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17 August 1993

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Hungarian-Slovak 'Armed Conflict' Possible
93CH0889A Budapest BESZELO in Hungarian
24 Jul 93 pp 13-14

[Article by Laszlo S. Gyurovsky, from Bratislava: "Slovak-Hungarian Relations: To Arms?"]

[Text] Vaclav Klaus was not the only one to explode a time bomb around the Budapest Central European Initiative [KeK] summit by publicizing an Antall letter dated 12 June. His Slovak colleague, Vladimir Meciar, did the same when he returned from the summit and summarized discussions with his Hungarian partner as follows: We must arm ourselves!

In response to an \$800 million arms procurement from Russia by Budapest, Pozsony [Bratislava] intends to purchase arms worth \$180 million. "The types and specific kinds of armaments depend on the kind of materiel to be delivered in Budapest. This country's defense capability and the prevailing balance must not suffer in any way," the Slovak head of government declared. Accordingly, it seems that the prime ministers of the two democratic states conducted negotiations of a kind that left room for only one conclusion to be drawn: The threat of armed conflict cannot be ruled out. Indications are that the politicians of the two states are building their internal legitimacy on mutual threats, and on sophisticated as well as coarse extortion. The "Hungarian threat" came in particularly handy for Meciar, because his inability to overcome the economic and political consequences of independence has become evident by now. As of more recent date, however, he is increasingly preoccupied with diverting attention from his own country's problems instead of seeking solutions. He is rather successful at that: As a result of firm, tough statements, his popularity is once again on the rise.

The "Hungarian Threat"

The relationship between Budapest and Pozsony has become fatally tense during the past two or three months. Great outrage erupted in Slovakia as a result of a "diplomatic war" launched by Hungary to prevent Slovakia's admission to the Council of Europe. Government officials in Pozsony clearly believe that the Hungarian minority in Slovakia and the Hungarian Government pursue fully coordinated policies, and this is contrary to the goals of the Slovak cabinet.

Meciar's team, and much of the Slovak public believe that the Hungarian minority represents a potential source of danger, and that the Hungarian parties are destabilizing factors in Slovak politics. Based on all this, the Slovak Government concluded that the minority parties had to be insulated from information and from opportunities to make decisions in Slovakia, and that Slovakia had to be governed entirely without them.

The fact that Slovakia had been admitted to the Council of Europe despite Hungarian efforts to the contrary, appeared to have proven correct those who believed that

the standard that served as the basis for settling minority issues in Slovakia was fully acceptable to Europe. Accordingly, three conclusions were drawn in Pozsony based on the events that transpired with respect to the Council of Europe:

- (1) At this moment, Hungary is the natural enemy of Slovakia, but Hungary does not possess adequate force and a system of alliances to realize its endeavors.
- (2) The Slovak Government's minority policies are adequate from the standpoint of Europe.
- (3) Slovakia must not yield to the Hungarian minority's endeavors to achieve autonomy.

And then, for a moment it seemed that the increasingly tense conflict could be resolved. The parliaments of the two countries adopted two key laws on the same day: The Hungarian National Assembly adopted the Minority Law, while the Slovak parliament approved a law concerning the use of names by individuals. The latter is a legal provision of exemplary value in Europe, we may confidently say. Although Slovak laws have not prohibited the entry of Hungarian first names in vital records before—anyone could enter the names Csaba or Zolt—the newly adopted law categorically authorized this practice. A provision which, beginning on the effective date of the law, no longer mandates women to use the "ova" suffix customary in Slovakia, may also be regarded as a step forward.

People in Slovakia reacted favorably to the adoption of the minority law in Hungary, albeit without failing to underscore that a more than three-year tug of war preceded the enactment of that law. Irrespective of this, it appeared that there was hope for peacefully settling relations between the two countries.

Intrigue or Blunder?

At this point in time, however, a few things occurred, which voters with more information at hand on both sides of the border may ponder. Has the turnaround occurred as a result of a coincidence, intentional intrigue, or diplomatic blunder?

The three events at issue are as follows:

- (1) The Slovak cabinet returned to parliament the law concerning the use of names for reconsideration;
- (2) The Hungarian head of government wrote a letter to Vaclav Klaus, in which, albeit in diplomatic terms, he requested his Czech colleague to join him in teaching decency to Meciar;
- (3) The Hungarian parliament—from a Slovak point of view, flagrantly—set aside funds for the demolition of the Nagymaros dam.

Following a seeming calm, the waves of passion once again rose high.

The Slovak press published the full text of Jozsef Antall's letter to Vaclav Klaus, in which, among other things, the Hungarian prime minister called upon the Czech head of government to join him in persuading Slovakia to change its internal (!) administrative borders. Antall objected to the fact that Slovak laws included discriminatory legal provisions based on Benes' decrees to this date. Oddly enough, the Hungarian head of government overlooked the fact that Vaclav Klaus was not the most appropriate international ally for the removal of these provisions, because the Czech Republic was incapable of facing and overcoming the issue of the Sudeten German deportations because of the exact same legal provisions. One could hardly assume that Hungarian foreign policy makers were unaware of this fact.

Quite naturally, the Czech government immediately notified Vladimir Meciar, who had this to say: "The purpose of the letter is to incite anti-Slovak sentiments before the negotiations. I do not believe that they are going to succeed in this, but by now Hungary's intention to worsen Slovak-Hungarian relations has become entirely clear. (...) Anyone who places the national, ethnic principle above the territorial principle and the principle of coexistence, attacks the integrity of our state. Those who profess these ideals must recognize the point where coexistence ends, and where separatism begins."

Vaclav Klaus, too, reacted as could be expected, when he publicized the letter and said that "it would be inappropriate if KeK became a tool to exercise pressure on certain countries. This is not the way we perceive the meeting of heads of government. (...) I see no reason why we should become involved in a specific Slovak-Hungarian dispute."

On his way to Budapest, Vladimir Meciar told the Slovak radio that the situation was extremely serious, and that tough, extremely tough negotiations could be expected. The Slovak head of government stressed that according to his information, KeK was preparing to adopt a legally binding document of an international scope regarding the minority issue, which, according to Meciar, would be tantamount to interference with Slovak internal affairs.

Hungarian Defeat?

The meeting of KeK heads of government opened in this kind of atmosphere. In the end, the meeting failed to produce a document like this, thanks to coordinated, joint action by the Slovaks and the Czechs.

Early in the week, the Slovak press regarded this fact, and the Hungarian diplomatic activities as a clear defeat for Hungary. The commentator of NARODNA OBRODA, the respected daily regarded as authoritative, had this to say: "Hungary once again used the KeK conference to take improper action against Slovakia. (...) This endeavor was unsuccessful, and Hungarian diplomacy suffered a shameful defeat in Budapest. (...) Slovakia fosters no grand illusions about settling the Slovak-Hungarian border issue on the basis of an agreement.

Irredentist endeavors surface and become increasingly obvious in Hungarian foreign policy, and officials in Budapest do not react to positive signals given by Slovak diplomacy. Hungarian foreign policy strategists might be perceiving and judging European political development differently, and believe that Hungary plays an eminent role in certain capitals of Europe. Although at this time they failed in playing out the 'Czech card,' the possibility of playing some additional anti-Slovak trump cards cannot be ruled out."

Not far from the truth were those who noted in conjunction with the Antall letter that this act of diplomacy did not at all contribute to the realization of the intent described in the letter, but instead it poisoned Slovak-Hungarian relations even more, and boosted head of government Meciar's domestic position quite a lot, to the detriment of the Hungarian minority.

Changing the Side That Serves the Ball

Hungarian circles in Slovakia were greatly scandalized by a decision of the Slovak cabinet to return the recently adopted law on the use of names to the Slovak president of the republic for renegotiation. The constitution provides that the head of state is obligated to fulfill the government's request. This was even more surprising, because two members of the government (Justice Minister Katarina Tothova and Interior Minister Jozef Tuchyna) had made great efforts to prevent the Slovak parliament, glowing from a national zeal, from worsening the previous situation as a result of the new law (a situation identical to that in Hungary today.)

The fact that the law turned out to be too good might have played a role in the returning of the law, and so could have the fact that Meciar wanted to score points in the eyes of his nationalistic voters. Conflicts within the cabinet cannot be disregarded either. Minister of Culture Dusan Slobodnik played an extremely active role in the course of debate. He took part in the terrorist training of a fascist organization during the Tiso era in Slovakia, and during the socialist period (after returning from Soviet camps), he earned a living as an expert in Soviet culture. Many believe that Slobodnik is the most mysterious figure in Slovak politics, and it is generally believed that he strongly influences head of government Meciar.

Oddly enough, the political and cultural representatives of Hungarians in Slovakia are silent in today's tense situation. In essence, no one took a position relative to the return of the law authorizing the use of names, no one commented on Jozsef Antall's letter even though it whipped up quite a lot of dust, and Meciar's most recent threats were also left unanswered.

Many Hungarian politicians in Slovakia are preoccupied with an academic discussion of the legislative proposal concerning the legal status of minorities, and with ways in which they could submit a set of principles during parliament's summer recess to Ivan Gasparovic, the president of parliament. True, under present conditions a less than minimum chance exists for the adoption of these proposals,

but the parties preserved at least a semblance of action. Meanwhile, in the course of a year, Hungarians of Slovakia have lost many economic opportunities and much of their influence, and all this has taken place without the Hungarian parties seated in the Slovak parliament signalling even their smallest objection.

Under such circumstances, the mounting Slovak-Hungarian tensions give cause to even more concern. The only question is, which side is going to have enough strength to halt this increasingly dangerous process, and when.

*** Finnish, Swiss Examples as Solution to Ethnic Tension in Hungary**

*93BA1210A Novi Sad MAGYAR SZO in Hungarian
28 Jun 93 p 2*

[Second part of a two-part article by Istvan Balint: "Can the Minority Question Be Solved?"]

[Text] "The Finns are not deprived of anything, while the Swedes are reinforced in their sense of being at home, in their own country." That was the answer Kekkonen, Finland's one-time president, gave foreign visitors who found it peculiar that Finland was changing street and placename signs, as well as all other public signs, into bilingual ones, for the benefit of Finland's Swedes who accounted for 9 percent of the population. Moreover, the Finns took care to put the Swedish versions first in localities where the Swedes were in a majority. But not even Kekkonen suspected that Finland's example would find so few followers. For if the nations boasting of applying the highest standards in Europe were to adopt the Finnish model, then all signs would be also in Hungarian in Bucharest, and also in Albanian in Belgrade. Though the Finnish examples could be regarded as an achievement of a higher civilization, the countries of East Europe, which are coping with all sorts of difficulties, should certainly have learned their lesson from the example of Switzerland. The Swiss can attribute their prosperity and long-running domestic peace to the fact that already the Swiss Constitution of 1874 declared as official languages three of the four languages spoken in that country. Moreover, the most important decisions have to be translated also into Rhaeto-Romanic, the language spoken by 1 percent of the population.

Not just the directly affected countries of East Europe, but the entire continent should reflect on these examples, especially now when it is entirely obvious that all the bloodshed and destruction in the Yugoslav civil war have been in vain, because no territorial division is possible which would make the minority problem's solution unnecessary. Regardless of what military victories the world's helplessness might recognize, the Serbs have lost the peace at the very outset, because a nation is unable to live in peace and prosperity if, even after all the horrors, its influential politicians are still holding forth about driving out entire ethnic groups. And the

world is still reluctant to think about the 25 to 30 million Russian who suddenly have become minorities; or about what will become of Europe if the fratricidal horrors of Balkan tribes, rather than the achievements of European civilization, are chosen as the way to solve the situation of these minorities.

A question affecting us directly also belongs in this framework. Namely, the matter of national minorities in Europe cannot be settled without solving also the question of the Hungarian minority. Partially because the Hungarian minority was Europe's largest until the attempts to prevent, by means of the bloody civil wars in Yugoslavia, the formation of another minority of similar size, and until the Russian minority's emergence. And partially because the further progress of democracy in Eastern Europe, and the linkup of Slovakia and Romania with the rest of Europe are inconceivable without the Hungarian question's solution. And in Yugoslavia's case, solution of this question is also a prerequisite for international recognition.

An indication of how complicated the solution of the Hungarian question will be is the fact that it is difficult to know just how many Hungarians there actually are in the neighboring countries. The latest census in Romania enumerated 1,620,000 Hungarians, but church records show about two million. In the 1991 census in Slovakia, 567,296 persons professed to be Hungarians, but 608,221 gave Hungarian as their native language. And especially tragic in this situation is that in Hungary, due to domestic political problems, the minority rights bill still has not gained passage. Certain controversies would be developing quite differently if this bill had already been enacted. According to the bill, on which the six political parties had agreed [before its introduction], the 5,000 ethnic Serbs living in Hungary would be entitled to nationwide autonomy, within the framework of which they themselves would be able to decide "the core subjects of minority education." At the same time, not even talks conducted with international mediation have been able to alter the fact that the children of the two million strong Albanian collectivity [in Yugoslavia] are attending illegal schools, because of disputes over the curricula.

Elaboration of the concept of conation is the farthest point the representatives and organizations of the Hungarians living outside Hungary have been able to reach in their search for solutions to this problem. The situation in conjunction with this search is clearer in Slovakia. There the ethnic Hungarians want to alter, with the help of this concept, what their leader, Miklos Duray, has formulated as follows: "People with minority status could be voted down at any time, and therefore they would become second-class citizens. Consequently, they are denied even the opportunity that political minorities enjoy—namely, to become the majority, with the help of good political propaganda." In Romania, however, the situation is more complex. Which is understandable. After all, a nation of two million people could already

lead a normal parliamentary life, with parties ranging from the far left to the far right. Why should two million people be of the same opinion, just because they happen to be a minority? From here the picture that can be pieced together from reports is not quite clear, but it seems that they are debating primarily the question of autonomy.

At its latest congress, for instance, the Christian Democratic Party of Hungarians in Romania rejected a proposal to include territorial autonomy in its program. But it declared that the ethnic Hungarians in Romania are a state-forming element, equal in every respect to the Romanian nation. That is a reference to the concept of conation. The latest congress of the Democratic Association of Hungarians in Romania included the following plank in its new program: "For the Hungarian national minority in Romania we regard local and regional self-government, and individual and cultural autonomy, as the guiding principle that must be followed." The draft resolutions prepared for this congress proposed amending the Romanian Constitution to include the following provision: "The numerical national minorities (national collectivities) living together with the Romanian nation are nation-forming elements, as conations." In addition, those who regard as one-sided the concept of autonomy that is now in the center of attention, argue that only with the help of the Romanian opposition would the Hungarians be able to overcome, in Eva Cs. Gyimesi's words, "the obstacles stemming from the frightening absence of democratic traditions and civil mentality, the fact that the Romanian majority is still unaware of its own social interests."

Adoption of the concept of conation would solve a good many things. For why should Hungarians not have three other states, in addition to Hungary? After all, Frenchmen have five or six, besides France. The trouble is that the chances of this concept's adoption by the majority nation are nil. And if it were adopted by some miracle, a solution would still have to be found for the problem of the other minorities. For this reason it is regrettable that the more readily acceptable and more generally valid concept of autonomy is not finding more support. Primarily from the majority nation, whose representatives tend to view it as separatism, whereas the Hungarian organizations have framed it specifically to avoid accusations of separatism. Unlike the minority rights bill in Hungary, however, the Hungarian organizations are not seeking a possible solution within the framework of the local authorities, which would involve the least tampering with the Constitution. (In Hungary, for instance, only one sentence will have to be added to the Constitution; elsewhere, perhaps not even that much would be needed.) And the concept of individual autonomy, which offers the most comprehensive solution, is relegated to the background. Only the VMDK [Democratic Union of Hungarians in Vojvodina] has a more complete concept of individual autonomy, but even in conjunction with its proposal the debate is mostly on the concept of a "Hungarian Autonomous District."

The fog must lift from the minds before solution of this question becomes possible. Primarily the majority nations must mature to the European level, which would then enable the minority organizations to develop their ideas in a climate free of accusations and hysteria. Until that happens, conferences on human rights will be unable to help.

*** Mission of New 'National Propaganda Center'
Discussed**

93CH0833C Budapest 168 ORA in Hungarian 6 Jul 93
pp 21-22

[Interviews with Miklos Csapody, Hungarian Democratic Forum National Assembly representative, and Government Chief Counselor Imre Molnar, by Katalin Rangos; place and date not given: "Is the Word 'Hungarian' Going To Sound Good Again? Hand in Glove With Each Other; Foreign Representations Hung on a Red String"]

[Text] *An identical idea has occurred to an MDF [Hungarian Democratic Forum] National Assembly representative this year and to officials at the Foreign Ministry three years ago: The prestige of the Hungarian people must be improved; an institution to coordinate national propaganda must be established to accomplish this. From among two alternative plans for new, central propaganda, one was proposed by Miklos Csapody in the Foreign Affairs Committee, the other was tied mainly to Tamas Katona's name. Which concept is going to be realized? Katalin Rangos interviewed Representative Miklos Csapody and Government Chief Counselor Imre Molnar.*

[Rangos] Sometime around 20 June the Foreign Affairs Committee supported Miklos Csapody's idea to establish a national information office. Is my recollection correct?

[Csapody] Earlier than that; the date when the idea surfaced might be important from the standpoint of subsequent chronology: It took place in early April. I was assigned to write a proposal at that time. I presented the proposal to the Foreign Affairs Committee on 23 June based on which I was assigned to draft a specific legislative proposal for the establishment of a national information office.

With Whom Can We Go Bicycling?

[Rangos] Are chronology and accurate statements so important because certain people deeply involved in the supplemental budget became greatly interested when an item costing 190 million forints popped up? And as MAGYAR NARANCS put it: This is a case of national telepathy, because a proposal from the office of the prime minister to establish a national propaganda center also came down the pike, and they earmarked this substantial amount for that purpose.

[Csapody] The amount is substantial even if the Hungarian budget deals with thousands of billions of forints. I was pleased, of course, to find this item and to read its justification in late May, and to learn that the money was intended for national information services. I could have reasonably assumed, and I still believe that...

[Rangos] That your idea caught on. At that time you still believed that it dealt with your idea. How did you find out that this item in the supplemental budget was not meant to fund your idea?

[Csapody] As a representative seated in parliament I started out with the fact that a legislative proposal would be needed for the establishment of a national information office, that parliament would have to debate it, but the way things turned out is simply absurd. It is absurd, because this matter is obviously not going to come before the House before autumn. Consequently, by all realistic estimates, this office could begin functioning only as of early 1994, and its operating costs should be set aside not as part of the supplemental budget, but in the regular annual budget. I regarded this 190-million-forint item as the government's recognition of a need to do some preparatory, foundation work before establishing the national information office, and this amount would probably be sufficient to cover such work. At that time I was not aware of the existence of an concept already written, one that was released about 10 days ago and was based on a different outlook.

[Rangos] The office of the prime minister plans to establish a national propaganda center.

[Csapody] Moreover, it plans to have such a center in two places, i.e., a certain parallel operation exists, and this is what called attention to the importance of the proposal itself. If I were to talk about the Hungarian velocipedists association, while another concept would deal with the Hungarian bicyclists association, it would not be necessary to develop two separate concepts but instead we should note and observe that this is a good thing to do, because we are going to ride our bikes.

[Rangos] And are you going to bike together?

[Csapody] I cannot agree with certain parts of the text, or, to use confusing terminology: I cannot ride my bike together with certain parts of the text.

[Rangos] Mr. Molnar, what came first, or to put it in simple terms: Whose idea was this?

[Molnar] The Foreign Ministry began work in December 1990 aiming for the development of a national propaganda concept.

[Rangos] During the days of Tamas Katona, in other words.

[Molnar] Yes, Tamas Katona was the political state secretary, and I was the ministerial commissioner in the field of cultural affairs.

[Rangos] At the same place?

[Molnar] Yes, at the Foreign Ministry.

The Value System of a Thousand Years

[Rangos] What kind of void did you and Tamas Katona sense when you thought of this concept?

[Molnar] For forty years the words: "I am a Hungarian" could be uttered only quietly, after looking around ourselves, and one was confronted immediately thereafter by

the watchwords of the proletarian dictatorship and internationalism. Accordingly, we felt that at that point, at the start of a fortunate change in the system, we had to raise this thought once again, and that we had to restore in the world the honor and decency of the word "Hungarian."

[Rangos] But at present we no longer have proletarian internationalism.

[Molnar] But we do, yes, indeed.

[Rangos] We are free to form our Hungarian environment the way we want to....

[Molnar] I agree....

[Rangos] Our consciousness of being Hungarians depends on us, therefore many could ask: Why establish an institution costing 190 million forints? And they probably are going to ask this question.

[Molnar] This is so, because obviously in the eyes of Hungarian public opinion, thanks to certain press organs, the issue revolves around the 190 million forints. At present we do not even have 190 million fillers [1/100th of one forint], let alone forints; the 190 million figure is a plan, which, in my judgment, is adequate to start realizing the plans which I will be pleased to detail, if you ask me to do so.

[Rangos] If there is not even a single filler—let us stay for a moment with the money issue—if there is not a single filler, then...

[Molnar] Even then the program should be implemented, this is an inner command, a categorical imperative inside the people. We have been preparing for this; we want the Hungarian people to look a bit brighter tomorrow to the world than they looked yesterday. There are things to be repaired; we must restore the value system which made us belong to Europe for the past thousand years. We contribute to Europe things only we, Hungarians know, things that enrich life in Europe and make it more colorful.

[Rangos] Mr. Molnar, I believe that every nation feels the same way, the Dutch, the Poles, everyone.

[Molnar] You are entirely correct in this regard, but I still say that this is not the case. We are Hungarians and we can once again experience the feeling that here we are in the center of Europe, but we are not surrounded by related nations, unlike any other nation next to us. Unfortunately, since World War I, or much before that, since the fight for freedom during the past century, Hungary did not bother to confront the suspicions and rumors that surrounded us, and history has proven that this is precisely the way one can end up with the shorter end of the stick.

[Rangos] In contrast, if this national propaganda office was established, would it help us to occupy a better position, for example in this region?

[Molnar] I am convinced of that. We must show our own values.

Discordant Tune

[Rangos] Good foreign policy is suitable to represent a country's interest; our trade offices and cultural relations are functioning, and I believe that there are quite a few Hungarian Clubs in Europe. What is missing to enable us to project an appropriate image of this nation, if everything else is going well in this country? Do we need better propaganda than that?

[Molnar] Yes, the Hungarian foreign service organization is not unified. The embassies, consulates, and trade offices represent Hungary one way or another. But the image they project is not homogeneous, the tune that can be heard behind the many cries is dissonant, we should somehow lace our official state representative offices abroad on a red string to permit us to clearly see how the political will developed in Hungary turns into deeds abroad....

[Rangos] Are you certain that you need a conductor for this orchestra to play the same tune? Would it not be good if everyone sang his own tune? Does variety necessarily create cacophony?

