

JPRS-EER-90-113  
7 AUGUST 1990



**FOREIGN  
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# ***JPRS Report***

# **East Europe**

20000128 142

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# East Europe

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7 AUGUST 1990

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## INTRABLOC AFFAIRS

### Plots Against Tokes Family Members' Lives Reported

25000755C Budapest MAGYAR HIRLAP in Hungarian  
6 Jun 90 p 1

[Unattributed article: "Are Andras and Jozsef the Targets Instead of Laszlo? Attempted Plots Against the Tokes Brothers"]

[Text] There are people who are favored by God or by good fate; for example Laszlo Tokes, who has thus far been hunted in vain by the militant circles of the Vatra Romaneasca, and by forces behind those circles. According to reports, preparations are being made to accomplish indirectly what could not be accomplished by direct means. The extremists have begun to hunt the other Tokes brothers. Three attempted plots have been recorded during the past three weeks. Our newspaper was informed of these by authentic sources, not named due to security considerations.

#### Information

The first attempt against Marosvasarhely [Tirgu Mures] resident Andras Tokes took place three weeks ago. Bishop Laszlo Tokes' older brother is also one of the leaders of the local Democratic Association of Hungarians in Romania [RMDSZ] organization. Unknown persons poured an abundant amount of petroleum on his door, and were about to ignite the door when neighbors in the stairway heard something happening. The persons preparing to commit murderous arson escaped as the neighbors appeared. The complaint filed with the Marosvasarhely police has not produced many results thus far....

The streets provided an opportunity two weeks ago for the second attempt. Once again, Andras Tokes of Marosvasarhely was the target. At this time, with knives drawn, several attackers tried to knife him. He was saved as a result of the fact that he carries mace on him; he succeeded in stopping the attackers and making them escape. Thereafter Andras Tokes remained in Marosvasarhely, but every day or two he changes the place where he spends the night.

The passive subject of the third attempt was Jozsef Tokes, Laszlo Tokes' other brother. He was accosted last Friday night on a trip from Budapest to Kolozsvar [Cluj]. He was involved in a suspicious car accident in the vicinity of the town of Dumbrava while driving his car about 30 km from Kolozsvar in the middle of the night. Travelling at a speed of 60 km per hour, his car was forced off the road into a ditch by another car coming from the opposite direction, with a regular slam. The fact that neither Jozsef Tokes, nor his wife, nor passenger Petra Szocs, daughter of the RMDSZ national executive secretary, were injured may be attributed to extreme luck. The Romanian driver of the colliding car

was a professional chauffeur, the employee of a Nagyvarad [Oradea] transportation enterprise. At least that is what turned out to be the case based on questions asked by a policeman arriving at the scene. Only after several hours of delay was the policeman willing to provide a written report of the accident to Tokes, and the person responsible for the accident cannot be determined from the report....

It should serve only as a faint addition to the three plots that for some time now the telephones of members of the Tokes family have been tapped. The clicks in the line so well known from prior to December attest to this fact.

#### Commentary

By now the person of Laszlo Tokes has become a symbol, he is untouchable. The Bucharest leadership is well aware of this; presumably the bishop is appropriately guarded. Nevertheless, members of his family, particularly his politically active brothers, who have been involved in some conflicts with the Securitate before, are experiencing immediate danger. Only publicity can provide some protection for them, as was the case with their younger brother Laszlo in earlier days. The present article was written in part with this in mind. But by no means was it written to incite passions....

Hungary and Romania are countries linked to each other, and that link cannot be broken. This is not only because of the nationalities. It is in the selfish existential interest of the prevailing leadership bodies of both countries to harness, and if possible to extinguish, passions which recall bad memories. At the level of daily, practical politics this means to the Hungarian side that no kind of irredentist movement becomes possible even in today's vacuum caused by the transition of power. Anyone, even beyond our borders, could see the responsible conduct manifested by the new government, by the parties, and by Hungarian society in conjunction with the anniversary of Trianon. In a similar manner, it would be beneficial to obtain proof that the Romanian leadership, the parties, and society are also capable of harnessing their own extremists. Irrespective of who those are, from the past or from the present.

It must be seen clearly: Not only is the person of Laszlo Tokes protected, so are his brothers! Harm done to any one of them would produce unpredictable consequences.

If only a few extremists stand behind these plots, it is only a matter of a decision to find these persons and to neutralize them. And the appropriate intention needed to make this decision must be nurtured by a well considered interest. It would not hurt for the appropriate committees of the new Hungarian Parliament, government offices designated for this purpose, to act toward this purpose, so that all of this would become part of Bucharest's consciousness on time....

## Romanian Ethnic Conflict Aired Before Continental Forum

### Anti-Hungarian Outburst by Romania

25000755B Budapest NEPSZABADSAG in Hungarian  
25 Jun 90 pp 1, 3

[Interview with National Assembly representative Laszlo Kovacs, special invited delegate to a meeting of the Council of Europe subcommittee on security and cooperation in Copenhagen, by Peter Vajda; place and date not given: "Anti-Hungarian Romanian Outburst in Copenhagen"]

[Text] At an international diplomatic forum the Romanian representative leveled an unprecedented verbal attack against Hungarians. This was the topic of Peter Vajda's discussion with representative Laszlo Kovacs, one of the six specially invited Hungarian delegates to the forum. He just returned from the two-day Copenhagen meeting of the subcommittee on security and cooperation of the Council of Europe parliamentary general meeting.

[Vajda] Mr. Representative, what did you accomplish in Denmark?

[Kovacs] Members of the subcommittee took part in a conference concerned with the human dimension. That meeting began in early June. They met with the ambassadors of the 35 signatory countries. According to the arrangement a separate meeting was held with the Romanian and the Bulgarian ambassadors: These countries requested that they be granted the special invited status at this time. By coincidence we were able to take part in a plenary session overshadowed by a dissonant development which was unlike work conducted in a constructive spirit. The Romanian ambassador spoke and reacted to Hungarian Ambassador Andre Erdos' Monday remarks. The Romanian diplomat permitted himself to make a scandalous statement, according to which Ambassador Erdos polluted the atmosphere of the conference with his speech! He announced that not a single word of the Hungarian ambassador's statement concerning the situation of minorities residing in Romania was true. (The curious aspect of the matter is that in the remarks made by Erdos on Monday not a word was said about the situation of Hungarians in Romania. All that was said pertained to the most recent Bucharest events, and the situation of minorities in general, without mentioning Romania.) The Romanian ambassador regarded the concept of a parent country as unacceptable, and the concept of collective rights as absurd.

[Vajda] Did you look at the calendar? Did you get the feeling that it was still 1989?

[Kovacs] In my judgment the contents of this part of the Ambassador's remarks would not have evoked any attention a year ago, in Ceausescu's days.

[Vajda] Was there a way to react to this?

[Kovacs] The ambassadors were heard on Friday afternoon. Everyone, including the chairman, received the Hungarian ambassador's statement with great satisfaction. The ambassador said that signs indicate that Hungary will be first in Central East Europe to acquire full membership this coming November. To answer your question: I was able to react when the Romanian ambassador was heard. I told him I was deeply shocked by the content, spirit, and language of your statement. You viewed collective rights as absurd, whereas collective rights are part of the Vienna closing document! This document was agreed to by the Romanians with reservations at the time, but the new regime retracted the objections. After all this I must ask: Are your remarks consistent with your government's views? As long as you deny [the existence of] collective rights, do you also deny the rights of women, children, and the disadvantaged, or only the collective rights of national minorities?

[Vajda] What did the ambassador have to say in response?

[Kovacs] He went on proving that the Hungarian minority is able to exercise the individual rights guaranteed in Romania in a communal form. This is nonsense. Several questions were raised concerning the Bucharest events, but no substantive response was received, and the chairman noted this fact separately in his closing remarks. The Romanian issue of whether they will be granted a special invited status will be decided at the next general meeting of the Council of Europe Parliament. And this is after the [Romanian] ambassador's remarks, and after hearing it was the unanimous view of the participants that Bucharest has no chance of achieving this status, in contrast to Bulgaria which may count on being granted this status, the representative said in conclusion.

### Ambassador Erdos's Remarks

25000755B Budapest NEPSZABADSAG in Hungarian  
26 Jun 90 p 3

[MTI [Hungarian Telegraph Agency] report: "Who Is Telling the Truth? Ambassador Andre Erdos's Response to the Coarse Romanian Attack"]

[Text] At the plenary session of the Monday afternoon meeting of the Copenhagen conference which dealt with the human dimensions of the European situation, Ambassador Andre Erdos firmly rejected the latest coarse, anti-Hungarian outbursts of the Romanian ambassador.

As reported in yesterday's issue of this newspaper, responding to a Hungarian statement made a week earlier, late last week the Romanian diplomat accused the Hungarian ambassador, saying that "not a single word of his statement concerning minorities residing in Romania was true," and terming the concepts of collective minority rights and of a parent country as absurd.

In his speech Andre Erdos quoted the original text of his statement a number of times. In his statement he did not name Romania; instead he talked in general about minority rights and recalled the latest bloody events that took place in Marosvasarhely [Tirgu Mures] and in Bucharest. The Hungarian diplomat stressed that the fact that Romania regards the concepts of the collective rights of minorities and of a parent country as inconceivable is unacceptable, because Romania is the country which previously established the autonomous Hungarian territory. The head of the Hungarian delegation repeatedly urged that the investigation of the Marosvasarhely events of March be brought to a conclusion and that those responsible be named.

**Romanian Response to Foreign Ministry Note of 26 June**

25000758A Budapest NEPSZABADSAG in Hungarian  
4 Jul 90 p 3

[MTI [Hungarian Telegraph Agency] report]

[Text] The Romanian Foreign Ministry publicized its verbal note which represents a response to the Hungarian Foreign Ministry's note of 26 June. The response was released on Tuesday [3 July] in Bucharest through Rompres.

In its position statement the Romanian Foreign Ministry accused the Hungarian Foreign Ministry of biased evaluation of the Bucharest events, that it started out from events taken out of context and made reference only to the 14-15 June events, "intentionally failing to mention the violent action of 13 June which constituted the starting point of the events." According to the Romanian statement, the language of the Hungarian note is not consistent with the tone of voice used in diplomatic documents, and is contrary to the spirit of European detente.

The Romanian response stressed that before it received the requested information from the Romanian side the Hungarian Government made a final evaluation of the events and voiced unfounded accusations.

The note contains a reference to the Copenhagen international conference which dealt with issues pertaining to human dimensions. At the conference, participants established that the international view that evolved in conjunction with minority issues under no circumstances supports any country's claim to act as a defender of minorities in some other country. According to the note issued by the Romanian Foreign Ministry, at that conference they stressed the primary desire to debate in the spirit of mutual acquiescence any problem that may arise with regard to interstate relations on the continent. Such problems exist both in Romania and in Hungary, the note says.

Further, the Romanian side expressed regret over the fact that "while Romania is making efforts to make an approach in this spirit, and to interpret and resolve the

problems, on the Hungarian side the desire for understanding continues to be missing, and it emphasizes confrontation much more than dialogue."

In conclusion the Romanian side expressed hope that interstate relations on the continent may be improved by respecting the requirements contained in documents concerning European security and cooperation, and by the well intended application of these. Reference was made to the fact that the foreign ministry forwarded the requested information concerning the June events in Bucharest as an attachment to the note. The information, enumerated in ten points, contains statements made earlier by the Romanian Government.

**Excerpt From Former Romanian Deputy Premier's Letter to Iliescu**

25000756B Budapest NEPSZABADSAG in Hungarian  
6 Jul 90 p 3

[Excerpt from undated open letter by retired Romanian Deputy Prime Minister Janos Fazekas to Romanian head of state Ion Iliescu—first paragraph is NEPSZABADSAG introduction]

[Text] Romania's retired prime minister [of Hungarian origin] Janos Fazekas wrote an open letter to Romanian head of state Ion Iliescu. The first part of the document deals with the atrocities that took place in Marosvasarhely [Tirgu Mures] and with the need to call to account the persons responsible, naming several Securitate and militia officers who manifested condemnable conduct in the course of the pogrom. The letter mentions economic issues, and the unsuitability of Petre Roman to head the government. We present the second part of the more than five-page letter, with a few omissions. It details the collective and individual rights of Hungarians in Romania.

*My friend Ion Iliescu, I suggest that you conduct democratic nationalities politics! I voted for you so that you would ensure that Hungarians in Romania enjoy collective nationality rights. From among these I will recite a few for you, because the three presidential candidates totally forgot to discuss them on television. In doing so they gravely offended the Hungarian nationality in Romania, as well as the rest of the national minorities of the country.*

*1. Parliament, the highest body of state power, and the constitution must recognize the existence of the Hungarian nationality as a matter of historical reality in Transylvania—it has resided there for 1,100 years. They must also recognize the Hungarian nationality as a national community which is an organic part of the Hungarian nation, but which belongs to Romania from a territorial, economic, and citizenship point of view, as well as from the standpoint of social and political organization, and which wants to work together and coexist in a democracy with the sons of the Romanian nation.*

2. *Parliament and the constitution should recognize that the Hungarian national minority is a constituting element of the state, of the Romanian Republic, of the homeland in which they live and want to live.*
3. *The constitutional recognition and practice of the right to self-determination along with maintaining respect for the country's territorial integrity and sovereignty. [as published]*
4. *The constitution must ensure the right to organize nationality political parties and movements which protect the interests of nationalities and their collective rights as a nationality.*
5. *Providing all-day Hungarian radio and television programs is also part of the collective rights of the Hungarian nationality.*
6. *Hungarian language nursery and elementary schools, gymnasiums, and specialized intermediate schools also constitute part of the collective right, because they satisfy the needs of the Hungarian national community.*
7. *The organizing of Hungarian theaters, the Szekely Folk Ensemble, and the Hungarian Academy of Sciences, as well as the existence of cultural associations, the museum of the history and literature of the Hungarian nationality, scientific research institutes, newspapers, and periodicals are also collective nationality rights.*
8. *Restoration of the Hungarian language Bolyai University, of the Hungarian agronomist faculty, and of Hungarian training in the fields of music, painting, and sculpture are also part of these rights.*
9. *The collective rights of the Hungarian nationality include the organizing, i.e. restoration, of Hungarian language teaching at the Kolozsvar [Cluj] Technical University, the organizing of technician training in the Hungarian language, as well as restoration of the Marosvasarhely [Tirgu Mures] University of Medical Sciences.*
10. *The collective rights of the Hungarian nationality include the fact that the Romanian Government ensures that the Hungarian national minority will be able to keep in touch with its parent country without impediment, and that it may freely travel to any country in the world.*
11. *The free operation of Hungarian churches, full religious liberty, and the free functioning of Hungarian Catholic, Reformed Church, Unitarian, and Evangelical bishoprics. Observance of religious holidays: Christmas, Easter, Pentecost, New Year's Day, Mothers' Day, and festivals.*
12. *Hungarian language Bibles must be provided to Csango Hungarians residing in Moldavia. Church services shall be held in two languages, in Hungarian and Romanian. Baptisms, church weddings, funerals, and the blessing of homes shall take place in the same way. This is also part of the nationality and religious collective rights of Csango Hungarians in Moldavia....*

*I would mention a few individual nationality rights:*

1. *Every Hungarian has a sovereign right to state his Hungarian nationality in the course of census counts.*
2. *Parents have a sovereign right to register their children in official records as belonging to the Hungarian nationality.*
3. *The names of children should be written in official records according to the rules of Hungarian grammar.*
4. *Names should be entered in all state files, personal identification papers, military certificates, matriculation certificates, elementary school records, and university diplomas according to the rules of Hungarian grammar.*
5. *Freedom to practice religion.*

*In conclusion, I find it necessary for a ministry which deals with nationality affairs to be organized.*

*With respect and high regard,  
Janos Fazekas, retired deputy prime minister  
of the Romanian Republic*

## HUNGARY

### U.S. Ambassador Thomas Interviewed

25000757B Budapest NEPSZABADSAG in Hungarian  
4 Jul 90 pp 1, 3

[Interview with U.S. Ambassador Charles Thomas by Gabor Horvath; place and date not given: "As Far as the Bow Tie Is Concerned... The Hungarians Have Accomplished Their Goals by Themselves"—first paragraph is NEPSZABADSAG introduction]

[Text] Charles Thomas, 55, was appointed ambassador to Budapest several months ago, but the American legislature's approval was delayed until most recently. The Harvard graduate career diplomat is regarded as one of the best experts on Europe in the American diplomatic leadership. NEPSZABADSAG was first among representatives of the printed press to whom the new ambassador of the United States of America granted an interview.

