicz, S. Bratkowski, a Polish-Lithuanian Society, etc."

Andrzej Wielowieyski, deputy marshal of the Senate:

(Interviewed by Leszek Michalski, TAK I NIE 18 August 1989)

[Question] . . . You now belong to the elite of the authorities, and sharing responsibility for the empty shelves now also falls on you.

[Answer] What you say can be treated as a great project by some party activists; it suffices to mention the current first secretary of the Central Committee, Mieczyslaw F. Rakowski. In a confidential letter 18 months ago and in his speech at the plenum of the Central Committee in January 1989, he clearly outlined the need to draw Solidarity into the system of power. He said in January—look if the situation continues as it has, we will get uglier and weaker, more depressed, and they will get more beautiful and stronger. We must see to it that they too are uglier, that they too are involved in the structures of power. That was the idea, a rational and sensible idea—playing with his cards up.

The opinions and views quoted in this section do not always agree with those of the editors.

YUGOSLAVIA

Former FEC President Ribicic Interviewed

90EB0036A Zagreb DANAS in Serbo-Croatian
3 Oct 89 pp 13-15

[Interview with Mitja Ribicic, former chairman of the Federal Executive Council and Presidium of the League

of Communists of Yugoslavia (LCY) Central Committee, by Gojko Marinkovic: "No Vote Is Taken on That"; date and place not given]

[Text] Mitja Ribicic, once chairman of the FEC [Federal Executive Council] and of the Presidium of the League of Communists of Yugoslavia (LCY) Central Committee, to list just two of the offices he has held, is today a pensioner. He is a member of the Council of the Federation, which, as he says himself, means nothing, and he is also active in the Interaction Council of Former Presidents and Prime Ministers, a specific international organization which does not enjoy a very high reputation in Yugoslavia. But when we were deciding on who from Slovenia to interview concerning the "misunderstandings" that had arisen over adoption of the Slovenian constitutional amendments, the choice fell on Ribicic. We felt that he would have something to say and would know how to say it. This interview was done just a day after "Zdravljica" was sung for the first time in the Slovene Assembly, and, as Ribicic himself informed us, in a room which had once belonged to Kardelj in the headquarters of the Slovenian Central Committee, and to some extent that determined our first question.

[DANAS] After adoption of the amendments, the statement Kardelj is supposed to have made to the effect that Yugoslavia is only a passing creation has become relevant once again. Now, some people are trying to argue that this is just an effort to carry out an old scenario.

[Ribicic] The amendments in dispute are not debatable at all, and the one about self-determination least of all. This is the principle attributed to Lenin, since he felt that Russian expansionist nationalism would cause the Soviet Union great trials, which now after so many decades has proved to be the case. The principle of self-determination was there both in our working class movement and also in bourgeois Yugoslavia. It is also in the 1934 agreement among the Yugoslav, Austrian, and Italian parties, when those parties committed themselves to the self-determination of the nationalities of Yugoslavia. It was there in the National Liberation War, and it is valid for all our nationalities. Tito used it many times, especially with respect to those nationalities which have not been constituted as a state. That is, if the Slovenians write this down in a constitution, that is really their sovereign right, and any insinuation that that signifies secession is a lie and a fakery, it is incitement of the masses.

[DANAS] But how do you interpret that thesis attributed to Kardelj about the passing nature of Yugoslavia, which Cosic discovered?

[Ribicic] Kardelj said several times that our country is neither a confederation nor a federation, that it is a specific creation and that we will constantly have to look for new forms again and again in which the class aspect and the ethnic aspect will seek a synthesis at the level of the productive forces. That is an enduring democratic process. Cosic is misusing a conversation in order to

confirm certain theses of his own which are deeply conservative, and they actually come down to creating a state in which an expansionist Serbia would be dominant. He would turn over the Western part of the country to the Italians or someone else, since we belong to some other circle. He is really breaking up Yugoslavia, and that must be clear to us, but we do not have a clear idea as to why people are not setting themselves apart from his views. It is the same as though we were not to distance ourselves from those theses that aim at creating some kind of Catholic federation. Although this idea does not exist in the people, does not have support, the League of Communists is not setting itself apart distinctly enough. A few days ago, the people from the coast said: We could be in some other federation, but who would enter a federation in which they would no longer have their language, nor their culture, in which our nationality would no longer exist?

[DANAS] Nevertheless, were there certain concrete reasons why Slovenia chose this moment to set down in their Constitution the right to self-determination all the way to secession?

[Ribicic] Travel through Slovenia, ask people on the street, and you will see that no one is in favor of secession, but there is a fear—after these trials in the military court, the debates about language, threats with the Army. People are afraid of a federation in which the Republic of Slovenia would be negated, in which there would be a threat to the Slovenian language, if that language does not threaten anyone. It threatens only those who think that when they speak Serbian, the whole world understands them. As for economic independence and the right of every nationality to dispose of its total potential and results, that has already been set down in the Croatian Constitution, and no one has said up to this point that that article is unconstitutional. When it comes to the Army and interventionism, I think that every adoption of emergency powers must be decided in agreement with the republic. And the emergency powers in Kosovo are not some invention of the Federation, but were instituted under pressure from Serbian politics. It is in the interest of our armed forces to draft something like that into the Constitution, since otherwise it could become a means of resolving interethnic disputes, a weapon which one nationality uses against another nationality. And that is then the end, the collapse of Tito's Army.

[DANAS] You have been in politics a long time, and you certainly recall that in 1981 the LCY Central Committee took action on emergency powers under special instructions from Comrade Tito. There are many guesses about what that document says, and I suppose there have also been abuses?

[Ribicic] States of emergency have not been fully dealt with in our constitutions and laws. There are only certain guidelines. I think that we have the job of dealing with

that. And the Slovenian amendments are a suitable occasion for that. As for Tito's instruction, it should be seen, published.

[DANAS] The disagreements between the Army and Slovenia have lasted for some time now. How do you interpret this attitude of Slovenia toward the Army?

[Ribicic] At the unit level, in the garrisons where the officers are mostly of another nationality, there are no great problems. This cooperation is even better than in other republics. But it is true that there are some problems. For instance, we in Slovenia feel that the appropriations for the Army are too high. We also think that our Army is lagging behind certain processes in other armed forces with respect to modernization of military life. The garrison way of life has in a way become outdated, just look at the traumas young people go through when they go off to the Army. Then the idea of doing military service is far away from one's own region, and then the length of the period of service, and so on. Then there is also the attitude toward science. The Army ought to be that scientific institution in the country which is at the top of the country's economic, scientific, and technological development.

[DANAS] But probably there are also disagreements of a political nature. For example, in the LCY the Army figures as a ninth organization, one that is not based on geography?

[Ribicic] That is another issue which immediately evokes an emotional reaction, and it is said that the purpose in raising this problem is to depoliticize the Army, to isolate it. Let us understand one another, I do not favor taking from the Army the right to offer political assessments, but if the Army has its opinion and position on something, then it should discuss it first with the one it concerns. For instance, if something is written in MLADINA about the Army, and the writing is not objective, is tendentious, is not civilized, then it should call attention to this and discuss it at once. Furnish counterarguments right on the spot. This would mean much more than making an analysis somewhere else and then having that analysis perceived as someone else's. Anyway, as far as MLADINA is concerned, if we had a law-governed state and if it reacted to every incident, then MLADINA would soon go under, since it would constantly have to pay damages for the insults it publishes. This, of course, applies to them all, not just to MLADINA, but in this respect we still do not have order, we are not a law-governed state, we are still an anarchy, a semi-Partizan state.

[DANAS] Recently, one gets the impression that there is a constant conflict between Serbia and Slovenia. Did the last meeting of the LCY Central Committee also demonstrate that?

[Ribicic] This is not a conflict between Serbia and Slovenia, nor is it a conflict between Milosevic and Kucan. That is an oversimplification. But it is true that the command staff in Serbia has initiated a broad

campaign against adoption of the Slovenian constitutional amendments. Incidentally, in the absence of the chairman of the SFRY State Presidency, did the vice chairman not convene a meeting of the Presidency, a meeting of the Federal Executive Council, a session of the Assembly, a meeting of the LCY Central Committee? This was an organized action initiated with the slogan: Slovenia wants to secede, wants to change Yugoslavia's constitutional system. The scenario was very clear, and it was set in motion by the center of that antibureaucratic revolution, which I consider to be the greatest bureaucratic counterrevolution that has recently occurred in our country.

This is a large conflict with Serbia, that is, with the so-called antibureaucratic revolution. There is the quarrel with Macedonia, the quarrel with Bosnia-Herzegovina, since the integrity of the republic is being contested from Seselj to Cosic, and then there is the quarrel with Croatia. There is a conflict with Markovic. In essence, there are two concepts involved. It is not a question of the Slovenian and Serbian options, but of whether Yugoslavia will be a federal state on the pathway of the profound changes in civilization that the contemporary world is passing through. And certainly about whether the LCY will be up to its historical task. The disintegration of the League of Communists could result in the disintegration of Yugoslavia, since it is the LC [League of Communists] that should be the cohesive force. On that account, I was disturbed all the more by the political maturity and level of this party leadership, by the manner in which the meeting was conducted. Believe me, it is difficult to find a party committee or an obstinate committee whose meeting would be so poorly conducted and prepared, a meeting that was below the democratic and professional level that has been achieved.

[DANAS] This meeting also raises another major issue: democratic centralism and the right of the minority. After all, if two parties (the Slovenian and Croatian) are outvoted, how are they to be brought into line, how are they to be made to see reason, by force of numbers...?

[Ribicic] This meeting demonstrated that there are forces within the LCY which, if given a chance, could create a Yugoslav synthesis. I am referring here in particular to Racan's speech at the very end when he raised the question of how to arrive at a synthesis in the constitutional system, that the Slovenian Constitution should not be taken as the only problem, but that the overall situation in Yugoslavia should be discussed. Then we must also raise the issues of other constitutions, rallies, and other things. But the rights of the minority that has come into being in the LCY should be respected here. It consists of Slovenia and Croatia and I think also of Bosnia-Herzegovina, and even some people in Serbia. Finally, there were also two Albanians who voted against the positions.

[DANAS] Those are the two Albanians already described....

[Ribicic] For that reason, they should not be described. We also need to evaluate this Vllasi trial. We are now convicting him of things for which we could convict all of Slovenia, Croatia; they should all be put in isolation.

[DANAS] The phrase "healthy forces" is often used in Slovenia for the wartime generation which is now leaving the stage?

[Ribicic] I think that the old, Partizan generation is as a whole supporting these constitutional amendments and our Central Committee, although there are differing shades of criticism. In this generation in particular, there is a noticeable fear of reacting with repression, not just with political weapons. And that is precisely the advantage of Kucan in reacting with political weapons, not with the police, the courts, anathema, or prohibitions. If you asked Popit at this point, he would certainly be in favor of the amendments, but he has not been criticizing the Central Committee for that, but because we have been neglecting ties with the Army, because we have not been sufficiently in evidence in Yugoslavia, because we have not been taking part fully enough in building the synthesis. Nevertheless, the method of his criticism was such that he experienced a defeat; his criticism was too general. No one in the old generation was in favor of this kind of criticism of Kucan's policy. Kucan is a sensible and intelligent man who knows how to articulate his positions, who knows how to fight, who has sufficient Marxist and ethnic awareness. It will be difficult for the person who succeeds him, since he constantly persists in saying that he does not want to be chairman any longer. But if there is no conflict with Kucan, there is with the alternativists, who would like to reduce the entire war and revolution to a Comintern plot. Liquidation of the Home Guards, the Dachau trials, Goli Otok ... all of this has been used to prove the thesis of the Comintern's plot. However, you see, the autochthonous achievements of our revolution broke through into the foreground of Slovenian public life in this debate over the amendments. These include Cankar, Cebine, the Kocevo Parliament, AVNOJ [Anti-Fascist Council of Peoples Liberation of Yugoslavia], Tito and his approach to the nationality question, the eighth congress, and so on. The alternativists with their theses about the Comintern have not been able to obtain even the slightest support. For the old generation, for me, for example, this is the greatest result of what we have been creating over 40-50 years.