[Molnar] You are the one who chose the musical comparison, so let us go on with it. Every orchestra has a conductor, every large orchestra. We have to have the same kind of thing at the Hungarian foreign service. The manner in which units with special functions are part and parcel of the Hungarian foreign service should be made clear, and equally, it should be clear how the whole comes about from the parts, a whole capable of moving the entire foreign service to accomplish the common goal.

[Rangos] How popular would be your idea within the foreign service, for example, Mr. Molnar? Would they want to play music with you in the same orchestra?

[Molnar] Look, this is a difficult question.

[Rangos] They are going to have a boss, are they not? Or are they going to have a concept?

[Molnar] This is the kind of thing to which one answers: This is a good question. Well, it would be much easier to answer this question, if we were convinced that everyone in all of our foreign service organs everywhere in the world at all times represented Hungary.

[Rangos] Be careful, because I somehow feel that you are very harshly criticizing the members of the foreign service at this moment.

[Molnar] People on foreign assignments, our embassies and our consulates perform their work like human beings.

[Rangos] But not quite like Hungarian human beings?

[Molnar] No, harmony is missing between the activities of the various organs. It would be essential for them to have a single thought, so that they could work hand in glove with each other.

*** Szuros Interviewed on MSZP's Views, Plans**

93CH0833B Budapest 168 ORA in Hungarian 6 Jul 93
pp 10-11

[Interview with Matyas Szuros, Hungarian Socialist Party National Assembly representative and vice president of parliament, by Miklos Nagy; place and date not given: "No One Should Count on a Return to the Old System"; The Thing That Disturbs Magyar Szuros; Tolerated or Supported?"]

[Text] *The Hungarian Socialist Party [MSZP] is often criticized for being the successor party [to the former MSZMP (Hungarian Socialist Workers Party)]. The criticism comes not only from other political organizations and personalities, but also from within. At this time MSZP National Assembly Representative Matyas Szuros, the vice president of parliament, states his view of his party's childhood diseases and of positions held regarding certain political issues. Miklos Nagy asked the representative "in a special situation" to come to the microphone.*

[Nagy] You said that the Socialist Party was not a truly democratic left of center party. What do you mean by this, what is missing from the Socialist Party?

[Szuros] I start out from the observation that not only the rest of the parties, but the Socialist Party, too, is changing. Being the successor party still haunts us in a certain sense, not only because some political forces accuse the Socialist Party of being the successor party, but also, because I, personally, am disturbed when people appear on Koztarsasag Square, people who, let's say, took part in the campaign against TISZATAJ in those days. And then there is also a certain kind of nostalgia. I would also emphasize that this nostalgia is caused by several things. Quite obviously, we do not have enough time to discuss this in detail. Nevertheless I find it important to underscore—and this is also done by certain leaders of the Socialist Party—that no one should count on a return to the old system! History does not permit us to turn back the clock, nevertheless such perceptions exist. And the way the churches are handled today is not exactly the way this should take place in order to be consistent with the new situation that evolved as of now. And then there is the national issue. In my view, it would be the fundamental task of a democratic left of center party to take an appropriate position in this regard. Undoubtedly, there are disputes among us in this regard.

Aside from that, I, too, could be mistaken, but I would support, for example, the idea of granting the right to vote—in 1994 already—to Hungarian citizens residing abroad. And then we have the three opposition parties unanimously voicing a requirement of neutrality insofar

as world view is concerned, as part of the public education law. There is no such thing, in my view; if I consider the position taken in this regard, let's say, by the German Social Democratic Party, I find a big difference between the two of us. Between a so-called modern social democratic party and the Socialist Party. This is so because my starting point is the possibility of establishing multiple sets of principles.

Continuous Self-Examination

[Nagy] You are a National Assembly representative of the party, whose critique, whose childhood diseases you just recited. I think you must find yourself in a rather special situation for articulating these views, and not suppressing them. You represent national and populist policies in this party, policies not overly characteristic of your party.

[Szuros] Undoubtedly, as a result of my way of thinking I find myself in a kind of autonomous situation, but I regard this as natural. Different views can exist in a democratic party. Insofar as populist politics are concerned, the executive committee of the Socialist Party took the position that there was room for it in the politics of a democratic left-wing party, and specifically of the Socialist Party.

[Nagy] You just said that "there was room for it," but you, personally would like to pursue this much more forcefully.

[Szuros] I believe that this trend should be supported far more strongly in this country by the Socialist Party. It so happens, that this country does not have a real, genuine, but modern peasant party, and this is why I think that while the Socialist Party's position regarding the handling of agriculture is correct, the countryside, embracing the agrarian socialist traditions have not reached the stage where they should be in a country having peculiar features. Well, I have concerns like this, at the same time, however, I would always like to make clear that my place in Hungarian society, and within the political and party structure is at the nationally committed, democratic Left.

[Nagy] Meanwhile you could have found a left-wing, democratic organization with a national commitment. You even said that in the end you were pleased with the National Democratic Alliance headed by Imre Pozsgay, which appeared as a left-wing, democratic party with a national commitment. You said the same things about the Alliance in positive terms as you said about your party in negative terms. Has it ever occurred to you that by criticizing the Socialist Party the way you just did, you were providing ammunition for attacks which the party faces anyway, while you are preparing the groundwork for another party, notably the National Democratic Alliance?

[Szuros] I do not believe that this is the issue, i.e., I did not express things the way you put it, namely that the

National Democratic Alliance led by Imre Pozsgay and Zoltan Biro is clearly a democratic, left-wing grouping.

[Nagy] You called it a democratic left of center party.

[Szuros] It comes close to that, and I would much rather underscore this fact, because they themselves asserted that they had closed in toward the right, but opened toward the left, and thus Imre Pozsgay is close to me, or I am close to him. I believe that people appreciate my sincerity regarding the things I am saying about the Socialist Party. And I firmly believe that the Party is going to make great strides ahead if such debates go on, substantive debates, not personality conflicts and quarrels. I did not even mention names. I believe that the party would benefit if it admitted that one could err. The things I represent today are more or less the same things I represented within the MSZMP, and I was in the minority there, of course. Accordingly, I, too, have to examine myself constantly as to who has changed and who has not changed.

Without Becoming Personal

[Nagy] But the party you just described might have difficulty in tolerating sovereign politicians. If that is true, one would have to think through whether he is in the correct party.

[Szuros] Well, of course, one always has to think. The other thing is that a party or party leadership that does not tolerate sovereign political personalities is making a mistake. In the final analysis I believe that regardless of where we stand today, personalities play an important role in politics. I, for example, take exception to the fact that a coach and five existed in 1990, but where is that by now? I would have no concern whatsoever if there were ten young people already enjoying a similar name recognition [as I do], if they were accepted by society, but unfortunately we have not yet come to that point. The young people are already there, but their role has not become clear, they are not sufficiently known. Even though it would be important to have personalities in each individual party.

[Nagy] You obviously receive quite a few slaps in the face at your party. Still, to what do you attribute the fact—and this might be a coarse expression—that they tolerate you within the MSZP?

[Szuros] You should ask this question from others—whether they tolerate me or if they regard the role I play as important. The way I see it, I am sought after by certain groups in the party, as I mentioned before, mainly in the countryside; they are calling me; there is interest. Last year and the year before last I took part in close to 100 meetings per year, held by the people.

[Nagy] You seem to be popular, but you are not the leader of this party.

[Szuros] I am not the leader of the party, but perhaps, willingly or unwillingly I am one of the leading personalities of the party, because being a leading personality is not necessarily linked to a certain function. The role I am playing now suits me, and it seems that it also suits the party leadership. I am a debating partner, I do not enter into discussions about personalities, and if you noticed, I do not even react to certain things. I do not break the organizational rules, and if differences arise regarding political issues, those must be clarified in the course of normal debate.

* Critique of Court's Statute of Limitations Decision

93CH0833A Budapest HETI MAGYARORSZAG in Hungarian 9 Jul 93 p 3

[Article by Zoltan Speidl, Hungarian Democratic Forum National Assembly representative, under the rubric "Parliamentary Corridor"]

[Text] I cannot do otherwise: I take note of the Constitutional Court decisions which once again prevent us from naming those who committed political crimes during the past, almost half a century. As we all know, the former governments, the justice administration of the bygone era did nothing to find out about the acts committed, and those who committed the acts. To the contrary: It tried to forget those, even though the acts committed are still known, and some of those who committed those acts remain among us, undisturbed. They are present in Salgotarjan, Eger, Miskolc, Budapest and throughout the country.

As a legislator who respects the law I swallow these bitter pills, but as a citizen I am entitled to state in writing: I do not agree with the decisions, I regard them as morally unacceptable. On the other hand, I agree with Zsolt Zetenyi, and with the Constitutional Court's Dr. Janos Zlinszky who filed a separate opinion, and whose arguments were not covered by the press.

Zetenyi had the following to say in his logical, structured, restrained speech in parliament: "The question arises as to what are the chances of holding responsible persons who committed grave criminal acts in the past autocratic system? We owe it to the people of the country, to ourselves to say: In the present situation there is hardly a chance for punishing those who committed capital crimes not persecuted by the autocracy." The National Assembly has done everything it could to establish conditions for holding these people responsible, but the Constitutional Court frustrated every attempt to do so, Zetenyi said. It did so, based on a request to render an opinion submitted by the president of the Republic, I would add. And all this has happened at a time when in Germany, a country whose legal system is very similar to ours, the constitutional court did not object to the enactment of a law that was very close to the Zetenyi-Takacs legislative proposal.

Once again I quote Zetenyi: "In response to charges that we are countering professional arguments with political arguments...we may say that a desire to punish the criminals of an autocratic system, if someone seeks a constitutional opportunity to do so, is not an expression of a political view, instead, a political view is expressed if despite every rational counterargument and international experience one stubbornly and steadfastly insists on impunity. Punishing these criminals is not a matter of political decision, failing to punish them is. A criminal act in regard to which the statute of limitations has obviously expired does not exist, just as an obviously committed crime cannot exist from a legal standpoint until a free and independent court pronounces its verdict.... No one has a right to impunity for a criminal act committed, to the contrary, it is the duty of the state to persecute crimes and criminals within limits established by law...."

This is exactly what has not taken place. Nothing has happened, except for the fact that some people denied, and continue to deny the constitutional command to persecute crimes, and the Constitutional Court endorsed these denials.

In a separate opinion concerning the law "supplementing certain criminal procedural rules" submitted to the Constitutional Court for review, Constitutional Court Justice Janos Zlinszky said that based on the principle of constitutional statehood expressed in the Constitution, and flowing from the separation of powers doctrine, only courts "can establish guilt...and...only courts can render determinations of general applicability with mandatory force concerning causes that exclude or discontinue culpability. The law reviewed does not conflict with this

exclusive judicial authority." Zlinszky called attention to the fact that "in times following a change in the governmental system, when society is strongly divided with respect to the possibility of persecuting criminal acts, the requirement of being certain about the meaning of laws that flows from the concept of constitutional statehood may justify the delegation of authority to determine the expiration of the statute of limitations under the exclusive jurisdiction of courts. A strong societal interest is attached to closing the pending issues of the past." In Zlinszky's opinion the state is in a position not to persecute crimes, the legislature of a state is in a position to grant pardon, but a court is in no position to "take a firm position regarding the statute of limitation in the abstract, removed from a specific case, because in doing so it also must take a position regarding guilt or innocence, and it can do so only in the framework of a specific proceeding." The Justice said that the challenged law did not conflict with constitutionally sound criminal law.

With respect to the National Assembly resolution related to the lapse of culpability Zlinszky opined that the resolution did not limit the freedom of courts to interpret laws, it did not establish a retroactive standard and therefore was not repugnant to the Constitution. In his view, the proposal submitted by the president of the Republic "should have been rejected."

Accordingly, parliament as a whole, and all politicians are not responsible for what has happened. Responsibility rests with those who deny the validity of the system in which crime and punishment must be interpreted jointly. For those who tend to forget: Being punished is not a disgrace; committing a crime is a disgrace. A disgrace for many of them.

*** Future Government Role of BBWR, Allies Considered**

93EP0319B Warsaw WPROST in Polish No 28,
11 Jul 93 pp 14-15

[Interview with Andrzej Kozakiewicz, deputy secretary in the Presidential Chancellery and cofounder of the Nonparty Bloc in Support of Reforms (BBWR), by Monika Olejnik; place and date not given: "The President's Baby: The BBWR May Be the Hatchery of a Presidential Party"]

[Text] [Olejnik] Why do politicians dislike the BBWR [Nonparty Bloc in Support of Reforms]?

[Kozakiewicz] Because it is a threat to the political elite, which has long believed that it has a monopoly on wisdom and correctness. Now it has to submit itself to the test of elections, to prove that it is human.

[Olejnik] Have the politicians until now been inhumane?

[Kozakiewicz] No, we did not have time to develop that concept; besides, there is no Polish counterpart of "human politician." The past four years have been dominated by trade union activists and previously by the people from the Movement for the Defense of the Rights of Man, who felt no need to identify themselves with the voters and be vetted by voters. Even the Solidarity congresses were merely moments at which one could scintillate and demonstrate his existence. There was no voting public to be accountable to.

[Olejnik] You are very severe in your judgments. But what guarantee do we have that, when elected, individuals representing the BBWR will be accountable to the voters?

[Kozakiewicz] At least this: For example, deputies elected from Gdansk will not move to Warsaw because here it is nicer, more pleasant, and cozier, and they will be working both in the Sejm and locally, and the Sejm will not be used solely as a coffeehouse.

[Olejnik] And who will vet the BBWR deputies? The presidential police?

[Kozakiewicz] No, it will suffice that they keep their own hands clean.

[Olejnik] Was the BBWR founded to massacre the political parties?

[Kozakiewicz] That is not the point. The BBWR is to be a place for people who have until now mistrusted politics and lacked an interest in public life, for those who have not previously voted.

[Olejnik] But, still, the past few years of democracy in this country cannot be forfeited just like that. Future members of parliament are aware that the voter counts most.

[Kozakiewicz] Thank God. Consider all those instances of loss of parliamentary immunity or the scandal concerning Anastazja P. A deputy is a public figure, being accountable not only to his family but also to his constituents.

[Olejnik] You speak of guarantees of tradition, but how can we be certain that, in the future parliament, the BBWR will not become fragmented?

[Kozakiewicz] If the BBWR becomes a majority bloc, which we expect and of which I am certain, deputies and senators will have no reason to leave it for other parties.

[Olejnik] Is the BBWR to be a panacea for evils?

[Kozakiewicz] What matters more now is the individual, his background, rather than the political party.

[Olejnik] And who will vet the BBWR candidates?

[Kozakiewicz] An electoral committee of 17 members. We shall select the best and the brightest. I assume that all over the country we will have 3,000 BBWR candidates. Through democratic elections, the decision will be made as to whether we shall be left with 560 or 2,240. My dream is that those candidates will fully represent women, lawyers, physicians, all occupational groups.

[Olejnik] Professor Geremek termed it "the Front of National Unity."

[Kozakiewicz] Perhaps because he remembers that he used to be a member of such a front. I do not remember it; I am too young. But I do not associate it with that other front.

[Olejnik] But surely you are familiar with history. The BBWR also lacks good historical associations.

[Kozakiewicz] I do not agree. That is the opinion of historians, but every Pole remembers that, in 1928, the Nonparty Bloc for Cooperation With the Government won 56 percent of the vote; later it was dissolved, but, by then, it was an entirely new situation. Prewar Poland cannot be compared with our country today just as President Lech Walesa cannot be compared with Marshal Jozef Pilsudski.

[Olejnik] But it is the president himself who makes such comparisons, declaring that he is Pilsudski's disciple and even that he is improving on the marshal's record. Perhaps he has already surpassed him?

[Kozakiewicz] Just as disciples outgrow their masters, that is so in the president's case.

[Olejnik] What percent of the vote do you expect the BBWR to win?

[Kozakiewicz] Fifty percent plus one vote. I am even becoming expectant that we may win much more.

[Olejnik] Then the BBWR will form the government, will it not?

[Kozakiewicz] I would not like that. The future government should be a government of technocrats, even though that is a somewhat hackneyed term. Its members should resign their parliamentary seats because it is not possible to be both a good minister of state and a good parliamentary deputy. Even if we score a success, I hope we cooperate with the KLD [Liberal-Democratic Congress] or the Democratic Union.

[Olejnik] Despite their leaders' comments that the BBWR is discrediting the party system?

[Kozakiewicz] A politician's comments are motivated by fear of the future. It is amusing that that is how older people speak. The BBWR is perceived quite differently by Messieurs Celinski and Rokita. A certain generation should be thanked and exit the scene with honors.

[Olejnik] Is there then no longer room for Bronislaw Geremek and Tadeusz Mazowiecki on the political scene?

[Kozakiewicz] Former Prime Minister Mazowiecki should retire from it.

[Olejnik] And Professor Geremek?

[Kozakiewicz] Not yet, I think.

[Olejnik] Why such cordiality toward Professor Geremek?

[Kozakiewicz] I value his intellect.

[Olejnik] You dismiss people so arrogantly and condescendingly.

[Kozakiewicz] Because that is how I feel.

[Olejnik] Are you authorized to say that because you are the president's man?

[Kozakiewicz] Because this interview is with me.

[Olejnik] Is the BBWR the foundation of a future presidential party?

[Kozakiewicz] It may become the hatchery of the presidential party if the need arises. What happens in the coming September elections and the next two years will determine what the approach to the presidential election in 1995 will be. The coming September elections [to the parliament] and on what happens in the next two years—what will be the approach to the presidential elections in 1995. It is then that the decision will be made whether we are to establish a presidential party. It is very clear that such a party should own 50, 60, or 80 percent of the vote rather than 5, 6, or 8 percent.

[Olejnik] You are among the selectors of BBWR candidates for the parliament. Who may be considered as a candidate?

[Kozakiewicz] I want people with clean hands.

[Olejnik] Would you exclude, say, Aleksander Gawronik?

[Kozakiewicz] Yes, although I am not judging him. My record on possible candidates includes the rubric "Criminal Record, if Any. Case Pending." If Mr. Gawronik is acquitted by 19 September, we can talk.

[Olejnik] Will party affiliation also be considered?

[Kozakiewicz] Deputy Miller and we do not walk on the same path. Deputy Oleksy, although he comes from the same party, is a reasonable person to whom change matters.

[Olejnik] According to many people, the president has ceased to be an impartial arbiter and became a person who is exploiting his office to campaign for the BBWR on television.

[Kozakiewicz] We had been struggling for two and one-half years and waiting for some information policy. Don't you remember that the president had appealed for the formation of a proreform bloc?

[Olejnik] But please, that is history.

[Kozakiewicz] Well, the reason is not Lech Walesa's decision but the decision of solely those gentlemen who are now accusing Lech Walesa of exploiting his office. Were the Democratic Union or the KLD to approach the president with a reasonable program that would assure a rapid onset of changes in Poland even now, the president might decide that the BBWR would be a fine idea, but the Democratic Union deserves his support more because it is offering a great program, after all.

[Olejnik] And then Lech Walesa would abandon the BBWR, would he not?

[Kozakiewicz] No, he would not.

[Olejnik] Then why should those two parties approach the president at all?

[Kozakiewicz] To show that they believe that reforms are the paramount objective on which they are united with us.

[Olejnik] Well and good, but to return to the subject, what about that campaigning on television?

[Kozakiewicz] One can always refer to democratic bodies. We believe that the BBWR is the president's idea and that he has the right to speak wherever and whenever he wants. In a sense, the BBWR is his baby.

[Olejnik] In the interview granted to ZYCIE WARSZAWY, you declared that candidates for the parliament should undergo psychological testing. Does that apply to BBWR candidates also?

[Kozakiewicz] Such tests should be administered to anyone applying for a driver's license, and principally to those who want to be locomotive drivers.

*** Democratic Union Leader Comments on BBWR**

93EP0319A Warsaw WPROST in Polish No 28,
11 Jul 93 p 13

[Interview with Tadeusz Mazowiecki, chairman of the Democratic Union, by Monika Olejnik and Tomasz Lis; place and date not given: "There Are No Miracles"]

[Text] [WPROST] Why are you allergic to the name "BBWR [Nonparty Bloc in Support of Reforms]"?

[Mazowiecki] For the time being, it is not known what the BBWR is to stand for. On the one hand, I am told that it is to rally people who are repelled by parties and politics, and, on the other, that it is an attempt to replace the existing political scene with a still undefined corporate structure. Instead of parties, we are to have estates—farmers, employees, and so forth.

And, inasmuch as we are speaking of allergy, it all began with the contemptuous comments of the president and his entourage on political groupings in general. I am not claiming that the parties are ideal. There has been a lot of jabbering in the Sejm. But the public should learn how to distinguish among the various groupings.

[WPROST] Why do you presume in advance that the BBWR is opposed to all parties?

[Mazowiecki] I am presuming not in advance but after the fact. Consider the frequent and blunt comments of BBWR representatives about jettisoning the party system. It is naive to believe that democracy would mature within three years. Political parties need time to consolidate themselves.

[WPROST] Do you believe that listeners to broadcasts of Sejm debates think as you do, or that they consider the parties to be behaving irresponsibly?

[Mazowiecki] Has my party been behaving irresponsibly? There is no point in lumping all parties together.

[WPROST] I get the impression that to you the BBWR was established specifically to oppose the Democratic Union.

[Mazowiecki] Sure, but not only against the union. That is a question of a philosophy of action. Is the point to improve the political system or to change it overnight so as to discredit it completely? There is no democratic country without parties, and so we either give the parties time to mature or begin at once to demolish what exists. It would be interesting to know whether the president still wants to remain an impartial arbiter or to take sides in conflicts. We want him to be impartial, and we intend not to engage in any warfare with him. We think the Economic Charter is a very positive accomplishment.

[WPROST] You claim that the BBWR wants to demolish the party system, but several days ago you had said that it is to be the presidential party. Perhaps the point is not to destroy the parties but merely to create competition?

[Mazowiecki] The president calls it therapy. So far as the term I used—"discrediting"—is concerned, I wonder what would happen if the president were to use it. Most likely, nothing. It is odd that when I use that term so much ado is made about it, and a horrific problem is suddenly created.

I have heard the president and his associates say many times that the parties did not prove themselves and that the public is going to "cut them off" in the elections. That seems to imply not some therapy of other parties but the creation of a new presidential party.

[WPROST] According to Minister Falandysz, the parties simply fear losing their electorate.

[Mazowiecki] I am not going to comment on Mr. Falandysz's utterances.

[WPROST] Is that because he said, "The BBWR is disturbing your and Professor Geremek's peaceful old age?"

[Mazowiecki] But, please, some people resort to arguments in political discussions and others to the ax.

[WPROST] Minister Kozakiewicz expects the BBWR to win more than 50 percent of the vote in the coming elections. What do you say to that?

[Mazowiecki] ...

[WPROST] Are we to comment that Tadeusz Mazowiecki is laughing?

[Mazowiecki] Well, I am not a visionary like Mr. Kozakiewicz. I do not believe that any grouping will win that many votes.

[WPROST] But what happens if, for example, the Democratic Union cannot form a government without the BBWR's support?