[Horvath] Have you been to Hungary before?

[Thomas] No, this is my first time here.

[Horvath] Do you speak Hungarian?

[Thomas] I studied Hungarian for about eight months.

[Horvath] Who taught you?

[Thomas] I was taught by teachers whose native language was Hungarian, at the State Department [Foreign Service] Institute in Washington.

[Horvath] Would you say a few words about your family, your interests, your hobbies?

[Thomas] I am married, and we have four children. Unfortunately none of them are here with us in Budapest; they are all grown. One of them is a university student, the rest are working already. We expect to see all of them here in August; they are also very interested in Hungary. As for myself: I like to sail, fly, and ski, play tennis, and play handball.

[Horvath] You worked in Latin America for five years, then served in Lisbon and in Brussels, and in the end you dealt with European affairs in Washington. From a personal standpoint, which assignment did you like best?

[Thomas] My last assignment was very interesting; as deputy chief I dealt with every European issue. After Gorbachev took power, our primary goal and task was to develop the future system of relationships with the Soviet Union. I traveled much with the secretary of state; when he met with Shavernadze, I accompanied the President to Moscow, thus I could see the development of East-West relations. At the same time I took part in the development of the NATO position prior to the Vienna disarmament negotiations. This was also very satisfying work, because we were eyewitnesses to the changing situation in Europe.

[Horvath] As an expert on Europe, would you have thought 12 months ago that the changes Central and East Europe produced would take place?

[Thomas] I do not think that anyone foresaw what would take place here. It was a great surprise. On the other hand, I feel that we had a good grasp of the basic situation according to which the communist systems were not legitimate, and they did not enjoy the support of the people. It could be predicted that one must count on very rapid developments in this region of the world, once the Soviet Union loosens its grip. But no one would have believed that the changes would take place at this speed. The speed at which the old systems fell apart was indeed surprising. They had even less legitimacy than we assumed they had.

[Horvath] In other words, in your view everything began with Gorbachev.

[Thomas] Gorbachev was not the only one. The communists always said that their legitimacy was derived from the people, therefore they did not need to prove it repeatedly through democratic methods. But 1956 dissipated this kind of reasoning. From then on every communist system had a feeling of insecurity. They were aware of the fact that they did not enjoy the people's support; they knew that they were in a very threatening milieu. The entire process began in 1956, then came 1968, followed by the Polish events which once again demonstrated the instability of systems which rest on force. The fact is that the Soviet system is experiencing an extremely grave crisis, and Gorbachev recognized the fact that the system simply does not function. But not just Gorbachev; very many other people in the Soviet Union concluded that fundamental changes are needed, otherwise the country will become inoperative. I believe

that Gorbachev awakened to the fact that he must permit events to flow freely in this region if he wants to see a stable European situation.

[Horvath] During the 1970's you worked in Portugal during a period when coalition talks were going on in that country, when new political power conditions were evolving. Do you recognize a parallel between present Hungarian political development and your experience in Lisbon at the time?

[Thomas] There is a kind of parallel in the sense that Portugal also embarked on the road toward democracy somewhat unexpectedly. In the wake of the attempted coup of 1974, there was a menacing threat from the direction of the Communist Party and the extreme left. There was a serious question as to whether the democratic forces would be victorious. They succeeded in the end, because basically they were the ones who represented the people. In this sense one can draw a parallel with the event in Hungary, although here the situation is far more complex, because the country has been artificially severed from the West. In a certain sense, Portugal was also isolated from Europe, of course; in the olden days the Portuguese people said, "this summer we will take a vacation 'in Europe.'" But they were not confronted with impediments like those that characterize totalitarian regimes.

[Horvath] What is your political program in your new post?

[Thomas] We do not have a political program, at least insofar as direct participation is concerned. We are observers; at most we intend to help appropriately. It is the goal of the United States that Hungary should have a democratic society, while at the same time the Western value system should prevail in this country. As far as the goals are concerned, the Hungarians have achieved these for themselves. You had the first, entirely democratic elections in Central Europe; it is here that we find the first vividly functioning democratic system. There is no doubt as to Hungary's Western orientation, and it is their determined intent to join the European Community as soon as possible. They fully accept the ideals of human rights, and the features which characterize industrialized democracies. So I am not worried about political developments, because Hungary has achieved a huge success in this regard.

[Horvath] Are you worried about the economy?

[Thomas] Yes, I believe the economy presents the more serious question. Transition to a market economy is not a simple matter. But Hungary has more experience in this field than the rest of the states in the region. Indeed, I am very optimistic insofar as Hungary's perspectives are concerned, and I believe that you will be very successful in implementing the transition. I feel that you will also succeed in attracting direct investors.

[Horvath] Do you think that after German unity is restored competition for influence in the region will increase?

[Thomas] Among whom?

[Horvath] Among the new Germany, France, Great Britain, and the United States. We do not even mention the Soviet Union anymore.

[Thomas] The United States does not regard itself as a competitor in this region, because in reality the United States was never particularly interested in events beyond its own borders. Europe was always too far. The United States became involved in European affairs against its will, after it was dragged into two world wars. I believe that a majority of Europeans feel that an American presence on the continent makes sense. Even the Soviet Union accepted this fact in the framework of the Helsinki process. Almost everyone agrees nowadays that our military presence in Europe is a stabilizing factor. We do not feel that we need to compete, because the United States has a huge economy where people simply do not think in these terms. We came to Europe in response to an invitation, and we will leave if some day that invitation is revoked. And I do not believe that a great competition will begin, because within the region there is very great interest in direct capital investment. This means that the issue will revolve much more around attracting investments than competing for influence. If Hungary becomes a member of the Common Market, as I am certain it will, the country will also become part of the European system where there will be very little struggle for political influence, but more for capital investment.

[Horvath] Your predecessor, Mark Palmer, was a striking personality. He even created fashion with his bow tie. Your necktie is different. What will your style be?

[Thomas] I worked for years with Mark Palmer; we are very good friends. He has his own style, and I have mine. I think that in those days his style was very appropriate. Now the situation is different, because we are dealing with a democratic system and a legitimate government. We believe that our system of relations will resemble more the traditional kind of relations. This, of course, does not express differences between persons, but the difference in the objective situation. As far as the bow tie is concerned, I do not believe that my predecessor was totally correct in that regard.

#### **Warsaw Pact Relations: Text of Foreign Affairs Committee Resolution**

25000753D Budapest MAGYAR HIRLAP in Hungarian  
15 Jun 90 p 2

["Resolution by the (National Assembly) Foreign Affairs Committee Concerning the Relationship Between the Republic of Hungary and the Warsaw Pact"]

[Text] On 1 November 1956 the government of Hungary declared its intent to leave the Warsaw Pact. The military intervention of 4 November which overthrew the government prevented the enactment into law of this declaration of intent. At this time the freely elected National Assembly makes a renewed declaration of Hungary's intent to leave the Warsaw Pact, and therefore resolves as follows.

1. The National Assembly asks the Government of the Republic of Hungary to begin negotiations concerning Hungary's leaving the Warsaw pact, by invoking the fact that fundamental changes have taken place in the circumstances in which the agreement was reached, and based on Section 62 of the Vienna Convention. It is desirable to reach agreements with each of the member states in regard to the fact that Hungary not be a member of the Warsaw Pact.

2. As a first step, in the course of negotiations the government shall establish the goal of suspending Hungary's participation in the military organization of the Warsaw Pact. The Honved Forces shall not participate in joint exercises, and Warsaw Pact troops shall not hold military exercises within the territory of Hungary.

3. The National Assembly asks from the government that the security, political, legal, and economic interests of the Hungarian Republic be taken into consideration in the course of negotiations, and that the government provide for the far-reaching enforcement of these interests.

4. The National Assembly requests that the Government of the Hungarian Republic begin negotiations with the member states of the Warsaw Pact for the purpose of reviewing bilateral friendship and mutual aid agreements. Any provision which authorizes military intervention, or violates our country's sovereignty in other ways, shall be deleted from these agreements.

5. The National Assembly solemnly proclaims that the Hungarian Republic intends to live in peace and friendship with all its neighbors. It will permit no one to use its territory for an attack or threat against a third country. The government shall inform Warsaw Pact member states with which it endeavors [to maintain] fruitful economic and cultural relations concerning its efforts in the interest of establishing a European security system.

#### **Jeszenszky: 'Substantive' Discussions at NATO; Woerner Visit Expected**

25000759C Budapest MAGYAR HIRLAP in Hungarian  
30 Jun 90 pp 1-2

[Interview with Foreign Minister Geza Jeszenszky by Laszlo Mecs in Brussels on 29 June: "Hungarian Flag in Front of NATO Headquarters—Jeszenszky-Woerner Meeting"]

[Text] Yesterday's introduction of Hungarian Foreign Minister Geza Jeszenszky at NATO administrative

headquarters in Brussels, and his discussions with NATO Executive Secretary Manfred Woerner, matches exactly the new Hungarian foreign policy line and principles; at the same time it is perfectly appropriate to the political endeavors of a transforming NATO.

The personal meeting of the number-one leader of Hungarian diplomacy with the NATO executive secretary, an event that would have appeared inconceivable a year ago, provides a definite sign that the member countries of NATO and the Warsaw Pact, whose strategies were originally diametrical opposites, have turned their backs on the dangerous past, and that they regard as one of the pivotal theses of their policies the full liquidation of cold war memories.

The Brussels meeting of Foreign Minister Jeszenszky and NATO Executive Secretary Woerner constitutes praise for the international activities of Hungarian diplomacy, a matter that is consistent with Budapest's reform policies which attest to Hungary's belonging to the cultured West, according to the Belgian radio foreign policy commentator.

Woerner awaited Jeszenszky at exactly half past nine in the morning at the entrance to the Atlantic Alliance headquarters, the place where for the first time in history the flag of the Hungarian Republic waved on the mast.

As planned, the Hungarian foreign minister was Woerner's guest for 45 minutes. Thereafter he conferred for another 45 minutes with the ambassadors of NATO member countries.

In conclusion the guest and the host parted in the presence of journalists, responding to questions.

Jeszenszky responded to questions raised by the MAGYAR HIRLAP Brussels reporter after a working luncheon:

[Mecs] What role would Hungary agree to play in the framework of NATO? And in general, what are Hungary's foreign policy concepts with regard to NATO?

[Jeszenszky] Hungary's new government regards NATO as an important element of European security, one which successfully prevented armed conflicts in the aftermath of World War II, and which is an association of sovereign, free states. NATO's future is in the hands of these states. It is Hungary's goal to establish working relations with all European institutions, thus also with NATO of course, which is decisively a European institution.

[Mecs] Mr. Minister, this morning you met with the NATO executive secretary, and then with the military organization member countries' ambassadors. Could we call this a discussion?

[Jeszenszky] Definitely, because this was not at all a courtesy call. The executive secretary and I had substantive discussions that lasted for three quarters of an hour. And on this occasion, in addition to getting acquainted, we discussed Hungarian domestic policy, the country's

international policy line, our future relations with NATO, and our concepts concerning further relations with the Warsaw Pact. We conducted a high level conversation with the ambassadors, one that corresponds to a press conference. They asked the questions and I informed them in detail about the conditions in Hungary, and I might say that individually the questions were far reaching.

[Mecs] The fact is that NATO is not even thinking of doing away with its European bases, even if the Warsaw Pact weakens. This is what Executive Secretary Woerner had to say: "The organization is only transforming. NATO is not threatened from the direction of East Europe. The gunpowder is now being stored in the Near East and in the Mediterranean theater," in the executive secretary's opinion. NATO is preparing to avert threats from that direction. In this regard, does NATO find a friend in Hungary?

[Jeszenszky] Such issues did not arise. It is, of course, in the interest of Hungary to protect peace in all of Europe, in other words, we cannot be indifferent to conflicts arising within or outside of Europe. NATO, and not only NATO but any international organization, would of course find us friends if they expected us to perform, for instance, peacekeeping or mediation work. But we sincerely hope that there will be no war of any kind. On the other hand, we do not wish to take an active part in so-called preventive measures.

[Mecs] Your current visit to Brussels has fully changed the relationship that has existed thus far between Hungary and NATO. We should not be afraid to use this term: Your visit represents a political milestone. West Europe has come closer, it has become familiar with Hungarian policies. Where do we go from here?

[Jeszenszky] We will, of course, continue the work that has begun. Our goal is to become fully a part of Europe from the standpoint of culture and the economy. We endeavor to see the evolution of a unified political process in Europe, a security system that ensures peace for countries outside of NATO, including the Soviet Union, in which not a single opposing alliance must be called to life. That is why I stress that discussions like today's can only be useful to all parties.

[Mecs] Was there anything said in the course of your visit to NATO that makes a visit to Hungary by Executive Secretary Manfred Woerner possible in the near future?

[Jeszenszky] Yes. I invited Executive Secretary Woerner to Hungary, and he accepted the invitation. I cannot give you an exact date, but I am certain that we will be able to welcome Mr. Woerner in Budapest this year.

### Opinion Poll: Majority Favor Membership in European Federation

25000753F Budapest MAGYAR HIRLAP in Hungarian  
7 Jun 90 p 5

[Article by Tibor Zavec: "Changed Political Power Relations; The Hope for a European Federation"]

[Text] During the past 40 years the Central East European countries assembled within the Warsaw Pact and CEMA formed a constrained ideological and (military) political community. This era was characterized by the term "proletarian internationalism" and is viewed in a negative fashion by those surveyed. About two-thirds of the intelligentsia believe that the mutual relations among Central East European countries has been rather bad in the past. One quarter of the intelligentsia expressed the opposite view; they did not recognize factors which disturbed coexistence. The remainder provided more qualified evaluations.

The survey population appeared divided on the issue of how the changes of the past months, of the past year, have affected relations among these countries. Thirty-seven percent of the survey population believe that relations between states in the region have improved: The abandoning of the ideological burden, the gradual opening, the endeavor to conduct real dialogue have exerted beneficial effects. No essential change was recognized by 28 percent of those asked. In their view, the normalization of relations is yet to come. Thirty-five percent of those holding diplomas stressed the worsening of relations as compared to before.