[DANAS] You spoke about a scenario directed against Slovenia, but does that scenario not go much deeper and broader?

[Ribicic] That would have to be analyzed, but one thing is clear: That structure which came into power with rallies is no less bureaucratic than the one that departed. I do not wish to idealize those who departed, but those who have arrived have still less receptiveness to democracy and to the aspirations of the people, they know less.... But they know that they cannot fulfill the promises which they have made, they know that they will be

the next targets of the people's anger. Which is why they have been reacting with anger and nervousness. It was clear from the speeches of Trifunovic and others in the LCY Central Committee that it is anger, not arguments, that they are expressing.

There is disbelief as to the possibility of building an up-to-date, modern federation which will merge at the top only what is necessary, so that the Federation does not become all entangled in language, say, or culture. Processes are going very slowly, since there is resistance not only from the bureaucratic counterrevolution, but also from those forces in the Federation which have privileges. Not a single chairman of the FEC has so far been able to reform the administration; the Federal Secretariat for Foreign Affairs ought to be the country's office for economic public relations, and it should not be engaged in high-level politics. As soon as someone raises the issue of structure, since it is mostly Serb, he is immediately said to be on the line of nationalism and chauvinism. But that issue has to be raised, and I should add that I do not believe that nationality should be put ahead of professional competence. Then there is the question of the openness of our borders. It is my opinion that Yugoslavia should make the transition from military to civilian borders. Or, finally, why should the secretary for national defense not be a civilian, and then let him fight for the Army in the Assembly, not in the general staff? We now have a situation where the secretaries for national defense, internal affairs, and external affairs are not accountable to the Assembly, but to the Presidency. And that should be changed, why are we afraid of the assembly system? We have a great deal of parallelism, duplication. This is inefficient and expensive. All of this takes away from the prestige of the Federation, especially in those republics which are slightly more advanced, which have solved some of their own problems and which no longer find the Yugoslav market sufficient. In essence there is an economic interest behind this policy of Milosevic's (bilateral arrangements, the consensus economy, internal redistribution...).

So, many changes have been late in coming. Everything appeared fine at first, pure as a teardrop, but actually the dust and trash were getting swept under the carpet. We never opened the doors and windows to let in a fresh wind. And that is why we now have alternativists and others, and I think that some things are going much further to the right than I like. Progressive, social democratic, communist, and other forces in the West are now afraid of these events in Poland, Hungary, the Soviet Union, since they say that the right is getting stronger, which is in fact normal and natural, since it was all pushed aside by the radicalism of the one-party idea. That is the case even in Slovenia. I think there is quite a bit of anticommunism. I fear most that even young people are being deceived by those things. Yugoslavia is living through difficult times, but we must hold out, and salvation lies in guiding the situation, in steadying the ball, in calming the euphoria, and not thinking that this

now is a defeat of Serbian policy or a triumph of Slovenian policy, but let it be taken as a tie in which there is no need to take penalty kicks.

[DANAS] That is reasonable, but what are you going to do when the chairman of a party is rattling his saber and saying that the YPA [Yugoslav People's Army] belongs to him?

[Ribicic] I think that the Army and the SFRY State Presidency should react; it makes no sense at all to incite people. There will be some more shots exchanged, but we in Slovenia must also be a bit more concerned about Yugoslavia, demonstrate that we are not in favor of secession, that we are actually strengthening Yugoslavia.

[DANAS] You are rather critical of the alternativists?

[Ribicic] The alternativists are necessary, but I am critical of the right-wing alternativists. I am afraid, for instance, of clericalism.

[DANAS] But the essential thing determining the Slovenian alternative is nevertheless the plural idea?

[Ribicic] That is constructive, perhaps I am too critical of certain things. Still, I am a conservative, you know. But it is difficult to be an alternative to Kucan. Every day he really takes the wind out of their sails, he is quicker and better at putting certain problems on the agenda. He has taken all their points away. At the LCY conference, he presented programmatic visions which are the farthest anyone has gone with a program for getting out of the crisis.

[DANAS] How objectively strong is nationalism in Slovenia?

[Ribicic] As strong as unitarianism makes it. It is difficult to fight one's own nationalism when the battle against unitarianism is not being waged in the Federation. Kardelj always said: Fight against nationalism at home, but against unitarianism in the center, but since concessions are being made there to the unitaristic and centralistic approach, this strengthens nationalistic actions in our republic.

[DANAS] Is nationalism even becoming a factor in the conduct of official Slovenian policy?

[Ribicic] I have already issued a caution about clericalism, but I think that what Kidric called elitism is a greater threat. This is the approach which thinks that intellectuals are some kind of salt of the Slovenian people who will govern in the name of the Slovenian people and the working class, that is, this is an approach which does not see that the working class is actually the elite of the Slovenian people. I am not referring here to the working class consisting only of workers in blue smocks, but also of the entire technical intelligentsia, all those who contribute directly to production.

[DANAS] You had difficult moments as chairman of the FEC, is there something there which reminds you of this present situation?

[Ribicic] In 1968, after the intervention in Czechoslovakia, I had difficult conversations with Kosygin. Actually, it had to do with the theory of limited sovereignty that prevailed at the time. I think that today that theory is in effect in Yugoslavia. What happened in the meeting of the LCY Central Committee was limited sovereignty. One republic was outvoted, it was supported by a second republic, but the Slovenian League of Communists was outvoted in the League of Communists of Yugoslavia on a question which is the sovereign right of Slovenian people and Slovenian Communists. This is its right to draft its own constitution and its own constitutional system. There can be no outvoting on that. You can say that you do not agree, you can institute proceedings to change things, but in some other way, not by voting and outvoting. I would agree with what Setinc said: First, these amendments are not anti-Yugoslav; second, we all voted for them; third, this did not threaten Yugoslavia. I would also add that this is the first time since 1937 that the Slovenian party has been outvoted concerning the sovereign right to decide itself how it will act in the interest of the working class and its own people, to which it is in fact accountable for its work. And it is important here that we were supported by many comrades on the Central Committee, that we were supported by the Croatian party, especially since it has a sizable number of Serbs. Kucan in the end said a bit emotionally that we cannot go back to Slovenia as Quislings. He will be attacked here with a full cannonade. But I think that he meant to say that we cannot behave contrary to the dominant interest of our people.

Tectonic movements are occurring in the world, immense structural changes, the technological and scientific revolution, the world is different from what it was yesterday, relations in Europe are different, relations in the socialist world have changed, and we seem not to see those changes. Yugoslavia's main weakness is that it spends too much time revolving around its own problems and it is not enough just to say that we want to join Europe and European politics.

[DANAS] But the question is whether we will enter Europe as lackeys or as equal participants?

[Ribicic] Our behavior is exactly that of lackeys. We are constantly begging for dollars, but we do nothing to understand that Europe, to move closer to it, not to beg for them to accept us in Europe, but rather so that it will be happy that we are with it.

Impartiality of TANJUG Questioned

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3 Oct 89 pp 28-29

[Interview with Mladen Arnautovic, editor in chief of TANJUG, by Milan Jajcinovic: "TANJUG Completes the Circle"; date and place not given]

[Text] Is Tanjug still truly Yugoslav, or did it long ago give up that attribute? Has it become a "part of the propaganda machine of the antibureaucratic revolution," a "Serbian agency," or perhaps "not Serbian enough"? Are there grounds for the assertion that "it does a poor job of supplying information about Slovenia"? Will its monopoly as a state agency soon be destroyed, or are the threats about establishment of new wire services without foundation? Of course, the discussion of Tanjug does not end with those questions. After all, speaking about Tanjug without beating about the bush means speaking about what is called Yugoslav information space. That is, about the professional ethics of journalism, about guild solidarity and "doing things out of spite," about "ours" and "theirs," about civilized standards in politics.... As a matter of fact, it means speaking about Yugoslavia.

The recent tenfold rise in the price of the news which it supplies and the threat that it will terminate this service unless the radio-television studios pay it, and their hesitation to do so, has brought Tanjug into the focus of public interest once again. Yugoslav radio and TV studios saw Tanjug's decision as an ultimatum (since the Tanjug people said that beginning on 22 September they would stop sending the news to radio-television centers unless they accepted the price), while for the agency it is an altogether reasonable and logical consequence of economic reality. Mihajlo Saranovic, who at one time was Tanjug's correspondent from China and is now its general director, said at the time, "Representatives of radio and television are obstinately refusing to grasp the fact that the present price of the general service is in fact a remnant of administrative-bureaucratic relations in our country, so that their game with percentages signifies an attempt to play games involving Tanjug.... For years, we have warned them that they are paying only as much for the 500-page book of our news which they receive every day as they pay for their own entertainment or weather reports, for example."

Dissatisfied With Tanjug

Last week, representatives of Tanjug and Yugoslav Radio and Television [JRT] nevertheless did agree after a 4-month tug-of-war, a deal was struck. The FEC [Federal Executive Council] insisted on the agreement. But that will probably not be the end of Tanjug's troubles. That is, one needs only to go to any republic radio-TV center and see the magnificent "space-age" edifices of its negotiators and compare them to the building in Obilic Venac. To see there the most modern equipment and to compare it with the equipment at Obilic Venac, which is lagging behind Zimbabwe and Angola. Take a peek at the payroll, then it is still more discouraging for Tanjug. In spite of the extremely high level of qualifications, Tanjug personnel have had a salary averaging 816 million only since quite recently. Even a beginner working in the city department now gets that much. What is more, last year they allocated only one apartment. Thus, by all appearances Tanjug is completing the circle. That is, having moved from the

wilds of Bosnia in early November 1943, from the naked and barefoot conditions of wartime, it seems that the wire service of the new Yugoslavia is going back to its beginnings.

Offspring of the State

As it spread the truth about the new Yugoslavia, Tanjug grew along with it. It was the "offspring" of the state, and it lacked for nothing. The nature of the state was clear, as was its interest and Tanjug's task in that connection. The problems begin at the point when power was taken away from the federal state. The institutions that were once above the nationalities and the republics began to hover, they were neither in the sky nor on the ground. The plundered state did not renounce them, but it was powerless to help them. The republics had no interest in them, since they had their own substitutes. But everything still continued to operate well—maintained by the prestige of Tito and Kardelj, which still had not been undermined. But after their death and the assault of the political coroners disguised in the academy togas of fighters "against all taboos" destruction of the very foundations of the SFRY began. Whereas previously the pickaxes were used because it seemed to some that the unitaristic odor was making its way through under a Yugoslav cover, in the last several years the political demolition experts have been using their dynamite to destroy those same foundations, since they are convinced that they were not built with enough unitarian cement. Both groups have their followers among journalists as well. Where do the Tanjug people stand on this?

