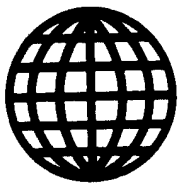


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ALBANIA

Interview With Pretender to Throne Leka I

90EB0017a Zagreb START in Serbo-Croatian
19 Aug 89 pp 26-27

[Interview with Leka I, son of Zogu, the last Albanian king, by Jean-Christophe Servant, in Paris in April 1989: "The Phantom Kingdom of Leka I"]

[Text] Stated in the fashionable vocabulary of Yugoslav political newspeak, kings both alive and dead have begun to happen to socialism. Over slightly more than half a year, Prince Aleksandar Karadjordjevic cropped up on the pages of newspapers of all three capitals of the "nation with three names and three tribes" which over the 23 years between the wars was ruled by his father, grandfather, and great grandfather—MLADINA in Ljubljana, START in Zagreb, and DUGA in Belgrade; the long years of Montenegrin debate and dilemma about moving the remains of King Nikola Petrovic Njegos from San Remo to the homeland seemed to have ended favorably precisely in the time of the young team of political leaders that sprang up out of the January rally in Titograd; a few weeks ago, the last Romanian king, King Mihailo, arrived in the Hungarian media directly from oblivion with an interview that was not short even on current political judgments; in the Soviet Union, after a persistent private investigation seems to have furnished a reliable answer to the question where the bodies of Tsar Nicholas and his family ended up, debates are springing up not only about how morally justified it might have been, but also whether there was any historical or political need at all for the Bolsheviks to shoot the entire family of Romanovs....

Following the interview which Leka I, claimant to the Albanian throne, gave to Western newsmen in Paris in April, a political cynic might merely ask what the Bulgarians are waiting for so that the story can be complete, since up until 1944 they also lived under the scepter of a monarch from the house of Coburg. But, joking aside, since the same thoughts are not swarming in all those royal heads, nor can their position and social prestige in the countries in which they live be compared (there is in the end a great difference between a successful and esteemed businessman in London and a man who is a bit like a character out of an operetta who in 50 years of exile has changed countries some 20 times), nor is the interest in them equally aroused in all those countries. As for Leka I, his historical story, boiled down to the facts, is this: His father, Ahmedbeg Zogu (1895-1961) was Albanian prime minister until 1924, when his conservative regime, actually feudal, was overthrown in an uprising led by Fan (Teofan) Noli, a Democrat, a Harvard student, translator of Cervantes and Shakespeare, a poet and composer. Zogu fled to Yugoslavia, but he returned in just a few months aided by the Belgrade court and the royal army, which did not take to the modern government in Tirana that was inclined toward reform. He threw out Noli and imposed himself as the

president of the republic, and in 1928 he proclaimed himself "king of Albanians,"—that is, figuratively, "the king of the sons of the eagle." Although he placed the country under Italian "protection," he rejected annexation of Albania into the Italian empire, and in 1939 he emigrated in the face of fascist troops. Thus, the youngest kingdom in Europe also became the most short-lived. Although condemned to lifelong exile, his son Leka has thoughts even today about returning to the country, "the first atheistic republic in the world" and "the only bastion of true socialism," as it has been proclaimed by an absolute monarch of different origin, Enver Hoxha.

Indirectly, from a description of the ambience the newsmen encountered when they arrived at the agreed meeting, one can easily grasp how realistic his political assessments are and in what kind of spiritual environment the "Albanian court in exile" moves:

"The spacious dining room of the villa in a suburb of Paris makes one feel almost heroic, as though he is attending an imperial ceremony, but he is confused when he looks at the amazing royal family which wants to regain the rights to which it feels entitled. Alongside his father, Leka II seems lost and pitiable. He is a lost child in a lost kingdom, dressed in a sweater too big for him that has the royal crest on it. Two women around him—his mother Suzanne, born in Australia, and his grandmother, the Queen Mother Geraldine—obviously are bored while the photographer attempts to record their images for posterity.

"This royal family conducts Albanian affairs wherever it lives. Following the death of her husband, King Zogu, the queen mother installed herself in Madrid. The king's nephew Tati calmly acknowledges the decisions of His Highness. There is also someone else who accompanies them in exile. His calling card reads: Kriziu, Prince of Kosovo. He cries every time he speaks about Albania, he lives in Cannes and works nights in a hotel."

[START] Would you give us a brief comment on the 50 years you have spent in exile?

[Leka] I was born in Albania, and when the Italian troops invaded the country, my father sent me, my mother, and her sisters to Greece. He later joined us, and we traveled together to Turkey. Three months later, we went to Bulgaria.

(Prince Kriziu became briefly involved in the conversation: "Turkey, Romania, Poland, we traveled around Europe, since the Italians wanted to grab the king.) Later, we passed through the Baltic countries and finally came to France, where we remained until the collapse. We actually left Paris 8 hours before the Germans entered it. We sailed to England, where we lived until the end of the war, by the last boat from Saint Jean de Luz. Later, we went to Egypt, but in 1954 we came back to France. We lived for years in Cannes, in Paris, where my father died in 1961. In 1962, we moved to Spain and lived there until 1979. My mother has remained in Madrid, where

she lives now, but we moved to Rhodesia and then the Republic of South Africa, where we have lived the last 10 years.

[START] How does a king live without a kingdom?

[Leka] There are many Albanians outside Albania and we maintain very close relations with that large diaspora. Also with people inside the country. Maintaining those connections takes a great deal of time, of course. Everyday concern with those contacts, meetings, trips for talks, it all fills my days almost entirely.

[START] Have you often had occasion to travel in Europe?

[Leka] Paris is our focal point in Europe. We have this center here which is owned by my aide, Captain Spagnia, and we come often. I go off on trips from here, they are necessary to maintain my contacts with Albanian emigre communities, for example, the one in Belgium, where there are 60,000 Albanians living, and also in America....

[START] Do you maintain a relationship with royal families?

[Leka] We maintain contacts with all the royal families. We correspond. Especially with the Belgian royal family: King Baudouin is my son's godfather, and we have really good relations with the ruling families and presidents of the Arab countries. But since our monarchy was set up by the Albanian people itself, and since we are a dynasty that exists only since 1928, we do not have family ties with the European royal houses.

[START] Why was your Belgian visa recently revoked?

[Leka] We were told that it was because of the upcoming official visit of the Yugoslav foreign secretary. I do not wish to have any friction with Belgium. I have already said that we nurture profound and close friendship with King Baudouin. But it turned out that the Albanians living in Belgium were preparing a celebration of some anniversary just before those events broke out in Kosovo. It is, of course, my duty to present myself as the king of all Albanians if they wish it, but the Belgian Government was concerned for that reason and decided to revoke my visa. Actually, they wanted to give it to me provided that I did not make political statements, which I was unable to accept.

[START] Did you foresee the events in Kosovo, and do you have a solution for that conflict?

[Leka] The Kosovo situation could have been predicted some 20 years ago. When we left Europe in 1979, it was already clear that Kosovo would rebel, which in fact happened in 1981. The Albanians simply could not have allowed the Serbs to do what they did in Kosovo without reacting. I assure you that the Albanians will not give up easily. They will continue the struggle in Kosovo until their rights, their nationality, and their traditions are acknowledged.

[START] Do you think that Albanians remember King Zogu after 4 decades of Enver Hoxha's socialism?

[Leka] I think that the memories of his time are very strong. Albania has gone through so much under the present regime in Tirana that recollection of the freedom which it had during my father's rule is certainly very strong. Socialism does not concern me, it has never concerned anyone, but the behavior of the communist regime there does worry us. Just before I left Spain, a communist newspaperman asked me: "If you return to Albania and take up all your powers as a ruler, what will you do with the Communists?" I answered him: "I have nothing against the Communists, but will the Albanians continue to put up with them?"

[START] So, you hope that you will return to Tirana one day?

[Leka] Certainly, I would like to go back to Albania one day, either as an ordinary citizen or because I am needed there. There would be no difficulties in resolving the situation. It would be enough to remove the present fear of authority, to put an end to the terror, and that would quite certainly bring progress.

[START] If you go back to Albania, what type of renewed monarchy would you establish?

[Leka] Our monarchy was a constitutional one. This is one of the youngest monarchies, our Constitution dates from 1928, and even then it was considered very progressive. So, if the people decided to restore the monarchy, then it would be established on the 1928 Constitution.

[START] Have you had occasion to meet with representatives of the Albanian Government during your years in exile?

[Leka] As a ruler, when I would enter the room where they had been, they would leave by the other door. I do not know why, perhaps I bother them, but it does not bother me. I am ready for conversation, since in the end the Albanians rebel, I am their king, and they are my people.

[START] Do you not have the impression that people see you more as an exotic figure than as a king?

[Leka] That depends on the media. The Albanians are a small people and they know me very well, they also know very well what I believe in. That is why it hardly is important what picture of me the world media create, since that will not alter the behavior of the Albanian Government. It is created in the government offices.

[START] A few years ago, you were accused of dealing in arms....

[Leka] Those rumors went around for a long time, not only concerning the arms trade, but also drugs and women. The charges are a pure attack on my person, since it is very easy to make accusations like that of someone who has no way of defending himself. I have

never traded in weapons. Of course, there is no smoke without fire; that is, the truth is that for a time I did buy weapons for our detachments, for resistance, and so on.... If someone wants to call that trading in arms, so be it. When that is necessary for us, for our people, I do it. But to do it for gain—never.

[START] Does that mean that you have some kind of personal army?

[Leka] We have always tried to create military forces so that we could help the forces within the country.

[START] Are these people trained and ready for intervention?

[Leka] Easy, easy! They have been training for years, in many countries....

[START] And today they are ready to do something?

[Leka] I hope so.

[START] Do the people in Kosovo know about your invitation to set up a Balkan confederation that would include an ethnically united Albania?

[Leka] Yes, that is very well-known. But we are not issuing a call to arms, since at this point we do not desire to destroy Yugoslavia. Nor in the future, if we could avoid it. We would rather negotiate. But if the Serbs continue to take away even those few rights which the Albanians in Kosovo have now, it will be necessary to undertake other forms of action as well.

YUGOSLAVIA

Slovene Economist Advocates Social-Democratic Socialism

28000187b Zagreb DANAS in Serbo-Croatian
12 Sep 89 pp 22-24

[Interview with Dr Joze Mencinger, research economist at the Economics Institute of the Ljubljana University School of Law, by Ratko Boskovic: "Reform Is an Illusion"; date and place not given]

[Text] Dr Joze Mencinger is a research economist employed in the Economics Institute of the Ljubljana University School of Law, popularly known also as Bajt's Institute. He emerged on the public scene in the early eighties and immediately felt on his own skin the attitude of politics toward economics as a profession: "In my first article, I advocated abolishing the maximum landholding in Yugoslavia. When I read that article today, it seems comical to me. But for 2 years I was unable to publish it, and when it did come out, it evoked a storm of public opposition. The politicians suggested that I replace the word 'private' by the word 'individual'...."

With a law degree, an MA in economics, and a doctorate in econometrics at the University of Pennsylvania in the

United States, he was proclaimed a "rightwinger" after his very first articles, and today he feels like a "rightwinger whom everyone has passed on the right." "Those who even 10 years ago were saying that the worker was mastering the entirety of social reproduction are now talking about the labor market, and doing so without any scruples at all. I nevertheless issue a caution that there are many problems here and that it is not possible to make the transition to the labor market overnight," Mencinger said.

Dr Joze Mencinger has been working at the institute since its establishment, since Professor Bajt hired him when he was still a student. He teaches statistics and the Yugoslav economy, and for more than 2 years he has edited the journal PRIVREDNA KRETANJA [ECONOMIC TRENDS], which publishes the results of his institute's research.

[DANAS] What is the state of the Yugoslav economy at the moment?

[Mencinger] In August, inflation was slightly lower than in July. At first, that seems unimportant, and the difference does not seem to be great: monthly inflation in July was 31.3 percent, and in August 28.3 percent. At the annual level, that difference is very great, but it is early to say whether this is a random slowing down of inflation or whether the reasons are even purely statistical. It will take a few more months to see whether the growth rate of prices has actually slowed down. That would be important, since inflationary expectations are formed on the basis of that datum. Another important thing is that in the summer months Yugoslavia's foreign trade trends began to deteriorate, although not alarmingly. Production also began to head downward, with large fluctuations, which obviously come from the financial sphere.

Taking one thing with another, as far as we have been able to see, there have not been any pronounced changes in the economy.

[DANAS] At the height of the great debates in Yugoslavia about whether the Markovic government should or should not enact some special anti-inflation program, you came out in public with the assessment that institutional capabilities for conquering hyperinflation do not exist at all at present. Incidentally, when does inflation become hyperinflation?

[Mencinger] This is usually said when inflation is higher than 50 percent per month. Here, it is no longer possible to issue econometric forecasts, since they are more a matter of geometry than of econometrics. An inflation of 30 percent per month is inflation at about 2,200 percent per year, and an inflation of 35 percent per month exceeds 3,500 percent per year. Econometric models no longer allow one to distinguish the determinants between 30 and 35. The curve, then, can be extended more steeply or less steeply, but in both cases it is quite arbitrary. I think that the economic conditions for conquering inflation still do not exist, simply because at this point we are still in a period of changing the economic

system, and we still are behaving in keeping with habits acquired over 40 years. And our legislation is overflowing with confusion. I also think that the Federal Executive Council does not have authority enough to conquer inflation. The roles in the system have been switched about and actually reversed. On the one hand, the Mikulic Commission, that is, the FEC, has been changing the foundations of the economic system, while on the other the FEC cannot regulate certain altogether quantitative measures such as, for example, setting the exchange rate of the dollar used in bilateral payments. This is a typical economic policy measure. In our country, all of that has been mixed up: the Assembly is doing what the government ought to be doing, and the government is doing the work of the Assembly.

[DANAS] Just as the anticipation of the rise of prices is incorporated into their actual growth, so salaries are also consistently indexed, and this feeds the inflationary spiral. You have advocated controlling the growth of personal incomes, taking the position that they should be given what they do not have now—some “natural enemy” of their own that will restrain their economically unwarranted growth.

[Mencinger] The thesis that the growth of personal incomes should be controlled is fairly unpopular now. It is easy to get an argument over this with everyone, since everyone will easily show that in his enterprise salaries are only 5 percent of total costs. But if we look at the economy as a whole, there is nothing in it but salaries. The social income is by definition the sum total of incomes of all those who participate in the economy. Which means that there are someone's salaries in every kind of production supply and in the taxes which are paid. And those salaries do not have their own “natural enemy” since there is no owner of the means of production who would be interested in keeping salaries as low as possible. In our enterprises, we are all immediately in favor of high salaries, except perhaps for some director who is overzealous. Second, since there is no labor market and no market for capital, restrictive monetary policy operates very severely and is rapidly destroying segments of the economy. In short, in market economies there are instruments which make it possible for social pressures to be dispersed over the entire economy. We do not have that. That is why I argue that we need an incomes policy along with monetary policy. How that policy should be conducted is another question. The answer to that question is somewhat more difficult. If we should stick to the way we have had up to now, whereby last year's salaries are raised by a few percentage points, then differences also increase, and the lowest paid strata have to strike to get their salaries raised. There are also other ways, and they are also very unpopular. However, sooner or later we will have to embark on still greater leveling. It would be possible to deindex present personal incomes, but this would be differentiated. For instance, raise the highest salaries by a coefficient of 0.95 of inflation, and those with the lowest salaries by the full amount of inflation, and so on. Which means that the

burden of poverty is in the end being placed on those who are better off. I am aware here of the negative consequences of this model of income control, but in the present economic system, when there is no labor market, I do not see any model that would not have any negative consequences.

[DANAS] Aren't they the consequences of mistakes in the system?

[Mencinger] Mikulic will never get the recognition he deserves for forming the commission to change the economic system. I think that the Mikulic Commission has done a big job, a much bigger job than the Kraigher Commission, of which I myself was a member, and which attempted to change things while preserving the present system, which is impossible. The Mikulic Commission, when it observed that Yugoslavia's basic problem was a question of ownership, began by changing the foundations of the system. It also did the same thing when it found that an integral market had to be instituted. In both cases, in my opinion, it put Yugoslavia into utter confusion. I think that that confusion is actually the greatest achievement of economic science, since only in that way was it possible to overcome the ideological barriers to some extent. Here is why I say that it is a case of confusion.... On the one hand, the Mikulic Commission has been favoring an integral market, and at the same time it has wanted to hold on to social ownership and worker self-management. I personally think that the two things do not go together. A labor market excludes worker self-management, which can be proven both with logic and in practical terms, just as the market for capital excludes social ownership. On a market, there has to be a purchaser and a seller. The solution that was forthcoming was the assertion that the problem lies in the nonproperty concept of social ownership. I say, however, that there actually is no other concept. As soon as there is a titleholder of social property, then it becomes collective property, which is a form of private ownership. That is where the ideological confusion is.

[DANAS] Do you perhaps see some elegant way out of that confusion?

[Mencinger] No, I don't, so long as we go on saying that we have socialism. When there is a labor market and a market for capital, then it is no longer possible to talk about socialism. People in our country are now saying that “socialism is not what we have had up until now, nor is socialism what exists in the East. Socialism is something altogether different, something to human measure, and so on.” All of that is merely an attempt to avoid recognition that the entire project of socialism has failed. I am not happy about its having failed, but it simply must be recognized. Socialism has always defined itself as a system in which the means of production were publicly owned. That is in fact Marxism's basic mistake: it was always thought that ownership was the main reason why people were exploited, and the influence of ownership on productivity, on concern for preserving

what is being worked with, and so on, was considered altogether negligible. I think that the only possible socialism is some Social-Democratic socialism, that is, a society in which private ownership of the means of production is allowed, but where there is greater equality among people, where differences are reduced indirectly, by means of taxes and so on. I think that that is a pragmatic road to a better society.

[DANAS] Many people, even in Yugoslavia, see what is called entrepreneurial socialism as the solution to the Yugoslav crisis. Do you share their optimism? Could it create economically more efficient self-managed enterprises, if only through internal distribution of income?

[Mencinger] A situation in which we are all managers inevitably leads toward leveling. It is exceedingly difficult to measure relative relations in personal incomes. If that task were left to the managers within the framework of "managerial socialism," which many people favor rather strongly and in which greater powers are given to enterprise directors—that would be one solution. I would call it the second best solution. Again, the question arises here: And to whom is the manager then accountable? He could be accountable to the workers. And who is going to give him the power to discharge workers? The party, the state, the government? If the workers give him that authority, we again dig ourselves an absurd hole: We speak about self-management, but it does not really exist, since powers have been turned over to the directors. I see no solution in that direction.

[DANAS] Is your radical criticism of the "new socialism" directed toward the government of Ante Markovic, who has come out in public with one such project, and at least in the short run has received undivided support?

[Mencinger] To some extent, yes. If we are to talk about a "new socialism," we have to precisely define what it is. "Socialism to human measure," fine, but what is that? That definition certainly cannot be sufficient and certainly cannot be compared to a very precise definition of socialism as a system in which the means of production are publicly owned. But I understand Markovic perfectly. He himself has said that we are changing things, and ultimately we will also resolve those ideological quandaries. That is the way he is operating, and I do not know how convinced he is of the effectiveness of socialism as it has been described in the textbooks.

[DANAS] You assert and argue that that particular socialism, with public ownership and "appropriation according to work" is inherently inefficient by comparison to the society which we call capitalistic. Present your evidence....

[Mencinger] Briefly, I say that a system which allows exploitation on the basis of ownership is more efficient than a system which does not allow it. The initial premise is that people have different abilities and they are selfish. Then, in a system which allows private ownership, those who are more able can purchase means of production and employ those who are less able. It can

be proven that the less able, who in Marx' terms is exploited, is then in a better position than in a system which does not have exploitation, because he is creating more products with his labor. It is certain that the one who is more capable is also getting more. If both are getting more, that is sufficient proof that the system is more efficient. The inefficiency of socialism, aside from being obvious, is also manifested in the fact that that system allows the person who is more able to spend more, but it does not allow him to invest. It restricts him. The maximum of a function which has a limit, we know from mathematics, is necessarily smaller than the maximum of a function which does not have a limit. There are many practical examples, and I will not recite them. I would merely conclude that it follows from all this that socialism cannot be reformed at all; that is, every reform that would make a socialist system efficient necessarily changes it into some kind of capitalist system. It is just that we pretend to be blind, something that has already been termed the paradox of the duck and the chicken: it quacks like a duck and waddles like a duck, and we say that it is a chicken. We continue to assert that a system in which there is a labor market and a market for capital is a socialist system, although actually it is some kind of capitalist system.

[DANAS] The consequence, then, what you are offering Yugoslavia, is this: the speediest and least painful return to capitalism?

[Mencinger] Yes. But even that is not simple. It is thought in our country that if we carry out changes, the very next day we will have Sweden, Switzerland, or at least Austria here. However, I say that if we carry out the reform successfully, we will find ourselves in 1930 Yugoslavia. With a much greater social wealth, of course, at a higher level of development of technology, but with very similar problems. The main problem will be unemployment. If we are thinking about increasing the efficiency of the Yugoslav economy, the first question which will have to be answered is what to do with the surplus workers? Even according to very modest estimates which are based on Yugoslavia's productivity already achieved, it is easy to show that even now we have a surplus of at least 20 percent, that is, unemployment that is concealed in the socialized sector. That signifies 1.5 million people who at the moment ought to be on the labor market, without a job. It is now being said: If we allow a larger private sector, then it will be able to absorb those extra people. However, differences in time are not being taken into account: the private sector cannot be created overnight. At the same time, if that private sector is what is called the tertiary or service sector, then it requires a very efficient secondary or production sector. That is the main reason why I say that we will find ourselves in 1930. I do not see a rapid solution. Our economic structure has been created over 40 years and cannot be abandoned very quickly. Let us take the agricultural structure: Our peasant must make a living from 3 hectares and 3 cows, while in Europe the peasant gets his living from 60 hectares and 30 cows. That kind of

structure in Yugoslavia was created by agricultural policy over 40 years and it will take several generations to get away from it.

[DANAS] What is your assessment of the current, short-term, and economic policy moves of the Ante Markovic government? To what opinion are you inclined, is an explicit anti-inflation program necessary or not?

