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*** Controversial Trilingual Television in Transylvania**

93CH0731B Budapest BESZELO in Hungarian
12 Jun 93 p 26

[Article by Bela Biro from Sfintu Gheorghe: "Forbidden TV in Transylvania"]

[Text] The name "Transsylvania TV [as published]" in Brasso [Brasov] is a provocation in itself, because according to a notorious decree by the Romanian foreign ministry, the name Transylvania must not be used as the name of a geographic region. Moreover, in the programs broadcast in three languages—Romanian, Hungarian, and German—a coordinated concept prevails (how audacious!): Different opinions and views "coexist peacefully."

Thus, no one was surprised when, on the basis of the new audiovisual law, the Romanian parliament distributed the television frequencies, the Brasov station did not receive a frequency. Just as many other independent television and radio stations which do not whistle the government's tune.

The council assigned the frequency reserved for Brasov to a corporation named PREMS consisting of five members who are, without exception, members of the former nomenclature—for instance, the pre-"revolution" director of the Brasov automobile factory—and every one of them is a millionaire. The decision was greeted with great consternation. Because the decisions of the Audio-Visual Council violated not only the interests of the people of Brasov (in Iasi, the "capital" of Moldavia, the opposition

radio station was also forced into the "underground"), the council was finally forced to make a compromise. It permitted Transsylvania to share the broadcast time with PREMS. This will not be difficult: PREMS has not broadcast one single minute yet (and is not broadcasting currently, either). However, as a matter of form, Transsylvania continues to be in a vulnerable position: Its right to broadcast can be revoked any time.

"I consider it as a great advantage," the director of the studio, Florin Beites announces, "that we are a trilingual station. Our surveys prove that our viewers follow not only the programs in their own mother tongue, but the others, as well; undoubtedly, a rapprochement between the various ethnic groups is not only possible, but also a recognizable demand of society."

In other words, the government today must also face the stubborn resistance of civilian society. At least in certain places. It is not at all by chance that in Brasov, just as in Temesvar [Timisoara], the municipal elections were won by the Democratic Convention which also includes the Democratic Association of Hungarians in Romania. Adrian Moruzzi, the city's democratic mayor, is a reliable friend of Hungarians in Romania (and not only in Brasov). He has (can have) the courage to support us in an issue that is important to us. The Brasov City Council under his leadership officially requested the Chief Justice to investigate the abuses of Gheorghe Funar, the mayor of Kolozsvar [Cluj]. The question is, of course, to what avail....

Republic of Serbian Krajina Army Paper Published

93BA1166F Banja Luka GLAS SRPSKI in Serbo-Croatian 20 May 93 p 9

[Article by Lj. Labovic: "VOJSKA KRAJINE"]

[Text] *The first issue of the newspaper VOJSKA KRAJINE in the two years since the establishment of the Serbian republic has been issued; "a newspaper conceived in a modern manner, responsibly created, open to the public, loyal to the fatherland in its content and messages, devoted to the truth, equipped with modern equipment, and accessible to the reader," according to the lead article in the first issue.*

Knin, 19 May—The republic of Serbian Krajina [RSK] has become richer by one newspaper. It is the VOJSKA KRAJINE, which is issued by the Main Headquarters of the Serbian army of Krajina.

In the first issue, instead of a lead article, it is stated that the first issue of VOJSKA KRAJINE is being issued on the second anniversary of the establishment of the RSK, at a time when the national army, created in the heat of crushing the last Ustasa offensive against Krajina territories, is being confirmed as a military force that is ready for combat, with solid morale, loyal to the fatherland, and proven in the fire of armed combat. In following the growth of this army of Krajina people, the newspaper will be constantly an open forum for assessing combat experiences and independent military skill. It will be a promoter of the best military traditions of the people of Krajina, a witness to events, but also a factor in history, material for the professional education, moral education, and cultural uplifting of fighters, a source of the most progressive ideas, and an advocate of the most productive practices.

In connection with the publication of the first issue, the editorial office also received letters of congratulations from Colonel Ivan Matovic, the chief and managing editor of VOJSKA, and Captain First Class Miladin Petrovic, the chief and managing editor of SRPSKA VOJSKA.

The newspaper's first issue contains an interview with Major General Mido Novakovic, commander of the Serbian Army of Krajina, Mr. Milan Martic, RSK minister of internal affairs, Dr. Vojislav Seselj, president of the Serbian Radical Party, and a conversation with His Holiness the bishop of the Dalmatian eparchy, Mr. Longin.

Other interesting contributions are a speech by Colonel General Zivota Panic at the ceremony of the appointment of the youngest officers in the Army of Yugoslavia, an article by Momo Kapor on Academician Jovan Raskovic, a study of the essential disputed issues between the Serbs and Croats by Academician Vasilije Krestic, a "word" on international relations by Prof. Budimir Kosutic, a report from Stevo Zigon after a tour by Yugoslav artists in the Krajina, a photographic report on the rebirth of the Dragovic monastery, an "reprinted" article by publicist Dragos Kalajic from the Italian political and cultural weekly ITALIJA....

With excellent technical equipment (thanks to painter Zdravo Mirce), with an abundance of photographs (by Zlatko Jejina and Rade Bosnjak), VOJSKA KRAJINE, which is "backed by" a large number of experienced journalists, publicists, and researchers, really is a "newspaper with a modern concept, responsibly created, open to the public, loyal to the fatherland in its content and messages, devoted to the truth, equipped with modern technical equipment, and accessible to the reader," as stated in the lead article.

Status of Petroleum Supplies in Krajina

93BA1166B Banja Luka GLAS SRPSKI in Serbo-Croatian 9 May 93 p 6

[Article by Momo Joksimovic: "The Croats Are Not Giving Up Oil From Mirkovci"]

[Text] *The Croatian Government protested to the international community over the exploitation of allegedly Croatian oil in the vicinity of Mirkovci; in the Krajina and Banja Luka, there is enough oil for normal sales for the next three months; what the supply will be like after that depends on the continued implementation of the sanctions against Yugoslavia and the Serbian Republic.*

Banja Luka—At this time it is difficult to determine the extent of fuel reserves in the Serbian Republic, after the latest punitive measures by the international community against the Serbian people in these areas. In Banja Luka and the neighboring municipalities, however, there is fuel in sufficient amounts for the next few months, and if the quantities stored in depots in Serbia can be delivered, then "there will be no winter" for a longer period.

Banja Luka's Energopetrol currently has enough gasoline at its own gasoline pumps for two full months. The most important thing, however, is that this collective has succeeded in supplying the neighboring towns, especially Srbobran, with sufficient amounts as well.

"The supply of fuel in the city itself and the vicinity is much better than in Belgrade, for instance," said Zivko Stanic, Energopetrol's director. "Both we and our neighbors Krajina-petrol succeeded in obtaining considerable quantities in time. It is not enough for any longer period, but we sincerely hope that the embargo against us, both by the entire world and by Serbia, will be lifted. Until then we will have to tighten our belts and conserve as much as possible."

The most favorable situation at this moment is in the private sector. The "oilmen" Slavko Roguljic and Branko Djukic are far ahead of everyone else. Not only have they maintained continuous sales at their Sincoop and Branko Djukic gasoline pumps, but they have also prepared considerable amounts for much more difficult times.

"At our Sincoop pump in Trn we currently have enough high-grade and diesel fuel," said Bato Bulic, director of Sincoop. "Those amounts, but also those in spare tanks, are enough for about three months. We are hastily trying to prepare about 200 more tons of fuel from Belgrade, and if it comes before the borders are definitely closed, everything will be in very good shape."

Branko Djukic is in a similar if not even more favorable situation. In Drugovici, at a large terminal of about 2,000 tons, reserves are hastily being prepared. As things currently stand, there will be enough of it here for a long time.

It is interesting to note that Branko Djukic and Slavko Roguljic deserve most of the credit for the completion of the spring sowing in most of the Laktas municipality, not just from the standpoint of providing free fuel for plowing and sowing, but also because these two people participated in the overall provision of seed and artificial fertilizer. The same thing applies to Branko Cvijic, the owner of Naftasjaj in Laktas, and Milo Peretic from Laminci, who provided their area with everything necessary at their own pump for conducting the sowing work.

At the larger gasoline pumps, fuel is mostly sold for foreign exchange, namely 1.80 German marks for diesel and 2 marks for high-grade gasoline. At Energopetrol, however, more than 60 percent of the overall amounts is sold for dinars, and moreover through transfers. The same thing is true of Sinecoop. They all stayed with transfer payments, and are thus not even thinking about a conscious acceptance of inflationary losses.

The two socialized firms Energopetrol and Krajinapetrol have not yet settled the case of the fraud by Vidoja Grubisic, who cost these collectives \$350,000 through his firm Vid-Cop by not delivering them 1,100 tons of fuel that were paid for in advance. The case is in court, but it now seems it has hit a snag over realization in Gradisca. In the meantime, Vidoja Grubisic has opened a construction site on the Danube quay in Novi Sad, and as things currently stand, the injured firms will only be able to settle for the damage by taking his construction materials—naturally, if the two Interior Ministries of the Serbian Republic and Yugoslavia agree to cooperate.

And while we, in a way, are struggling to ensure considerable reserves of fuel for "dark days" and are coping with this with considerable success, the Croatian government sent a sharp protest two days ago to the United Nations over, as the protest says, the obvious theft of Croatia's

mineral wealth. Specifically, in the vicinity of Mirkovci the exploitation of crude oil has begun, which is being processed in our refineries in Yugoslavia. The Croats still think that it is their territory, and are demanding a ban on the extraction of the "black gold." It is hard to believe that the international community can be of any help to them in this. Mirkovci and the areas around that town have been Serbian for a long time, and no kind of force can take them away anymore.

All in all, there is enough fuel in the Krajina for the time being. There is also enough for the next three-month period. What will happen after that depends not only on the sanctions, but also on Yugoslavia's attitude. Specifically, fuel can still be bought in Greece without major problems, but the problem is transporting it through Macedonia, and even Serbia!

Banja Luka Factory Starts Production

*93BA1166D Banja Luka GLAS SRPSKI in
Serbo-Croatian 20 May 93 p 7*

[Article by Dj. P.: "Uniforms for the Army"]

[Text] Knezevo, 19 May—After more than six months of forced furlough, the Knezevo work unit of the Banja Luka Blik factory has finally started production. Around 100 Knezevo women employed at this otherwise fairly new and modern factory have already started producing items of clothing for the needs of the Serbian Republic Army, in the contracted amount of 900 tunics, 900 pairs of pants, and 750 shirts. The value of the contracted transaction on the date of payment, according to the contract, is 120 German marks per uniform (tunic, pants, shirt).

"We will soon contract for the production of significant quantities of items of clothing, also for the Serbian Republic Army, as a result of which we will ensure employment for about three or four months. We will also continue to find work. It is important that it has started, and so we hope that things will be better and better," said Ratko Glamocic, technical director of the Knezevo Blik work unit.

Poll on UNPROFOR Mandate in Krajina

93BA1191D Zagreb DANAS in Serbo-Croatian
25 Jun 93 p 22

[Article by Franka Sola: "A Grade of One for the 'Blue Helmets'"]

[Text] The mandate of the UNPROFOR [UN Protection Force] in Croatia was the topic of a telephone survey conducted on 13 June. We established that in all three cities the majority believes in the recovery of the occupied regions. It is interesting that the people of Sibenik and Pula believe that more than the people in Osijek. Most of the people in Sibenik and Osijek believe in the war option for recovery of the occupied territories, while a majority of the people in Pula believes that both options are likely. The people of Pula and Osijek believe more in the peace option than the people in Sibenik.

In Sibenik, we established sex-related differences in choice of the option for recovery of the occupied territories. Males mainly believe in the war option and women estimate that both are equally possible. Nor do the men and women think alike in Pula. The women were mainly unable to judge which option was more likely. In Osijek, there was no difference between them.

A majority of the young and middle-aged people in Osijek is among those who believe that Croatia will recover the occupied territories by war, while the older respondents mainly believe that this will occur peacefully. Much the same is true of people in Sibenik. In Pula, the young and

middle-aged people believe that the two options are equally possible, while the older respondents find the peace option more likely.

A majority of the people in Sibenik opposes extending the mandate of the UNPROFOR, unlike the people in Osijek and Pula, a majority of whom favors a conditional extension. The highest number of those committing themselves to an unconditional extension of the mandate was in Pula, and the fewest in Sibenik.

The most frequent grade which the people in Osijek and Sibenik gave to the work of the UNPROFOR up to this point is 1, while in Pula they mainly gave it a 3. On the average, only the people in Pula looked favorably on the UNPROFOR.

An absolute majority of citizens believes that extension of the mandate is most acceptable for Croatia, that is, for the UNPROFOR to guarantee Croatian sovereignty by force.

Finally, a fourth of the respondents in Sibenik were against a new mandate for the UNPROFOR.

When we compare the results of the survey with the one conducted three months ago, we can conclude that there are large differences in assessment of the effectiveness of the UNPROFOR. In Osijek and Pula, there has been an increase in the percentage of respondents who would impose conditions for extension of the mandate, while in Pula there are fewer of those who are in favor of unconditional extension of the "blue" mandate.

1. Do you believe in the recovery of the occupied territories?

	In Percent		
	Sibenik	Osijek	Pula
Yes, I do	11.7	13.6	74.7
No, I do not	13.1	24.6	62.3
Do not know/No answer	18.0	15.5	66.5

2. What option for recovery of the occupied territories seems more likely to you?

	In Percent		
	Pula	Osijek	Sibenik
War option			
Peace option	12.0	10.6	13.6
Both equally			
Do not know/No answer	35.5	29.6	31.0

3. Are you for or against extending the mandate of UNPROFOR?

	In Percent		
	Pula (+ or - 4)	Osijek (+ or - 3.8)	Sibenik (+ or - 3.5)
For			
Against			
Conditionally	8	6.0	4.9
Do not know/No answer	39	38.7	35.4

4. Give a grade from 1 to 5 to UNPROFOR for its effort up to now!						
	In Percent					
	1	2	3	4	5	Do Not Know/ No Answer
Pula (average grade 2.3)	7.5				2.0	26.0
Osijek (average grade 1.9)	3.0					37.7
Sibenik (average grade 1.7)	5.8					43.2

Tudjman Meets With Serbian Representatives

93BA1191B Zagreb DANAS in Serbo-Croatian
25 Jun 93 pp 16-17

[Article by Milan Jajcinovic: "A Goodwill Committee"]

[Text] The brief wire-service news item that President Tudjman had received a delegation of Serbs in the Presidential Palace did not even make public the names of the Serbs who were present at the meeting. The television camera did something to correct this scant news item by at least offering viewers the chance to recognize who came. And the delegation was numerous, probably the most numerous to date.

Many who had paid visits here before were in the expansive salon on Pantovcak. But there were also some who had not been in the government, who do not have general's stars or political careers behind them. To wit, the conversation was attended by Dr. Olga Carevic, Dr. Jovan Bamburac, Vojin Jelic, Dr. Dusan Dragosavac, Generals Gojko Tintor, Milan Kupresanin, and Rade Bulat, Jovo Ugrcic, Srecko Bijelic, Zivko Juzbasic.... While over the waves of Radio Knin the Chetnik vojvoda Momcilo Djujic was imploring his fellow countrymen to vote in the referendum for a final creation of an expanded Serbia, threatening those who did not vote with Lazar's curse down to the ninth generation, the complete opposite was heard in Zagreb. The referendum was proclaimed a provocation. This certainly did not have any effect at all on the outcome of the vote in Bukovica, Banija, Baranja.... Could the Zagreb conversation and commitment of the Serbs who attended it nullify in the course of time the results of the most recent Krajina referendum? Few of those who attended the discussion in the Presidential Palace represent any sizable Serbian "constituency." They most of all represent themselves (and often no more than that). Can their efforts do anything to make relations between the Croats and the Serbs in the UNPA [UN-protected areas] more bearable? Can those relations become tolerant and in that way destroy the present bunkers along the secession line? Is it even now too late for everything, including any kind of effort? Now it can be seen most clearly what a clever fellow Dr. Jovan Raskovic was in politics. He knew that politics had to be cleansed of people like a number of those who paid the visit to the president of the republic. Raskovic and his brave heroes proclaimed them "Serbian traitors" and "Croatian toadies," "communards who sold out," and thus discredited them politically among the Serbs in Croatia.