[Mazowiecki] That cannot be precluded, but will that grouping really support the reforms? At present, its rhetoric is hostile to all other groupings, regardless of whether they do or do not support the reforms. You keep harping on the BBWR, but perhaps that devil is not as horrible as he is painted. To us, a greater threat is those people who question everything that has happened in the past four years—for example, the SLD [Democratic Left Alliance], which has depicted the economic situation in the blackest colors in its appeal to voters. Does that mean it is proposing a return to what used to be four years ago?

[WPROST] The government itself is providing arguments to its opponents. For example, it declared that housing bonus guarantees would be in effect as of 1 July, and then it reversed itself and postponed them until 1 October, with known effects to its image. That is not the only example in the past few days and months.

[Mazowiecki] No one is saying that the situation is easy. The Democratic Union has always maintained that the

reforms will be painful and prolonged. There are no miracles in the economy, and we have never promised any, unlike the others. To us, what matters most is that, despite these vast changes, people have a feeling of stability and do not fear that any moment now everything will begin all over again. A majority of the public refuses to be misled and lacks the least desire for a return to chaos. I believe that those who want to feel secure will vote for us.

[WPROST] But do not you fear that should the BBWR win 10 percent of the vote that would be enough to make the parliament totally dependent on the president?

[Mazowiecki] Such a fear exists, but I am not going to predict the results of the elections.

[WPROST] You object to Lech Walesa's statement about therapy for sick parties, but your own "healthy" Union has failed to form a coalition even with the KLD [Liberal-Democratic Congress].

[Mazowiecki] Were we to form an electoral alliance with the KLD everyone would say that the Union has forfeited its identity as a party. In fact, journalists have

already said as much so often that many active Union members are opposed in advance to forming such an alliance.

[WPROST] Are you not sorry that the parties belonging to the governing coalition did not respond to the president's appeal to form a proreform bloc that could gain his support?

[WPROST] We can form a coalition government, but we cannot campaign for votes together. Then both the Democratic Union and the ZChN [Christian-National Union] would lose their electorates. Besides, on 4 June, all the coalition parties voiced their appreciation of the president's resolute support of the reforms, something you seem not to have perceived because just then there occurred that demonstration in front of the Belweder. Unfortunately, we lack the presidential BBWR's opportunities for access to television.

[WPROST] The president said on television that he is improving on the record of Marshal Pilsudski, and, according to Minister Kozakiewicz, Lech Walesa by now is an even greater figure than the marshal. Do you agree?

[Mazowiecki] Appraisals of historical figures while they are alive are always premature. By that I mean not only Lech Walesa. History indeed needs more time.

*** Severin on Opposition's Flaws, Need for Change**
93BA1215A Bucharest *TINERETUL LIBER* in
Romanian 6 Jul 93 p 2

[Article by Adrian Severin: "Let Us Get Rid of Illusions"]

[Text] It is a straightforward matter that the "1848 mentality" does not characterize us! "Now or never" is not a Romanian expression and even when it was a question of fulfilling the ideal of our national unity, we needed a French general to use it in order to bring us into the war.

Writing the beautiful verses of the poem "Struggle for Life" ("Life is a struggle and so it struggles with you/With love for it, with longing"), Cosbuc expressed something rather from the German spirit that had influenced, through Vienna, the thinking of Transylvanian Romanians whom he had brought with him over the mountains.

Living nearly all their history at the border of many empires, the Romanians got used to their fate being dependent on others and on what was happening in other places.

For that reason change for the Romanians only rarely was a revolutionary process. As a rule it took place as a slow evolution in which our main role consisted of exploiting and utilizing the circumstances. This explains why, unlike other people who took action to improve their lives whenever "they could," the Romanians moved to action only "when they could not take it any more." Meanwhile, they practiced the art of reading signs, always asking themselves if this or that event that occurred somewhere else was "a good sign" or "a bad sign" as far as they were concerned. In this regard a former political prisoner in the communist prisons told me how any news coming in connected with what was going on outside the penitentiary first was subjected to an analysis resulting from the obsessively repeated question: "And is this a good sign?" If the sign was good they could think about moving to take action or at least they could hope. If the sign was bad, they waited for the next sign.

Of course, since nobody can live very long without hope, the solution is to attach a positive significance to any sign and life immediately becomes more bearable. This is how illusions are formed.

Unfortunately, even today the technique of intoxicating oneself with illusions characterize us, undermining our will, blocking our action and making us wait for deliverance from others.

The opposition is living with the illusion that if it is more amiable it will enjoy the respect of the institution of the presidency, will pick up sympathizers from the electorate of the current parliamentary majority or will bring its association with the government. However, the facts are something completely different. The less critical the opposition is, the more the presidency and the government treat it with more arrogance and harshness while the electorate of the majority parties become stronger.

Instead of supporting their own political alternative, many people prefer to place their hopes in the so-called moderates of the governing parties. As if salvation comes from them, not from us. Blinded by this illusion we see that the much-desired moderate wing of the parliamentary majority does not exist. At most we have to cope with several pragmatic figures who, being more educated, find themselves at the front of the counterreform once again at the essential moments.

For example, we are tempted to see the prelude to victory of the good angels of the FDSN [Democratic National Salvation Front] in any gesture of some person, idol of the incurably naive, without realizing the specific acts of solidarity with the extremist parties or the affectionate embraces with the groups of the "pure and strong."

Some people ask if I believe in the victory of the "reformer" Misu Negritoiu in his battle with the "conservative" Florin Georgescu. I answered that Mr. Negritoiu is also fighting with Hrebenciuc and Cosminca, not just with Florin Georgescu, but that the stakes of these many battles are not reform, but rather power. The internal contradictions tearing up the government, as well as the governing party, do not pit the reformers and the conservatives against each other but rather those who want to gather as much power as possible in their own interest. So these battles are not "a good sign."

As a result, it is time to escape from our illusions! We should understand that the first rule in times of tribulation is that we have to fight with our friends against our enemies and the second rule is that, if you cannot defeat your enemies, join them but not with the illusion that you can change them into friends but rather with the thought of protecting your ideals and clearing your identity through practical actions more than through theoretical proclamations.

In the end, if we reach the conclusion that it is precisely our ideals that we are compromising through such an association, then it is preferable that we sacrifice ourselves rather than sacrifice our ideals. There is a proverb: "He who does not know how to die does not deserve to live." Illusions should not have to be our grave.

*** Severin Discusses Problem of Extremism in Society**
93BA1245A Bucharest *TINERETUL LIBER* in
Romanian 9 Jul 93 p 3

[Article by Adrian Severin: "The Criteria for Extremism"]

[Text] Unfortunately, extremism is a reality that is more and more frequently encountered in our lives today. There is more talk of extremist parties, extremist demonstrations and extremist ideas. If extremist demonstrations and ideas are relatively easy to identify through their radicalism, intolerance, aggressiveness and obscurantism, extremist parties are much more difficult to determine.

From a political point of view, a party is identified by its name, its statutes, its program, its leaders, its members, and the positions it takes on issues that come up at different times. However, anyone who tries to categorize a party by looking at all the elements together is placed in a difficult position. It seems the more extremist a party is, the more noble sounding is its name. They tend to have words in the middle of their names such as nation, country, fatherland, unity, fairness, justice, labor, worker, people's and so on. How can anyone say that a party with such a name is extremist?

The party statutes is a document that is more technical in nature and even if it reflects dictatorial tendencies through a strictly hierarchial structure and calls for rigorous centralism, this is not sufficient to draw the conclusion that the party in question is extremist.

The party program is more frequently given great care in formulation so that beautiful principles and high-sounding words can nicely mask true intentions, the obscure format perfectly hiding the nationalism at its base. Thus, who can guarantee that behind the lofty principle of national honor there are not hidden xenophobia and isolationism; that behind the principle of state order are not hidden the negation of citizens' rights and the promotion of a command economy; or that the ideals of honesty, justice, equality and egalitarianism do not mask a nostalgia for dictatorship in the economy and in political life.

Nor is the party membership much more revealing. The most extremist parties number in their ranks lost souls: the naive, the dupes, the myopic, the romantics, the deceived, the bought, and the opportunists. Contacts with them can lead to error. In fact, among the members of parties that History has now classified as unquestionably extremist, there were pleasant people, emotionally balanced, sympathetic, incapable of any sort of brutal gesture or of harming anyone. This was the situation with Nazi Germany, fascist Italy, with the Romanian Legionnaires and with Soviet communists. These parties murdered, sent innocent people to prison camps and jails, installed state terrorism and yet not all their members were terrible people.

Even misleading in some cases was the behavior of the party leaders to the extent that their personal lives were concerned. Many of them were children, parents or grandparents filled with concern and affection. They loved their old and infirmed mothers; they were filled with affection for their nephews and nieces. They were kind to animals. Even more curious, one famous Nazi leader who sent thousands of people to their deaths, ordered that while the victims were in lines leading to the gas chambers, Vienna waltzes were to be played to lift their spirits and the children were to be given chocolate candies.

What then are the criteria for extremism? Obviously, extremist parties can be identified without a doubt by

the policies they follow once they come to power. But then it is too late. How does one find this out before then?

In most cases, we have only the criterion of the positions taken by their leaders. This is the essential benchmark, the synthesis of the party in question. If the leaders' attitudes are extremist then the party is extremist, regardless of the sentiments expressed by its rank and file members, or of the documentation establishing it.

As unfair as this may appear, matters cannot be otherwise as long as in a democracy membership in a party is not obligatory.

This is why no one can escape the responsibility of belonging to an extremist party by distancing himself from the words of his leaders and only by saying that these views are excessive and irresponsible. If a party member somehow believes that his leaders are extremists, he must quit the party. Otherwise, he must accept along with the leaders the consequences of their extremism.

Only by recognizing such a criterion and applying it fully can we avoid a new judgment at Nuremberg that, unfortunately, we cannot arrive at without passing through a new Auschwitz. Those then who have ears to hear, listen!

*** UDMR Vice President on His Party's Future**
93BA1245C Bucharest LIBERTATEA in Romanian
9-10 Jul 93 p 2

[Interview with Barna Bodo, UDMR vice president, by Roxana Costache; place and date not given: "UDMR—Is It in Danger or a Danger?"]

[Text] [Costache] On the one hand, Peasant Party politicians have informed us that they have located a possible partner in the UDMR's [Democratic Union of Hungarians in Romania] Christian-Democratic group, while the liberal movement has said that it wants to attract its "liberal counterparts" in the UDMR. Do you consider these developments a threat for UDMR unity or are they nothing out of the ordinary?

[Bodo] If you keep in mind that the UDMR is not a party in the classical sense of the word but instead a formation that came together to represent the interests of a group of 2 million souls, it is very clear that this UDMR could not be monolithic from an ideological point of view. Since there is diversity, it shows itself in the forms of representation; within the UDMR there are various platforms with different ideological inclinations. We believe that it is perfectly normal that these ideological platforms should strike resonant chords with the parties to which they correspond; that there should be these contacts between our christian-democrats and the PNTCD and, respectively, contacts between the liberal movement and our own liberals. These (relations) do not threaten UDMR unity in the least.

[Costache] So, there will be "bridges" and contacts. But isn't there the threat that some of these groups will migrate after all?

[Bodo] I do not believe so. There are issues specific to the UDMR that cannot be taken up by any other party.

[Costache] Working from a doctrinal cooperation in which the integrity of the group is respected would appear to be an advantage for you.

[Bodo] I would think so (because there already have been) many cooperative activities.

[Costache] Such as?

[Bodo] Symposia, meetings which the liberals have agreed to cosponsor with us.

[Costache] On which issues?

[Bodo] For example, this summer we will hold a meeting of all the liberal forces in this part of Europe—from five countries if I am not mistaken. We initiated this event but the liberals approached us because they (too) thought that such a gathering was a good idea.

[Costache] There are many "wings" in the liberal movement. Which of these have signed on?

[Bodo] Practically every liberal party has sent a representative to this activity. From Mr. Stelian Tanase to Mr. Gabriel Andreescu; from Horia Rusu... Just about everyone has accepted the invitation to participate very actively in this very important event. Getting back to your question, (I would say that) there is no danger of a migration.

[Costache] Why not?

[Bodo] Because the restructuring that is taking place in Romanian politics is caused by other factors. In all the countries where there was totalitarianism many parties appeared that have scarcely defined themselves ideologically. And in the end, some of these will unify. When, or how long this process will take, I could not guess.

[Costache] The International Union of Christian Democrats is convinced that the future belongs to them; the liberals believe absolutely the same thing for their movement. What is your opinion?

[Bodo] Any party that is not convinced of a real chance for its beliefs in the social arena, or that is not convinced that the solutions which it puts forth are not valuable and viable does not have what it takes to succeed in the political arena. European society, and especially East European society is undergoing transition and modernization. I would say that we Romanians are in a process of transition but there has not been much modernization so far. We lack the economic base for this second phase of changes. Those who have the courage to state that they have viable solutions should not be condemned. In addition, we should not forget that in the West, social-democratic beliefs have not been compromised by a

socialism bankrupt as an ideology and as a form of government. So they take the social-democrat alternative very seriously there.

[Costache] Which alternative do you support?

[Bodo] As the political vice president of a formation that encompasses many current ideologies, it would not be appropriate for me to state which I feel is the viable alternative.

[Costache] I was not trying to get you into trouble, I only wanted to get the authorized opinion of a political professional. Especially when there is such controversy over the "method" to break our impasse.

[Bodo] I opened a door and you closed a window! Economic and social solutions must be sought on an ideological basis. We cannot start down the road without clearly establishing the conceptual framework of our searchings. If we do not do this we will not know how to select and what to do. We could select a patchwork solution, set up some motley program which would take us from here to there and back again. If we do not respect the need for a methodology to seek and find a response within a well-thought-out conceptual framework, we cannot find the solution. The current government has not clarified this principled framework and the responses that it wants to put into practice; so their efforts to solve problems are a composite.

[Costache] I am going to be a witch and come right down the chimney: The CDR [Democratic Convention of Romania] maintains that it has the viable program but, since it is a patchwork from the doctrinal point of view being represented by its constituent parties, can it really have discovered the true framework and true path?

[Bodo] The question is well founded, but not as it relates to the governing party, because that is not a political alliance as is the CDR and it should have a clear political cast. As far as the CDR is concerned, it depends on the depth of conviction of each of its elements whether it can impose its doctrinal point of view. But in this event, the solution must not give rise to internal contradictions.

* UDMR Senator Frunda on Romania's CE Membership

93BA1223A Bucharest ROMANIAI MAGYAR SZO in Hungarian 7 Jul 93 pp 1-2

[Article on views expressed by Senator Gyorgy Frunda, of the Democratic Union of Hungarians in Romania, by Margit D. Bartha: "An Institutional Guarantee of Our Rights"]

[Text] *Although several of our previous issues carried reports in conjunction with the news that the Political Committee of the Council of Europe had voted to recommend Romania's admission to this Pan-European organization, we nevertheless are returning to this important event once again. We are doing so because Senator*

Gyorgy Frunda, the RMDSZ [Democratic Union of Hungarians in Romania, UDMR in Romanian] member of the Romanian parliamentary delegation, is the person best qualified to tell us how the organization representing the interests of ethnic Hungarians in Romania views this action in Strasbourg, what its expectations are, and what hopes it attaches to the action.

"It is good to know that the favorable vote recommending Romania's admission means not only that the committee's members acknowledge the steps toward creating a rule-of-law state, but also that they are aware the country is going through a critical phase in its reform, the difficulties of which can be solved more easily if the country is a member of the Council of Europe [CE].

"Ethnic Hungarians support the idea of admitting Romania to the CE, because that would guarantee in practice the exercise of their rights. Namely, the CE has the ability to do so, through its Resolution No. 1201. The CE Assembly adopted that important document in February of this year. As we pointed out at the time, the document not only gives the definitions of certain basic concepts in conjunction with national minorities, but accurately determines also the mechanism for controlling compliance. Thus we find in this document the fundamental rights of minorities (the rights to their identity, native language and own culture, respectively, and the right to develop their culture). And it also specifies what can be done in case of any infringement of these rights. For instance, there is recourse to the CE's European Court of Human Rights. After adoption of this document by the CE Assembly, it was sent to the governments of the member countries, because they too have to ratify the document for it to become official (binding). But now note the following: Romania has pledged to ratify the CE's Charter of Minority Rights (i.e., Resolution No. 1201), if Romania is admitted as a full-fledged member of the CE. And since the [Romanian] Constitution specifies that international laws take precedence over domestic legislation, the CE Charter of Minority Rights would be binding in Romania's court practice as well. This is why it is important—nay, absolutely essential—for the ethnic Hungarians in Romania (and for all the other minorities as well) that Romania become a member of the CE. We must achieve that the Romanian Parliament and government provide an institutional guarantee that our rights will be respected, and that the courts will not impose sentences and pronounce judgments that discriminate on the basis of ethnicity.

"For this very reason, I presented to the CE Law and Political Committees copies of the Marosvasarhely [Tirgu Mures] resolution of the RMDSZ's SZKT [Council of Trade Union Representatives]. And in conjunction with Romania's admission, I said that first it would be necessary to enact a Minority Law and an Education Law that were acceptable to the minorities. I emphasized that there still were political trials in Romania (such as the trial of Pal Cseresznyes, for instance) and requested the CE's support for obtaining

a personal pardon also for the Marosvasarhely defendant, in addition to pardons for the Oroszhegy [Dealul] defendants.

"I would most certainly like to emphasize the positive approach of the Hungarian delegation's members (with whom I have talked personally) to Romania's admission, because our western neighbor believes that Romania's place is in the CE. But the Hungarian delegation also emphasized the conditions—these pertain mostly to the rights of the national minorities—that Romania will have to meet before the autumn session of the CE. Hungary's standpoint and conduct certainly deserve appreciation and impose a moral obligation upon Romania.

"An important addendum: F. Konig, the senior rapporteur of the CE, requested each parliamentary party in Romania, and the Romanian government separately, to state in writing their willingness to accept Resolution No. 1201 as the Charter of Minority Rights. All the parties, with the sole exception of the the Romanian Unity Party, undertook in writing to comply with the document's provisions, and the House of Deputies has adopted a resolution pledging to enact legislation incorporating the document's provisions."

Senator Frunda also said that the question of minorities came up at every session, and that in the CE they know very well what is happening in our country. For instance, the way mayor Funar of Kolozsvár [Cluj] is acting. Incidentally, the names of only two Romanian politicians were mentioned in Strasbourg on this occasion: the name of Funar, and (although only obliquely) that of Everace. Everyone regards the former as an extreme nationalist. And it was said of the latter that the national TV network cannot be entrusted to a person who violates the elementary rules of democracy, gives political preference to the ruling party, denigrates the opposition parties, is xenophobic, intolerant and anti-Semitic. And all this was said by representatives of the Western European (real) democracies.

At the press conference that the Romanian parliamentary delegation held in Strasbourg, the RMDSZ senator was practically bombarded with questions. Replying to them, Senator Gyorgy Frunda said that a Minority Law was indeed necessary in Romania, even though most democracies do not have such laws. In those countries, namely, the constitutions and other laws guarantee the minorities' rights (hence separate laws on the national minorities do not have to be enacted). And in our country it is also necessary to specify that the national minorities may use their native language before the courts and in public administration, and that signs may also be bilingual where necessary. In democratic countries all this is regarded as something natural and is being practiced there, but not in our country.

The RMDSZ envisages federalization and regionalization the way they have been tested and proven in the western parts of Europe: as the introduction of uniform

institutionalized procedures for a wider area that would transcend even national borders if necessary. But in no way would this violate sovereignty, just as the violation of sovereignty does not occur to anyone in the EC countries or in the countries that make up the Carpathian Euroregion. (Romania, regrettably, has refused to join the latter.)

Senator Frunda also underscored the friendly attitude of the Hungarian delegation. Its members had fewer reservations about Romania than the delegates from Western or Northern Europe had. But the Hungarian delegation expressly requested that Romania strive to attain the European level (also) in its treatment of its minorities.

Practically every delegate spoke at the press conference (when it began). Senator Florin Radulescu Botica of the ruling party, the delegation's head, assessed the success in Strasbourg and its causes, emphasizing the delegation's unanimity whenever Romania's interests were at stake. Senator Valentin Gabrielescu of the [National] Peasant Party admitted telling patriotic lies in the interest of promoting a noble cause (he said, for instance, that military tribunals are not trying civilians in Romania, although there still are examples of that happening). Senator Adrian Severin of the [Democratic National Salvation] Front pointed out a further nuance when he said that Europe is not rejoicing at the sight of Romanian democracy, because everyone knows that an enormous amount of work has yet to be done and meaningful progress has to be achieved in order to attain the level of the European standards.

* Economic Situation of Hungarians Evaluated

93BA1223B Bucharest ROMANIAI MAGYAR SZO in Hungarian 2 Jul 93 pp 1, 8

[Interview with Bela-Zsolt Gyorgy, executive deputy chairman for economic affairs of the Democratic Union of Hungarians in Romania, by Jozsef Birtok; place and date not given: "We Must Create Here the Economic Conditions of Our Survival"]

[Text] [Birtok] The 100-day honeymoon following the installation of the new "government" of the RMDSZ [Democratic Union of Hungarians in Romania] is nearing its end, and this is the time when more pointed questions are beginning to be raised....

[Gyorgy] The task I regarded as the most important during the first three months was that we attempt to elaborate a general conceptual economic plan, one that determines the present and future of Romania's ethnic Hungarians. We prepared a study on the situation and prospects of the ethnic Hungarians in the economic sphere. That study, I believe, could be the subject of further deliberations.

It is fairly difficult to evaluate the past three months, but the passivity in every area is certainly frightening. That state of affairs is typical inside the RMDSZ itself—here I have in mind the affiliated organizations—as well as

among the strata who profess to be outside the RMDSZ, and also among the specialists with business experience.

Within the framework of the executive deputy chairman's office, an Economic Council has been established. The actual purpose of setting up this council was to gather together the cream of the ethnic Hungarian economic experts in Romania, and have them elaborate for certain special fields, through a kind of intellectual concentration, practical and viable models that could work in practice and would be of actual use to the ethnic Hungarians in Romania.

Generally speaking, the economy is depoliticized. But the situation of the ethnic Hungarians in Romania is unique. And that fact, I believe, has a very strong influence on our mentality, work capacity, and abilities. And these are the characteristics that ought to be activated to their maximum level.

The point is that we as a collectivity are in a unique situation, subjected to twofold discrimination. First, there is the power structure's discrimination that affects ordinary Romanians as well; because it can hardly be said that the power structure is pursuing a positive course. Then there is our existence as a national minority, and hardly any progress is being made in that area.