The intelligentsia is optimistic as far as the future is concerned. About two-thirds of them believe that mutual relationships between the countries of the former socialist camp will improve by all means, as compared to the present situation. At the same time, 15 percent of the intelligentsia do not count on spectacular changes, and about the same number expect relations to deteriorate.

All in all, we are able to delineate three characteristic types of opinion, each having about the same weight among the intelligentsia. The members of the first group are characterized by pessimism. Their statements are critical about the region's four decades since the war. The negative view of relations that have evolved has not been changed even by the events of the recent past; they are counting on further difficulties. The second group has a somber view of both the past and the present. It does not overestimate the political changes that have taken place thus far, and presumably regards these changes as a first station in a process. They have not yet sensed specific results, but in the future they are counting on an approach among East European countries. Members of the third group regard the historic turnaround of the past period as a watershed. In their view, explosion-like changes have brought the various countries in the region closer to each other already.

Still to be established are the future forms of cooperation in Central East Europe, and the way the various countries in

the region could individually or jointly integrate with West Europe, with the European House, is still to be clarified. Everyone is seeking his place in the new order; in the case of Hungary let us think about the series of negotiations concerning the Alps-Adriatic regional cooperation, or the meeting of the Czechoslovak, Polish, and Hungarian heads of state where these important issues were also raised. It is likely that the internationalist relationship which stood on ideological footings, but which in reality did not exist, will be exchanged for a different kind of integration, or integrations. As Table 1 well demonstrates, one half of those asked think in terms of an all-European federation, rather than in terms of a special Central East European (partial) community. Most likely they find assurances in the framework of this solution for the recovery of the region from its present crisis, and for the earliest possible integration with West Europe.

It is not certain, of course, whether people also regard their desires as being politically realistic. Altogether, one-quarter of those asked believed that whatever he or she felt was the most favorable solution for Central East Europe would soon become a reality. Most people advocate a European federation, but a majority of these are skeptical as to whether a structure like that will come about in the near future. Rather few people count on the possibility that Central East European countries will not form an alliance; they do not regard the freezing of relationships, isolation, as a passable way for the small states. Similarly, only a very few expect members of the socialist bloc to establish very close relations, and the data contained in Table 1 reveal that many feel uncomfortable about a new solution like this. They are concerned that once again a hierarchical system of relations will evolve, which could result in the loss of autonomy that was hard to obtain. Most of them regard the evolution of a loose interstate relationship as a possibility (Table 2). They feel that in the first step conditions exist only for such a relationship.

Table 1. In your view, would it be better if Central East European countries... (percentage distribution of respondents)

Would not form a mutual alliance	5
Would form a loose political-economic alliance	23
Only some of these countries would form a close political-economic alliance	10
Would form a United States of Central East Europe	8
Would become members of a European Confederacy	54

Table 2. In your view, what is most likely to happen relative to Central East European countries? (percentage distribution of respondents)

Will not form a mutual alliance	17
Will form a loose political-economic alliance	53
Only some of these countries will form a close political-economic alliance	16
Will form a United States of Central East Europe	3
Will become members of a European Confederacy	11

**Joint Austro-Hungarian Regional Parliament Proposed**

25000758C Budapest MAGYAR HIRLAP in Hungarian  
7 Jul 90 p 3

[MTI [Hungarian Telegraph Agency] report: "Eastern Austria—Western Hungary; Proposal for Joint Regional Parliament"]

[Text] Burgenland territorial executive Hans Sipotz has proposed the establishment of a joint consultative body and a "regional parliament" for the East Austrian territory of Burgenland and Western Hungarian counties. He presented this concept on Friday at a press conference held in Kismarton [Eisenstadt], at which a study concerning the development of the two countries' adjacent areas along the border was presented.

The Burgenland politician said that in the lives of these neighboring areas there are many functions which transcend the border, and which could be performed better on the basis of closer cooperation. Such functions exist in the fields of joint area planning, transportation, agriculture, environmental protection, education, foreign tourism, and other fields. For this reason it appears appropriate that representatives of Burgenland and of Gyor-Sopron and Vas counties establish a joint regional council and a regional parliament for the appropriate streamlining of cooperation.

**Foreign Ministry Reorganization; Separate Unit for Hungarians Abroad**

25000758D Budapest MAGYAR HIRLAP in Hungarian  
7 Jul 90 p 3

[Report by (p-r)]

[Text] In a departure from the custom that has been followed thus far, in the future the various divisions of the Foreign Ministry will not be divided on the basis of ideology, but exclusively according to geographical considerations, Ferenc Somogyi announced yesterday. The administrative state secretary of the Foreign Ministry held a press conference barely within half an hour after a final decision was reached concerning the ministry's reorganization.

The area divisions will report to four deputy state secretaries. Although in the spirit of the Helsinki process they will endeavor to treat Europe, as well as Canada and the United States, as a unified whole, just for the sake of dividing the work load this area will be managed by two deputy state secretaries. Tade Alföldi will be responsible for West European countries, while Imre Szokai will oversee the divisions responsible for states in the eastern part of the continent. David Meiszter will oversee security policy and multilateral issues, while Denes Tomai's area will include Asia, Africa, and Latin America. A novel feature is the fact that henceforth a separate division will deal with Hungarians beyond our borders.

A foreign journalist inquired whether information according to which Hungary would like to obtain observer status in the political organization of NATO is correct. Ferenc Somogyi announced that to his knowledge the idea of inviting representatives of countries outside of NATO, including Hungary, to a few programs of nonmilitary character arose at the ongoing London summit, but nothing has been discussed about an observer status as an institution. At the same time Somogyi pointed out that Hungary would take advantage of such an opportunity if it arises.

**Closed Sessions: Foreign Affairs Committee Disagrees With Minister**

25000758E Budapest NEPSZABADSAG in Hungarian  
29 Jun 90 p 3

[Article by Attila Seres: "Foreign Affairs Committee Meeting; Jeszenszky: Limits of Openness Must Be Drawn"]

[Excerpt] Foreign Minister Geza Jeszenszky asked to be heard before the parliamentary committee on foreign affairs was called to order Thursday morning. He proposed that, depending on the topic of discussion, committee meetings should be closed to the public.

The head of the Foreign Ministry regarded the nomination hearings of candidates for ambassadorships as such a topic, because publication of the persons involved prior to requesting an agreement on an ambassador may cause diplomatic complications. The foreign minister also mentioned some other cases when the "curious press" can create unnecessary complications. He mentioned as an example his own introduction to the foreign affairs committee, when, based on historical traditions, he designated Croatia and Slovenia as friendly countries, and Serbia as one with which we endeavor to have proper relations. Responsible officials in the Yugoslavian Government were aggrieved by these distinctions and regarded them as a matter of bad manners in the case of a unified federal republic.

Although the representatives agreed that on occasion the press should manifest self restraint, they did not support the idea of excluding journalists from the foreign affairs committee sessions. They served a reminder of the fact that the list of candidates for ambassadors was publicized by the Foreign Ministry itself at a restricted press conference. The foreign minister's concerns were viewed as appropriate, nevertheless the committee recommended that he use accurate, on occasion diplomatic wording which cannot be misunderstood, and on other occasions an emphasis of the fact that the information is being provided for personal use only and is not for publication. [passage omitted]

### MSZMP Wants To See All Official Information Available to Parliament

25000753E Budapest NEPSZABADSAG in Hungarian  
26 Jun 90 p 5

[Interview with Gyula Thurmer, chairman of the MSZMP [Hungarian Socialist Workers Party], by Peter Ranki; place and date not given: "MSZMP—Abbreviated; The Emphasis Changed, Not the Name"]

[Text] Word spread that the Hungarian Socialist Workers Party [MSZMP] has chosen a new name. The new name is: Workers Party. We asked chairman Gyula Thurmer if this was true.

[Thurmer] The MSZMP is not changing its name. But, in a manner similar to other political forces, we are endeavoring to underscore the aspect that is most characteristic of our party. This is why we are using the Workers Party name to designate ourselves. With this brief term, we are able to express in a publicly understandable manner all the differences between us and the other Hungarian political parties: We represent the interests of blue collar workers, and in a broader sense, of workers [in general]. This is reflected in our materials that have been made public already, and it is likely that the assumptions related to our name change originate from here. In these materials we used the term "Workers Party." I believe that with this "abbreviation" the fact that while the party continues the progressive legacies of the workers movement, it is still different from the previous MSZMP also gains expression. We exert our activities as an opposition workers party in the democratic, European sense, and in this way we wish to contribute to the uplifting of Hungarian society.

[Ranki] Not too long ago you paid a visit to Gyorgy Szabad, the president of Parliament. What was the topic of your discussions?

[Thurmer] I requested the appointment. Our starting point was that the Workers Party is the largest opposition force outside of Parliament, and that it may contribute to the resolution of problems faced by the country by representing the interests of blue collar workers and workers [in general]. I mentioned to Gyorgy Szabad that the parties seated in Parliament represent less than half of the voters. If we wish to resolve our concerns successfully—and unfortunately there are many concerns—the need calls for the broadening, not the narrowing, of democracy. I requested the president of Parliament to make it possible for a Workers Party representative to be present at parliamentary sessions in an observer capacity, and further that we may receive all official information, and that the reporters of our newspaper SZABADSAG be accredited to the press gallery, like the journalists of any other legitimate newspaper. The president of Parliament told me that based on the rules of equal opportunity and of a representative democracy he had no objection to my request.

[Ranki] The MSZMP, or more appropriately, the Workers Party, appears in public with decreasing frequency. Whenever it appears, it is usually an actor in critical situations, for example, when suing the Hungarian Socialist Party [MSZP] and the government, or as of lately, relative to the Imre Nagy documents. Do you have any plans regarding publicity?

[Thurmer] I am a regular reader of Hungarian newspapers. There is no equal opportunity in the press, as I see it. And this constitutes a disadvantage not only to the Workers Party, but also to the social democrats, and the People's Party, for instance, and in a certain sense also to the Agrarian Alliance. These political factors receive publicity only at the cost of great torment. I regard this as an inappropriate situation, because much very important information remains concealed to the readers. As far as the Workers Party is concerned, we do not want to receive press coverage on the basis of scandals. We want to accomplish this by revealing actual problems. We just handed a news release to the National Press Service [OS] today about our support of last week's proclamation issued by the Agrarian Alliance, i.e. that we support the cooperative peasantry, the workers at state farms, the agricultural intelligentsia, the social forces with the help of which Hungarian agriculture has achieved world standards. And let me say this: It is our opinion that the entire food economy will collapse if they change ownership conditions in agriculture; the country will be left without bread. It would be beneficial for our views to be reflected by the press. And it would not remain a secret that on 6 July, at 1800 hours, we will appropriately honor Janos Kadar on the occasion of the first anniversary of his death, at the Kerepesi Street cemetery.

### Constitutional Court: Additional Judges To Be Elected

25000757A Budapest NEPSZABADSAG in Hungarian  
2 Jul 90 p 4

[Article by Gy. M.: "New Constitutional Court Judges To Be Elected; Nine Without a President"]

[Text] By secret vote, the National Assembly is expected today to elect five additional members of the Constitutional Court. At the nominating committee's recommendation, the committee having jurisdiction heard the testimony last week and supported the election of Dr. Odon Tersztyanszky, Dr. Peter Schmidt, Dr. Imre Voros, Dr. Labady Tamas, and Dr. Geza Hercegh as Constitutional Court Judges.

Based on agreements reached in the course of political conciliatory talks last fall, the 15 members of the Constitutional Court will be elected by three different National Assemblies, in several steps. From among the five judges of the new institution designed to protect the constitution established last January, the opposition was able to nominate two of the judges. And just as in those days, the then established parliamentary nominating committee did not decide on the basis of partisan considerations; the present selection is also based on

knowledge and maximum suitability. The law provides that jurists with outstanding theoretical knowledge, university professors, and doctors of political science and law, or attorneys who have practiced for at least 20 years, may become members of the Constitutional Court. From a practical standpoint, the judges cannot be removed for nine years. The guarantees of their political independence are that they must not be members of any party, and in addition to the activities which stem from their authority, they cannot engage in political activities. Partisan considerations do not come to the forefront in their selection because the remaining choice of Constitutional Court judges will be made by the National Assembly convened five years from the date when the Constitutional Court was established.

Accordingly, from today on the operation of the five-member Constitutional Court which lasted half a year comes to a close, and in the second step a 10-member body begins its era of five years of operation. But all signs indicate that one seat will be left vacant. With the election of Dr. Pal Solt last week as president of the Supreme Court, the number of judges in this high forum has decreased. And for the time being, the nominating committee has been able to agree only on five names to be proposed, not six.

Thus the Constitutional Court will find itself in an odd situation. And it could easily happen that after the election of the new judges the body that convenes must first clarify its own legal situation. The law prescribes that the 10-member body may elect a president from among its members. In contrast, Parliament must fill the vacant seat within two months from the day that Dr. Pal Solt resigns.

#### **Prominent MDF Member on Need for Party Paper, Free Press**

*90CH0196B Budapest TALLOZO in Hungarian  
1 Jun 90 pp 1021-1022*

[Interview with Ferenc Kulin, university professor and founding member of the MDF [Hungarian Democratic Forum], by Eva Onody; place and date not given; article is reprinted from MAGYAR FORUM, 26 May 1990: "So That the News Be True, Too"—first paragraph is MAGYAR FORUM introduction]

[Text] "What will be the relationship between the government, the Hungarian Democratic Forum (MDF), and the press? Is it possible that the winning coalition, which just formed a government, remains without a press organ? What is your opinion on these as president of the National Assembly's Committee on Cultural Affairs?" I asked these questions of Dr. Ferenc Kulin, university professor and one of the MDF's founding members.

[Kulin] Could I imagine the government remaining without a press organ? I could even turn the question around: Is it conceivable that, in addition to the four dailies inherited from the previous era and the dailies and weeklies founded since then, a new press organ could

break into the market and support itself? This is a great problem, because it would be very risky to start up a new publication, even aside from deciding whose paper it should be and whose views it should represent. So much for the technical aspect of the matter. As for content: Of course, a party, especially a government-forming party, needs a press organ that deals with its internal affairs and continuously informs the membership and the party's sympathizers. What I have in mind is not necessarily a national newspaper, but a sort of a "Bulletin" or "Newsletter," which have already been operating in the MDF's practice. Is there a need for a daily that expressly represents the point of view of the party and the government and is edited to serve their interests? To this, I answer that time will tell. If it were realistic to expect the efforts of the party and its coalition partners to be without distortions and hostile ulterior motives, then I would say that the MDF is present in Hungary's press in accordance with its weight and significance.

[Onody] You are not serious about this, are you? That this can be accomplished with the old team; those individuals who, not only in the printed media but also on radio and television, reflectively and without thinking opposed the MDF before the elections, during the first and second period of campaigning, and even after the MDF's victory? Or, to put it most diplomatically, continued to maintain certain reservations toward the party...

[Kulin] My answer is that we should try. The campaign psychosis liberated completely unjustified emotions and fears in people, including journalists. What is more, they did not reflect well-formed political convictions. I would say that journalists who were hostile toward the MDF during the campaign now can see the practical steps taken by the party and its coalition partners and realize that they are not faced by an enemy. This has happened before, so we must not dismiss this possibility.

[Onody] Do not you think that the saying about making a silk purse out of a sow's ears applies in this case? Can you trust a leadership that has lost its credibility?