Dusan Dragosavac, Milutin Baltic (who did not attend the discussion), and Jovo Ugrcic were slandered as traitors and men who had been selling out the Serbs for many years. That was their expulsion from politics, that is, their definitive separation from the important segment of Croatian Serbs. Rade Bulat, the former general, kept pace with the "Serbian muscle flexing" longest. Immediately on the eve of the war he even attended the famous rally on Petrova Gora. While the highly fervent ralliers there were shouting, "We will kill Tudjman, we will kill Tudjman!" he probably did not think that three years later he would be sitting at the same table with him. Nevertheless, even Bulat could not escape the stigma of being a communard and the mistrust that goes with that brand. Today, not even Bulat—and that goes for most of those who attended the discussion—has much opportunity to influence those who need to be influenced.

Partizan Ties

Few of those who have remained on this side have constant and regular contacts with their relatives and friends who (often because they had no choice) remained on the other side. How many funerals, weddings, and births there have been with the relatives from one side or the other not in attendance at the sad or joyful event. And without contacts with relatives and friends, there is no possibility of influencing anyone. And that is the main limitation of the members of this "goodwill committee" which paid the visit to President Tudjman. The other connection through which favorable vibrations might spread is the old Partizan connection. But even it is not working today, and not only because of the Iron Curtain. And one of its components is the old ideological choke, which allows to pass only what it recognizes as a reflection of its idea of "brotherhood and unity."

The reasons why some of the participants in the discussion on Pantovcak did not commit themselves earlier to straightening out Croatian-Serbian relations can again be recognized, along with the severed communications, as ideological. The party that emerged after the historical change of direction, which was not recognized as a world process, is perceived among the multitude of Partizans, Communists, and their families as a "party with dangerous intentions," and if they were also Serbian, then as outright "Ustasha" as well. That is why there was a great rejection of the Croatian Democratic Union [HDZ] and its government (even in terms of time).

"Extremists in the Croatian Government"

Even today there is mention of "extremists in the Croatian Government" among the Serbs. They should be stopped, with more support given to the "antifascist group" within the HDZ (Josip Manolic, Stjepan Mesic, Josip Boljkovac...). The considerably greater attention paid this year to 22 June, commemorating the fight against fascism, is probably not just accidental. The softening of the usual terminology used until quite recently for the warlike segment of Serbs and what they are doing might also be on the same track. That is, the "Chetniks" are more and more becoming the "rebellious Serbs" and "loyal Serbs." It is likely that the Serbs who went to see Dr. Tudjman spent at least some of the discussion arguing the need to keep from demonizing the Serbs anymore and especially not generalizing and putting them all in the same basket. To separate the so-called loyal Serbs from the "rebellious" ones the government really does make some strange moves. For example, to issue a warrant for the arrest of Hadzic [president of the republic of Serbian Krajina] in connection with the referendum, and then to go to Geneva to negotiate with him!

Today, relations between Croats and Serbs in Croatia are perhaps worse than ever in the history of life in this region. The Serbs in the unoccupied part of Croatia have since the beginning of the war been involved in a kind of political search for someone to represent them. Around Dinara and Petrova Gora, they know who their representatives are. Here, they are atomized among several parties. And by all appearances most of them might soon be in a single nonethnic party—Dr. Branko Horvat's SDU [Social Democratic Union]. That in itself is a kind of paradox. That is, just three or four years ago (after he published his book on Kosovo) Branko Horvat was proclaimed an Ustasha and detested. He was in the pleiad of "Ustashes" such as Stipe Suvar, Dusan Dragosavac, Josip Vrhovec, Milutin Baltic.... Can Horvat's or anyone else's party break through from behind the present Iron Curtain and in some way attract the more moderate Serbs over there?

The Search for a ZAVNOH

Among the Serbs (but also some of the Croats) on this side of the fence, there are quite a few who are convinced that the whole uproar in Croatia started with what is referred to as throwing the Serbs out of the Constitution. That is, that there can be no normalization of relations between Croats and Serbs in Croatia until the Serbs are returned to the present Constitution of the Republic of Croatia. Proponents of such views make reference to the ZAVNOH [Regional Antifascist Council of the National Liberation of Croatia], to the way in which Croatia was founded at that time. They would like to see a ZAVNOH Croatia once again. A state, that is, with dual sovereignty. That kind of Croatia-Serbia existed up until just three years ago. Now its restoration is being promoted as a condition for peace in Croatia. It is said that discontinuation of dual sovereignty was precisely the cause of the war and that only its reestablishment can restore peace, because the Serbs will never accept being an ethnic minority.

Of course, the irrational factor that occurred because of the racket made about "throwing the Serbs out of the Constitution" should not be precluded either as an additional reason for the Serbs to go for their gun. But the causes of the war—how can it be unclear to anyone anymore?—do not lie in new provisions of the Croatian Constitution, but in the plan for enslavement of the Serbian expansionists which preceded everything that happened in Croatia. The new Constitution could only have been a pretext for the war, by no means its cause. The Serbs in the unoccupied and occupied parts of Croatia can certainly put conditions concerning the division of sovereignty. Such demands may also be put in a democratic way (to be sure, more hypothetically than in reality), without having any effect at all, but only creating still greater hatred of the Serbs in Croatia. The war in Croatia neither began because of the Constitution, nor will it end because of it.

The Serbian demand for a renewed respect for ZAVNOH principles would undoubtedly evoke a fierce Croatian reaction, especially from that segment of Croats who perceive the Serbs as "extremists." The observation that the Serbs will not accept being an ethnic minority is also anachronistic, it does not correspond to world standards, where a people representing less than 20 percent in any country can only be classified as an ethnic minority. Was there talk about that in the discussion which President Tudjman had with the delegation of Serbs? Probably so, although the brief news item about the meeting said nothing to that effect.

Nuclear Waste Sites Sought

93BA1186D Zagreb DANAS in Serbo-Croatian
18 Jun 93 pp 40-41

[Article by Petar Grubisic: "Zagreb Sitting on Nuclear Bomb"]

[Text] *The Slovenes have already shown that they do not want radioactive waste nearby. What will those Croats do who live in regions where there are plans to build such storage facilities?*

The only storage facility for radioactive waste in Croatia is located in Zagreb. This waste comes from all over Croatia to a special area at the Institute for Medical Research and the Rudjer Boskovic Institute because there is no such storage site anywhere else in our country. "The worst part is what we have now, the fact that this waste is in places that are not designated for it. I am not talking about the Krsko nuclear power plant, because it has its own storage facility for its waste," says Damir Subasic, the director of the Agency for Special Waste. Radioactive waste that comes from medical applications, from various types of research, or even from industry goes to the storage facility in the middle of Zagreb, from whence it will be moved only after a permanent disposal facility is built in Croatia or Slovenia. The same is true of the radioactive waste from the Krsko nuclear plant. There are 9,000 big drums being stored in its temporary facility, which is near the plant, occupying space of 1,500 cubic meters. There is not much space left, and if it is filled up before the completion of a permanent disposal facility in Slovenia or Croatia it is

possible that Krsko will have to shut down, which would cause major energy problems, for Croatia in particular, because it would be left without the 20 percent of its electricity that it gets from the nuclear plant.

Thought was given to permanent disposal of the waste, which is of low and medium radioactivity, back during the construction of the nuclear plant. Although they built the power plant together, for 10 years Croatia and Slovenia have been unable to agree on the disposal of the radioactive waste. Three rounds of negotiations failed to yield any results, and several years ago they sat down at the table for a fourth time with the intention of reaching an agreement. This time they were forced to do so, because otherwise both sides would be left without the electricity generated at Krsko. Lack of a full storage facility for nuclear waste would shut down the nuclear plant.

Previous attempts to solve this problem faltered because they were wrapped in a veil of secrecy. Thus, they resembled secret state projects that were eventually leaked to the public. When that happened, there was bitter opposition to the project, and the people who had worked on it were also discredited. The biggest problem was that Croatia and Slovenia were unable to agree on which side of the border the radioactive waste would be stored. From the outset, the Slovenes were straightforward and proposed that this waste be stored in Croatia because in tiny Slovenia they already had three nuclear facilities: Zirovski Vrt, a nuclear power plant, and a research reactor. Croatia did not agree with the Slovene proposal, saying that it could be discussed if a second nuclear power plant planned for Croatia were built. The bickering between Croats and Slovenes over the site of the permanent storage facility continued until several years ago, when both sides realized what would happen if they did not deal with the matter. It was agreed that both states would set up a public enterprise for radioactive waste that would concern itself with permanent disposal. Their task was to prepare every enterprise on their respective side for the construction of the disposal facility, but that meant that they had to choose the most suitable site, get the approval of the state administration, draw up project documentation and an investment program, and finally say how much all of this would cost. When those enterprises, which were recently renamed agencies for special waste, had done all that, politicians would come onto the scene in order to agree on which side of the border the disposal facility would be built.

During the first phase of the work, Slovenia stayed one step ahead of Croatia, which was hindered by war. Thus, the recent Slovene announcement of several possible locations for building a permanent disposal facility for waste of low and medium radioactivity provoked intense indignation among the Slovene public and protests by the people living in those areas. Slovene experts said that of the 36 proposed locations, only three meet the relevant criteria. They are Haloza, in Ptuj opstina, right on the border with Croatia, and two locations in the Gornji Leskovac region between Krsko and Sevnica opstinas. The local population, which does not want to even hear about having such a facility nearby, does not agree with the choice of the Slovene experts. Riots broke out in Krsko, where local

officials were attacked by angry residents of the threatened towns. After such reactions by the local population, the Agency for Special Waste, the Slovene Government, and the Assembly have found themselves in a stalemate because experts will not be able to go out into the field due to the belligerent locals, nor will it be possible to build the storage facility there. Because of all this, it is certain that the Slovenes will continue to demand that Croatia build the controversial facility, which will cost around \$50 million, on its territory.

A similar situation could arise before long in Croatia as well, because the first phase of the work is nearing its end here too, and that means that possible sites for the storage facility have already been determined. The potential sites are located in Banija and Slavonia, specifically at Petrova Gora, Trgovska Gora, Zrinska Gora, Bilogora, Moslavacka Gora, Psunj, Papuk and Krndija, Pozeska Gora, and the eastern slopes of Dilje and Krndija. Of these 30 potential sites, three or five locations will be selected by the end of the year, and in later phases experts are to visit them in order to determine which of them are most suitable for building the disposal facility. The results of the work of Croatian experts could be presented to Assembly deputies before long, who would have to give a green light to the offered results so that the experts can continue their research. Under ideal conditions, it would be at least eight years between the phase which both the Croatian and the Slovene sides are in right now and the beginning of construction. Nuclear waste of medium and low radioactivity cannot be dumped at the temporary storage site near the nuclear power plant forever, nor can Zagreb be the biggest storage site for radioactive waste in Croatia. The next move is up to Croatian and Slovene politicians. They must decide whether to close the nuclear plant or finally build a permanent disposal facility for nuclear waste.

[Box, pp 40-41]

Damir Subasic, Director of Agency for Special Waste No Need To Fear Disposal Facility

[Subasic] Croatia is confronting the problem of radioactive waste disposal for the first time, a problem it has long tried to solve together with Slovenia. However, Croatia has radioactive waste that came from applications of sources of ionizing radiation in medicine, from research, from industry, etc. This waste is not a big problem because there is not a large volume of it. However, where radioactive waste is concerned, one must consider that even the smallest quantity must be stored appropriately.

[Grubisic] The nuclear plant's temporary storage facility is almost full. How do we solve this problem?

[Subasic] It is clear to everyone that a permanent disposal facility cannot be ready within the next two years, so that the waste disposal problem must be dealt with temporarily until that facility is built. They are solving this problem in Krsko in four ways. First, better methods of gathering waste are being applied at the plant. Attention is also being given to generating as little waste as possible. They are achieving good results through this, because they are using methods that have been tested elsewhere in the world. The second way is to draw up plans for certain changes at the

nuclear plant. Thus, the liquid waste is evaporated better so that there is less to put into drums.

The third way is supercompaction, meaning that drums are periodically squeezed with a press, that is on-site at Krsko. A supercompactor comes through periodically and compresses these drums once again. In this way, the volume is reduced by 30 percent. Fourth, the plant is asking Slovenia and the opstina for permission to build another area for waste at the plant, which would enable the plant to operate for several more years. Krsko Opstina is demanding that the plan to build a permanent disposal facility proceed at a certain speed in order to be certain that the waste will not remain in its territory forever.

[Grubisic] Is Krsko Opstina satisfied with how the plan to build a permanent disposal facility is proceeding?

[Subasic] The Slovenes have already disclosed possible locations on their side. By the end of the year we too will present the results of our study of the most suitable sites for a nuclear waste disposal facility. We have defined the criteria according to which the site should be chosen, applied them, and determined potential areas in Croatia.

This means that we have applied the coarsest screening process and rejected a large number of sites. We have rejected the 90 percent of Croatian territory that is not suitable for the construction of such a disposal facility, and have come up with eight areas in the Republic of Croatia which preliminary studies indicate to be suitable places for a waste site. There are currently potential microsites in these potential areas. It is expected that there will be between 30 and 50 such sites, and after that a comparative criterion will be applied, which will rank them. The application of these criteria should yield by the end of the year three to five preferred sites that are the most promising, after which they would be actually confirmed through field study.

For now, this is only armchair research. That means that by the end of the year we will bring in colleagues from Slovenia, who are a little ahead of us because of the wartime conditions in Croatia.

[Grubisic] People are afraid of having a storage facility for radioactive waste nearby. Is this fear justified?

[Subasic] A radioactive waste disposal facility is an economic facility that is built according to strict guidelines, and under the supervision of the state and of international experts. Such a facility costs about \$50 million, people work there, and it is completely open to the public. It will be built exclusively in cooperation with the local population, which will have full access to what is being done, as well as to decisions about technical options. Accordingly, there is no need to fear such facilities, because they will be completely safe.

Privatization Fund Director Interviewed

93BA1192A Zagreb VECERNJI LIST in
Serbo-Croatian 28 Jun 93 p 5

[Interview With Ivan Penic, president of the Croatian Privatization Fund, by Snjezana Mlinarevic; place and date not given: "Foreigners Will Sell Our Enterprises"]

[Text] *The most valuable property is not privatized yet: it includes the Adriatic hotel complexes, the tobacco industry, large factory facilities, so there are still many places for foreign capital. We will conclude agreements with international firms that have experience in privatization for them to sell our enterprises in the world. These days we are expecting visits from the most wealthy Croats in the world, and we will hear what they think and intend.*

Ivan Penic assumed the directorship three months ago of the joint state institution for privatization. After a long pause and protracted reviews during the course of conversion, the whole process was initiated according to new rules. Whether they have brought about results, what is there new that is being done in this area, how the "queues" and conversion matters are being resolved...we are speaking with the president of the Croatian Privatization Fund.

[Mlinarevic] It is said these days that the Fund is being bypassed by buyers with grand ambitions and, what is more important, with capital, like Mr. Ilija Letica, a businessman from the USA?

[Penic] We have such potential buyers, and there will be more of them. Mr. Ilija Letica spoke with us in the Fund and at other appropriate places about investing capital. He is prepared to invest about 100 million dollars; his program is very ambitious. In addition to his already known intention to invest in "Pliva," he is interested in VECERNJI LIST, a factory in "Osijek," the "Doma" administrative building on Tkalciceva Street, which must be sold because of insolvency, and he intends to establish a local Croatian-American bank.

[Mlinarevic] What about other major buyers?