Within the new structure that the present leadership of the RMDSZ has conceived, this model of internal self-administration actually means that the ethnic Hungarians in Romania must prove their viability, in spite of this twofold discrimination. By this I do not mean that we should not claim from the Romanian power structure of the day the rights to which we are entitled, such as a separate school system, separate cultural institutions, etc. These are rights that we must demand, rather than just request. However, we have to reckon with the likelihood that we will not be granted all these rights. Therefore we must develop a separate economic background that will be able to ensure at the given moment, when the legal framework is already in place, the system's creation and operation. If we ethnic Hungarians want a university of our own and the state does not provide money for one, then it will have to be created through the efforts of the Hungarian collectivity. Of course, that will require also sacrifices from the better-off stratum.... To that end, however, we will have to create an economic potential that will be a long-term objective, but not an unattainable one. If I did not believe that it was attainable, I would not have undertaken this task.

[Birtok] Do you see this twofold discrimination in the economy?

[Gyorgy] Regrettably, this twofold discrimination is present also in the economy. It manifests itself differently in ethnic Hungarian enclaves, and again differently in areas with dispersed ethnic Hungarian populations. In the latter case, obviously, the discrimination is stronger. There the Hungarian entrepreneur may encounter extremist local governments or chambers of commerce

in some localities; revenue officers who are not entirely objective; staff reductions that are based on ethnicity, and not on professional competence....

[Birtok] Does the organization representing the interests of the ethnic Hungarians have specific documentary evidence of all this?

[Gyorgy] Specific documentation is lacking at present, but it is being assembled. Of course, the data on all this ought to have been collected long ago. But you must also realize that it is not so simple to prove these things....

[Birtok] What material and human resources does the office of the RMDSZ executive deputy chairman for economic affairs have at its disposal?

[Gyorgy] We have three employees at present. One is stationed in Kolozsvár [Cluj] and has been working in the groves of the RMDSZ for the past three years. And two are in Csíkszereda [Miercurea-Ciuc], in addition to myself. I would rate our infrastructure as very modest: a rented office, a telephone with an answering machine, a typewriter, and a copier.

[Birtok] Are you able to perform your duties?

[Gyorgy] I would not have worded the question quite like that. I look upon all this as a professional challenge as to whether I will be able to engage and activate in the long run all those abilities and resources that do exist amidst Romania's ethnic Hungarians, and which up to now we have not been able to engage, either because of passivity or due to a wrong approach. I perceive this as a process. And if anyone is impatient about this, then he must be naive, in my opinion. Three and one-half years after the changes, when a certain reversion is perceptible within entire Romanian society, a kind of knee-jerk reflex that determined the old mentality, it is certainly not a work of two or three months to explore and engage the real and existing abilities. I still believe that many people are willing and able to work if asked to do so, if we give them a vote of confidence in some field.

Another question is: Do Romania's ethnic Hungarians have self-confidence? How do individuals endowed with a kind of charisma, along with ability and leadership traits, regard themselves as members of the collectivity of ethnic Hungarians, and how do they live up to this and express it? When someone is requested to do something, it means a vote of confidence for that person, and the request must not be refused.

That a mother country exists, and I can pack my bag and cross over into Hungary at any time, is not a solution. It is here that we must become stronger so as to be able to survive. And the first prerequisite for that is an economic recovery and capital formation.

Once the office of the executive deputy chairman for economic affairs completed this study, it began to compile an inventory. Regrettably, this program confirmed what I have said earlier about passivity. The people who

could be reached and would have been able to gather certain data, did not feel duty-bound to do so.

There are nearly two million ethnic Hungarians in Transylvania. In the world there are at least 50 countries with smaller populations than that. Consequently, there have to be assets here. The professional competence these people possess ought to be put to use for the collectivity's benefit.

A good mechanical engineer ought to establish a limited liability company such that its production relations are directed toward Romania's ethnic Hungarians. As far as possible, the company ought to employ ethnic Hungarians, and it ought to do business with other ethnic Hungarian entrepreneurs. All this, of course, in accordance with principles that do not conflict with the laws of the market.

[Birtok] To what extent is the RMDSZ or its specialized office able to help ethnic Hungarian entrepreneurs who appear on the scene with such intentions?

[Gyorgy] I am convinced that we will be able to help them quite a lot. According to my experience, a considerable volume of information has flowed into this office during the past 1.5 months, together with specific proposals and inquiries, which we would have gladly passed on—in other words, the office will also be managing contacts—had we but known to whom to refer them. We have requested information about enterprises, institutions and businesses earmarked for privatization, in the counties inhabited by ethnic Hungarians. The aforementioned contact management would certainly be the most effective tool, because very many people are coming to us with specific and worthwhile proposals. It would be good if this institution had data and orders from Romania's ethnic Hungarians, which could then be referred to other ethnic Hungarians. The exchange of information is not functioning normally in Romania. Often not even residents of the same city know what one has to offer and what the other is seeking. In the absence of other resources, the greatest task of this office could be to inventory, record and measure capacities. This office could be equipped with computer hardware [and software] to handle contact management.

I would like to see the situation at Tulipan Limited Liability Company clarified, and I still do not know much about it. Although I have requested information, I have not yet received any meaningful information about the company. Once its situation becomes clear, it may be possible to enter into an independent business venture. But not in the same structure and with the same strategy that Tulipan employed up to now.

[Birtok] Speaking of strategy, does the RMDSZ have an economic strategy?

[Gyorgy] I mentioned that the Economic Council has met twice so far, and that there is still room on it for those among Romania's ethnic Hungarians who are qualified to formulate economic policy. It will be the

council's task to devise an economic strategy. Up to now, only the basic level of the RMDSZ had any ideas about an economic strategy.

In my opinion, Romania's ethnic Hungarians cannot expect any systematic help from the Romanian state in the present business cycle. Therefore the private sector and private property are the only way left for us to follow. Their optimal utilization is an area in which considerable progress could be made. And not just because there are many more individuals among us with experience of some field or other. If nothing else, we are familiar with the model in Hungary; we also have contacts and more information available. The implementation of the Land Law—even so, with its flagrant mistakes and abuses—could give Transylvania's ethnic Hungarians a kind of advantage in terms of numbers and proportion of ownership, an advantage stemming from their historical heritage. It will also be of fundamental importance for Transylvania's ethnic Hungarians to exploit this advantage and to effectively aid agriculture, as the basis of everything. But the resources available for this purpose, I wish to repeat, are not very ample.

Regarding strategy, I wish to say once again that devising it is not a one-man job. It is a task for all those who amount to something in this field and wish to participate in the work.

[Birtok] Are you disillusioned?

[Gyorgy] If I sounded bitter up to now, it was just the diagnosis, rather than the symptom of a breakdown. But we have a very strong ambition to be able to treat the disease. You might call this disease a crisis of confidence in the RMDSZ as an institution, you might call it depression accompanying the living standard's general decline, or you might regard it as the negative effect of minority existence. The essential thing is that not just I, but the entire leadership of the RMDSZ is firmly determined to bring about a change. If the leadership did not believe in this, and the people with whom I am working—here I have primarily the top leadership in mind—did not intend to arouse Transylvania's ethnic Hungarians from their sleep the way Sleeping Beauty had been aroused, then we would not have accepted the posts to which we have been elected.

* Statistics on Hungarian Minority Education Detailed

93BA1223C Bucharest ROMANIAI MAGYAR SZO in Hungarian 3-4 Jul 93 pp 1, 7

[Article by Laszlo Murvai and Arpad Debreczi: "The Balance of the 1992-93 School Year"]

[Text] Since 1990, this is already the third end of a school year when we customarily present, analyze and interpret the quantitative indicators for Hungarian education in Romania. This year the historical approach will

lend more color to our account of the 1992-93 school year. We will organize our material the same way as in the preceding years: We will start with a general survey of education, and then revert in three detailed articles to analyses of education in kindergartens, elementary schools, and secondary schools. In describing the various levels of education, we will also present breakdowns of the national totals by counties. Our analyses are based on the annual reports of the National Statistical Office and county school inspectorates.

The Educational Network

In the 1992-93 school year, there were 2,336 Hungarian kindergartens and schools, or Hungarian sections of kindergartens and schools, in Romania. That number accounted for 8.1 percent of all kindergartens and schools in the country. There had been 2,340 Hungarian kindergartens and schools on record in the 1990-91 school year, and 2,355 in the 1991-92 school year. Thus the figures for the three school years do not differ by much. During the same period the total of all kindergartens and schools in the country rose from 27,942 to 28,926. Thus there were 984 more schools and kindergartens in the country this year than there had been in the 1990-91 school year. That is an increase of 3.4 percent. At the same time, however, the Hungarian educational network's proportion fell from 8.4 percent to 8.1 percent, a decrease of 0.3 percentage point.

The Hungarian educational network consisted of 1,192 separate Hungarian units solely with Hungarian classes, and 1,144 units also with Hungarian sections. The proportion of separate Hungarian units and Hungarian sections likewise has not changed much in comparison with 1990. The only comment that ought to be added here is that this year there were 10 fewer separate Hungarian units than in 1990.

Interesting data emerge if we break down both the national and the Hungarian educational networks by levels of education and then compare once again the obtained proportions. Thus:

- Kindergartens account for 43.6 percent of the national educational network, but for 45.8 percent of the Hungarian educational network.
- General schools (grades I-VIII) account for 47.6 percent of the national educational network, but for 45.8 percent of the Hungarian educational network.
- Lyceums [academically oriented secondary schools] and professional secondary schools account for 8.8 percent of the national educational network, but Hungarian sections account for 6.9 percent of the Hungarian educational network.

In other words, as we proceed from the lower to the higher educational levels, the proportions decline more sharply within the Hungarian educational network than within the national one.

Enrollment

Enrollment figures for the national and the Hungarian educational networks, respectively, are summarized in the following table:

Educational Levels	National Enrollment	Hungarian Enrollment	Percent
1. Kindergartens	752,063	49,255	6.5
2. Primary schools	1,201,229	60,726	5.1
3. General secondary schools (grades V-VIII)	1,339,555	68,153	5.1
4. Lyceums	714,013	31,196	4.4
5. Professional secondary schools and postlyceal education	390,661	7,587	1.9
Jointly	4,397,521	216,917	4.9

From the figures in the table we may draw at least two important conclusions:

1. Youngsters whose language of instruction is Hungarian account for 4.9 percent of the national enrollment. That proportion is 2.2 percentage points lower than the officially reported proportion of ethnic Hungarians within Romania's population. In other words, 4.9 percent is 2.2 percentage points lower than 7.1 percent.

2. From kindergartens to lyceums, the proportion of youngsters whose language of instruction is Hungarian drops from 6.5 percent to 4.4 percent (or by 2.1 percentage points), while in the professional-secondary-school and postlyceal sections their proportion reaches merely a symbolic 1.9 percent.

We have seen that this year a total of 216,917 youngsters were taught in Hungarian as their language of instruction. That compares with 235,912 in the 1990-91 school year. In other words, this year there were 18,995 pupils and students (or 8 percent) fewer in our schools than in 1990. Also in comparison with the 1991-92 school year, the number of pupils and students whose language of instruction was Hungarian fell by 5,909 (or 2.7 percent). Thus the absolute numbers show a declining trend, yet the proportion have increased from 4.7 percent in the 1990-91 school year, to 4.9 percent in the 1992-93 school year. The explanation is that the national enrollment also shows a declining trend: it fell by 12 percent in comparison with 1991, and by 3.5 percent in comparison with 1992.

As we have done in the case of the national and the Hungarian educational networks, let us break down by levels of education also the national and the Hungarian total enrollment, and then compare the proportions. We obtain the following indicators:

Educational Levels	Percent of National Enrollment	Percent of Hungarian Enrollment
Kindergartens	17.1	22.7
Primary schools (grades I-IV)	27.3	28.0
General secondary schools (grades V-VIII)	30.5	31.4
Lyceums (grades IX-XII)	16.3	15.8
Professional secondary schools	8.0	3.1
Postlyceal education	0.8	0.4

The pairs of proportions again show the same trend as in the case of the educational network's breakdown. From kindergartens through lyceums, the Hungarian proportions are more or less the same as the national proportions, but from there on they gradually become smaller. At the professional-secondary-school and postlyceal levels the proportions of Hungarian enrollment are not even half the national averages.

Let us examine, in a breakdown by educational levels, how the proportions of Hungarian enrollment developed between 1990 and 1993—i.e., in a three-year perspective. In kindergartens the proportion rose from 20.2 to 22.7 percent; in general schools, it fell from 60.3 to 59.4 percent; in lyceums, from 17.6 to 15.8 percent; and in professional secondary schools [and postlyceal education], it rose from 1.7 to 3.1 percent. In other words, the proportions rose in kindergartens and also in professional secondary schools and postlyceal education; but they fell in general schools and lyceums. At the same time, the proportions of national enrollment rose everywhere in comparison with 1990-91, except in the case of lyceums.

We have compared the proportions of enrollment also for an area less known up to now. In all, 240,619 minority pupils and students were taught in their respective native languages in Romania. That total includes 216,917 ethnic Hungarians, 90.1 percent of the total. But according to the 1992 census, ethnic Hungarians account for only 67.3 percent of all minorities. Consequently, ethnic Hungarians are more insistent than the other minorities on instruction in their native language.

When analyzing the enrollment figures, mention must be made also of the ethnic Hungarian students studying in schools where the language of instruction is Romanian. Here we are able to rely only on the annual reports of the county school inspectorates, because the National Statistical Office does not seem to regard these data as sufficiently important to publish them officially. Our conclusions based on long years of experience prove that some school inspectorates tend to underreport the number of ethnic Hungarians attending Romanian schools, but these distortions can be corrected fairly reliably in the course of analyses. On the whole, the data reported by the school inspectorates reflect fairly faithfully the educational situation in each county. (Here again, we make this claim based on our long years of

experience.) But the numbers themselves are merely dull statistical data, and only interpretation can breathe life into them.

According to the data obtained this year, 57,080 ethnic Hungarian youngsters were enrolled in Romanian kindergartens and schools in the 1992-93 school year. If we add this number to the enrollment figure presented above, we obtain for entire Romania a total of 273,997 ethnic Hungarian children attending Romanian kindergartens or schools, and this new total represents 6.2 percent of all children in the country's kindergartens and schools. Why only that much? Why not a figure closer to the 7.1-percent proportion of ethnic Hungarians within Romania's population? The difference is due to the fact that, in schools where there are many ethnic Hungarians in Romanian classes, the school administrations do not report the actual figures. Why does the truth have to be treated with reservations? Because several Romanian classes would cease if ethnic Hungarian parents were to insist that their children be taught in Hungarian, and the cessation of each class would mean the loss of two teaching positions. But there is also another reason for doctoring the data. The 57,080 ethnic Hungarian children being taught in Romanian are 21 percent of all ethnic Hungarian children reported as enrolled. Which means that 79 percent are being taught in their native language. Not a bad percentage. But if we estimate the number of ethnic Hungarian pupils and students merely on the basis of the officially accepted 7.1-percent proportion of ethnic Hungarians within Romania's population, we get a total of about 310,000. Then only 70 percent of the ethnic Hungarian pupils and students are being taught in their native language, and 30 percent are being taught in Romanian. Now you see why it is necessary to doctor the data! Fortunately, the logic of the official data does not rule out the logic of numbers. The two should match. But the fact that they do not is also edifying.

Teaching Staff

In the 1992-93 school year the institutions and sections in which Hungarian was the language of instruction employed a combined total teaching staff of 13,879, which is 5.6 percent of the number of teachers in Romania. The Hungarian staff included 2,371 kindergarten teachers, 3,239 primary-school teachers, 7,935 secondary-school teachers, and 334 teachers with a masters degree in education. Within the Hungarian staff, 10,391 (or 74.8 percent) had education certificates, and 3,488 (or 25.2 percent) lacked proper education certificates for the teaching positions they were in. In a breakdown by levels of education, the proportion of staff without proper education certificates changes as follows: in kindergartens, 47.6 percent; in primary schools, 24 percent; in general secondary schools (grades V-VIII), 20 percent; and in lyceums, 10 percent.

This situation is aggravated by the fact that the prospects of any improvement in these unfortunate conditions are limited to the kindergarten and the primary-school

levels. So far as teacher training is concerned, there has been a significant increase in enrollment only in the case of Hungarian language and literature majors.

If we compare this year's overall picture with last year's, we find hardly any change in the proportion of the teaching staff lacking proper education certificates, for their proportion was 26 percent last year. The slight improvement this year can be attributed to a 10-percent rise in the number of primary-school teachers with education certificates.

School Administrators

There are 1,493 ethnic Hungarian administrators in the 2,336 Hungarian institutions or sections, which means that 63.9 percent of the institutions of sections have ethnic Hungarian administrators. They include 1,269 principals and 224 deputy principals. The breakdown of administrators by levels of education is as follows: in kindergartens, 445 mistresses; in primary schools, 370 principals; in general secondary education (grades V-VIII), 407 principals and 136 deputy principals; and in lyceums, 47 principals and 88 deputy principals.

We ought to be ending our annual balance by taking stock of the college and university students whose language of instruction is Hungarian. Unfortunately, the Ministry of Education does not have such figures for this year. The statistics on higher education do not give any breakdowns by language of instruction or the students' nationality.

* Archbishop Discusses Status of Religion

93BA1246A Bucharest *TINERETUL LIBER* in Romanian 14 Jul 93 p 5

[Interview with His Most High Holiness Nestor Voronicescu, by Constantin Padureanu; place and date not given: "The Path Between the Peoples and the Churches Is, and Needs To Be, Open at All Times"]

[Text] [Padureanu] Your High Holiness, you attended the ecumenical meeting in Spain. How were you received and with what impression did you come back to Craiova?

[Vornicescu] An ecumenical meeting was organized in Madrid, and there I met Father Teofil Moldovanu of the Romanian Orthodox Parish in Madrid, a doctor of theology and a professor at the Madrid Catholic University. Representatives of the Orthodox churches were there of course, most of them Roman Catholics, as well as Jews and Moslems. My report was about the obstacles in the way of contemporary ecumenism. They all listened with appreciation and understanding and the resolve to study them and the ecumenical movement and to go on discussing the viewpoints of the faith that are to be held in common. I returned from Madrid with the conviction that the path between the people and the churches is and needs to be open at all times.

[Padureanu] How do you describe the present state of religion in Romania?

[Vornicescu] In Romania, the religious phenomenon is in its natural and normal development. Fortunately the Romanian people have a religious feeling that fully manifests itself, and that is no novelty but has been a fact for a millennium. Today, religion and the Romanian Orthodox Church are developing their salvation activities normally, but it is very true that there were lags in the education of youth in the period of the dictatorship.

Man aspires to virtue, but in that aspiration of his he is sometimes tempted toward other paths, so that sin is present in our lives whether we like it or not.

[Padureanu] Do the labels or terms formulated by foreigners or international bodies characterize us, and are they justified?

[Vornicescu] In the great freedom that exists in Romania there are also some instances of anarchy at times in the moral field. It is a matter of recognition of some sins according to Holy Scripture such as homosexuality and lesbianism, conditionally stipulated so that we may join Europe. If it is a matter of recognition in order to join certain international bodies, I think the virtue of loving thy neighbor should be made conditional first, as well as the virtue of patience and the virtue of the sins, because the latter exist underground and must not be brought to light and we are even required by law to recognize the anarchy.

[Padureanu] Do you think the times in which we are living are telling us that we are near the apocalypse?

[Vornicescu] No. According to the revelation of the Lord Jesus Christ, the doctrine stated in the New Testament, no one but the Heavenly Father knows the end of the world. But there have been signs that the end of the world is in store since the time of the Lord Jesus Christ, namely wars, sins, and disagreements between parents and children and between husbands and wives, and they are all over the face of the earth. According to the doctrine of the Romanian Orthodox Church, the end of this world and its transition to a spiritualizing phase will come when no one does good any longer on the face of the earth. God lets the world go about its business in its own way and lets it bring into peril as much as possible the salvation brought by Jesus Christ, so that at the awful Judgment Day no one can say "I had no idea!"

[Padureanu] Do you wish to send a thought to the readers of the daily TINERETUL LIBER?

[Vornicescu] According to the teaching of the church, all men should consider themselves young because Jesus Christ said, "Except ye be converted, and become as little children, ye shall not enter into the kingdom of heaven." (Matthew 18:3) The thought is to inspire courage in the hard (economically) times through which we are living, but they are times of full freedom for the soul and for activities. And meanwhile let us cope closely united with the problems through which we are living and reach a happy harbor in the future.

* Minister of Trade on Prospects for Export

93BA1279C Bucharest ADEVARUL in Romanian
6 Jul 93 p 3

[Interview with Constantin Teculescu, minister of trade, by Constantin Priescu; place and date not given: "Highest Exchange Rate, Lowest Foreign Trade"]

[Text]

Curious "Policy" Imposed by Some Banks on Romanian Exporters

[Priescu] Minister, what are the "up to date" results in our foreign trade?

[Teculescu] The fact that the trade balance deficit was reduced by about \$100 million during the past five months is a step forward. But even though exports during that period represented about 19 percent of the total industrial production volume, a significant increase over last year, it is still 5.8 percent lower than in 1992. But there are also other positive trends. First of all, the increased proportion of production required for exports, which expresses our industry's capability to remain competitive despite the opinions that it would have no possible chance in the intensifying single-market competition of the market economy. In second place, the increased proportion of consumer goods in the total export volume, up to about 30 percent, indicates a renewed production on the international market on the part of businesses in this sector with public and private capital. Last year, the exports from businesses in this sector amounted to 25 percent. Another positive element is the decreased export against compensation, from 32.1 percent last year, to 21.4 percent during the same period this year, and its utilization to obtain raw and other materials, as well as some consumer goods.

[Priescu] There is a feeling that the financial-banking system such as it operates today, does not sufficiently stimulate the development of exports. Could you comment on this?

[Teculescu] With few exceptions, the beginning of the transition found the banks unprepared to support foreign trade activities under market economy conditions. Attempts, some of them successful, were made to bring the banking system to Western levels, but as a whole, the banking system does not actively enough encourage exports and the introduction of currency into the country, through a policy of interest for available currency and of attractive commissions, credit facilities, the use of lines of credit for industry modernization, in particular of industries with export production, efficiency, modern banking products, studies, information, specialized banking assistance, and so on. In order to encourage export, this year's state budget provided 15 billion lei at the request of the Ministry of Trade, with

disbursement through Eximbank, to "stabilize" the interest rate of credits extended by banks for export activities. These funds are intended to cover part of the interest collected by commercial banks for credit extended to businesses. Similarly, the state budget provides 5 billion lei to insure export credits against political risk in the name of the state and on its account. What would businesses have done without these reserves under the current pressure on interest levels? In addition to this "regulatory" fund, the same attention must be devoted by businesses and banks to bring into the country the currency obtained from exports. Your paper has rightly pointed out the fact that some businesses take the currency abroad; a large amount of Romania's foreign currency is deposited in foreign banks, both through failure to bring export currency into the country, and equally as importantly, through payments for importations that do not take place.

[Priescu] Who is responsible for improving the relationship between the banking mechanism and exporters?

[Teculescu] To a large extent, it's in the hands of the National Bank, which in my opinion should revise currency regulation as soon as possible, strengthen cautionary control on commercial banks, and turn over the control of currency rates to a specialized, independent agency, as is the case for Western banking practice, which is unquestionably more efficient.