It is 3 years now since the criticism came from Slovenia to the effect that Tanjug was censoring the news. Later, there were people in both Slovenia and Croatia dissatisfied with Tanjug's reports from Kosovo. In Serbia, it has been criticized for a long time for not having sufficient feel for everything that has happened in the last 2 years. Through its "ministry of truth"—headed now by Aleksandar Prlja—Serbia has begun a media offensive so that the "truth about Serbia" gets out to the world. In a meeting of the Presidium of the Slovenian Republic Conference of the SAWP [Socialist Alliance of Working People], it was said that they ought to establish their own national wire service since Tanjug was not sending out "authentic information from Slovenia." Then, an article by Misa Renko appeared in DELO entitled "Tanjug, Do Not Lead Us Into Temptation," which led Slobodan Nesovic to send a letter to NIN and "recall" the historical roots of Slovenian "provincialism." Nesovic wrote: "Some Slovenes (I do not know who, otherwise I would give their names) have behaved in a provincial manner toward the institution of Tanjug, as it was referred to by its founder Mosa Pijade, since back in 1944, lacking the necessary feeling for the necessity of Yugoslav community which alone was capable of preserving and protecting the very identity of the Slovene people under those wartime conditions. Out of the correspondence (October 1944) between Mosa Pijade, who was working in Moscow, and J.B. Tito, I extract for this occasion only the passage listed under 4), in which Pijade apprises and

advises Tito what he is doing: '4) Please order TANJUG to issue more extensive bulletins and stories about collaboration with the Red Army and about the battles for Belgrade. Order the Slovenes to put an end to their provincialism once and for all. They can never learn to use their station to supply news from Croatia and Bosnia as well, although I spent 3 entire months teaching them that every day. In the end, this is arrogance, so much provincial narrowness and selfishness.'"

Censorship in Belgrade

The media war is rumbling throughout Yugoslavia. The supreme principle of behavior for many people becomes: Shoot it down. But not the opinion, rather the person who uttered it. The Big Berthas of Yugoslav journalism are constantly emitting their stupidities with a roar. The principles of the profession—objectivity, morality, and refinement—often become unnecessary "gilt," something that stands in the way of serving the "higher interest." Has Tanjug given in to the temptations of a disturbing reality, how justified is the criticism addressed to it, has it remained unbiased and preserved its Yugoslav attributes in the present conflicts? We spoke about that with Mladen Arnautovic, its editor in chief.

"Tanjug is a Yugoslav institution even today," Arnautovic is convinced. "But it is sharing the destiny of the present moment in Yugoslavia. Tanjug's newspapers are human. Everything that happens in Yugoslavia is refracted in their heads as well, and so also through their articles. We have 76 journalists in the republics and provinces, and although we have a uniform editorial policy, we try to reflect in our news all the specific features of the republics and provinces as well. The most important thing is for us to be objective and informative, to give all the facts. In doing this, we always avoid mention of verbal abuse, serious name-calling, crudeness, and primitivism (while we were talking, a news item came in from Titograd about the protest against the Slovenian amendments which mentioned the shouting of "Slovenia is lying" and "Arrest Kucan," which after clearance and editing of the report was omitted—M.J.), but the essence has never been lost. Of course, in all the events today many people think that we ought to be more on their side, but we want to be a Yugoslav institution."

[DANAS] Does all the news really have to go through Belgrade, when you already have editorial offices in the republics and provinces?

[Arnautovic] If that were not the case, Tanjug would cease to be what it is. Then it would be an assemblage of republic agencies, and the building in Obilic Venac would only serve as their technical support service. In that case, we would be like KOMUNIST. We would carry on a debate with one another. There is no filter or censorship in Belgrade. Incidentally, our collegium meets twice a day, and the interrepublic collegium at least once a month. Aside from that, we also have an editorial policy which we have to respect.

[DANAS] There are those who think that Tanjug is being transformed into a "Serbian agency...."

[Arnautovic] Tanjug would destroy itself if it unscrupulously took the side of one republic or nationality. We report on everything that happens in the country. We also report the so-called pouring of oil on the fire, but we ourselves do not want to pour it. We try to be as objective as possible. For example, that is why we give everything that happens in the SFRY Assembly and Yugoslav Central Committee, and let everyone take what he needs. We insist on that voluminousness even to the detriment of professional quality.

[DANAS] If Tanjug is a Yugoslav institution, how is it that of the 76 candidates for 17 positions as correspondent only 1 newsman was selected from outside the Belgrade editorial office?

[Arnautovic] One of Tanjug's limitations is its ethnic composition. In Slovenia, say, only three of the eight people employed in Tanjug are Slovenes. Perhaps the low salaries are the reason for that. In order to keep people in Ljubljana, we pay them 25 to 30 percent higher personal incomes than the Tanjug average. But the problem is not just with Slovenes. Until recently, we had no Hungarians or Albanians in the editorial offices. That is, we have been unable to choose correspondents according to certain ethnic criteria. For someone to be chosen, he must also be very competent. Incidentally, the fact that Tanjug is not sectarian on this point can also be seen from the fact that recently we took a man from DELO to be the correspondent from Buenos Aires (whom we are now returning since he did not get his bearings), in that earlier, although they were not Tanjug newspapermen, we chose Drago Buvac, Mirko Bolfek, and Zarko Modric to be our correspondents, and excellent ones they were. Is there any newspaper house or radio-television center in the country that can boast of anything like that?

New Wire Services?

Neither Mladen Arnautovic nor the other two old Tanjug hands we talked to—Milenko Babic and Savo Bosanac, take seriously the stories about the possible establishment of new wire services; neither the idea that came from the Slovenian youth nor the one which originated in circles around Yugoslav Radio-TV. But the existence of such an idea has been confirmed by the directors of Zagreb and Belgrade television Goran Radman (more) and Nenad Ristic (less). Radman feels that the information space has developed beyond Tanjug's capability. He believes there is every reason for Tanjug to continue to exist as a national service, but he holds that the possibility is not precluded of the birth of smaller agencies as subsystems that would not only cover the gaps in information, but would also furnish competition to Tanjug. Jozse Smole also spoke similarly a few months ago in a discussion in the Slovenian Socialist Alliance that had to do with the supply of information in the SFRY and in the discussion of Tanjug. Smole

declared at that time that the idea of an independent Slovenian wire service "did not constitute criticism of the work of the Tanjug editorial agency in Slovenia, which does very good work," but that "a smaller service would do a great deal to fill the gaps in the work of the large state wire service."

The directors of the two largest radio-television studios in the country say that Tanjug cannot fully meet all their needs. The director of Belgrade television says that their satisfaction with Tanjug news "depends on the particular case," while Goran Radman says that in the Zagreb television center Tanjug is used more to verify the news than as a basic source. Nenad Ristic says that he cannot criticize Tanjug for the news it carries not being Yugoslav in nature, that by and large its reporting from within the country has been what it should be. Yet Radman feels that Tanjug's Yugoslav dimension is being tested constantly, as indeed it is in all newspaper houses and radio-television centers. Zagreb television had quite a few objections to its writing about Kosovo, "but this could not jeopardize its Yugoslav dimension, but even it is not something outside our reality, something above everything else, nor is it an unquestioned and solitary pivot of the Yugoslav spirit in journalism."

There is no problem agreeing with Radman that Tanjug is not the irreproachable promoter of something that today can only provisionally be called Yugoslav journalism (since it exists more as an intention than an act). That is understandable. That is, even the Tanjug people do not live in a vacuum. So the story about Tanjug is in fact largely a story about journalism in Yugoslavia (it is difficult to speak about Yugoslav journalism) and ultimately about Yugoslavia itself. One can read what Yugoslavia and its journalism are today from the fate of federal periodicals which do not have "their own" republic. The most vivid testimony to this fate was the recent assembly of the Association of Serbian Journalists, held in Novi Sad, when the slate of candidates for the Presidium of the Association of Serbian Journalists did not include the name of a single journalist from Tanjug, BORBA, and KOMUNIST (although together they have about 1,000 journalists). Of course, the attribute "federal" is not an amulet that protects one against all the vices that are so in evidence in this country's journalism.

In a country which is being exhausted by the past and by the incessant babbling about "who will get whom," it is difficult to keep a cool head and maintain neutrality, objectivity, and ethical integrity. But that cannot be a justification for the large number of journalists who are joining the witch's dance of nationalism in which they are waiters serving up countless pieces of confusion cooked up in the political laboratories. There are no greater culprits than those cooks and their waiters, which are causing this country to groan under the burden of insanity, losing strength to "resolve" such problems as the market economy or not, federation or confederation, what to call the language we speak, and so on. All those things, then, which the modern state worked out 100

years ago. Among them, those that with their propaganda bulldozers have pushed on the public the old slogan, now newly varnished, about the "nationality that created the state," which along with "honest Yugoslavs" is "the only one concerned about Yugoslavia," in contrast to the "separatists."

A time has come in which even heads that once were cool are becoming ethnic medicine men, when even tried and true "lovers of wisdom"—convinced that everything is permitted in the name of a monstrous logic—speak "as coolly as a knife blade." As though a man could live only by the dictates of logic, without any kind of ethics, goodwill, and conscience. As though Heidegger was not logical! In a time when confused broodings about Barbarogeni and silly reminiscences about the necessity for "Balkanization of Europe" are coming awake, there is nothing any longer to wonder at. Not even at the person who writes twice that this weekly magazine is a protagonist of a "very clear Ustasha policy." But if that person dug away at his nightmare just a bit, presumably it would shake him at least a bit, if for no other reason than at least because all the people on the weekly magazine representing "Ustasha policy" are not even Croats, which in the logic which he follows is the basic condition for its being Ustasha. Here, that person is only a specimen of the multitude of those coming from the moral wilderness laden with knapsacks filled with stupidities and behaving like executioners without realizing that they are actually the victims. That is why the questions at the beginning of this article about who Tanjug belongs to today and what Yugoslavia's journalism is today are ethical questions above all.

Constitutionality of Political Associations Asserted

90EB008C Zagreb START in Serbo-Croatian No 537
19 Aug 89 pp 30-31

[Article by Zorna Pokrovac: "Political Association Is (Un)constitutional"]

[Text] The current Yugoslav discussions about political pluralism and the freedom of association, especially the ones about the legal (in)admissibility of founding political associations and parties, are characterized by the strong prevalence of "political" over "legal" arguments, and the direct dependence of legal decisions upon political ones (let me just recall the problems over founding and registering the Association for the Yugoslav Democratic Initiative, the Croatian Social-Liberal Alliance, Green Action, the Croatian Democratic Community, Zora, etc.). Since political decisions are explained by and linked to legal documents (especially the constitutions), I will attempt, using the method of systematic interpretation of the SFRY Constitution, to show the weaknesses of the arguments being used against the permissibility under constitutional law of free political association and a multiparty system in Yugoslavia.

First, however, it will be useful to mention how, in general, one can claim that Yugoslav academic constitutional law theory (much less on less scholarly levels of discussion) has not yet accepted the position that where there is no real pluralism, or where the existing pluralism is not legally recognized (or even legally banned and suppressed), the constitutional system is not even necessary as a means of social regulation. In such social systems, social activity is regulated by means of self-evident values, and a conflict of different interpretations, which in a pluralist society is always either openly or latently present, is not even possible. Or, as Zoran Djindjic briefly says, "Where pluralism is not permitted, the constitutional-legal system is not possible, even if its regulatory capacity were desired. Such societies are non-liberal." Consequently, any argument that finds in Yugoslav constitutions (and especially in the laws) reasons for banning or suppressing political pluralism only confirms the thesis that in our country the prerequisites for a modern constitutional law system still do not exist.

What are the "legal" arguments?

1) *The arguments that political association and a multiparty system are inconsistent with the SFRY Constitution.*

In political discussions, this is obviously the weakest argument. I think that it is not even believed by those who use it, since if it were correct, it would only follow that the constitution had to be changed, in the event of a positive assessment of the creation of a clear constitutional law basis for a multiparty system. Nevertheless, this argument, which is politically the weakest one today, and legally completely untenable, could open the way for a potentially very strong argument, likewise citing the constitution and asserting precisely the opposite: that a multiparty system is not inconsistent with the constitution. I say "potentially"—in the event that our society develops in the direction of rule by a broad consensus that the constitution is the basic (highest) legal and political document on the rights and duties of citizens and the state, and that—if some right is guaranteed by the constitution—one can no longer conduct a legally relevant discussion on the political expediency of exercising some right.