[Penic] We are expecting visits these days from the most wealthy Croats in the world, and we will hear what they think and intend. The fact is that until complete peace evolves here, investments are a risk even for these people. They are certain about the Croatian state and thus they are coming slowly, and the change in the Law on Conversions of 24 February has made it possible for them only now to become involved in conversion in a qualitative way.

[Mlinarevic] Are the comments well founded that foreign capital, because of legal restrictions, has not been able, even if it wanted to, to cross the threshold of enterprises, especially small ones?

[Penic] To some extent they are. It has happened with medium-sized and large enterprises that the employees have purchased the other part of the enterprise, so someone from outside has had nothing to look for. They are all managed as privatized, but it is a fact that there has been intent to privatize them only because the shares are reserved. The ideal situation under the new law—50 percent to the workers and 50 percent for sale—has not been exhausted even with this. There is sufficient combination in capitalization, which was not possible earlier.

The Best Are Not Yet Sold

[Mlinarevic] Are foreigners acquainted at all with our enterprises that are being sold? Is the Fund announcing its sales with examples in foreign newspapers?

[Penic] We are preparing for major advances in this area. For "Variex" we sent documentation to several foreign firms. However, the Fund intends to conclude an agreement with international firms that have experience with privatization in Hungary, Czechoslovakia, and other countries. We also specified dates for the signing of agreements. That would mean that the well-known Vienna firm "Epic" is privatizing about twenty of our firms throughout the world. We have also begun talks with "Roland Berger" and some others. In this way we want to make possible the injection of fresh capital into our economy. It is important to point out that "Epic" is accepting our offered price, and it and other firms are proposing that we award them incentives if they bring about a sale at a higher price. We want to be in the flow of privatization in the world.

[Mlinarevic] Many believe that we have nothing more to offer buyers, that the best is already privatized.

[Penic] That's not correct. We have not yet privatized the most valuable that we have. This includes Adriatic hotel complexes, the tobacco industry, large facilities. We have privatized a number of enterprises, especially small and medium-sized ones, and of about 1,600 enterprises that underwent conversion before passage of the new law, the Fund is the majority owner of about 200 enterprises, but not more than that. Here too we can decide on capitalization, joint ventures... We can also have influence in our minority shares, we are seeking alliances in them, both in administrative councils and in shareholder assemblies.

[Mlinarevic] Do you think that the shareholders in such enterprises will allow the entrance of foreign capital and thus lose their managerial rights?

[Penic] What does it mean to claim a 51 percent majority or a somewhat higher value of shares and still maintain it? That means stagnation, a Chinese wall around the enterprises. Why would the workers want to manage their poverty? A majority management is not more essential to a worker than the introduction of capital, and one can protect oneself in the statutes of a share society from, let's say, possible dismissal. Management has imposed this psychology on workers: in the style, what will we do if we are not the majority owners. This is a time for coming to one's senses. The majority of the statutes are not well done; the new Law on Business Societies will probably correct this.

To Help Small Shareholders

[Mlinarevic] Many lean toward the assessment that the conversion has been overdone, that it has not achieved its goal, illegal affairs are occurring. How do you interpret this?

[Penic] There are too many of those who are criticizing. The facts speak otherwise. If the fact that we have converted about 2,000 enterprises or that we will soon do so does not say much, I will mention the outstanding conversions like "Montkemija" in Zapresica, the "Koromacno" and "Revelante" cement plants, the Zagreb IPB [expansion unknown], "Ico" in Rijeka, and a series of others, where foreign capital has been injected. There are illegalities, but there are not more than about twenty of those that I call the most dramatic.

[Mlinarevic] What is the future of the small shareholders in view of the fact that they are getting poorer from one day to the next?

[Penic] We must help small shareholders in paying off share installments, so that a lot of them don't change their minds. We are trying to resolve the second year with a 5 percent payment, as well as last year, but if this measure does not yield results, we'll reach for others. The Law on Conversion is not the holy scripture for all times; we will change it if necessary and seek the best solutions.

[Mlinarevic] What about the announced distribution of shares and the sale of shareholder rights?

[Penic] We are also thinking about this very seriously, especially about the sale of unpaid shares in which it has not been possible to trade legally up to now. However, this process is developing and will continue whether we want it or not. Thus we have prepared a draft change in the Law on Conversion in this context and we will send it to the Government for review. I think that the sale of rights, as repulsive as it sounds, would channel capital into the hands of entrepreneurs. This is a process that is flowing anyway and the government must legalize it.

[Mlinarevic] How are controversial conversions, which have great reverberations in the public, being resolved?

[Penic] We will resolve them all, but this is a job that takes time. Everything must be reconstructed, irregularities confirmed. At the moment we are quite involved with the conversion of "Mladost," for which we have found a solution according to which the owner who does not have majority ownership cannot have managerial rights. Mr. Kovacevic still does not have them until he fulfills all obligations undertaken. However, the events in "Mladost" have superseded its conversion: relations are very bad in the enterprise, and it should be preserved as a strong publishing enterprise. "Ferimport's" conversion is being reviewed. Although we have ended all further actions, they are maintaining an illegal assembly of shareholders, which we will eliminate. Other cases, like "Turisthotel" and the beer breweries in Osijek, will also be resolved soon.

[Mlinarevic] Is the conversion of "Mladost" opening up the problem of managing enterprises in which the shareholders still have not paid for shares bought?

[Penic] Yes. We are discussing this problem and the Fund will soon take a stand.

[Mlinarevic] The conversion of "Varteks" also falls among the controversial ones. Did they sell "Varteks," and this is being talked about a lot, to Josip Gucic?

[Penic] We haven't sold "Varteks" to Gucic or anyone else. If we had done so, that would mean that we sold it in a way that is being savagely attacked in the Council, on the basis of old foreign exchange savings. On the other hand, if we had sold it, the state would have left about 2.5 million marks in its budget, which it will pay as interest on old savings. However, be that as it may, "Varteks" will be a share society with shareholders from the enterprise; the remainder will pass into funds, so we will again go from this situation to

privatization. The sale of "Varteks" is also possible on the stock market, through new offers to buyers.

Nationalized Property

[Mlinarevic] Has the Administrative Council of the Fund also sold an enterprise on the basis of the best offers?

[Penic] Not a single one so far. We are coming to an agreement on the sale of the first such enterprise, and a pile of them are awaiting us in the next three or four months. Just as resolutions for conversions are issued, so about 1,000 cases will arrive in the Administrative Council.

[Mlinarevic] Is that too much work for the UO [Administrative Council], especially since responsibility for assessing the best offer lies with it?

[Penic] It's a huge job. Members of the Administrative Council should meet twice weekly. We will seek resolutions for this work to be accelerated, otherwise the cases will "choke" us.

[Mlinarevic] Just as the conversion progresses, so a greater commotion develops about the sale of nationalized property.

[Penic] Yes, that is a sensitive question. There is no law on denationalization and the Fund must work on the basis of positive laws. Everywhere that such property exists, the Fund is reserving shares for the former owners. So far we have reserved about 2 billion marks' worth of shares, and by the end of conversion that will amount to about 3 billion marks.

[Mlinarevic] There have been many polemics of late about whether there are shares for politicians and political officials. What do you think about this?

[Penic] Yes, there are also shares for political officials. There should not be a forbidden zone for anyone. But, with a political official, the personal decision about whether he is in a situation where he lives much worse if he allows himself to buy shares, especially in large amounts, is important.

[Mlinarevic] It is known that you are a shareholder too. Do you belong in the category of small or large shareholders?

[Penic] I bought 91,000 marks' worth of shares in my former enterprise, "Japetic," and that was before I became president of the Fund. I bought them on credit; I put up the house where I'm living as collateral. I'm not the largest shareholder in "Japetic"; there are others who have bought as much or somewhat more.

[Mlinarevic] Finally, are you still traveling from Jastrebarski to work in Zagreb?

[Penic] I am. I live there with my family and I don't plan on changing my address.

[Box, p 5]

Privatization of the Media

[Mlinarevic] Privatization of the media is especially important in the conversion. How do you regard it in view of all the criticism around the world and at home?

[Penic] I claim that privatization of the media is even a step ahead of privatization in other segments. In the districts I emphasized the priority of issuing decisions for the conversion of local media. And it's working. In the Ministry of

Trade and Communications, I supported the idea that examples of the privatization of radio stations not be determined by frequency, but that new share societies agree on frequencies later. HTV [Croatian TV] will not be privatized; it will remain a state organization like many in the world. But VJESNIK and VECERNJI LIST will quickly be privatized. Mr. Letica is interested in VECERNJI LIST, and the possibility of sale on the stock market also exists. The material situation in VJESNIK is difficult; we are looking for a way to help with privatization. On the whole, I do not expect that there will be an uproar with this as there was with the conversion of SLOBODNA DALMACIJA.

[Box, p 5]

Managers' Credits

[Mlinarevic] Managers' credits raised quite a bit of dust and put the whole conversion in question. The epilogue with the credits is a surprise for many; namely, such a radical view was not expected.

[Penic] Managers' credits and everything that happened with them destroyed the trust of citizens in the whole process. Thus the Government, I maintain, cut off the whole thing very resolutely. It is definitely clear that credits on the basis of insurance policies will be revoked and that those who opened them will have to return the money to their enterprises from which the policies were paid.

[Mlinarevic] Nevertheless, the question of shares was most controversial—can they serve as a deposit on and collateral for managers' credits?

[Penic] Yes, this was a key question; although cases are known in the world where shares are collateral, there shares are quoted on the stock market and their market value is known.

We don't have this and shares for this purpose are very risky collateral. According to a report of the NBH [National Bank of Croatia], it is apparent that some banks (the Zagrebacka Bank and the Economic Bank claim they haven't) have approved credits without a contribution, and that the only security was the shares.

That means that it was sufficient for someone only to come into the bank, without his own capital or mortgage on property, then open a credit, and tomorrow buy some enterprise. Something like this doesn't exist anywhere in the world.

[Mlinarevic] All such credits must be reconciled within 60 days according to the new rules or revoked. Will this result in impacts in privatized enterprises?

[Penic] Yes, within that time we must get to the bottom of such things. If a valid mortgage is not offered, the credits will be revoked and the shares bought in this way transferred to the ownership of the Fund. If good enterprises with credit standings A and B are in question, it will not be difficult for us to privatize them again.

But, I must emphasize that even revocation, even when half of the credits are irregular, will cause no impacts. This is more clear when the amount of the credits is viewed in comparison with the value of the enterprises that are entering conversion.

Of 20 billion marks of estimated social property, managers' credits account for about 260 million marks, or about 1.3 percent.

*** 'Historical Smallholders' Chief on Politics**

93CH0731A Budapest HETI MAGYARORSZAG in
Hungarian 11 Jun 93 p 4

[Interview with Historical Smallholders Party Chairman Tivadar Partay, editor in chief of HETI KIS UJSAG, by Gaspar Groh; place and date not given: "There Is No Fifth Case; Interview With Tivadar Partay on the State of Affairs in Internal Policy"]

[Text] [Groh] Seeing the disintegration of the coalition and its parties, and your efforts to save them, what were the events that led to this process? Was it possible to foresee, even in possession of the election results, that things will turn out this way?

[Partay] There is nothing surprising in this, only that it hadn't happened before. This is the way things were in the Smallholders Party, as well, which is fairly well known. It is typical that the way we started, from the first moment on, we were infiltrated by people of the old regime who did everything they could to prevent unity. However, one needed time to be able to document this. I was chairman for a year, and I had to exclude people even back then, which is not the best letter of recommendation for a new party. But I had no alternative, because it was confirmed who they were. However, I must say that some of them are on the scene again. Perhaps in our party this manifested itself so markedly because we were in a special position. In 1988-89, there were three historical parties in Hungary: the Christian Democrats, the Social Democrats, and the Smallholders. The Social Democrats were ruined when they were integrated into the Communist Party [in 1948]; the Christian Democrats were partially discredited, and partially they lost their mass base during four decades of dictatorship. Thus, the Smallholders Party, which yielded hundreds of martyrs, from Bajcsy-Zsiliszky through the Hungarian Community to Bela Kovacs, Ferenc Nagy, and Bela Varga, attained a very advantageous position. This is what the old regime had to prevent. This is the way the election came, which, however, yielded results in accordance with the expected odds. As the party received 57 percent in 1945, and this essentially corresponded to the number of people whose livelihood depended on agriculture, the 1990 ratio reflected the same.

Upset Balance

[Groh] However, the composition of parliament is not determined by tradition, but by the momentary situation, and that was full of happenstance.

[Partay] The elections were preceded by negotiations by the opposition roundtables. In the course of these, the participating politicians, including me, concluded that the communists know exactly that the system failed. But the power was theirs; they held the armed forces. Two possibilities offered themselves: To talk them peacefully into surrendering power, or some sort of a civil war. But the risk of the latter was too great to undertake. What was left, then, was compromise, but they were the ones naming the price. This is how some of them remained in power. And we thought that in three or four years, we would purge these remaining communist cells. They would either retire

or resign, but disappear somehow. However, in the meantime, something happened that no one expected so soon: The Soviet Union which was on its last legs collapsed, and this resulted in a completely new situation. And this upset the earlier balance. Germany filled the power vacuum, and as a consequence, the earlier choice between East and West was transformed into a choice between the U.S. and Germany. The government placed a bet on Europe, i.e., on Germany, contrary to the U.S. orientation of the liberals. Meanwhile, the stakes are huge, because in spite of all current hindrances, the reconstruction of the region is the business of the next century.

[Groh] All of this explains the intensifying tension between the coalition and the opposition. But what do you think the reason is for the present rise of tension within the coalition?

[Partay] This is caused in part by the next election drawing near. But to a not negligible extent also by the fact that the Hungarian people, who are naturally pessimistic and apolitical, went through a very thorough brainwashing in the past 40 years. Part of this is that it became common to politicize whatever happens and project it onto individuals and parties. As a consequence, by "personifying" current troubles and worries, those are attributed not to factors of world politics and the inherited crisis, rather they say that everything is caused by the government and the prime minister. This is what the overwhelming majority of the public says because, unfortunately, and partially through no fault of its own, it cannot think.

Political Miracle

However, if we look at the facts, we must see what the task was which seemed almost unsolvable: The government took over a disorganized, morally disintegrated country, the economy of which has lost its markets, such as they were, which was insolvent, and which hosted a foreign army of 100,000 troops. The government had to establish the stability, creditworthiness, and sovereignty of such a country, while at the same time appeasing rancorous neighbors. The government did all of this. Meanwhile, the public gives grades based on petty, local criteria, such as why that rogue of a cooperative chairman can keep his power, and why the government doesn't crack down? Or a factory was sold, and 400 people lost their jobs. Why does the government put up with this? In the meantime, the people concerned in the matter are looking on, and expect someone else to solve the problem. This is not the government's task, but the public is used to problems being solved from above, and this is what it expects. And this cannot be explained to everyone, and it is also not in the interest of the press to do so. However, the public has a decisive role in politics.

At the same time, it is a fact that, although I am not a devotee of Jozsef Antall, it is a political miracle what this man accomplished in three years. Not only that he brought the country this far, but also that he was able to hold a coalition pulling in different directions together.

What is going to happen now is difficult to calculate. Istvan Csurka is a good writer; thus, he cannot be a good politician to begin with. Because though it is true that a writer cannot be a politician, once he becomes one, he must be treated as one. The psyche of a writer is not the same as that of a

politician: It must hold fantasy, dreams, and pipe dreams, that is to say, illusory things, otherwise he is not an artist. On the other hand, a politician deals with the most mundane and the rudest craft of the world. In this area, there are no emotions; a politician is thinking not with his heart, but with his head. For this reason, however much truth there is in what Istvan Csurka says, the problem is not only that a fourth of it is a writer's pipe dream, but also, that he said it at the wrong time and in the wrong place. Not to speak of the fact that someone who is a part of the power structure cannot allow himself to attack decisions after the fact. This is not honest behavior. If someone does not agree with the government, or with the power, he must not stay in it.