[Kulin] I do not object to everyone who campaigned against us, or even to most of them. There are always spokesmen and influential journalists who find it difficult to change. However, this does not mean that the majority of these journalists, after evaluating the situation soberly, could not accept those aspects of the government program that serve national instead of party interests.

[Onody] Is the risk not too great?

[Kulin] Let me turn the question around one more time: Is it conceivable that hitherto unknown men of letters are going to turn up now, who, within a few months, would become outstanding writers representing the interests of the governing party and the government? This is just as absurd as the hope that dilettantes can effectively assume leadership in economic life or public administration. In other words, the government is less

likely to have problems with the entire journalistic profession than with providing direction to the press. This is the area where we can expect some fierce political conflicts. We must bring about a solution that satisfies everyone and respects the freedom of the press. If you feel that I am trying to avoid answering your question, I will say this categorically: I do not believe that the government would try to use administrative means to obtain a position in the press. After all, if it tried to do this even once, it would sink to the level of the condemned previous regime, and all of its other measures would become discredited.

[Onody] Of course, I was not talking about the old methods ... but what is to become of the discredited, compromised elements? We remember a few things very well, such as how they swept you out of your former position as editor in chief of the periodical MOZGO VILAG. It was a rare occurrence in press history that your colleagues showed complete solidarity with you! At the time, this gave us faith, because nonparty members, those who were squeezed to the periphery of the profession, ceaselessly fought their everyday struggle against tyranny.

[Kulin] That is what I was thinking about. Those who were on the periphery, as well as those who were not, fought their own struggles. In other words, there are many journalists in the profession today who will be able to carry on their own work.

[Onody] That is a fact.

[Kulin] They will be able to serve the new requirements of a new era. And it is high time not to have to hide our new manuscripts in our desk drawers. In many cases the only way for a journalist to justify himself and his dissenting role is by appearing in a progovernment role, no matter how strange that may sound.

[Onody] Many people worry that no meaningful change will take place in mass communications, even after the Committee Supervising the Nonpartisan Stance of Mass Communication Media. Do you think this is possible?

[Kulin] Only those have to worry about this who are in fact not ready to take advantage of meaningful changes. After all, during the past few months there has been a certain expectation that if the MDF wins the elections, it will be in a strong enough position to create entirely new circumstances in journalism. We must be realistic; we must realize that this was a victory with only 42 percent, not 84 percent, of the votes cast. In other words, when it comes to directing the press, the only directives possible of being released are those born of an agreement between the government and the opposition. The governing party has no other lawful resource: Thus, workers of the press must also realize that they cannot wait for solutions to come from the outside, from the authorities, whenever they are not satisfied with conditions under which they have to work. Power relations inside the shops can only change as a result of efforts outside the shops.

[Onody] In other words, we are still quite distant from the situation in which the news is also true; that is, true freedom of the press? There are plenty of examples for manipulation: You too were silenced by the lady working for "168 Hours" and by television reporters, right about when you were getting ready to answer an attack by a debating opponent.

[Kulin] True. We face merciless, lengthy, and cruel struggles before we can say that we have achieved radical changes in such areas as economic life, mass communications, community morality, and public safety, and I could go on.

[Onody] But if this is the case, then there is always a chance that you will fail.

[Kulin] Look, when there are such important things at stake as now, the rise or fall of a government is not the central issue. As I have said, we must not expect the transfer of authority to take place without conflicts; what we should make sure of is that the principles that transformed our lives are implemented. I am confident that the process is permanent and irreversible.

[Onody] The only thing I am worried about is that failure on the part of this government could mean the loss of a great opportunity.

[Kulin] That is because of negative conditioning. At the first sign of troubles, we immediately feel that the regime and the political circumstances are failing. But just remember, if you will, how many times the government of Italy failed, and yet no one questioned the continuity of the system for one moment. What is more, the government often fails and the same party will form the new government; often with the same prime minister. What I am trying to say with this is that there are many ways a government can fall; it does not have to be overthrown by the opposition.

[Onody] I have one more important question: What will take the place of our single-party socialist cultural policy? What are the concepts and plans? Are you studying the Western democracies in this regard as well?

[Kulin] Well, the expression leaves a bad taste in your mouth, and it might be better to forget its past implications. But, still, politics will, and must, have a role in cultural life. We will probably witness two contradictory tendencies: The ideological and administrative control of cultural life will cease; which, without question, means an improvement. At the same time, the influence of the market economy will be felt in the cultural sphere as well. Not only and not primarily by turning cultural activities into simple commodities; after all, the new government is firmly committed to providing budgetary subsidies. But the state will offer absolutely no guarantee to those who earn diplomas. A harsh but just competition will begin, as a result of which the best will remain on top. We are seeking a model that could be applied to the conditions in Hungary, but because of the time available for this interview, I cannot discuss this further.

[Onody] I believe that the primary goal right now is for the National Assembly's Committee on Cultural Affairs to outline the most urgent tasks and make its proposal to the legislative body?

[Kulin] Yes; that is exactly correct.

### **International Christian Democratic Conference Held in Budapest**

*25000756D Budapest NEPSZABADSAG in Hungarian  
2 Jul 90 p 3*

[Article by Gy.S.-H.G.: "Christian Democratic Summit in Budapest; Solidarity Fund Instead of Armaments; Kohl, Andreotti, Martens, Mazowiecki, Lubbers at the Hotel Forum"]

[Text] "Big words alone are of no use, action is need," according to West German Chancellor Helmut Kohl at Saturday's Christian Democratic Internationale [CDI] summit meeting held at the Budapest Hotel Forum, regarding support to be provided for Central and East European reform measures.

The organization is composed of the Christian Democratic parties of 54 countries. This was the organization's first function of this nature. It dealt with the changes in the region and with the future role of Christian democracy.

The three Hungarian governing coalition parties took part in the conference.

In his welcoming remarks, Prime Minister Jozsef Antall, chairman of the Hungarian Democratic Forum [MDF], said that with the downfall of European communist systems the Christian Democratic movement is faced with significant tasks in the region. The head of the Hungarian Government urged that international public opinion and the governments provide aid to Mikhail Gorbachev's perestroika, otherwise a military system may evolve in the Soviet Union, and this would be in no one's interest. As was revealed after the closed sessions, a proposal was made to the effect that an international solidarity fund should be established with part of the money freed as a result of the armaments race, to alleviate social tensions which accompany reform measures.

The conference adopted a document which praised the role of Christian democracy in the Central and East European changes, and committed itself to a social market economy. The CDI proclaimed solidarity with the countries involved in reform processes, and the "Budapest message" contains separate praise for Mikhail Gorbachev's role in the changes.

"There are two reasons why the CDI regards the Budapest meeting as a historic meeting," according to Eduardo Fernandez, the Venezuelan chairman of the organization, at an international press conference held Saturday afternoon. He recalled that this was the first global meeting of the Christian Democratic leadership.

Its location happens to be a Central European country where communist dictatorship prevailed just the other day.

The Budapest meeting could be regarded as a small European summit, because nine heads of state from our continent took part, among them the chancellor from Bonn, and the prime ministers of Italy, the Benelux states, Poland, and Hungary. In addition, quite a few high ranking political leaders from Latin America, Africa, and Asia came to Budapest.

Fernandez stressed that the basic goal of the two-day conference was to express solidarity with the government of Jozsef Antall, and with changes which point toward democratization and the development of a social market economy. He said that the CDI supports changes in morality, and in restoring religious values and organizing principles. The CDI chairman praised Mikhail Gorbachev's policies, the changes in the Soviet Union, which in the end spread throughout the states of Central and East Europe.

Thereafter, Jozsef Antall spoke at the press conference. On behalf of the government and the National Assembly Christian Democratic People's Party faction he welcomed the meeting. He regarded the fact that the CDI had chosen Budapest as its location for the conference as a significant event. All of this amounts to an important message to countries which have been able to choose freedom after four decades of dictatorship.

Linkage with the international and European Christian democratic organizations is of particular significance to the political parties which constitute the governing coalition. The parties which have been formed recently, or which have been reestablished, acquire an international framework for their activities as a result of this linkage. Antall stated that one must be realistic about the near future; a few difficult years are still ahead of the people of the East and Central European region. He expressed hope, nevertheless, that with the development of a social market economy based on the dominance of private property, Hungary will embark on the path of development, and that it will soon be able to integrate with West Europe. The prime minister regarded concerns expressed presumably also at the conference, according to which the East European rearrangement may distract attention from the concerns of developing countries, as groundless. On the contrary: The transition here will also provide benefits to the developing countries.

Belgian Prime Minister Martens spoke at the conclusion of the press conference. He expressed his respect and admiration for the ongoing changes in East Europe. He also voiced the opinion that the rearrangement is far

from having come to rest. In this regard the West cannot play the role of the idle observer.

A journalist asked the CDI chairman whether he sees a contradiction between Christian democratic principles and support expressed for the communist Gorbachev. In response Fernandez told the conference that, compared to his predecessors, and most of all compared to the Brezhnev doctrine, Gorbachev's policies and glasnost have created a new situation at the international level.

A proposal was made at the conference to the effect that similar conferences should be held regularly in the future. The North-South dialogue will be on next year's agenda, the concerns of developing countries, and it is possible that the location will be Caracas, the Venezuelan capital.

Taking advantage of the opportunity provided by the summit, Jozsef Antall conducted several private meetings with guest politicians, including with Italian Prime Minister Giulio Andreotti, Belgian Prime Minister Wilfred Martens, Dutch Prime Minister Ruud Lubbers, Luxembourg Prime Minister Jacques Santer, Polish Prime Minister Tadeus Mazowiecki, and West German Chancellor Helmut Kohl. A separate Hungarian-Polish-FRG summit also took place in the Viennese coffee shop of the Hotel Forum.

### **Immunities, Privileges Enjoyed in Kadar Era Revealed**

*90CH0206A Budapest HETI VILAGGAZDASAG in Hungarian 5 May 90 pp 74-75*

[Article by Gabor Juhasz: "Immunity From Criminal Prosecution: A Cumulatively Advantageous Situation"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] A 1981 decree, issued "for internal use only" by the Office of the Chief Prosecutor and the Ministry of Internal Affairs, which (according to many people) ensured unjustifiably favorable treatment in criminal procedure to parliamentary deputies, judges, and prosecutors, was recently made null and void. By the way, at this time there is court procedure under way against five individuals who were recently elected to the National Assembly and are thus enjoying immunity from prosecution.

A prosecutor could be so drunk that he could fall out of the driver's seat; yet all a policeman could do was to help him back into the car: A lawyer recently used this example (with some exaggeration, according to prosecutors) to illustrate the legal situation in which, until now, certain individuals were granted "immunity" from criminal procedures. In this regard, Hungarian laws accord special rights to deputies of the National Assembly, judges, and prosecutors. Criminal procedure can be undertaken against these individuals only with the consent of certain agencies; in the case of deputies, for example, with the consent of the National Assembly.

Until 13 April 1990, there was another decree ("for internal use," that is, to be kept in secret), which was issued in 1981 jointly by the offices of the chief prosecutor and the minister of internal affairs. This decree gave detailed instructions to policemen as to what to do if "an individual having immunity" were to find himself involved in criminal proceedings. For example, policemen were told that the prosecutor in charge of a case must be notified "immediately" as soon as a report is made concerning a person in these categories.

By itself, this would be all right; however, the same secret instruction also limited the policemen's rights vis-a-vis these individuals. No investigation of them could be undertaken, even if "well-founded suspicion of criminal activity" were established. The police could only perform investigative actions leading to the discovery of so-called irreplaceable clues; for example, they could survey the scene. However, even these activities could not physically touch the individual enjoying immunity; according to instructions, thus police could not administer sobriety tests to the individual in question, they could not frisk them, take a blood sample from them, or search their dwellings. According to police experts (who do not wish to make their names known), in certain cases regulations like this could make the gathering of evidence nearly impossible, thus making it impossible to make the individual face a court of law. As Sandor Nyiry, deputy chief prosecutor, claims, however, this is not the case. To be sure, these legal guarantees make it difficult for authorities, including the police, to do their work, but he would accept this reasoning only if policemen could cite even one case in which they did not receive the permission necessary for undertaking an investigation.

When it comes to Internal Decree 1981/1, recently made null and void, its most debatable aspect is not the above point, but the passage to which policemen refer as "Section 8." According to this, "in exceptional cases, persons having immunity may be taken into custody if said person could be seriously suspected of having committed an exceptionally serious crime, if leaving said person free would disturb the public peace, or if a serious and imminent danger of repetition of the crime exists." According to some policemen, this in fact meant that none of the individuals involved could ever be arrested, because there is no such category in criminal law as "an exceptionally serious crime." Moreover, the joint decree required the consent of the chief prosecutor in order to take anyone into custody. This regulation was taken so seriously that they even prescribed that "beyond business hours" this consent would be "acquired" by the military prosecutor on duty at the office of the chief prosecutor.

According to some people, this "Section 8" was also unconstitutional; after all, the constitution made provisions for initiating criminal procedure against, or even arresting, deputies if they were caught in criminal acts, while the decree issued for internal use proscribed such actions. Quite evidently, a policeman would be more

likely to obey the latter set of guidelines, instead of worrying about upholding the constitution.

Since the 1981 decree was made null and void, our policemen and prosecutors have no guidelines telling them how to treat individuals who have immunity. (We were told that the reason for this is that the authorities cannot agree on details.) This could also mean that everything remains the same; as long as no new regulations are introduced, policemen will cautiously follow the previous course of action, in the belief that doing so will keep them from getting into trouble. At the same time, it is also true that henceforth those to whom these regulations apply will not be able to say that (in addition to their privileges defined by law and brought to the public) there are also certain decisions, known only to the initiates, which place them above the law. It is also possible, by the way, that we have only days to wait for a new regulation concerning immunity, because, according to our information, criminal procedures are under way against five individuals who recently won seats in the National Assembly, and thus immunity.

### **Foreign Terrorists Were Reportedly Guests in Hungary**

#### **Former Hotel Employee Reports Events**

*25000759B Budapest NEPSZABADSAG in Hungarian  
29 Jun 90 pp 1, 5*

[Interview with unidentified former hotel employee by unidentified reporter; place and date not given]

[Text] A source who did not want to identify himself told NEPSZABADSAG that Ulrike Meinhof, one of the best-known West German terrorists and leader of the Red Army Faction, also called the Baader-Meinhof Gang, was one of those international terrorists who at least temporarily resided in Hungary. The Grand Hotel on Margaret Island served as Ulrike Meinhof's temporary home.

Meanwhile, the identity of the person whose "conscience began to talk," according to Interior Minister Balazs Horvath, was revealed. He announced that there were times when terrorists sought throughout the world were able to be in Hungary. The announcement was made by police Lieutenant General Karoly Ladvanszky, a retired deputy minister. According to information received by this newspaper, the files related to the Carlos case, 13 in all, were transferred to the Supreme Prosecutor's Office.

#### **"Thermal" Is the Name of the Hotel**

The informer is a tall man with glasses. His shoulders are somewhat hunched—the weight of age.

[Informer] Do you want to know something new about the Carlos affair? I worked at the Thermal Hotel in 1980. They were lodged in that hotel during the spring. The room was reserved by the Interior Ministry. The building

was occupied by counterintelligence agents. As they used to do, they rented the rooms around them.