* Profiteering Investors Plunder Country

93BA1279B Bucharest ADEVARUL in Romanian
8 Jul 93 p 3

[Article by Mihai Ionescu: "Romania—Heaven for Profiteers With 'Foreign Investor' Documents"]

[Text] Established three years ago, the Romanian Development Agency (ARD) was conceived to support the reconstruction efforts of the Romanian economy. With the benefit of their many contacts at home and abroad, their grants and documentation visits, paid in heavy currency, ARD's high officials should have become a commanding nucleus for Romanian growth. Judging by their results, the assessments are inferior to initial expectations, and even further below the appearances that the "residents" of the institution at Bd. Magheru No. 7 are attempting to project.

What did the Romanian economy need first and foremost after the Revolution? Foreign capital. And indeed, ARD opened the doors wide to this capital, but like school children, its officials became disoriented in the presence of the green currency. Instead of conducting a selection process among the requestors of "foreign investor" licenses (which confer great advantages on Romanian land), the ARD "school children" put their stamp on any request that carried a foreign name; even if the

subscribed capital—they were not even interested in effectively disbursed capital—amounted to no more than the equivalent of a hotel tip. That is why Romania is now swamped by about 25,000 foreign investors, 99.7 percent of which hold barely 30 percent of the invested capital. With just a few dollars, the best of the Eastern (and not only from there) carpetbaggers found themselves named "investor in Romania," setting up businesses of millions of dollars. Merely through the importation of cigarettes and alcoholic beverages, about 140 million dollars have drained out of Romania every year, ending up on Turkish markets or in Western safes; not to mention the candies, watermelons, chewing gum, chocolate, cookies, and so on, money for which the country had to get into debt, and which future generations will have to repay (including interest).

Don't the high ARD officials realize that they have betrayed the purpose for which their agency was created? Can an agency claim to be a "development" agency as long as the majority of the foreign investors it approves conduct nothing else than commercial activities? Is this the way to rebuild the national economy? The fact that ARD's pitiful performance has succeeded in placing Romania in last place among Eastern and Central European countries with respect to the amount of total capital and capital per number of so-called investors, would be enough for the professional disqualification of those who work there and who are being paid by the state.

There are, of course, reasons outside of ARD's jurisdiction, for which some genuine investors still avoid Romania. But who should be the first to take action to eliminate these reasons? The amateurish conduct—to use a kinder term than it deserves—of those who are responsible for the disaster bred by ARD, went so far as to accept the writing of contracts through which Romania "placed on the line" one of the largest steel combines (Otelu Rosu), while the foreign partner ventured DM3,000, the equivalent of a used car (a case that has reached the courts).

Under the candid eyes of ARD's foreign-language speakers, who can certainly take pride in having surpassed the income plans of foreign transportation agencies, another serious phenomenon is taking place. Realizing that no one will bother them, the small-scale profiteers establish and terminate thousands of joint companies month after month, in order to benefit each time from the two years of tax exemption. Everyone seems happy: the businessmen because they pay nothing to the Romanian state, and the ARD clerks because they have a job (stamping papers); the only losers are the Romanian people, who underwrite the salaries of those paid to help them, but who in fact are throwing them as prey for the businessmen. If it should want to, and if it believes that it is its duty, the government should eliminate this institution from its budget.

*** Role, Objectives of Accounting Court Viewed**

*93BA1279A Bucharest ADEVARUL in Romanian
8 Jul 93 p 3*

[Interview with Ioan Bogdan, president of the Accounting Court, by Constantin Priescu and Mihai Ionescu; place and date not given: "Corruption Reined In"]

[Text] The Accounting Court has started its activities.

[ADEVARUL] What is the place and role of the Accounting Court among the many state regulatory institutions? Doesn't it duplicate the work of the others?

[Bogdan] In no way! The Court occupies a distinct, irreplaceable place among the state institutions. It is the highest agency for financial control and jurisdiction in this field; it starts and completes the entire control cycle on its own, with its own resources, without any collaboration or influence, both in the technical aspects of the control and in the legal area of finalizing the results. In everyone's eyes, the Accounting Court is the sole agency empowered by law to discharge from their management functions all those who use public funds, beginning with the president, Parliament, and the government; it also embodies the highest institution in the land to conduct and coordinate financial control of the administration and of the utilization of the state's public and private property. The Court's regulatory functions are also distinguished by the unique attribute granted by law, of being the only state agency with regulatory rights over the National Bank of Romania.

[ADEVARUL] In order to fulfill its tasks in this way, the Court would have to have some truly incorruptible supermen. Does it have them, do you think it will have them?

[Bogdan] To a large extent, it does. All our people were hired through a rigorous and complex system of testing for professional training; additionally, we preferred to leave some positions unfilled rather than make concessions of morality and professional competence. In our profession's code of ethics we have included the compulsory requirement that no Court employee may perform or collaborate in the performance of other professional activities, with the exception of those in higher education, whose nature will also contribute to their own development. We hope that in this way we will retain unaltered both our professional and our moral integrity.

[ADEVARUL] What are the prime objectives in the Court's agenda?

[Bogdan] In the first place, to immediately start the current regulatory activity stipulated by Article 28 of Law 94/92, that will finally allow the implementation of measures to discharge from management functions or to establish the responsibility of those who make use public funds. In second place, together with our specialists, we must establish the best definition for discharge as a concept of democratic and financial control, as well as the organizational framework in which this must be

achieved. Concurrent with these actions, it is imperative that we start preventive control as rapidly as possible in all the democratic and administrative institutions of society—the presidency, the chambers of Parliament, government, autonomous management groups, and other major requesters of credit. This means that as rapidly as possible, we must find leverages and systems to prevent at the source, the legal violations and the waste of the public funds gathered from the hard work and sacrifices of the citizenry during this difficult period of transition. What has happened to national property after December 1989 cannot be qualified otherwise than a national disaster which has angered and continues to anger all citizens. The formation of the Accounting Court has made the achievement of actions of assured effectiveness in this area possible and necessary.

*** CDR Economic Program Urges Decentralization**

*93BA1246B Bucharest LIBERTATEA in Romanian
13-14 Jul 93 p 5*

[Interview with Emil Constantinescu, Democratic Convention leader, by Roxana Costache; place and date not given: "Is the Opposition Fighting Against the Government or for Power?"]

[Text] [Costache] The CDR [Democratic Convention of Romania] has openly expressed its intentions of taking over the government and has also advanced a program-alternative. The Declaration-Program in nine points is an appeal to the nation and, it has also been said, it is disseminated primarily for the purpose of "disenchanted" the citizen about the necessity of initiating "some processes vital to the nation," namely destatizing, decentralizing, deregulating and debureaucratizing. How can the credibility of a procedure be affected by parading generalities—have Romanians become allergic to any kind of proposal?—while the sections, due to the inevitable summary, come down to listings of intentions.... Please point to some of the key measures that can carry conviction concerning the effectiveness of your procedure.

[Constantinescu] All the economic indicators have collapsed. That is the situation! Former Minister Stolojan can make the excuse that he lacked exactly what we want to have, namely the mandate to undertake a real effort to extricate Romania from the crisis. The Stolojan government was not a crisis government but a temporary one. Now...the chances of this program are the chances of the country. Although you have warned me and although I loathe "big statements," I have to reply very accurately. This program was conceived and dedicated to the citizens of Romania as a whole. The necessity of presenting it at this time is due to a finding that a great part of the public perceives the continuing decline of the economy and society but sees no solutions, a fact that contributes to the aggravation of an impasse that may become very serious. The means of implementing our program are those well known in a democratic state, namely a minority government (with the present parliament) that

will have the CDR's representatives, other parties and personages inclined to support this program.

[Costache] Nevertheless, I insist that the program contains the substance and it means a radical new start. What are the elements with which it at least starts the changes that you plan?

[Constantinescu] The program takes up all the components of the social crisis, which is a global crisis, in order. We were required by the situation to proceed that way. We think decentralizing and achievement of a local administrative and economic autonomy based on a financial autonomy guaranteed by the local budgets should be the starting element. We think application of this point will produce results very rapidly!

[Costache] Will everything be "unraveled" (stopping the rise in prices, reform in the field of private ownership, social protection, etc.) merely by pressing that button?

[Constantinescu] Actually, you have witnessed a concentration of the options following from the studies made last year, which can now be found "in the sections," each of which has its own distinct "button." For example, in the field of the economy it is essential to develop the sector of small and medium productive enterprises (through suitable legislation to avoid excessive taxation), a sector that can create jobs. Accordingly, the said button would be in that section.... Because...once this sector is formed it will soon guarantee job offers; conditions can be created for absorbing the surplus labor force resulting from reconstruction of the industrial giants.

[Costache] I do not agree with subsidizing the "colossi" either. But will the "human" dislocation expected from their decline be eliminated as a social effect by developing the small and medium private productive sector alone? I am referring to the latter's capacity to absorb the surpluses compared with their size.

[Constantinescu] Personally I have not supported any abrupt change of the entire economy and I have insisted, as I told you, on developing that sector, which represents at least 80 percent of the output in all the democratic countries. It is the one that ensures a gradual absorption of the surplus human resources and exploitation of their potential. Meanwhile, people must understand that

those colossi are paid for out of the taxes of every one of us, and in fact we are paying for efficiency with those taxes!

[Costache] You replied "one year" to my question, justified by the scope and importance of the CDR program, "How many years of governance did you think it will take to carry out your proposal?" Isn't it rather risky to "undertake" such a "short" time limit?

[Constantinescu] I did not mean by that reply that Romania's economic problems will be solved in one year. In one year some specific and clear accomplishments should "be seen" that should manifest themselves in society. Every man should feel he has changed something and especially that he is on a path that can improve his and his country's life.

[Costache] Do you think that those who are now in power...

[Constantinescu] Will give it up?

[Costache] I don't mean that, but that if it had been that simple do you think that those in power would have hesitated to resort to those efficient measures for the very reason that they value power?

[Constantinescu] Those in power have only two options, either to go on as they have done before and set off a serious social explosion and Romania's isolation or to yield the power to others capable of implementing both the reform program and the one for democratizing the country.

[Costache] Is that democracy? Since the public has entrusted governance...to the government party (and not the the "Vacaroiu" formula), should it be taken over? More simply, how do you say "Cede me the government, sir."

[Constantinescu] He should not cede it! Our government can be controlled by this Parliament. Certainly any change must involve an agreement on the national level.

[Costache] Wouldn't it be more proper to directly request early elections?

[Constantinescu] Yes, we are agreeable at any time to early elections. That would be correct. But it does not depend on us. We are not in a position to decide.

*** Threat of Crisis Seen as Potential Future Advantage**

93CH0825C Bratislava NARODNA OBRODA in Slovak
6 Jul 93 p 7

[Article by Ivan Okali, Economic Institute SAV: "We Cannot Wait for Godot"]

[Text] In the study "Strategy for Revival or Survival," I predicted a decline in the gross domestic product (GDP) of Slovakia in 1993 in a range (depending on the type of

economic policy implemented) of from 5 to 11 percent. P. Karasz and his colleagues from the Forecasting Institute of the SAV estimated the decline at 4 to 7 percent. On the basis of published statistical data on the performance of the main branches of the national economy in the first three months of 1993, we can at least approximately estimate the creation of the GDP in the SR [Slovak Republic] for the first quarter (Q) of 1993 and, on that basis (see table), extend our look at the changes in the performance of the Slovak economy up to the current developmental stage.

Creation of the GDP in the SR by Quarters

1-90	2-90	3-90	4-90	1-91	2-91	3-91	4-91	1-92	2-92	3-92	4-92	1-93 (est.)
49	53	52	55	47	48	39	43	41	40	41	46	37

It is obvious from the table that the development of the performance of the Slovak economy in the first quarter of 1993 with great probability fluctuated at about the level of the pessimistic variants of the macroeconomic forecasts for 1993. (The GDP according to my estimate was approximately 8 percent less than in the first quarter of 1992.)

In placing emphasis on substantial connections, one can say that the decline in the creation of the GDP that took place in Slovakia in 1991 was an unavoidable accompanying feature of the transformation process in the sense that the rapid changes brought about by it in the cost and price structures caused a significant limiting of the aggregate demand (AD). The repeated decline in the GDP in the first quarter of 1993 is also a reaction to the demand situation in the economy. However, it predominantly reflects the consequences of the division of the CSFR in terms of demand. One of them is the reduced expenditures for public consumption that just in the first quarter of 1993 represents an amount of 5 billion korunas. Another, obviously even more important, is the limitation on the extent of mutual Slovak-Czech trade. The statistical data published to date on the development of the SR's economy in the first months of 1993 show:

(1) A significant drop in the volume of trade between the SR and the CR [Czech Republic].

(2) That there was no compensation for that decline by an expansion of trade with other states or an increase in domestic demand.

We obviously will not succeed during 1993 in getting rid of the effects of the division of the CSFR on the demand situation in Slovakia's economy. The development of the AD in the Slovak economy during 1993 is being greatly influenced by other important factors, however. Those are the situation in the microsphere, which is characterized by the bad financial status of a great part of the enterprises in all of the branches; the unbearably great

extent of their indebtedness; the inability to make payments, which is connected with it; and the beginning of competitive operations.

In the recessional decline of 1991 and after its intensification in the first quarter of 1993, the SR economy had already come to a point of extremely low "turnover." The further reduction that would occur with a gradual failure to function in more than half of the enterprises threatened with competition will carry over the crisis from the economy into all other areas of social life. Perhaps these are strong words, but it appears that no words are capable of exaggerating the current dramatic state and the development of the immediate future of Slovakia's economy.

Together with its overlying economic problems, however, today's independent SR has one advantage and opportunity, which, until recently, was not recognized, which consists of the chance to formulate and implement its own economic policy. The crisis situation of the Slovak economy demands, naturally, untraditional procedures and measures of economic policy, which should be primarily the following:

1. Prevent the crisis financial situation from dragging down about half of the Slovak enterprises in a wave of their natural disasters.

I agree with the idea of the government economic policy that, in maintaining the already greatly weakened functioning of the economy, it is necessary to keep in operation those state enterprises that are capable of selling their products. Indeed, I also agree with the view of industrial circles that one of the reasons for the bad situation of the enterprises is the lack of money in the economy. Additional credit should be extended to the enterprises even when that recognizes the need for a longer-term increase in their turnover costs, but that is also supposed to carry them over their temporary financial hardships and to do that without regard for its inflationary consequence. After all, one can cure a patient only if he is still alive. At the same time, it is true that not even providing an infusion of credit itself or in

combination with the program activities that have been worked out and are supposed to be a condition for credit will improve the financial situation of the enterprises for the long term. It will, however, help the enterprises to survive until such time that they themselves undergo the transformation process.

2. Carry out the transformation within the enterprises, which amounts to their privatization.

I do not consider the choice of one or the other methods of privatization as the primary reason for their slowing down or probably also reducing, in the effectiveness of their results, but, rather, the excessive, even absolute, degree of state participation in the privatization process. I have in mind here the requirement that, despite a certain irreplaceable state participation in initiating privatization and making decisions, for example, on the scope and entities of the privatization process—that is, in creating the whole complex network of ownership rights with sufficient room as well for the activities of the entities, which will make use of those ownership rights. That is, also for the activities of the investment funds, banks, other businesses, communities, managers, the employees of businesses, and such, because one cannot ever create a market—that is, a nonstate economy—with a preponderance of the methods of state management.

3. Implement the process of bankruptcy of the enterprises, including the agreement actions connected with privatization.

The cooperation of the founding departments and the state property fund with the future owners is particularly necessary in the privatization process in those enterprises faced with bankruptcy. Their creditors (in cooperation with other involved entities) should prepare, together with an idea on restructuring the debts, a proposal for renovating the structure of their ownership rights.

The update of the law on bankruptcies that was approved by the NR [National Council] of the SR in May of this year does not at all address the connection between bankruptcies (that is, the solution for the current crisis situation in a large part of the state enterprises) and privatization. The meaning of the institutions of agreement actions, which is the leitmotiv of the update of the law on bankruptcies, is an attempt at protecting the enterprises on the basis of working out a "recovery project." It relies, however, only on "organizational and material measures to get rid of the causes of the decline" (Paragraph 4f, Item (3)c of the cited law) and does not take into consideration that the starting point for change here can only be a systemic change—that is, privatization. In saying this, I do not deny that the enterprises going through bankruptcy or parts of them can get out of their crisis state only on the basis of programs containing relevant solutions.

Without connecting competitive actions with privatization, there thus:

(1) appears a more real threat that only a pile of "dead" things will remain of the bankrupted enterprises, and

(2) the bankruptcies will probably be put off until such time that there will be no way to prevent their natural course and expansion.

4. Practice a restrictive budgetary and income-wage policy.

That is necessary for stabilization of the economy as a counterbalance to the many processes with inflationary consequences. The first of them is the previously mentioned decline in the performance of the SR's economy, which began in the first quarter of 1993 and which disrupts the balance especially through its influence on the growth of the state budget's deficit. Another is the consequence of supplementary credits, which will obviously be provided to the enterprises throughout 1993. Finally, a third is the process of renewal in keeping with the guidelines of all of the economic factors (in the first place, wages and prices) of the performance of Slovakia's economy, which in the former CSFR was stable with regard to the performance of the stronger Czech economy. A certain degree of restriction is necessary not only in budgetary but also in wage policies, not only for dampening the objective conditional tendencies toward price growth but also for increasing the competitiveness of the Slovak enterprises.

5. There should be no demands or promises made about the full indexing of wages and other income of the populace in the current situation.

They are actually unrealistic, and an attempt to implement them could only lead to lasting hyperinflation. That decline in real wages will not stop and will have negative consequences—for example, making the situation unclear for business and economic policy, reducing the value of the populace's savings, and increasing the reluctance of foreign investors regarding the Slovak economy.

A certain tolerable degree of increase in wages and income will certainly be possible and necessary. In addition to that, the unions should strive for:

(1) socially acceptable distribution of the results of development of the economy to the various strata of the populace, but especially for

(2) the government working out and thoroughly implementing an economic policy leading to a renewal of economic growth and, together with that, an improvement in the social and economic situation of the populace.

6. Strive for a macroeconomic policy with developmental elements.

In doing so, we must respect the basic prerequisite for a developmental oriented economic policy of maintaining at least a neutral balance of payments.

That is a matter of the measures of economic policy directed at support of domestic demand also being successful and not leading to a disorganization of the economy in meeting two prerequisites. The first will be achieved when the forces of demand create moderating effects in the supply side of the economy. The second consists of maintaining a neutral balance of payments.

We expect that the restrictive budgetary and wage policy will work together with the already mentioned activities of the monetary and credit policy and with proexport-oriented research and development and investment policy and (while ensuring a suitable balance of payments) together with state support in building up the infrastructure as well, housing construction, and such. Within the framework of such an economic policy directed at export support for various (domestic and external) components of demand, wage restrictions can be only temporary, and real wages somewhat later will be able to increase.

Ways out of the current crisis situation in the Slovak economy will find "space" whose boundaries are indicated by the lines for the functioning of an active economic policy and privatization, which indeed must be initiated and modernized by the state, but, at the same time, be a spontaneous process including the initiative and activity of the widest circle of economic entities. An attempt to solve the problems of the SR's economy outside that "space," particularly with privatization unconnected with stimuli for spreading out the circulation of money, working out selective programs for structural reconstruction projects of various methods of ridding the enterprises of debt, and such, elicits only unjustified illusions and creates a state of "waiting for Godot."

*** Deep Depression in Slovak Economy Predicted**

93CH0825B Bratislava HOSPODARSKE NOVINY in
Slovak 8 Jul 93 p 1

[Article by Dusan Lomen: "We Are Devoted to the State"]

[Text] "The main purpose of our meeting is so the academic soil and the economic sphere have the opportunity to express themselves jointly on the specialized questions that are currently troubling the Slovak economy." One could thus characterize the first meeting of

the representatives of the Economic University in Bratislava with those of the economic sphere and journalists under the title "Slovakia—Economic Alternatives and Perspectives."

The development of the economy of the SR [Slovak Republic] so far, the reasons for its extensive decline, the current status, and suggestions for solutions were evaluated together by economic employees representing the National Bank of Slovakia, the Ministry of Economics, and the Ministry of Finance of the SR, but also by representatives of the SOPK [Slovak Chamber of Industry and Commerce], the Industrial Association of the SR, and the Businessmen's Association of Slovakia. The problem of the role of education also came up. Everyone present agreed with the view of the EU [Economic University] rector, Prof. Mikulas Sedlak, that the economy of the SR currently finds itself in a deep depression and that the previous unsystematic and, in many cases, liquidation measures were responsible for the current status.

However, in establishing the share of guilt—and that is natural—the decisive factor that got the SR economy to where it is was pointed out. It is the weak connection between science and application, especially in the case of the economic ministries. The businessmen and the industrialists did not know the first thing about conversion, and a representative of the Ministry of Finance stated that the way we are carrying out economic reform is bad, but we are not looking at the other possible procedures, procedures other than the ones that were used here. Of the other factors known to the public that came up here, we could mention, for example, inadequate legislation. No small amount of criticism was directed at the Ministry of Finance for the current tax policies, which was even called suicide for the state budget.

What, then, was exceptional about this meeting? Perhaps it laid the basis for the cooperation of all of the participating organizations in looking for alternative ways out. Prof. Mikulas Sedlak in conclusion evaluated the meeting as follows: "The various political powers were warned to quit politicking and quarreling and slandering each other at every opportunity. If we have created an independent state, let us devote ourselves to the state and not to 'feeding at the trough.' We will be not just observers or critics but also cocreators. We are striving to concentrate the power of the theoretical front and applications in the SR and to search for alternatives to achieve stabilization and then revival of our national economy, without regard to party membership."

Federal

Situation Compared to 'German Occupation'

93BA1329A Belgrade VREME in Serbo-Croatian
19 Jul 93 pp 8-9

[Article by Zoran Jelacic: "Suspension of Money: Dinar by Dinar—No Dinars"]

[Text] *The prices of currency and goods are in a race, but the central banks are also competing with their governments to see who will be the first to cause the collapse of the national economy.*

The situation in Belgrade today is worse than during the rule of Milan Nedic, i.e., the German occupation, Dr. Ljubomir Madzar said Thursday at a discussion of the so-called Ministabilization Program drawn up by the School of Economics in Belgrade. Of course, the university professor was talking about the situation on the market, although it is possible to conclude from his assessment that the Federal Government knows what should be done but is prevented from doing so by "certain influences," that we are currently under a more evil occupation (domestic, of course) than the one in 1941.