[Groh] Every one of the parties in parliament today is characterized by internal tension, because they were formed in the confines of the one-party state. Thus, even in themselves, they represent coalitions, and this is especially true for the largest ones, above all, for the Hungarian Democratic Forum [MDF]. How do you assess the chances of this party structure?

[Partay] It happened perhaps in the spring of 1989 that the deputy editor in chief of PRAVDA invited to the Belgrad quay office of the People's Front about 20 Hungarian opposition members, including me, to inform himself of the situation in Hungary. He asked one of the editors of HITEK how the MDF, which at that time was operating as a movement already, intends to keep together a group which includes Christian Democrats, former communists, and nationalistic and liberal groups, because it will sooner or later disintegrate. Of course it was hardly possible to answer this question, and it is hardly possible today. It is very likely the achievement of Jozsef Antall alone that he was able to hold the MDF together up to now. The moment he becomes weak his party will fall apart, together with the coalition, which is also being held together by him. And in that moment not only the country's financial creditworthiness will be undermined, but also every effort and accomplishment up to now. The people who are withdrawing and being excluded from the MDF are also aware of this, and if they have a minimal sense of responsibility, they will not turn against the coalition. And whether they support the government in their own name or in the name of the MDF is ultimately one and the same. But one must be aware that every kind of a government crisis and early election can only benefit the communists.

The Coalition Must Be Supported

[Groh] Half a year ago, you resurrected your party. What relationship does it have with the government?

[Partay] The question cannot be put this way. The issue is not whether we are for the government or not. If someone is a politician, he must know that he cannot take steps the consequences of which cannot be calculated. A government crisis, the collapse of the coalition, or early elections have unforeseeable consequences. This is why one must not allow them to happen. For this reason, the coalition must be backed, but one does not have to be a governing party to do so. I do not see anyone who could replace the prime

minister, although there are plenty of self-appointed candidates. Because whatever they say, it is indisputable that it was not Viktor Orban's running around, Ivan Peto's disdain, or Gyula Horn's kowtowing which gave stability and credibility to this country, but Jozsef Antall's Sisyphean task. If the coalition collapses, there are only four possibilities: Minority rule, which Jozsef Antall is averse to; governing by decree, which gives green light to the worst forces in the government, because parliament's control ceases; or we are left with dictatorship or anarchy. There is no fifth case. A new government? One must be either an adventurer or very stupid to accept the position of prime minister obtained in this way!

* Sub-Carpathian Hungarians Criticize Kiev-Budapest Treaty

93CH0731C Budapest MAGYAR FORUM in Hungarian 10 Jun 93 p 4

[Article by Bela Gyori: "Budapest, Beregovo, Kiev; No Reason To Grovel"]

[Text] The wind waves a red-white-and-green and a blue-and-yellow flag in Beregszasz [Beregovo] on the gable of the former district council of the Communist Party of the former Soviet Union. All this could be beautiful, but the situation is contrived. Things are essentially unchanged both in the lives of Hungarians and Ruthenians here, in Sub-Carpathia.

For seventy years, they have been bluffing about the spiritualization of borders. Allow me, but this is ludicrous. Four of us are on the way to Beregszasz and Nagyberég [Bereg]. It would be sensible to cross the border at Beregsurany. The border crossing is open from 8000 to 1800 hours. But not for us. One may not cross the border with a world passport [valid for all countries of the world]. Back to highway No. 4, on the way to Zahony. After we cross the river Tisza, a European still life greets us at Csap [Chop]. People take care of their needs at the edge of ditches. The wind blows used pieces of newspaper around. There is filth and stench. The international army of truckers has been waiting to pass who knows how long; they are tired, unwashed, and they stink. I like these spiritualized European borders. Our politicians talk about them a great deal. This is how we enter Sub-Carpathia one week after the ratification of the Ukrainian-Hungarian treaty.

Nagyberég is an entirely Hungarian village. The people are scraping by. The change of regime has taken place here, as well. Whoever wanted land, went to the official in charge, laid claim to 20-30 hectares [ha], and it was granted him. He can farm his land, with his bare hands. Today, the good Hungarians are farming in three ways. Those who have two to 30 hectares of land, joined the farmers' alliance. Those who have one or two hectares, joined the smallholders' group. From the cooperative of 6,000 ha, 2,000 ha were withdrawn. The director of the cooperative, a Hungarian, volunteers as chairman. He has land and a vineyard which he farms.

The official means of exchange in the Ukraine is the coupon. A cooperative member receives about 50,000 a month of this miracle bill. He can buy an iron for about 10,000.

Otherwise, the cooperative is doing all right. Nowadays about 900 people work in it. It has an orchard; apples and peaches they sell fresh to the people in Siberia. They love to eat peach compote with their vodka. Barter between Russian Siberia and the Ukrainian Hungarian Sub-Carpathia. Oil for compote....

Even in the camps, a certain practice of farming and trade has evolved. Even in Sub-Carpathia. For instance, the cooperative buys half of the fuel it needs from the state, for 50 percent of the free market price. The rest it acquires through shrewd barter and maneuvers. In return, the state "procures" and "tells" what to grow. Of course, nowadays even with cooperative directors one cannot... But if the leader of the cooperative goes too far, the public health department, the fire fighters, or the police comes and kicks the sensitive part of the renitent gentleman. Where can one not find an error in this great order? In the former Soviet Union, one was not allowed to buy land. In the area of the empire, land still has no price. Lenin wrote his otherwise entertaining monograph on economic history entitled "Capitalism in Russia" in 1903. Compared to what was written in 1903, the present conditions are a century away, backwards.

Let us remember Gorbachev and the Soviet dry law, the prohibition of alcohol. This successful—ideological, political, and Soviet—law was the brainchild of Ligachev. In the middle of the eighties, Ligachev once spent his vacation in Hungary. He visited the agricultural complex in Balatonbogar. He ate the excellent lunch, after which Gyozo Meszaros, director general of the complex, offered the visitor a glass of champagne. Ligachev took the tray with the champagne glasses from the waiter, and lectured Gyozo Meszaros, representative to the National Assembly and director general: "You stupid people make wine and manufacture champagne, you are destroying the people. Look at us in five years, what will happen there.... We will get the people out of the habit of drinking alcohol, and there will be order."

I saw the conditions in Sub-Carpathia. Ancient Hungarian vineyards became overgrown. Weeds and decay are rampant on the land of a millennium of culture.

I am happy to report that the Hungarians are digging the vineyard out of the bush. They comb the pretty plantations out of the wilderness with their bare hands. On the hills of Nagyberég, a few flowers have already opened up. Cellars are being put back in order. The homes are nice and orderly. But everywhere else, there is barrenness. In the Ardo area of Beregszász, we visited a cellar. It could be the most valuable, most exquisite winery of the region. In Ungvár [Uzhhorod] the Ukrainians moved a seismological institute here. The instruments will rot here; the place is suitable for wine and not for precision instruments. There used to be culture, ability, and will to produce here. Let it not be dissipated irrevocably in the great Ukrainian sea. For every sign is pointing to this direction.

In Nagyberég, at the bus stop, dame Katalin has been waiting for three hours. She would like to go to Beregszász. The bus line is completely erratic. On Saturdays it hardly runs at all. Earlier, dame Katalin looked everywhere in the Bereg region to see what the original homespun of Bereg looked like. The linen threads were woven together with the colored cotton

threads. A red and black miracle. The homespun cloths of Bereg embody fantasy, charm, gracefulness, and simple beauty.

They no longer obtain raw materials from St. Petersburg, because one must pay in dollars for the linen and cotton threads. Hungarian materials are no good, the red and the black threads discolor the linen. After washing, the whole thing shrinks. No more homespun is made in Bereg. Not a single piece! At the time when Shcherbitsky [please check transliteration] was the boss of Soviet Ukraine, he came for a visit and the black in the homespun irritated his eyes. Instead of the black, he ordered the blue of the Ukrainian blue-and-yellow into the loom. The Bereg homespun was beautiful even with blue thread. This is how Hungarian folk culture is disappearing, perhaps forever, after the Ukrainian-Hungarian treaty.

People were crying in Sub-Carpathia. The politicians of the mother country sold us forever to the Ukrainians. There was a Rakoczi commemoration in Beregszász when together with Gyula Zacek we visited Arpad Dalmai, the Beregszász chairman of the Cultural Association of Hungarians in Sub-Carpathia [KMKSZ]. He said that the Ukrainian-Hungarian treaty was signed on 6 December 1991 by Kravchuk and Antall.

They did not ask us anything. They only went ahead and signed. The people, the Hungarians and the Ruthenians, are looking on in amazement; they do not understand on what grounds we gave up the ancient heritage of future grandchildren and great grandchildren. Half of the intelligentsia in Sub-Carpathia is trying to accept the excuses of [Hungarian Foreign Minister] Geza Jeszenszky, but the other half feels for the people.

"The also involved me in the matter," Arpad Dalmai said. "The ratification took place on a Tuesday. Before that, Sunday night, my friend Dr. Gyula Madai from the Christian Democratic People's Party called me. You do agree, don't you, Arpad, with the ratification of the treaty? No longer, because now I know the authentic text. Gyula Zacek, Hungarian MP brought it to us. But if it is a lost cause to begin with, at least the Hungarian government could have demanded guarantees for Hungarian autonomy in Sub-Carpathia. But there was nothing of the sort."

On 1 December 1990, we held a referendum in the Beregszász district and decided on complete autonomy. Since that time, Kiev refuses to hear about it. The Hungarian government and parliament walked past the facts with their ears and eyes covered. And now, they are using the argument of the nonsensical cultural autonomy. As the chairman of the Beregszász KMKSZ says, we had our Hungarian newspaper and publisher; we were allowed to sing and dance. We were allowed to use our national symbols. We were allowed to do all of this, as early as 1990.

This was a bitter pill for Arpad Dalmai. The Ruthenians lived peacefully with the Hungarians even in the time of horrors. This is the way it is now, too. Now, the Ukrainians are accusing the "hutuzls" (mountain shepherds) and the Ruthenians of collaborating with Moscow. The mountain shepherds? About Hungarians, there is no talk. Everything is quiet. In the Ukraine, the power structure has four legs. The president, the government, parliament, and the mafia. A great part of economic power and weapons is in the hands of the mafia. Let us have no illusions. We have no reason and no one to grovel to.

* Political Parties' Election Prospects Assessed

93EP0300A Warsaw GAZETA WYBORCZA in Polish
21 Jun 93 p 5

[Article by Tadeusz Szawiel, sociologist at Warsaw University: "Playing Electoral Solitaire"]

[Text] *Even now it is possible to predict fairly accurately the results of the elections to the Sejm and the Senate as well as the size of the voter turnout.*

Opinion polls indicate that voter turnout will be exceptionally stable, as indicated by a comparison of polls conducted in September 1992 and March 1993. When asked about their readiness to vote in September 1992, 29 percent answered that they would "certainly" show up at polling stations, and 19 percent said "maybe." The polls of March 1993 showed nearly identical results.

Political Polarization as an Electoral Stimulus

Assuming that at least one-half of the undecided segment of the public will show up at the polling stations, the voter turnout should not be less than 40 percent. I assume that it may be even somewhat higher than 43 percent, considering that the political scene is now more crystallized than it was two years ago, now that the stakes have been raised by the conflict between President Walesa and the center-right coalition grouped around Jan Olszewski.

The Electoral Theory of Value

Similarly, it is possible to predict fairly accurately which parties will sit in the future Sejm. In polling the respondents about the political parties for which they would vote, we were in reality determining their electoral leanings. The road between the thus-declared leanings or preferences and the voting urn is far. But, assuming that the parties succeed in turning leanings or preferences into support at the voting urn, we can tell what proportions of the vote they will win.

Support for the Major Parties as Indicated by
Spring 1993 Polls
(in percent—approximate)

	February 1993	May 1993
Democratic Union	22	26
Polish Peasant Party	16	21
Confederation for an Independent Poland	10	12
Social Democracy of the Polish Republic	8	13.5
NSZZ Solidarity	7	11
Labor Union	7	9
Liberal-Democratic Congress	6	9

The seven parties shown in the table will all probably sit in the Sejm. Hence, they are not interested in forming pre-electoral alliances because those are extremely difficult to negotiate (future division of seats). Moreover, a party that

enters such an alliance forfeits some of its independence and no longer knows "how much it is worth" on its own on the electoral market.

The Overestimated Union

We know from the elections in 1991 that UD (Democratic Union) has more sympathizers than assured voters. That makes all the more important to UD a successful electoral campaign, which would convince its sympathizers to vote for it. But even then the UD would win fewer votes than indicated by the polls—probably about 20 percent of the total vote, I believe.

Bugaj's Estimate

The situation of the SdRP (Social Democracy of the Polish Republic) is reversed: Experience shows that it has more voters than sympathizers. At the same time, the SdRP will have a major electoral rival, the Labor Union (UP). If any openly leftist party is to gain, the UP is—although barely a year ago (as Labor Solidarity) it practically still did not exist in social awareness—inasmuch as it has been enjoying growing support for the past couple of months. That is why, contrary to the widespread belief in the inevitable success of the SdRP, I believe it would most likely win about 10 percent of the total vote.

A Second Chance for Pawlak

The PSL (Polish Peasant Party) may prove to be the dark horse of the campaign. Provided Waldemar Pawlak, the popular leader of the PSL, does not succumb to the lure of procrastination and the party makes no glaring mistakes in the electoral campaign, it may win about 20 percent of the total vote. I do not preclude the possibility that the PSL will receive the highest proportion of the vote.

The Right's Alliances

The conservative and rightist parties will be in the most difficult situation.

The Conservative Party and the Party of Christian Democrats are practically unknown to the public. Hence, alliances are to them a natural solution.

The situation of the center-right parties, which are forming an electoral alliance centered on Olszewski, is somewhat different. Demoskop polls for the past four months indicate that the Movement for the Republic will win approximately 3-4 percent of the total vote and Jaroslaw Kaczynski's Center Accord 2 percent.

What does that point to? If they were to campaign on their own, those parties would have problems winning seats in the Sejm. By entering into an alliance, they can count not only on a combined vote but also on a multiplier effect.

But that is not the only aspect of such an alliance. Its leading politicians are, to be sure, well-known public figures, but they also are rather unpopular (Kaczynski, Macierewicz, Parys). As for Olszewski, his image was not and still is not that of a politician who can effectively steer the ship of state.

Lustration Yes, Lustrators No

The center-right coalition has a major propaganda asset that it cannot, however, turn into voter support. This

concerns lustration, which, to a major segment of public opinion, has been and is a major issue. In February 1993, according to a CBOS [Public Opinion Survey Center] poll, when asked whether "lustration should be a prerequisite for eligibility for certain government posts," 64 percent of respondents answered affirmatively. According to 90 percent of the respondents, it should be a prerequisite for deputies and senators; according to 88 percent, for high officials; and, according to 61 percent, for all civil servants. What matters more, 68 percent believed that (as in the former GDR) every citizen should have public access to dossiers kept about him by the government. Those findings leave no doubt as to the importance of the issue of lustration to the public.

The Center Accord's antipresidential campaign has not increased public support for that party. That also applies to the Movement for the Republic, Polish Action, and the Movement for the Third Republic. The manner in which those parties present the lustration issue does not effectively translate public mood into electoral support for them.

UD, the PSL, and Who Will Be the Third?

What will the alignment of forces in the new parliament be? Much indicates that the two strongest groupings in the Sejm will be UD and the PSL, which together may win about 40 percent of the total vote. If UD is the winner, Hanna Suchocka will remain the prime minister; if the PSL wins, Waldemar Pawlak will be the prime minister. Both are certain of being accepted by the president. It also is likely that they will form a coalition.

There remains the problem of which party is to be the third partner in that coalition, in order to assure parliamentary majority. It could be the Christian-National Union, Solidarity, or perhaps the Liberal-Democratic Congress. Depending on the extent to which those parties are represented in the new Sejm, the victorious duo will have greater or smaller room for maneuver.