[NEPSZABADSAG] Why are you talking in plural?

[Informer] Because he was not by himself. There were two or three people with Carlos.

[NEPSZABADSAG] Are you certain that they were not only observed, but guarded?

[Informer] I am certain. The Thermal Hotel was new at the time; many big shots were lodged there, and the protection provided to them was similar. Incidentally, Carlos was not the only one hiding out here. Previously I worked at the Grand Hotel on Margaret Island. From the Baader-Meinhof Gang, the latter was the guest of the organs (journalist Ulrike Meinhof was the leader of the terrorist organization called the Red Army Faction. She was found hanged in her cell in May 1976, during her trial.)

[NEPSZABADSAG] Sir, why don't you want to reveal your identity?

[Informer] Because I am scared. These people are returning here even today, and are in close touch even with the Mafia. I do not want to meet with them, as you might imagine.

[NEPSZABADSAG] To give credibility to your words, I would ask one more specific question: Have you [plural] heard of that shooting in Budapest?

[Informer] Yes. Word spread at the hotel that in order to be less conspicuous Carlos [plural] were not followed by a car with state license plates, but by a car with Vienna license plates, but they [Carlos, plural] were unaware of this. Since they were constantly afraid that the Israelis would discover them, they believed that this was the case on that occasion: Some enemy was following their tracks. That is why they jumped from their car and began firing.

So much for our informer's report. At least the minister's highly suggestive report was proven to be true: They indeed lived in a hotel. And not in just any kind of hotel, but in the newest hotel.

#### **Interior Minister on Meinhof Hideout**

*25000759B Budapest MAGYAR HIRLAP in Hungarian  
30 Jun 90 p 3*

[Article by (szep): "Balazs Horvath on the Sheltering of Ulrike Meinhof"]

[Excerpt] [passage omitted] We succeeded in reaching Interior Minister Balazs Horvath at his office. He told us that the news provided for him a cathartic event [as published].

[Horvath] Thus far we have been unaware of Ulrike Meinhof's presence. Quite naturally I asked my associates to find out whether this information is true. Any specific information will be made public, if we obtain

such information. I would be sad if the information was proven true. I can imagine a lot of things about the previous system, but I would not have thought that the leader of one of the most infamous terrorist groups received temporary protection from us!

The minister added that the Interior Ministry is not an investigative authority, therefore at present he is unable say more about this matter. [passage omitted]

## POLAND

### Geremek Discusses Threats Facing New System in Poland, Eastern Europe

90EP0704A Krakow TYGODNIK POWSZECHNY  
in Polish No 24, 17 Jun 90 pp 1-2

[Authorized text of speech by Bronislaw Geremek, chairman of the Citizens Parliamentary Club, delivered at the Conference on the Transition to Democracy in Contemporary Europe, organized by the Senate of the Polish Republic on 31 May-2 June 1990: "The Polish Alignment of Hopes"]

[Text] Poland seems to me the proper place, because the process of changes in Central Europe began in this country. We have a feeling that the first stone from the Berlin Wall was breached precisely during the strike at the Gdansk Shipyard in 1980, when Solidarity also was born.

We also have a feeling that at present, as the hosts of this Conference, we too, are being watched. Our road to democracy is being attentively watched by Western politicians and commentators. Our goal is democracy and we shall approach it consistently. The transient nature of the present period is emphasized by its distinctive paradoxes. Thus, for example, in Poland, a country in which Solidarity as an independent movement had been suppressed in 1981 by the decision of generals and communists, the head of state in 1990 is a communist and a general.

In this country the parliament consists of two chambers, convened by the political contract and the will of the nation. By political contract because of prior agreement on the proportions of political parties to be represented in the lower chamber, and by the will of the nation because, for the first time in half a century, the parliament contains deputies who were elected by tens and hundreds of thousands of citizens.

Our political system is such that the state has regained its independence and a democratic public life but, at the same time, the results of the political contracts which had commenced the transition to democracy are retained.

This enables me to formulate three comments. The first concerns the concept of "transition." "Transition" may be interpreted as the abandonment of the totalitarian, authoritative system of rule and of management of the

economy and a turn in the direction of democracy, that is, in the direction of a system of political freedom.

But "transition" may also be interpreted as the period during which the building of a democratic society is only starting. The Solidarity citizens movement, that movement which won the elections in 1989, has from the outset been aware that the principal issues of the future democratic order will be resolved during the transition period; that is, the institutions of public life and the political culture of the society will be reconstructed and a political pluralism bearing fruit in the rise of political parties will evolve. To accomplish this, one should tread carefully; this process requires a transition period. It offers opportunities but also harbors perils.

If we look at Central Europe at present we perceive both the heady atmosphere of freedom regained and the weakness of the roots being sunk by democratic institutions and a democratic way of thinking in the postcommunist societies.

Three perils are harbored in the transition period for countries which liberated themselves from communist dictatorship.

The first peril is populism. It finds a natural soil in the existing experiences of these societies and is based on certain egalitarian illusions. It may become a dangerous weapon in the hands of political demagogues. It may overturn the still weak democratic order.

The second peril is the temptation toward strong-arm rule. It can be said that all power in any political system harbors the totalitarian temptation. In the postcommunist societies this temptation is particularly strong. It is strong because democratic institutions and the democratic way of thinking are weak.

The temptation of strong-arm rule imperils democracy in Central Europe.

The third peril of the transition period is nationalism. Under communist rule the simplest form of resistance by the society was reliance on nationalist feelings. It is this that dictated resistant behavior and it is this that reinforced solidarity among the people. But sometimes—in times of major change and social instability—nationalist feelings becomes distorted into outright nationalism or chauvinism. This precisely is the reason for the rise of nationalist perils in all the countries of Central Europe. In a country as economically modern and as civilized as Czechoslovakia there have appeared attacks against Gypsies, in Romania against Hungarians, and in East Germany against Poles. Let us bear in mind, however, that this kind of nationalism should not be viewed as characteristic of Central Europe. On the contrary, it is an element of the transition period and of the shedding of the communist legacy.

We believe that these perils neither nullify nor reduce the opportunities arising for Central European societies during the transition period. However, they warrant the

gradualness of the changes and speak in favor of a certain philosophy of action which claims that a transition period between the authoritarian system and democracy is indispensable.

My second comment concerns the relationship between democracy and the market economy. The experience of the communist countries demonstrates how inseparable this relationship is. Attempts to build a market economy without democracy have led to disaster. Consider the events in the Square of Heavenly Peace, Tienanmen Square. Let us also consider the attempts to build a democracy without a market economy, which also resulted in failure. This precisely is indicated by the Polish experience of 1956 and the subsequent years.

The ruined economies of Central Europe afford an opportunity for building a market economy. This only seemingly sounds like a paradox. For the ruin of the economies of Central European countries at the same time signifies the failure of the old system of the exercise of power, the old ideology, and the old manner of managing the economy. This situation results in dissipating illusions that the system could be repaired. It requires a transformation: a total change.

In the programs defining the economic system which we want to build, it sometimes seems as if the people of Central Europe were going too far in the direction of economic liberalism or programs for a market economy.

Consider, however, that the inertia and resistance of the existing system is so great that all programs for radical economic liberalism are meeting with resistance from the existing structures. And hence the radicalism of such programs is a helpful factor in demolishing the old system and an indispensable element of transition to democracy.

The market economy also signifies smashing the omnipotent monopoly of the state, particularly in the economic domain. In countries in which 90 percent of the economy is state-owned a democratic public life cannot sink roots. Here the relationship between democracy and a market economy reveals itself.

But perils also exist. The transition to a market economy has a social cost, a cost paid by the broad masses of the society. In the presence of awakened aspirations and a broadening participation of citizens in public life, discontent with the material situation may provide fertile soil for demagoguery and populism. Thus, the greatest danger to democratic processes in Central Europe is the condition of the economy and the risks involved in the transition to a market economy.

My third and last comment concerns public involvement in the processes of change in Central Europe. The French historian Fernand Braudel observed that, to be happy, it is enough for people to have freedom, democracy, a market economy, and a little human brotherhood. But as for us, we began with human brotherhood but had neither freedom nor a market economy. And that is why

the decline in the participation of individuals in public life is so painfully felt by the opposition forces in Central Europe, by Solidarity and the civic movement in Poland.

The results of the last local elections and the 41-percent voter turnout may seem pretty good in terms of world standards.

Why then should these results be so alarming? A society in the process of transition to democracy needs commitment by its citizens. After all, the principal element of this transition is the change from the subject to the citizen. And there is no greater and more important capital in this process than the trust of the society. That trust can be created only through the commitment of citizens to public life.

Resistance to totalitarian systems was a form of existence of opposition movements in Central Europe under communist rule. We have a feeling that in Poland we succeeded in building a civic society which has created a front for denial against the state monopoly, against the state as the owner of the economy and of public and social life.

The civic society has given birth to independent university and school institutions and political groups. And lastly, this process was crowned by the rise of an independent trade union whose strength lay in its independence.

A problem which, as I mentioned before, should evoke anxiety at present is the diminishing participation of citizens in public life. That was the reason why by-elections had to be repeated so many times in Hungary. This decline in public participation is also being observed in Poland. This also is influencing the attitude of the rising generations, the ones which do not participate in public life at present, having extremely limited opportunities for the satisfaction of their material expectations. A major problem of not just the Polish economy but also Polish politics is the issue of the national debt, the burden of the huge ballast of a debt which we are not repaying at present because we lack the wherewithal. This is blocking the imagination of the rising generations, because it means that it is precisely they who will shoulder the huge burden of repaying that debt.

I feel strongly convinced, however, that Poland continues to be a country that leads this region of Europe in the process of democratization. This apparently happened because Polish Solidarity has built a certain system of hopes. The word hope seems foreign to contemporary political terminology. Yet, the transition to democracy in Central Europe would be impossible in the absence of hope. It is precisely human hopes that create patience and encourage acceptance of the sacrifices and self-denials that are indispensable in the process of transition to democracy. Thus I think that, in a way, Poland is in a privileged position to consider the subject of transition to democracy not just by virtue of the history of the overthrow of communism in Central Europe but also because of the fact that the Polish society

is displaying a tremendous hope by trusting its government and representative institutions. And this is not some element of political thaumaturgy but a pragmatic and realistic element of Polish politics.

## YUGOSLAVIA

### Croatians Polled on New Leaders, Political Events

90BA0216A Zagreb DANAS in Serbo-Croatian  
26 Jun 90 pp 14-17

[Article by Dejan Jovic: "The Reputation of the New Leaders"]

[Text] Dr. Franjo Tudjman, president of the Croatian Presidency, is the most esteemed figure in a public opinion survey conducted last week on a representative sample of 1,000 inhabitants of Croatia by the DANAS research team. Very close behind Dr. Tudjman is the Croatian prime minister Stipe Mesic, and those two politicians, along with Dr. Zarko Domljan, president of the Croatian Assembly, are the top leaders on the list for popularity and performance. Behind this group of the most distinguished government and party officials of the Croatian Democratic Community come two opposition leaders—Dr. Vladimir Veselica and Ivica Racan. Sixth place goes to Vladimir Seks, vice president of the Assembly, of whom more than half of the respondents also have a "very favorable" or "favorable" opinion.

In seventh place is Antun Vrdoljak, and eighth on the list is Josip Manolic, both of them members of the Croatian Presidency, and Zeljko Mazar, president of the recently established Socialist Party of Croatia, takes ninth place.

Then come a group of politicians concerning whom citizens still do not have a clearly defined political position. Vlatko Pavletic, member of the academy and a very busy minister of education and culture, Stjepan Sulimanec, vice president of the Assembly, Vlado Gotovac, opposition leader, Dr. Ivan Lucev, chairman of the Croatian delegation in the Chamber of Republics and Provinces of the SFRY Assembly, and Ivica Percan, vice president of the Croatian Assembly. Dusan Bilandzic, member of the academy, also belongs to this group of "politicians on hold," and the public is most divided over Ivan Zvonimir Cicak, and especially Bernardo Jurlina.

Dr. Nikola Viskovic got some demerits for his statements in the First Session of the Croatian Assembly, although the poor standing of this scientist and politician can be taken with reservations, since more than 55 percent of the respondents are still not evaluating him. The respondents confidently placed very well-known politicians—Sime Djodan and Jovan Raskovic—in the last two places on this ladder.

The political event in the first month of the new administration that was most favorably evaluated is the proposal to form a new development bank in Croatia, which says something about the attention of the public turning from the hot areas of interethnic confrontation to economic matters. The respondents, it is obvious, offer more support to calm than debate, so that the speeches by Stipe Mesic were very favorably received (65 percent of them gave them a favorable mark, and only eight percent a negative grade). The meeting between Jovan Raskovic and Franjo Tudjman also held a high place.

Celebration of Croatian Statehood Day (supported by 59 and not supported by 15 percent of the respondents) and announcement of the possibility that the Krsko Nuclear Power Plant would be shut down are in the middle of the ranking of events. This possibility was welcomed by 50 percent of the respondents, and the favorable attitude toward that initiative (which came from Slovenia) would be the only significant difference with the policy of the new government in Croatia.

Debates received unfavorable marks, which is not without significance. The event of the month receiving the most unfavorable evaluation was the breakoff of relations of the Serbian Democratic Party with government entities in Croatia (supported by 15.3 percent of the respondents), and then came the debates within the LCH-SDP [Croatian League of Communists-Party of Democratic Changes] (here the public was far more inclined to Racan's side, as shown by his high personal showing among the politicians), Sime Djodan's speech in the Assembly (supported by about 20 percent of the respondents), and that of Nikola Viskovic on the same occasion (with the difference that 60 percent of the respondents had no position on Viskovic's speech or did not offer any judgment). Finally, 32 percent of the respondents had a favorable attitude toward the delegation of reform Communists leaving the session of the Assembly in protest, and 39 percent did not support that event.

The three most notable decisions of the republic leadership received favorable opinions from most respondents. The changes proposed in the police were supported by 67 percent, while 12 percent of the respondents had an unfavorable opinion of them. It is interesting in this connection that even voters of the largest opposition party (LCH-SDP) mainly supported (50 percent of them) this decision of the Presidency of SR Croatia, and only 16 percent of the Communist supporters were against it. Some 55 percent of the respondents supported the decision of Minister Pavletic to advertise competitions for school principals in Croatia, while 14 percent had a negative opinion of this.

	Favorable	Unfavorable	No Position
	(in Percent)		
F. Tudjman	76	14	10
S. Mesic	73	10	17
Z. Domljan	65	9	26
I. Racan	61	22	17
V. Veselica	55	17	28
V. Seks	51	21	28
Z. Mazar	48	21	31
A. Vrdoljak	44	11	45
J. Manolic	42	13	45
V. Gotovac	41	19	40
D. Bilandzic	35	16	49
I.Z. Cicak	34	28	38
B. Jurlina	34	34	32
Dodan	32	32	36
V. Pavletic	31	10	59
S. Sulimanec	30	11	59
I. Lucev	26	6	68
I. Percan	26	9	65
Viskovic	21	21	58
Raskovic	20	53	27

#### The Communists Do Not Want Mister

There is a far greater difference between supporters of the ruling party and the largest opposition party concerning the provision about forms of address in schools. While 54 percent of the respondents welcome this provision of Minister Pavletic, and 19 percent think it is bad, supporters of the LCH-SDP think differently: 43 percent of them believe Pavletic's decision is wrong, while 26 percent support it.