Let us attempt to give a direct answer to a question that Yugoslav constitutional law theory to date has more or less avoided, i.e., the question of the constitutional (in)admissibility of founding political associations and parties.

First of all, one can say the following with certainty: If anything is really inconsistent with the Constitution, then it is the practice of having decisions made on the (in)admissibility of founding political parties made by state political/executive bodies and/or non-state political entities (for example, the Socialist Alliance of Working People [SAWP]). It is within the exclusive jurisdiction of the constitutional courts to decide what is and what is

not in accordance with constitutions, but it is everyone's right to discuss this as private individuals.

Article 167, paragraph 1, of the SFRY Constitution explicitly guarantees the freedom of association (the same article also guarantees the freedom of the press and other forms of information and public expression, the freedom of speech and public assembly, i.e., all those freedoms without which the freedom of association would be meaningless). Article 203, paragraph 1 specifies that "the freedoms and rights that are guaranteed by this constitution cannot (...) be taken away or restricted," from which it follows that the freedom of association cannot be taken away or restricted either. Since from the legal standpoint, political parties are nothing more than a type of free associations of citizens in order to achieve political goals, the argument that the founding of associations that according to sociological and political criteria could be classified as political parties would be unconstitutional, or that the simultaneous existence of several such associations (i.e., a multiparty system) would be unconstitutional, is unfounded in terms of constitutional law. Just as it is unimportant for the historical-sociological, or political-science, method of observation how parties are defined by constitutional law, judicial, or administrative decisions, the name, purpose (if not banned by the constitution), and internal structure of any political party or other political association are irrelevant in exercising the constitutional freedom of association. In the constitutional law sense, an association is any fairly durable and voluntary form of corporate, supra-individual union of several individuals, any organized social group whose existence is independent of changes in its members, any collective body in which one can distinguish action for the group and on behalf of the group, which is joined or left voluntarily. Furthermore, as a rule it is irrelevant whether some specific form of association considers itself political or nonpolitical, a party, or a non-party form of association.

Therefore, precisely on the basis of the freedom of association guaranteed by the SFRY Constitution, one arrives at the conclusion that it is permissible to form associations that in the political and sociological sense would be political parties. Paradoxically, it is precisely the SFRY Constitution that does not restrict the freedom of association, as done by the constitutions of several very democratic countries for cases of association for "undemocratic" purposes. Also important for understanding Article 167 is Article 203, paragraph 3, which stipulates that "freedoms and rights are exercised (...) on the basis of this constitution." It is important because of the widespread practice of unconstitutional restrictions on the freedom of association by adopting legal and sublegal documents. Admittedly, the Constitution itself, through the insufficiently precise provision in Article 203, paragraph 2, creates a possibility of legal uncertainty and legislative arbitrariness when it stipulates: "The means of exercising individual freedoms and rights can only be regulated by the law, and only when this

constitution provides for it or it is necessary for exercising them." The Constitution did not provide for the means of exercising the freedom of association to be regulated by law. If the legislator finds it necessary, for the sake of exercising the freedom of association, to regulate the means of exercising it, it would by no means be in accordance with the Constitution for regulation of the means of exercising it to be turned into regulation of restrictions on the freedom of association.

Even more serious misunderstandings, however, in connection with the (lack of) restrictions on the freedom of association are created by the provision in paragraph 2 of Article 203 of the SFRY Constitution: "The law determines in which cases and under what conditions the exercise of freedoms contrary to this constitution will entail a restriction or prohibition of their exercise." Thus, first of all it is stipulated in the first paragraph of the same article that the "freedoms and rights guaranteed by this constitution (...) cannot be taken away or restricted" (which is unrealistic, at any rate, as I will show), and then in the very next paragraph the legislator is authorized to determine "in which cases and under what conditions the exercise of freedoms contrary to this constitution will entail a restriction or prohibition on their exercise." This is a textbook example of antinomy in the law, especially if one takes into account the provision in the next paragraph of the same article, which provides that "freedoms and rights are exercised (...) on the basis of this constitution"—thus, the law is not mentioned at all. Without going into complex questions of the definition of legal antinomy, it is necessary to stress here that it is the more or less generally accepted position of the task of the interpreter is to use interpretation to eliminate antinomies and allow non-contradictory decisionmaking.

The antinomy cited must be resolved, in order to give all the passages cited a meaning that will not bring them into mutual contradiction. Furthermore, one must start with the notorious fact that the freedoms and rights of a person are always, factually and legally, restricted by the freedoms and rights of another person, even when the SFRY Constitution, in Article 203, paragraph 1, specifies that rights and freedoms are unrestricted, since that same Constitution, in Article 153, paragraphs 2 and 3, quite logically specifies: "The freedoms and rights of a person and citizen are restricted only by the equal freedoms and rights of others and by the constitutionally established interests of the socialist community. Everyone is obliged to respect the freedoms and rights of others, and is responsible for doing so."

What is the meaning of paragraph 1, Article 203 of the SFRY Constitution? In view of what has already been said, the only possible meaning is that all state bodies lower than the creator of the constitution (and both non-state organizations and citizens) are prohibited from using legal documents in general to take away or restrict those freedoms and rights which are proclaimed in principle in the Constitution. That is because the only constitutionally permitted restriction in principle on the

rights and freedoms guaranteed by the Constitution is one originating from the already described necessary reciprocity of individual rights and freedoms.

How can one bring the provision in paragraph 2, Article 203 of the Constitution into accordance with the interpretation proposed above? It follows from the formulation that "the law determines" that the authorization applies only to the legislative bodies. In view of the fact that the legislative bodies are lower than the creator of the constitution, and that the Constitution does not give them the right to take away in principle either freedoms or rights, the meaning of the provision being interpreted could only be the one that authorizes the legislator to regulate situations in which the specific exercise of individual theoretically unrestricted freedoms and rights is a threat to other freedoms and rights proclaimed by the Constitution. When the Constitution prescribes that the law "determine in which cases and under what conditions," then this clearly suggests the conclusion that this is a very restrictive authority, in exercising which one must respect the general constitutional solution concerning unrestricted and inalienable freedoms and rights. The legislator can govern only exceptional cases, with a cumulative regulation of the conditions under which the exercise of freedoms and rights could be restricted or prohibited. Of course, this all assumes that in those cases and conditions the exercise of the freedoms is "contrary to (...) the Constitution." It follows from this that in any law, any provision for "cases" and "conditions" should be cumulatively accompanied by an explicit provision concerning which other constitutional freedom (or right) exercise of the freedom being restricted or prohibited would be contrary to. Consequently, a restriction on the freedom of association should not be based on general reasons (for example, in cases of public security, morality, health, etc.) without citing specific constitutional freedoms and rights.

2) *One more argument appears in political discussions, which actually only modifies the argument already criticized. It is asserted, to be specific, that the SFRY Constitution does not allow the formation of new political parties.*

If the advocates of this position cite the Constitution at all, they usually stress that the Basic Principles of the SFRY Constitution (section VIII) mention only the LCY [League of Communists of Yugoslavia], the SAWPY [Socialist Alliance of Working People of Yugoslavia], and the trade union (it does not say which one). If the mention of these associations (of which only the LCY could be considered a political party) meant that other political associations could no longer be formed, then the freedom of association from Article 167 in the political sphere would be pointless. The existence of numerous other associations, already legally recognized (including political ones also not mentioned in the Constitution, e.g., the SSOJ [Socialist Youth League of Yugoslavia] and SUBNOR [Federation of Associations of Veterans

of the National Liberation War]) best refutes such a conclusion. If even a mention of new associations in the Constitution meant that other political associations could not be formed, then one would have to answer the following questions:

1. How is it that other political associations (SSOJ and SUBNOR) are recognized?

2. How could such an interpretation be combined with the principle of the equality of citizens? If one group of citizens (no matter how politically deserving it is) has the right of political association, and all or most others do not, then the Constitution sanctions the inequality of citizens in a very sensitive area of social life, not to mention the fact that this would also make more or less pointless the freedom of speech and public assembly and many other freedoms and rights, whose exercise in a situation in which organized political associations already exist could only be effective through the formation of new associations. Otherwise, as far as political goals are concerned, the freedom of association is reduced to the right to join already existing associations. A constitution that was actually based on the open principle of the political inequality of citizens, even with the greatest of good will, could hardly be acknowledged as a constitution with legitimate authority, or even a constitution at all in the modern sense of that word.

3) *The argument that in Yugoslavia today political pluralism is only permissible within the framework of the SAWPY (so-called socialist self-managing pluralism), without the creation of parties (in a stricter version, without new political associations at all).*

This argument would not even merit particular attention—because all the criticisms of the previous two arguments apply to it—if it were not frequently and persistently defended by LCY members and forums, even though its logical consequence would be the abolition of the LCY, or at least giving all other political associations the same rights that the LCY has. In the event that equal rights were not recognized, the LCY would necessarily continue to lose political legitimacy, and could only "justify" its privileged status by its historical merits and the theory of acquired rights—by definition, a conservative position.

On the basis of this analysis of the constitutional provisions relevant to the freedom of political association, someone who is not familiar with political realities in Yugoslavia could reach the erroneous conclusion that political association is not problematical. As I have already stated, however, in this sphere political arguments prevail completely over legal ones. That dominance can particularly be seen at the first step in regulating the freedom of association. All existing laws on the social organizations and associations of citizens contain a multitude of provisions whose constitutionality is dubious, to say the least. Much more room would be needed for such an analysis, however.

INTRABLOC AFFAIRS

Future of Europe, Security Scenarios Examined

90EC0112A Budapest MAGYARORSZAG in Hungarian 3 Nov 89 p 6

[Article by Ferenc Kisignacz: "Security Policy—Utopia?—The Future of Europe"]

[Text] Crisis and renewal, search for a democratic way out, and the final hours of rigid, authoritarian systems. There is upheaval in the Eastern kettle. It is showing its Janus face at least to the West.

On the basis of joint decisions reached at the summit level, as well as on grounds of separate, individual decisions, the most highly developed industrial states of the world are searching for ways to stimulate the national economies of the Eastern reform bloc in the direction of indispensable structural change. Choices emerge in the form of economic, financial, and technical assistance, or in the form of advice or the transfer of intellectual know-how to help these economies to at least maintain their present levels of economic performance, or to a possible slow closing of ranks with the West. These economies may collapse, and subsequently may create a threat of explosion unless such assistance is provided. The West does not want this to happen.

Refinements

Changes in the Soviet Union and in Central-East Europe have been examined ever since September at NATO's Brussels headquarters. The purpose of this examination is to lay foundations for a streamlined NATO strategy vis-a-vis the East. In early October, at the Atlantic General Meeting [as published] held in Rome, that body's British chairman, Patrick Duffy, expressed the view that Europe's postwar order is in the process of disintegrating, that Warsaw Pact developments are welcome phenomena, but that they contain a number of uncertain factors. NATO Executive Secretary Woerner said that the organization must support Eastern reform movements, at the same time however, the organization must remain vigilant because as a result of reforms these countries may become destabilized. At the late October international session of the Konrad Adenauer Foundation, Woerner refined his viewpoint: Active support of Eastern reform is in the interest of the West, because such support may contribute to peaceful transition. At the same time, however, failed renewal efforts in the East would confront all of Europe with unpredictable consequences. It is precisely for this reason that NATO must preserve its strength, to enable Western allies to play a key role in the future.

In formulating this new strategy, however, the emphasis shifted to political and security policy matters. At least the scale weighed heavier in favor of such matters as compared to military and military policy issues. In this sense then, NATO's perception represents a certain synchronization with the newly proclaimed Bucharest

principles of the Warsaw Pact which hold that the military organization must be changed into a political alliance.