The President's Big Vacuum Cleaner

The presidential party (regardless of what is to be its name once it is established) remains an unknown in this campaign. If it is established, with the active support of the president, it has a chance to win more than 10 percent of the parliamentary seats. A May 1993 Demoskop poll shows that support for an eventual "presidential party" was 11 percent.

Should that indeed take place, such a party would significantly affect the alignment of forces on the political scene. However, figures also indicate that its electorate would to a large extent consist of sympathizers of other, already existing parties. Thus, it would be a major threat to some already existing parties.

A presidential bloc would not be in their interest.

NOTE: This article was based on polls of representative samples of the Polish population of February-May 1993 by Demoskop and February 1993 by the CBOS.

* Christian-Democratic, Catholic Voters Examined

93EP0300B Warsaw LAD in Polish No 26, 27 Jun 93
pp 1, 8

[Article by Maciej Letowski, editor in chief of LAD: "What Will the Catholic Electorate Do?," under the rubric "Elections of 1993"]

[Text] These are the third elections on which I am commenting in LAD to its readers. First, in 1990 there were the presidential elections, and then in 1991 the parliamentary elections. Each time LAD expressed its electoral likings and antipathies, but we have never been a partisan periodical. Nor shall we be this time. In observing the parliamentary elections, we shall try to find answers to the following questions:

- Will the elections strengthen or weaken democracy in Poland?
- How will the Catholic electorate influence the results of the elections?
- Will the standing of the Christian Democrats be strengthened or diminished?

Democracy

Let us begin with several banalities, which, fortunately, are no banalities. There is no political democracy without elections, although there can be elections without democracy, as our experience not so long ago shows. Elections are no plebiscite or farce only if there exists the real possibility of choosing among various goals or among various roads leading to the same goal. Hence, those people who are proposing to us elections in which "proreform forces," on the one hand, are to oppose "politicos crazed by hate," on the other, essentially want to deprive us of the right of choice. So do those who propose to us a choice between nationalist parties, on the one hand, and forces protecting [former communist] agents, on the other. To be specific, parliamentary democracy would not be helped by forming a single electoral list comprising the Democratic Union, the Liberals, the Christian-National Union, and the conservatives of the Polish Convention, and opposing to it, as the sole alternative, an alliance of the Movement for the Republic, Center Accord, and the Movement for the Third Republic.

We shall have genuine elections only when the fundamental issues facing Poland nowadays are presented to the people for a decision. Those issues include choosing:

- An economic model (liberalism or a "social" market economy).
- A health insurance and pension system.
- A farm policy (protecting Polish agriculture or reducing it to a farmer system [as published]).
- A system of governance (parliamentary-cabinet or presidential).
- The ethical foundations of the state (a secular state or one that allows for the special role of the Catholic religion in the life of the nation and state).

—A foreign policy (a rapid and complete integration with NATO and the European Community or building an independent Polish economic and defense position in cooperation with other countries of the region).

In voting for any party or coalition, I would like to believe I am making a choice on precisely the above issues and that the party for which I vote will not forget its campaign planks.

Another premise for democratic elections is electoral law. Before the previous elections, I was decidedly in favor of a totally proportional, direct vote. Of course, I was aware of its weaknesses, but it had the fundamental merit of reflecting reliably the political differentiation of society and affording equal opportunity to all political forces. The point was that the machinery of the electoral law would not deform the will of the voters and that no one could claim he was the victim of an injustice in the first free elections. The electoral law of two years ago has already accomplished that purpose. By now, we know who counts and who does not, who has a promising future and who does not.

Two years ago, I also proposed that the next elections would be based on a revised electoral law introducing "thresholds." I predicted that such a law would be passed because the incumbent deputies would thus want to strengthen their chances for reelection. And that indeed took place. I believe that the new electoral law is good (except perhaps that the thresholds are too high.) As a result, parties with similar political aims will be forced to form alliances, and, thus, the permanence of political alignments and the authority of the parliament will be strengthened. Then fewer individuals will explore authoritarian solutions based on strongman rule.

The Catholic Electorate

Before the previous elections, I wondered whether a Catholic electorate would arise in Poland, as that was not so certain at the time. After all, while such an electorate exists in some European countries (Italy, Belgium), it does not in others (France). In the countries where it is absent, the votes of the Catholics are dispersed among various conservative, demoliberal [as published], and social-democratic parties.

In years past, there had arisen at one time a real danger that the Catholic world would lack its own political representation in Poland. That was the aim of politicians with secular and liberal views. They kept alive amorphous citizens' committees in order to avoid any public declaration of their ideological views. It was they who established the Democratic Union, in which socialists, liberals, and Catholics supposedly coexist equally. And the weakness of the Christian groupings before the elections of 1991 merely aggravated those fears. Fortunately, the outcome was different, largely to the credit not so much of Christian politicians as Catholic voters and, let us admit it, the clergy.

The facts speak for themselves. Every fourth voter cast his ballot for parties that more or less openly and sincerely proclaimed their attachment to Christian values, such as

Electoral Catholic Action, Civic Center Accord, Peasant Accord, and the Party of Christian Democrats, which jointly won 25 percent of the national vote and a like percentage of seats in the Sejm. "In the present Sejm, as compared with the preceding one, Christian forces will be represented to a greater extent and play a definitely greater role in the governance of the nation," was what I wrote following the elections of 1991. And that is what happened. After all, the bloc of Christian groupings was the foundation of the government of Prime Minister Olszewski, and, without the support of some of those groupings, the present government of Hanna Suchocka would not have been possible.

But now the principal question is whether that Catholic electorate of two years ago still survives. It shall be definitely answered only on Election Day. For now, we can only speculate on the basis of intuition, a feeling for the mood of the public, and sociological studies. On that basis, I wish to offer the hypothesis that the Catholic electorate still exists and will again play a major, though perhaps smaller than in 1991, role in the coming elections. Unfortunately, it may be a smaller role because the one and one-half years of political activity of the five above-named parties have caused more disappointment than satisfaction and repelled rather than attracted new sympathizers.

Consider the opinion polls. Those conducted in 1991 showed that nearly 20 percent of voters intended to vote for the above-mentioned parties (and, as I noted earlier, 25 percent did). Nowadays, the polls say that those parties enjoy the support of about 10 percent of voters. It can be concluded from those data that one-half of the Catholic electorate has, after the experiences of the last Sejm, either transferred its support to other parties (which is less likely) or adopted a more reserved attitude toward the potentially still "its own" parties (which is more likely). If that is so, in the course of the electoral campaign, the Christian parties may regain their electorate from two years ago. It will not be easy, but it is possible. But, for that to happen, they must respond to the ubiquitous demands for unity of action. I am aware that a multiplicity of parties provides us citizens with the pleasure of choosing among them, but it is really too much if we have to choose among three separate Christian-democratic parties. Gentlemen politicians, one should suffice, so long as it is strong. Once again, it will also be important for churchgoers to hear recommendations from priests and nonpolitical Catholic organizations, such as Catholic associations and religious movements, as to which parties to support. The number of such organizations is rising, and they are expressing more and more fully the interests and views of Polish lay Catholics.

One other difference between the present Catholic electorate and that of two years ago is that then it was fairly homogeneous, being divided only into the group of those whom the above-mentioned parties suited and those who thought it possible to cast their votes for the Democratic Union and Liberals. Catholics who had intended to vote for the Christian-National Union in 1991 felt no special animosity toward Catholics who planned to vote for Center Accord. But nowadays some of those parties are represented in the Suchocka government, while others are

definitely in the opposition. That is also bound to affect the divisions within the Catholic electorate. Will the incipient electoral campaign compound and consolidate those divisions? Will it result in breaking up and weakening the Catholic electorate?

The Christian Democrats

And, last, during the previous electoral campaigns, we asked about the place of the Christian-democratic idea in the elections. We asked which segment of the Catholic electorate would support the Christian democrats, and we also asked whether the Christian democrats in Poland would prove strong or be relegated to a marginal role.

In the elections of 1991, the parties defining themselves as Christian-democratic sustained defeat. The small memberships of Christian Democracy and the Party of Christian Democrats are hardly gratifying. The only alleviating circumstance is that politicians with Christian-democratic orientation are also represented in other party caucuses of deputies, especially those of the Christian-National Union, Center Accord, and Peasant Accord. Have they as politicians utilized the first term of the Sejm to strengthen the Christian-democratic idea in Poland? They have, but much more in words than in deeds. Nowadays, much indicates that the 5-percent barrier will not be overcome on its own by any of the Christian-democratic parties.

Hence, the emergence of Christian democrats as an independent and significant grouping cannot be reckoned with, at least not in the short run. That is a dismaying finding to us, to LAD, who have for years been supporting everyone who wanted to do something for Polish Christian democrats.

Thus, the situation from the previous term will recur. Christian democrats will be included in the Sejm, but they will represent other parties or act in coalition with them. The next few months will not change anything in that respect. There is too little time, and there are too few people to whom the Christian-democratic idea is so close that they would be ready to risk their political careers for it.

Last, a few words on how we view the role of LAD in the ongoing campaign. As I stated at the outset, it will not change. As before, our weekly will accommodate the views of all of those parties and politicians that genuinely base their public activities on the social teachings of the Catholic Church. And the views of some are represented more often than those of others; that will solely depend on the extent of each party's proactivism. In addition to the aforementioned ideological barriers, we will stick to the bounds of good taste and decency. We do not consider admissible just any tricks and arguments, even if, in the opinion of a given politician, they promote the cause. Our subtitle, "A Catholic Weekly," after all obliges us to do something.

*** Country Said To Be in 'Revolutionary Situation'***93BA1157A Bucharest COTIDIANUL in Romanian
14 Jun 93 p 2*

[Article by George Carpat-Foche: "We Owe Ourselves a Great Upheaval"]

[Text] Beyond all its unquestionable virtues, pragmatism in politics can have, if not destructive, at least demobilizing consequences, because it implies an acceptance of context. Without criticizing its structures, pragmatism thus becomes a form of evasion. It takes fierce refuge in details, even when the symptoms can be cured simply by drastically treating the whole ailment.

Today, we have in our country an almost classic revolutionary situation in which all the manifestations of the crisis are the result not of circumstances, but of the entire context—the Iliescu regime. Whoever doubts this diagnosis need only review, even if superficially but with the required detachment, the events that have taken place since December 1989 and their consequences. The transition to democracy and to a free economy has been reduced to a reform of the communist system toward liberalization and decentralization, at times with concrete changes more modest than those obtained by Gorbachev in the former Soviet Union. The two parliamentary elections intended to substantiate the proclamation of democratization, were perverted with immense shamelessness and with unequalled disregard of the Romanian and western public opinion. Unlike any other East European government, the coterie surrounding Ion Iliescu brought into the streets the communist assault battalions disguised as miners, in order to intimidate the opposition and the intellectuals in particular. Real power was meticulously repartitioned and entrusted exclusively to the pillars of Ceausescu's bureaucracy: At least ten appointments in the present government are filled by notorious communist activists and *Securitate* collaborators. Privatization is increasingly taking the form of property transfer from the state into the hands of the communist neobility. From open violence to insidious blackmail, the "converted" of the Romanian communism have milked all the accounts of the dictatorship, and despite this, have come to be considered as good faith examples of radical reformism.

Of course, the bureaucracy can very well continue to govern as it has. Its crisis is at most one of consequence, because in the words of La Fontaine, any victor who exceeds his measure is digging his own grave. On the other hand, the Romanians certainly cannot continue to live as they have. The agony surpasses all imagination, and for obvious reasons of political psychology, the population is once more being tortured with a deprivation strategy. But despite exploitation, fraud, illegalities, and corruption, despite the confiscation of the state and the economy by the former political police, despite the pervasive despoliation and agony, the revolt is not taking place. The reasons are clear. Above all, a diffuse terror exists in the political arena, which even the opposition parties are contesting, but which has defused anticommunist sedition. In addition, the circles in power have persevered in a massive

campaign of demobilizing the antigovernment forces through caricature and aping.

The great *Securitate* national theater has included in its repertoire and has already staged as variety skits all the possible scenarios, from spontaneous revolt on the part of the masses, to the "unmasking" of corruption. Their unreality suggests that any similar action would be doomed to failure from the start. And lastly, Western democracies have had the foolishness to accept and tolerate this huge mafia-type swindle, leaving the Romanians alone to face the old communist repression machine even though they knew with whom they were dealing as early as June 1990.

Under these conditions, most of our politicians and journalists took refuge in pragmatic criticism of the errors and abuses of the government, thus confirming on their own merits the structures that remained behind the democratic facade. And yet, under these conditions we owe ourselves a great upheaval, because it alone can tear in one stroke the entire fabric of forces and relationships in the Iliescu regime. But revolt is part of political practice, not of pragmatic options.

Let us acknowledge that the democratic opposition, and I'm convinced that together with it, the majority of the nation, has lost the political match in the conflict with *Securitate* and with the Ceausescu party backbone, when it accepted the fraud of the 20 May 1990 elections and when it did not react in equal measure to the aggression in University Square and the miners' invasion. It became clear even then, that the heirs of the "national" communism are relying on brutal force, and that they can be removed from the country's helm only through exceptional actions. Ion Iliescu carries the sign of Cain clearly stamped on his forehead. Let us remember the full context every time we take the government pretensions seriously and analyze its lies and falsehoods, and not only once a year, in an eternal, sad mid-June.

*** Ultrationalist Blacklist Contents Analyzed***93BA1159A Bucharest BARICADA in Romanian
15 Jun 93 p 3*

[Article by Vlad Macri: "A McCarthy in Bucharest?"]

[Text] We all know the evil role played by a certain commission in postwar America investigating "anti-American activities," presided over by Senator McCarthy. Innocent people lost their jobs, talents that could have brought fame to the United States were brought down or forced to go into exile, and a typically Stalinist terror spread in the democratic air of the New World. For example, a valuable director could be left out in the cold merely for the "fault" of having participated in a pacifist demonstration or for several friends accused of having communist sympathies whom he refused to incriminate before the inquisitors on that commission. It was useless to insist that all these procedures were unconstitutional.

The McCarthy commission belongs to the past; those who lived through it remember it today with the same "pleasure" with which they would think about the entire cold-war era. However, the McCarthy style is catching on in

other places, particularly East Europe. "Blacklists," a recent specialty of the Pamyat in Russia, have also reached us. And where else but in ROMANIA MARE, the head of which more than a year ago had the idea to establish a kind of "commission" to investigate the activities he felt were "anti-Romanian." The celebrated "shame list," which includes 177 names, already is "evidence" of the country's traitors, political hooligans and robbers who plundered Romania.

I do not think it is necessary any longer to dwell on the degradation that comes with the idea of blacklists or on the danger this way of dealing with political enemies represents; both the moral as well as legal aspects are clear for anyone with a head on his shoulders. With regard to the "informing" of certain citizens, who are at the origin of the list of the 177 names, it is not at all important if they exist or not: Nearly everyday at BARICADA we receive other information accusing Corneliu Vadim Tudor and Adrian Paunescu of treason. It is a matter of any citizen's right to express his opinions freely, but this right cannot justify any kind of "evidence of treason."

What is shocking about ROMANIA MARE's blacklist is the order of the chaos; not even alphabetical order is strictly respected, but more interesting is the juxtaposition of certain people with completely different areas of definition and, implicitly, with extremely varied kinds of imaginary guilt. For example, Liviu Mihaiu works on ACADEMIA CATAVENCU, a satirical magazine. Can its fault be compared with the entire series of treacheries, selling of the country, and other horrors of which Petre Roman and Theodor Stolojan are accused? Can any equality exist between the overwhelming crime of being a monarchist, like Simina Mezinescu, and the already banal infraction of espionage, for which I suppose that Liviu Turcu or Ion Mihai Pacepa are on the list?