[Mencinger] I agree entirely with Markovic's rather unsuccessful resistance to the writing of a special anti-inflation program. We have had an abundance of such programs, we have all debated them from the Society for Protection of Animals to the Central Committee, and it has been just as effective as a rain dance. Nothing can be achieved in the way the politicians are recommending, to arrive at a general consensus as to how inflation should be restrained. It is easy to arrive at consensus against inflation, but as soon as my salary or someone else's is supposed to fall, then that consensus no longer exists. Economics is based on selfishness, not on consensus. That is why we will never have it in the economy. But in spite of that and for all my reservations to the effect that the government does not even have the capability of doing anything against inflation (not because it is being attacked, that kind of opposition attacks the government everywhere in the world, but because it does not have real powers), I still think that the government has made several mistakes. The first it committed at the very beginning, precisely by believing that inflation could be controlled with what is called supply-side economics, by a change in the system that will increase the supply of goods. If nothing else, an error was made in the order of magnitude, since changes in the system affect real flows, while inflation is a nominal flow. I am not saying that those changes in the system are not worthwhile. They are, but they cannot handle inflation. Especially the time dimension has been lost: the changes in the system operate over the long range, but in the case of inflation the important thing is whether we halt it immediately or not. Thus, no one managed to take advantage of the opportunity we pointed out toward the end of last year, when inflation dropped to about 15 percent per month. That period lasted about 4 months, after relative equilibrium prices were established following the thaw in June. That opportunity was not utilized either by the old government, which was preparing to depart, nor the new one. That is the first mistake. The second is that monetary and fiscal policy are neutral to say the least and are altogether unable to check inflation. The third is the government's mistake in having forgotten last May's anti-inflation program. The general opinion is that it was rather consistent with its three anchors and three aspects of liberalization. The liberalization went further, and no one was holding the anchors. It is certainly difficult to revive that program at this point, since the situation is much worse, but it is worth thinking about. In that context it was a big mistake on the part of the government to have renounced in advance the conduct of a personal income policy. It think that that policy is necessary to provide help to monetary policy.

[DANAS] You say that if the changes in the Yugoslav economy are successful, that will only take us to the poverty of the thirties. People would reconcile themselves even to that if the economy were sound, if it were oriented toward the market, and if it had prospects for development. Many are proposing reprivatization of public property as one of the ways of achieving that. Do you also think that this would be a successful recipe for Yugoslavia?

[Mencinger] I see nothing else, although I am afraid of it. I see that those resourceful people are emerging once again, and since it is clear that there is no protection of public property (there is no other way of protecting it than by administrative measures), since even that morality which the former "expropriators" had has disappeared, perhaps our question of who will get the public property will soon not even be posed anymore, since there will not be any property. In practice, it will have been divided even before we resolve the dilemma in theoretical terms. The second problem of a mixed economy is that on the one side we have the private owner, with a very strongly pronounced selfishness, and on the other the person who is supposed to protect social ownership, but lacks that selfishness to protect it. The opportunities for siphoning the public over into the private are very great here, even before privatization takes place. I am not surprised that some of our successful private businessmen do not explicitly desire a return of Yugoslavia to capitalism, they do not want in our country the system that exists on the other side of the western border, since then there would be competition, their counterparts run the risk of failure. That does not exist here.

[DANAS] How do you look upon the present practice, especially in Slovenia, of one publicly owned enterprise becoming the owner of another one?

[Mencinger] That possibility arose with the new Law on Enterprises, which is a typical law of a capitalist economy. It treats mixed and social enterprises as though property problems had been resolved. This law is also unconstitutional from the first sentence to the last; it introduces the capital relation and completely eliminates self-management. Even in enterprises in which publicly owned enterprises are the exclusive owner, the right to manage and the right to the profit are divided up according to the proportion of the capital invested. Not according to the number of workers or "according to work...." I personally have nothing against that law, it seems to me that it is on the right road. But it has to be clearly stated that it has reduced self-management to the kind of comanagement that exists everywhere in Europe and that is characteristic of capitalism.

[DANAS] What if the present reforms (in the direction of changes in the very foundations, not just adjustments that do not change the essence) of the socialist system are once again unsuccessful in Yugoslavia, what if politics once again halts them and turns them back?

[Mencinger] Then we will not go back to 1930, but to 1947, with everything that that year signifies. The year 1947 is closer to us in time, but in terms of civilization it is much further away than 1930.

Montenegro President Interviewed on Current Issues

28000187a Zagreb DANAS in Serbo-Croatian
12 Sep 89 pp 11-14

[Interview with Dr Branko Kostic, chairman of the presidency of the Socialist Republic of Montenegro, by Fahrudin Radoncic: "Erasing Artificial Boundaries"; date and place not given]

[Text] Dr Branko Kostic, chairman of the presidency of SR [Socialist Republic] Montenegro, and his political views seem hardly known at all in any detail to the broader Yugoslav public. Although nominally the first person in the republic, since the very inauguration of the young politicians, he has somehow been in the shadow of the new Montenegrin political stars Momir Bulatovic and Mile Djukanovic (probably because they are aggressive both in their politics and in their handling of the media). Which arouses greater interest in one of the last of the Mohicans of the "old politics," who has managed not only to stay in politics, which in the situation there is the riskiest profession, but to be elected head of our smallest state from the position of vice chairman of the republic government that resigned.

DANAS: Extremely significant political movements and changes have occurred in Montenegro over a very short period of time. There is an abundance of controversial assessments of what caused them. As the first person in the politics of the republic, can you tell us what you think?

Kostic: The main reason for everything that happened in Montenegro, and indeed for much of what is happening today in Yugoslavia, is the problem of Kosovo. Of course, later, precisely because of Kosovo and in relation to Kosovo, much was built on that and connected to it. One segment of the public frequently puts the question: Why was it in Montenegro that all that happened? This loses sight of the fact that many Montenegrins inhabited a region of Kosovo, the Metohija section. Before the war, Pec was the largest Montenegrin town. What is more, we today have some 300-400 families in certain local communities within Titograd who have moved and fled from Metohija. Many of our people have relatives and friends there. That is why the drama of the Kosovo Serbs and Montenegrins is much closer to the people in Montenegro. It is conceived and experienced more dramatically.

Many other things are then related to this, especially in the situation where Yugoslavia's political and government leadership has for years been avoiding coming to grips with these problems, and the leadership in the republics and provinces has not shown readiness either. When someone finally turned up at the top of Serbian politics and government who would act boldly and who

would put that problem on the agenda, and then he was left isolated, not receiving understanding and readiness on the part of others to confront that problem; then obviously the possibility remained of politicizing the masses and attempting to put the problem in the right light with the help of the people.

It was easiest to politicize the masses on this most sensitive issue and to awaken the conscience and consciousness that had gone to sleep. Nevertheless, there are three reasons for this rebellion of the masses and pouring into the streets and the fall of the entire leadership in Montenegro: Kosovo, the problem of constitutional changes in Serbia, and the unwillingness to support that orientation, and the irresponsible attitude of the former leadership toward its own people. Of course, the difficult economic situation and the ever deepening crisis only accentuated the dissatisfaction and rebellion of the people.

DANAS: Many have proclaimed the January events and the changes that followed them a "historical change of direction." What has the antibureaucratic revolution brought Montenegro, and where is the improvement being felt?

Kostic: I would avoid referring to everything that has happened in Montenegro as a historical change of direction. For the simple reason that it has to be seen whether the basic constructive elements which brought those changes with them will manage to affirm themselves and hold out. The conditions under which we live today in Montenegro are extremely difficult and very complicated. But we must win. Although in some places there was disappointment and disbelief at the very outset, there has been a gain in the democratic climate that has been created. An atmosphere has been brought about in which there are no longer any taboo topics, there are no untouchables, even though we have had more political harm than good from certain initiatives of some bodies of leaders and certain discussions. But that is the result of the young new democracy, which we have yet to learn and which we are just now having to get used to. I think that that is the greatest gain.

Also, everything that happened in Montenegro increased the prestige of the League of Communists. The very fact that the people and citizens are appealing in large numbers to the political leadership, that is, to the leadership of the League of Communists, indicates the extent to which the League of Communists has been able to restore its reputation through those changes.

DANAS: The Montenegrin leadership has addressed quite a bit of criticism to the federal government and Ante Markovic. We know that a "rally of hungry people" was even held in Niksic; where are the causes of the conflict between Montenegro and the FEC?

Kostic: These are issues concerning everyday existence for Montenegro, and I think neither the federal government nor a large segment of the public in the other parts of the country are aware of this as yet. For us, this is a

question of to be or not to be, to survive or not to survive. The basic dispute between Montenegro and the FEC is the FEC's unwillingness to tackle these problems. After all, the delays in the payment of exchange rate differences, which ranged from 10 to 11 months, placed business organizations in a situation where they were committing all of their available liquid assets and exhausting themselves posting deposits to purchase foreign currencies in order to pay off debt abroad. And when they exhausted all of their available liquid assets, there was nothing else for the economy to do but to take short-term credits at enormous interest rates on the money market in order to support the process of reproduction. The figures show us that in just the last 2 years that economy has paid nearly 300 billion dinars in interest because of the delay in payment of exchange rate differences on the money market, while the total resources of the Fund for the Underdeveloped Regions which Montenegro received in that period for faster development amounted to 240 billion.

DANAS: Can one conclude on that basis that there is truth in the slogan from Niksic: "We are not looking for a handout, just give back to us what was taken away"?

Kostic: If that were taken literally, it could offend the feelings of a large number of citizens in other parts of the country. But if we realize that the economic policy which has been conducted at the level of Yugoslavia over the last 8 years has objectively been detrimental to the less developed areas and that under the impact of the high rate of inflation there has been a siphoning through relations in primary distribution, the exchange rate of the dinar, through interest and other forms, then it is clear that the damage is great and is more than this economy can stand. I would recall that the Long-Range Economic Stabilization Program said that application of a positive rate of interest and a real exchange rate, even assuming that inflation is brought down, and at that time it amounted to about 45 percent, would place many business entities in great difficulties, especially in the less developed area, and that it would be necessary to take additional steps to overcome those difficulties. Measures of that kind were not forthcoming, and inflation has already been approaching four digits.

The greatest danger hovering over these new democratic processes is precisely this impoverished economy, the devastating impact of inflation, the decline in the standard of living, and the social tensions. When a man does not have the money to buy bread and milk, you cannot interest him in any kind of new development philosophy, nor any new democratic options and democratic developments.

DANAS: It follows that hunger is not only the greatest check on the economic reforms, but also a danger to the new leadership and the political course which it has adopted.

Kostic: That grave economic situation is the greatest danger. There are those in Montenegro who think that

the reluctance of the federal government to take steps in order to offer economic aid to this region is an integral part of a policy of exhaustion and of jeopardizing the changes.

DANAS: Is that not too serious a charge?

Kostic: I must say that I do not share that opinion, but in a situation where we are persistently trying to have that problem seen with its true weight and when at the same time readiness is not shown to tackle that problem, then such opinions are not surprising. Nevertheless, I think that the reason rather lies in the fact that Montenegro produces 1.9 percent of the Yugoslav social product, that it is a small region, and that with such small relative weight it does not get the attention it should from the competent authorities.

DANAS: Have the social tensions also been intensified to some extent by certain campaign promises made easily in the sense of "all that is required is just for you to go away"?

Kostic: As far as those sentiments go, I must say that I did not really follow everything that was promised and said very carefully. Over the last few months, since I have been elected to this position, there has been constant emphasis on a fact which is quite clear, that these large economic problems that have accumulated cannot be solved overnight and that it would be absurd to accuse the Montenegrin leadership. This has been decades in the making, and it cannot be resolved so simply or so quickly.

DANAS: In the context of the new economic orientation, many speculations have been evoked by the announcement of economic integration and association of the major economic systems of Montenegro and Serbia, even about an alleged sale of our smallest republic.

Kostic: The people in Montenegro are a dignified people which has a high opinion of itself, of its history, and of its past, and I can freely say that for precisely that reason there is no cause to fear any alleged sale of Montenegro. Even if someone wanted to do it. But today there is a much more striking desire to link the economies of these two regions which have so much in common, especially when it comes to the large-scale infrastructure.

Our overall orientation at the level of Yugoslavia is to form those infrastructural systems as unified technical-economic entities. We have been having difficulty reaching agreement on this. So, if it is difficult to reach agreement on this at the level of the country, why not try now to go step by step in a more rational utilization of those resources, leaving the system open for all the others. Accordingly, it is a question of a desire to remove some of the artificial boundaries which are economically unjustified and harmful and to link together large systems in order to create more optimum conditions for economic entities both in Montenegro and in Serbia.

DANAS: Could excessively great economic dependence result in some kind of political paternalism?

Kostic: I think that Montenegro is not in an inferior position when it comes to establishing economic linkages, so that no kind of paternalistic attitude of Serbia toward it could arise out of that. Serbia has surpluses of electric power, we have surpluses of aluminum. In Serbia, there are plants today to process 50,000 tons of aluminum. The Belgrade-Bar Railroad and the Port of Bar are not of interest to Montenegro alone, but also to many economic entities in Serbia and indeed beyond. It is in the interest of all entities to reduce transportation costs and to make their production less expensive. On the territory of Montenegro, Bosnia-Herzegovina, and Serbia, there is a large hydropower potential that is going unused. The faster we eliminate the influence of the political factor in the economy, the faster the economic linkage will come about.

DANAS: You recently declared that the people of Montenegro and Serbia and the new leadership will no longer allow political barriers to blockade mergers between the two economies. Since you have also been vice chairman of the Montenegrin Government, what form did that resistance take?

Kostic: As I have said, certain moves in Montenegro's economic development were made 15 years ago, and they are now being maintained with very great adverse consequences. This was the result of influence of the political factor and of a desire to set up everything autonomously in such a small region as Montenegro, including even our own power system.

DANAS: The ever closer political relations between our smallest and our largest republics have been arousing particular attention from the broadest public recently. It is interesting in that context that Montenegro supported the demand to amend the Law on Colonists, and the line taken by its party officials at the recent federal party plenum on interethnic relations was also very indicative.

Kostic: When views on certain matters are identical, one should not assume that this is because Montenegro and Serbia are involved. It is political assessments on certain major issues, which are completely autonomous, that make the views identical. As for the Law on Colonists, as I have already said, we have many Montenegrin families who left Kosovo in the postwar period. Their return was simply prohibited. As for interethnic relations and many other issues, our views are very similar. They arise out of the changes that began in January, out of the views and commitments set forth at the 10th Extraordinary Congress of the Montenegrin LC.

I must also say that we do not look upon relations in the Federation the same way as the Slovenian leadership. Our premise is that if we want to live together, then that Federation, as a community of equal South Slav peoples and nationalities, is a kind of marriage. And every marriage is a certain restriction of freedom in each of those parts.

DANAS: More and more frequently we hear warnings from Montenegrin party officials that centers of obstruction of the young leadership and the new political course are emerging in Montenegro. Where are those centers, and how great is their real strength and power?

Kostic: There are several causes of this. First, we should not overlook that the meaning of all those changes and indeed of politicization of the masses and the mass appearance of the people in the street has been simplistically and in my opinion one-sidedly grasped by a segment of the public in Montenegro. Some citizens of Montenegro look upon this rather like it is being looked upon today in Slovenia and Croatia. Credit for some of this should probably be given to the previous leadership in Montenegro, whose constant assessment was that the basic problem was the alleged wave of Serbian expansionist nationalism, which is now supposedly spreading over everything. Accordingly, there is serious hesitation in a segment of the people. These people exist even today, and I must say that the most important ones are in the ranks of the Muslim nationality and Albanian nationality. I have had occasion to feel this quite clearly and concretely. In other words, a segment of the people in Montenegro has not realized what the main cause was behind the well-known large movement of the masses.

DANAS: Does it follow that the "centers of obstruction" are the Muslims and Albanians? How, then, is one to interpret what is happening in Cetinje?

Kostic: No, no, I did not mean to say that. I said there were several causes, and this is only one. You see, when all those people came into the streets, at all or almost all the gatherings there were certain negative details of symbols, uniforms, beards which were striking, which awakened certain memories and recollections. The main problem is that a segment of the public and a segment of the news media devoted much greater or even exclusive attention to that peripheral aspect, instead of concerning themselves with the main motives which brought hundreds of thousands of people into the streets.

The second cause is the practice that has gone on in Montenegro and elsewhere for decades whereby the average worker, person, citizen, is assured and made to think that someone else should find the solution for the troubles affecting his collective, not the collective itself. And always when difficulties arise, illiquidity, losses, help should be sought from the Central Committee, from the Executive Council, from the Presidency, and so on. Accordingly, I think that the most important elements of obstruction lie in that particular mindset, which is slowly changing.

It is an illusion, but it seems to us that the largest problems occur in mixed ethnic communities. That happened in Plav, Rozaj, to some extent in Bijelo Polje (if not on that basis), and problems have arisen in Bar.... I personally think that the basis does not lie in interethnic relations, but in the fact that individuals and groups have found themselves in jeopardy. Whether it is their

position that is in jeopardy or there have been embezzlements and abuse of social property, or again an inability to keep up with the new currents.

Cetinje is not a mixed ethnic community, but elements of political conflicts, divisions, and bad blood have also occurred there, not always between Montenegrin separatism and Serbian expansionist nationalism. Throughout its entire postwar history, on the occasion of various elections and changes, Cetinje has always had quite a few scandals and conflicts which cannot be related to any political orientation, much less an ethnic one. Economic difficulties in that opstina have only encouraged those conflicts and made them more dramatic.

DANAS: Now that you have mentioned Montenegrin separatism, assertions are not uncommon to the effect that it does not exist in the true sense of the word. It is interesting that not even in the political emigre community, as far as we know, is there any concept of Montenegro's separating from Yugoslavia. Is that not an expression that was badly put, something that at times could be uncritically imputed to certain communities?

Kostic: I think that all those who take positions of Montenegrin separatism, or I would rather say Montenegrin nationalism, do not have in their heads the idea of a separate Montenegro outside of Yugoslavia. Not even they. But I think that this is a revival of the past imposed at one time by the dynastic struggle between the houses of the Karadjordjevides and the Petrovices, which in individuals takes on such proportions that it dims the reason and it goes so far as to deny any ethnic connection whatsoever between the Serbian and Montenegrin nationalities.

DANAS: You are among the rare top-level Yugoslav politicians to have had the misfortune of being at the focus of an interethnic division such as the one that occurred in January in Plav. How did you feel that day, and what is the situation in that opstina today?

Kostic: The feeling I had was an extremely tragic one. At some points, I found myself there in the midst of utter ethnic division between Muslims and Albanians on the one hand and Montenegrins and Serbs on the other. They were separated only by a line of police. The only and basic idea which I attempted to insert in the conversation with representatives of both groupings, and later in my public statement, was a reminder that this was the region of their parents and grandparents, that it was their destiny to have to live together and they must build their mutual relations themselves, since otherwise no one will be able to help them. The other possibility was mutual conflict and bloodshed, and the consequences of that are still fresh from the war after the war. Fortunately, they all listened and dispersed.

DANAS: Are the antagonisms today at least a little diminished, and is there room for optimism?

Kostic: They are rather strong. In the ranks of both the Montenegrin and Serbian nationality there are extreme individuals who misuse Milosevic and everything that is happening in Serbia. However, I still think that the greatest responsibility as far as Plav is concerned lies with members of the Muslim nationality. They are the majority there and constitute about 51 percent of the total population. Everywhere in Montenegro where the Muslims and Albanians have a majority, it is their paramount obligation to guarantee the Montenegrins, Serbs, and members of other nationalities and ethnic minorities equal treatment and position, just as the Montenegrin nationality guarantees them that in Montenegro. I think that this is not sufficiently taken into account. Also, I must say that occurrences of Serbian expansionist nationalism and Montenegrin nationalism have quite certainly been having an adverse effect among citizens of Montenegrin and Serbian nationality, just as occurrences of Muslim fundamentalism and Albanian irredentism and nationalism have not been without influence in their respective communities.

DANAS: Why did political forums at the republic level not react more decidedly to the unscrupulous blows against Yugoslavia's AVNOJ identity, Tito, the outright negation of the Montenegrin nationality, especially in view of the fact that they occurred, as in the case of Cosic, within Montenegro itself?

Kostic: That question of yours nevertheless leans toward the old conception and the old practice which we want to get beyond. I see one of the major achievements of the new changes in Montenegro and of the democratic processes in the fact that we are opening up room even to those who think otherwise than we do, even those whose thinking is far from ours on certain issues. I do not think that the political and government leadership should continue to retain the role of agents on duty who will react to every opinion they do not agree with.

Second, I personally think, as far as Tito is concerned, that regardless of individual attempts to dispute his role, he will remain a major figure not only in the history of the South Slav peoples, but also in the history of Europe and the world. And from the standpoint of the role which he had in carrying out the revolution and national liberation war and in the country's postwar development, especially with respect to placing Yugoslavia on the world political scene. But all that does not mean that even he, as the most responsible individual during Yugoslavia's entire postwar development, did not make mistakes himself in that effort of his.

It is another matter that for 40 years we lived in a world in which it was unthinkable to talk about that. In that respect, he was untouchable. And now every attempt to examine more objectively or evaluate his role, especially in Yugoslavia's domestic development, is perceived as an attack on him or as an attempt to discredit his role. I do not see it that way. Incidentally, even he himself frequently corrected himself. I am more disturbed by those who misuse Tito and who usually refer to him

when they lack other arguments, as well as those who are carrying his pictures today, but they desecrated them when he was alive.

DANAS: You said in the first part of your answer that it is a question of democratic processes that apply to all, including those who think otherwise. Nevertheless, does the filing of criminal charges against four Montenegrin writers (Brkovic, Popovic, Lompar, and Zekovic) because of certain of their representations of certain issues in the past and current events in Montenegro denote the absence of uniform criteria and a selective approach?

Kostic: I truly do not know what basis the judicial authorities might have had for instituting criminal proceedings. I feel that they should operate independently, in accordance with the Constitution and the laws in effect, and that they must not be subject to the demands of day-to-day politics. If proceedings are under way, that makes it all the more unacceptable for me, as the chairman of the Presidency, to make any kind of assessments aside from what I have already said.