Wasteland

The consequences are visible every step of the way. Take a stroll through Belgrade stores, and you will find a wasteland: The only things there are those products that have evaded government price controls, but you will also find crowds of frantic buyers trying to get rid of their dinars, because the daily drop in the value of the national currency has already reached nearly 8 percent. The picture is similar in the interior of the country. Everything subject to the price freeze is bought up and passed on to private stores or across the state borders. Merchants are desperate. Luka Mackic, the chief of the "Belgrade" Department Stores, has notified the Federal Government that he is closing 42 stores because normal daily trade over night increased 15 times over. And how could it not, when the price of a shirt has dropped from eight German marks [DM] to DM1 over the course of 20 days. "Centrotekstil" has closed 60 of its stores for the same reason. "Obuca" in Zemun has stopped supplying shoes to the market. We have no right, says director Milan Djordjevic, to sell shoes for less than the production cost. The factory is still producing, for stockpiles and normal times.

On the other hand, people, who now have an average wage of DM15 and a lower average pension, are swarming to bank teller windows where they get a daily prescribed dose of their earnings. In some Belgrade hospitals, notices have been posted to patients telling them what all they have to bring with them—from soap and bandages to monetary donations to the hospital. One doctor at a neuropsychiatric clinic takes a light bulb to work and, in order to conserve it, takes it back home at the end of the day....

Statistics are recording a new phenomenon: Now, the drop in retail trade is simultaneous with, and even greater than, the drop in real earnings. Until now, says Dr. Srdjan Bogosavljevic, the director of the Federal Institute for Statistics, the drop in earnings has been reflected in a decline in buying only five or six months later. In April personal income fell by 32 percent, while trade dropped by 45 percent (in real figures and compared to last year's average). Although wages now make up an ever smaller share of total earnings, Bogosavljevic attributes this phenomenon to the extreme economic stratification of the population, whereby statistics do not record the trade in goods bought by the thin affluent stratum. Moreover, people in rural areas and a large number of their relatives in the cities have crossed over to the natural economy to the greatest possible extent, so that they are not included in statistics on trade. In the statistics, the stratum of the more or less impoverished is increasingly broad. A further decline in their real earnings, and thus an even greater drop in trade, is inevitable, leading to mass store closings. This means, among other things, that loaning prime issue to production for which there is supposedly demand on the domestic market represents nothing more than paying for social peace. That is the only explanation, says Bogosavljevic, for why certain major industrial sectors are experiencing an increase in the number of employees, but at the same time a drop in production.

Africa

The Federal Government and the republic governments still have their head in the sand; the reason for the chaos continues to be disrespect for government policy, not the fact that that policy is erroneous. Last week after a meeting of the federal cabinet, the following was announced: "Realization of the tasks of economic policy is encountering serious obstacles and difficulties, while it is assessed that a continuation of unfavorable economic trends would threaten the entirety of the economic policy agreed to by the federal and republican governments. The basic causes of this situation are, primarily, the inconsistent implementation of economic policy measures, especially in the foreign exchange, monetary and trade payments sectors. In this framework, the absence of adequate controls and inspection and repressive measures, as well as of an efficient judicial function, has contributed substantially to the maintenance of unfavorable conditions for the realization of the established economic policy."

After that, it would come as no surprise if some new Bogdanovic were to emerge, explaining to the people that everything will be all right once there are enough inspectors and repression per economic subject. This would uncover not only the culprit, but also the justification for the unkept promises of the head of the Serbian state. In December of last year, after his reelection, Slobodan Milosevic made raising the general standard of living "one of the three top priorities of our policy," adding "I want to tell rural people in particular that they can rest assured that they will have the full support of

their state." One year before that, the same man predicted an increase in per capita national income to \$10,000 by the end of the century. In the meantime, income has fallen from \$3,000 in 1989 to \$350. The FRY is in the company of impoverished African countries (Zambia—\$420, Zaire—\$230, Uganda—\$250, Central African Republic—\$390), the difference being that the agricultural population of those countries comprises between 70 and 84 percent of the total population. Perhaps here lies the meaning of the local "back to the village" movement?

The main goal of the "ministabilization program" is to get out of the hyperinflation zone by the end of this year. However, besides the usual conditions for making such a program a success, Dr. Nebojsa Savic cited three other preconditions. They are: an increase in the money supply by only 70 percent in July ("only" makes sense because the growth is already greater); a reduction in the outflow of the FRY social product beyond its borders to only 5 percent (again, "only" makes sense because last year 20 percent of the social product went across the Drina, amounting to \$3 to \$5 billion, depending on which assessment of the size of the social product you accept); and third, a return of the population's confidence in the state and its money. This last precondition can be considered on the basis of Turkey's experience at the end of the 1970's. At that time, after the arrest of all political leaders and the establishment of a new government, the consistent application of a well-thought-out stabilization program was launched. With major financial support from abroad, the Ozal government needed three years of work to restore the lost confidence in the Turkish currency, and only then did the flight of capital out of the country end and did guest workers again entrust their deposits to Turkish banks.

Intention

Of course, this is not a reproach of the authors of the Ministabilization Program, but rather the impression that their work essentially confirms the theory that neither the causes nor the solutions to the economic chaos lie in the economy. Naturally, the government cannot be excuplated by silence about the dictates under which it works. Until then, Dr. Danilo Sukovic is completely right when he says that governments always cause jumps and drops in inflation. Dr. Miodrag Zec uses the term "state," again saying that it knows how to lower hyperinflation, but instead issues "multicolored lies," and that such a "state" knows that there is no bottom to the economy, no nadir from which upward movement must begin, at least not in a state like this one. Nevertheless, a bottom is discernible given the fact that the country's foreign deficit is increasing at a fast pace (during six months this year, it exceeded \$1 billion, or last year's total deficit). However, this clearly does not mean that real moves are about to be made, comes the warning from Dr. Bozidar Cerovic: **In two years the state has slapped together around \$45 billion, and now is halting privatization, to which only around \$6 billion is being assigned, just at a time when the whole thing could

be plundered. Hence the increasingly widespread belief among theoreticians and practitioners that the "state" is intentionally provoking economic collapse, or rather creating the psychological and political foundation for imposing some sort of extraordinary economy. That is the only way, at least for now, to hide the general failings and individual benefits.

Naturally, such a state is also identifiable by the special care and attention that it devotes to its subjects. Thus, the Serbian Government is concluding an agreement with trade unions and the [Economic] Chamber about what is essential during sanctions to a family of four—the level of minimum net earnings; for example, among other things, four pairs of men's cotton underpants a year, and 6 pairs of women's panties.

[Box, p 8]

Government and Reality

If the Federal Government's assessment is accepted, based on the announced daily adjustment in the price of grain—a rise in the general price level of 4.2 percent daily—this would mean a monthly inflation rate of 343 percent. Since last month's inflation was higher, but now is apparently accelerating, farmers will be left without at least one-half of their promised earnings. But if the government's calculation is completely correct, a daily inflation rate of 4.2 percent means a growth of 332 million percent annually. With an assessment closer to reality, according to which daily inflation is already between 7 and 8 percent (on Wednesday, 14 July 1993), the base of annual inflation is between 1 and tens and hundreds of billions percent. Dr. Miodrag Zec says that these governments will go down in the history of efforts to bring down hyperinflation, galloping inflation, and the kind of general inflation that will destroy money.

Macedonia

* Background of Candidates for Judicial Council

93BA1229B Skopje NOVA MAKEDONIJA in
Macedonian 30 Jun 93 p 3

[Article by L.K.: "Approval of Candidates for the Republic Judicial Council"]

[Text] The 30 June meeting of the Assembly Elections and Appointments Commission has only one item on its agenda: approving the list of candidates for members of the Republic Judicial Council. On one occasion, it could not meet because of lack of quorum; on another, it was because of the request of members of the SDSM [Social Democratic Alliance of Macedonia] who asked for additional consultations. Today the debate will be focused on the list of the named candidates. This is neither the final nor the complete list. It includes the following:

—Tihomir Velkovski, chairman of the Macedonian Supreme Court

- Vasilie Ristovski, judge and chairman of the Lawyers Association
 - Bozidar Kocov, chairman of the Bitola Okrug Court
 - Violeta Josifova, judge, Stip Okrug Economic Court
 - Osmani Dzemail, interim chairman of the Macedonian Economic Court
 - Mihailo Manevski, judge and former minister of justice
 - Petar Stoilov, deputy public prosecutor of Macedonia
 - Vasilka Paskalieva, judge, Skopje Okrug Court
 - Blaze Muratovski, lawyer
 - Kiril Bozinov, lawyer
 - Petar Serdzuk, lawyer
 - Nikola Trajanov, lawyer
 - Djordji Naumov, former minister of justice
 - Vasko Kuzev, judge, Bitola Okrug Court
 - Dimitar Lazarevski, judge, Bitola Okrug Court
 - Milos Simonovski, chairman of the Skopje Okrug Economic Court
 - Osman Kadriu, former judge
 - Tahiri Ismaili, currently expert assistant at the Supreme Court of Macedonia
 - Vera Terzieva-Trojanec, judge, Constitutional Court of Macedonia
 - and Nikola Krseevski, chairman of the Assembly Commission for Elections and Appointments and Assembly member.
- We have been informed that the president of the Republic has also added Vasilie Ristovski to the above list, and Mugbil Bejzat, currently retired, and formerly holder of important judicial functions.
- * Democratic Party Elects Leadership Council**
93BA1229C Skopje NOVA MAKEDONIJA in
Macedonian 30 Jun 93 p 4
- [Article by E.S.: "Thirty-Five-Member Republic Council of the Democratic Party Elected"]
- [Text] In addition to the party's chairman (Petar Gosev), an Auditing Council, and an Honor Court, members of the Republic Council were elected at the constituent meeting of the Democratic Party, held this week in Skopje. The Council consists of 35 members, mainly private businessmen, scientific workers, and students. The members of the Republic Council of the newly founded Democratic Party are the following:
- Djordji Avramcev, private businessman, owner of a commercial company
 - Petar Bovcarov, also owner of a private commercial company
 - Eftim Gasev, pensioner
 - Petar Gosev, master of economic sciences
 - Olga Gradinca-Temenugova, professor at the Economics Faculty in Skopje
 - Vangelia Despodova, scientific adviser at the Institute of Old Slavonic Culture
 - Mirce Donevski, actor
 - Bojan Georgiev, owner of a private computer company
 - Bogomil Djuzel, writer
 - Dimitar Zarcev, Trudbenik general director
 - Anastas Lakovski, dean of the National Defense Institute
 - Jovan Manasievski, graduate in sociology
 - Djordji Marjanoviti, professor, Skopje Law School
 - Petar Milosevski, director, Pharmacology Institute
 - Natalija Nikolovska, professor, Faculty of Economics
 - Goce Nikolovski, artist
 - Mihail Bashu, docent, Skopje Clinic for Nervous and Mental Illnesses
 - Vladimir Pendovski, owner of the United Consulting Private Company
 - Risto Penov, Angrokoza retail sales director
 - Slavko Petrov, lawyer in Veles
 - Vladimir Petrusevski, docent, Natural Sciences and Mathematics Faculty
 - Vasil Ringov, coach, Vardar Soccer Club
 - Naum Ristovski, Jugobanka director
 - Ljupco Ristovski, private businessman, owner of a commercial company
 - Denko Skalovski, assistant professor, Philosophy Faculty
 - Ljupco Stojkovski, private businessman, owner of the Bujoto
 - Radovan Stojkovski, lawyer
 - Aleksandar Torteovski, lawyer

- Stojan Trajanovski, former minister of the economy and owner of the Profako private company
- Zoran Trpeski, general director of the Ljubljana Bank
- Tomo Cakulev, professor, Engineering Faculty in Skopje
- Vladimir Cupeski, journalist
- Vesna Sekutkova, graduate of the Philosophy Faculty
- Petre Silegov, law school graduate
- and Boro Suklev, Agrom director.

*** Democratic Party Meeting, Program Described**
93BA1208B Skopje PULS in Macedonian 2 Jul 93 p 13

[Unattributed article: "Against Chaos and False Races"]

[Text] *Judging by the program and the address by Petar Gosev, the newly formed Democratic Party will be promoting the overall advancement of Macedonia.*

"Ladies and gentlemen, distinguished delegates and guests, dear friends: The Lord God created man and put him in the Garden of Eden to cultivate it and protect it. The Lord God gave man the following order: Consume freely from each tree in the garden but do not eat the fruit of the tree which separates good from evil, for the day you taste it, you shall die. Are you familiar with this Biblical quotation?" We are. This is the opening of the address by Petar Gosev at the constituent meeting of the Democratic Party, held last week. This meeting marked the formal creation of "Gosev's Party," that, judging by its leaders, should provide a qualitative alternative to left-wing and right-wing extremism in the country.

The ideological profile of the new political entity, which, one could say, was joined by a substantial number of noted personalities of the Macedonian political, economic, cultural, sports (Vasil Ringov), and artistic (Goce Nikolovski) stage, is most clearly delineated in the program declaration of the party and in the address by its elected chairman.

The party program of the DP [Democratic Party] opens dramatically: "Macedonia is in a state of deep crisis, both spiritual and material." Immediately afterward, the culprit for this situation is precisely targeted: the government (which is quite expected and logical, considering that at this time, this party is in opposition). According to the DP, the government's priority in the Republic is to retain its own position at all costs, while supporting the interests of individuals, trading in national dignity, promoting fear of war, increasing the feeling of hopelessness, and sowing doubt as to the ability of one's own people for self-endurance and self-renewal. "The consequences of such a policy are catastrophic: production and the gross public output have declined by one-half; inflation; a steady pounding of the poorest segment of the population; a constant increase in the number of

unemployed (200,000!), the fact that more than 1,500 enterprises are facing bankruptcy," and so on.

"Can we fail to see that this is a process of mass erosion of fixed public assets...the spreading of prostitution of the worst kind, the spreading of drug use and crime, the spreading of despair and hopelessness," asks Chairman Gosev in his introduction, appealing to his audience's sympathy.

"Macedonia is in a state of grave moral crisis," sadly says the chief of the new party. Then, with poetic inspiration, he goes on to say the following: "Public property is being subjected to large-scale theft. There is nothing. There is silence and blindness. Taxes are not being paid. Nothing is being said, there is silence. Import and export customs fees are not being paid. There is silence. There is no punishment. There are fake folk and other festivals. Nothing is being done. Even the beauty contests are a sham. So what? Nothing matters." According to Gosev, those responsible say the following: "We go on. Who is asking them? We are in power. Yes, we are going on, ladies and gentlemen, carried by our power. However, this progress is a precipice, chaos, social disorder, and poverty. It is anger and bitterness."

Luckily, however, Macedonia has a future. "Despite the speculations of the cowards and the less-than-mediocre people," Gosev said to those attending the founding meeting of the DP, "all of you can feel the birth of a truly democratic party that can offer to its people a positive alternative." According to the program declaration of the DP, that positive alternative is the following: "Defense of the sovereignty and territorial integrity of the Republic of Macedonia is considered by us as the highest duty and commitment.... We shall ensure the real and optimal separation of the powers into legislative, executive, and judicial.... We shall regain the trust of the citizens in the power institutions.... We shall do what is necessary to ensure the dignity of the parliament.... We shall rebuild morality in governmental functions.... We shall defend the dignity of the individual as the most important virtue. Man is the measure of our social actions (this sounds quite familiar).... Human rights, civil freedoms, and national equality are considered by us fundamental values of the governmental order in the country.... We shall work for the rule of law.... We shall work for the faster resolution of the problem of currency savings.... Our answer to the crisis is the following: investments, new jobs, economic growth...."

*** Capacity of Power Plants Evaluated After Bitola Fire**

93BA1305B Skopje VECER in Macedonian 15 Jul 93 pp 8-9

[Article by S. Padori: "Use of the Permanent Reserve!"]

[Text] *Production capacities in Bitola are inactive while electric power is supplied by the Negotino TEC [Thermoelectric Power Plant], which remained idle for quite some time, and from imports.*

Fakom and the Iskra company in Kumanovo have promised to install the new metal frame for the coal chute, and the Ohrid EMO [Electric Power Installation Enterprise] will provide the necessary electronic equipment.

In about 10 days we shall know the amount of the insurance carried by the Makedonija Corporation, which has insured the REK [Republic Electric Power Combine].

After the accident at the Bitola REK on the day before yesterday, there was activity yesterday at the combine and throughout the entire electric power facility. The reasons for the fire are still being investigated and the initial assessment of the damage (about five million German marks in direct damages and 25 million in indirect damages) is considered by many to be too low.

Luckily for the economy, after the fire and the shutting down of the two turbines as a result of interrupted coal supplies, the electric power system of the Republic was not severely affected. The shortage is being compensated with imports as well as domestic production. According to the Electric Power Utility, this situation will remain until the coal chute is repaired and production resumed.

The TEC Negotino Activated

Whereas the electricity imported from Bulgaria to meet the needs of the system and maintain its steadiness was the "first aid," in the initial minutes and hours after the fire at the Bitola REK, the "forgotten" Negotino TEC became a fresh reserve. After several years of unproductive idling, although steadily maintaining its production capability, the Negotino TEC yesterday yielded its first kilowatt hours. There is a reserve of about 20,000 metric tons of fuel oil, and Negotino will generate power as long as needed.

Meanwhile, efforts are being made to hasten repairs at Bitola III. According to the plan, they should be completed by 15 August. An effort will be made to complete them by the beginning of August, which would ensure the generating of power by the "threesome," whose coal chute is separate from the chutes of the first and second turbine. Furthermore, the necessary repairs will be made at the Bitola II although they were not scheduled for that period, so that production can be resumed sooner.

At the site of the accident, clearing began yesterday by the Bitola REK personnel and by a number of other urban enterprises.

According to Bojan Djurcic, Fakom's deputy general director, Fakom and the Iskra company in Kumanovo have undertaken to complete the metal structure for the chute in 20 to 25 days. Most of the necessary material is available and they have been allowed to use substitute materials. Fakom brought four cranes to the site and crews to clear up the remnants from the fire.

We were informed that personnel from the Goce Radosavlevic, Pelister-Bitola, Metalec-Prilep, and other

enterprises participated in clearing the site yesterday. EMO Ohrid will supply the electrical equipment part of the coal chute.

Quality Insurance

The biggest question related to the fire is who will pay for the damage and will anyone be held responsible? As to responsibility, the final word will be that of the official investigators, and let us hope that the conclusion will not be, what is done is done! There will be no guessing or improvisations in determining the precise damages. They will be established by the commissions of the Electric Power Utility and the Makedonija Insurance Company, which are already at work. They must determine the precise damage within 10 days. But were the power plants really insured, and what will the insurance cover, we asked Dimitar Melovski, deputy general director of the Makedonija Insurance Company:

"The amount of the damage to be covered by the insurance will be established as a percentage of the overall damage. What is important is to have quality insurance, although there have been problems, difficulties, and delays in paying the insurance premiums. The amount of the damage to be covered will depend on the amount of the insurance, the extent of the damage done to the project, and the cost of the repairs. The insurance will cover only the so-called direct damage, or, more precisely, the amount needed to restore the project and the equipment to its initial status."

* Severe Drought Affects Crops, Reduces Drinking Water

93BA1305A Skopje NOVA MAKEDONIJA in
Macedonian 21 Jul 93 pp 1, 3

[Article by B.D. and D.R.: "People, Livestock, and Land Are Thirsty"]

[Text] *Reduced consumption and appeals to save water throughout the Republic; resolution passed in Tito Veles to activate the Self-Defense Staff; in Radovis a second-stage reduction has been initiated; about 15,000 people in the Oslomejski area are without a drop of water.*

In most settlements, water supplies to the population have reached a critical stage. There is not enough drinking water. In some townships, water allocations have been reduced and appeals are issued daily to use water more efficiently. With daily temperatures reaching as high as 40 degrees Centigrade, there is a danger that even the small available quantities will be exhausted. For agriculture, the drought has already extracted its due by reducing crops and exhausting supplies, so the farmers have already lost all hope that something could be rescued. There is no chance that the irrigation systems can help. The weather forecasts predict even worse droughts.

In Radovis, second-stage restrictions have been applied. The city water system is releasing 60 liters per second

although the needs of the city and its environs are double that. A similar alarming situation exists in some parts of the city where the population draws its water from cisterns. Also worrisome is the situation in the villages of Oslomejski area where some 15,000 people are facing the problem of [maintaining] regular drinking water supplies. The same situation prevails in Kavadarci and Negotino, where human life is beginning to be threatened in some settlements and parts of the city. The worst affected are the high areas, Rosoman village in particular. The problem is affecting also the population of Mareno and Sopot. In Stip as well, there has been an appeal to save on drinking water. Here this problem has been felt for quite some time, and the city authorities in charge are considering further rationing. Nor is the situation any better in Sveti Nikole, and Probstip, particularly in the rural settlements that are not connected to the city main. The situation is similar in Kratovo, Strumica, Kocani, Vinica, Resen, and Kumanovo where, for a while, polluted water was flowing out of the taps. The only places where the drinking water situation is better are Ohrid, Struga, Gostivar, Bitola, and Gevgelija. However, here the water is inefficiently used for watering. If this continues, real problems may appear here as well, quite easily, and soon.

In Skopje where, until recently, the communal authorities claimed that there should be no problem with water supplies, they are already appealing for its efficient use. The Rasce spring and the Lepenec-Nerezi wells have enough water. However, because of shortage of storing capacities, the water cannot reach the consumers due to increased consumption. Since the start of the month, water consumption in Skopje has increased significantly, triggering interruptions in water supply in the Suto Orizari, Radisani, Sindjelitj, Przino, and Crnice suburbs in the afternoon and evening hours. The situation is worse in Vodno, where the drinking water is cut off for long periods in the afternoon, so that the small hope of supplying water to the population now lies in more conservation.

An exceptionally difficult and critical water supply situation threatens Kocani and some villages in its area. The reduced output capacity of the springs from 240 to 160 liters per second in the system of wells near Grdovci cannot satisfy the needs of the population. The danger of polluting even the minimal amounts of drinking water that feed the wells from the Bragalnica river, the rice fields, and other irregularities in the system make the situation worse. Furthermore, as the people of the Vodovod system emphasize, the obsolete water mains do not make the use of restrictions during periods of drought possible because such restrictions could cause even greater damages to the pipes. For that reason, over the past few months, the township assembly increased its

activities to complete the preparatory operations and to dig a canal from the Orizova Reka and of a filtration station. However, it will be difficult to reach an agreement with the population of Orizari settlement, who would like to link this project to damming the river and making a lake.

The situation in the Stip area is no different. Here a bigger problem with water supplies for the population appeared as a result of the excessive draining of the Bragalnica River to flood the rice crops. However, although the rice is no longer irrigated, the condition with the drinking water has not improved, particularly in the rural settlements and the higher parts of the city where there are interruptions in the water supply for hours on end. Interruptions in water supplies in Strumica last longer, and, in some areas, the connecting pipes to the houses have literally dried out. Here, the problem of water for irrigation and human consumption is worse: the wells are dry and so are the aqueducts.

Availability of drinking water is one of the most urgent problems in the Resen township as well. The main reason is that the planned 85 liters per second required to meet the needs of the city and of some 10 villages in the northwestern part of the township were reduced to less than 30 liters per second. Because of the drought, the volume is being reduced increasingly and water supplies are being threatened.