"Whoever is not with us is against us." The Vadim madness has added to the list, built on the basis of aberrant taxonomy, all the party's enemies accused of "acts committed against the interests of the Romanian people." Okay, let us prove our good sense and recognize the situation. High officials, businessmen or politicians have an area of action where it is possible to come across examples of treason. For example, Trita Fanita is on the blacklist; the press accused him of deals which seriously harmed the Romanian state. Former high officials like Gelu Voican-Voiculescu or Nicolae Militaru in their post-December careers still have many gray areas. However, it is the business of the institutions of the state of law to clarify these cases, not of a reporter who reached Parliament through Murphy's Laws.

Along with this category of accused, three more kinds of "traitors" are also on ROMANIA MARE's list. First, those who are not members of political parties, the cultural figures who are not even concerned with the catastrophic imports of grain or sugar, like Gabriel Liiceanu or Andrei Plesu. Second, reporters from the enormous number of publications with different political orientations. How they could commit treason against the country as reporters I admit I do not understand. Clearly, in their spare time

Adrian Antonie or Mircea Toma can enjoy themselves with espionage or counteracting the interests of the Romanian people; even more, if they had the position and talent of Mr. Fanita, perhaps they could amuse themselves with some kernels of grain. But in this case they would not have appeared on the list as reporters but as "spies" or "corrupt businessmen." The presence of reporters among the 177 can only signify an attack on the right to free information.

Third on the "shame list" is the name of a person who apparently does not fit in elsewhere: the writer Octavian Stoica. He did not steal from the public wealth nor did he sell national secrets nor did he adopt a public attitude against the monstrosities delivered by the leaders of the Romania Mare Party. He does not deal in politics. His presence on the list of "traitors against the country" clued me into one single fact: Corneliu Vadim Tudor is no McCarthy. The innocent people pursued by that United States senator represented the paranoid excess of a political system that tried to convince public opinion—by creating hysteria—that the fragile era of American-Soviet "friendship" had ended. The innocent people registered by Vadim represent only those who unmasked him as a profiteer of the transition and a diversionist tool in the hands of the government. Everyone fits into this category, with one exception: Tavi Stoica, whose only "fault" was that he attacked George Alboiu, friend of the court, in BARI-CADA. Does this mean he is a traitor? Is Alboiu somehow called Romania? On the basis of this logic, even the waiter who spilled sauce on Vadim's pants could fit on the list. This means being incoherent even when it comes to hatred.

* Ultranationalist Attack on General Florica

93BA1055A Bucharest ROMANIA MARE in Romanian
14 May 93 pp 1, 3

[Fragment from speech on floor of Romanian Senate by Corneliu Vadim Tudor, president of the Romania Mare Party: "Hurricane Florica"]

[Text] Two Hossus are keeping an entire country tense, Lucica on television and Bogdan in the trade unions. Similarly, two Florica's are currently monopolizing the attention of newspapermen. One of them is a reddish-brown mastiff with white spots, stout but docile, that guards the entrance to the newspaper ADEVARUL (the once and future SCINTEIA). Everybody scratches his fur, everybody whistles and calls out to him, from me to Mitzura Arghezi, Viorel Salagea, Dumitru Constantin, and other wordsmiths. The name Florica is on everyone's lips; he sits astride the majestic stairs like a stone lion, proud, unflappable, and almost certainly full of fleas. It is not a question of lice that Gypsy boys collect in boxes to throw on the clothes of Romanians to be squashed. These are authentic fleas descending as it were from the stories in which the smith shod his animals with one and a half tons of silver, but also from the Ballad of the Flea by that Russian composer Boris Yeltsin. Florica will soon reach the celebrity status of Ghita the Ram, who at the end of the last century plied between the Royal Palace and the Old Senate, stopping along the way at Cretulescu's tailor shop to wolf down cookies proffered by the dainty hands of

lacemakers, and from there to the beer wagon to quaff several foaming steins and even to smoke, the scoundrel, something that proved to be fatal to him.

The second Florica is the chief of the Financial Guard, also called Gheorghe (Florica, of course, not the Guard). All honest people rejoiced when they learned that a career military man had been anointed incorruptible chief, a man with an iron hand who would terrify thieves. Unfortunately, up to the present our Florica has been terrifying honorable people. His so-called revelations, made before the defense commissions of Parliament, disclose really remarkable intrigues. You see, in the view of the intransigent chief the persons guilty of influence peddling and corruption are precisely ones we would not expect, as in a Hitchcock film: finance minister Florin Georgescu, interior minister G. I. Danescu, general government secretary Viorel Hrebenciuc, Chamber of Deputies secretary Ionel Roman, police major general Costica Voicu, Rear Admiral Cico Dumitrescu, SRI [Romanian Intelligence Service] Major General Dumitru Marcu, national soccer team coach Cornel Dinu, head of the newspaper LIBERTATEA Octavian Andronic, and others. Former star soccer player Cornel Dinu probably stole players' spikes, and Danescu peddled influence to Andronic in order to dance once with the lovely Iulia Iorgulescu at the Mustachio Ball. Oh what terrible violations! Hurricane Florica does not forgive such an outrage. He is on the loose and wants to put others in chains. Hurricane Florica could get along well only with Hurricane Florrie that devastated the coastal regions of the United States. It laid waste to the United States coast, and our hurricane devastates Costica Voicu. Way to go Florica! Now go on through the Gates of Paradise and Cico will give you a Pepsi. From now on it will be nice and calm in Romania, now that the monsters of corruption have been unmasked. Florica has fought valiantly, but he has not considered that he might be the namesake of Florin Georgescu, who is twice the man he is, coming as he does from the Rahova neighborhood.

Still, there are several questions bothering me, leaving me to wrestle mightily with my own conscience. For one thing, why has the master Florica waited until now to reveal all these matters? Secondly, why did he choose to publish his revelations exclusively in the *EVENTIMENTUL ZILEI* and *ROMANIA LIBERA*, which are thoroughly anti-Romanian newspapers known for their crazy campaigns against the government and the SRI? Moreover, why do the true protagonists of the corruption and fraud scandals—Petre Roman, Traian Basescu, Crin Halaicu, Adrian Severin, Dolfi Drimer, Marcian Bleahu, Victor Babiuc, D. V. Ursu, Nicolae Viorel Oproiu, Miron Mitrea, Mugur Isarescu, Gh. Robu, Mihai Carciog, P. M. Bacanu, Ion Cristoiu, Lucian Cornescu-Ring, and the beggars of the Soeroes Foundation—not appear on the list of those accused? And another thing: how could he accuse Basescu, when he had asked minister Spiroiu to make him a general, but this soldier rejected this real influence peddling? The fact that master Florica throws out, as a red herring, such names as Trita Fanita, Mircea Vaida, and Elena Stolojan does not fool anyone.

The next point: why was Florica given a hearing by the defense commissions of Parliament, where, by the merest of coincidences, he hacks and hangs the number one bandit of this century in Romania, Petre Roman-Neulander? Does it not seem to you that this is an open fight between the old guard of Babiuc's police and the new ministerial team whom Roman's rogues want to compromise in public? As fifth on the list, why is there no name of MAPN [Ministry of National Defense] personnel on the list? Is it only because Florica is a major general in the Army, or is it possibly because too many of them are implicated in the Cigarette Scandal?

I think that it is proper for me to state my position here. The Army as an institution is above suspicion. The sixth question is this: the irascible chief swears everywhere that he has never stolen as much as a peanut in his life, but what about that document seen by many senators and deputies indicating that he collected about 30,000 dollars, a tidy little sum he could use to buy thousands of tons of peanuts? And as the seventh question, how does Mr. Florica explain the extremely swiftly spreading and loud international propaganda about his confessions, at a time when other scandals under the Roman-Stolojan administrations were passed over in silence? What I am referring to is the BBC, which stated recently that, if it is proved that Florica did not lie, "Romania is a lost country." Is a country such as Romania with a millennial history four times over (in the words of N. Iorga) really lost because of a chattering Johnny-come-lately such as this illustrious unknown who fancies himself to be Napoleon?

Point eight: Does it not seem strange to all of you that Florica's examination by the parliamentary defense commissions fell precisely on 5 May, not a day earlier or later, and so exactly on the day of the proposed general strike aimed at bringing about a popular upheaval and overthrow of the government? The schemers in the shadows reasoned as follows. "Well now, if the people come out into the streets in any event, and if everything proves that the government is corrupt to the tips of its toes, the people will overthrow it."

Point nine: is the hypocritical appeal allegedly directed by Petre Roman to the shame of the Romanian press, *EVENTIMENTUL ZILEI*, not to make any revelation until everything had been cleared up not transparent? I have learned personally from a well-known member of the MAPN leadership that Roman himself, this last Bolshevik occupier of Romania, delivered to the newspaper he patronizes all the elements necessary for blowing up this tall tale. Fortunately for everyone concerned, the former propagandist of the PCR [Romanian Communist Party] Municipal Committee and the former activist of the UTC [Union of Communist Youth] Central Committee are so arrogant that they do not realize that countless spotlights are beamed on them from hundreds of directions, so that each of their dirty movements is known and recorded. The tenth and last point: Hurricane, old fellow, after you blow and sweep everything out of your path, what home base will you draw back to? Could it be Petre Roman whose henchman you are?

I do not want to trivialize a very serious matter. We ourselves declared war on corruption more than a year ago, and so we are highly receptive to any information likely to bring shady contemporary dealings out into the light. Nor do we exclude the possibility that General Florica may be right, but certain evidence is too plain and everything smells too much of the settling of scores a la Mafia as done by Roman-Carciog-Cristoiu-Bacanu. The Ministry of the Interior corrupt? And who says this? The Financial Guard, which, according to testimony presented to a plenary session of the Senate of Romania by Major General Costica Voicu, tried to to smooth over a scandal that erupted in the provinces and involved a prominent member of the Guard, with the incredible statement that "we could have reach a different agreement, in a more humane manner." How different? By settling on petty theft. In any event I have learned from the dignitaries accused that they are going to take General Florica to court. Even if the difficulty is resolved, I have a good idea for something to be done. I for one am not on anyone's side, except that of Truth and Justice. We have taken no money. We have given money, to all those oppressed by fate, to churches, to archeological excavations, to schools, to shelters for the elderly. So it is that we can hold our head high and view all these infernal machinations with untroubled vision. I very much fear that poor Florica has lost his nerve; I am otherwise at a loss to explain how he could attack President Ion Iliescu and Prime Minister Nicolae Vacaroiu in this manner. Not that they are untouchable or above the law—not at all—but it is hardly probable that they could sponsor such petty theft, in view of their uprightness and experience. At the same time, I do think that the prime minister made an error, in that he should have consulted the minister of defense, the honorable Nicolae Spiroiu, before dismissing Florica. The reason is that the figure in litigation was not only undersecretary of state for finance but a major general in the Army. And you know something else I do not like? It is the fact that a newspaper I sincerely respect, LIBERTATEA, continues to tease us dreadfully, to use the words of Caragiale.

The Army and the world at large watching us erroneously think that the SRI has a hand in this. One thing is certain: a sort of strange war has started between the Economic Police and the Financial Guard. This is too bad, because these two entities should work together, not criticize each other. Several months ago, at a meeting of the Supreme Defense Council chaired by Ion Iliescu, General G. I. Danescu said something that makes very good sense. "It would be a good idea to let these two expose each other so that both the Police and the Army could get rid of their worthless people. The only thing is that while the Army investigated several suspicious cadres, the Police did not keep its word. What a tangled mess of problems!"

Of one thing I am certain. There are quite a few officials who do not live on their salary alone or by legal business but from deals in which they receive steady commissions. We will see what we will see. For the time being let us remember the good thing about Hurricane Florica: the first spadeful of soil has been upturned in the garden of corruption. Now the avalanche can no longer be stopped.

Frail Mr. Florica has two choices: either he is honorable and will go down in history with a better reputation than Commissioner Cattani or he is a rascal and will go to jail. You cannot extricate yourself from this dilemma, I say. It is devilishly infuriating. And yet, the dog Florica and Commissioner do have something in common. What is it? They both guard the truth [ADEVARUL].

(Excerpts from this speech were the subject of formal discussion at the Senate session of 10 May 1993.)

Florica's Deputy Testifies Before Parliament

*93BA1158B Bucharest EVENIMENTUL ZILEI
in Romanian 12 Jun 93 p 3*

[Article by Simona Popescu, Anca Alexandrescu, Crina Nedelcu, Marcela Feraru, Dan Andronic, and Radu Palsu: "Yesterday, Before the Commission Investigating Corruption, Radu Hortopan Confirmed That High Officials Are Involved in Dirty Dealings"]

[Text] Yesterday morning, in the Senate building, before the commission investigating corruption cases, another episode in the most wide-ranging parliamentary anticorruption action concluded. After having heard the former chief commissioner of the Financial Guard, Major General Gheorghe Florica, the commission yesterday heard his former deputy, Radu Hortopan.

At the beginning of the proceedings, the commission chairman, FDSN [National Salvation Democratic Front] Senator Romul Vonica, drew the attention of commission members to the account of the previous day's proceedings published in EVENIMENTUL ZILEI and asked them to keep silent about the things that would be discussed. Some of the commission members did not agree with the manner in which the chairman raised this question and asserted that they had the right "to say what they think," and that "there were no state secrets at stake."

At 0921, Radu Hortopan was invited to take the stand before the commission and was asked to express his point of view concerning the cases of corruption and influence peddling reported by the press, cases that concerned the work of the Financial Guard.

During his testimony, Radu Hortopan confirmed all of the cases reported by Maj. Gen. Gheorghe Florica in the summary report presented to the parliamentary commission. Unlike at the previous hearing, this time the commission received some documents attesting to the involvement of some high officials in cases of corruption and influence peddling. Radu Hortopan's testimony was much more precise; he made specific reference to data he had gathered during the period when he held the job.

The members of the commission were dumbfounded by the references to the involvement of the secretary general of the government, Viorel Hrebenciuc; of the secretary of the Chamber of Deputies, Ionel Roman; and of the Minister of the Interior, George Ioan Danescu, in some dubious dealings. Due to the breadth of the implications raised by the conclusion of an investigation, panic ensued

when the "Cigarette Affair," "Ana Electronic," and "Oltcit," as well as the connections between these affairs and high officials of the government and of the FDSN, were presented in detail.

A surprising statement was made before the commission: Interior Minister George Ioan Danescu was implicated in the illegal selling off of objects confiscated by the police. The affair of the London Street building rented out by the SRI [Romanian Intelligence Service] to a firm belonging to LIBERTATEA chief editor Octavian Andronic, implicates the SRI, too, in this affair.

The hearing came to a close after approximately three hours, Monday, at 1400, with the understanding that Radu Hortopan would answer the questions of the members of the commission at a later date. Since each member has prepared more than 10 questions each, one can assume that the next meeting will be rather long.

The commission members refused to make any statements to the press, leaving that difficult task to Romul Vonica. And this time the person who had testified exited through another part of the Senate building in order to avoid any contact with reporters.

The Commission on Corruption Orders an Investigation To Track Down Sources of Leaks

The meeting of the special parliamentary commission investigating cases of corruption opened stormily from the very first minutes of the morning. The crisis was unleashed by the publishing in *EVERIMENTUL ZILEI* of confidential items relating to Gen. Gheorghe Florica's first hearing.

The first victim was the commission's secretary, who was under suspicion because she would have had the means to make a photocopy of the documents. The secretary, maintaining her innocence, laid the blame on the Permanent Bureau. Authoritative sources have informed us that a rigorous investigation has been ordered in order to uncover the persons guilty of the leak.

Starting yesterday morning, because of the special importance of the documents and of the conversations carried on in the commission on corruption, a guard has been posted in the entry way, at the entrance door.

Radu Hortopan: The Commission Really Means Business

"In my opinion, if I may be permitted an appraisal, the commission really means business. It wants to collect and elucidate as much information as it can. I am confidently awaiting the next hearing on Monday at 1400."