Our demand for democratization of public life presupposes creation of an atmosphere in which everyone will be able to present his opinion without being made criminally accountable. That is also the thrust of our commitments to do away with the verbal crime and to create democratic freedoms to which we still have to accustom ourselves, since we became unused to them for quite a long time.

DANAS: In the talk about democratization, one gets the impression that sometimes it is a one-dimensional democracy for those of like mind, in which there are no taboo topics when it comes to the old leadership and the actions of certain current groups of leaders in the country. Yet it seems that there are still two taboos: criticism of the young Montenegrin leadership and Slobodan Milosevic.

Kostic: I do not share that opinion. If you look at periodicals in Montenegro, by comparison with earlier periods, we have an altogether new climate. You will find counterarguments and opposed opinions in them much more frequently, you will also find criticism and objections to individuals in the republic leadership, so that I, for example, do not have the feeling you speak of. At least not when it comes to the news media.

DANAS: No, it is not the media, but something else that is reminiscent of a kind of balance of power. For example, recently when the deputies devoted their public statements to approximately equal criticism of the Slovenian and Serbian leadership because of their dispute over whether they should sit down and talk to one another, this was followed by a reaction that was not in the least democratic, by threats of rallies and direct pressure from certain work organizations in defense of the Serbian leadership.

Kostic: We have to look at that in the context of the total events in Yugoslavia and the balance of power in the country as a whole. It would be abnormal to expect in a situation of general confrontation and opposition, when the media space is divided, that in our news media we should have a climate that is democratic to the extreme and in which everyone can safely express the opposite opinion and opposite assessment without causing resentment and rebellion by a segment of the public.

There are two reasons why there are no critical comments addressed to Slobodan Milosevic in Montenegro. The first reason is that there are too many critical comments directed toward him in other communities, especially Slovenia. Second, the immense majority of the people of Montenegro see Slobodan Milosevic as a new and relatively young man who has emerged on the political horizon, who has managed to awaken people's sleeping conscience and consciousness, to open up prospects and to set the masses in motion. In other words, he has managed to offer a way out, an opportunity and prospects for emerging from the blind alley that we have been sinking deeper and deeper into these past 10 years or so.

DANAS: The spread of those freedoms and political pluralism also presuppose the emergence of other participants and the free circulation of differing opinions. At the same time, a vigorous political differentiation is being carried out and demanded, even outside the LC, with the recent initiative of the Titograd Opstina Committee of the LC concerning establishment of the political responsibility of large numbers of people and carrying this over to responsibility in the workplace, which presupposes that people will be removed from responsible positions in enterprises, SIZ's, and banks. Is this not a contradiction in adjecto?

Kostic: Insistence by the party organization in Montenegro that a differentiation be carried out does not, in my opinion, signify a denial of pluralism, but it does mean that we clearly see which of those forces in every community, both in the work collective and in the local community, in all social entities, on which the League of Communists can count as a party. Which are those forces which are ready to follow this new course.

The differentiation that is now being insisted on is not based on some declarative expression of attitude toward the new and old leadership, since objectively speaking we have individuals in all communities who are verbally supporting those changes and the new leadership, but in essence they are still on the old positions. Accordingly, the differentiation should be oriented toward the basic requirements. That is, the reform course, the orientation toward market-oriented economic activity, the discharge of work obligations, and then in the political sense differentiation with respect to the changes which have occurred.

DANAS: Will the issue of the responsibility of the republic's former Presidency be resolved in keeping with

political assessments concerning its work, and could it possibly be transformed into a kind of political trial? If a precedent is set, won't party initiative soon take the place of constitutional validity?

Kostic: We in the party and government leadership are aware that what we are doing today will be appreciated by generations in 5, 10, 15, or 20 years or more. Accordingly, I think that we must pay exceedingly great attention to every specific issue and not allow ourselves to get in a position where new generations would say that we committed errors similar to those committed by those who have left the political scene.

The question of the political accountability of the old leadership, indeed even the republic Presidency, is a matter for political assessment of the party organizations, and I personally think that there is no danger that at this point, on the basis of some directive or demand from any political or government leadership in Montenegro, a demand would be placed before judicial authorities and virtually all the participants in those events would be brought before the court. I think there is no danger of that. The decision which the Presidency made to inaugurate emergency measures was the result of a completely erroneous assessment of the events in Montenegro, and that erroneous political assessment indisputably has serious consequences and accordingly political penalties as well. Criminal accountability could come into consideration only if it is found that constitutional and legal authorities were exceeded. No one has issued directives for court trials in Montenegro. The Montenegrin Assembly, during its examination of the Analysis of the October Events in Montenegro, merely placed the obligation on judicial authorities to assess whether there were elements for criminal accountability.

DANAS: How do you feel as the president of a republic in which only the photographs of the president of another republic are carried?

Kostic: Those photographs do not bother me. Like many people in Montenegro, I do not perceive them as photographs of the chairman of the presidency of another republic, but as photographs of an individual who has managed to establish contact with the people, regardless of whether he is from Serbia or from some other community.

Vllasi Letter to LCY Leaders Reviewed

28000187c Zagreb DANAS in Serbo-Croatian
12 Sep 89 pp 26-27

[Article by Veton Surroi]

[Text] "What is happening to me is truly tragic." Azem Vllasi, Yugoslavia's best-known "arrestee," gives this assessment of his situation several times in succession in his letter addressed to Stefan Korosec, secretary, and to other members of the Presidium of the LCY [League of Communists of Yugoslavia] Central Committee, in order to "present my view in the briefest terms" about

his expulsion from the LCY which was pronounced by the Kosovo LC Provincial Committee. Vllasi explicitly mentions that he wishes "also to set forth my position in this way in connection with what is happening to me and how I am being treated. I would be sorry if you were to live in the belief that an opponent and enemy of the LCY sat with you and revealed his 'true face' one night in a moment of human weakness which even Communists, being human, have not been spared."

The Visit—An Imprudent Move

"A moment of human weakness" or on the other hand an "unnecessary and imprudent move," as he later calls the visit to the miners, is for Vllasi the "immediate pretext for everything that has been done to me for 4 months and also for the decision of the LC provincial committee expelling me from the LC.... This is that trip to visit the striking miners, above all those who were ill, at a moment when I saw from the TV report that Comrade Suvar's conversation with them had not yielded a result in terms of terminating the strike and coming up out of the mine. I did this in a state of excitement, with humane, emotional, and human motives, as well as out of pity and under the massive mental pressure that had built up here during those days on the basis of the coverage of the events by the media, above all TV. No one up to that point had described what was happening as hostile intrigue, and I knew that Comrade Suvar had not been talking to people who fit that description. I did not at that moment reflect on any political consequences at all from that act of mine, since it never occurred to me to play with such a situation, nor to encourage anyone to undertake any kind of subversive activity, and still less did it occur to me that any of the officials already considered me to be an element suspected of hostility and would attribute such intentions to me."

Judging that with the visit he had given occasion to be "villified as much as anyone liked, but nothing more than that," Vllasi offers one of the key sentences concerning not only the insistence at the time that it was he who was convincing the miners, but also concerning the present judicial and other assessments to the effect that he had power over the miners: "I continue to think that the comrades who thought that after that I could have persuaded the miners to come out of the mine are unrealistic in their assessment."

"But regardless of my impression that the miners were intransigent," Vllasi goes on, "the next day two of my conversations with responsible comrades ended with the idea that I would go with some of the people from the leadership to ask them to come out, but it was left at that. In agreement with Comrades Morina and Kolgeci, I waited the entire evening of Saturday, 26 February, for them to call me on the telephone to tell me with whom I was going, but they did not call."

Excommunication

Vllasi gives a distinguished place in his letter to membership in the LCY, since, he writes, "I would like in this

way and out of the conditions in which I find myself to make it known that I am not in the least indifferent to the decision excommunicating me from membership in the LCY, although at the moment this objectively is not my greatest preoccupation. I am not indifferent, since during all those 23 years of my membership in the LCY I authentically accepted the programmatic orientation, policy, and goals for which our party was and is fighting. I believed in the LCY, and the achievements of its policy and its struggle shaped my political character and action. And now when it is in crisis, I believe that it will manage the strength to find solutions, clearing pathways for democratic processes and people's freedom."

The dubious relation between a past of believing in the party and a renewed hope that the LCY would "clear new pathways" in the last quote ends with a clear definition of "human freedom" as the goal. In opposition to that goal, Vllasi refers to a "situation well-known" to him in the following passage:

"I do not wish to comment on the substantiation of the provincial committee's decision expelling me. I know what can be said and written about someone as soon as he is proclaimed a renegade, a suspicious element, indeed even a hostile element. You also know that."

A Noose Around His Neck

After acknowledging that he had a different opinion with respect to certain views of the LCY concerning Kosovo as to "certain issues, methods, and directions," but that "no one was more interested than I was in a real and authentic stabilization of the situation in Kosovo," Vllasi says that he has arrived at his present tragic state although he possesses the "profound belief and commitment of a Yugoslav Communist." "Like some grave accident, a moment has been taken advantage of to pronounce an anathema against me like a noose around my neck. That moment was above all a moment for psychological evaluation, not for a political evaluation or for investigatory agencies. I know for myself that I never even thought of what has been attributed to me, much less do it, and yet that is the reason for my tragic suffering. But it is not up to me to evaluate whether such actions toward me are of some benefit to our society and to the policy of the LCY and to its action."

The struggle for certainty, the truth, and his family are three points in what Vllasi calls his "tragic suffering."

"I am waging a struggle to prove the truth and justice, and so to speak for life. My fate is uncertain, since when it is possible for me to be deprived of my freedom, suspected of the gravest things that I did not do, I cannot know what the future will bring either. Because of the increasingly serious mental crisis, my health is being disrupted, above all because the uncertainty is continuing unnecessarily. And in my case, even though there was some suspicion, everything could have been ascertained and clarified more quickly.

"It is natural that my family should be informed in the greatest detail about what constitute my personality, activity, and actions (what I have fought for), and at the same time they see that I have been accused and they see what is being done to me. I can imagine what manner of things have been concocted about me for public consumption during this period of time, and it is natural that my family should perceive that as its own tragedy. I have no information, but I can imagine who all the people are on various sides and with various goals manipulating my tragedy, since many people settle accounts with victims and martyrs."

Azem Vllasi arrives at the observation that in rough situations even Communists do not show more of a sense of "what my thinking was," and that in spite of his contribution to the policy of the LCY (for all the misconceptions, illusions, and mistakes) he had gotten into a tragic situation in which his "sole goal is to prove the truth, to bring out justice and the truth, to obtain the freedom I deserve, and with my family to find at least a little peace as an ordinary citizen." Nevertheless, even in this situation, Vllasi writes, "I am not indifferent to the decision about my membership in the LCY, since this after all is membership in a party that I would not part from voluntarily."

Tragedy in Books

As he approaches his last assessments about his situation, Vllasi enters the sphere of the showdown between the revolution and the individual. "Even in my early youth, when I entered the ranks of the LCY, there was for me a romantic ring in Tito's statement that "our revolution does not eat its children." I was proud to belong to a party which had been triumphant and had remained consistent to that kind of revolution, and I never dreamed that I would be one of the victims that would put a stain on that character of our revolution.

"In reading numerous books on methods of settling accounts with people in certain parties and systems, I was proud that our party, led by Tito, had rejected those methods in the belief that this could never happen in our country. Nevertheless, I would still like to believe that my sacrifice is only a part of an attempt to infiltrate those methods in our country and that it will not succeed on a broad scale."

At the end of his letter, Vllasi supports his unaltered position as far as the party is concerned with yet another unaltered position. "The line that divides me from all opponents of our society, the LCY, and Tito's strategy, and especially from nationalists, whom I have always considered and now consider the greatest enemies of progress and socialism, has remained the same as it was earlier. I will therefore have no part of any misuse of my tragedy. I do not want to be adopted by those to whom I never belonged, nor do I want those who wanted this to happen to me to rejoice and exult over my misfortune."

[Box, p 27]

Objection to the Charge: A Political Frame-Up

"He was as though lost when I saw him. He had just read the indictment, and he did not say anything. He acted stunned. Up until that point, he had thought that it would all pass and that he would soon be free. He thought no indictment would be brought."

This is the behavior of Azem Vllasi as described by his lawyer Hasan Hoti of Gnjilane the day when he received the indictment. A few days later, according to Hoti, Vllasi sat down and quite collectedly wrote an objection to the indictment, which in main outline is as follows.

In responding to the summary assessment of the political situation in Kosovo and where he fits into that context, Vllasi considers that assessment unfounded because "everything I have done since 1981 to put order in social and political conditions in Kosovo and to eliminate those evils which are alleged in that part of the text are now being turned into an accusation against me."

On the assessment which he expressed in an intermission of a meeting of the Presidium of the Kosovo LC Provincial Committee concerning himself and Kaqusha Jashari (their removal from office):

This is not an element of the crime. Incidentally, it is well-known that in the end I voted at that time for the views which were presented (removal from office—V.S.).

Concerning the alleged plot in the student center:

The indictment refers to an informal conversation, what one might call a chat among people of the greatest responsibility, some six or seven of them, in the Student Center, and this is treated in a way which does not square with the facts ascertained in the investigatory proceeding. According to the assertion contained in the indictment, it turns out that these people of the greatest responsibility brought students into the hall of the Boro i Ramiz Center the next day, but that observation has not been made anywhere.

On Kaqusha Jashari having halted and Vllasi having driven the demonstrators toward Pristina:

Drastically false testimony has been given. That is, that place is 40 km from Pristina and 5-6 km from Gnjilane. It is evident from my testimony that during that entire time I was in Pristina speaking to a gathering on orders from the leadership and attempting to get them to disperse.

On the November speeches to the masses and the talk with the miners:

The indictment has tackled the very thankless task of treating my public statements to the masses, where I went exclusively on the order from the political leadership, as a crime. More than 3 months passed from that

time until criminal proceedings were instituted against me, and not a single political forum pronounced negative assessments of those speeches.

...The indictment cannot, but nevertheless does, assert that I encouraged and supported the miners to stay in the mine; I did not say a single word about their demands, much less support them. The assertion that they were expected to come out after the talk with Suvar and that they gave this up only after my visit is utterly arbitrary, inaccurate, and altogether undocumented. Incidentally, the indictment speaks clearly in other sections about the resolution of the miners not to leave the mine until their demands were met.

About connections with Burhan Kavaja and Lazar Krasniqi:

The indictment's interpretation of certain initiatives through L. Krasniqi to obtain from B. Kavaja an estimate of whether there would be any result if I went to Stari Trg to try to convince the miners is arbitrary and has no basis in the results of the inquiry.... Incidentally, I also had such conversations with Rahman Morina, chairman of the Kosovo LC Provincial Committee, but we stuck with the estimate that there would be no result. So, my going there during the night between 24 and 25 February was motivated exclusively by human and emotional reasons, was quite private, and did not have any particular function or mission.

On political activity and criminal prosecution:

As for the other parts of the indictment, these are almost exclusively political assessments of my personality and of my political activity, which lay in the exclusive competence of the appropriate political authorities. It is extraordinary and without precedent in our judicial practice to attempt to draw up constructions for criminal prosecution from political assessments which are in the competence of the political authorities. The other name for this is a political frame-up which is untenable both in terms of the policy and practice of our criminal legislation and also in terms of the policy of the LCY and of our society as a whole.

Through all of the political assessments given in the indictment, the attempt is made to portray in a drastically distorted light my criminal activity that culminated in the single act of visiting the sick striking miners on the night between 24 and 25 February. All kinds of things are mixed up in that general portion of the indictment. It is not clear whether I am being indicted because of my influence and reputation with the popular masses and those honest people committed as socialists and patriots to our socialist system; whether because of the attempt of the nationalists to adopt me, whether because I held high office, whether because I left office at one point because of the assessments of the competent bodies, as did a number of other comrades, or whether because in speaking to the masses during the events in November I said what I did, and not what the prosecutor filing the indictment thinks I should have said.

...Although every effort is being made to ferret out the most with which I could be charged, it still is clearly evident that I was neither one of the organizers of the strike, nor did I have any contact with them in organizing and conducting the strike, nor in posing or drafting the demands.

Examples of Alleged Rise in Croatian Nationalism Cited

28000178 *Belgrade NIN in Serbo-Croatian*
27 Aug 89 pp 24-25

[Article by Ljubomir Kljakic: "Jovan Opacic and Caesaropapism"]

[Text] Recently answering a question from a journalist from the weekly DANAS about the historical significance of Catholicism for the Croatian people, Archbishop and Zagreb Cardinal Franjo Kuharic recalled, not without reason, one of the strongest religious, political, and cultural myths of Caesaropapism in the Balkan and European areas. Kuharic stated that "Croatian rulers, by tying themselves to the Holy See, ensured the independence and identity of the Croatian people and of the Church in it..." long before the founding of the Zagreb episcopate, which in 5 years is celebrating 9 centuries of existence.

The historical facts do not prove Cardinal Kuharic right. They only permit one, quite impartially, to view the history of the close relations between Croatian rulers and the Holy See as a history of the elimination of the independence and identity of the Croatian people, of its authentic tradition, culture, and state, and on the other hand, as a history of Caesaropapist hegemony. It is well known that Stjepan Krizin Sakac, a Jesuit and historian of Catholicism, in a 1931 article took the origin of that "tie" all the way back to 679 and the alleged "treaty" between Pope Agathon and a certain king of the Dalmatian Croats, by which the inhabitants of the eastern coast of the Adriatic were put under the authority of the Vatican. The subordination to the Vatican as vassals was later confirmed by others as well, and thus also by King Dimitrije Zvonimir, whose name is linked to "Zvonimir's Pledge," a document from the 11th century, in which that unfortunate ruler, "in the name of the Pope, swears" that he will "preserve loyalty to the Apostolic See in everything and everywhere," and that he will "serve and carry out whatever has been decreed or will be decreed by the Apostolic See and its emissaries in this kingdom (of Croatia and Dalmatia)."

Citing this tradition of fealty and vassalage, in May 1941 the leader of the NDH [Independent State of Croatia] informed Pius XII that he had firmly decided that "the Croatian people, faithful to its glorious past, would also remain faithful in the future to the Holy Apostle Peter and his successors, and that our homeland, imbued with the Evangelic law, would become Christ's Kingdom." In accordance with this, King Zvonimir's crown, which a legal decree of 15 May 1941 had proclaimed the symbol of the "sovereignty of the NDH," was presented as a gift,

together with all of Dalmatia, to Italian King Victor Emmanuel II and Benito Mussolini.

This empirically confirmed the meaning of the ties spoken of by Franjo Kuharic in his DANAS interview. On that same occasion, Kuharic also ventured to speak out on several other important issues, such as the issue of the LC's monopoly in society, the issue of Marxism and its place in the school system, and also the problem of the name of the literary language in official use in the Croatian SR [Socialist Republic]. In connection with this issue, Cardinal Kuharic repeated the position of the Croatian Catholic Church that was proclaimed on 20 October 1988, by which the high prelates committed themselves to the term "Croatian literary language." The high prelate also stressed that there could be no doubt of the innocence of Cardinal Alojzije Stepinac.

The interview in question was published by DANAS on 13 June 1989.

Cardinal Kuharic's position soon found quite practical confirmation. The well-known discussion by the Croatian Assembly of the constitutional amendments took place, and during it, the position of the Central Committee of the Croatian LC on the language was rejected, and the SFRY Constitutional Court's verdict declaring the present provision concerning Serbs in that republic of ours to be unconstitutional was ignored, and so that (unconstitutional) provision was retained. It was proposed that the mention of the Serbian people be deleted from the Croatian Constitution... That was on 21 June 1989. The current power of Caesaropapism in the Balkans was thus confirmed. The bodies of secular political authority in the Croatian SR did not particularly comment on these events.

In accordance with the reminiscences by Kuharic which we have cited, the Presidium of the Central Committee of the Croatian LC made a hasty effort on 10 July 1989 to issue a harsh condemnation of the events that took place on 8 and 9 July in Knin and northern Dalmatia during the formal celebration of the 600th anniversary of the Battle of Kosovo. This high-level forum found it necessary to point out hastily certain aspects of that event, "so that the negative overtones can be overcome in favor of fraternity and unity," and also expressed its "expectation" that the "appropriate authorities of the Croatian SR, as a sovereign republic within the SFRY, as the national state of the Croatian people, the Serbian people in Croatia, and other peoples and nationalities in Croatia... would not tolerate" all those "groups and individuals who had in any case been conspicuous at certain other gatherings in Yugoslavia," and in Knin, "through their violent methods and recognizable symbols based on a platform of Greater-Serbian nationalism, attempted, in an alliance with certain local groups of Serbian nationalists, to exploit this nationwide event," and, naturally, "to misuse it politically."

The further course of events is well known. In perfect harmony with the principles of the party state, the

"appropriate authorities of the Croatian SR" fulfilled the "expectations" of the party leadership: the newspapers reported on a series of prison sentences, detentions, arrests, and investigations in Knin and its vicinity, political forums in various parts of Croatia supported these measures, and Drago Dimitrovic, secretary of the Croatian LC's Central Committee, even recalled that Knin was the "cradle" of the medieval Croatian state, and mentioned the ill-fated Dimitrije Zvonimir—something that was probably supposed to strengthen the legitimacy of the repressive measures used by the party leadership there.

As we know, Jovan Opacic, an economist and the chairman of the cultural society Zora which has been founded in Knin, was sentenced during that series of expected state measures to 40 and even 50 days in jail, and was immediately sent to serve his sentence. Opacic, however, went to jail because he publicly announced his opinion on the position of Serbs in Croatia, on the need to preserve their cultural, historical, and national identity, and on the danger of assimilation, and, in passing, as Cardinal Kuharic had done somewhat earlier, commented on the problem of the LCY's political monopoly, and advocated the principle of political pluralism.