In any event, the views held by Brussels experts have become crystallized with regard to the depth of the structural crisis that prevails within and between individual member nations of the Eastern military bloc. These analyses foreshadow a threat in which the West must count on a rather unpredictable Eastern reform process, a process which already carries the marks of destabilization. The Warsaw Pact served not only to preserve the European status quo, but also maintained the political status quo in Central-Eastern Europe. The Soviet model was forced on the member countries; these in turn could not question even momentarily Moscow's leading role and right to intervene.

During the past 3 years, however, the hard core of the military organization has begun to fall apart, and cracks have become visible on the fiber of solidarity among the allies, a matter based on general, blind faith. Conditions for political cooperation with the Pact have fundamentally changed in Poland. Hungary is also preparing for a change in the social model. Although Moscow underscores the political character of the Warsaw Pact, it is apparent that these two countries intend to fulfill only their military obligations so that in the end they may achieve the much desired neutral status. The ruling communist parties in Czechoslovakia and Romania have lost their neighbors who in the past always agreed with them on all issues. Despite its renewed leadership, social dissatisfaction is at a boiling point in the German Democratic Republic, and opposition movements are gaining strength. Central-Eastern European parties hope to find a solution either by escaping ahead of the stormy progress of reform, or by defying everything and preserving neostalinist policies.

Most importantly, the Soviet Empire is also experiencing severe crisis. It no longer appears to be willing to slow down the dynamics of development. It no longer regards military intervention in the affairs of countries which may be regarded as les enfants terrible of the Warsaw Pact as salvation or as a possible alternative for sustaining their political systems. Meanwhile, there is also growing tension between those member nations which pin their hopes on reform, and others which defend their dictatorships as the last bastions.

Accordingly, the hierarchical order between Moscow and Central-Eastern Europe is disintegrating. NATO analysts count on the fact that within the Warsaw Pact, divergence stemming from differences in interest will accelerate in the coming years. In the judgment of Brussels experts, despite this accelerating divergence, the military alliance may survive for a long time, may perform defense related tasks, and may play a decisive role in arms control and disarmament processes, although this politically cohesive material would certainly crumble in case of crisis.

Counter-Yalta?

NATO diplomats indicated in September that at their December meeting the organization's foreign ministers would discuss a four phase script for scenarios, under which the Soviet Union and its allies would be called upon to participate in a kind of counter-Yalta.

This still unofficial NATO plan, disclosed in a timely fashion, would build on the internal self-determination of Central-Eastern European countries. Internal self-determination would be established between the individual governments and their respective citizens during the first phase, while the foreign policy and security policy framework determined by Moscow would remain untouched. During this period the progression of various national economies—even though screeching—could also be placed on a track that would force them in the direction of market economies. Limited independence could be formulated during the second phase, but even during this period the states would remain members of the Warsaw Pact. In the third phase, conditions for neutrality would be established, nevertheless such neutrality would essentially depend on the results of arms control and disarmament achieved by that time. Brussels strategists underscore the idea that this solution must be acceptable to the security interests of all parties, and primarily to those of the Soviet Union. In essence, the neutral status could lead to an expanded European Community, but would rule out the possibility of Eastern states joining the Western military alliance. The achievement of full sovereignty and resolution of the German issue are regarded as possible long-term goals during the fourth phase of the script. With regard to the reunification of Germany, the member states of the Western Alliance would have to develop a common position even before they would propose a basis for negotiation to the Soviet Union.

The quasi-official NATO plan catalyzed a growing avalanche of Western alternatives to resolve these issues. Among these, former U.S. Secretary of State Henry Kissinger's script is most noteworthy. It presents the sketch of a New Europe.

Kissinger, a political science professor has as his starting point the historical fact that Europe has once again become the center of international tension. For this reason the Great Powers must find a way to end the existence of opposing military forces on the Old Continent. In Kissinger's view, stability could be measured by the extent to which Europe, for the first time in history, would be capable of living in balanced harmony with the Russian Empire, in a way so that neither party would be concerned about an attack by the other. For this reason, Kissinger envisions the need for a security system which requires the Soviet Union to gradually withdraw its land based troops to Soviet territory during evolutionary period of the system, while Soviet offensive forces West of Moscow, and particularly the Soviet armored units, would be placed under international control. In exchange, the United States would also withdraw a

decisive part of its troops from West Europe. Nevertheless, both superpowers could maintain weapons and ammunition storage facilities as well as air forces in Europe, thus maintaining a mutual deterrent.

Kissinger shares the view that dealing with problems involving the reunification of the two German states cannot be avoided. For this reason, the allies of the Federal Republic of Germany should come up with a program acceptable to Bonn, but one that would not upset the Central European balance. One condition for such a program could be that the FRG recognizes the borders of Germany as final, and at the same time the FRG ceases to voice ideas that borders may be changed even by peaceful means. This, then, would establish an opportunity for free elections in the GDR, which could even be patterned after the Polish model. Since the outcome of elections in the democratic German state is beyond doubt, Kissinger believes that the respective structures of the two German states could gradually merge. Quite naturally, NATO would establish the prospect of appropriate assurances to the effect that Germany would not expand its borders in the Eastern direction. Within the federation of the two German states the GDR would be essentially demilitarized.

Bush's Voice

As one of the most important policy makers of our age, Kissinger envisions implementation of his plan in several phases, of course. In the first phase European conventional forces would be reduced, focusing mainly on the full removal of Soviet troops from at least one country—let's say from Hungary. Subsequently Europe would be divided into security zones. From the Atlantic Ocean to the Rhine, from the Rhine to the Eastern borders of the FRG, and from there to the Soviet-Polish border, and finally to Moscow. Forces stationed in the security zones east and west of the Rhine would be essentially equal.

In essence, Kissinger's "utopian" plan for a New Europe did not evoke an echo. Nevertheless there was a response, even if that response was indirect. At a meeting of the nuclear weapons planning group, NATO defense ministers took the position that a limited nuclear contingent must be maintained in Western Europe, even if an agreement is reached on the reduction of conventional forces and armaments. At the same time, in a spectacular fashion they rejected a Soviet proposal to begin negotiations about the dismantling of the two military blocs.

President Bush also expressed his views. In an interview granted to THE NEW YORK TIMES Bush rejected charges according to which he adopted a wait and see policy with regard to the Eastern European changes. Some critics already accused the White House of wanting to follow the path of splendid isolation, just as it did between the two world wars. Bush argued by saying that he would not overreact, even though he is prepared to support the Eastern reform movements. And as far as

the reunification of the two German states is concerned, the U.S. president felt that cautious evolution was needed. In essence, he left that issue to historical progression. Bush also said that FRG Chancellor Kohl had

assured him over the phone that endeavors to achieve neutrality would not gain ground in the FRG. A neutral stance would be contrary to NATO interests, according to Bush.

BULGARIA

Economic Perestroika: Frequently-Asked Questions

90EB0078A Sofia IKONOMICHESKI ZHIVOT in Bulgarian 16 Aug 89 p 1

[Article by Dimitur Dimitrov: "Perestroika of the Economy: What Are Businesses Worried About? Feedback From the Economic Bank"]

[Text] A bureau for legal, economic, foreign exchange and financial consultations was set up by the Economic Bank in Sofia for use by Bulgarian and foreign firms. Projects concerning the firms' domestic as well as international economic activities are discussed daily.

What are the main questions asked by the firms? This article provides the answer.

1. Internal organization of the firm and production structure.

More than 440 state firms have been formed so far. Part of them have been formed without including enterprises which are already self-managing. There are firms, however, which include many large enterprises. Until recently they have been fully self-managing; they solved their problems, developed and accepted their own annual and long term plans, determined their own scientific-technical policy, they alone placed their production on international markets, used their own profits and convertible currency, and so on. Now they have become subdivisions.

This concerns these firms. They understand that after they become totally responsible for solving problems related to the economic activities and profit distribution of enterprises and factories, which are now their subdivisions, this will decrease interest in improving production and separatist tendencies will occur.

This is the reason for the question: What internal firm organization and production structure should be established so that the subdivisions' economic activities are not limited, but at the same time makes them aware that they cannot do without the firm?

Unfortunately the Ukase for Economic Activities allows for only two types of participation in firms: as subdivisions and as daughter firms. The subdivisions are actually workshops. An enterprise with the same type of activity as the firm, after joining the firm disappears from economic reality; its economic and legal independence is taken away. On the other hand, for an enterprise to join as a daughter firm within a given firm, it must carry out a different type of activity from that of the firm.

If firms were organized "from below," that is, if each enterprise, by taking into consideration production volume, economic results, production and commercial

ties, the possibility to develop and implement scientific-technical innovations, and so on, decides independently to reorganize into a firm, we feel these problems would hardly occur. At this time, however, firms are organized "from above" and sometimes this creates situations which are met with dissatisfaction. For example, the large enterprise Balkan in Lovech is reorganized into a subdivision, while the shops in the plant where Moskvich cars are assembled are organized as an independent firm: Hraninvest uniting 15 enterprises, that is, the entire branch [of the industry]. The Sofia firm Cherni Vruh includes 24 enterprises, including the forestry enterprise in Elin Pelin which takes care of 570 thousand decares; there are even firms which include up to 50 enterprises. This method for firm organization does not help fulfill the task set forth by the Ukase for Economic Activities: to develop market mechanisms. By combining entire branches of the industry into one firm, in practice we get one producer and one consumer. This is not at all the way to create conditions for the development of market mechanisms.

Such centralization of economic management in some fields is not only a question of subjective enthusiasm. We feel that the problem of property which has only been partially resolved, is fundamental. Article 1, paragraph 2 of the Ukase for Economic Activities emphasizes that economic activities are carried out on the basis of state and public property, citizens' property, and mixed property. In practice, however, this formulation to a great extent is not applied. Production cooperatives, because of their structure, are still closer to state enterprises rather than true cooperatives. There are almost no citizen-owned small production enterprises which are to be included in the common production process of various complexes. Experience has shown that whenever economic activities are organized almost exclusively on the basis of state property, it is difficult to avoid centralized administrative methods in the economy.

2. Another question raised by the firms is about groundless taxes.

In our opinion, one of the most substantial questions with the tax system is: which expenditures are to be considered inherent to production? In our country at the present time only material expenditures and expenditures for workers' salaries are considered inherent to production. Other expenditures are not inherent and are paid after paying taxes to the state.

We feel that taxes should be determined by parliament; by the taxpayers' representatives. In practice, however, taxes are determined by those who manage the state's revenue. For this reason in a number of firms insufficient funds are left over for their development, for renovation, and for implementation of technological innovations. In addition, it must be noted that we have a differentiation system for levying taxes. Regardless of the requirement in Article 87, paragraph 2 of the Ukase for Economic Activities which states that firms pay 50 percent of their profits in taxes, higher amounts are

levied on some firms. In our opinion, the tax differentiation system not only does not help develop market mechanisms, but is one of the deterrents for its creation.

3. Because all subdivision profits are centralized in the firm and it is where funds are formed, the question on using the results from the subdivisions' economic activities is raised.

Both firms and subdivisions are greatly interested in this question. The subdivisions fear leveling of the final result distribution as well as of the development and implementation of scientific-technical innovations. Even more, they fear that funds from one subdivision could be used to develop production of another subdivision, and so on.

4. The firms are excited by many questions related to organizing joint activities with foreign firms.

Actually the Ukase for Economic Activities only solves organizational problems in this respect. Economic problems, which are the main ones, are not solved and give rise to difficulties.