The SPP Fell Into General Florica's Trap

Yesterday at 1605, Maj. Gen. Gheorghe Florica called our editorial office to give us a sensational piece of news. He knew from reliable sources that the people who take care of security at the Senate, the SPP [Protection and Guard Service], are leaking pieces of information which are considered to be job secrets; therefore, before Gen. Florica left the hearing, he laid a trap for the leader of the guard then on duty at the Senate gate.

"I intentionally left behind my identification card when I exited the hearings. I did this to see whether my inattention would indeed reach reporters' ears. My hunch was borne out. LIBERTATEA today (editorial note—yesterday afternoon) tendentiously reported my forgetting my identification card. In that way, I demonstrated what had needed demonstrating: that some SPP members leak information—job secrets—to LIBERTATEA reporters," the former general commissioner of the Financial Guard told us.

This incident is all the more serious because the chairman of the commission who heard Gen. Florica, FDSN Senator Romus Vonica, had specifically pointed out to the SPP that they must not leak any information of any kind to anyone.

Commentary on Corruption Points Finger at FSN

93BA1154A Bucharest EVENIMENTUL ZILEI in Romanian 3 Jun 93 p 1

[Article by Ion Cristoiu: "Why Is the PD (FSN) So Interested in Burying the Investigation of Corruption?"]

[Text] During the interesting broadcast of "Night Shelter" on Unipus, when I answered listeners' questions for seven hours straight, from 2300 to 0600, a lady asked why the PD (FSN) [Democratic Party [National Salvation Front]] is so interested in burying the investigation into General Florica's disclosures. I answered that I did not understand. Are you talking about the FSN or the FDSN [Democratic National Salvation Front]? The FSN, the listener stressed. My reaction was perfectly explainable. Like everyone else I was convinced that it was the FDSN, not the FSN, that was interested in not letting the investigation take place. After all, many of those on General Florica's list are high up in the Vacaroiu government. I thought it normal for the FDSN, the government party, to be interested in burying the investigation while the FSN, the deadly enemy of this political formation, should be urging that the investigation go right up to the bitter end. That is why I thought that I had not understood very well what party the distinguished listener was referring to.

What happened yesterday in Parliament once again convinced me that the simple citizen's intuition can count for more than our reasoning as newsmen. This is because yesterday's events show us that the listener was correct: The FSN is interested in burying the matter.

When the problem was raised as to what the parliamentary commission formed should investigate, starting with the corruption scandal, the FSN representatives went all out, opposed to its aiming primarily at the matters disclosed by General Florica. A man representing the party with half its name in parentheses [i.e., PD (FSN)] even said that you cannot attach much value to some disclosures appearing in a scandal sheet. It is easy to guess that the scandal sheet was *EVERIMENTUL ZILEI*. The PD (FSN) members in Parliament based their intervention on a thesis much loved by Petre Roman: that the Prosecutor's Office should decide this matter. The PD (FSN) leader maintained that

the Prosecutor's Office has the ability to intervene independently, without there being any further need for involving a parliamentary commission.

In my opinion, the PD (FSN) members in Parliament and Petre Roman are wrong. To allow the investigation into General Florica's disclosures to be handled by the Prosecutor's Office means to condemn it from the start to a burial with cortege. Despite the unlimited faith that Petre Roman has in the Prosecutor's Office, I do not think this institution has the power at this time to investigate those named in General Florica's disclosures; not so much because they are powerful, influential people, but rather because they are politicians. No matter how hard Ion Iliescu tries to convince us that the corruption scandal must not have any political connotation, actually it is impossible for it not to be used in a political battle in Romania today. The Prosecutor's Office knows this, just as it also knew that the corruption scandal during the Roman government could not help but have political connotations. No matter what the result of the Prosecutor Office's investigation would be, it would immediately be labeled from a political viewpoint. The actual investigation of certain well-known people in power today has a political aspect in a country where a simple call to the Prosecutor's Office is already felt to be a recognition of guilt. Paralyzed by the political significance of the investigation, the Prosecutor's Office would try to quibble about it. Undoubtedly the best solution would be for it to be left in limbo. A specific and precise result would immediately dissatisfy one of the two battling camps. Avoiding a conclusion is an opportunity satisfy everybody.

Things would be different with a parliamentary commission. Even if it was comprised just of deputies who are FDSN senators, a parliamentary commission would be rather zealous in its activity. Because the pride of being a member of the legislative branch, of being a member of a body that is felt to be superior to the executive branch, would enter into it. The PD (FSN) members of Parliament are too smart not to know this. However, they pleaded for the entire affair to remain exclusively in the hands of the Prosecutor's Office, hoping that the whole thing would remain in limbo. And this is a situation that could only please the PD (FSN). A specific result in the investigation into General Florica's disclosures would have entailed a decisive incentive to investigate the Roman government thoroughly.

Conversation With Former Intelligence Officer

93BA1120A Bucharest BARICADA in Romanian
11 Jun 93 p 21

[Article by Liana Cojocaru: "What Did I Talk to M. Pacepa About?"]

[Text] I talked to him about the "Nistru Plan" (the Venus Publishing House transliterates that word as Dnestr) that was intended to remove N. Ceausescu, create the FSN [National Salvation Front], and place Ion Iliescu in control; a plan that, in fact, was developed in 1976 when President Nixon came to Romania. It was then that the "Nistru Plan" was developed and discussed and the FSN

was understood to be a mascot of the KGB. In Spain, the FSN was the first organization created too, while in Moscow, then buffeted by the actions of democratic and conservative forces, the FSN was also the first organization whose name was uttered. Given the various movements and political structures of that time, there had to be an FSN in Greece as well, in keeping with this plan for overturning Communism and installing new democracies.

Of course, much has changed in the world, Mr. Pacepa told me, but these politicians do not know anything but a Soviet style of government with the secret police being an integral part of it. Those who were to have taken part in the Romanian FSN are named in chapter 21 of his book, *Mostenirea Kremlinului [The Kremlin's Legacy]*. Mr. Pacepa went on to tell me that there were 10 or 11 people involved in this plan to remove Ceausescu, including Ion Iliescu who was the most important individual and who naturally was to be included in the future government. He also told me that immediately upon the outbreak of fighting in December 1989, Mr. Iliescu asked for Russian military assistance, using a secret telephone line to Moscow. Mazilu was also there but Guse categorically refused. The presence of terrorists was to be the motive for Russian military intervention. Mr. Baker was asked if he would agree to such an intervention and he said he had nothing against it if the Russians agreed. Mr. Pacepa, who knows quite well the Soviet style of government imported to Romania 45 years ago, says there can be no fundamental change unless the young people take over the destiny of our country.

What struck me as odd during the long conversations we had over the telephone was that Mihai Pacepa knew the specific date that the Romanian president was to visit the Holocaust Museum [in Washington] as well as the makeup of the Romanian delegation. This was remarkable for someone isolated from Romanian life. I asked him about that and I learned that he is consulted on matters concerning Romania and Eastern Europe, being the best authority on those subjects. He said that his contacts with White House dignitaries continue, and that although it is not apparent to the casual observer, his word continues to be decisive.

In discussing the situation of East European countries, he told me that Romania is not a special case and that the current political contortions we are undergoing are the same as those of other countries with the same fate. He did say that there could be decisive change if those compromised personalities in charge could be removed.

I could not say for sure what opinion he held of the monarchy, although he appeared to be favorably disposed toward it. I expressed my opinion that King Michael does not appear to have very many competent persons either in Romania or in the diaspora for an efficient publicity campaign or to fund seriously any such campaign. He told me that he could not interfere or give any sort of advice to His Majesty. The sense that I came away with was that he did not want to irritate him.

Regarding Iliescu's presence at the head of the country he told me the following: "Moscow put him there and then

forgot about him. They have too many of their own problems. Perhaps the young people will remove him."

As to the publication of *Mostenirea Kremlinului* that will soon take place in Bucharest, the author wanted it to appear first in Romanian for reasons of "sentiment and patriotism." He said he hoped he could be useful in the process of bringing democracy to the country as he knows in detail how the system that the Kremlin inspired functions in the country. He indicated he was available for interviews and to write articles based on the major themes that appear in the book: "In whose hands is the technology to develop the Romanian atomic weapons that Ceausescu spoke of publicly on 15 November 1988, and 14 April 1989?" Pacepa coordinated that activity until 1978.

There are other questions and answers that he wants to be made public: "Where is the heavy water produced by the Icechim pilot station and why has no one discussed the fate of the heavy water plant that Romania began building at Slatina in 1978? I coordinated the project for the heavy water that was to be used for operating the Candu reactor and for producing weapons-grade plutonium. What happened to the secret project for manufacturing medium-range missiles that DER SPIEGEL reported about on 8

May, 1989? What happened to the chemical and bacteriological weapons created under Mihai Chitac? I coordinated the information part of that operation. Why is Romania the only country of the former Soviet bloc—with the exception of the former USSR—that has remained completely silent about the cooperation between its intelligence services and international terrorist organizations? I knew in detail the DIE's [Foreign Intelligence Directorate] involvement in international terrorism. What was the purpose of Ceausescu's secret funds in financing, for example, the FSN [National Salvation Front], the PRM [Romania Mare Party], and other cryptocommunist parties that are in Parliament? I administered those funds until 1978. Why hasn't the *Securitate's* centers for intercepting telephone conversations, listening to hidden microphones, and censoring mail been transformed into museums of freedom as has happened with those of East Germany and other countries in the Socialist camp? Just making public the addresses, photographs, and buildings in which these are located would touch off a major and long-running debate with the press."

To some of these questions, *Mostenirea Kremlinului* will respond in detail. To others, it will be up to history to answer.

*** Documents From Second SDL Congress
Published**

93CH0712A Bratislava PRAVDA in Slovak
3 Jun 93 pp 9-10

[Documents from the Second Congress of the Party of the Democratic Left (SDL) held on 22-23 May 1993 in Zilina]

[Text] The Second Congress of the Party of the Democratic Left [SDL] held on 22-23 May 1993 in Zilina

Approved

- Program document titled "What the SDL Is Striving For."
- Address by SDL Chairman P. Weiss on "Evaluating the Current Political Situation and the SDL's Approach to Resolving Social-Political Problems of the SR [Slovak Republic]."
- SDL organizational bylaws.
- Economic program titled "A Promising Path Toward Revitalizing the Slovak Economy."
- SDL social program.
- SDL foreign policy program.
- Theses of the SDL's communal and regional policy.
- Resolution on the social-economic situation of citizens.
- Resolution on Slovak statehood.

Elected

- As chairman of the SDL: Peter Weiss.
- As vice chairmen: Pavol Kanis, Dusan Dorotin, Alzbeta Borzova, Milan Ftacnik.
- As other members of the executive committee: Michal Bencik, Leopold Moravcik, Vladimir Faic, Jozef Murgas, Juraj Kovacic, Stefan Rusnak, Peter Bohunicky, Robert Fico, Jan Varju, Danica Martinkova, Roman Hradecky, Juraj Plesnik, Mikulas Sidik, Jaroslav Klvac.

Consummated

Programmatic and political orientation of the SDL proceeding from the tenets of the Socialist International.

And Resolved

To apply for membership in the Socialist International.

Resolution on the Social-Economic Situation of Citizens

At present, our economy finds itself in a state of shock. Economic problems Slovakia is grappling with generate enormous social problems, tension in society. An ever-growing segment of the population is falling below the existential minimum and passing the threshold of poverty. Most vulnerable are primarily the jobless, the pensioners, invalids, and families with small children.

In consequence of excessively restrictive policies of privatization carried out without proper concept, reliance on the mechanisms of a nonfunctioning market, because of the loss of markets in the countries of the former CEMA which was not compensated for by entering the market of

advanced countries, as well as due to insufficient preparation for independence the macroeconomic stability is threatened and the enterprise sphere finds itself in a deep crisis.

We see a promising way out of this grave economic and social crisis by means of creating conditions for a transition to an effective, socially and ecologically oriented market economy. The following are the primary prerequisites:

- Continuing the transformation.
- Halting a further decline in the efficiency of the economy and restoring economic growth.
- Maintaining a socially acceptable level of the transformation process.

In the interest of meeting these goals we propose application of a development-stabilization policy as a combination of a moderately expansive monetary-credit and a restrictive budget and wage policy.

An expansive monetary-credit policy would create impulses for development activities, for the production of salable (convertible) goods, assuming that additional financial resources would be targeted to the support of not only foreign trade but also investment, scientific research, and education activities serving to open up our economy to the world market and further upgrading the human capital—one of the few advantages Slovakia has so far managed to preserve.

On the other hand a restrictive budget policy ought to forestall acceleration of an inflation spiral while at the same time budget restrictions should not be a bar to carrying out necessary social functions.

This requires also application of a market-conformable policy in regard to foreign economies which in the interest of Slovakia's entering into the world division of labor should respect existing international agreements, conditions of our membership in international economic institutions and organizations, and which would create prerequisites for expanding cooperation within the framework of the Visegrad group, with Ukraine and Russia, as well as other traditional partners of the SR.

We see the most profound cause of the crisis in the destruction of the enterprise sphere due to privatization carried out without a concept and failure to tie it to the requirement of efficiency. To overcome this means resolving the financial crisis of the enterprises and placing managers in a position allowing them to play the main role in restoring vitality to the enterprises, in resolving the so-called preprivatization agony. We propose an accelerated destatization of enterprises and transferring ownership control by managers where appropriate to holdings functioning in accordance with market principles, increasing the oversight role of supervisory boards of corporations. The excessive role of the state should be limited also by nonmarket democratic institutions which would eliminate the power of the bureaucracy.

In the privatization process we advocate equality of all forms of ownership. Among the standard methods we regard public competition as the most suitable.

We ascribe great importance to commercial companies of employees (as for instance corporations and limited liability companies) which allow for utilizing the ownership motivation of employees and for their participation as equal partners in creating a market climate.

In privatizing housing stock it is necessary to respect ownership by communities and localities. It is imperative to take into account the financial possibilities of the population and provide housing subsidies to socially disadvantaged citizens. Housing construction and completion of apartments under construction should be supported by establishing a government and community funds for housing development.

In regard to agriculture it is necessary to design and implement a policy that would establish prerequisites for making Slovakia's food supply secure. A reasonable budget and credit policy should create conditions for a restructuring and increase competitiveness of the farm production. Farm enterprises should receive support regardless of the way in which they organize their production or the form of their ownership.

An important factor in ensuring social-economic balance and structural change are the regions. Their position must be made stronger through systemic measures in budget, tax, and subsidy policies as well as by establishing regional development funds.

With regard to ensuring social acceptability of the transformation we ascribe an important role to:

- The preparation and execution of a concept of a social system geared to a realistic program of active employment with stimulants for the enterprise sphere.
- Rebuilding the social security system with a view to strengthening individual interest in addressing one's own problems.

We propose differentiation in social benefits and assurance of an appropriate relationship between minimum wage, material security for the unemployed with benefits as the sole source of income, social dependence, living minimum, and guaranteeing valorization of social benefits as a generally acceptable policy, partial compensation for the cost of living.

We also regard it as necessary to combine the health insurance system with state support and health protection and to create conditions for assuring health care for every citizen at least on a standard level.

The SDL recognizes that absent a speedy adoption of measures to revitalize the economy, our society will be condemned to suffer long decades of decline and stagnation, to coldhearted abuse of the people of labor and a pronounced deterioration in the situation especially of the socially weakest and at the same time most vulnerable segments of the population.

We recognize that mastering the tough demands of a road not tried before by anyone presupposes an intellectual and programmatic cooperation of all genuine patriots. The SDL calls for such cooperation and is ready for it.

Resolution on Slovak Statehood

The SDL has accepted independence of the SR as a challenge and an opportunity, the mastering of which is a matter for all of us. We appreciate the fact that the SR was born in a civilized manner, without violence. Many steps have been taken to assure a functioning administration of the SR, thus proving that we are capable of managing our own affairs. The government, when acting alone, however failed to show an adequate conceptual, organizational, and personnel preparedness and thus has aggravated crisis moments having a negative impact on the citizen.