The Croatian political leadership, however, in accordance with the political myth recalled by Kuharic, responded to Opacic's public appearance by a police and judicial indictment, and so we have no alternative but to interpret this use of repression against Opacic and others in the Knin area within the framework which Pope Agathon, as we have seen, "outlined" back in the 7th century with that "treaty" of his with what was then the political leadership of what was then the Croatian state. That "treaty" discussed by Kuharic—concealing the historical facts—provides that "if any pagan people invades Croatian territory and starts a war... the God of the Croats will fight for them and will be of assistance to them, and Peter, Christ's disciple, will grant them victory." It is obvious that with the widespread use of repressive measures in northern Dalmatia against the participants in the celebration there of six centuries since the Battle of Kosovo, the role of the "pagan people" who "invaded Croatian territory" and "began a war" was assigned—as it has been many other times in history—to the Serbs there, or rather, to those among them who, exercising their sacred right to victory which has been part of the foundations of modern civilization since the fall of the Bastille in 1789, moved to change an unfavorable set of social circumstances.

The deafening political propaganda accompanying these events, heaping upon them what was seen and what was not seen, the true and the false, has its origin in that same church/political and cultural ill will which was either forced to tolerate ("VLAJE," "MORLAKE," "schismatics," brigands, and deserters because of the role that they had in all the wars of past centuries, or else, on every convenient occasion, subjected them to the harsh principles of alienation and self-oblivion. It is in vain that Cardinal Kuharic does not say that everything that

happened before the "millennial continuity of Catholicism in this region"—as the DANAS journalist aptly phrased it—"can... be considered only prehistory."

In Knin, Opacic and others (again) violated the very successful formula of Caesaropapist rule from the shadows, whose principles were until recently scrupulously respected at all levels of social and political organization. If we know that from the death of Josip Broz Tito until the fall of 1988, as many as 11 state visits at the highest level from the SFRY to the Vatican were arranged, a case without precedent from the standpoint of international relations, then things in Knin and Dalmatia become much clearer to us.

The unindicted Kuharic and the indicted Opacic show how serious matters are. Fortunately, there is no more secret, and the established right to rebellion, which we have witnessed in the Plav and Knin regions, leads us to the conclusion that the millennial formula of Pope Agathon is breathing its last. Its supporters today are increasingly being forced to cite sheer fabrications and falsehoods, which, unsuited to the openness of the late 20th century, require repressive support. Repression, naturally, cannot legitimize anyone who proclaims democratic principles. Agathon's formula is thus being violated within its own principles. Its greatest enemy is the principle of freedom, independence, and human uprightness, and so Opacic's rebellion gives us the right to conclude that the day is not far off when the dogma regarding the virtue of fealty and vassalage, by which Croatian history has been so successfully blocked, will be recognized, demystified, and dispelled.

Naturally, that will not be simple, nor can it be, but there is no doubt that it will happen, because Croatian history is the only one on the map of Europe that has been so severely blocked by political Catholicism and the rule of Caesaropapism. Its victims are Serbs, but its victims are also Croats. There are too many facts confirming this for them to be ignored today and tomorrow. Caesaropapism will be finally removed from the political scene in the Balkans, in Croatia, and in Yugoslavia.

Serbian Expert on Serbs in Croatia Interviewed

28000184 Belgrade NIN in Serbo-Croatian
3 Sep 89 pp 18-20

[Interview with Vasilije Krestic, member of the academy and editor of ZBORNIK O SRBIMA U HRVATSKOJ, by Milorad Vucelic: "Polemics Without Idealism"; date and place not given]

[Text] The Serbian Academy of Sciences and Arts [SANU] has just published the first issue of ZBORNIK O SRBIMA U HRVATSKOJ [ANTHOLOGY CONCERNING THE SERBS IN CROATIA], whose editor is Dr Vasilije Krestic, a member of the academy. Krestic is incidentally one of our best experts and most devoted

researchers on the history of Serbs in Croatia and the history of Serb-Croat relations. Although Professor Krestic insisted that we talk only about what he is concerned with as a researcher and what he is actually studying, we also tried to turn to certain problems and occurrences of the present day important to the position of the Serbian people in Croatia.

[NIN] One of the occasions for this interview is the publication of the first issue of ZBORNIK O SRBIMA U HRVATSKOJ, of which you are the editor. It must be pointed out that this ZBORNIK begins publication in somewhat different social and cultural conditions from those that prevailed when we spoke about preparations for publication of this anthology and about the SANU Committee for the History of the Serbs in Croatia.

[Krestic] The SANU Committee for the Study of the History of Serbs in Croatia has lasting and long-term tasks. It was not established because of any political situation of the moment, but because of the insufficient study and, one can confidently say, the neglect of the history of Serbs in Croatia. The altered social and cultural conditions can only confirm that establishing the committee and starting up the ZBORNIK O SRBIMA U HRVATSKOJ have been doubly worthwhile and relevant and that we can only be sorry that this was not done much earlier.

[NIN] Segments of the press in Croatia are today saying with increasing frequency that the attempt to organize Serbian cultural societies in Croatia is a part of the strategy of the "mass movement in Serbia" whose Magna Charta is the SANU Memorandum. Are all the other reasons and needs of the Serbian people in Croatia being neglected?

[Krestic] Those who wish to frustrate the organization of Serbian cultural societies in Croatia will think up many things that have nothing to do with the essence of the problem. They talk about the "mass movement in Serbia" and the SANU Memorandum as a Magna Charta in order to intimidate the Serbs in Croatia to the point where they will give up their elementary rights, but also to infuriate uninformed Croats to the point where they will oppose the Serbian demands. This is a transparent and primitive political game aimed at holding the Serbs in Croatia in the disenfranchised position they have been in for quite a long time already.

[NIN] What kind of society was "Zora" ["Dawn"], and how do you look upon the present repression of Jovan Opacic and the founders of "Zora" as well as the other Serbs in Knin Krajina? Are they being held accountable merely for being Serbs?

[Krestic] That society was established by the Onisim Popovic "people's tribune." It was called "Serbian Dawn," not "Dawn." It is obvious that the present-day founders of the society were aware that some people in SR Croatia would be bothered by a closer definition of nationality to which Austro-Hungarian authorities had consented when they allowed it to operate in the interval

between 1905 and 1914. The society at that time was concerned with culture and enlightenment.

I view the repression toward Jovan Opacic and the founders of "Dawn" as a sorry occurrence of our time. It is an indisputable proof of the disenfranchisement of the Serbs in Croatia and of the terrible pressure to which our people there are subjected because they have Serbian ethnic memories and because they have been trying to find ways of nurturing and preserving those memories.

[NIN] When you look at the present position of Serbs in Croatia, do you inevitably see certain comparisons, historical analogies...? Is this present situation recognizable in terms of past history?

[Krestic] One can find in the past of the Serbs in Croatia cases which are reminiscent of and very similar to what is happening today to Opacic and the other founders of "Dawn." For example, during the rule of Ban Mazuranic, along with numerous other Serbs from Pakrac, Karlovac, Osijek, Bjelovar, and Daruvar, Dimitrije Josic and Petar Despotovic, teachers in the Serbian Normal School in Pakrac, were imprisoned and accused of high treason. After they had spent 3 months in custody during the investigation, the prosecutor called off the investigation against the two teachers, saying that there were no grounds for further prosecution by the court "for the crime of high treason under Paragraph 100 of the criminal procedure." However, more than a year later the Government of Croatia instituted a political investigation against Josic and Despotovic. It accused them of not only disrupting public peace and the established order with their pro-Serb agitation, but even of threatening the very survival of the state. It was held against them that they were followers of the United Serbian Youth; that they had collaborated in the Serbian newspaper ZASTAVA [FLAG]; that they had met with Svetozar Miletic when he was in Lipik; that they had been maintaining communications "with the emigre community in Biograd"; that in Pakrac, in a completely legal manner, they had helped to establish the Cooperative of Serbian Artisans, which placed on its stamp and flag "the crest and colors of the Serbian principality"; that during the Serbian-Turkish War in 1876 they had publicly raised a toast to the Serbian prince "as the king of all the Serbs on both sides of the Danube in their own Croatia and Hungary."

The Government of Croatia went on to accuse the two teachers of having gone so far with their agitation "that the Serbian element had gained some unwarranted superiority and political advantage in Croatia and Slavonia from the standpoint of the state and the law" and that they had been inciting enmity and hostility toward Catholics. One of the most serious accusations was that Josic and Despotovic, in Pakrac and the environs, had been spreading the idea of Serbism, whereby they were instilling enmity and discord "between the Catholics and Greek-Eastern inhabitants." In spite of the weight of such accusations, Ban Mazuranic was unable to pass over in silence that the "criminal investigation had been

unable to obtain the evidence necessary to take advantage of criminal laws." Josic and Despotovic were nevertheless discharged from their jobs. They were prohibited from working as teachers not only in Croatia, but also in Hungary. Following this political investigation, the Serbian Normal School was shut down, since it was suspected, without evidence, of having become a hotbed of Serbian ethnic and political propaganda.

[NIN] Were voices raised at that time in Croatia against this kind of policy of the Mazuranic government?

[Krestic] It is interesting that Franjo Racki and Bishop J.J. Strosmajer severely condemned Mazuranic and his government for prosecuting and imprisoning completely innocent people merely because they were Serbs and because the governments in Vienna and Pest were demanding repression against them. Racki wrote about this to V. Jagic: "Why so much jailing in Pakrac, Karlovac, Osijek, Daruvar, and so on, of those who were so unfortunate as to be called Serbs and who had expressed their sympathy for the fighting Serbs a bit loudly..." Strosmajer's thinking was much like that of Racki; this is what he wrote: "For some time now, at the urging of the Hungarians and Germans, who could drown us in a drop of water, Croatism is obviously being set up in opposition to Serbism. The present government and assembly are plotting all of their activity on indolence of the mind and on corruption of the heart. Those are the two pillars of the present system. When a man looks at what is happening in the country, he is embarrassed and ashamed in his soul. Our weaklings are giving in entirely to foreign influence and appear to have no constructive ideas whatsoever, but only think of opposing Serbism...."

History has condemned the well-known trial of Serbs for high treason that was conducted in Zagreb (1908-09), which has a bad name throughout the world. The political circles in Vienna and Pest also urged that trial. However, even at that time there were lackeys to be found in Croatia such as Ban Pavao Rauh, Josip Frank, state prosecutor Akurti, and people of their ilk, who had it in for the Serbs just because they were Serbs. An immense portion of the Croatian and European public at that time, and to some extent even of the American public, took the side of the innocent Serbs, and that was why they had to be freed.

The present-day persecution of Opacic and his fellows must be viewed in the context of similar persecutions that have happened in the past. The motives behind the persecution are the same. Their objectives do not differ essentially from those that have occurred before. It is certain, then, that history will condemn the persecutors if they do not halt their vengeful actions against those who, as Racki wrote, "were so unfortunate as to be called Serbs and to express their sympathies in favor of Serbism a bit loudly."

[NIN] What can be said about retaining the constitutional provision concerning language in Croatia and

about the speech of Slavica Bajan in the Croatian Assembly and her initiative to exclude Serbs from the provision concerning statehood?

[Krestic] Quite a bit has been said about the case of Slavica Bajan and her proposal and also the constitutional provision concerning the name of the language in Croatia. When something like that can occur in the Croatian Assembly, we should not be surprised at the position in which the Serbs in SR Croatia find themselves, nor should we be surprised by the persecutions taking place in that republic.

[NIN] Arguments have been made recently to the effect that the Serbs in Croatia are some kind of special Serbs who have been separated from other Serbs by many things.

[Krestic] Differences in mentality, habits, customs, culture, and language are natural phenomena with all peoples in the world. In some cases, they are greater, in some cases smaller, but they depend on historical development, geopolitical position, and other factors. Anyone who has a decent familiarity with the history of the Serbian people as a whole and over a lengthy period of time could not—if he respects the facts, speak about the Serbs in Croatia as some kind of separate Serbs. Those who do so do it intentionally and maliciously. Their purpose is by this strategy and method to disintegrate the spiritually unified Serbian people. At the same time, those who are working for the disintegration of the Serbs are straining with all their might to achieve the greatest possible unity in all respects within their own nationality.

[NIN] A few days ago, a finger was pointed in Podravka Slatina at the unscrupulousness and hypocrisy of Dusan Dragosavac and other Serbs in Croatia, who hold "high positions." There was also criticism of Joso Durbaba and Slavko Stojcevic and Gojko Tintor.... Some kind of special "type" of the Serb in Croatia who holds political office has, we might say, been formed. Aside from the current explanations, is there also some historical explanation or foundation for politicians like this and "Serbs" like this?

[Krestic] I will try to offer one possible explanation in answer to this question of yours. Anyone with half a decent familiarity with the history of the Serbs in Croatia and the relations there between the Croats and the Serbs will be able to note that the Serbs have been accused rather frequently of treason and high treason, that they have been suspected of not working for the interests of Croatia, but those of Austria, Hungary, Austro-Hungary, Italy, Serbia, or Russia. One of the first Croatian politicians I know of who tried to make treason stick on the Serbs in Croatia altogether without foundation and maliciously was Eugen Kvaternik. He did this way back in the sixties of the last century. Once it had been imputed, the question of betrayal of Croatian interests by the Serbs was to be used constantly in the fight against that nationality. It was to be a stamp with which they

would be unscrupulously branded in pursuit of a goal that had been thoroughly worked out. The purpose of that stamp on the Serbs was to impose on them the obligation to constantly, on every occasion and in every pursuit and activity, to declare and prove themselves to be loyal citizens of Croatia, patriots and not traitors. The purpose was to impose on them an obligation to think less about their own Serbian interests and more about Croatian national interests; otherwise, the stamp of betrayal could not be avoided. The purpose of that stamp was to create complexes, to burden them with those complexes and thus weaken them and force them to be perpetually proving and confirming their loyalty. Research in the fields of social psychology and political science would undoubtedly demonstrate that this incessant and deliberate branching has not failed to have results, that the type of the loyalist has been created among the Serbs in Croatia, fortunately not in great numbers and mostly in the intellectual stratum, people who in their overzealous proving of their purity of sentiment and mentality have become greater Croats than the Croats themselves.

[NIN] What are all the consequences of the visible absence of reflection about and study of the position of the Serbs in Croatia?

[Krestic] A separate discussion might be devoted to that question. However, even a superficial examination of the extent to which the history of the Serbs in Croatia has been studied and the way in which it has been presented clearly demonstrates that this study has been marginal, unsystematic, and haphazard. There are hardly any separate monographs or significant studies of the Serbs in Croatia since the revolution. Except for rare cases, this part of historiography is not distinguished by any very serious scientific study of the available sources. Assessments of the Serbs in Croatia are largely based on the statements, views, and subjective assurances of individual politicians and on the basis of the press of the time. Thus, the picture of them is not only incomplete, but also completely erroneous. They are usually represented, in quite simple terms, as a people that has held back and hampered the ethnic development of Croats and of Croatia out of love for some foreign interests. A historiography that has offered and now offers such a portrayal of the Serbs could only inflame, as in fact it has, the ember of the struggle which incidentally has not been anything rare in the mutual relations. Viewed in general, when the history of the Serbs in Croatia is studied more thoroughly and portrayed more objectively, if the same criteria are applied in evaluating the Serbian and Croatian past, rather than the double standard used up to now, the idea of the Serbs will be changed. We should even expect that this will help to calm passions and relieve tension. However, this cannot happen overnight, but the historians must be brutally objective and at times, therefore, we should not doubt it, they will also have problems and will bring odium down upon themselves from certain quarters.

[NIN] It does not seem that there will be any lull anytime soon in the polemics over your article in KNJIZEVNE NOVINE that was entitled "On the Genesis of the

Genocide of the Serbs in the Independent State of Croatia in the Period Before World War I." Bogdan Krizman refers to those polemics in his most recent book "Hrvatska u prvom svjetskom ratu" [Croatia in World War I].

[Krestic] This, you see, is one of those uncompromising articles in which I have attempted, on the basis of a sizable number of sources, to clarify certain relations between the Croats and Serbs. I therefore brought odium upon myself from those who have an idealized idea of their own past, especially those who are unable to oppose me with facts, who are unable to refute my arguments, which, of course, bothers them a great deal, so that here and there, sometimes in public and sometimes covertly, in various ways, but unsuccessfully, they attempt to discredit my work and attack me as a person.

When some piece of writing, like my article "On the Genesis of the Genocide...." moves someone to write an entire book, that is unquestionable proof that the piece has been an inspiration in one way or another. Dr Bogdan Krizman, professor, emphasized in the first sentence of his most recent book "Hrvatska u prvom svjetskom ratu" that he had found the "stimulus" for writing it in my article "On the Genesis of Genocide...." Unfortunately, it is not evident from Professor Krizman's text of what that "stimulus" consisted. He is strikingly inexplicit in this regard. This cannot be found anywhere in the text of the entire book, which does not coincide with my piece either in time or subject.

It seems that Professor Krizman, for certain reasons unknown to me, found it necessary to say that he also did not agree with what I wrote in some respects, and he did this just short of 3 years after my article appeared. No one would or could, of course, force him to do that, but the manner in which he presented it deserves to be examined in one of the scholarly journals. In that case, Professor Krizman will have an occasion to state his unstated views more fully in a debate that I hope will be among colleagues on an academic level. Now that three of those he censured in the preface to his book have died and cannot debate (Nada Klaić, Vaso Bogdanov, and Ivan Rybar), he will have an occasion to express his position with those who are among the living.

Serbian Moves Against Albanian Intelligentsia Scored

90EB0023a Zagreb *DANAS* in Serbo-Croatian
19 Sep 89 pp 38-41

[Interview with Shkelzen Maliqi by Iso Rusi: "Massacre of Cultural Princes: Albanians Do Not Consent to Second-Class Citizenship"; date and place not given; first paragraph is *DANAS* introduction]

[Text] Shkelzen Maliqi (1947) arrived in Pristina as an already-established intellectual after 1981 (he studied philosophy at Belgrade University in 1968, after which he worked at the Halid Trnavcic professorship, pursuing

Byzantine esthetics, from which he entered the doctoral program at Zagreb University). As an "intellectual of leftist orientation," he was first the darling of the environs from which he came (noted as such in NEDELJNE INFORMATIVNE NOVINE), and according to the criteria of that time he could surely be included among the ranks of the "honest intellectuals" of Albanian nationality. To be sure, this resulted in opposition from his surroundings. For a short time, he was editor of FJALA, where he tried to make something out of that periodical newspaper (just like today with TEMA, a philosophical journal), and where he quickly came into conflict with the top people at RILINDJA. His demystifying interview in START, serialized in POLITIKA, appeared at a time when he was under treatment at the Ljubljana Clinical Center (it was reportedly because of illness that he was not at the first planned installment, in Belgrade, on the subject of "Serbians and Albanians in Yugoslavia Today"). It is alleged that he is a member of the Society of Writers of Kosovo without having one single book (double disinformation: he does have books, but he is not a member of the Kosovo writers' group). Lately, his column in Ljubljana's DELO has elicited bitter criticism from JEDINSTVO in Pristina, as have all his articles in the northwestern press (TELEX, DANAS, DELO). He has not been isolated, arrested and the like, although he was on the list of people from Kosovo about whom the Janez Drnovsek petition was sent from the West. Today, he works for the Kosovo Cultural and Educational Community, and is one of the few Kosovo intellectuals of Albanian nationality who does not hesitate to say what he thinks.

[DANAS] What is the Albanian intelligentsia in Kosovo? How can it be explained and defined, and is there a specific quality to its development?

[Maliqi] The intelligentsia in Kosovo, as elsewhere, is one of the social strata engaged in so-called intellectual work, which, if I may put it this way, earns its daily bread by "selling" intellect, skill and artistic talent. Some perceive this stratum as being very wide, encompassing all who have achieved a high level of education, while there is also the viewpoint that accords the status of intellectual only to the substratum that is at the very top of that stratum and which has (or is struggling for) an independent position, as Sartre said, "as defender of the fundamental goals of society," and who stands above particularism with respect to the interests of the other strata and their situational induction into the norms of the social order. According to this other viewpoint, the title of intellectual is reserved solely for those reasoners who choose a critical position towards order. I mention this controversy because the answer to your question depends also on defining what is the intelligentsia and what is an intellectual. Specifically, if we start with this narrow definition, then it is possible to arrive at the thesis which my friend Isuf Berisha recently advocated from the speaker's platform, that in Kosovo there are actually no intellectuals yet. Of course, that thesis was asserted only to provoke the discussion that was necessary to show the dependant position of the Kosovo

intelligentsia. If we take the phenomenon of the intelligentsia in a broader (or at least a little extended) sense, then the main characteristic of the Kosovo intelligentsia that can be singled out is that it is young—in its infancy, so to speak—and that for that reason it is still showing signs of immaturity and uncertainty. It is still a thin stratum, but from it there will be a rising wave of young generations who have acquired or are just acquiring a high level of education and are just beginning to realize their special position and special social function. A second characteristic that could be singled out is the potential lack of homogeneity in this stratum, which has not yet been fully articulated because the wave that is rising does not have the latitude for normal promotion in Kosovo's monopolized institutional and media domains. Thirdly, the fact that the Kosovo intelligentsia is winning latitude amidst conditions of increasingly profound political and national trauma. In recent years, the national division has assumed tragic proportions.

[DANAS] Yes, it is obvious that in Kosovo the situation has not exactly been "perfectly normal" for years now. Under these extraordinary circumstances, what chance does a Kosovo intelligentsia of Albanian ethnicity have of coming into being?

[Maliqi] From the viewpoint of the individual, various "responses" are possible to the challenges of extraordinary circumstances. For some, these challenges can be stimulating and inspiring, since the state of crisis frees the creative imagination and provides new subjects to work on, the possibility of seeing reality in all of its contradictions and "dislocations," which cannot be seen under normal circumstances. But if the Albanian intelligentsia in Kosovo is regarded as a stratum, then this period of crisis has ultimately brought with it more restrictions and painful frustrations than it has stimulus. The Albanian intellectual has never been in a comfortable position during the postwar period, to say nothing of earlier history, when he had to breath through a straw. He could not be happy in the 1950s, when he saw it as his mission to enlighten the people, and was constantly under surveillance by the police and politicians, who were deeply mistrustful of this mission; not even in the post-Brionski period and the famous 1970s, when this freedom was allegedly won, but was then "lost" in attempts to affirm the national uniqueness of the Albanians. He has been even less able to be happy since 1981, when he has been suspected of being the "brain" and "promotor of counterrevolution." For these 40 some years, the Albanian intellectual has never stood on his own two feet, nor has he been able to question and enquire about anything beyond that which is printed by party committees. Even in the incriminated 1970s, when a party decree stated that the full national affirmation of Albanians must be allowed, as well as the institutional assertion of Albanian culture, intellectuals were under police surveillance. And it was right then, under the pretext of fighting liberalism, that the powerful system of media control was created, the monopoly on everything published in the Albanian language, under the protection

of RILINDJA. Since they were unable to gather information about the present, they turned to the only flourishing area, the past, where there were also many prohibited places and names. In 1981, latitude was restricted even further when controls on intellectual production became twofold. The line between what is called national affirmation and what is called nationalistic deviation became completely blurred. The result was a situation of utter frustration: the Albanian intelligentsia could not freely look into the past, nor the present, nor develop a vision for the future.