The Studencica regional aqueduct supplies water to about 120,000 people in the Kicevo, Prilep, Krusevo, and Makedonski Brod areas. Despite this year's drought, for the time being there are no major problems in the cities, although occasionally there is a shortage of water. According to Jovan Todoroski, the director of the Studencica public enterprise, in the summer months, the spring generates 1,000 liters per second. However, this amount is not sufficient to meet the needs of the population in the Oslomejski area, and about 15,000 people are literally without a drop of water. The wells are entirely dry. About 60,000 people in 109 rural settlements in the Kumanovo area not only lack enough water for drinking, but even the water they use is most frequently polluted with bacteria and chemicals. The majority of the rural settlements take the water from wells, springs, and streams. No more than some 20 villages have their own aqueducts. However, here as well, there is a threat of pollution of the water for the population, for the water system is both substandard and temporary, conditions which become particularly obvious during a drought.

The population's water supply situation clearly indicates that more efficient use of the water is possible, for with the continuing drought, the problem could escalate, resulting in a total draining of the pipes. This, no one wants. However, it must be considered in places where the situation is somewhat less threatening.

Serbia

Socialism Seen as Dying Form of Government

93BA1328B Belgrade VREME in Serbo-Croatian 19 Jul 93 pp 10-11

[Article by Stojan Cerovic: "Percevic and Dacic, Party Members: False Young Men"]

[Text] *The main direction of the Serbian regime is total confrontation. The socialists are a fading, aging party, "skulls that can no longer smile."*

Among the more severe forms of mental violence and terror, the fact that we in this country have all been forced to remember the names Percevic, Dacic, Suvakovic, Zeljko Simic, and who knows what other future "young Socialists" should certainly be included. I know men who have not given up without a fight, who have defended themselves, and have thus deliberately pronounced these names erroneously. Nothing was worthwhile. Television that we will have to pay for in the future together with the electric bill has won. Electrification plus television equals socialism.

These young socialists were born on television, and the new law on compulsory collection of subscription payments should assure them a future. I believe, incidentally, that the problem of RTS [Serbian Radio and Television] is not so much a lack of money, but in viewability and trust. In this sense, the logic of the new law is that people will watch more gladly that which they have had to pay for than Studio B, which costs nothing. They will become more aware of the difference between compulsory and free programs. It doesn't matter which appeals to them more, if they realize that this regime is as unavoidable and necessary as a planting machine and warm water, and opposition comes as something only for its soul.

Someone on television felt that Percevic and Dacic are more effective with propaganda than Slobodan Milosevic. Not based on what they have to say, but with their very being. Because, many here, awaiting changes, have still relied in despair only on biological laws, and now the young socialists are appearing to kill even this hope. Therefore, they are reviving and multiplying.

Despite everything, I refuse to believe that it is possible today to be a young socialist here. Attributed to a contradiction of nouns; this is a classic example of logical nonsense. These people, not only because they do not share the defeat of their generation, but have nothing in common with it. Even 20 years ago a young party careerists was someone who betrayed his peers and spied for the benefit of the older ones. There have always been such people and they recognized each other back in elementary school; they were an unreliable society and few envied them. All the excitement of life lay outside the Party, but it seems to me that many young cadres then did not act as a completely foreign body like these today.

The Percevic and Dacices are not only precocious children, but they look like men unexplicably and frighteningly deprived of their personal characteristics. As if someone here had discovered some sort of formula for Chinese training by which absolute loyalty, the automatization of speech, and the erasing of every human reaction had been achieved. As if no doubt can be born in their heads and nothing, no one can ever surprise them. There is no one who is at least sometimes witty, aggressive, hesitant, confused, offended, and they are always the same. And here we have no idea how many of these types can still be produced.

But, things are not so bad nevertheless. There is a limited contingent of young careerists who have all come out from under the arm of Professor Mira Markovic. Of course, they had to have psychological predispositions, but good pedagogy is most important. I don't know how the famous political circles of Ms. Markovic looked; she, in any case, through patient proteges, was able to put into view an ascent according to a shortened procedure. But, it was necessary for her to hold her radiant smile, which springs from the perception of historical need, long enough. Specifically, the lady belongs to that type of doctrinaire marxist, so rare today, who knows reliably what will happen at the end, who speaks to you as if he had just returned from the nearer or more distant future, so the present does not interest him at all.

Such people, sure of the class substance of everything in the this world and occupied with the study of the mechanisms and principles of socialist progress, usually view life from a height, as if at a series of small errors in the system and deviations from principles. Of course, for those who serve the unavoidable realization of the most humane aims of freeing man from any exploitation, everything is simplified in advance. Thus they have been able to practice revolutionary terror so easily and quietly at times.

Today, everything that is left to people of this school is faith in their abstract humanism and magnificent indifference to the greatest everyday misfortunes. Thus, Ms. Markovic can quietly express loathing at the war in Bosnia and misery in Serbia while she sips her morning coffee in the company of the man around whom all this is revolving. This colossal moral inconsistency, that impossible contradiction of views and personal experience, have made of this woman a first-class media attraction in Serbia. People want to express indignation, although always on the same occasion.

Her best students are not so interesting. They are lacking the enthusiasm of the teacher who evidently does not notice how the public reacts to her. The Percevic and Dacices reflexively go along with the government and you can't hear anything from them that hasn't already been said in many places. When they repeat that they are the party of the left, there is no ideological ballast on their trail, no faith in numerous goals, not even the least interest in social injustices, something that has always distinguished the left.

Milosevic certainly resembles a leader of the extreme right much more, but there is almost no right or left in Serbia, or anything that resembles normal political dynamics. War, international isolation, and an epidemic of misery have rendered meaningless any ideological confrontation, intellectual discussion, and any thought except the question of how to survive. At least as far as Belgrade is concerned, people occupied with political and public affairs are still divided only into those who can and may stroll peacefully around the city, and those others.

I would say that the substance of the recent discussion between Mira Markovic and the mayor, Slobodanka Gruden, is in this. The latter has realized that she cannot represent the city and at the same time belong to that society that sits in luxurious bunkers, condemns the whole world, and sends the police to beat up their citizens. Thus her visit to Vuk Draskovic in the hospital. It has been noticed that this is the grandest, most memorable gesture that anyone from this regime has made toward someone from the opposition. Doctor Gruden reacted to public pressure in the way that she had to, but it can be shown that this was too much and that she stamped her political future with this.

The main direction of the Serbian regime is total confrontation. The socialists are a fading, aging party, "skulls that can no longer smile." Their life cannot be prolonged by false young men. This is a situation in which the regime survives only at the cost of spending the future of the people and citizens, as it is doing. Sometime, perhaps a year ago, Milosevic decided to pass up the last opportunity to withdraw quietly and open space for a gradual stabilization and an avoidance of this Biblical deluge. Instead of this, he is building a barge in which there would be room only for the Perceives and Dacices.

From here no roads are seen that do not lead to terror and violence. The socialists stubbornly take credit for the fact that only in Serbia has it not come to war, not noticing that this sounds like an admission that it is precisely they who have been the masters of the present war. They have carried it out successfully up to now, but the blockade is slowly tightening and Serbia remains alone with them. The choice is being reduced to conflicts and violence of unknown proportions, or agreeing to life in a primitive society, where Ms. Markovic would perhaps recognize the realization of some of her ideals.

The external blockade has become the explanation for an internal one, which has preceded and caused the external one. A generation that grows up under these conditions will not resemble young socialists. It will have to show itself to be tough like the weeds that penetrate layers of cement, break them open, and destroy them. But one will have to wait here for some finer type of plant.

Belgrade Energy, Other Systems Nearing Collapse
93BA1338A Belgrade VREME in Serbo-Croatian
26 Jul 93 pp 18-22

[Article by Milan Milosevic, Uros Komlenovic, and Jelena Grujic: "Belgrade's Third Bombing"]

[Text] There was indication of the Belgrade affair in the correspondence between two women. Mirjana Markovic reproached Slobodanka Gruden for conducting world politics instead of worrying about the poor, and the latter replied to the president's wife in kind. Nebojsa Covic then brought the fierce dispute between the republic and city governments out into the open. When after a kind of Young-Turk victory over the dogmatic City Committee of the SPS [Socialist Party of Serbia] he became chairman of Belgrade's Executive Council, Nebojsa Covic took power over a city which somehow pulled through the first winter under the blockade. In the city Assembly at that time, in spite of the resistance of the opposition, the program voraciously pushed through was too expensive even for Stockholm: a heating system, construction of a sports arena, investment projects in the center of the city.

Three months later, it was evident that those stories were a Potemkin village, and the city government presented a brutally honest report to the public.

Covic dramatically said that the city's budget would soon be blocked, "which will be to the shame of those who passed the law," and informed the public that public transportation could come to a stop within five days. On 5 July, the city councils announced that Belgrade had only one-fifth of the resources necessary for survival of the next winter and that many vital municipal functions might simply fall apart very quickly. The city government demonstrated that the city's system of utilities was clinically dead: water supply, power plants, the city sanitation department, the GSB [municipal transportation], and Lasta by the mildest estimates had a loss of 16.3 million marks [DM] in June. There was not enough of anything, water supply, transportation, heating, electric power, the health service, social welfare, the supply of food staples were threatened....

Svetozar Markovic, director of PKB [Beograd Agricultural Combine] Jedinstvo, coolly announced in the middle of the harvest that he would not sell the citizens of Belgrade wheat at 3 pfennigs, but sold the wheat without hesitation to Krajina at 35 pfennigs.

In the course of the summer, political chroniclers have received reports that many officials in the republic government "are not in favor of this Covic here." Aside from whether there is a conflict over political ideology in the background (Covic is against the pact of the Socialists with the Serbian Radicals), he had to collide with the shy Sainovic over money. Before he shut off his pager, Covic said enigmatically that now the people of Belgrade would at least know who to reproach and who to praise. He knew what he was saying. In preparing the program

of interventionist measures to keep municipal systems going, the Belgrade authorities let it be known far and wide that the Devil had come for his due, which undermined official optimism. The numbers provide sufficient evidence: In the first four months of this year, production is off 30 percent, employment of construction capacity off 50 percent, sales off 56 percent. More than 1,200 firms, with a work force of about 100,000, had their giro accounts blocked in late April, and all assessments indicate that considerably worse days are coming. The city's revenues are estimated at about DM9.6 million a month, but the one-month list of the most basic needs "weighs" DM46.6 million. The difference of DM37 million, in the opinion of the city government, has to be made up from bank loans (if there are any banks) and from the republic (primary issue for heavy fuel oil and wheat, exemption of public utility enterprises from the obligation to pay taxes, commodity reserves), if it keeps its word.

The situation is worst in public transportation and the heating system. "The situation with the technical condition of the vehicle fleet is so bad," this document of the city government states, "that unless funds are urgently furnished to maintain vehicles, more than half of them will be beyond repair." So, "in the coming period we should expect still greater cutbacks in transportation, and on certain routes complete cessation of service." Even in the happy times before the economic blockade, a blanket of some 10 cm of snow brought traffic to a standstill, but under these conditions...

Two Scenarios

If the rule is confirmed that winters in years of war and crisis are mainly longer and colder than usual, in a few months the people of Belgrade will understand the true meaning of the word apocalypse. The city government has foreseen two "heating scenarios." If somehow 50 percent of the needed quantities of fuel for electric power plants is found, residences will be heated from 0700 hours to 1800 hours, the season will last from 15 November to 15 March, and the temperature inside will be between 10 and 14 degrees [Celsius]. In that case, the city government advises an extension of the winter vacation by a month, collective annual vacations in firms whose production does not have priority, the closing of sports arenas, museums, movie theaters, libraries, and health centers, and it recommends to individuals who have chimneys good old coal (and wood, of course).

The other scenario, which envisages the purchase of 25 percent of the needed quantities of fuel, is much more interesting. In this case, "situations and circumstances come about in which processes cannot be entirely guided and controlled," but the basic objective is "biological preservation of the population." In this case, the heating season would last from 1 December to 1 March, the "inside temperature in buildings could not be guaranteed," but they would "try" to keep it between 3 and 7 degrees [Celsius]. Advice to the public: Leave the city, go

to stay with relatives and friends in a "smaller town or weekend cottage"; improve insulation in apartments on the "do-it-yourself" principle; "organize life in a smaller number of rooms, bring together families and different age groups to live together in one dwelling which has more favorable conditions for heating with solid fuel" (a wonderful occasion for preserving the family as the basic cell of society and for a return to the ancient *zadruga*); "preparation of reception centers that would be heated (gymnasiums and so on)"; "activation and preparation of shelters for people to stay in in the daytime" and so on. These variants apply only to those who are connected to the system of power plants (40 percent of the housing stock and a minor portion of business and public structures). The others will get along as best they know how.

There is no need, then, for any particular imagination to foresee the scale of the "winter wonders" which await the people of Belgrade. It is of interest that the city government is warmly recommending coal and wood and at the same time admitting that there is not a gram of solid fuel in city inventories. The situation is similar concerning inventories of other products: At the moment, there has been no flour for 10 days, no sugar or salt for 15, no rice for 20, no wheat (data from before the purchases) for five days, and no meat for one day. There are no dried beans, detergents, or powdered milk in inventories at all.

City authorities have missed no occasion to spell out what is expected of whom. The largest expectations are from bank loans and the republic. Nebojsa Covic, Belgrade prime minister, has made a public announcement that the republic will see to heating and transportation. It still is not clear exactly what has been promised to Covic, but it is hard to believe that the republic government will return to Belgrade so quickly the powers which it recently took away from it.

In short, what awaits the people of Belgrade this winter is walking to work, hunger, freezing, life in the dark, along with occasional shutoff of the water, and a possible epidemic for which there are no drugs. The city authorities are also mentioning the possibility of "alternative sources," whatever that means. (The problem is that cutting down the trees in the Kosutnjak and Kalemegdan parks would probably not be enough; Belgrade is too large a city).

Following the first salvos in the conflict with the government, the city prime minister obtained concessions which still have not been altogether defined in a meeting with President Milosevic, but the republic prime minister received actual powers. Minic, the party operative, was obviously given an order to "take the charge" out of Covic, and the latter went on vacation while republic officials lined up in working visits to Belgrade. He was allegedly promised money for spare parts for municipal transportation, but as far as the heating system is concerned, Sainovic repeated Milosevic's Delphic words that Belgrade would not freeze. At the same time, "the signal was given" that the republic government would

pressure the federal government to approve a loan from primary issue. Four days after Covic received the guarantees from Milosevic, however, Tomislav Simovic, federal minister for the economy, said openly that as an engineer his estimate was that it is not realistic for people of Belgrade to get heat this winter with hot water from Obrenovac, and that this might be next year at best.

That investment project has been talked about in Belgrade for some 15 years, but it is expensive, technically difficult to do, and it was considered a losing proposition even in the period when dollars were as plentiful as corn shucks. The federal government's Economic Council was against that investment, as was the research sector of the National Bank. In late June, the deputies in the city Assembly adopted the urban plan for construction of the heating system, but then Obrenovac Opstina also showed some resistance to that plan. In other words, Covic's heating system stands just about in the same place as Zelenovic's and Minic's fast railroad line for Serbia, so that Belgraders who get their heat from heating plants would do best to heed the advice of Dragan Nikolic, director of the Belgrade heating plants—that they caulk their windows.

Ticket to Svilajnac

Belgrade's conflict with Serbia had to break out sooner or later. At present, it is in connection with utilities and municipal services, but in the background there are actually more important political causes. The Serbian government is kept afloat by woodcutters from the southern railroad line and fan clubs, with the support of a parliamentary majority in which Raka Radovic of Trstenik has recommended that the women of Belgrade get up at 0500 hours and milk cows. Serbia is being lulled into the illusion through its provincial deputies that it can go it alone without the world, that it can maintain itself with smuggling, that it will "ride horses," that it will "survive out of spite." During that time, vital institutions are practically ceasing to operate, either because they have no money or because they have systematically gone into receivership, and ties with the world are being severed. Belgrade has actually already been bombed; this megalopolis is turning into a den of poor people.

Lewis Mumford, the last of the social critics, noted once that "the city is a place for multiplication of fortunate opportunities and for creation of many unplanned possibilities." Something that is quite the opposite has occurred here as markets have been abandoned and the transition has been made to a war economy. Belgrade has been deprived of the advantages which it naturally had as a financial, intellectual, and trade center, and its tissue has become suitable only for a criminal economy. Just as Moscow or Leningrad, judging by Russian studies, are shown to have the greatest chances for rapid privatization and development of a market economy in Russia, so Belgrade had the chance to become a bridge to the East. This is evident now from the fact that Budapest is flourishing, and Belgrade looks like Kinshasa, Zaire. In

this city of four million, the acute crisis began when a group of elite government troops, enraged that they had not been paid for months, went on looting orgies, in which they were joined by civilians. In the several days that followed, property worth \$1 billion, from suits to computers, was ruined. After the stampedes, foreign investors and foreign money fled from the city. That African picture is well known here. The economy has been collapsing, and because the government does not have the money for consumer goods, nor to obtain components from abroad, all the services which make urban life tolerable have failed. Buses and streetcars are blocked, the supply of fuel and power is uncertain, and the quality of the water is risky.

The consequences of turning Serbia into a unified wartime enterprise are nearly identical to that African picture. In 1989, Belgrade lost many political prerogatives and opportunities for development. The banking system, which is centered in Belgrade, has first been centralized, then decentralized, and then criminalized. In 1990, former Serbian Prime Minister Zelenovic left behind a law on regional organization in which Belgrade did, it is true, retain the status of a city, around which several other cities were scrambling in a fight against "Belgradization of Serbia." After that, local self-government was curtailed, and the opposition, which was victorious in the center of Belgrade, went into empty opstina buildings. The effort of the new opstina authorities, where the opposition is in power to bring business space under control strained to the breaking point relations with the city Assembly, which is controlled by the Socialists, and to get back at the opstina the latter took away a portion of revenues from the turnover tax. At the same time, the SPS is trying to sabotage the effort of the central city opstinas to reduce the number of local communities, to take an inventory of the property and space of the local communities, and to turn them into office space by convening assemblies of pensioners who cannot survive without the local communities.

From the standpoint of the city's preservation, these are benign disputes. Belgrade needs a Copernican turnaround. Belgraders inclined to nonchalant underestimation of danger still do not understand that they are living in something that is falling apart and that this is no exception at all in urban history. When the fighting began in Beirut in 1974, merchants said in confidence that the situation would normalize in a few months. Some Lebanese 18 years later are forecasting that the conflict will run their lives. The anthropologist Timothy Viskel of Harvard believes that many present-day cities will go the way of Kinshasa, which Belgrade is confirming with its melancholy history. Since the beginning of civilization many large cities have grown to size only to go to ruin because of epidemics, wars, environmental disasters, a change in trade, or because of social disorders.

Belgrade, concluded the late Zivan Tanic in his book *Beogradska predgradja* (*The Suburbs of Belgrade*), absorbed half of the urban population of Serbia. By

contrast with other cities, the Belgrade of the poor has no organic ties with the hinterland; its inhabitants came from the vicinity and very often are unable to rely on kinship and social protection of the native place, which is often far away and often destroyed by war. Even Belgrade villages are full of landless people. The social coalition of the government with the worker strata in Belgrade has nevertheless functioned in a different way than in the provinces of Serbia. The government has been trying to preserve that coalition. During his visit to the rebellious IMR [Rakovica Motor Industry], Sainovic spoke about "preserving the backbone." In January 1990, these Belgrade metalworkers still knew how to walk from Zemun or from Rakovica to Belgrade on foot with the slogan "Slobo, where is the money," but later they slavishly submitted to a drop of earnings from DM1,000 to DM30. That kind of subservience can be explained in the case of Belgrade by the large-scale dependence on the government.

Belgrade is also directly hurt by the fact that in this war the former decentralized urban network of the former SFRY [Socialist Federal Republic of Yugoslavia] has been destroyed. Medium-sized cities have been destroyed: Sarajevo, Vukovar, Mostar, which were a magnet for the first industrial generation, and a million people were driven out of their ruins, and a large wave of refugees headed for Belgrade, which in these two years have been augmented by perhaps as much as two new Kragujevaces.

Existentially opposed to the prevailing logic in the country of which it is now the capital, Belgrade is on the verge of breaking down as an urban machine: the energy system, the social system, transportation, the overloaded water supply, the dead cultural institutions. From the social and urban standpoint, Belgrade is the most vulnerable point, and we are perhaps vainly inquiring into a specific strategy for its survival and maintenance. That is why it seems that the petty quarrel of the officials over Belgrade is not shedding light on the way out. Belgrade, then, cannot survive isolation, and it ought not to be begging the Serbian government for a lump of coal, but, if it is to survive, it must drive for a radical change in the direction of what is being done.

New Law on Radio, Television Attacked

93BA1328A Belgrade VREME in Serbo-Croatian 19 Jul 93 pp 16-18

[Article by Aleksandar Ciric: "Television: Vucelic on Electricity"]

[Text] Dusan Mitevic says for VREME: "I haven't seen the law in its entirety yet, but from the discussions in parliament I realized that this is the end of RTV [radio-television], one that was based on a voluntary subscription, i.e., it worked in any kind of market...."

Only in two states in the world is the possible impossible, more is less, and the increase in violence against citizens is considered the spreading of righteousness. Both are in

the Balkans, but Slaka, the progressive, workers-peasants-soldiers national democracy under the leadership of Comrade General Vulkani, is the product of the imagination of an English (unimaginative) writer. In reality only Serbia exists. And only in Serbia are the government and its minister for information, Milivoje Pavlovic, introducing a tax on an electric meter, with which unimaginable ranges in all and everything are reached, "especially on the development of Serbian spirituality which is not limited by the boundaries of the Republic but also spreads outside the borders that the Serbian people now share."

That is, as minister Pavlovic says, "thanks to the satellite transmission of sound and picture, the program of RTS [Serbian Radio-Television] is today a planetary fact of fateful importance for the outcome of battles that the Serbian people are now fighting," and RTS makes possible the connection of "parts of the Serbian people not only from Hilandar to Sent Andreja and from Pirot to Knin, but far beyond that, to the farthest parts of the world in which the diasporic Serbian people live. Thanks to the advantages of electronic media, RTV assures a valuable degree of spiritual unity among all Serbs of the world at a time that, as you know, is based on neither justice nor truth but is marked, if not contaminated, with Serbo-phobia and other products of the kitchen of the creator of a new world order." Because of this, naturally, it is necessary to adopt heavy burdens on a people, as has been agreed on.

Many of the ministers, at the beginning of the assembly, discuss the Draft Law on Changes in and Additions to the Law on Radio-Television, during the night between last Thursday and Friday. It is interesting that none of the delegates asked why a proven capable government and a so-called minister still had not thought of a way to pay the tax on the electrical meter to overseas Serbs, Serbs beyond the Drina, and, in general, all Serbs of the world not only from Hilandar (which, incidentally, does not have electricity at all—not to the detriment of the development of Serbian spirituality), to Sent Andreja and from Pirot to Knin, but also farther.