The rapid drop in civic activity is a signal that elements of self-government, the basic condition for building a civic society, are failing in our politics. But politics cannot be conducted for long without participation of the people. It is a question of time when they will return to it. For the SDL it is of the essence with whom, under what slogans, and around which political programs the civic society will become active again.

Slovakia is presently facing the task of building a modern state; the SDL wishes to contribute to accomplishing this task. We understand the SR's attainment of independence not as separatism heading toward estrangement, isolation, and national exclusiveness but rather as a democratic form of full-fledged development of Slovakia which is part of a Europe in the process of integration.

The SDL considers it important for the future of Slovakia that the institutions of an independent state are completed, meaning in particular the building of democratic political power structures and assuring their control by the civic society. Economic and social problems cannot be mastered and opportunities seized without a functioning modern state which through its democratic mechanisms is accountable to citizens for assuring conditions in which they can live in dignity. We need a state apparatus composed of experts and serving the citizenry.

The attainment of independence by the SR has speeded up the processes of differentiation and crystallization on the political scene. It remains a fundamental problem which form our political system will ultimately take. Slovakia finds itself at a crossroads from which it can move either in the direction of authoritarian and autocratic tendencies, or toward strengthening and expanding parliamentary democracy. The SDL has a vital interest in a further expansion of democracy, because only in a well-balanced democratic climate can Slovakia aspire to utilizing all the opportunities of its independence to take its dignified place in the family of prosperous nations and states of a Europe in the process of integration. The socially oriented and law-governed state that the SDL strives for is at the same time always a democratic state.

The democratic impulses of our society include respect for and safeguarding of human rights. How democratic a society is finds reflection in the extent in which it assures

the rights of minority groups. In our conditions this means primarily national and ethnic minorities. The SR's independence has created new conditions for implementing the resolution of the First SDL Congress on the situation of national minorities and ethnic groups which remains topical also at present. The SR has gained independence not only for the majority nation but for all citizens without distinction.

The difficulty of the tasks facing Slovak society confirms our longstanding belief that no single movement or party, however strong, can alone lead the country toward prosperity. This is possible only on a platform of a broad political and civic accord. Alas, much too little has been done in this direction. In particular, the governing movement in its policies thus far has failed to create adequate conditions for a broadening of the social, political, and expert base of the government. A share of the blame falls also on the other political parties and movements which have not shown sufficient political will to engage in systematic cooperation and agreement. It is high time to remedy this state of affairs. The SDL repeatedly confirms its readiness and will to talk and cooperate with all democratic forces in the formulation and execution of policies serving the interests and needs of the SR. This we regard also as our basic pledge to members and sympathizers, as well as to all citizens of the SR.

From the Foreign Policy Program of the SDL

Introduction

The SDL is a state-sustaining [statotvorná] and patriotic party. It is pledged to building up and strengthening the SR in the international arena. By its foreign policy and inter-party relations it seeks to contribute to safeguarding the security and sovereignty of the country, assurance of economic prosperity, maintenance of social stability and social peace, observance of human rights, and promotion of spiritual values. It regards the advancement of national and state interests a matter of concern for all political parties in the SR.

The World in Which We Want To Live

The demise of bipolarity has brought new risks, obstacles, and fears, but at the same time also a new opportunity to work jointly for peace, freedom, and social justice in the interest of all humanity.

A new world order can arise only on the basis of global security, joint responsibility, and international cooperation. It must guarantee security to all, as also universal observance of human rights and basic freedoms.

We associate ourselves with the position of the Socialist International that building a new world order means to combine work for disarmament, development, social justice, and a healthy environment with observance of human rights. We too stand for indivisibility of man's civic, political, social, economic, and cultural rights which have their roots on all continents of our planet. We affirm solidarity with the cause of freedom and human rights. We will engage ourselves on behalf of justice, peace, and human welfare.

For a United and Secure Continent

There exists an opportunity to change the continent which historically became a cradle of destructive world wars into a continent of unity, freedom, and security. Only on the basis of cooperation and solidarity is it possible to meet the challenges brought by the beginning of the era of a new Europe.

As patriots we want to help so that the SR may be a dignified participant in efforts to attain the common European goal which is the development of market economies toward steady economic growth, prosperity, social justice, growing employment, and efficient utilization of economic resources. As indispensable preconditions for this we regard freedom, political pluralism, and an economic activity that respects and preserves human dignity. Economic freedom, social justice, and responsibility for the environment are in our view indispensable preconditions of prosperity.

Seeking membership in the European political, economic, and security structures is a way to safeguard the security of our own nation and state and our prosperity.

The SDL favors orientation of the SR toward membership in NATO and will support preparation of a project for a gradual rapprochement with this military grouping. We propose that the issue of the SR joining NATO, when it becomes topical, be submitted to the citizens for decision in a referendum.

The issue of our security is tied up with our share in the efforts of advanced Europe to push through and secure democracy in the largest possible area of Europe.

Thus we are joining those who look for peace and security as a result of putting into effect ideas of a common, extensive, and broadly cooperative security system.

For Central Europe, Stability and Modernization

Central and eastern Europe is in a deep and sweeping social crisis. The way out of it toward the model of society existing in the West leads through a stabilization and modernization of the individual societies as well as of the entire region. Without stability there is no prospect of modernization; without modernization, stability has no chance. Only in conditions of stability and only through modernization is it possible to surmount the problems of security, economic cooperation, national and statehood self-realization, and minority nationalities in the central European area.

The SDL regards it as a key task of Slovak diplomacy to conclude basic interstate treaties of friendship and cooperation with all neighbors of Slovakia which would confirm the existing borders and set forth the principles and areas of cooperation as well as ways of resolving potential disputes.

Relations between Slovakia and the Czech Republic are the most important, most complex, and most sensitive. The SDL stands for maintaining the values of Slovak-Czech mutuality which are of a great social and cultural significance. It will support beneficial cooperation of nations historically joined together by decades of a

common statehood. Relations between our nations constitute a value which needs to be fully taken advantage of in the modernization of society.

Minority rights represent the principle of freedom of a democratic society. In place of confrontations we propose a broad central European dialogue on the issue of minorities with politicians and experts, and joint creation of mechanisms to forestall crisis situations which could result from nationality tensions and conflicts.

One valuable contact Slovakia has with the world are our countrymen. Therefore we will support a quality program of cooperation with Slovaks living abroad.

Conclusion

Our party prefers the political current associated in the Socialist International. It is a current we want to join and in which we want to be active. It is precisely its model of democracy, mixed economy, socially responsible government, and international cooperation on equal terms which we view as the most suitable in the conditions of the SR.

From the Program "What the SDL Is Striving For"

The SDL strives for social progress, material and spiritual betterment for people who live off the fruits of their labor and whose path to the future leads through mutual understanding, solidarity, and cooperation. We proceed from the conviction that the unavoidable transformation to a market economy is possible to accomplish by democratic methods and that overcoming Slovakia's civilization lag does not require a polarization of society and turning away the help of anyone who wishes to contribute to this process. For halting the decline, resolving the grave socio-economic problems, and for modernization we see the fundamental prerequisite in a policy of national accord and in an effective utilization of all human and intellectual resources that are available to the SR.

Foundations of the Policy of the SDL

The SDL is a party of the programmatic type founded on the civic principle. It associates men and women of social consciousness without regard to their world view, creed, nationality, race, and social status who share the same moral and political values and program.

The SDL upholds the ideals and traditions of democratic and progressive popular and worker movements for the defense of man's dignity and rights. In its efforts to overcome the contradiction between labor and capital and to limit the arbitrary power of the state bureaucracy and power elites it employs democratic means appropriate for a modern society of the late 20th century.

The SDL adheres to democratic socialism as an international movement for freedom, social justice, and democracy whose objective is to achieve a peaceful world, overcome the environmental crisis, and attain guarantees of human rights and civic liberties for all.

The SDL regards human rights and civic liberties as inviolable. It rejects any expression of discrimination and intolerance whether based on race, nation, nationality or citizenship, political opinion, social status, world view, or religion. Fundamental rights may not be overridden by others or made mutually exclusive.

The SDL regards respect for the rights of citizens belonging to a minority as an essential factor of the stability, justice, and democratic character of Slovak society. The SDL is of the opinion that members of minority nationalities and ethnic groups enjoy rights anchored in international covenants and corresponding minimally to the European standard. It will exert efforts toward achieving a balance between the nation's right to self-determination, minority rights, and the rights of the individual.

The SDL rejects egalitarianism and honors the value of individual success based on proven ability and work performance. This it connects with the value of human solidarity and responsibility toward those who are in need. We do not want to see collectivism, which discounted the natural differences between people, replaced with the opposite extreme—egotism and indifference. The SDL is a party of social solidarity.

The SDL values the activity of church organizations in cultivating universal human values and respects their high moral goals. At the same time it defends tolerance between different world views and a variety of sources yielding positive ideas and moral values. We oppose forcible imposition of both atheism and clericalism on the political and spiritual life of society.

The SDL is determined to carry on policies contributing to the assertion of long-term state interests of the SR, to the establishment of conditions for all its citizens to live in dignity. It rejects attempts to subordinate state interest to narrow group objectives or personal political ambitions. The SDL will resolutely counter also attempts to question Slovakia's territorial wholeness and to disrupt its integrity.

The SDL is ready to develop relations with all democratic political forces. It has a special interest in expanding cooperation with programmatically close parties, movements, and organizations. The SDL rejects political extremism of both the right and the left.

* * *

We want to be a modern party capable of helping in the resolution of the gravest problems of our contemporary society. A party which will express the concerns and hopes of the people of labor and defend their interests; a party of civic and human solidarity responsive to independent citizen initiatives. A party of reformers that understands and simultaneously desires and presses for profound democratic reforms in all walks of social life. A party that is democratic and pluralistic internally, recognizing the legitimacy of a variety of political-programmatic approaches and respecting minority opinions.

Federal

Law on National Bank Adopted

93BA1192B Belgrade POLITIKA in Serbo-Croatian
26 Jun 93 p 7

[Article by Ljubodrag Cudomirovic: "What the New Law on the National Bank of Yugoslavia Is Bringing: All the Money in One Hand"]

[Text] *The national banks of the republics and provinces eliminated, and the former Council of Governors becomes a specialized body. The National Bank and the government together only on the question of the dinar rate of exchange. The Assembly of Yugoslavia—the supreme arbiter*

With the adoption the day before yesterday of the Law on the National Bank of Yugoslavia, which is really the basic postulate of monetary and financial authority in the country, there were at the same time in banking circles those who breathed a sigh of relief and those who only now obtained reasons for criticism.

After the adoption of the above-mentioned regulation, which the representatives debated for a whole 10 months, with interruptions, naturally, the governor of the National Bank of Yugoslavia was very satisfied, and he reported to journalists right in the hall that the FRY had obtained a modern law on the Central Bank. The satisfaction of the governor and the National Bank is understandable not only because of the fact that, formally viewed, the National Bank was also the proposer of the new law to the Federal Assembly but also because of the fact that, despite many changes in the original proposal, the substance and the basic idea of the newly adopted and most important law for these spheres are preserved.

If we had to summarize as briefly as possible for media purposes the basic differences between the now already former law on the National Bank and the current new regulation, the first difference that is worthwhile mentioning is certainly the elimination of the former legal status of the national banks of the republics and the provinces. Specifically, under the new Law the National Bank of Yugoslavia is assuming, in this context, entirely different functions, obligations, and responsibilities and, naturally, much broader rights than formerly, while the republic national banks (provincial) lose them.

The Confederation and Before the Confederation

In connection with this question, it is worth returning just briefly to the past and recalling that, according to the regulations that were in effect practically until the day before yesterday and, as they will also say, in the old Yugoslavia with six republics and two provinces, there existed a whole system of national banks. Each republic and province had a national bank and, above all, there was the National Bank of Yugoslavia. Each of these banks also had its governor and all decisions of material importance for these republics, especially when primary issuance was in question, were resolved at meetings of the Council of Governors of the National Bank of Yugoslavia. According to the regulations in effect at that time, it was necessary to decide many questions unanimously.

A member of the Council of Governors of the National Bank of Yugoslavia could be only a governor of the National Bank of some of the republics or provinces, and, formally legally viewed, the governor of the National Bank of Yugoslavia was only the first among equals. Specifically, his raised hand carried absolutely the same weight during voting as, for example, the raised hand of the governor of the National Bank of Kosovo.

According to the old regulations, Yugoslavia was in fact an alliance of states, i.e., a confederation and not a federation. Indeed, the republics did not have many other denotations of statehood but, because of the fact that they each had their National Bank and their governor whose vote was neither more important nor less so than the vote of the governor of the central bank, they had, if nothing else, a vote or at least equal participation in the authority over money. How difficult to have any other powers—although one says for monetary authority that it is only the fourth on the scale of actual powers—decisions that were made in the Council of Governors according to much of this were from a long time earlier the factual implementation of authority over monetary flows and that the wider public really did not have an actual insight into the weight of a federation of states already realized in this way.

Under the new law the central monetary authority, for the first time since the war until the present, is indeed acquiring great power and great independence. With the elimination of national banks of the republic and provinces in the form in which we have had them up to now, the power has grown and increased, but also the responsibilities of the governor of the central bank of Yugoslavia himself. Under the new law, for example, the institute of the so-called Council of the National Bank of Yugoslavia, whose structure the Assembly of Yugoslavia will announce, has been established. This body will have a quite different role from the previous Council of Governors of the National Bank of Yugoslavia and many smaller authorities, and part of the responsibility formerly assumed by the Council in this case has been switched to the person of the governor of the National Bank of Yugoslavia himself. The Council will, as is foreseen, be composed exclusively of specialists (it is assumed the best specialists and its role will be to examine carefully all decisions that fall under the involvement of the governor himself before final decisionmaking. Naturally, for the success or lack of success of measures about which the governor will decide in the future, i.e., the National Bank of Yugoslavia, the first and central monetary authority will correspond to the Assembly of Yugoslavia.

Therefore, one of the key changes in relation to the status of the National Bank of Yugoslavia prescribed under the new law is the new and higher degree of its independence in relation to the federal government. Under original proposals of versions of the now already adopted Law on the National Bank of Yugoslavia, it was foreseen that this institution decide solely and independently on, for example, and we are mentioning only the key question, the rate of exchange for domestic currency. The federal government (both Panic's and this current one) vigorously opposed this and the question is who will really determine

the rate of exchange for dinars in the final instance, i.e., when and by how much to devalue. Because, unfortunately, we will still not be in a situation for a long time to discuss the problems that a rich society brings; decisions, let's say, on revaluation fall into this.

Connection With the Market

This was for a long time almost the key question in the 10-month approval process for the new regulation in the Assembly of Yugoslavia. Nevertheless, everything ended the way in which everyone had a premonition in the beginning it would: the rate of exchange for the dinar and the stability of the domestic currency, to some extent a basic law of the country, i.e., the Constitution in which it was specified or unspecified, will continue to be a concern of both the National Bank of Yugoslavia and the federal bank at the same time. As up to now, however, the National Bank will make the final decisions about when and by how much to devalue the dinar, while the National Bank will be charged with preparing its viewpoint of things

and its position for every such decision. In cases where the position of the National Bank and the position of the federal government are in conflict, the final arbiter would be the Assembly of Yugoslavia.

All in all, Yugoslavia has acquired, after many years, if not a thoroughly modern Law on the National Bank and one oriented, in everything, toward the market, nevertheless, a much more contemporary legal framework for resolving essential material questions in the relation between the National Bank and the world of finance and banking. Whether it will be enlarged in time or perhaps even changed from its basis will depend primarily on the actual readiness of the new Yugoslavia and its economy to deal with stark market laws in a proper way and to answer times of economic, financial, and every other integration with the acceptance of these processes and the movement toward unavoidable results of economic calculations, regardless of how much they do not correspond to individual political viewpoints of the world and the economy.