[DANAS] When we talk about intellectuals of Albanian nationality in Kosovo, we should say something about the situation and treatment of that population in Yugoslavia from the end of the war and revolution to the present. There are some terms of reference used here: the "pre-Brionski" and "post-Brionski" period, the evolution from the "antinational" to the "toward national" to the "nationalistic" period, as Veton Surroi figuratively described it. You touched on this in your previous response.

[Maliqi] It is possible to break it down into exact periods and characterize three phases in which the status of Albanians in Yugoslavia differed. The key dilemma of Yugoslav, and especially Serbian, policy is how to give voice to Albanian political and cultural subjectivity in a state that in its very name embodies the idea of a state comprising southern Slavs. According to some, Albanians should have the status of national minority in the states of the Serbian, Macedonian and Montenegrin nations, with restricted and controlled rights to cultural and educational autonomy, while others feel that the Albanians, because of their numbers and compactness in the areas where they live, should have broad political and cultural autonomy. In the pre-Brionski period, the first idea was dominant, in the post-Brionski period the second one was, while 1981 represented a new turning point, when advocacy of the first idea picked up steam again. The qualitative shift in these dilemmas since 1981 finds expression in the fact that previously decisions about the fate of the Albanians were made for the most part at the level of state and party oligarchies, while now the people themselves are involved in the question: the Serbians, Macedonians and Montenegrins on the one hand, who view the territory on which the Albanians live as their national territory, and the Albanians on the other hand, who are feverishly fighting to preserve and promote the rights that they have already earned and do not want minority status in someone else's home and second-class citizenship.

[DANAS] The marginalization of the Kosovo intelligentsia throughout the entire period in question seems to be the result of political pragmatism. All this suggests a question about the relationship between the intelligentsia and everyday politics in Kosovo. What do you think about that?

[Maliqi] I once again recall Sartre, who said that intellectuals always find themselves in the tight spot between

testimony and martyrdom, and that the authorities, regardless of what kind, want to use intellectuals for their propaganda purposes; at the same time, however, they are wary of intellectuals and always have purgatives against them. The fact that the Albanian intelligentsia has been called on not for testimony but rather for propaganda has resulted in more and more martyrs and a general feeling of persecution. When the relationship between everyday politics and intellectuals is mentioned, I always recall the episode from 1982 and 1983, when the powers-that-be in Kosovo repeatedly gathered together a hundred or so intellectuals and gave each of them a "party" assignment to write propaganda texts on specific topics, threatening them with "discrimination" if they did not complete the assignment. Those gatherings included, so to speak, the entire intellectual *creme de la creme* of Kosovo Albanians, but only a few of them went along with this degrading form of blackmail. Regardless of the motives adhered to, the rebellion by those intellectuals signified the first distancing of the intelligentsia from everyday politics. You might say that that was an rite of initiation for the Albanian intelligentsia, notification that the intelligentsia was coming of age. However, their revolt did not go unpunished. Even in this year, 1989, the new powers-that-be in Kosovo are engaging in retaliation against them. All the key names on the old list of "discriminated persons" are from this year. They were fully acquitted in exchange for testimony. Nothing ties them to everyday politics any more. And it will be of no essential importance that discrimination brings with it numerous restrictions on the publication of their works. They will collectively initiate the question of a basic right to hold a different opinion, which has not been the case up to now.

[DANAS] Does the behavior of the Albanian intelligentsia in Kosovo, in light of already-known events, leave any room for a critical assessment of "counterproductive" lines as well? The impression, at least for outside observers, is that their behavior involved too much "clumsiness" and disorientation. How do you explain that?

[Maliqi] Primarily through the fact that the Albanian intelligentsia was not at all capable of soul-searching and that it did not have well-developed critical organs for raising relevant questions concerning status. At one time I performed the first public vivisection of the powerlessness of the Albanian intelligentsia, and today I would not repeat the very bitter critical objections that were adopted by the Kosovo public with enough disgust, especially in the circles of the *culturocracy* responsible for the situation as it is, since it had a direct or indirect monopoly in all the cultural institutions and public media. The "clumsiness" that you mention is due to the trap into which Albanian intellectuals fell as a result of being politically suspect. A stink was raised about them keeping quiet, and they did not have the latitude to speak and freely put forth their opinions, neither at home nor in other surroundings. And when they finally began to speak, they had to do so as one and with frustrations, in

an endless debate. This was particularly apparent during the talks between Albanian and Serbian writers last year in Belgrade. That was clearly no dialogue; rather, it ended up as an open verbal war (Milan Komnenic began his speech with the "famous" cry, "Gentlemen, we are at war!"). But the "clumsiness" of the deportment of the Albanian writers on that occasion was no less problematic than the pinnacle of hysteria displayed by the Serbian writers, who wanted to enter into a "dialogue" with the Kosovo myth and with the red-hot emotional, but unsubstantiated "evidence" of Albanian terror in Kosovo.

[DANAS] One could say that today there are stereotypes about Kosovo on both sides. One of them is the idea of the monolith, the unanimity of opinion within the Albanian intelligentsia in this area. To what extent is that accurate?

[Maliqi] The theory about the monolith and unanimity of the Albanian intelligentsia might be accurate only in terms of the fact that its voice is largely neglected and that all sorts of things can be attributed to it. In other words, in Kosovo the possibility of putting forth different ideas has been thwarted for a long time, as has a dialogue between different political and cultural orientations, but this artificially created "monolith" and "unanimity" does not mean that a genuine monolith and unanimity prevails in Kosovo. Certainly there is a rather high level of agreement about some political questions, first and foremost about preserving Kosovo's autonomy and the cultural identity of this area, but about the character of that autonomy and in particular the character of cultural identity there is a great deal of unspoken disagreement.

[DANAS] Many Albanians from Kosovo have a more critical attitude "externally" than "internally." A good deal of that which is called complete national emancipation cannot even stand up to a slightly more critical view, taking into account some of the world's established systems for evaluating legitimacy. How can this be standardized, how can one remain objective in all of this?

[Maliqi] Well, it seems to me that it is a general phenomenon in Yugoslavia that everyone is critical towards others, while many are less or not at all critical towards themselves. Of course, this is not meant to justify the Albanians. I am only pointing out one pan-Yugoslav syndrome that has led us to the crisis that we face today. I am not one of those who are not internally critical, although I myself sense that this is inadequate, in terms of the fact that in the past I have been strongly committed to "external" criticism. However, amidst the current divisions and taking of sides, it is difficult to find a moderate position and balance things out. After all, what I write and how I write is not in demand in Kosovo, and so I mostly publish in Slovenia—of late in Albanian as well—in the monthly *ALTERNATIVA*, which is published by the Cultural Society of Albanians in Ljubljana, Migjeni. A lot of dust was raised by the second issue of *ALTERNATIVA*, primarily because of the article about Adem Demacij, portrayed as a European Nelson Mandela, and because excerpts from his literary

works were published. In this regard, I would like to contribute some "internal" criticism, despite the fact that I am a member of the editorial staff of the magazine (although I do not participate in its editing). I have nothing against publishing Adem Demacij's prose, nor would I be bothered by an informative note about his long imprisonment, but the reverent biography of Demacij struck me as an atonement for rage. Transforming Demacij into an Albanian saint seems to me to be unfounded and counterproductive.

[DANAS] Taking into account everything that has happened in Kosovo, we cannot ignore the current implications in terms of day-to-day politics of certain attempts at publicity by the intelligentsia of Albanian nationality in Kosovo, which, as you have already mentioned, is usually accused of remaining silent. For example, Appeal 212 by the intellectuals, which has now become one of the fundamental differences, which is understood here as the possibility of a new, definitive squaring of accounts with the "enemies." Does all this bring with it an equalization of all Albanian intellectuals?

[Maliqi] The appeal simply affirmed the earlier lists of "denounced" and "suspicious" persons. I have already said that the goal was to chastise and eliminate the top stratum of the Albanian intelligentsia. But a further goal of this massacre of cultural princes, as is the case with massacres of political and economic leaders, is to eliminate all those who are regarded as the main bearers and advocates of the political, economic and cultural autonomy of Kosovo. This opens up room for radical intervention under the dictate of Serbia and a return to the situation that existed before 1966, and possibly a radical curtailment of Kosovo autonomy, even in the cultural realm. What we are talking about are miscalculations. The issue here is not simply leaders, but rather the general demands of Albanians. It is an illusion that the situation that existed in the 1950s can return to Kosovo. Appeal 212, which has no criminal content, would be signed by the vast majority of Albanians, and that is a fact of prime significance. But no one believes that anyone is going to schedule a referendum in Kosovo.

[DANAS] A question arises: What does it mean to be an Albanian in Yugoslavia or a Yugoslav Albanian? Is he on his "own soil," or is he someone who just happens to be here? If he a "foreigner" or a "native"?

[Maliqi] The Albanian in Yugoslavia wants to feel that he is at home, as an Albanian, and not as some sort of cultural and political bastard. But there are those who want to turn him into a "foreigner" and an unwanted "guest" because his ancestors supposedly usurped foreign, Serbian land many centuries ago.

[DANAS] There is the theory that everything that has been implemented here in recent times is in keeping with the slogan, "The best Albanian is an illiterate Albanian." The latest examples to which this theory applies are the enrollment in the first-grade of middle schools and test

notification of a standardized model of textbooks for the SR [Socialist Republic of] Serbia. What do you have to say about that?

[Maliqi] Yes, there are forces in Serbia who want to see a return to days when the illiterate Albanian was the best Albanian. But I do not see how it is possible to return to that today. Even the poorest Albanian farmer is willing to accept the greatest sacrifices in order to ensure higher education for his offspring. There is an cult of education. I have heard people say, "If they introduce restrictions here, we will send our children to other parts of the country, even abroad." They will not be deprived of education. The lack of education in the past took a grievous toll on us and made us dependent and powerless. Nor do I see a future for the trend whereby Albanian culture in Kosovo is shaped from Belgrade. This type of a colonial prescription of cultural patterns is obsolete in today's world.

[DANAS] The impossibility of pursuing that which is the natural orientation of every intellectual, every creator, raises the question: What's next, and how? What is there to do? Vegetate? Or, under circumstances where you can't even talk about flowers without touching on politics, become a politician?

[Maliqi] I do not view involvement in politics as unnatural. The dominance of ideology in socialism estranged the masses from politics because the communist party seized a monopoly on power, representing itself as an irreplaceable avantgarde that would lead all of society to paradise, but only if society had patience, tightened its belt and obediently followed the leaders. I do not regard the politicization of everything in Kosovo as a special anomaly, as things were presented after 1981, but rather as one of the first symptoms of the great crisis of the Bolshevik model of socialist that has rapidly emerged everywhere in recent times, from China to the turbulent USSR to Poland, Hungary, our country and Cuba. We have all become victims of the system. The expansion of nationalism can no longer be viewed, in thinly-veiled racist terms, as a characteristic of this or that people; rather, it appears as a by-product of voluntarism in a party state in which the legitimacy of the authorities is blurred by ideological platitudes, while in reality that legitimacy is increasingly and ever more openly reduced to national representation and the oppression of minorities. What do I see as the way out? Well, political commitment by all those who think that politics must have more dignity in the face of an ideology that has turned the people and political subjects into herds of livestock. In concrete terms, this means that both the Serbs and the Albanians and all others in Kosovo are relevant political subjects, but as they are complex entities it is necessary to reestablish the normal political competition of options and a dialogue on an equal basis. You mentioned flowers. There should in fact be a flourishing of a thousand flowers in socialism, even though it is no longer called that.

[DANAS] What can be done in this situation on the cultural level?

[Maliqi] If the mystification surrounding its national identity is rejected, the aspiration for an indigenous order, which in all areas of our country is increasingly perceptible, then culture—especially contemporary culture—is the best experimental field for the flourishing of a thousand flowers and the coexistence of different orientations, directions and styles on a global level. Instead of the politicization and ideologization of culture, what is in fact needed is to make politics more cultural, to accustom it to tolerance, a dialogue of coexistence, the right to individuality, to difference, pluralism. In our country, the jargon of authenticity is now fashionable, the national past is maniacally extolled; aboriginal cries are heard, even from those from whom one would least expect them, and bearers of culture are lining up, almost in mass, beneath national banners and pictures of leaders. Even though all of this has been "already seen," albeit from the experiences of other, today more cultured nations, we know what the consequences of this type of homogenization to the call of land and blood have been. Still, I hope that our country will not have to undergo the madness of national revanchism and the revindication of historical and ethnic rights, although the bloody Kosovo spring and the postponement by our political oligarchy of a response concerning ways to actually get out of the crisis do not bode well. It seems to me that culture has lost its chance, although not its prospects for being at the height of its true mission.

[DANAS] You have been praised and challenged by both sides with almost equal vehemence. From the gracious setting of Belgrade, where you lived until the beginning of the 1980s, through interviews in POLITIKA and START, your return to Pristina, your, shall we say, takeover of FJALA (which you quickly left), all the way to your present commentary in JEDINSTVO concerning your writing for DELO in Ljubljana. There has really been a radical change in what people think about you. What has changed in terms of thought and attitudes?

[Maliqi] I was and I remain a political marginalist and naive artist who has strayed into politics, but not on a whim, but rather because a forest—actually a jungle—has grown up around us, in which the call to join ranks and adopt a tribal-political orientation is constantly heard. I have been unable to close my eyes to what is happening, even though I have continually experienced strong internal opposition from the rational and frightened part of my conscience, which has reminded me of the absurdity and hopelessness of political commitment in the current age. Every politically committed text, including what I am saying right now, conceals in itself the desire to be my last political adventure. Nevertheless, I continue to join in the game all over again as a renegade, because I have a horrible fear about the consequences of what will happen as a result of the policy being pursued.

I write to dispel fear, I write about what I feel, what I hear as I see things, without window dressing and whitewashing, regardless of whether or not someone is going to like it.

GERMAN DEMOCRATIC REPUBLIC

Field Clothing, Equipment, Wash-Repair Unit Described

90EG0004a East Berlin MILITAERTECHNIK in German No 5, Aug 89 (signed to press 14 Jul 89) pp 272-273

[Article by Colonel R. Szalek, engineer, and Lieutenant Colonel D. Hertrich, engineer: "Mobile Facility for Cleaning and Repair of Clothing and Equipment"]

[Text] In the context of providing clothing and equipment, the job of the clothing and equipment service includes laundering, cleaning, and repairing clothing and equipment, even under field conditions.

In 1985, the NVA began developing the appropriate service. In 1987, a mobile cleaning and repair unit was set up in close cooperation between the military technology institute as the contracting authority and VEB [state enterprise] Textimaprojekt as contractor.

1. Basic Parameters

The initial question was whether we could take over a mobile unit from our fraternal armed forces.

After close examination of existing units it was decided to proceed with the establishment of a unit of our own. In doing so, we adhered to the principle of purchasing all the necessary machinery and equipment from firms located in the GDR.

Because of the short lead time it was decided not to build any new equipment. The machinery selected was to be highly efficient as well as easy to operate and maintain. All the machines with the exception of the Spezima 312 dry-cleaning unit meet this requirement.

It was also necessary to decide on the operational level and the makeup of the proposed unit which was to benefit from the mobile equipment. One proviso was that no additional personnel would be used. Nonetheless, the tactical units were to be relieved of their burdens. As a consequence, the cleaning and repair functions were combined in a single unit.

It was also necessary to look for innovative solutions to the transport problem. The original plan of mounting the equipment on a truck and trailer would have called for a great deal of transportation technology and caused major delays in achieving operational readiness. For another thing, a mobile, energy-efficient heating plant for the dry-cleaning unit had to be found because the mobile unit could not be operated by heating steam.

2. Technical Solution

The machinery and equipment are housed inside a uniform system consisting of two 20-foot special containers. In conjunction with the supporting frame for 40-foot containers this is also the principal transport and operation unit used.

Containers I and II of each unit are mounted on the tractor trailer and connected by means of a coupling device.

The two containers constitute a technological unit but can be operated individually, with the exception of the dry-cleaning plant.

The tractor trailer used is the Tatra 148. The Tatra 815 cannot be used, since the overall height of the installation exceeds 4.05 meters.

In place of the customary heating steam, an electrical heating system calling for less sophisticated technology is used. The combination of a diesel-electric hot water plant and a recycling unit makes it possible to compensate for the somewhat longer heating time for the wash-and-dry cycle to some extent.

A control system consisting of a motor-driven pump, hoses and flexible intermediate containers is used to supply the unit with water.

3. Description

3.1 Transport and Maintenance

The HLS 230.78/10 supporting frame used to test the working model is equipped with standard ISO-fasteners to hold the containers in place.

Total weight of the equipment and workshops is 11,700 kg and 9,830 kg, respectively.

The special containers are modified versions of the BMB-type, insulated compartments measuring 6,058 mm by 2,438 mm by 2,438 mm.

The outside walls of the containers are made of profiled Ekodal sheet metal and the frame itself is made of stainless steel. The floor which is reinforced by connecting bars will support loads of up to 10 kN [kilone-wton] per square meter. The personnel and service doors as well as the pockets which hold the couplings for electric power and water supply are located on the containers in accordance with the purpose they serve. The containers are not stackable.

The installation's power supply is provided by a Turbolakt 443 turbine generator which produces between 140 and 160 kilowatts per hour. It takes between 100 and 120 liters of fuel per hour to run the generator.

Electric power of 380 volts/50Hz is supplied to the users via a central distributor equipped with two 25-380-4 and five 63-3880-4 Finow accessory receptacles. Power can also be obtained from the stationary grid with the help of adapters located in each facility or workshop.

The water supply system consists of a TS 3 pump, of A-to C-strength hoses, a flexible intermediate storage container and fittings for the purpose of drawing water from the local system. Rudimentary filters provide for the withdrawal of surface water. This unit is part of each and every laundry and dry-cleaning facility. If possible, the

water supply point should not be no more than 50 meters distant from the installation.

3.2 Laundry Equipment

In the laundry, the wash is processed in individual machines in accordance with the wash-spin-dry method.

The washing machines allow for a separation of black and white items and for the application of technical means of achieving more efficient use of energy and materials, e.g., recycling of dyes, preparing hot water for washing and hot air for drying.

Container I, the laundry container, includes the following equipment:

- A dual-drum 11,009 S washing machine attached to two hot water heaters and a dye recycling unit. It is capable of holding between 60 and 70 kg of laundry.
- An FZ-PO 500 T centrifuge capable of holding between 25 and 28 kilograms of laundry.
- A KSP 50 centrifugal pump used for drawing water out of the flexible intermediate containers.

Container II contains three Spezima T 116 11,410/4 model dryers with a total capacity of 48 kg of laundry.

3.3 Dry-Cleaning Equipment

The dry-cleaning plant is equipped with two electrically heated Spezima 312 machines—each capable of holding 12.5 kg.

The duration of the cleaning cycle depends on how soiled the articles of clothing are and on the cleaning program

selected. Single cleaning cycles take 22 minutes; double cycles take about 27 minutes.

The cleaning cycles are controlled automatically with the help of programming instructions.

Auxiliary programs provide for insertion and distribution of the solvent and for flushing the filters.

Tetrachlorethane is used as the solvent. The required difference in temperature for colling is achieved by means of a water recirculation system via the flexible intermediate containers.

3.4 Repair of Shoes and Clothing

Repair equipment corresponds to that used in the stationary workshops of the clothing and equipment service. This equipment is being used with minor modifications in the containers.

The principal shoe repair equipment includes the following:

- Two lasts used to grind down and clean shoes.
- Machines used to prepare shoes for gluing.
- A rapid-glue press and two sewing machines.

The clothing repair workshop is equipped with six double-stitch and one Universal zigzag sewing machine.

The introduction of these mobile units enables the NVA clothing and equipment service for the first time ever to provide for efficient laundry, dry-cleaning, and repair services under field conditions. Actual experience with these units has shown that the technical means chosen were the correct ones.

CZECHOSLOVAKIA

Agriculture of Socialist Countries Analyzed

90EC0025A Prague HOSPODARSKE NOVINY in
Czech 15 Sep 89 p 8-9

[Article by Eng Josef Kraus, candidate for doctor of science (CSc.), Czechoslovak Academy of Sciences Economics Institute: "Agricultural Development in Socialist Countries; Common Characteristics and Differences"]

[Text] A long range objective of the agricultural policy of the European socialist countries is to achieve self-sufficiency in agricultural products for the entire community of CEMA countries. Analyses of long range development trends in agricultural output in these countries show differences in developmental efficiency that stem from differences in climatic conditions, as well as from differences in sophistication of production factors, specific techniques of management and labor organization, and finally differing intensities of participation in the international market for agricultural products and foodstuffs.

Efforts to implement more efficiently critical factors in economic intensification have been a salient characteristic of recent agricultural development in CEMA countries. This is because labor and capital asset productivity has been lower in agriculture than in the national economy as a whole in practically all the European CEMA countries. These countries are also characterized by high materials intensiveness of agricultural output.

Looking back, during the 1970s per capita consumption of a number of basic foods, namely meat and other livestock products, increased, with the fastest growth occurring in those countries with the lowest starting point. Nevertheless, in a number of countries, including the Soviet Union, meat consumption is significantly lower not only than in most developed European CEMA countries, but even than the average for these countries. In the GDR, CSSR, and in Hungary, consumption levels and the composition of that consumption approaches or exceeds the level of West European countries with traditionally high food consumption. It is interesting to note with regard to this evolution that in a number of countries increases in consumption and in overall agricultural output have been accompanied by highly extensive soil utilization. In other words, areas with low marginal efficiency are being pressed into production. The resources to support this extremely capital intensive process are being found by reallocating national resources from other areas to primary agricultural production.