There are foreign firms who wish to organize economic activities in our country and to place part or all of their production on the international market. There already are mixed firms on this basis. Other foreign firms tend to organize economic activities with the results to be placed entirely on our market. In practice some difficulties exist with transfer of profits, in spite of the fact that according to the Ukase for Economic Activities this problem is solved normatively. For this reason many foreign firms seek to organize here services and hotels which charge in foreign currency, they open stores for sale of goods for foreign currency, and so on.

In relation to organizing joint economic activities with foreign firms it would be significant to pay attention to what we consider to be a bad practice. We are speaking of the opening of stores for sale of imported goods for foreign currency under consignment agreement. It is known that a consignment agreement is a commission agreement. The goods for sale are the property of the consignor (in this case the foreign firm). The commission agent (the Bulgarian firm) carries out the sale for the consignor. For this activity the commission agent receives a certain commission, while the profit belongs to the consignor, the foreign firm. Such business is advantageous for our organizations. They do not have to furnish the stores, do not have to study market conditions, do not have to take care of the stock inventory, and carry no risks. All these tasks and risks are undertaken by the foreign organization.

Consignment business, however, affects substantially our national interest. While foreign currency acquired by Korekom remains in the country, that acquired through consignment sales leaves the country. This business is carried out against Article 90, paragraph 2 of the Ukase for Economic Activities, according to which imported goods can be sold for foreign currency by Bulgarian

(national) organizations under their name and their account. In addition, paragraph 2 of Article 90 states that such business can be carried out only by decision of the Council of Ministers. In spite of this, however, 38 stores for sale of imported goods under consignment agreement have been opened in the BATO system, while in the TsKS system 4 such stores have been opened. Millions of convertible currency flows out of the country this way.

On the other hand, foreign firms feel that 50 percent tax on profits is too much. It is true that this percentage is not exceptionally high, but it refers, as previously mentioned, to revenue from which installments and interest on investment credit, insurance expenses, managers' salaries, and others will be paid. Expenditures for installments and interest on investment credit are deductible from the taxable amount only for production and activities specified by the Council of Ministers in Article 90, paragraph 2 of the Ukase for Economic Activities.

The normative regulation in the Ukase for Economic Activities and the Manual for its application is not entirely clear in its reference to taxing the revenue from economic activities of foreign and mixed firms in the country. According to Article 122 (first sentence of the Ukase) companies in which there is foreign participation greater than 5 million leva in convertible currency and over 50 million transferable rubles, or by permission according to Article 104, paragraph 3, receive tax and other privileges. The foreign individuals participating in such companies, as provided by Article 109, paragraph 2, pay 15 percent tax on dividends received and share profits. If, however, the company does not belong to the above mentioned category, then according to the second sentence of Article 122, the schedule for national economic organizations is applied. According to the schedule for national organizations, profit earned by participating in a company firm is excluded from the profit statement of the participating firm, that is, it is not taxed. This is the way Article 71, paragraph 1, letter b of the Manual for applying the Ukase for Economic Activities is understood. This means that a foreign participant in a company which enjoys privileges pays 15 percent tax, while a foreign participant in a company which does not enjoy privileges pays no tax at all. There is incongruence in the application manual of the Ukase for Economic Activities. The motive that with letter b of paragraph 1, Article 71 double taxation on the same revenue is avoided is insufficient. The subjects are different and we feel that it is irrelevant to discuss double taxation here.

Foreign firms cannot accept the order for hiring and firing workers and the method for determining remuneration. They want greater freedom in this respect. According to the Ukase for Economic Activities, Article 122, the second sentence, however for all joint firms in which foreign participation is less than 5 million leva of convertible currency or 50 million transferable rubles, labor relations are settled on a common basis, as for national enterprises.

In conclusion we would like to note that in spite of the above mentioned problems, firm organization has shaken managers, it has increased their interest in technological and economic competition, in profit, and in the international market. An especially strong impulse in that direction is now given by the new theoretical formulations and practical methods found in Comrade Todor Zhivkov's report titled "On Some Fundamental Problems in Restructuring our Economy." It is necessary, however, for managers to show even greater responsibility in preparing to make the Bulgarian lev convertible and to reorganize firms according to the joint-stock principle.

HUNGARY

FRG Weekly on Hungarian Bank Reforms

90EC0084A Duesseldorf WIRTSCHAFTSWOCHE
in German 20 Oct 89 pp 182, 184, 186

[Article by Torsten Boger: "The Right Path"]

[Text] The patrons of the Cafe Gerbeaud, not far from the Vaci utca shopping street in Budapest, are discussing at least one topic this summer: the mass flight of GDR citizens. But here, where the gaze falls on the elegant banking houses and the exchange, one is quickly reminded of the real problems of this country. And they are enormous. Despite—or perhaps even because of—the 20 years' of reform policies, Hungary is in a crisis. According to Hungarian specialists' statistics, the gross domestic product is stagnating, real income is falling, and the rate of inflation is over 16 percent.

Against this background the Magyars began to restructure their ponderous banking system in 1987. Up to that time the Hungarian National Bank (HNB) had functioned both as a central bank and as a commercial bank and in this way had controlled and directed the monetary sector. The granting of credit always conformed to the plan figures as well as the wishes of the investment-hungry enterprises and was seldom profit-oriented. The result: competition for chronically short credit resources did not take place and the enterprises themselves did not pay any attention to profit and loss either.

Now that is all supposed to be different. Meanwhile, in addition to the HNB there are 14 commercial banks, 10 specialized banks, and 4 institutions with foreign participation, all of which do their own lending independently and compete with each other. From now on the HNB only controls monetary policy and foreign exchange transactions, and, like the government too, is supposed to keep out of credit decisions.

This reorganization is supposed to ensure that:

- Only profitable enterprises get to enjoy new loans;
- A separation of credit financing and subsidies is achieved;
- Enterprises operating on free market principles work together with free market-oriented banks, and

- The credit spigot is shut off for unprofitable enterprises so that "the economy's corpses can also be buried in order to free up capital for future investments"—at least according to Budapest economist Prof Tamas Bacskai. The latter is made possible by the bankruptcy law which has existed since 1986. New forms of financing and stock exchange established in 1983 are supposed to mobilize private capital and the state enterprises' idle reserves.

For Laszlo Pechy, deputy general manager of Hungarofruct, one of Hungary's largest fruit exporters, "not much has changed so far." He is not surprised, however. After all, the newly-established banks are merely HNB divestments. Paradoxically, for the most part the financial bosses of the enterprises sit across the table from the same bankers as before the reform. Despite a whole series of new business formations, changing banking relationships, while legally possible, hardly entails any advantages. A genuine competition in regard to interest rates hardly exists in actuality—the rates range between 22 and 26 percent. Matthias Kunsch, however, deputy managing director of the Central European International Bank Limited (CIB), the first joint venture bank of an off-shore nature which in the meantime has become active in domestic business affairs, sees a further reason for the enterprises' current lack of liquid assets. Simultaneously with reform, the HNB has pursued an austere monetary policy which continues up to the present. Several billion forints of liquidity have been pumped out of the economy by the tightening of lending quotas. "The banks simply lack the resources to repay the existing lines of credit." Frigyes Harshegyi, however, HNB's managing director, considers the monetary policy thus far to be correct: "In view of the high budgetary and goods and services balance of payment deficits, the high inflation rate, and the modest accumulation of savings, a soft monetary policy cannot be pursued." In addition, according to Harshegyi, "the procurement of World Bank loans is still being pursued with far too little vigor."

Harshegyi concedes, however, that there is a further reform problem that has not been mastered as of yet: In order to ensure a smooth transition to reform, the HNB's former customers were allocated to the new institutions. Since there were also enterprises among them with loan defaults, some of the banks are still complaining today about distortions in competition. Despite that, the national bank and the government are pursuing the goal of forcing through structural change by "compelling these enterprises to perform more productive work or having them liquidated by the banks."

Representatives of the credit system see this somewhat differently. Gerhard Fuernrohr, CIB legal advisor, points out "that in cases of liquidation, the banks are required to write off too many assets." The banking world would prefer the government to directly reduce subsidies to the enterprises instead of leaving the selecting out of viable enterprises up to the banks with

their tight-credit club. More and more frequently enterprises have to fall back on suppliers' credit or they simply fail to meet their payment schedules. Although not yet envisioning any problems for his enterprise, Peter Marton, deputy business manager of Sicontact, a successful Siemens joint venture, regards the results of the tight monetary policy as "having become alarming to our circle of customers as well." CIB lawyer Fuernrohr fears that the queues forming up to get paid could drive even healthy enterprises into bankruptcy in the process.

In virtue of such dangers, Prof Bacskai regards the planned monetary policy measures to be no doubt "correct, but they are just being applied in the wrong country. Precisely those enterprises that are being subsidized the most are not cost-sensitive enough for such a program." And Lajos Komar of Budapest Bank Limited, himself long active on the managing board of the national bank, says succinctly "that decentralizing is simply more difficult than monopolizing."

Despite the difficulties to date, he nonetheless sees reform as being on the right path and agrees in this respect with other specialists. Komar believes that "the organizational preconditions have been created and there already is competition among the banks, but profound structural changes take time." But in Professor Bacskai's opinion the liberalization of foreign exchange transactions and the inclusion of the populace's savings in the new banking system must be a part of it. Commercial banks will be permitted to engage in foreign exchange transactions as of next year, but they will still be under the control of the HNB; this year already the banks are allowed to handle private customer business which, however, because of the small network of branch banks, is still almost entirely in the hands of the national savings bank. But perhaps reform will develop along hitherto unplanned lines. Istvan Jasdi, general manager of the Hungavis poultry exporting enterprise, is vexed that "monetary transfers and the crediting of them normally take 15 to 20 days." His vexation might be allayed soon if Hungavis and the chamber of commerce win a planned test case against this practice.

FRG Commentary on Necessity of Western Aid for Hungary

90EC0083A *Duesseldorf WIRTSCHAFTSWOCHE in German 10 Oct 89 pp 55-61*

[Article by Hans Jakob Ginsburg: "Hungary's Reformer on the Edge of the Crisis—Wishes Addressed to the Good Fairy—Without Western Aid for a Structural Change, Hungarian Economic Reform Is Threatened by Failure"]

[Text] Foreign Minister Gyula Horn, the presiding officer of the Congress of the Hungarian Socialist Labor Party reads a program proposal: "The Hungarian Socialist Party"—this is henceforth to be the name of the former State Party—"favors a socialist market economy

with mixed ownership—forgiveness; naturally, this is meant for a socialist market economy."

The amusement felt by Western observers gives way to disbelief as delegate Janos Berecz demands that the word "social" be stricken from the program proposal. Is this a particularly entrepreneur-friendly Gulasch Socialist? Not at all: A good year ago he was still the second most powerful person in the party apparatus and leads the opponents of the reform policy at this party congress. He states that while a market economy may be necessary for Hungary, it is in no way "social."

The banner in back of the speaker's lectern at the party congress states "Democracy, Socialism, Constitutional State." A foreign trade specialist among the delegates, picking up on the slogans, says: "A good fairy has appeared to us Hungarians and is permitting us three wishes. We wish for what is written here and what happens? We stay poor." None of the key politicians at the party congress addressed the economic-political problems—because there is no saving good fairy, these problems are simply too unpleasant. Since the middle of the decade, the average standard of living for the Hungarians has declined some 5 percent per year; inflation stands at 18 percent.

The call for Western assistance is close; the call for a new Marshall Plan, as was now mentioned by Hans-Jochen Vogel, SPD chairman, in Budapest. The Hungarians are familiar with the name of Marshall: When the Stalinist Matyas Rakosi, in 1947, declined American assistance to which Hungary was entitled according to the Marshall Plan (*WIRTSCHAFTSWOCHE* No 42, 1989), the establishment of a command economy and tyranny was sealed. Since that time, many Hungarians have repeatedly hoped for Western assistance.