The decisions of the Presidency of SR Croatia on changes in the police were received more favorably than the decisions concerning education: 67 percent of the respondents supported those decisions, and 12 percent opposed them. Even supporters of the LCH-SDP have a relatively favorable attitude toward them—50 percent support, 16 percent oppose, and 34 percent did not say or have no position.

The survey shows that a meeting between Jovan Raskovic and Franjo Tudjman (more than a month ago, while the new government was still being formed) was most welcomed by the Communists—56 percent of them gave that event good marks, while six percent were against. Again, there was a high percentage of those who do not have a position or did not express it (38 percent). We note that on other questions as well the respondents who did not support a decision gave a noncommittal answer more frequently than a negative one.

The Serbs had a markedly favorable perception of this meeting (69 percent supported it, which is 10 percentage

points more than respondents of Croatian nationality), but it turns out that Croats had a markedly adverse opinion of the subsequent breakoff of relations between the SDS [Serbian Democratic Party] and the Croatian Assembly (60 percent), while the Serbs were divided over that action. Respondents of Serbian nationality were evenly split three ways by the breakoff among those perceiving it favorably, those perceiving it unfavorably, and those who did not commit themselves. In part, this might point up the rule established in other multiparty systems, that is, that the voters mainly remained faithful to their parties regardless of sudden changes in their political position, but also a certain state of confusion by these changes. It is interesting that supporters of the Croatian Democratic Community also supported the meeting of their president with Raskovic (59 percent), but at a level of 10 percentage points below other respondents. Even in this case we see that those who did not support the party leadership mainly stayed in the noncommittal group and did not dispute it.

There are large differences in the attitude toward celebration of Croatian Statehood Day. Taken as a whole, this event received a favorable assessment, but only eight percent of respondents of Serbian nationality supported it, 41 percent of them were negative, and 51 percent did not state their attitude. Yugoslavs split three ways over this celebration, while 68 percent of the Croats supported it, and 10 percent questioned that event. There are certainly differences as well among the supporters of the largest parties. While celebration of Statehood Day was supported by 85 percent of the voters of the HDZ [Croatian Democratic Party], this was the opinion of only 15 percent of voters of the LCH-SDP. But even here we see that those respondents who (correctly) assume that they will not be in the majority, but in the minority, prefer not to express their opinion, resorting to the answer "I have no opinion" (40 percent) or do not reply at all (nine percent). This is certainly a disturbing datum, especially when it is combined with the fact that an ever increasing number of people (especially in ethnically mixed areas) leave the blank empty when asked to write in their nationality.

#### HDZ Supporters Against Krsko

The voters of the Croatian Democratic Community in the last election mainly have a favorable attitude toward the possibility of shutting down the Krsko Nuclear Power Plant (48 percent), although it is well known (is it?) that even the leadership of the HDZ itself is against that possibility (and in fact reproached the energy minister). A negative attitude was expressed by 19 percent of the voters of the HDZ, while 33 percent were noncommittal.

Communists support the decision of their delegation in the Assembly to leave the hall in the first session because of the clash over Djodan's speech. The Communists were markedly supported in that act by respondents of Serbian nationality (61 percent) and by Yugoslavs (48 percent). Now that we have mentioned the Yugoslavs,

we should say that from one survey to the next it becomes increasingly difficult to fill the quota for respondents who in the 1981 Population Census declared their nationality to be Yugoslav. It is as though the Yugoslavs (in the sense of nationality) are disappearing, which could be disputed only by a survey of public opinion in Bosnia-Herzegovina.

Although all three ethnic groups (Croats, Serbs, and Yugoslavs) who are significantly represented in the population of Croatia mostly have a negative attitude toward Sime Djodan's speech in the Assembly, still the attitudes were most adverse on the part of the Serbs (76 percent), then the Yugoslavs (43 percent against, 44 percent noncommittal, 13 percent in favor), and then the Croats (25 percent in favor).

Unfortunately, the survey was already under way by the time of the HDZ Assembly in which the conflict within that party became obvious, so that in this survey there are no data on the reactions of public opinion to those events. But the debates within the LCH-SDP (the "Petrinja case") did not win the strongest opposition party any points. The negative attitude toward that debate is also very evident from the datum that 49 percent of the Communists came out against such conflicts, while 13 percent of the Communists supported them (which can probably be interpreted as support for its initiators). But again there emerges a strong "second team" of those who have no position (39 percent). The findings of the study of the attitude of the respondents toward certain politicians are interesting. The respondents were asked to circle one of five perceptions offered for each of 20 of the most distinguished political figures in the past month: two if they have a very negative attitude, one if their attitude is negative, zero if it is neutral or if they are unfamiliar with the person in question, + one if they have a favorable attitude, and + two for a very favorable attitude.

If the politicians are grouped according to the frequency of the assessments of which they received the most, then in the first league there would be five people for whom the respondents most frequently checked the answer "very favorable" (+ two). They are Franjo Tudjman (64 percent of the total number of respondents say that they have a very favorable attitude toward him), Stjepan Mesic (60 percent), Zarko Domljan (40 percent), Vladimir Veselica and Vladimir Seks (29 percent each). The last two, however, have a higher negative appraisal than the first three, but this assessment was nevertheless the most frequent.

In the second league (or perhaps it would be better to say Section B of the first league) are Ivica Racan (for whom the most frequent response was "favorable"—36 percent of the total number of respondents) and Zeljko Mazar (28 percent).

A large group of politicians are in the middle, and the respondents do not have a position concerning them.

They are led by Ivan Lucev (57 percent were noncommittal on him), followed by Ivica Percan (55 percent), Stjepan Sulimanec (50 percent), Vlatko Pavletic (48 percent), Nikola Viskovic (44 percent), Dusan Bilandzic (40 percent), Josip Manolic (37 percent), Vlado Gotovac (31 percent), Antun Vrdoljak (35 percent), Ivan Zvonimir Cicak (30 percent), and Bernardo Jurlina (24 percent).

Not a single politician received a majority of "unfavorable" answers (- one), but there were two for whom the most frequent response was "very unfavorable" (- two). They are Jovan Raskovic (33 percent of the respondents had a very unfavorable opinion of him) and Sime Djodan (25 percent).

#### Tudjman Still Better Liked

We certainly might have expected that Franjo Tudjman would manage to hold on to his first place when only a month has passed since the election, but it seems that his prestige now is still greater than it was in the surveys conducted during the campaign. But there are immense differences in the attitude toward him. Croats look upon him very favorably—64 percent "very favorable," and 22 percent "favorable." An unfavorable opinion is expressed by four percent of the respondents of Croatian nationality, and a very unfavorable opinion by three percent. There were also seven percent of the respondents who did not wish to express an opinion.

But the Serbs are far less enthusiastic. Five percent perceive him very favorably, 16 percent favorably, 30 percent unfavorably, 26 percent very unfavorably, 20 percent have no position, and three percent did not answer the question.

Respondents of Yugoslav nationality are divided in their opinions toward Tudjman—23 percent perceive him "favorably," an equal number "very favorably," 11 percent unfavorably, and 24 percent very unfavorably, while the rest did not say.

It certainly is no surprise that 82 percent of the voters of the HDZ have a very favorable opinion of Tudjman and 14 percent favorable, but it is interesting that the voters of the LCH-SDP had widely differing assessments. In this group, 12 percent had a very favorable attitude toward him, 29 percent a favorable attitude (that is, a total of 42 percent of voters for the LCH-SDP have a good opinion of Tudjman). In this group 22 percent of the respondents have an unfavorable opinion and 16 percent a very unfavorable opinion, 16 percent had no opinion, and five percent refused to answer.

Respondents who voted for the candidates of the National Agreement Coalition supported Tudjman only slightly less than voters for the HDZ. In this group 88 percent have a favorable opinion of Tudjman, and two-thirds of those said that they had a "very favorable" opinion.

As we have already explained, in the first month the public in Croatia likes the new prime minister very much. The statements by Stipe Mesic, which were almost daily at the beginning of his term, have mostly been restrained, and on the popularity list Mesic himself is only slightly below Tudjman. To some extent this can also be explained by the datum that only 10 percent of the respondents expressed a negative or very negative opinion of Mesic, and there was a slightly larger non-committal group than for Tudjman (17 percent). Mesic has more support than Tudjman among respondents of Serbian nationality—32 percent of them have a favorable or very favorable opinion, while another 25 percent have no opinion. All of 47 percent of Yugoslavs have some kind of favorable opinion of Mesic, while 23 percent have an unfavorable opinion.

Dr. Zarko Domljan fared similarly to Mesic, with a smaller number of those who committed themselves and a higher percentage of "neutrality." The high ranking of Vladimir Veselica might have been a surprise, but his fourth place (according to the average opinion) can also be explained by the intervention which calmed down the polemics that flared up in the First Session of the Croatian Assembly, by the "timely" abandonment of the National Agreement Coalition and the unique position of a possible alternative to the HDZ at a time of not exactly complete unanimity in its ranks.

Racan's fifth place indicates that the head of the LCH-SDP has survived his many troubles quite well, and the respondents have a somewhat better opinion of him than of the organization over which he presides (if one is to believe the results of the election). But this might also be explained by the obvious correlation with the high ranking of those political actions last month which were centristically (moderately) oriented. It is obvious that the 25 percent of the respondents who have a very favorable opinion of Ivica Racan or those 36 percent that have a "favorable" opinion are not yet members, and often not even voters for his party, but they perceive him as a necessary and constructive opposition figure. A very negative opinion of Racan is held by 13 percent of the respondents, and a negative opinion by nine percent.

**Racan Is Holding Up Very Well**

It is interesting that Racan received 63 favorable votes from Croats (21 percent unfavorable) and from Serbs (47 percent), 15 percent have an unfavorable opinion of him, and 22 percent a very unfavorable opinion. This also shows the shifting of his constituency, which in part also explains the problems he is having within his own party. Yugoslavs were more inclined toward him (56 percent).

Vladimir Seks is among those considered controversial. This is shown by the divided opinion concerning him—10 percent very unfavorable, the same number unfavorable, 22 percent favorable, and 29 percent very favorable, with 29 percent uncommitted. This can also be explained by the far more moderate statement following the election victory itself, whereby he distanced himself

considerably from the group of "hawks," leaving to Sime Djodan all the votes of voters of that type.

Antun Vrdoljak is not well enough known to nearly 45 percent of the respondents for them to be able to assess him, but those who did so mainly give favorable opinions (19 percent very favorable and 25 percent favorable).

	Favorable	Unfavorable	Noncommittal
	(in Percent)		
Changes in police	67	12	21
Form of address in school	54	19	27
Tudjman-Raskovic	58	12	30
Krsko Nuclear Power Plant	50	20	30
N. Viskovic in Assembly	17	24	59
Debate in SDP	9	47	44
New bank	66	5	29
Statements by S. Mesic	65	8	27
Competition for school principals	55	14	31
Protest of SPD	32	39	29
Sime Djodan's speech	21	38	41
Breakoff of relations of SDS with Assembly	14	61	25
Statehood Day	59	15	26

The situation is similar in the case of Josip Manolic and to some extent Zeljko Mazar. Twenty percent of the respondents have a very favorable opinion of him, 28 percent a favorable opinion, nine percent an unfavorable opinion, and 12 percent a very unfavorable opinion. Mazar's success is more significant than the success of the Socialist League, which can be related to establishment of the Socialist Party, which with the promotion of a Yugoslav political option took over some of the voters of the LCH-SDP. In that sense, there could be on the "left" the same process which occurred with the growing influence of the Croatian Democratic Party on the "right." Mazar's success is pronounced in the Rijeka and Pula regions (which is where he is from), as well as from Knin Opstina.

Vlatko Pavletic is still unknown to 48 percent of the respondents, and 11 percent did not answer the question about him. Like Sulimanec, he has few opponents and more supporters.

This especially applies to Ivan Lucev, who up to now has only made a few political statements and toward whom the voters have yet to take a position. For the present, he has the least "opposition" (a total of six percent of the respondents), but the number of those who have a very favorable opinion of Lucev is slightly less than 12 percent (14 percent favorable).

Vlado Gotovac is very well thought of on the favorable side (15 percent very favorable and 27 percent favorable), but it is possible that the 39 percent noncommitment toward him is because he is not in the parliament, and 19 percent of those who perceive him unfavorably (seven percent radically so) are the result of his debate with the leadership of the HDZ before the election and immediately afterward.

As for Percan and Bilandzic, it can also be said that the attitude toward them has yet to take shape.

Ivan Zvonimir Cicak, and also Bernardo Jurlina, evoke widely differing opinions. Cicak received a very unfavorable opinion from 14 percent of the respondents and the same number "unfavorable," 22 percent have a favorable attitude toward him and 13 percent very favorable, while 30 percent have no opinion, and nine percent did not answer.

Bernardo Jurlina has aroused great interest in the past month. The division of the public over his "case" is obvious: 21 percent very unfavorable, 13 percent unfavorable, 21 percent favorable, 13 percent very favorable, 24 percent noncommittal, eight percent did not answer.

The opinion of Jurlina is especially unfavorable among Serbs—in all, 64 percent of them had an unfavorable opinion, the overwhelming majority (47 percent) a very unfavorable opinion. Only one-tenth of the Serb respondents have a favorable opinion of Jurlina. The animosity is somewhat less among Yugoslavs—35 percent unfavorable, 20 percent favorable. If we analyze separately respondents of Croatian nationality, we get figures to the effect that 18 percent of them have a very unfavorable opinion of Jurlina, 13 percent unfavorable, 24 percent favorable, and 15 percent very favorable.

But what is the opinion of Jurlina on the part of his present or former party comrades? Members of the Croatian Democratic Community in the sample mainly have a favorable opinion (22 percent very favorable and 26 percent favorable), but the number among them who have an unfavorable opinion of him is higher than for any other leading politician of that party (11 percent very unfavorable, eight percent unfavorable, 27 percent noncommittal, and six percent did not answer).

Members of the LCH-SDP say that Jurlina is a "negativist" (49 percent very unfavorable, 15 percent unfavorable, 13 percent noncommittal, 15 percent favorable, five percent very favorable, and three percent did not answer).

#### Djodan and Raskovic at the Bottom

The poor showing of Nikola Viskovic is the result of two circumstances: he is not very well known to the public (44 percent noncommittal and another 11 percent did not answer, which can also be interpreted as a lack of opinion), and with his speech he made a fair number of enemies (14 percent very unfavorable, 11 percent unfavorable). But we should expect that the disposition of the

public toward the nuclear power plant would be the good basis for a somewhat more favorable opinion of this intellectual and notable deputy.

This is yet another example of the contradiction in the "respiration" of the public—although they support the action to shut down the nuclear power plant, it is enough for a deputy (at least a "Green") to take an oppositional stance for his "Green" commitment to be thrust aside.

Sime Djodan earned the unfavorable responses of the public with his speech in the Assembly (more unfavorable than Viskovic), and it is also certain that his criticism of Franjo Tudjman lowered his rating among members of the HDZ, although members of that organization continue to have a more favorable opinion of Djodan than others do. Whereas 25 percent of the entire population have a very unfavorable opinion of Djodan, 14 percent unfavorable, 15 percent favorable, and 17 percent very favorable (with 29 percent of those others), among members of the HDZ Djodan is perceived very favorably by 31 percent, favorably by 17 percent, unfavorably by 12 percent, very unfavorably by 10 percent, 22 percent have no opinion or are noncommittal, and eight percent did not answer.