Along with efforts to increase the production capacity of domestic agriculture, imports of agricultural products and foodstuffs are also increasing, especially in the Soviet Union. These imports include products not only to feed the general public directly but also fodder to support the development of the domestic livestock industry.

Some countries, on the other hand, obtain foreign currency in part through extensive agrarian export programs.

Analysis Is Problematic

For most of these socialist countries it may be said that the rate of growth of national expenditures on agriculture, including its foreign currency demands, have generally been greater than production increases, and that measures taken to stop these unfavorable trends have for the most part proven to be ineffective. Most measures have, in fact, either slowed down the growth rate or even resulted in a decline in production.

There are also differences in the efficiency of agricultural production from country to country. These differences are largely the result of soil and climatic factors, the overall development level of the national economy and agriculture itself. They are also dependent on the management and organizational systems of the specific countries.

This analysis attempts to identify those differences that originate in differing availabilities of production factors (soil, labor force, other production assets) and resultant levels of production and consumption, and that originate in differences in foreign trade in agricultural products and foodstuffs as a percentage of total foreign trade, with particular reference to import requirements for fodder.

Lack of uniformity, lack of completeness, and in many instances the incomparability of statistical reporting of financial indicators in specific countries (indicators of production costs, profitability, wage levels, differences in pricing or subvention mechanisms, etc.) are the reason comparisons of agricultural development in CEMA member countries are made primarily on the basis of physical units, rather than valuation figures. As in most economically advanced countries the retail price of food in comparison with other products is relatively low. The difference between this price and the actual costs of food production is to a greater or lesser extent covered by government subventions in most socialist countries. There is no base from which to analyze this mechanism for all the CEMA countries, even though such analyses are very important when deciding how most rationally to allocate available resources so that both individual countries and the entire community use their resources optimally. Actual price calculations as a basis for negotiating contracts for a regional market are, by the same token, quite distorted by the fact that land is not included in calculations, even though it is an important and increasingly scarce element of costs. This omission undoubtedly seriously distorts any analysis of real costs of production, labor productivity, and a number of other efficiency indicators.

The trends analyzed here are supported with data from the past three completed 5-year plans. All percentage changes for a five year period are stated as average annual rates of change valid within the context of the monitored 5-year plans. The analysis of agricultural

foreign trade is based on aggregated data, mainly statistics from the European Economic Commission and the Food and Agriculture Organization. The five year periods that are used smooth out fluctuations of individual years, and are fully functional for developing a long range analysis of agricultural development. This is because agriculture frequently experiences significant fluctuations in harvests from year to year, which has a direct impact on the magnitude of derived indicators.

Production Costs and Yields

Analyses of individual socialist countries allow one to draw certain general conclusions about the results of agricultural development in European CEMA countries. One must bear in mind that the size of the Soviet national economic complex devoted to feeding the population makes it difficult to compare with any of the other economies. This size is the cause of a number of methodological difficulties.

Soviet agriculture and its production efficiency lags significantly behind those of agriculture in the other European countries. This is true despite the fact that it is characterized by a diametrically different population density, a much lower percentage of agricultural land in relation to total land area, higher levels of arable land per agricultural worker, and a number of other specifics. Romania and Poland lag significantly behind the four remaining member countries. In the case of Romania the lag is less severe because of a lower population density. Bulgaria, the CSSR, the GDR, and Hungary have all seen over the past three 5-year plans significant agricultural development in terms of increasing domestic consumption and increased self-sufficiency (CSSR and GDR), and in terms of creating surpluses for export (Hungary and in part Bulgaria). Along with this development, however, has come an increase in production costs, which has had a negative impact on efficiency indicators. The failure to achieve declared production growth targets along with a failure to achieve planned targets in reducing production consumption has led most of the CEMA countries, in particular the USSR, to the unsustainable drawing down of scarce foreign currency resources to procure food and, above all, raw materials for foodstuffs. In the last monitored 5-year plan food accounted for 20 percent (Poland, GDR) to 30 percent (USSR) of all imports.

The process of concentrating land holdings in the hands of enterprises is not a clear expression of more efficient agricultural development, although it could be a possible advantage. It does mean that the available statistics do not allow one to make a direct connection between the size of an agricultural enterprise and its production figures. For instance, agricultural enterprises in Hungary and Romania are of approximately the same size, but in terms of plant production and livestock production efficiency these countries represent the upper end, with the exception of Poland, the lower extreme of production efficiency. On the other hand in the GDR, where plant production yields are higher, higher even than Hungary,

the smallest agricultural enterprises are under state, or cooperative ownership. Bulgaria, where plant production yields are also relatively large and the agricultural enterprises are by far the largest, regularly outperforms both Poland (with much more highly developed individual forms of management) and Romania, where production resources are relatively highly concentrated. The efficiency of management and agricultural development planning in these countries is also certainly reflected in these differences.

Although the foregoing general findings display a number of common characteristics as well as some differences, the greatest contrast is between the extensively developing agriculture of the USSR on the one hand and the intensively managed agriculture of the European CEMA countries on the other. The difference is evident in both yields and use parameters, as well as in food consumption.

Grain yields in the European socialist countries are greater than those of the USSR by a factor of 2 to 4. Similar differences exist for a number of other crops. There are also significant differences among the CEMA countries. For instance, the CSSR, GDR, and Hungary have performed significantly better than the other countries. Bulgaria regularly records significantly better performance than Romania, and yields in these two countries are, in turn, higher than those in Poland, with its agriculture based on small producers.

The low population density of the Soviet Union is accompanied by an extensively developed livestock industry, with the exception of consumption centers, where cattle raising operations are more resource intensive and show better utilization rates. In comparison with the other CEMA countries the Soviet Union has significantly more dispersed labor, capital, and other resources. But even this extensively developed agriculture has not been able to lower unit costs by allocating production resources to areas that offer a favorable environment for a given type of production. Moreover, the essential resources are not sufficiently concentrated in areas with favorable soil and climatic conditions so that they could improve yields. The result of a number of development programs for nonchernozem areas has been high investment intensiveness (in part to support an infrastructure), with final yields not justifying the initial investment. Efficiently dealing with the food problem under the highly differentiated natural conditions of the Soviet Union through intensive development, the application of extensive forms of management, or a combination of the two is an exceptionally difficult task, more so than in any of the other countries discussed here.

Trend to Self-Sufficiency

In terms of meeting food requirements with domestic production the Soviet Union occupies the second lowest position, just ahead of the GDR, with a self-sufficiency level of 92 percent. This is mainly due to inadequate

plant production, especially grains. From total self-sufficiency at the end of the 1960s, the Soviet Union is becoming less and less self-sufficient. Existing production facilities cannot keep up with growing customer demands and the growing disproportion is being dealt with by rapidly increasing imports of grains and, gradually, additional raw materials and foods. For instance, in the first half of the 1980s the Soviet Union imported an average of 36 million tons of grain annually to cover 20 percent of its total requirements. This volume of grain accounted for 25 percent of total world trade in grain over these years. Over this period the self-sufficiency indicator in grain stood at 82 percent. This trend is diametrically opposed to the other CEMA countries, all of which have significantly decreased their grain imports and increased their self-sufficiency. Even so, they all remain heavily dependent on imports of protein enriched fodder.

Evolution of Self-Sufficiency in Countries Producing Agricultural and Food Products (in percentages)

	1961/63	1969/71	1979/81	1983/85
Bulgaria	114	114	112	114
Hungary	102	109	118	124
GDR	83	88	91	91
Poland	100	98	93	99
Romania	106	106	101	104
Soviet Union	100	99	91	92
Czechoslovakia	84	87	90	98
CEMA overall	99	91	93	95

Source: Agriculture: Toward 2000. FAO, 1987.

Among the countries in the above table the CSSR, Poland, Hungary and, especially, the GDR have high population densities. Bulgaria and Romania are better off in this regard. The evolution of the self-sufficiency indicator for all the countries but the USSR confirms that almost all these countries have been improving their level of self-sufficiency. This is even true for the GDR, which at the end of the 1960s was importing 12 percent of its requirements, while recently the figure has declined to about nine percent. Over the same period the CSSR has reduced imports as a percentage of total agricultural and food requirements from 13 percent to two percent. Poland has been almost self-sufficient, and Romania has consistently been, although the positive balance has been declining recently, among a group of modest net exporters. Hungary is a major and rapidly growing net exporter of agricultural and food products, as is Bulgaria.

Food and Fodder Imports

Food as a percentage of total CEMA imports declined from 10 percent in the 1971/75 5-Year Plan to 8 percent in the 1981/85 5-Year Plan. This percentage for the Soviet Union over the same period was much higher, increasing from 19 percent to 23 percent. This situation is much more complex when one considers the territorial

structure of these imports. For the European socialist countries food imported from nonsocialist countries increased from 11 percent to 16 percent of total imports from these countries. The USSR experienced a corresponding increase, from 24 percent of total imports from these countries in the 1971/75 period to 30 percent of total imports from these countries in the 1981/85 period. After the USSR, the largest importers of food from nonsocialist countries are Poland and the GDR. In both of these countries food imports as a percentage of total imports from nonsocialist countries have increased significantly (from 15 percent to 23 percent for the GDR, and from 12 percent to 22 percent for Poland). In contrast, the CSSR, Bulgaria, Romania, and Hungary have reduced their imports of food from nonsocialist countries.

Over the long term, food imports have been a significant and sometimes growing percentage of total imports. When this involves imports from capitalist countries, it is an unacceptable trend, above all for countries that have not been able to compensate by increasing their own exports of food. This disproportionately large and growing percentage of our total imports from capitalist countries further reduces the resources available for purchasing modern equipment and particularly capital items, i.e. resources needed to implement programs to reduce technological backwardness. This "eating up" of scarce foreign currency resources is not an acceptable situation for the long term. It is one of the factors contributing to the imbalances of our overall economic development, with all the negative consequences that this carries with it.

All CEMA member countries are to one extent or another dependent on imports of protein enriched fodders (oil seeds, grain extract, fodder cakes, etc.). In fact, such protein rich fodder is an important determinant of the level of total agricultural and food imports. For the CEMA as a whole, these imports account for roughly 25 percent of food imports from capitalist countries, the sources for many of these items. The situation in the USSR is different. Grain imports account for most of the food imports, with protein fodders accounting for only about six percent of total food imports. In line with world wide trends one can expect this relationship to change for the USSR, as it moves to import higher quality fodder mixtures in an effort to achieve higher fodder conversion rates. At present consumption of high protein fodders per head of livestock in the USSR amounts to only about 33 percent of the per head quantities used in the other CEMA countries.

Among the countries with highly developed plant production, agriculture in the GDR (which also has a high population density) depends on high levels of both fodder and food imports. It runs a relatively large deficit in trade in agricultural and food products. At the same time, it has the highest per capita consumption of foods of livestock origin of all comparable countries. Hungary is also heavily dependent on fodder imports, but also produces large agricultural surpluses for sale on foreign

markets in addition to its own high per capita consumption of foods of livestock origin. In terms of food consumption figures the CSSR lies between the GDR and Hungary. Even though it is still a net importer of food, it has taken significant steps in the direction of self-sufficiency. We have succeeded in stabilizing our imports of fodder, especially protein enriched fodder.

Bulgaria, with the second lowest population density and rather average crop yields, is a net exporter of food, at approximately the level of Hungary. Even though it has experienced a significant increase in per capita food consumption over three 5-year plans (meat consumption growth index = 138), Bulgaria remains below the consumption levels of other European countries that publish such data. This is true especially of meat and egg consumption. In milk consumption Bulgaria is well above average. Imports of protein enriched fodders have also stabilized in Bulgaria.

Poland and Romania can be described as having average to below average population densities, low crop yields, and inadequate per capita food consumption. In Poland food consumption even declined in the 1980s, with the exception foods made from grains and vegetables. The same is true of Romania. Since 1983 Poland has returned to the situation of the early 1970s, when it was a net exporter of food, but at a price of enormous pressure for general reductions in imports, including fodder imports. Net grain imports in 1985 of 2.3 million tons represented just 33 percent of 1981 import levels. Trade surpluses in food have declined in Romania over the past decade. Trade surpluses in Romania and in Poland have been insignificant compared to the surpluses produced by Hungary. Significant restrictions on fodder imports in both countries has further reduced the efficiency of livestock production.

Efficiency Considerations

An analysis of livestock production efficiency in relation to availability of fodders, especially protein enriched fodder, produces interesting results from country to country. The CSSR, GDR, and Hungary have shown the best performance in terms of production efficiency. These three countries, along with Bulgaria, also have the highest per head of livestock consumption rates of protein fodders (especially oil plants), including necessary imports of highly concentrated fodder products.

Differences in the types of livestock raised in specific countries result in similar, though smaller differences. The more advanced countries focus on the production of pork and poultry, the types of livestock that are the chief consumers of protein enriched feeds. Consumption of protein fodders is somewhat lower in the CSSR and GDR than in Hungary and Bulgaria also because climatic conditions limit the domestic production of these fodders. This is also in part why the CSSR and GDR are somewhat more dependant on imports of protein fodders. Livestock production in Poland, Romania and in the USSR is characterized by low efficiency, which is

closely related the quantitative, but mainly qualitative level of fodder supplies, whether they are of domestic or foreign origin.

These countries have below average crop yields. This has a critical impact on livestock feeding levels. Moreover, these countries import the lowest quantities of protein enriched fodder products. The experiences of these countries indicates that if the CSSR and the GDR wish to maintain balanced feed rations with their resultant positive impact on efficiency figures, including fodder conversion figures, then they must continue to maintain protein fodder imports at current levels until they can provide adequate domestic supplies of protein. Imports of protein enriched feeds require significant foreign currency expenditures. These demands can be reduced by gradually restructuring livestock raising operations to allow the increased use of domestically produced concentrated feeds, increased use of bulk fodders in the feed rations of cattle, and by improving village-level production operations. It is interesting to note that in the first half of the 1980s root crops used for fodder, silage corn, and fodder grasses accounted for 30 percent of total sown area in the CSSR, 15-22 percent of total sown area in Bulgaria, the GDR, Hungary, and Poland, and only nine percent of total sown area in Romania. The above solution to the import problem, with its objective of improving the efficiency of feeding operations, will also have to be adopted in some form in Hungary and in Bulgaria.

In contrast, an analysis of the situation in Poland, Romania, and the USSR shows that current imports of protein enriched feeds inadequate to provide satisfactory feed efficiency levels with the given structure of livestock and feed production. Both the Soviet Union and Romania has pasture land that could be used, given proper management and work organization, to increase herds of types of livestock that do not require such high consumption of concentrated fodders, or protein enriched feeds. Both these countries, along with Poland, need to pay greater attention to increasing grain production and to manage their production of fodder so as to maximize the growth rate of overall livestock production.

Production Efficiency

Let us conclude by considering the issue of agricultural production costs in the CEMA countries. Available data indicate that a number of these countries have made considerable efforts to improve the overall efficiency of agricultural output. It is clear from agricultural input and output statistics for the 1971-85 period that there is a slight long-term correlation between expenditures on agriculture and agricultural efficiency. At the same time there are enormous differences between comparable countries due to differences in available equipment and level of agricultural development in the base period. In the past 5-year plan measures taken to reduce unit costs have had a negative impact on production levels in almost all countries. There is a much stronger correlation in all these countries between changes in available material resources and increased production efficiency in the

past 5-year plan. This was a period that saw in most European socialist countries declining exchange relationships in foreign trade with overall negative consequences for increases in imports for agriculture as well as for other branches of the national economy.

Aggregate performance for the 5-year plans considered in this article may be summarized by stating that there was an increase in the volume of material inputs for agriculture in all the countries except Poland. In Poland there was a decline in both material inputs and in agricultural production. Only the GDR succeeded in optimizing the relationship between these two categories. The GDR managed to reduce material unit costs at the same time that it increased gross output.

The CSSR also experienced an increase in the growth rate of production. At the same time, though, material inputs increased, so the net impact was an increase in unit costs. In Bulgaria, Poland, and the USSR increases in unit costs were to be sure less than in previous 5-year plans. These countries also experienced, however, declining production growth rates. In Poland the growth rate was even negative. Increases in unit costs continued to be very high in Bulgaria. In Romania decreased production growth rates were accompanied by increases in unit costs.

In most European CEMA countries (with the exception of Poland) the rate of decline of workers in agriculture slowed. In some countries reduced investments in agriculture were accompanied by stabilization or increases in the agricultural work force. From 1981-85, all these countries experienced a decline in the rate of growth of labor productivity (measured as gross production per employee). Likewise there has been a long term decline in capital asset efficiency. This decline has been the slowest in the CSSR, GDR, Hungary, and Poland. All of the above mentioned countries also slowed down their rate of investment in agriculture, and some have experienced an absolute decline in agricultural investment. These trends have persisted into the second half of the 1980s, and are clearly in conflict with our long range objective of achieving efficient growth in agricultural production in all CEMA member countries.

Agricultural Employment^a as Percentage of Total Employment

	1970	1980	1987
Bulgaria	35.8	24.6	19.4
Hungary	26.4	22.0	20.9
GDR	13.0	10.5	10.6
Poland	34.6	29.7	28.4
Romania	49.3	29.8	28.7 ^b
Soviet Union	25.4	20.2	19.0
Czechoslovakia	18.5	13.4	12.2

^a Includes forestry

^b For 1986

Source: MEMO, No 6/1986

Agricultural Output^a as Percentage of National Income

	1970	1980	1987
Bulgaria	22.8	17.0	13.3
Hungary	22.8	18.6	14.0
GDR	12.6	8.3	11.9
Poland	17.3	15.4	11.7
Romania	19.5	15.2	18.0 ^b
Soviet Union	22.0	15.1	20.5
Czechoslovakia	10.5	7.5	7.1

^a Includes forestry

^b For 1986

Source: MEMO, No 6/1986

POLAND

U.S. Said To Consider Supplying Free Bacon To Aid Market Growth

90EP0006A Warsaw RYNKI ZAGRANICZNE in Polish No 105/106, 2, 5 Sep 89 p 2

[Article by JS: "Bacon From the United States for Poland?"]

[Text] Several days ago, rumors circulated in Washington circles that the American Ministry of Agriculture was contemplating the possibility of free deliveries of bacon to Poland. According to unconfirmed reports, two organizations had approached President Bush on this issue—the National Pork Producers Council and the American Meat Institute. However, according to the unofficial statements made by administration representatives, it will be difficult to include bacon in the regulations covering food assistance based on the PL 480 program.

In the industry's circles it is expected that if a decision is made to act on the above matter, the authorities will purchase a given amount of bacon on the market and will then send it to Poland. In this way, two goals will be reached—food assistance will be expanded and the surplus in this area will be reduced. Bacon reserves in American coolers amount to nearly 45,000 tons and have a growth tendency. A year ago these reserves amounted to somewhat more than 33,000 tons.

Speculation on the subject of sending bacon from the U.S. caused a marked increase in quotations for this item on the Chicago Mercantile Exchange. In final transactions, they increased by 2 cents per pound. In contracts for February 1990, the price of 1 pound is 43.1 U.S. cents.

In Chicago branch circles it is being stressed that the American meat industry needs new purchasing markets, and the needs of Poland are opening up certain possibilities in this field.

The most recent reports from Washington show that the administration there continues to be under strong pressure to grant Poland food assistance in the form of bacon

deliveries. A decision on this matter will be made no later than 2 weeks from now.

Based on the official Polish sources, press agencies report that Poland is in urgent need of 50,000 tons of beef, 50,000 tons of pork, 450,000 tons of wheat, 5,000 tons of powdered milk, 50,000 tons of butter, 20,000 tons of vegetable oil, 25,000 tons of rice, 20,000 tons of sugar and 50,000 tons of corn. To date the White House expects to supply Poland with food assistance valued at \$50 million in 1990. This year we are to receive 11,500 tons of sorghum and 4,500 tons of butter.

Canadian Metals Firm To Form Joint Venture on Nail Manufacturing

90EP0006b Warsaw RYNKI ZAGRANICZNE in Polish No 104, 31 Aug 89 p 2

[Article by TEK: "Joint Venture With Canadian Concern"]

[Text] It is no longer only small and midsize foreign firms that are interested in investing in Poland; more and more, larger enterprises are coming forth. One such concern ready to form a joint venture with Poland is the Canadian IVACO group, which operates in the iron goods branch.

The concern has 65 plants that manufacture in Canada. The firm is interested in going into the production of special and upgraded nails in Poland. To this end it is prepared to enter into a joint venture, for which it would supply its own machinery and production technology. In talks conducted through the mediation of Universal Limited Liability Company, the firm is looking for potential partners for cooperation that possess untitled pasture land of 15,000 sq km and a railroad siding. The preferred location is near to the sources of production materials, or the Silesian mills.

In the second half of September, the vice president of the Canadian concern will come to Poland to make a final choice of a production location and to sign the joint venture agreement. Currently, talks are being held between Universal and the possible candidates for partners in the company. The anticipated productivity target for the venture is 50,000 tons of nails per year.

ZYCIE GOSPODARCZE 'Briefs' Columns

26000720 Warsaw ZYCIE GOSPODARCZE in Polish Nos 31-34, 30 Jul, 6, 13, 20 Aug 89 p 2

[Excerpts from the weekly news column "Last Week"]

[No 31, 30 Jul 89 p 2]

[Excerpts]

In Poland

[Passage omitted] On 24 July 1989, the Extraordinary Commission of the Sejm adopted a proposed law on wage indexing. Marcin Swiecicki (PZPR) was chosen to be the reporter for the proposal at the full meeting of the

Sejm. Wacław Martyniuk, the OPZZ deputy chairman submitted a declaration that in view of the failure to adopt the proposals of the OPZZ on indexation, the trade-union movement which he represents, will endeavor to change the law. [passage omitted]

On 20 July 1989, the Extraordinary Commission of the Sejm, formed to examine the law on wage indexing, held another meeting. The participants agreed that, among other things, the law should be in force to the end of this year and that it should include a provision permitting plants to abandon individual wage indexation with the consent of the trade unions. A decision on whether indexation should be universal or limited to equalization was left to the full meeting of the Sejm.