These hopes have a reverse side to them: the fear that America and her allies could some day again abandon Hungary as they did in 1956 on the occasion of the failed uprising. After all, what had U.S. President Bush brought to Budapest with him in July of this year? Friendly words for the reformers, money for a small management school in Budapest, and the promise to remove trade barriers for Hungarian exports to the United States and to back up American investors with a guarantee which is similar to that provided for the German Hermes guarantee.

Of course, there is aid from the West. The contract between Hungary and the European Community dismantles trade barriers. The EC will spend 200 million ecus during the next year on aid for Hungary and Poland. And the responsible committee of the U.S. House of Representatives, ashamed by the President's parsimony, intends to let a total of \$837.5 million worth of aid flow to Poland and Hungary over the next 3 years.

The Hungarian state is able to secure credits with relative ease, although the 10 million Hungarians having \$18 billion worth of foreign debt represent the largest debtor nation in Europe. An ever increasing number of private foreign investors are coming to Hungary, particularly

from the FRG: Steel industrialist Willy Korf is participating in heavy industry projects, the Kempinski Co. and the Steigenberger Hotel Co. are participating in the hotel branch, the Hans Schwarzkopf, Ltd. Co., is in the cosmetics industry: all in the most recent weeks, all with a promise of not only bringing money into the country, but know-how as well.

So what is still missing? According to the words of the bustling Hungarian minister of commerce, Tamas Beck, Hungarians are primarily worried that their export profits are based to a great extent on branches of industry which have no chance on the world market in the long run, such as steel and foodstuffs. And Hungarian exports, which are valued at \$6 billion per year are not exactly intoxicating in view of the \$3 billion per year of debt service.

But they do not want to hear anything about rescheduling debt in Budapest: "We do not need the Brady Plan," asserts Peter Medgyessy, deputy premier and former finance minister, in his talk with WIRTSCHAFTSWOCHE. The Hungarians want to retain their good reputation as a reliable debtor in order to continue gaining access to fresh money and, therefore, acquiesce nicely to the conditions imposed by the International Monetary Fund, which they had joined as early as 1982 as the outriders of the Eastern Bloc. That was said to have been good business, one is assured by Hungarian diplomats.

That is the official position. Behind closed doors, Hungarian economic policymakers curse the IMF, "which treats us like Bangladesh": the Hungarian state is said to lack money for the most essential items. The structural change, according to Minister Beck in a recent lecture, "currently still suffers greatly as a result of shortsighted financial restrictions. They might be correct theoretically, but these theories cannot be applied in the case of Hungary where there is still no proper market today, no convertible currency. The restrictions do not permit a true structural change." In his opinion, the IMF prevents the development of an "entrepreneur-friendly atmosphere" in Hungary: Under the central planned economy, the Hungarians were poor; under the reformers, however, they will become even poorer.

No wonder that Beck would like a new Marshall Plan. He admits that until recently he had known little of the American ERP [European Recovery Program] program—until his visit to Austria where the new economics minister, Wolfgang Schuessel, had given him materials on the operation method and effect of the Marshall Plan on Austria in the postwar period. "A wonderful thing," said Beck enthusiastically.

In contrast with present-day aid programs, the ERP operated without restrictive conditions imposed by the providers of credits—and revolving credits saw to it that small sums of money resulted in mighty growth increments. The economic interest which the Americans had at that time in the recovery of western Europe is missing

today in the case of Hungary—and the politicians in Budapest understand this. They can only appeal to the political interests of the West: because, should Hungary follow Poland on the path to economic disaster, then it would not be the Communists, but rather the reform forces which would be blamed by the population.

Beck Interviewed on Economic Needs

90EC0083B Duesseldorf WIRTSCHAFTSWOCHE in German 10 Oct 89 p 61

[Interview with Tamas Beck, Hungarian minister of commerce, by Hans Jakob Ginsburg: "This Takes Time—What the Hungarian Minister of Commerce Wants From the West; Minister Tamas Beck Is Betting on State Credits and on the Interests of Private Investors in the Hungarian Market"; date and place not given]

[Text] [WIRTSCHAFTSWOCHE] What kinds of wishes accompany a Hungarian minister of commerce on a journey to the West?

Beck: Many wishes. In Bonn, for example, I must first thank the Federal Government for making a credit of DM 500 million available to us. Perhaps more important are also the credits of more than DM 500 million made available by the states of Bavaria and Baden-Wuerttemberg. These DM 500 million are intended to bring about increased efficiency within the Hungarian economy, with German supervision. We are searching for an opportunity for making these funds available to Hungarian enterprises within the framework of a publicly controllable competition and applications process.

[WIRTSCHAFTSWOCHE] How much money does Hungary need from the West anyway?

Beck: Currently, we need about \$2.5 billion in credits per year in order to safeguard the operations capability of the country. And then we need a structural change, brought about by aid from private investments made by foreigners.

[WIRTSCHAFTSWOCHE] What do you wish for—apart from money—from the Western governments?

Beck: The end of trade policy discriminations. It is very important for the Federal Government of Germany to support us in this in the EC. We also want to achieve new solutions for the steel industry, the iron industry, and the textile industry, together with the EC. Our goal is a free trade agreement with the EC, albeit one which is asymmetric.

[WIRTSCHAFTSWOCHE] Does this mean that your own customs and import restrictions should remain in place?

Beck: After all, we want to improve the competitiveness of our industry. What we are talking about here is temporary asymmetry. Until we, too, can open our borders, we need time!

[WIRTSCHAFTSWOCHE] What has become of the resolutions of the Paris World Economic Summit?

Beck: We have addressed a memorandum to the 24 countries which have expressed interest in participating in this assistance. We have put together a list of 35 Hungarian enterprises which anticipate foreign participation.

[WIRTSCHAFTSWOCHE] Private or state enterprises?

Beck: They include joint stock companies and state enterprises. But we have a conversion law: If a serious possibility exists for foreign participation, then the state enterprise will convert to a stock company.

[WIRTSCHAFTSWOCHE] Where is assistance still needed?

Beck: There is the training of young Hungarian managers. We now have the American Management School in Hungary with English as the language of instruction. However, I believe that the German methods are easier for us to assume. Therefore, we should try for something like that with German professors and German enterprises.

[WIRTSCHAFTSWOCHE] Mass unemployment is a threat in Hungary. What can the West do?

Beck: Today, we have a contingent of 2,600 people who are permitted to work in the FRG. We would like to see this number increased. We have now agreed, with State Secretary Tietmeyer, that this number can perhaps be increased by 500 individuals. We would like to increase that number because the consequences of a structural change in Hungary are very harsh. For example, we shall soon be closing the uranium mines—this will have an impact on 8,000 to 10,000 workers. To finance this structural change, we lack the approximately \$3 billion which we must come up with each year for debt service. That is why we need foreign capital. But this is a business transaction based on the profit basis—not aid!

[WIRTSCHAFTSWOCHE] You also wish to promote domestic entrepreneurs and investors, do you not? Where are they to come from?

Beck: We still have far too few. We want to give people credits via banks, but at low interest rates. But this requires time until we reach that stage.

[WIRTSCHAFTSWOCHE] What is important for many investors: In view of the problems involved in the structural change, do you believe that there is likely to be any economic growth in Hungary at all in the immediate future?

Beck: Here, the high foreign debt and the relatively high inflation rate are a burden. But I do believe that next year we can count on a growth rate of up to 2 percent, a higher growth rate would be unrealistic.

[WIRTSCHAFTSWOCHE] Is the reform process leading to success?

Beck: We want to create a true market economy, without discrimination against the private sector. Success is coming slowly even though the situation is such that the planned economy is no longer functioning and the market economy is not yet functioning.

Wage Office Wants Managerial Bonuses Reduced

90EC0109A Budapest MAGYAR HIRLAP in Hungarian 3 Nov 89 p 5

[Joint official statement by the Enterprise and Cooperative Managers' Lobby, and the State Wage and Labor Affairs Office]

[Text] In recent times the income earned by managers has become the source of tension a number of times, both within individual enterprises and in society. Leaders of the Business Managers' Lobby [GESZ] and the State Wage and Labor Affairs Office [ABMH] have discussed this issue.

It was established that managerial bonuses paid on the basis of 1988 results, and in certain instances extremely large amounts of advance bonuses paid this year served as the basis of conflict.

Enterprise presidents and cooperative chairmen received an average of 680,000 forints of gross income based on 1988 results, so that their average 23,000 forints of monthly base income was boosted by about 120 to 130 percent in bonus payments. Their total, annual, after tax income thus amounted to 314,000 forints, which is twice or three times as much as the average earning of a skilled industrial worker. Social tension did not result from these income levels, but from the significant variation in income levels, the fact that the gross income of about 2 percent of the enterprise presidents exceeded 2 million forints.

The source of social unrest that accompanies extremely high income earned by managers is not based on individual objectionable cases. It stems from an atmosphere of suspicion concerning the entire managerial stratum instead. It is in the interest of both the government and the GESZ to end this suspicion and the unclear situation, and to eliminate the system in which even a small number of excessive bonus payments evoke local conflict.

Having weighed all of the above in a responsible manner, in the interest of avoiding the payment of bonus amounts objected to by the public, the ABMH and the GESZ executive committee recommend to the employers of managers to establish twice the amount of a manager's base pay as the maximum amount that may be paid in the form of bonus.

The unfavorable phenomena may not serve as a basis for the restoration of the earlier system in which managerial

benefits were based on indexes developed by the central government in a bureaucratic manner. In manifestation of confidence in the elected body that exercises the employer's authority, the amount of managerial bonus awards should continue to be determined within the authority of enterprise councils, general meetings, and meetings of delegates.

Proper relationship between the size of managerial bonuses and achievements should be strictly enforced. All this should mean that presidents of loss operations or of enterprises with insufficient funds must not receive bonuses even if they accomplished their established goals, and that increments in managerial income must not be established independent from increases in the income of the enterprise collective.

MDF Members Organize Stock Corporation

25000476B Budapest HETI VILAGGAZDASAG in Hungarian 23 Sep 89 p 8

[Text] A stock corporation waiting to be formed by "circles close to the Hungarian Democratic Forum (MDF)" is holding letters of intent to subscribe to stock worth between 20 million and 25 million forints. As Gyorgy Schamschula, one of the organizers, told HVG, 12 private citizens belonging to the MDF have gotten together to organize the stock corporation, but the MDF will have nothing to do with the future corporation from an organizational standpoint. Founding capital is planned at a 30-million-forint level; subscription to stock began on 1 September and is expected to end on 30 November. As the first step this corporation will take, the MDF will publish its newspaper MAGYAR FORUM in 50,000 copies twice a week, with Istvan Csurka as its editor in chief. The corporation's advertising office will also assist in the MDF's election campaign.

POLAND

Alcohol: Production, Export, Import, Monopoly Breakup

90EP0088A Warsaw POLITYKA in Polish No 41, 14 Oct 89 p 5

[Article by Wojciech Markiewicz: "...It Will Never Be in Short Supply!"]

[Excerpts] Until recently it had seemed to us that the state has the monopoly on the production and distribution of spirituous beverages. However, this year the Ministry of Agriculture, Forestry, and Food Industry granted, pursuant to the provisions of the Decree on the Initiation of Economic Activity and the "Antimonopoly Decree," to various companies 52 licenses for the production of alcohol, vodkas, and so-called rectificates [rectified alcohol] alone. Likewise, this year's experience in private imports of alcohol showed that the 1982 Decree on Education in Sobriety and on Counteracting Alcoholism conflicts with the new legislation. In face of

the threat of loss of control by the state over the size of output, market supply, and budget revenues, changes in the organization of the alcohol industry and in the distribution of "what was to be never in short supply" were necessitated.