EVADING THE TRUTH: Instead of such (and still better) questions, the delegates dragged out first a basic, then a detailed discussion of the proposal on the agenda according to custom until the wee hours of the morning and immediately, basically and in detail, switched to a discussion of who had been a communist when, who never had, whether philosophy is ideological discipline, who is not paying the TV-subscription in opposition, who is being produced in front of the people, whether the RTVS [Serbian Radio-Television] is a bordello and, as a replica, why its constant visitors hadn't met the woman delegate in question in it, who is comrade and who Mr., who didn't sprout from ideological commissions... Everything up to hissing into the microphone, to which only a delegate demonstration of the skill of simultaneously evading the truth was still missing.

Through the creation of circumstances, in the course of the afternoon and the "wartime" TV-diary, there was no electricity on all three state TV channels, for a while there wasn't anything except darkness (in reality, and not in the transmission sense).. Viewers who believed the rumors how, in addition to the "giants" of the Serbian economy ("Zorka," the ZTP [Railroad Transport Enterprise], the Bor RTB [Mining-Smelting Works], "Trepca," "Feroniki"), not even TVS [Serbian Television] was paying for its electricity—so its Electricity Distribution Network was interrupted—it was said only that there was no more electricity and, next, a "weakening" of the joined mechanism sets which are automatically turned on. Or it was, perhaps, the way in which indirect TV support was given to government intentions in the continuing legislative procedure.

In the whole assembly story the opposition cited the most arguments against the adoption of the proposed law, but, nevertheless, occupied itself still more with the general places of democracy. Aleksandar Baljak simply remarked, according to the stormy reactions of the socialist-radical majority, it would be said: exactly, that the "basic shortcoming of the present system (TV-subscriptions) is that no payment can be made to those who have no television set."

PERHAPS, AND CALCULATIONS: This shortcoming has been superseded by changes in and additions to the Law on Radio-Television. The State of Serbia, beginning on 1 October, will impose, by means of the Electricity Distribution Network, a tax on households that have an electrical meter at the level of the cost of 100 kilowatt hours. It doesn't matter how many meters a household has, it doesn't matter whether it is in an apartment, weekend cottage, business premises, or garage or on an electrical motor for a water pump, or, as has already been stated, whether that meter registers the consumption of RTVS programming and its efforts to "develop Serbian spirituality" at all.

If minister Pavlovic is to be believed, there are about 2,260,000 households in Serbia that are not exempt from paying for electricity and, again, if the minister's calculations are correct, the monthly sum that the new law "seizes" (based on prices and the approved increase in costs for electricity as of 15 July) will be 6.39 billion dinars. According to the rate of exchange for the mark on that same day, assuming that every household in Serbia has only one electrical meter, this means that the government of Serbia is pushing just less than 2.5 million marks [DM] monthly into its pocket. This is a government, and therefore a "modest" assessment: RTVS would get the lion's share of this, Tanjug 1.5 percent, the Electrical Distribution Network 4 percent.

Not agreeing with the minister's calculations is the Electrical Distribution Network, otherwise very indisposed toward the "layering of one enterprise on another" and the fact that the "new system of duties is based on a much wider circle of households" even than the new law, released to the public at the end of June, specifies. They

have figured in the Electrical Distribution Network that one must add engaged power per meter (an obligatory 3 kilowatt hours monthly) at a cost of 3,422,190 dinars to the above-mentioned amount of 6.39 billion monthly, and the present 9,815,490 dinars will be collected per meter. In short, based on that assessment that the number of households coincides with the number of meters, this "throws off" DM3.7 million monthly into the account of the government of Serbia.

FIGURES AND CONSEQUENCES: However, there are 3,263,000 electricity meters of small and large users in Serbia. Without exempted payments, the final monthly "inflow" into the state pocket for about 3 million meters reaches the sum of DM4.8 million.

Whatever the newest levy really amounts to, it is certain that huge overall amounts are involved. On the unlikely assumption that RTVS programs and the situation in local radio broadcasting, the Federation of Musicians, Tanjug, domestic moviemaking, and the Electrical Distribution Network will indeed improve with this, only employees in RTVS and the state—and no one else—have a reason for rejoicing (because of salaries).

There is no purpose in refuting the arguments about the benefits now, since the new law was easily "pushed through" (at the end of the discussion, 125 delegates voted for the law and two against); they are, more or less, unimportant. The already legendary appeal for "all" countries in the world to collect for TV subscriptions somehow is already funny because of the fact that subscriptions are not in question in this case. Otherwise even the Serbian government, with all the ministers without portfolio, would prove with difficulty the rate of subscription for something that you don't have. And won't.

A reference to Greece as the model in this type of system of fleecing television (non)viewers is simply an untruth, since Greek state television since its founding has been an "affiliate" of the Electric Power Industry there, which is authorized to finance the development and all activities of television. Comparisons with Sweden, Switzerland, England, and France are not worth making, at least until Milosevic's promise that we will soon live better than the Swiss and the Swedes combined is realized. Finally, the strongest argument by supporters of the law: "the payment for a subscription (probably a tax, but minister Pavlovic did not correct the speaker) is a patriotic act," said a delegate, and the law is good especially "since it forces the Albanians to pay, because otherwise their electricity will be turned off." And if the Albanians reply to having their electricity turned off by shutting down the electric power plants, this was not mentioned. Nor was what will happen if, instead of the expected "better collections" for electricity, that which they fear in the Electricity Distribution Network occurs: that the number of payers, already reduced by the many Serbian "giants" of every type, continues to fall to the "level" of households.

TV BY CANDLELIGHT: As the Serbian republic of Krajina has already announced that "an area scientist has discovered a principle for obtaining energy without the use of known energy raw materials—petroleum, coal, gas—and doesn't even use the power of water, wind, nuclear fuel, or even solar power" and those that, beside all others, find a reason for ending payments for electricity in the state's offer that they pay for something that they do not want to buy, will perhaps be able to watch some television—in secrecy, in the dark, with a candle, and by candlelight.

People with experience in radio-television media believe that the "matter with the law on RTV was hastily slapped together intentionally, because if it had been explained better, there would be still more opponents." The radio-television elephant on glass legs, already kneeling because of its own weight (and not from opposition attacks on the "TV Bastille"), has received, with the adoption of the law, not only an unexpectedly large injection of money and an extension of its life but also a monopolistic position about whose unlimited extent even that old, "Bolshevist-communist" TV Belgrade could not even have dreamed.

A logical further step in power is not, as the Democratic Party assumes, the introduction of a residence tax for all citizens of Serbia, or the introduction of a tax on air, according to the expectations of some opposition delegates, but something far worse—the shutting down of all nonstate media. Occupying themselves with basic democratic principles and having swallowed the worm on the fishhook of proving the absurdity of the legal resolution, the opposition in the Serbian assembly has neglected to take into account the banal fact that the Milosevic-Vucelic RTVS, in three years of war (with the media too), has studied and comprehended the power at their disposal and that, as a TV-pensioner (for that reason anonymous) says: "This method of monopolization will keep them in power another ten years."

The workers of REIK [expansion unknown] Kolubar, the "Surface Excavations" in Barosevac, have understood the matter better than both the opposition and "surveyed" citizens who, at least on RTVS, have suicidally allowed with their mouths the state to fleece them as much as it wants. As of tomorrow (Tuesday), they are going on strike with the demand, among other things, that the "RTV" tax be eliminated. Zdravko Vucetic, president of the trade union, tells us the reason: "The opposition is taking the wrong route, complaining that Television isn't theirs, but it's a question of taking money away from people, that they are being threatened with having their electricity turned off if they do not pay for their television programs."

Another man, whose nearly 30 years of experience on TV Belgrade cannot be underestimated in any sense, Dusan Mitevic, says for VREME: "I haven't seen the law in its entirety yet, but from the discussions in parliament, I realized that this is the end of RTV, one that was based on a voluntary subscription, i.e., worked in any kind of

market. This means that its management—whether we consider them good or bad, it doesn't matter—has had to take into account the quality of programs over the past 35 years. The subscriptions and the programming were in line. With this law subscription is ended, a state tax is being introduced that has no connection with programming, so that collections are not being made based on the use of the programs, either formally or even related to the possession of a television set. In this sense, the RTV directors will not have to worry about what the programming will be like in the future, it doesn't matter at all. An epoch has been crossed out, television is no longer on the market, and, finally, television will no longer have any connection with programming."

Do you remember the "Swedish detectors" and the sweet shudders about whether you'd be caught secretly watching hardcore porn on state programming? Do you remember when the long-ago anti-Serbian authorities attempted (unsuccessfully, moreover) to require television set salesmen to denounce buyers, suspected in advance that they would not turn themselves in? Do you remember... Well, it's past. Let the story be told.

Kolubara Firm Against Law on Television

*93BA1329D Belgrade VREME in Serbo-Croatian
19 Jul 93 p 19*

[Article by Dragana Karanovic: "'Kolubara' Versus Television: Communists of the Media, Unite"]

[Text] *A strike is announced because of the law on television subscriptions.*

The giant that is "Kolubara" belongs to the Serbian Electric Power Industry Trade Union, which includes a total of 65,000 workers. The KOSO [expansion not given] is an organization of trade unions with 18,000 workers and trade union members and is part of a branch of the Serbian Electric Power Industry Trade Union.

The strike began because the government of the Republic of Serbia did not keep the promise it made to miners at the "Kolubara" Basin that the May wage paid to them would be 30,400,000 dinars, based on the lowest wage level, together with a reimbursement of 15,200,000 dinars for annual leave.

"Kolubara" alone produces 52 percent of the total energy of present-day Yugoslavia. The Djerdap I, Djerdap II, Bajina Basta, and Ovcara Banja Hydroelectric Plants combined produce 48 percent.

"The 'Kolubara' miners are up to their knees in mud in the winter and up to their necks in dust in the summer. We strip the land, displace houses, clear out wells, forest, and cemeteries. All this is cleared away to get at coal 100, 130 meters underground. Work goes on day and night, in three shifts. We have no spare parts, our machines are worn out, there is no fuel or lubricants, but the factories in Krusevac have full warehouses. Our dredging machine is shut down and broken because there is no lubricant.

We do not stop even for New Year's or for state holidays, because we have nighttime and past labor. This is the first time in the history of 'Kolubara' that production has shut down!" the president of the KOSO, Dipl. Eng. of Mining Zdravko Vucetic said.

However, Serbian [Radio and] Television [RTS] depicts the "Kolubara" worker's wage as disproportionately high. "It is not the same thing to work in a closed space outdoors at minus 20 and plus 40 degrees Celsius! It would be good for all RTS workers to organize under the slogan 'Communists of the media, unite!' to raise the particles of dust from the Kolubara basin," says Vucetic. "In that way, they would gain even more 'objective' information, while the 'Kolubara' miners would be certain that the dust had gone into the right nostrils."

Because of untruthful reporting on the strike, "Kolubara" workers sent a letter to RTS saying that they were sending a videotape of part of a meeting at which the strike was discussed by "Kolubara" miners, asking RTS to give miner representatives one hour of air time on any news show. They got no response from the RTS or from Mr. Zoran Lilic [Federal Republic of Yugoslavia president], then the chairman of the Assembly, who also received a copy of this letter.

Workers at "Kolubara" Mine Basin praised NTV [Independent Television] Studio B for the accuracy of its reporting and for allowing them to refute the lies in UTISAK NEDELJE, even though that was neither the time nor the place for that.

The general director of "Kolubara" Basin, Mr. Milan Obradovic, gave the following assessment of the firm's financial situation:

"The situation in the electric power industry is growing continuously worse. First, there is the decline in price disparities, from around three years ago, up to which point there was a parity price. It fluctuated between 55 and 60 percent of the normal price and it satisfied the level of normal current production; something was even left over for investment. Since the last, third, i.e., first initial year to this very day, that price has continuously eroded, to achieve a parity of only 5.5 percent in December of last year. This means that the price is one-tenth of what it was (from 50 percent to 5.5 percent). Prices have risen 10 to 15 times faster than the prices that enter into our production, so that last year we ended with terrible losses (more than \$200 million in current money). The situation has been awful over the past two or three months because revenues are not covering expenses. We need 55,000 metric tons of pure coal to send our workers out to work, give them a hot meal, and bring them back. For that alone. There is nothing for wages or for spare parts. It will be very hard to keep them warm in the winter!"

Every Kolubara battle in connection with welfare issues will be fought under the slogan "No money, no work." Everyone knows what happened to Mr. Pocorek, and Mr. Sainovic [Serbian prime minister] is aware of this

too. "Kolubara" is part of Serbia, and whether we will be warm this winter and able to run our freezers and refrigerators depends on it.

[Box, p 19]

Chronology of Events

12 April 1993: Meeting held in Belgrade between representatives of the government of the Republic of Serbia, the management of the EPS [Serbian Electric Power Industry] Public Enterprise, and the Strike Committee of the EPS Trade Union, where an agreement on wage payments was presented.

14 April 1993: The advance for March was not paid and the difference with the full cost of labor was 1,055,000 dinars for February. The advance for April, amounting to 70 percent of the March wage (cost of labor 3,040,000 dinars), was to be paid by the end of April.

31 April 1993: Advance not paid.

10 May 1993: Under the agreement, the difference with the full cost of labor was supposed to be paid.

17 May 1993: The difference with the full cost of labor was not paid, in accordance with the agreement reached on 12 April 1993.

26 May 1993: The wage for April was paid (6,000,000 dinars).

3 June 1993: Workers were paid a sum of 6,000,000 dinars, as the second part of the wage.

10 June 1993: At a KOSO meeting, workers decided to ask the government of the Republic of Serbia to pay them the established reimbursement for annual leave, amounting to 15,200,000 dinars per employee, and to make a final settlement for the month of May at the lowest cost of labor of 30,400,000 dinars, by 15 June 1993.

11 June 1993: The reimbursement and May wage were not paid. The workers went on strike. The government of the Republic of Serbia was given a new deadline for the payment of earnings, by 15 June 1993.

15 June 1993: At a meeting between the government of the Republic of Serbia and the general director of EPS, instead of the minimum of 30,400,000 dinars, a solution of 18,900,000 dinars was offered, which the workers did not accept. The Strike Committee expanded its demands and called for the resignation of the general director of EPS, direct negotiations with the Serbian prime minister, Nikola Sainovic, and the payment of earnings according to the price of the consumer basket of goods, which is 200,000,000 dinars, if their earnings are not paid by 1100 on 16 June 1993.

16 June 1993: Instead of the minimum, a sum of 18,900,000 dinars was paid by 1900, with a devaluation of 35 percent.

12 July 1993: At a meeting with ministers from the Serbian Government, it was agreed that earnings would be paid out in three parts, so that the first advance would be increased by 100 percent, the second by 80 percent, while the third would be the final settlement.

14 July 1993: The distributed wages were cut by 15 percent because of the strike, and the KOSO decided to go on strike if the law on paying for TV subscriptions through meters is passed.

Supermarket Chain Director Interviewed on Losses

93BA1338B Belgrade VREME in Serbo-Croatian
26 Jul 93 pp 20-21

[Interview with Slobodan Radulovic, general director of the C-Market supermarket chain, by Zoran Jelacic; place and date not given: "Welcome to Poverty"]

[Text] The occasion for the interview was the decision to reduce prices in their stores by three zeros. Radulovic answered the first question, which was about the reasons for that move, this way:

We were unable to operate any longer, because our 1,200 cash registers could not handle all the zeros that had grown in the meantime. This meant that the checker had to ring up one price five or six times. This became risky both for us and the customers, because mistakes are natural in such a situation, even without any bad intent. Moreover, even our central computer could not handle the immense numbers, and there is hardly any price below 1 million dinars.

I think that we were late, that is, that now we should have lopped off five zeros. I proposed to the former governor of the NBJ [National Bank of Yugoslavia] that they do that as soon as possible. In short, the situation forced us to remove the zeros ourselves and to explain to customers what we were doing and why we were doing it. In our stores, 80 percent of sales already are by check, and they have to be filled out with the right number of zeros. However, the customers have accepted this with more understanding than we expected; there have even been witty comments.

[Jelacic] What is happening in the stores now?

[Radulovic] Until some 10 days ago, the supply was greater than the demand, there were more goods than customers, not counting, of course, the staples (flour, oil, and sugar). However, since that time inflation has speeded up, prices have held, so that there is volume buying of all goods, incomparably more than had been established before that time. Prices could no longer be adjusted to changes in the exchange rate of the German mark; even technically we were unable to change the prices from hour to hour, even if there had not been any problems with regulations on price controls. That is why I think the commodity stocks are down even for food,

not to mention other goods. According to rough estimates, we have been losing about 150,000 German marks [DM] a day.

[Jelacic] That is C-Market's loss?

[Radulovic] Yes, that is our daily loss because of the difference between the prices of the goods and the money. Now the producers are holding back from any sale, even if the prices are free of controls, because no one can predict the gap between today's costs and tomorrow's revenues. Even those who up to now have operated normally have gone off on vacation in large numbers, so that unfortunately I do not have an optimistic outlook at all as to what awaits us in coming weeks and months. Put more precisely, even as early as August I do not believe that there will be even the present quantities of goods.

What was done with the prices, farm products above all, with the exchange rate freely formed, had to result in immense disparities. It will not be possible to establish any kind of equilibrium for the next four or five months. We have now received from the commodity reserves 400 tons of flour at a price which, if you compare it to the actual price on the market, would not be enough even for 20 tons of wheat from the new harvest. It is simply incredible. And I will not mention the kind of criminal transactions that take place on such soil.

I am afraid that the syndrome here is "everything is cheap, but there is nothing to buy," that is, that we are going into ever greater scarcity and the black market.

[Jelacic] You said that you expect ever greater problems with deliveries. Where do you expect the drop in the supply mainly?

[Radulovic] I think that there will be less and less of everything, even the goods which we have referred to as monopoly goods. I do not understand, for example, why someone would maintain depressed prices for domestic producers of hygiene products, when the prices of the imports are tenfold greater. I cannot understand that kind of blindness.

When the controls are abandoned, this is followed by price increases as much as twentyfold, which no one can pay. In the meantime, illegal marketing necessarily develops along with every other form of illegality; producers survive because there is no other way. You remember what happened with sugar, oil, and flour, with every commodity which was controlled in the time of hyperinflation.

The market for fresh meat has fallen apart, and this threatens even the successful processed meats industry, because their input prices are rising daily, and their revenues come too late to make it up. There are fewer and fewer of those who have the courage to produce and sell, because they are not certain that they will cover their costs from their revenues.

[Jelicic] Did you say a while back that the backbone of the present policy is precisely for everything to be inexpensive, but for there not to be anything?

[Radulovic] I think that that is the way things look: When everything is under control, then actually nothing is controlled. These governments have ruined what was Serbia's advantage. They have impoverished the farmer, electricity, even domestic petroleum. The question is who that suited for those prices to be held and for immense disparities to form? It is incomprehensible.

I am naturally not against the social welfare policy in Serbia, but going on in this way does the opposite. First, the present policy of low food and energy prices protects even those who do not need any protection; second, the producer has to realize a true price, because otherwise he loses both his motivation to work and the value of his product. All of this leads to the most disastrous conception that it is possible to live on very little work and more and more that it is possible to live without work at all.

I assume that the wishes have been the best. However, they have been built on false assumptions. A high price will be paid for all of this: the later it is, the more expensive it will be. We constantly receive the answer that there are no customers for the full price, but people forget that the electric power industry no longer has money even for repairs. What is more, it is not natural to pay the same thing to those who work and those who do not work. In this country today, there are several thousand buses which are broken down, and no one is going to draw up programs for the production of replacement parts, which takes no great skill, and the metal industry is not overburdened with work either. Everyone is waiting for someone else to do the job in their place, and they are all referring to some kind of rights. As if God himself laid down the sanctions, that is, a cover for such people.

[Jelicic] Does not the government evoke that state of affairs when it turns economic entities into objects? Has not the government thrust social welfare policy into the business firms?

[Radulovic] That is true. But I would always prefer to be called to account for violating the regulations than for a business loss. I would argue that the regulations and the policy make no sense. No one can force me to deliberately run my firm into a loss. There is no consent to distribution instead of the trade sector.

[Jelicic] How do you explain the introduction of price controls at the height of hyperinflation, especially because it is not possible that everyone in the government is an ignoramus?

[Radulovic] I have no explanation. When I talk to certain members of the Serbian or federal government, there are almost no differences between us at all either in our assessment of the situation or the therapy. However, policy is headed somewhere else altogether. I do not know how and why, but I know that work is being utterly

devalued and every motivation to get out of the crisis and to create is being killed.

Do you know what it means for the price of milk to be depressed this way? This kills an effort over 10 years to create an economical farm, it kills the country's entire livestock population. Everything has been destroyed with strokes of the pen in a few months just because someone thought that this was justice. I think that our hyperinflation is mixed up with a fear of social unrest, and the result is the opposite of the intentions.

[Jelicic] How long will the trade sector be able to operate normally?

[Radulovic] I have to think about my own firm first. The producers are now our biggest friends. We will do everything, absolutely everything, necessary to maintain production. We are ready to pay any price for that, real price, of course, without harming either the government or consumers. Operating that way, we will probably succeed in staying afloat for at least a month longer than others. However, that last month, that is, the time when we will not have anything with which to buy goods, is rapidly approaching.

I must say that no later than September I expect new waves of hyperinflation and still greater disruptions. The time is coming to buy coal, sugar, corn.... The experience with the present purchasing of wheat shows what that is going to be like. The farmer is not going to lose.

[Jelicic] Why should he, when he has a convertible commodity?

[Radulovic] Of course, and what is he going to do with a dinar that is devalued every day or some kind of coupons, that is, how is he going to buy all the things he needs for the next planting? Put differently, without foreign capital, without at least \$1 billion, it is not possible to do anything here. It is obvious that domestic reserves of foreign currencies are also dwindling.

[Jelicic] You are also a deputy in the Serbian Assembly. The debate concerning the economic situation has been postponed for the fall, and the Serbian and federal governments are announcing measures this very week. What are they preparing?

[Radulovic] I do not know, but I think that they ought to begin with the fact that this country does not need three administrations, at least not for formulation and conduct of a single economic policy. In any case, I think that the governments do not have a big choice among measures.

[Jelicic] What would you suggest to them?

[Radulovic] First of all, a government of experts instead of a government of political parties. Then a government that would take six months and even then be accountable to the Assembly if it did not do everything necessary, including concessions, to obtain fresh capital from abroad. Otherwise, it is not possible to do anything to

prevent a still greater collapse. All the rest is spinning in a circle, not to say hurtling into the abyss. In all of this, C-Market will follow its own logic.

[Jelacic] Can you have any serious impact on the supply of your stores?

[Radulovic] Not completely. At least not on serious production, that is, on that production which is not

proud of surviving thanks to smuggling. There are no producers who can live off one successful move.

[Jelacic] But when you translate the statements from the highest places to the effect that the sanctions cannot hurt us into the language of the street, this is the same thing as extolling the abilities of smugglers.

[Radulovic] This is pretty much illiterate when it comes to economics.

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