On 19 July 1989, the Council of Ministers adopted proposed amendments to the budget law for 1989. They called for, among other things, increasing the income for the year to 27.3 trillion zloty—by 10.1 trillion zloty in comparison with the current budget law—and for increasing the expenditures to 28.9 trillion—by 10.7 trillion zloty. The projected deficit will increase in nominal terms, but it will not increase in terms of a percent of the expenditures, which remains 5.5 percent.

In conjunction with this decision, the Ministry of Foreign Economic Cooperation ceased giving reliefs and exemptions from customs on imports in commercial trade. [passage omitted]

On 20 July 1989, representatives of the ministries of finance, labor and social policy, the domestic market and agriculture, forestry and the food industry exchanged views on introducing a market in the food industry with representatives of NSZZ Solidarity. Both sides agreed that the weak point of the plan for introducing a market is the demonopolization of the food industry, including changes in the management system of the cooperatives directly associated with that industry.

Abroad

The EEC proposed a program of food aid for Poland valued at \$120 million over the next two years. The proposals agreed to by the EEC Commission are elaborations of the appeal issued near the end of last week at the Paris summit of the leaders of the "Seven," calling for taking coordinated action to help Poland. The ministers of agriculture of the 12 EEC member states who meet this week should give final approval to this program of food aid. The program calls for sending Poland grain, meat, fruits, and olive oil from the Community reserves. The declaration adopted by the EEC Commission proposes that the help during the first phase of the program be provided gratis. During the second phase the food aid provided is to be sold at world market prices, and the Polish authorities will be obligated to invest the income from the food sales to improve the food distribution network and finance structural reforms made in Polish agriculture. The EEC reserves at the end of July contained 7.8 million tons of grain, 115,000 tons of beef, and 40,000 tons of butter.

Reuters reports, citing British bankers, that Poland has reached a new agreement with 500 foreign creditor banks on spreading out debt payments on a sum of \$204 million of capital due in 1989 and 1990. The bankers reported that the new agreement does not reduce the interest on the past due loans.

Horst Seehofer (CSU), the parliamentary secretary of state in the federal ministry of labor, spoke against recruiting Polish workers for the FRG. Seehofer criticized proposals made by Herbert Schnoor (SPD), the minister of internal affairs for North Rhine Westfalia, who called for recruiting 50,000 Polish workers annually and permitting them to remain in the FRG for 12 months.

Chancellor Helmut Kohl again confirmed that the date for his visit to Poland remains viable: the end of September, beginning of October.

[No 32, 6 Aug 89 p 2]

[Excerpts]

In Poland

[Passage omitted] On the 45th anniversary of the outbreak of the Warsaw Uprising, a commemorative plaque was unveiled in Krasinski Square in Warsaw. President Wojciech Jaruzelski unveiled it, and Cardinal Jozef Glemp dedicated it. On the row for the Merited in Powazki Cemetery in Warsaw, a monument dedicated to the delegates of the government in the country and the main commanders of the Polish Victory Service, the Union of Armed Struggle, and the Home Army who were killed or have died was also unveiled and dedicated.

Due to problems with shipments of paper for rotary printing presses, multi-colored magazines will not be published from 7 to 21 August. Among them are PRZEKROJ, PANORAMA, KOBIETA I ZYCIE, FILM, EKRAAN, RAZEM, PERSPEKTYWY, SZPILKI, ITD, and NA PRZELAJ.

On 1 August 1989, prices for tickets for trains and State Motor Transport increased an average of 50 percent. Charges for shipping baggage and railway express shipments also increased an average of 50 percent, as did the cost of reserving a seat. (Reserving a seat now costs 300 zloty.) Also on 1 August, prices for freight shipments on the Polish State Railways, the motorized transport services, the National Freight Forwarding Enterprise, inland shipping, and rail and ship transportation increased an average of 20 percent. Postal and telecommunication rates for foreign service also increased in conjunction with the change in the exchange rates for the zloty and foreign currencies. [passage omitted]

On 27 July 1989, at the Ministry of Internal Affairs, talks were held with a delegation of the EEC Commission for Economic Aid for Poland, including shipments of food from Community reserves during the next few months.

Proposals by the Polish side as regards dates and quantities of the shipments of agricultural products were presented to the representatives of the EEC Commission. The total value of the EEC aid for Poland will be about \$137.5 million. [passage omitted]

Abroad

Negotiations to conclude a 5-year trade and economic agreement between Poland and the EEC have ended; it is to be initiated during August and is subject to ratification. The agreement calls for gradually ending quantitative limits on imports from Poland by the end of 1994 and some help for access of goods from the EEC to the Polish market. Economic cooperation will include various areas of industry, mining and the power industry, agricultural and food processing, and also transportation, tourism, telecommunications, environmental protection, standards, and statistics. [passage omitted]

The national income of the USSR increased during the first six months of 1989 by 3.5 percent, and industrial production, by 2.7 percent (capital goods by 1.8 percent, consumer goods by 5.6 percent). In spite of the increase in productivity of goods for the domestic market, it remains strained. As N. Bielov, the deputy chairman of the State Statistics committee, said in many regions of the country meat rationing has been introduced. The average wage in the state economy increased during the first six months to 236 rubles from 215 rubles, and the earnings of state farm workers rose to 166 rubles from 152 rubles.

Industrial production in Bulgaria increased during the first six months of 1989 by 2.6 percent; the increase in the electronics industry was 6 percent; in biotechnology and chemistry, 3.8 percent; agricultural and construction machinery, 3.9 percent. Foreign trade turnover declined by 7.5 percent; exports reached a value of 6.570 billion lev and imports 6.147 billion lev. Good harvests of grain and vegetables are expected; however, the number of head of animals being raised is declining.

During the first six months of 1989, PRC foreign trade turnover was \$37.22 billion—exports \$19.76 billion and imports \$17.47 billion. Although Chinese exports remained at the level of the first six months of 1988, imports increased 11.68 percent in comparison with the same period. The greatest increases were from the USSR (by 74.3 percent), from the United States (by 46.9 percent), and from the EEC (by 27 percent). As the spokesman for the ministry of foreign economic relations noted, the rapid increase in trade with the USSR is a result of the normalization of relations with that country and does not indicate a turn by the PRC toward the Soviet block. "Our open-door policy remains unchanged," the spokesman said. [passage omitted]

On 1 August 1989, an EEC delegation visited Budapest in conjunction with the conference of experts from the industrialized countries of the West on ways to support the reforms being carried out in Hungary and Poland. The Hungarian side acquainted their EEC guests with

the program to create a market economy and the transformation of ownership relations in Hungary associated with it. The Hungarians are counting on cooperation in production and capital inflows which would contribute to an acceleration of the structural changes in the Hungarian economy. They intend to meet their debt service obligations on time.

[No 33, 13 Aug 89 p 2]

[Excerpts]

In Poland

[Passage omitted] Beginning 7 August 1989, the prices for domestic alcoholic beverages will increase an average of 40 percent. Beginning 5 August, the price of a regular weekday issue of ZYCIE WARSZAWY will increase to 50 zloty from 25 zloty, the price of the Friday issues will increase to 50 zloty from 40 zloty, and of the Saturday-Sunday issue to 80 zloty from 50 zloty.

The General Savings Bank increased the interest rates for time deposits to 72 percent annually for three-year deposits; to 66 percent for two-year deposits, systematic savings accounts, prepayments for automobiles, and two year certificates of deposit; to 57 percent for one-year deposits; to 45 percent for six-month deposits; and to 36 percent for three-month deposits.

On 5 August 1989, the Third All-Polish Meeting of Participants of Agreement for the Conducting of Democratic Election in NSZZ Solidarity was held in Szczecin. (The group opposes Lech Walesa.) A seven-member secretariat was elected; Marian Jurczyk is its chairman. The participants of the agreement adopted a resolution expressing solidarity with actions to defend society's standard of living. They did note, however, that strikes are also a threat to the economy and must be treated as a weapon of last resort. [passage omitted]

The Southern Baltic, ZYCIE WARSZAWY reports, will soon no longer have ship salvage service. The employees of the Polish Ship Salvage Enterprise are moving to other employers en masse. The recent increases in convertible-currency supplements and basic wages in the Polish Ocean Lines and Polish Steamship Company have contributed significantly to the movement. The Polish Ship Salvage Enterprise pays convertible-currency supplements only for towing trips of which there are very few. On 7 August 1989, the employees began a protest action.

The shortage of skim milk and cottage cheese, of basic kinds of bread, and of nutritional foods for children in stores, in other words of goods for which there are official prices, is a result of the halt in their production by dairy workers and bakers, who without knowing the level of subsidies do not want to subsidize their products themselves by buying raw materials at market prices. Finally on 4 August 1989, telegrams were sent to the treasury explaining that the directors must agree with each producer on the exact level of the subsidies.

Abroad

President Bush announced that the United States would provide Poland with food aid worth \$50 million in 1990. It will be treated as a gift; the income from the sales of the products in Poland is to be earmarked for the development of agriculture. [passage omitted]

According to THE JAPAN TIMES, Japan is examining the possibility of concluding an agreement with Poland and Hungary on protection for investments in the near future. Japanese firms have signed only four contracts and joint ventures with Hungarian enterprises and none with Polish ones. According to suggestions made at the summit conference of the seven most developed Western nations, the Japanese government has decided to provide Poland with customs preferences beginning in April 1990 and Hungary with new loans. An invitation to managers from these countries to come to Japan for training is expected. According to anonymous reports from the Japanese Ministry of Foreign Affairs, Japan is inclined to extend the period of payments on these countries' debts to the Japanese government to 15 years; Japan, however, looks unfavorably on the idea of amortizing a portion of the debt and reducing the interest rate.

Representatives of 24 countries participating in the conference on ways to support the reforms in Poland and Hungary agreed to provide written reports to the EEC Commission by 1 September 1989 on their bilateral aid programs for these countries and on proposals for further joint actions in the area of agriculture and the use of funds raised from the sales of products shipped to Poland and in relation to both countries in the areas of investments, joint ventures, loan guarantees, personnel training, facilitating access to sales markets for Polish and Hungarian exports, and environmental protection.

Hungary's positive balance of trade with the socialist countries during the first six months of 1989 amounted to 800 million rubles and \$150 million. The amount of the surplus in trade with the socialist countries resulted from an increase in exports of 1 percent and a decline in imports of 6 percent. In conjunction with the surplus, the authorities intended to limit exports to those countries. During the first six months, industrial production declined by 1.5 percent. However, good results in agriculture are expected. The budget deficit was 39 billion forints. The number of unemployed has reached 3,000 (48.5 billion forints were paid out in unemployment payments). [passage omitted]

The CPC Central Committee Politburo approved a resolution of the Central Committee and the government of the PRC on "seven tasks" in the area of intensifying supervision of ("cleaning up and straightening up") enterprises and limiting the privileges of higher party and state functionaries. It is expected that, among other things, some firms dealing in trade, providing financial services, providing supplies, conducting foreign trade will be liquidated and that others will be audited. An

audit of the Chinese International Investment Corporation (CITIC), which plays an important role in promoting foreign investment in China, has already been announced. The other five tasks concern intensifying the rigors of the standards of behavior for party and state functionaries and their children, who are prohibited from holding position in trade firms. The resolution calls for severe punishment for corruption, bribery, and speculation.

In China, initiation of an offensive against tax abuses by private enterprises has also been announced. The intent is to conduct audits in 14.5 million firms in the private sector that employ 23 million individuals. As Jin Xing, director of the state tax office, reported, they paid 9.2 billion yuan in taxes in 1988, but it is estimated that the sum amounts to about one-third of the taxes due.

"China will pay its foreign debt on time," declared Jao Jilin, deputy premier. It is currently \$42 billion and has increased 38 percent during the last four years.

The United Nations European Economic Commission has published a guide with practical pointers for those interested in starting joint ventures with enterprises from the CEMA countries, and it is preparing a similar publication on countertrade. It is estimated that in 1989 Western firms will conclude 1,200 to 1,600 joint-venture transactions with enterprises from the socialist countries.

[No 34, 20 Aug 89 p 2]

[Excerpts]

In Poland

[Passage omitted] On 15 August 1989, prices for postal and telecommunication services increased. Currently, it costs 60 zloty to send a normal nonlocal letter, 40 zloty for a post card or local letter, and 300 zloty for a package weighing less than 2 kg. Prices for telephone services have also increased. A call measuring one-impulse from a telephone installed in an apartment will cost 18 zloty; from a pay phone, 20 zloty. Monthly service will cost 330 zloty.

The minister of labor and social policy has issued a decree that beginning 1 July 1989, the lowest wages for workers in socialized plants will be 22,100 zloty.

President Wojciech Jaruzelski asked the president of the Council of Ministers to have the main bodies of the state administration take action to create the legal conditions to enable the court to favorably consider the application for registration by the Independent Association of Students.

Abroad

[Passage omitted] "Neither the economic difficulties in Poland or the USSR, nor the efforts by Poland and the USSR to become part of the world economy will lead to a weakening of the economic ties between our countries," declared Ivan Aboimov, deputy minister of foreign affairs of the USSR, in an interview in IZVESTIA in Moscow. In characterizing the range of cooperation between Poland and the USSR over the last 45 years, he

pointed to the mutual ties and economic interdependence between the two partners.

"Japanese firms with large quantities of capital are again considering investments in Poland and Hungary now that the governments of the Western countries have called on private capital to support the political and economic reforms in these countries," Linda Sieg, Reuters' Tokyo correspondent, reports. "But as the experts note, the continuing Japanese doubts as to the success of the reform efforts in both countries make a sudden influx of investment highly improbable."

EKONOMICHESKAYA GAZETA has published materials—indicating that it is the first publication ever—showing the level of society's deposits in the USSR Savings Bank. On 1 January 1989, there were 197.3 million accounts with deposits in branches of the USSR Savings Bank. Total deposits amounted to 297.5 billion rubles.

In Yugoslavia, final preparations are under way for introducing a banknote with a nominal value of 2 million dinars (currently valued at about \$87). It is a fairly radical move if one takes into account that until now the largest nominal value was 100,000 dinars.

A group of Soviet and Western experts has developed a plan for converting the ruble into a convertible currency. The more optimistic Soviet experts think that convertibility can be achieved in 10 years. Western economists think the process will last 15 years. [passage omitted]

Call To Issue New Currency Notes

90EP0048a Warsaw GAZETA BANKOWA in Polish
7-13 Aug 89 p 6

[Article by Marek Matusiak: "A Zloty for Three Zlotys Plus"]

[Text] Not only is everything in the shops getting more expensive, the cost of money itself, or more precisely its production, is becoming more expensive. And although certain important differences can be noted, depending on whether we are talking about coins or paper currency, it is nevertheless an indisputable fact that money is becoming worth less and less even during the very process of its production.

It is true that the face value of a coin has for several years already ceased to correspond to its actual value, i.e., the price which the Warsaw State Mint receives for selling it to the bank, but this difference is rapidly increasing. While at the beginning of the year (see GAZETA BANKOWA No 9/89) the selling price of a coin with a face value of one zloty was 2.50 zlotys, the zloty is now priced at 3.75 zlotys, which covers the mint's production costs and a modest profit. In reality, the price growth is much greater, because these two coins are basically not comparable. The first, in general circulation, was made of 2.12 grams of aluminum. The second, on the other hand, which is just now being put into circulation,

weighs scarcely 0.57 grams of aluminum. Smaller, less handy, but much more expensive.

The same applies to other coins. The old 2-zloty coin, made of brass (3 grams) cost 4.40 zlotys. The new one, the size of the old 5-groszy coin, put into circulation in February of this year, costs only 2.70 zlotys, but it is also composed of 0.71 grams of aluminum. The other new coins, with face values of 5, 10 and 20 zlotys, are not yet in circulation, and because either their raw material or size has been changed, a direct comparison of the growth of production prices would serve no purpose. Therefore, out of journalistic duty only, I will say that the price of the 5-zloty coin rose from 7 zlotys to 8.10, the 10-zloty coin dropped from 14.80 to 12.70, and the 20-zloty coin dropped from 16.95 to 16.50. But the old "fiver" coin was made of brass and weighed 5 grams, and the present one contains 0.88 grams of aluminum; the "ten" was made of copper-nickel (7.7 grams), and now is smaller in diameter and is made of brass (4.27 grams); while the 20-zloty coin, which is still made of copper-nickel, after another, third recent reduction in weight and diameter, weighs not 8.7 grams but 5.67 grams!

This clearly shows that the production of the decided majority of coins in circulation (aside from the 20-zloty) is subsidized in some way by the National Bank of Poland. This has been made necessary by the steadily rising prices of the materials used in their manufacture and also, but to a lesser degree, by labor costs. In the case of the 1-zloty coin, these now amount to 29 groszy.

Therefore, if we take into account that in the very near future the prices of imported aluminum and nickel, and our domestic copper, will be world-market prices, which will greatly—and irrespective of our inflation—increase the production costs, then the general conclusion is simple: we should immediately stop producing coins. But, as experience has taught us, there is nothing worse than paper instead of coins in handing out small change.

The costs of producing banknotes in the State Bonds and Paper Money Printing Office are also growing. Although the price of producing a 20-zloty bill late last year was 2,321 zlotys per 1,000, the cost now is 6,341 zlotys, which is an increase of over 170 percent. But this should not be surprising, because the price of the paper used in its production went from 556 zlotys to 3,528 zlotys (a more than 530-percent increase!). The so-called royal banknote, with a face value of 2,000 zlotys, produced by a special technique, was sold to the bank for 6,277 zlotys (we are still talking about 1,000 units, of course). Today it costs 12,787 zlotys, i.e., over 100 percent more. The other denomination banknotes cost from 4,413 zlotys to 4,726 zlotys. These differences are due to the use of printing machines with differing formats, printing 28 or 45 banknotes simultaneously per sheet. The current selling price is 8,150 zlotys to 9,214 zlotys (an 85-95 percent increase). What is more, as of 1 July of this year all of these prices were supposed to go up an additional 55 percent which, due to the price-and-wage freeze, was automatically postponed.

It will also be interesting to see how much banknotes of denominations larger than 20,000 zlotys will cost. From the questions pertaining to the new banknote (and perhaps two at once, of 50,000 and 100,000 zlotys denominations), it appears that whose picture will appear on it is more important than when it will go into circulation. In any case, if the issuance of this banknote is not a matter of weeks, then certainly it is a matter of the next few months.

Railroad Issues: Less Transport Tonnage, Greater Deficit, Strikes

90EP0005a Warsaw *RZECZPOSPOLITA* in Polish
8 Sep pp 1, 4

[Article by K. Sz.: "Economic Brakes in the Development of the Polish State Railroads: Less Transport Tonnage and a Growing Deficit; from Gdansk to Szczecin by Electric Train"]

[Text] This year the Day of the Railroad Worker is lacking in its former luster. Following the August strikes, during the course of which unpleasant incidents occurred (such as the forcing of passengers to leave the train, in the middle of the night), few people continue to believe in the railroad worker's unfailing service. There is no doubt that the future minister of transport will have to become aggressively involved with the PKP [Polish State Railroads]. This institution is gradually falling into predicaments from which it will not be in a position to extract itself on its own power.

Not so long ago, the railroad's satisfaction of all the needs of the economy was presented as a proof of its organizational cohesiveness. Today things look different. Over the course of only 8 months this year, the PKP transported over 19 million tons of cargo less than last year and over 20 million tons less than envisaged by the plan. While industry, with its reduced transport needs, particularly in deliveries of ore, brown coal and iron goods, ore, brown coal and iron goods, was to blame for this, it had an adverse effect on the financial results of the PKP enterprise.

Salvaging attempts using subsequent goods tariff increases produced no effects. Inflation and the freezing of subsidies and credits increased the deficit still more. The purchase of rolling stock had to be restricted and the rate of some modernization investments had to be curbed.

While this is really marginal in relation to real needs, from the railroad's standpoint this purchase cost a great deal of effort. The implementation of contracts during the second half of the year is up in the air, since rolling stock prices have risen, and will most likely continue to grow. At the beginning of 1989, producers asked 170 million zlotys for one locomotive, and today the price is 230 million zlotys. The price of a passenger car has jumped from 85 million zlotys to 120 million zlotys.

The issue of electrification is an especially distressing one. During the past few years, the rate of electrification has been impressive by Polish standards. Annually, more

than 500 km of new electrified lines have been put into operation—objectively a great achievement. For 1989, the electrification of 490 km of line was planned, of which the following sections have been placed into service: Mikolajow-Budziszewice Lodzkie, Sandomierz-Grebow, Furmany-Olendry, Grebow-Olendry, for a total of 22 kilometers.

On the Day of the Railroad Worker (7 September), the critical Wejherowo-Lebork section of 36 km was opened. Any day now, electric trains will begin to run between Bydgoszcz and Naklo (27 km). The remaining vast majority is supposed to be placed in service by the end of the year, including: Naklo-Pila (59 km), Pila-Szczecinek (71 km), Szczecinek-Bialogard (63 km), Grebow-Rudnik (40 km) and Rytwany-Chmielow (35 km). But will this deadline be postponed? All indications are that a postponement is inevitable. There is a shortage of cables, screen plates, tram platforms and many other details that have trade names. The railroad workers do what they can to adhere to the deadlines, but really, little depends on them. Everyone sees the state of the economy, and the PKP is just a small part of it.

Despite this, at the PKP General Directorate, attempts are being made to save it from the effects of the crisis. The prevailing conviction is that a continued increase in tariffs may become unacceptable for clients and passengers at some point. And so, ways of cutting costs and increasing income must be found.

The PKP-CARGO system has already been set in motion. Efforts are underway aimed at comprehensive computerization in making seat reservations and selling tickets. Phone orders for tickets and the delivery of tickets to the home are taking place, with much resistance, but not without an opportunity for success. It is the spring of our experience, but we are a long way off until summer, and especially the harvest. First the PKP will have to submit to a radical treatment in the financial and organizational sense.

On Thursday, 7 September, a central instructional meeting was held in Slupsk to honor the Railroad Workers Day. On that day, the entire electrified railway of the so-called Baltic line was put into service. In this way, the two largest maritime centers of Gdansk and Szczecin were connected by efficient rail transportation. Finally, passengers traveling to the central coast will have a less tiring ride.