At the bottom of the list is Dr. Jovan Raskovic, on whom those of different nationality differ greatly. Whereas Raskovic is a very unfavorable figure for 39 percent of Croats, a negative figure for 22 percent, a favorable figure for 12 percent, and a very favorable figure for three percent, it is quite different among the Serbs—49 percent of the Serbs have a very favorable opinion of him, 20 percent a favorable opinion, and 21 percent are noncommittal. An unfavorable opinion is held by seven percent of the Serbs and a very unfavorable opinion by only three percent. There is no doubt, then, that among the Serbian part of the population the position of Jovan Raskovic is extremely good and that he occupies first place among all 20 of the politicians given.

The results of this survey show that the policy of the new government has received fairly high marks in the first 30 days. But it also shows that there has been a turning of the electorate toward moderate solutions and away from conflicts toward economic and social problems. In the next issue of DANAS, we will publish the results of a survey which show the percentage of respondents who voted for the same party they voted for in the last election and also the answers to the question of what they would propose to the government as a priority task.

#### [Box, p. 16]

#### Whom Did We Survey?

The public opinion survey "Croatia After the Election" was conducted on a representative sample of the adult population of Croatia consisting of 1,000 respondents in Croatia. The respondents were surveyed with a written questionnaire, and the sample was made up by the method of quota selection. The control variables for the

representativeness of the sample were these: nationality, age, sex, education, and the respondent's political allegiance.

In the sample, there were 60 percent of the respondents with elementary education or education less than that, 26 percent with secondary education, 10 percent with four-year or two-year postsecondary education, while four percent of the respondents gave no information about education. The ethnic composition of the sample corresponds to the distribution of the Croatian population (with minimal deviations which can be explained by probable changes since the 1981 Population Census)—70 percent Croats, seven percent Serbs, nine percent Yugoslavs, and a smaller number of the others (five percent of the respondents did not answer the question about nationality).

Some 76 percent of the respondents have not joined any political party, and the distribution of the sample corresponds to the distribution of election results in the last election.

In the sample, there are slightly more men than women—52 and 48 percent.

The survey was conducted by the research team of the editorial office of DANAS: Ines Lovric, Dejan Jovic, Vidmir Raic, Gordana Bajtek, Gordana Skaljac, and Milica Sundov—in nine opstinas of Croatia between 18 and 21 June. We would like to thank the following enterprises for cooperation in conducting the survey: the paper factory, Torpedo, and the INA [Petroleum Refineries and Sales Enterprise] refinery in Rijeka, the Karlovac Brewery in Karlovac, Varteks in Varazdin, Tehnomont, Staklar, and the Boris Kidric factory in Pula, Prerada, the work community of the Postal, Telegraph, and Telephone Services, Promet, the dairy, Jatra, Splitske Toplice in Split, Mladost and TVIK in Knin, MIO Standard, Svilana, Elektrometal, and Drava (match factory) in Osijek, Spacva in Vinkovci, and Agrariacoop, Badel Vinoprodukt, and Jugoton in Zagreb.

#### **Croatians Polled on Priorities of New Government**

*90BA0224A Zagreb DANAS in Serbo-Croatian 3 Jul 90 pp 25-27*

[Article by Dejan Jovic: "Croatia Loyal to Its Choice: What Croatian Citizens Think About Which Issues—From National Reconciliation to the Economy—the New Government Should Devote the Greatest Amount of Attention to"]

[Text] Two months after the elections in Croatia, 21 percent of citizens who voted have indicated that they would not vote for the candidates of the party to whom they gave their vote then if the election were to be reheld. Fourteen percent of those who voted then would not even go to the polls today, while a little more than five percent would vote for a different party. From the election to the present, the Croatian Democratic Community [HDZ] has gained the confidence of another

three percent of Croatian citizens. Their prior voters are more loyal than others, and 94 percent of the citizens who voted for HDZ candidates would do so again today, while four percent would prefer to stay away from the polls on election day. A little more than one percent of prior HDZ voters would vote for the Croatian Democratic Party today, while the number choosing some other party is negligible.

These are the findings of a public opinion poll conducted by a team of DANAS pollsters (Milica Sundov, Gordana Skaljac, Ines Lovric, Vidmir Raic, Gordana Bajtek, Dejan Jovic), the first results of which were published in a previous issue of this magazine.

The poll, conducted from 18 to 21 June on the basis of a representative sample of the adult population of Croatia, shows that citizens perceive economic problems to be the top-priority task of the republic's new government. Asked to choose two problems out of 10 possibilities that could be the most important tasks faced by the new government (whereby some circled two responses, but some only one), 64 percent of those surveyed selected the economic issue. A little more than one-third of those surveyed (34 percent) chose social problems (unemployment, pensions, etc.) as the most significant, while 32 percent insisted that the primary task is to establish the full sovereignty of Croatia. Defining relations with others in Yugoslavia was considered one of the two greatest problems by 21 percent, while 17 percent believe that interethnic relations within the republic are a top priority. The three problems that for the time being are least troublesome to citizens are: ecology (10 percent think that one of the first two positions should be devoted to it), schooling and education (seven percent), national reconciliation of Croats (three percent), while the problems of Croatia emigrants occupy the number one position on the scale of priorities for a little more than one percent of those surveyed.

The results indicate that the public interests from the election campaign have shifted from conflict areas towards economic and social problems. We gave notice of such a possibility in our analysis of the first part of this survey, when it was seen that the most positively appraised move by the republican government in the last month was the proposal to establish a new bank in Croatia, while polemics (within the LCC-PDC [League of Communists of Croatia-Party of Democratic Changes], among deputies to the Assembly, and among parties) were at the bottom of the scale.

#### **Victory Still Warms the Heart**

Although over the past month all political parties have lost a certain percentage of their voters, the victorious parties have fared best. Despite the high percentage of its voters who remain loyal (especially members, because 98 percent of them would vote for it again), the HDZ has managed to capture three percent of those voters who cast their vote for the main opposition party (LCC-PDC), as well as 14 percent of those who voted for the

former Coalition of National Accord [KNS]. In addition, there are indications that three-fourths of the Coalition voters today would vote again for the KNS or for one of its member parties, that 10 percent of its previous voters would not vote, and that almost none of them would vote for the LCC-PDC.

Former supporters of the Party of Democratic Changes are loyal to their choice: 72 percent would vote the same way today as they did two months ago, one-fifth would prefer not to vote, while (in addition to the three percent of voters who would choose the HDZ now) an equal number would turn to the Socialist Party of Croatia and (especially Serbian voters) the Serbian Democratic Party. It is interesting that only 52 percent of LCC-PDC voters who are of Serbian nationality continue to support that party today, while 31 percent of them today choose to abstain. Consequently, it is not at all accurate to say that LCC-PDC voters with a Serbian national allegiance are now committing themselves to the Serbian Democratic Party en masse—for the most part, they do not know for whom they would vote right now. The mere fact of the “flight” of nearly one half of voters of Serbian nationality from the party for which they voted is contrary to the experience of stable parliamentary systems, which show a relatively high degree of consistency in voter orientation—in the United States, a large majority of voters support the party for which they voted the first time throughout their entire life, while in Great Britain that amount fluctuates around 65 percent (with differences between parties). Of course, it is still not possible to compare this with our experience, since polls show that even individuals who support some party for a long time become so loyal to it that they are “immune” even to its sudden political turnarounds.

Given that even for our two months of parliamentary government this percentage of “crossovers” can be regarded as high, it can also be regarded as a sign that the uncommitted portion of the electorate is growing, which possibly means opportunities for new parties. Moreover, it appears that the unoccupied space on the “left” is greater than on the “right,” although one must not rule out the possibility that certain opportunities are available to the Croatian Democratic Party, in the event of major disagreement within the HDZ (the facts show that Vladimir Veselica is extremely well-positioned on the popularity scale for politicians).

#### **Primum Vivere...**

Very significant are the responses to the question of what two problems the government should solve immediately. Although there are enormous differences among the categories of respondents (they were divided into 37 categories, according to national allegiance, membership in political organizations, level of education, sex, age, political orientation in the elections, and support for politicians from a list of 20 most important figures), economic problems turned up in first place in all groups. Giving economic issues top priority was the response of 85 percent of KNS voters, 83 percent of respondents

with a college education, and 80 percent of members of the LCC-PDC. This response was chosen by a much lower number of HDZ members (53 percent), who rank the issue of Croatian sovereignty almost equally (52 percent) among priorities.

While Croats in the sample place the question of sovereignty in second place (although much lower than economic issues), 45 percent of Serbs think that interethnic relations in Croatia come immediately behind economic issues, followed by social problems (32 percent) and defining relations in Yugoslavia (28 percent). Sovereignty is at the very bottom of interests by respondents of Serbian national allegiance, and even further behind it are national reconciliation and Croatian emigrants.

Yugoslavs in this survey take a different position, in relation to both Serbs and Croats (which, by the way, once again confirms that it is prejudicial to believe that a Yugoslav orientation is simply a “mask” for one national group or another). They differ a great deal from Serbs in that they do not emphasize the issue of interethnic relations as much, and from Croats in that they do not have such strong feelings about the problems of sovereignty.

Members of the LCC-PDC most frequently stress economic problems, with half as many (40 percent) emphasizing defining relations in Yugoslavia. In third place on their scale of priorities are social problems, and in fourth the sovereignty of the republic (in which they are closer to the Yugoslavs). It is once again evident that LCC-PDC voters have a “leftist” orientation, somewhat more so than members of that party—they place the problem of sovereignty much lower (only five percent think that this is one of Croatia’s two biggest problems).

In this regard, the members and supporters of the LCC-PDC differ markedly from the members and supporters of the HDZ, whose positions are much closer: All “HDZ’ers” give the economic group of problems only an insignificant lead over questions of sovereignty, while the only significant difference is perceptible with regard to schooling, which HDZ voters emphasize more often than members of that organization.

One specific paradox is the fact that KNS voters are much closer in their positions to members of the LCC-PDC, despite indications that a significant number of them today would vote either for the HDZ or for no one. Thus, the order of priorities will be nearly identical for KNS voters and LCC-PDC members: the economy in first place, far ahead of all the others, and then social issues, defining relations in Yugoslavia, and republican sovereignty.

Another paradox was reflected in this survey. Although one might suppose that precisely those citizens with the lowest level of education (and thus with the poorest paying jobs) would be more interested in economic issues than others, the opposite is true—they chose this option nearly half as much as intellectuals. Among intellectuals, in contrast, somewhat fewer emphasize the

urgency of resolving sovereignty issues, and they even give precedence to defining relations within the Yugoslav community.

One significant difference between men and women in terms of responses is that men urge the government to tackle the issues of Croatian sovereignty, while women are more inclined to support government action to solve social problems. The same difference is found between age groups; young people are more worried about unemployment, while older people are concerned about sovereignty.

It should also be mentioned that young people under 25 chose ecological problems as the main issue nearly twice as often as the others (16 percent). In contrast, members of the two leading parties do not regard ecology as the most critical question (fewer than 10 percent assigned the greatest importance to that problem), and the other respondents shared that opinion.

Recently called for very vocally, national reconciliation today is next to last on the list of priorities; even among HDZ members, only eight percent of respondents emphasize it. The subject that left a significant mark on the election campaign, Croatian emigrants, fared even more poorly. Today, only four percent of HDZ members and less than two percent of all others surveyed consider this problem a top-priority one.

#### **Orienting Leaders**

If the responses are analyzed with regard to support for individual politicians, it is interesting to note that those citizens who judge Sima Djodan favorably emphasize economic problems (63 percent) and sovereignty (59 percent) almost equally. However, those with a positive appraisal of Vladimir Veselica give an extremely high ranking to economic problems (71 percent) and a much lower one to sovereignty (48 percent), while a similar position is held by citizens with a positive attitude towards Stipa Mesic. However, supporters of Jovan Raskovic, after the economy (67 percent) emphasize social problems (35 percent), interethnic relations (27) and defining relations among republics in the Yugoslav community.

Those respondents who gave one of the two positive appraisals (positive or very positive) to Ivica Racan placed economic issues in a very clear first place (70 percent), followed by social problems (36 percent) and Croatian sovereignty (31 percent). One might conclude that supporters of the opposition leaders emphasize the sovereignty issue significantly less, giving precedence to social problems. This was also asserted by those respondents who judged Zeljko Mazar favorably. In contrast, those who judged Franjo Tudjman favorably arranged the problems in the following order: economy (66 percent), sovereignty (42 percent), social problems (33 percent), defining relations in Yugoslavia (13), ecology

(eight percent), schooling (seven percent), national reconciliation (four percent), Croatian emigrants (two percent). A similar order of priorities was given by respondents who judged Zarko Domljan favorably, although it must be noted that Veselica earned the most "economic" points, while Domljan was several percentage points "better" than others on sovereignty issues and, in particular, on defining relations in Yugoslavia, at least compared to politicians that comprise the republican leadership. We should mention here that the number of percentage points is not 100, since the respondents could choose at most two of the 10 problems listed, but in no case do they total 200, since some chose only one option instead of two.

This public opinion poll shows that it is almost certain that the government's prestige will grow if economic problems (about which there is agreement that they constitute the most important issue for Croatia today) are accorded top priority in future government activities. Ultimately this is indicated not only by these results, but also by the fact that the very work by economic authorities over the past month has been judged most favorably (even though moves in the school system or in internal affairs have been much more prominent). In all likelihood, the republican government, if it wants to maintain its popularity, should focus on resolving economic issues, because the public is divided in its designation of the "number two" priority (sovereignty or interethnic relations, defining relations in Yugoslavia or social problems).

The high level of confidence in the government's first measures, the emphatically positive appraisal of the president of the government, Stipa Mesic, and the support for his first actions (which we examined in the analysis published in a previous issue of DANAS) are, after the first month, a sign of a good starting position for the new government. This brings with it many commitments.

#### **Twofold Increase in Salaries of Tudjman, Croatian Officials**

*90BA0209B Belgrade BORBA in Serbo-Croatian  
5 Jul 90 p 5*

[Reprint of VJESNIK article by Aleksa Crnjakovic:  
"How Much Dr. Franjo Tudjman Is Paid"]

[Text] According to the new temporary rates, it turns out that the salaries of Croatian officials have jumped twofold, so that the president of the republic, for example, receives 28,554 dinars a month, plus a service bonus

The news leaked out, and the stories started circulating: the republic officials, as soon as they sat down in their armchairs, raised their own pay to figures that are astronomical in our circumstances. People are talking about 20-30,000 dinars a month for a minister's or president's pay. While some people are becoming enraged, considering such a step disgraceful in a bankrupt state, where there are daily strikes over low wages,

and feeling that the authorities should share the workers' fate, at least for demagogic reasons, others claim that there can be no economic recovery without real economic or political experts, and such people will not come for minimum wages.

Since the administrative assembly commission responsible for wages has not yet been constituted, we sought information from Ivan Milas, the chairman of the assembly commission for elections and appointments. As he informed us, at the Presidency's 20 June meeting new rates were approved for calculating officials' salaries on the basis of a temporary decision. In effect, this has to do with a cash advance, but only for newly elected or newly appointed officials. Furthermore, the decision approving the rates ceased to be in effect on 30 June, and a new one has to be passed by the Assembly.