Until recently these matters had been regulated by two fundamental laws: the Decree of 1959 on Combatting Illicit Production of Alcoholic Beverages and the Decree on Education in Sobriety. Until the end of 1988 the pulse of production, distribution, prices, and social policy had been monitored by the state through the mediation of the Polmos Spirituous Beverages Industry Enterprise. However, in the years 1988-89 the Decrees on Counteracting Monopolistic Practices in the Economy and on Certain Conditions for Economic Consolidation were issued. It was then that, under the slogan of demonopolization, tendencies toward a break-up of Polmos and toward decentralization and subordination to local governments had appeared. Nowadays nearly every distillery wants to become autonomous. This is quite comprehensible considering that alcohol production is among the most profitable types of production. Therefore, voivodes, city mayors, and plant managers desire a divorce from Polmos. Such a divorce would serve to channel income from distilleries to local budgets, while at the same time it would enable producers to directly participate in foreign trade, which means hard currencies and trips abroad.

There Is No Monopoly

However, the alcohol industry has a specificity of its own and cannot be measured by the same yardstick as, say, the production of combs, toys, or frozen strawberries. Thus while we are practically against any monopolies in the economy, in the case of the alcohol industry we have to be "pro-monopoly."

The point here is not solely to regulate market supplies, define their structure, and thereby to curtail alcohol consumption. In this respect we cannot accomplish much by administrative or legal prohibitions so long as there is no normal market and no alternative to workers on payday. It used to be that people would save for several months in order to buy a color TV set. Nowadays there is no such alternative; television sets are not available, and one even cannot put his name down on a waiting list for them; thus all that remains is the liquor store operated by the state monopoly.

But to the point: Detailed control by the state makes it possible to pursue an appropriate fiscal policy and to monitor the consumption of crops for the purpose of producing alcoholic beverages. For this purpose, 200,000 to 240,000 metric tons of grain and 1.6-1.9 million metric tons of potatoes are used annually in Poland (official statistics).

Until 1987 Polmos bought up the entire output of raw alcohol from (about 930) agricultural and four industrial distilleries, and handled its distribution. In the last 2 years it was deprived of the legal right to this exclusivity;

nowadays the distribution can be handled by middlemen and all that one needs to be a producer is to obtain a permit.

In such a situation, raw alcohol is the subject of unprofitable exports and may be sold to private individuals and utilized for purposes difficult to monitor. The extent of the consumption of raw materials, especially grain, for this purpose also is difficult to monitor, as demonstrated by the fact that the prohibition against the use of rye, issued by the Ministry of Agriculture in 1988, is being ignored. Yet, shortages of rye are resulting in a curtailment of the production of baked goods, both those baked from rye alone and those from rye in a mixture with other grains, in certain regions. Thus, after processing farm surpluses into alcoholic beverages, we have now reached a situation in which grain needed to feed this country is being instead processed into alcohol, because this pays more.

This also applies to the production of rectified alcohol. In addition to Polmos (whose output of that alcohol is 250 million liters of 100-proof a year), it is being produced by the Chelmza Sugar Factory (12 million liters annually) and by the farm distillery in Dlutow (3 million liters). Moreover, under the Decree on Initiating Economic Activity, this year various companies were granted 52 permits for the production of alcohol and vodkas, of which 41 permits for the production of raw alcohol and 11 for the production of vodka and rectified alcohol. These companies include Igloopol, several fruit and vegetable processing plants, the potato industry plants in Lomza, the Miedzyrzec Podlaski State Farm, and joint-stock companies (Zimpex, IZET) and Rolmex, Inc, in Gdynia (varieties of slivovitz and calvados).

Pursuant to the Decree on Education in Sobriety, the sole national distributor of alcohol and spirituous beverages is the Food Wholesale Enterprise, which may grant licenses to other trading organizations and gastronomic establishments. Practice shows that, with or without these licenses, alcohol and spirituous beverages are being traded in by a dozen or so trading organizations, joint-stock companies, foreign-trade enterprises, fruit and vegetable industry plants, and cooperatives.

The practical conclusion is that, given such a large number of producers, middlemen, and sellers, it is impossible to control fully the size of output and the volume of sales as well as the revenues flowing to the state budget, let alone actual consumption.

What Has Happened?

From the foregoing it can be concluded that alcohol production has not only failed to decrease but has increased. Whence then the shortages and lengthy queues in front of liquor stores in July, August, and the first half of September? Are we perhaps drinking more? Could it be that Polmos is producing less alcohol in compliance with the Decree on Education in Sobriety,

which mandates fixing in the Central Annual Plan an alcohol sales level assuring a steady decrease in consumption?

However, an inquiry at the Polmos State Alcohol Enterprise shows that this is not so. Fixing in 1983 the sales volume at 140 million liters of 100-proof alcohol had been unrealistic (in 1979-80 the sales volume was 180-190 million liters). Thus despite the corresponding annual curtailments in the Central Annual Plan, sales were increasing and in the years 1986-88 they stabilized at the level of 150-155 million liters or, in other words, of an annual consumption of nearly 5 liters of 100-proof alcohol per statistical capita in Poland.

For the current year the Plan fixes a sales volume of 157 million liters and by 15 September the shipments of alcohol totaled 112 million liters, exclusive of the Pewex [dollar stores]. During a like period in 1987 the sales totaled 104 million liters and in 1988 102 million liters.

Likewise the shipments to Pewex and Baltona [dollar stores] also have not diminished. These are outside the control of the Food Wholesale Enterprise and, as such, are not included in the statistics on market supplies, because it is mistakenly thought that the network of these stores is designed chiefly for foreigners and Poles buying alcoholic beverages in order to transport them abroad. Thus it supposedly does not affect domestic consumption.

Last year Pewex outlets sold nearly 12 million liters of Polish 100-proof alcohol; for this year sales of 18 million liters by Pewex and 8.9 million by Baltona are anticipated, of which 70 percent for so-called internal and "external" exports and the remainder for such customers as the Konsumy, the Office of the Council of Ministers, etc. Thus the sole genuine exporters are Agros and the Foreign Trade Office of Polmos (the Arctic, Asia, Africa, Australia, southern Africa), which this year will sell about 6 million liters of 100-proof alcohol. Well, perhaps, an exception is the Baltona Booth in the Departures Hall of Warsaw's Okęcie Airport. But that too is a mixed case.

Henryk Tomasiak, a deputy director of Polmos, is of the opinion that the principal cause of this alcohol-buying spree is the desire to get rid of the [practically valueless] zloty. It seems that people have begun to consider alcoholic beverages as an investment, as demonstrated by the fact that in September only 60 percent of empty bottles were redeemed at liquor stores compared with 90 percent in the past. This has necessitated increasing returnable bottle deposits to 150 from 100 zlotys.

Not without effect on this craze was also the fact that this year a record number of Poles traveled abroad—8.5 million. And it is difficult to imagine a compatriot who travels abroad without taking along two or three bottles of vodka.

The Imports Are Moving

Black marketeers bought up Czysa, Konik, and Zyto [vodkas] in entire crate-loads. The shelves of liquor stores grew empty. But not for long. Soon imported Rasputin, Petrof, Seriof, and other facsimiles of Russian vodka appeared on the shelves. They were imported by domestic and foreign trade enterprises, as well as by Pewex, Baltona, joint-stock companies, and private individuals. All this took place contrary to the provisions of the Decree on Education in Sobriety, which gives preference to low-proof alcoholic beverages in small containers. Yet, importers have been bringing in large bottles of high-proof alcohol. For example, in Warsaw, Igloopol stores offered for sale only liter-sized bottles of vodka and 95-proof alcohol at 44,000 zlotys apiece. Simple calculations show that every 100 grams of 40-proof vodka processed from that alcohol cost some 15 percent less than 100 grams of Zytia Vodka from Polmos. This happened contrary to the decree yet it also was protected by the majesty of the law, namely, by the Decrees on Counteracting Monopoly Practices and on Initiating Economic Activity. Thus while Polmos has been curtailing its output, trucks carrying vodka and other alcoholic beverages proceed to Poland, chiefly from the FRG. [passage omitted]

On 26 September, after the decision to raise alcohol prices to 20,000 zlotys per liter as of 5 October was announced, traffic at frontier crossing points increased. During the last week 100,000 liters of vodka daily were brought into Warsaw alone. Just before "zero hour," in the night between 4 and 5 October, the last truck was dispatched. A man from Piaseczno paid 6 million zlotys in duties on 80,000 liters of Volga Vodka from the FRG.

"But Polmos," Director Tomasik said, "could have freely met the market demand and produced 160 varieties of vodka aggregating 172 million liters in terms of 100-proof alcohol. We do have the capacity."

As a result, no one in Poland knows how much vodka, alcohol, and wine—chiefly from France—entered this country through the mediation of importers. Not even the Main Customs Administrations knows it, because it does not keep such statistics. It is not known either how much in hard currencies we—enterprises and private individuals—have spent on these imports. Thus it is not known how statisticians will cope with determining the per capita alcohol consumption in 1989.

The Archaic Decree

Why is it then that the importers could [increase their alcohol imports] but Polmos cannot [expand its output]? That is so because the Decree on Education in Sobriety obligates the government to administratively fix the annual volume of alcohol sales, but it makes no mention of any curtailment of imports. The lawmakers certainly did not expect that "we would be in short supply" and "it" would have to be imported.

The abovementioned decree is archaic and should be revised from the ground up. Above all, it should not

conflict with other laws. Secondly, in order to accomplish a worthy social goal, namely, to change the model of alcohol consumption and thus also to reduce that consumption, the decree should not provide for determining the alcohol supply by administrative fiat, and instead it should indicate what should be done and how in order that we may drink less vodka and more wine and beer. Yet the output and imports of wine are declining, while at the same time the brewery industry is not meeting the demand. [passage omitted]

Lastly, the decree should specify the officials responsible for enforcing its provisions, because at present this responsibility is blurred: the government specifies the figures, the Polmos implements them, the minister of agriculture grants permits for production, the ministry of the market grants permits for imports, and the Wholesale Food Enterprise grants permits for trading. If this continues, the state may totally forfeit its control over the production, sales volume, and consumption structure of alcohol.

The Finnish Model

The more enlightened anti-alcohol activists perceive an already tried and tested solution: the formation of an organization, a state monopoly, close to the Finnish model.

It could be, e.g., a joint-stock company formed on the basis of Polmos in which 100 percent of the shares, in the form of the Polmos's assets, would be held by the State Treasury. A division of the shares also would be possible, with banks and other cooperating companies holding several percent in addition to the State Treasury. In the Finnish model the state treasury holds 99.8 percent of the shares.

Such a joint-stock company would identify the raw materials (crop surpluses) and their quantities for processing into alcohol, produce and bottle alcoholic beverages, and be their sole exporter and importer. At the same time also it would pursue a price policy and shape, jointly with social (also Catholic) organizations the desirable model of alcohol consumption and set aside a part of profits for this purpose. The company would handle the wholesale and retail sales in its own, leased (or, as the need arises, purchased) stores in which the sales atmosphere and the quality of service would reflect, by contrast with the traditional hovels, its image as a company promoting the drinking of wines and low-proof alcoholic beverages. Locally the company would operate on the basis of its plants as representations.

The chairman and an independent supervising council would be appointed by the premier. The council would

include representatives of the ministries of finance, health, social policy, wages, banks, and social organizations.

The company would be established by a decree and endowed with the needed powers but at the same time made fully responsible, with the chairman and the council being accountable to the government, for implementing the decree.

Clearly, no law, no matter how good, will eliminate the problem of alcoholism in this country unless Poles are offered an alternative. This problem will not be resolved without raising living standards and assuring a normal supply and availability of consumer goods, in a word, without creating prosperity as such. And in these matters the Finnish model may be the most desirable.