YUGOSLAVIA

Sales Tax, Customs Duties Seen as Inflationary

28000176 Belgrade NIN in Serbo-Croatian
27 Aug 89 pp 20-21

[Article by Dr Miloje Nikolic: "Why the Budget Is in Poor Shape"]

[Text] Government budgets are financed with two basic types of taxes, the first of which (direct taxes) derive

from the individual incomes of taxpayers, while the others (indirect taxes and other indirect charges) do not come from income, as an accounting category in our system. Instead, they arrive by another route. The first category (indirect taxes) include the tax on organizational income (now on profit) and the tax on individual worker income, and the second the sales tax, customs duties, and other charges. Inasmuch as the sales tax in Yugoslavia is paid in commerce, by addition to the producer price for certain goods and services, and since customs and special charges are an element not of income but of operating expenses, the illusion is created that indirect taxes and other indirect charges are an income-neutral category.

This illusion has enabled budgets to create an ever larger share of their already great revenue by further increase in the sales tax and customs duties, and in this way to offset several times over the relative decrease in revenue from the tax on organizational income and individual income tax resulting from the so-called easing of the burden on the economy.

Over the last 3 years the total source revenue paid into the budgets of the 568 governmental units nominally increased by 16.341 trillion dinars or by a factor of about 30, while the nominal total revenue of the public sector of the economy increased by a factor of about 9 and retail prices (inflation) by a factor of around 11. This disparity between the tax revenue and the economic categories was especially great in 1988, when the budgetary revenue collected increased 230 percent, and total income and retail prices 204 percent and 199 percent respectively. Consequently, it can confidently be said that Yugoslav taxes are one of the factors generating inflation, and all opinions agree that they will make an even greater "contribution" to inflation in 1989.

As is to be noted, the cause of these unfavorable developments should be sought in the disproportionate increase in the sales tax, customs duties, and special charges. These indirect payments under specific Yugoslav conditions, with the exception of the action of customs duties and tax reductions, are predominantly fiscal in nature. This reduces the freedom of action for increasing the share of direct taxes in total tax revenue and for "fuller development of economic, stabilization, and social functions by way of the purely fiscal functions of taxes," on which, for that matter, emphasis is rightly placed in the Long-Term Stabilization Program. The problem dealt with here will be made clearer by analysis of the dynamics of the basic types of taxes in Yugoslavia.

Direct Taxes in Our System

For the purpose of applying the contractual economy principle instituted by the Yugoslav constitution of 1974 and the provisions of the law on associated labor, since 1977 public activities have been financed by the mechanism of free exchange of labor (in or through several thousand special interest collectives) rather than by government budgets (as is the case in other countries).

Leaving for another occasion the question of the social usefulness of further persistence in this economically inefficient and universally complicated method of financing public activities which has hardly been viable in practice, I will confine myself here to noting that rendering these activities financially independent from government budgets has not lightened the burden on the economy. On the contrary, it has shattered the unity of the tax and financial system, by converting one part of earlier organizational and individual income taxes (and the predominant one at that) to parafiscal contributions levied on organizational and individual income. However, in addition to this radical reduction of these direct taxes in 1977, they have continued to decline in relative terms.

Hence the tax on organizational income (profit) and the individual income tax taken together have today been reduced to a marginal amount. In 1988 they amounted in the public-sector economy to only 1.3 percent of the income distributed or 1.4 percent of calculated gross individual income. This means in effect that almost all the possibilities of achieving essential lightening of the burden on the economy in the future have been exhausted.

This circumstance indicates the need for creating institutional and other conditions in the forthcoming tax system reform and tax policy changes for redistribution of tax burdens to favor more pronounced increase in the share of direct taxes. The reason for this is that, under the system we are building in accordance with market criteria, the tax on profit and the individual income tax can more successfully than other types of tax ensure application of the constitutional principle that each individual should contribute to satisfaction of general public needs in proportion to his economic power, and that income not resulting from labor should be taxed more heavily and the unacceptable social differences still encountered should be eliminated. In this instance higher direct taxes could also be used to advantage to bring about the desired restructuring of the economy and public orientation of new investments in the direction of specific development priorities (exports, technological progress, housing construction, etc), to stimulate collective investment, to encourage the construction of smaller scale production and service facilities now lacking, etc.

The sales tax is the largest source of Yugoslavia's total budgetary revenue (58.6 percent in 1988). It is levied predominantly in the form of a basic sales tax which represents source revenue for the federal budget (73 percent of the total sales tax), and to a much lesser extent in that of a special sales tax which is source revenue for republic plus province and municipal budgets (24 percent and 3 percent respectively). However, the total basic and special sales tax collected is distributed in such a way that this indirect tax participates in approximately the same (high) percentage in covering the disbursements of the budgets referred to. Its share of the federal budget was 60 percent, as much as 77 percent of the republic plus province budgets, and 45 percent of municipal

budgets. This mechanism of utilizing sales tax funds and the provision of these funds are, of course, one of the reasons for this discussion of the list of products and services and of the tax rates for the basic and special sales taxes, but also for the benevolent cession of a significant portion of this tax for various funds and allocations, including joint financing of costly international athletic and similar events (the "Universiad" and the like).

Of late we have also witnessed the phenomenon of higher sales taxes with which to offset the budgetary fund losses resulting from previous allocation of these funds for other purposes (in 1989, for example, we were the first to lower certain customs duties and then to make up the missing federal budgetary revenue with the higher basic sales tax). And such an "operation" leads among other things also to sectoral and regional redistribution of funds the effects of which cannot be foreseen.

The preeminent orientation of government entities toward sales tax revenue, along with their waning interest in direct taxes and other potential revenue, is also due to certain specific factors. They are above all the certain and prompt collection of the sales tax, on the occasion of each individual sale of specific goods or performance of a service (something not true of other taxes), but also to the fact that the bulk of the sales tax is of the nature of an instrument of current economic policy, which is under the jurisdiction of executive bodies (and for the most part ratification of this policy by assemblies of delegates is purely a formality).

What has been said indicates the need for serious reexamination of the place and function of the sales tax in our tax and financial system. In my opinion, this reexamination should be a function primarily of elimination of the inflationary effect of this tax, on the one hand, and prevention of the practice of taxing products and services intended to improve the standard of living of workers and citizens, on the other. Suitable provision for all this can be made in the forthcoming tax system and tax policy reform.

Customs duties and special charges represent source income for the federal budget. Generally speaking, they as well are collected automatically (for each individual import). According to the concluding portion of the Long-Term Economic Stabilization program, it is necessary to strengthen the function of customs duties as an instrument of development and selective protection, along with gradual lowering of the level of this protection and temporary restrictions on it and reduction of customs duties on imported equipment until "any use of the customs tariff for fiscal purposes will come to be of only marginal importance."

Since the time of institution of this program (in 1983), however, all this has been rejected except utilization of a portion of customs duties for development purposes, chiefly to stimulate export activities. Such rejection applies primarily to the total volume of revenue from customs duties and to its division into a budgetary and a

"developmental" portion. The total revenue from customs duties rose from 118 billion in 1985 to 4.558 trillion dinars in 1988, that is, by a factor of more than 37 (this is appreciably lower than the production growth achieved and the inflation rate), while the budget's share of this revenue rose over the same period from 39 percent to 56 percent. Consequently, a very high percentage of federal budget funds (2.557 trillion or 37 percent in 1988) derives from customs duties and special charges.

In an amount bulk of somewhat smaller volume, the portion of customs duties and special charges used to encourage exports is also increasing significantly from year to year, from 72 billion in 1985 to 145 billion in 1986, 585 billion in 1987, and 2.002 trillion dinars in 1988. In 1988 alone export incentive funds increased by 1.417 trillion or 242 percent. This is also noticeably higher than the production growth and domestic inflation rates. If we also bear in mind the fact that export activities are encouraged to an even greater extent by changes in the foreign currency exchange rate and certain other factors, it may be stated confidently that both forms of export incentives similarly make a certain "contribution" to increase in inflation. Unfortunately, insofar as we know calculations buttressing this statement are not currently available.

This substantial revenue from customs duties and special charges is due predominantly to increase in the value in the dinar value of imports (because of the radical fluctuation of the foreign currency exchange rate), but also to the excessively long persistence of a relatively high level of customs duties on domestic products.

Action should be taken in the area of customs duties and special charges as well to find a solution to the problem of slowing down their increase and their ever greater inflationary effect to the greatest extent possible. The solution should be based primarily on reducing the amount of customs duties used to feed the federal budget, and also on reexamination of the overall system of export incentives with the aim of better coordinating them with our material capabilities, by abandoning the "exports at any cost" approach, making appropriate changes in the structure of exports, etc.

What we have discussed here indicates the increasing inflationary effect of individual types of taxes (above all the sales tax and customs duties plus special charges), which effect grew to an enormous extent in 1988. Because of the pernicious influence of inflation on the standard of living, operating costs, and strengthening of economic processes, and in view of the fact that inflation will continue to rise even under the current (new) institutional and other conditions (it is hardly likely that it will be lower than 800 percent by the end of the year, according to estimates made by competent representatives of the Federal Executive Council), it is urgently necessary first to take effective and specific measures and actions which will check any further increase in the inflationary effects of the sales tax and customs duties, and immediately thereafter to elaborate a complete set of instruments with which to achieve more complete elimination of these effects.

In my opinion, the following effective measures and actions, in particular, could at present contribute toward checking further increase in and elimination of the inflationary effects of the indirect taxes and charges referred to.

- In view of the continuing increase in the value of the tax base for calculation of the sales tax and customs duties (due to the rise of producer prices and continuing currency devaluation), a more suitable relationship should be established between this "sliding" base and the current tax rates.
- Any increase in tax rates should be prevented, and an effort should be made to lower the rates gradually on a selective basis.
- We should prevent any lengthening of the existing list of products and services for which sales taxes or customs duties are currently calculated; there should also be a steady trend toward reducing this list, with development priorities and protection of the standard of living of lower income citizens taken into account.
- Inasmuch as taxes represent only one organic sector of the economic system, it would certainly be desirable for all this to be accomplished in the context of a single broad, fairly comprehensive action program (an inflation fighting program or one corresponding to it), which should be adopted and carried out as promptly as possible.

CZECHOSLOVAKIA

New School Year in Numbers

24000194 Prague SVOBODNE SLOVO in Czech
26 Aug 89 pp 1, 3

[Anonymous article: "When the School Begins"]

[Text] The 1989-90 school year will have begun in all elementary and middle schools in the CSR [Czech Socialist Republic] on Monday, 4 September. One hundred and thirty-five thousand first-graders will take their seats in elementary school classrooms. Twenty-five thousand nine hundred children will enter gymnasium, 41,200 pupils will begin studies in technical middle schools, and 107,400 boys and girls will prepare careers in the middle trade schools.

This information comes from a press conference with the Deputy Minister of Schools, Youth and Physical Education for the CSR, V. Senkyr, which took place yesterday in Prague. V. Senkyr said that school will begin in 359 new elementary and 62 new middle-school classrooms. Further capacity is to be brought gradually on line at the end of the school year. It is a matter of further steps in the realization of the CSR Government's decision to reduce the number of students in classrooms to 30 in first grade and 35 in higher classes.

From the perspective of personnel arrangements, there is still the problem of a shortage of qualified teachers. Four hundred and eighty-six are missing in elementary schools and 281 in middle schools, which is being resolved by employing externists, pensioners, and specialists with practical experience.

Inseparably associated with the commencement of the school year is the purchase of school supplies. To ensure that this year it will mean actually buying supplies rather than standing in horrendous lines and searching, shopping hours will be extended, including Saturday, during the last week of summer vacation. According to V. Senkyr, an inspection of the state of school supplies conducted August 23 in various Prague shops revealed that they are thus far well stocked with all the necessary goods.

V. Senkyr also informed us of a new decree on schools in nature that will begin to take effect on 1 October. It significantly enhances the authority of the national committees to decide on the length of study, frequency of trips to schools in nature, and further affairs.

Latin will be added to the curricula in gymnasia in the 1989-90 school year and a course in the basics of ecology will start in the first year in middle schools and trade schools.

In the days following the start of the school year greater attention should be devoted to street traffic not only by drivers, but by pedestrians, cyclists, and individual children. Indeed, in the first seven months of this year, there were 42,541 traffic accidents, in which 484 people were

killed, 2,221 seriously injured, and 11,179 slightly injured. That is more than last year. For example, 59 more are dead and 297 more injured. Many accidents—1975—were caused by pedestrians, of which 42.5 percent were children. Sixty-six persons, 16 of them children, died in these accidents. Since the start of summer vacation the visibility of policemen and members of the public security ancillary guard [PS VB] on CSSR streets has been increased. According to the division chief of DS MVZP [Public Relations Department of the Ministry of Agriculture and Food] of the CSR, Lt Col Dr J. Cervinka, the situation will improve. In July and August so far the number of accidents, dead, and injured is less. On the first day of school there will be police officers or officers of the PS VB in front of every school on a nearby crossroads to direct traffic. Much depends on parents to ensure that their children going to school for the first time do not go on the roads alone. This applies to trips on bicycles as well. Children are permitted to ride them independently after age 10.

POLAND

Total Reform in Devastated Health Services Called For

90EP0003a Warsaw ZYCIE WARSZAWY in Polish
7 Sep 89 p 3

[Interview with Dr Zofia Kuratowska, Sejm deputy marshal, by Barbara Drozd: "When There Is a Shortage of Everything We Need"; date and place not given]

[Text] [ZYCIE WARSZAWY] According to public opinion, you became known as the minister of health in the opposition cabinet formed in the shadow of Lech Walesa long before the roundtable. Let us, therefore, begin this interview with your assessment of the current situation in the health services.

[Kuratowska] What this is is a total collapse. This represents an extremely dangerous situation from every point of view. It is dangerous, above all, for the biological existence of the nation—the state of health of our people is poor and is becoming worse all the time. In the meantime, we lack the means and the medication for treatment. Statistics formulate this briefly: First in Europe in terms of mortality from heart disease, one of the highest mortality rates from malignancies, a disgracefully high infant mortality rate and a tragically high adult male mortality rate.

Currently, health service centers do not have the funds for feeding patients, for the purchase of medication or for paying their employees' salaries. For example, a letter from Rzeszow has come to my attention, as deputy marshal of the Sejm, that the director of the local hospital has suspended physicians' on duty hours in the trauma ward due to a lack of funds to cover the cost of their salaries. In large centers, entire hospital wards are being closed down because of a shortage of nurses and

there are cities where half of the hospital space is closed down. Not only medical personnel are in short supply. I know of a situation in a children's hospital at Działdowska Street in Warsaw where the director has been faced with the possibility of having to close down the hospital kitchen because every cook will earn considerably more somewhere else. The same applies to technicians. I believe that, for example, a technician-chemist who is in his right mind will not work in a hospital if he can make much more from the start in an industrial laboratory. And what about pharmacists degraded to the role of inferior salesmen?

Another symptom of the collapse is the complete disorganization of the existing structures of the health services. They were planned inappropriately from the beginning and are inefficient but now when there is a shortage of nearly everything that is necessary for the normal functioning of health care, they constitute an additional and at the same time expensive hindrance to its functioning. These structures, for example, ZAZ's are barriers made rigid by the bureaucratic and nomenclature concrete. Besides being totally ineffective, they also result in feelings of bitterness and opposition on the part of medical personnel.

And finally, the third symptom is of great danger: health service workers are totally discouraged by the current situation in which they cannot ensure safety for patients and bearable living conditions for themselves. They are a step away from veritable strikes. I say veritable because that which has occurred thus far have only been protests and despite them, patients were not refused any treatment or services. Now, the medical community is ready to refuse various services, e.g., the filling out of death certificates.

[ZYCIE WARSZAWY] Could you formulate your own position on strikes in the health services?

[Kuratsowska] I am against any and all strikes in the health services. Each one has very serious consequences for the public. And currently, when Tadeusz Mazowiecki, a man from Solidarity and the opposition, is premier, every strike hinders him in initiating activity on behalf of the people.

I know and understand this community very well. I have been fighting for improvement in the conditions of its existence for years, above all, by making the authorities and the public aware of how much depends on health service workers. I wish to reiterate that we cannot compare work in this field with work anywhere else. In the health service, we deal with the most delicate matters: with alarmed human beings whose health or life is threatened. Health service workers are responsible for human health and life and, therefore, for final matters from which frequently there is no turning back.

For years, these people have been undervalued. Therefore, I understand even very extreme moods which prevail among them today when after numerous wage negotiations and even despite obtaining substantial

increases, they continue to be far behind workers from the industrial sector. Elsewhere in the world, in Western countries, physicians as a rule belong to the best salaried state workers for I am not speaking here of private practice. However, our physicians must pursue additional means of making money and undertake extra jobs while frequently truly being unable to fulfill their basic duties well.

[ZYCIE WARSZAWY] And how is the program of repairing the health services shaping up? I cannot help feeling that what it really all comes down to is a model similar to the one that at one time many imagined as socialist, thus, health services that are constitutionally guaranteed, general, accessible and cost-free.

[Kuratsowska] The principles of universality, accessibility and being cost-free are, indeed, extremely important and desired. Up to now, they had been proclaimed in theory but were not always respected in practice. What we want is a model of social health service similar to the one functioning in England, in Scandinavian countries, and in the FRG. We can benefit a lot from their experience because they have proven models.

[ZYCIE WARSZAWY] With such huge disproportions in terms of development, financial means, and possibilities?

[Kuratsowska] Indeed, we are starting from a totally different point with our reform. That is why, it is necessary to admit honestly that we cannot do without increased resources from the state budget allocated for this sector.

[ZYCIE WARSZAWY] At whose expense?

[Kuratsowska] If only the expenditures for defense and the security services. We have been repeating this continually. In any case, such economizing trends currently exist in the ministry of defense itself. And as for the MSW services, instead of occupying themselves with us, as has been the case up to now, they will concern themselves with our safety. This will not only be better but also less expensive.

[ZYCIE WARSZAWY] These cuts in the two ministerial budgets which are being counted on by many of those who would like to increase their own funds, will most certainly turn out to be inadequate in the face of the needs and appetites.

[Kuratsowska] The wasting of money on needless investments, which only worsen the state of our environment, is continuing. And the real possibilities of replenishing the state budget and in turn the health services, lie in such cuts. In general, we have a lot of financial reserves which may be utilized rationally. I have been elected as senator from Nowy Sacz Voivodship and know this region pretty well. Our most beautiful health resorts, which are so important for health prophylaxis, are in a state of ruin. And yet, they could be a source of great revenue. For example, Polonia from abroad could come

here to receive treatment. The only thing is to create proper conditions; assure a certain civilizational and living standard.

People have come to believe that from time to time, one should go away to a [health] sanatorium just as for a vacation, for relaxation. And yet, only those who really need sanatoriums for health reasons should be entitled to use them. I feel that free sanatorium treatment should be only for specific medically indicated purposes. What I have in mind here are posthospital and rehabilitative sanatoriums. Other reasons for a sanatorium stay should be coupled with payment for room and board not unlike in a hotel. Treatment itself would be taken care of on the basis of the general principles of health insurance. At that point, management itself of such an insurance fund would be interested in controlling the validity of recommendations for sanatorium care which would, after all, be paid for by a given insurance policy.

We lack money not only for major repairs of sanatoriums but, above all, foreign exchange for smaller purchases of components for the production of medicinal drugs, replacement parts for apparatuses, paper, film, and tape for imported equipment. Meanwhile, our doctors go back and forth on foreign contracts and are severely taxed in foreign exchange for the benefit of Polservis, most probably for the needs of its organization and bureaucracy. I am convinced that these doctors would treat their taxation completely differently if they knew that this money would go for needed equipment in a hospital in which they themselves would work upon returning from their contract tour.

[ZYCIE WARSZAWY] Let us return to the basic question: What is this reformed health service to be like?

[Kuratska] To put it as briefly as possible: social in nature based on economic principles. We have not as yet had a true system of health insurance in our country. Naturally, ZUS pays pensions, annuities, health benefits but as we all know, health insurance companies are very profitable all over the world. Meanwhile, our ZUS is standing on the verge of bankruptcy. This is all a bunch of nonsense. At the roundtable, for example, we found out that MON and MSW do not pay ZUS premiums even though ZUS pays benefits to the workers of these ministries. This is a strange kind of twist to the rob Peter to pay Paul phenomenon.

It is high time that a health insurance fund be set up. A patient using the health services would pay by means of a policy. This could be a policy paid for by the employer or in part by the patient himself. Health centers operating on

their own financial accountability must know, above all, how much their services cost. Unfortunately, no one in Poland at present knows this particularly with this dizzying relation of the dollar to the inflationary zloty. The insurance policy system would result in that health service centers would maintain themselves. If it will be known how many patients they have seen, how many examinations they have conducted and what types of services they have rendered, then with a standard price list in operation it will not be difficult to calculate how much they have made and how much money will flow into their account. I wish to repeat, however, that the condition for their efficient functioning must be independence and autonomy. The role of workers' and professional self-governments is still underappreciated here. Fortunately, Chambers of Physicians [Izby Lekarskie] are being formed. We are waiting for nurses', pharmacists' and other such chambers.

[ZYCIE WARSZAWY] You have explained to TV viewers and most probably very many of them agreed with you as to why you did not accept the post of health minister from the hands of Gen Czeslaw Kiszczak. What would you answer today to a similar proposal by Tadeusz Mazowiecki?

[Kuratska] The person who becomes the minister of health in the present situation, must have great courage to carry out revolutionary changes, do away with the dysfunctional structure, reduce the administrative apparatus to a minimum and introduce a general reform of the entire health service system. And this will be painful not only for the bureaucratic machine which we have talked about but can also affect, at least initially, the patients themselves as well as health service workers. Therefore, if Premier Mazowiecki were to come out with such a proposal, I would, on my part, recommend very good candidates whose names, of course, I will not mention here and who have this revolutionary daring to make radical changes. I, personally, have always believed that I can do more by exerting influence on both the ministry and on public opinion.

[ZYCIE WARSZAWY] And the last question: Can the health service be pulled out of the crisis without overcoming the crisis in the entire economy?

[Kuratska] No, it cannot be done. These two are interconnected. However, we can and must eliminate at this point everything that obstructs and wastes funds, organize a good system of functioning for the health service, activate human initiative and reach into financial reserves. But miracles will not be achieved. In an ailing economy, no sector can glow with health.

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