The new temporary rates approved by the Republic Presidency are as follows: eight for the President of the Republic, seven for the president of the Croatian Assembly and the president of the Executive Council, 6.8 for the members of the Republic Presidency and the presidents of the Supreme and Constitutional Courts, 6.5 for the vice presidents of the government and of the Assembly, six for members of the government and the presidents of the Assembly councils, and 5.5 to 5.8 for deputy ministers, chairmen of working bodies, and the secretary of the Assembly. Undersecretaries, higher advisers, and chiefs of staff have a rate of five to 5.55, while advisers' pay is calculated at a rate of four to 4.5. The amount that an individual official has on the basis of his years of service, 0.5 percent per year of service, up to 20 percent for a maximum length of service of 40 years, is added to the amount obtained on the basis of this rate.

Is that a lot or a little? Everything is relative. It will be a lot if it is compared with the pay of former government or assembly officials, and the pay of judges, presidents, or advisers. It will be realistic if compared with some directors' salaries, but it will still be laughable to compare it to world salaries. Furthermore, the specific amounts involved depend primarily upon the number by which the rate is multiplied, i.e., on the average salary in the Croatian economy for the previous month. In April (these are the latest statistical data; there are no more recent, official ones) it averaged 3,578 dinars in Croatia. Consequently, that figure must be multiplied by the rates...

"Who will you get to be a minister if the salaries are as low as they were? If you want a top expert, you have to pay him accordingly. This is not just a question of top pay for top services, however. There is also the question of morality. Specifically, if you pay an official poorly, he may become venal, and thus dependent," stated Ivan Milas.

<b>New and Former Salaries</b>		
<b>Officials' Present Salaries</b> (the base is the average wage in the Croatian economy in April—3,568.00 dinars)		
<b>Position</b>	<b>Rate</b>	<b>Salaries</b>
1. President of the Republic	8	28,544
2. President of the Assembly and president of the Assembly's Executive Council	7	24,976
3. Members of the Croatian presidency and presidents of the Supreme and Constitutional Courts	6.8	24,262
4. Vice presidents of the Executive Council and vice presidents of the Assembly	6.5	23,192
5. Members of the Executive Council and presidents of the Assembly Councils	6	21,588
6. Secretary of the Assembly, deputy ministers, and chairmen of working bodies	5.5-5.8	19,624-20,694
7. Under secretaries, higher advisers, and chief of staff	5-5.5	17,990-19,624
8. Advisers	4-4.5	14,272-16,056
<b>Former Salaries</b>		
1. President of the Croatian presidency	4	14,272
2. President of the Assembly and president of the Assembly's Executive Council	3.6	12,844
3. Members of the Croatian presidency	3.6	12,844
4. President of the Constitutional Court	3.7	13,201
5. Vice presidents of the Executive Council and of the Assembly	3.6	12,844
6. Members of the Assembly's Executive Council	3.3	11,774
7. Presidents of the Assembly Councils	3.6	12,844
8. Secretary of the Assembly	3.3	11,774
9. Deputy ministers	3.1	11,060

## HUNGARY

### Security Policy Alternatives, NATO Relationship Discussed

25000756C Budapest NEPSZABADSAG in Hungarian  
6 Jul 90 p 3

[Interview with Laszlo Tolnay, Hungarian Foreign Affairs Institute military policy research group leader, by Peter Vajda; place and date not given: "Does NATO Want Us?"—first paragraph is NEPSZABADSAG introduction]

[Text] Not too long ago a conference attended by Hungarian and American military experts was held in Budapest. On the American side, the foreign policy center of the well known Brown University, located in the state of Rhode Island, acted as the organizer, while on the Hungarian side foreign policy researchers and defense ministry and political party experts took part in the work. Peter Vajda discussed this conference with Laszlo Tolnay, head of the research group which deals with military policy issues at the Hungarian Foreign Affairs Institute. Tolnay was one of the organizers of the conference.

[Vajda] How would you summarize the accomplishments? Did you draw some uniform conclusions?

[Tolnay] The central task of the conference was to examine all possible alternative developmental forms until the year 2005. It was clear from the outset that the potential likelihood of each alternative presented there was not identical, but it was worthwhile to examine methodically every possible aspect of these.... That is what we did.

[Vajda] With what results?

[Tolnay] From among the six possible developmental models, participants regarded the second model as the one having the greatest likelihood. The essence of this is that in the future, both the United States and the Soviet Union will keep in close touch with ongoing security policy developments on our continent, but the forms of these relations will change as compared to the present contacts. A unified Germany plays a great role; a new all-European security and cooperation system will evolve while NATO and the Warsaw Pact still exists. They called the new system Super CSCE (after the English initials for the Conference on Security and Cooperation in Europe). The role to be played by the armed forces will be reduced; their primary function will be the protection of territories. In this system, however, there are more than a few question marks, e.g., how could an expanded and reformed NATO serve as the basis for the Super

CSCE? Or: What functions will the new all-European security and cooperative system have, what opportunities will it have, will the new system have its own armed forces, or will it not?

[Vajda] Were any of the alternatives ruled out?

[Tolnay] One cannot rule out anything, but Alternative Six was regarded as the least likely possibility. According to this alternative, as a result of its internal problems the Soviet Union would weaken to such an extent that it would have to request help from one or more foreign powers—from the United States, the FRG, and Japan—to avoid collapse. In exchange, it would yield its sovereignty to an extent similar to the declining Ottoman Empire in its days....

[Vajda] How do American political scientists view us?

[Tolnay] They are focusing primarily on the Soviet Union, and they are examining the problems in the region in this context. They sense that at this point the new unified Germany is already exerting a great attractive force in Hungary, and that there may exist a certain orientation toward Germany. The question was raised of what the United States should do in this situation....

[Vajda] What should it do?

[Tolnay] I discussed as part of my remarks that accepting one's share in the investments is important, and so is the activity of English teachers, of the Peace Corps, but based on my assumptions American interests would demand much more than that, even more so because a united Germany may become too great a point of orientation in Europe.

[Vajda] Were there any unexpected questions?

[Tolnay] More than one. For example, the question was raised of whether we are concerned about a situation after we leave the military organization of the Warsaw Pact in which our relations with Romania will become more tense, and while they remain members of the bloc we would be left to ourselves. When in response we referred to the European security system in regard to such a case, which is hypothetical of course, they responded in turn by saying that a transitional period is conceivable in which the system would not be capable of performing its function to protect a country against aggression. Insofar as Hungary's NATO membership is concerned, we were asked this question: Why do we think that the North Atlantic bloc wants our membership, or alternatively, whether it wants to make a commitment in this region? The debate constantly returned to the six alternatives and to the fact that it would be appropriate for each country to formulate its own security policy by recognizing its own interests, and while understanding and considering the interests of others.

## INTRABLOC AFFAIRS

### French Daily Analyzes Declining Coal Production

90BA0198A Paris LE MONDE in French 26 Jun 90  
p 27

[Article by Veronique Maurus: "Decline of Coal in the East"]

[Text] Engulfed in a dirty haze full of sulphur and dust which smothers the light and filters the sun, the "mine of the Czechoslovak Army" has seen better days. Several meters away, a shaky coking plant spits out a white smoke, so thick and so noxious that the offices had to be evacuated as a health measure. Only a few surviving rabbits look in wonder, hidden among the grass that invades the railway.

Deserted, the vast entrance hall of the headquarters already looks like a museum—a museum of the coal king, a museum of triumphant socialism. On the wall, an enormous realist fresco pays tribute to the achievements of the working class struggle: In the foreground, three times larger than life size, "The Miner," with his direct gaze and proud helmet, defies eternity.

Vestiges. In Czechoslovakia, as in Hungary, Poland, and elsewhere, coal no longer is what it used to be. The Karvina mine is 150 years old. And even though it is equipped with the most technologically advanced machinery in the country, it is only surviving by a thread.

Seven years ago, a gallery collapsed, killing nine miners and blocking the access to one of the richest veins. Today they are trying to mine underneath it, with great technical reinforcement and a minimum number of miners, paid double the normal rate.

"The wages of fear," the director commented with more bitterness than cynicism. For "his" mine, despite enormous efforts by management and daily technical feats, is not able to finance the necessary investments out of its receipts. Prices would have to be raised by 30 to 40 percent, he says, and this the Ministry of Finance has stubbornly refused to do, as it wants to accelerate the shutdown of "unprofitable" pits.

A sharp disappointment for this "long time communist," who is still one, he says, "by conviction and loyalty," and is pained by the liberal turn of events in the country. "Miners are not criminals," he says. "On the contrary, it is our work that has enabled the country to earn foreign exchange and pay for imports of fruits from the West!"

Communism and coal. Coal and communism. United forever by the productivist ideology, the defense of national resources, the propensity for heavy industry and workers' struggles. From Germinal to ... Bucharest, where the energetic intervention of the "coal miners" has once again illustrated magnificently this natural alliance anchored in conservatism.

It is not by chance that the COMECON countries have until quite recently remained the last pillars of coal in Europe, drawing, as the West did 40 years ago, over half of their energy requirements from solid fuels (57.4 percent not including the USSR, 31.5 percent with it). It is not by chance that the decline of communist parties throughout Eastern Europe is accompanied by a revision of coal policy, which becomes even more radical as each of these countries moves further along the path towards liberalism and as the standard of living increases.

A complete turnaround in Hungary, the GDR, and Czechoslovakia. A more tempered reform in Poland, and uncertainty in the USSR. Status quo in Bulgaria and Romania.... Beyond sociopolitical explanations, the decline of coal is also based on solid economic reasons. Mined for over a century, most of the European deposits, which are too deep and are difficult to mine from a geological standpoint, have been largely depleted.

In the West as in the East, they no longer make the grade in the face of competition from large world exporters, such as Australia, South Africa, Canada, the United States, and Colombia, among others. This is true of France, Great Britain, and Germany; it is also true of the Eastern countries. Even Poland, with its enormous reserves (32 billion tons, or nearly 200 years of production at the current rate), suffers from uneven yields and increasingly difficult mining conditions.

### Economic Lesson

Protected for a long time by autarky and subsidies, the Eastern bloc countries are facing an unpleasant surprise as it comes time to settle accounts. Provided they even do that, which is not yet the case with Bulgaria or Romania. Also provided they have the resources to take the appropriate action. Abandoning coal is costly in terms of foreign exchange for countries deprived of other natural resources. Only the most advanced countries, the most motivated ones, can afford to expedite a development which is inevitable in the long run.

The fourth largest producer and exporter in the world, Poland, for instance, does not have the resources to turn its back on coal just yet. According to Tadeusz Demel, manager of the Polish Coal Board, the objective is to "level off production at least at the current level, until an alternative source of energy is found."

On the distant horizon: The nuclear program has broken down, because of a lack of resources, and hydrocarbons are inaccessible, because of a shortage of foreign exchange.... But the new economic policy, forcing all newly independent mines to balance their costs, requires the coal mines to reject productivism at any price. At Katowice in the heart of Silesia, the coal kingdom, the waiting room at the Polish Coal Board, decorated like a hunting lodge, is packed with people. The mood is solemn. Managers, labor union members, directors of mines, a little flushed, a little ill at ease, they are all there. Officially, to greet the delegation from the French Coal Board, but actually, to learn a market economy lesson.

"The issue is no longer to extract coal at any cost, but to produce it profitably," Tadeusz Demel explained. "We have to transform and modernize our industry. The unprofitable mines must be shut down..." A glance in the room. Nobody has flinched, even among the ranks of Solidarnose.

Tadeusz Demel carried on: "But the shutdowns must be organized in a dignified and humanitarian way. There are good examples to follow in other countries..." And he gave the floor to his French counterpart, Bernard Pache, who accepted solemnly and stressed "the difficult context of the industry" and the "need to implement reforms." Virtues of example. "The situation I am facing is similar to the situation in Nord-Pas-de-Calais," Tadeusz Demel said assuredly.

In fact, although the basins in Upper Silesia and Lublin are profitable roughly speaking, even at Polish domestic prices (equivalent to one quarter the world rate), the same is not true of the four mines in Lower Silesia, which are nearly depleted and unproductive, and for which economic reform has sounded the death knell. Still employing nearly 20,000 persons—out of a total of 400,000 Polish mine workers—they should be closing down between now and the end of the year. Not without causing difficulties in a region where mines have reigned supreme for over a century and where unemployment is still a recent phenomenon.

So the French were called in to assist "gently" in the withdrawal and conversion. Pursuant to an agreement concluded between the governments, the Delegation for Territorial Development and Regional Action (DATAR) loaned six experts for six months to study the conversion of the Lower Silesian basin. The French Coal Board, with many outlets in the East, where it has sold mining equipment for 10 years, was also asked to train Polish technicians on all the conversion problems.

The venture seems promising. In Ostrava, the cradle of the Czechoslovak mining basin, the French Coal Board received an even more triumphant welcome. "We are going to reduce production. We assume that it will be done in the same way as in France. The French Coal Board is a model for us," the Czechoslovak mining director said in a matter-of-fact way. The French Coal Board a model for the East! The French Coal Board, a symbol of the decline of the coal industry, which has cut its personnel in half and its costs by a third in four years, quietly doing away with some 22,000 jobs and closing the coal pits of Nord-Pas-de-Calais one by one! The French Coal Board, the bugaboo of the French communist officials, a pretext for the rupture between the Communist and Socialist Parties in 1984, vilified by the CGT [General Confederation of Labor], and now being praised in Prague! A strange reversal of history....

In Czechoslovakia, more clearly than in Poland, the corner has been turned. Here, in addition to the economic problems common to all the old coal countries, we

have a problem of marketing outlets, the same as in Hungary, where all subsidies to the coal industry have now been eliminated.

The decline of heavy industry (steel, chemicals, etc.), huge consumers of coal, has enormously reduced the outlets for coal. The Czechoslovak administration believes that the consumption of electricity will stagnate between now and 1995, and that the drop in industrial consumption will be offset by the increase in domestic consumption.

The decline of coal is also accelerated by the new concern to protect the environment. Coking plants, coal power stations, and especially lignite power stations devastate entire regions. For proof of this one need only go to the north of Bohemia. After kilometers of small valleys full of game and carpeted in bindweed, wheat, and poppies, you arrive at the end of the world. Beginning with the Mosi lignite mines and continuing to the German border, the horizon is obstructed by an army of power plants which year after year spit out some 20 million tons of ashes and 1.6 million tons of sulphur onto the countryside.

The only solution is desulphurization. It is essential here, as in the GDR and Silesia, where the towns are black with soot and the pine trees sick. A problem such as the construction of a new coking plant on the Czech-Polish border caused a real quarrel between the two countries. But modern technology increases by five to 10 percent, at the very least, the cost of a coal thermal unit, thus aggravating the economic problems of the coal mines.

In Prague, a decision has therefore been reached: Nuclear energy and gas will gradually replace coal. "We are in the same situation as France was 30 years ago," the deputy minister for mines explained. Between now and the year 2000, coal production should decrease by at least a third (from 24.5 to 16 million tons), and lignite by as much (from 90 million to 76 or 64 million tons, depending on the plan chosen).

Nuclear energy, the energy head in the administration said, will ensure 52 percent of electricity as compared to 26 percent today. And gas, imported from the USSR, but also from Algeria, Norway, and Iran, will make up the rest, with its use increasing by a third (from 18.5 to 24 or 26 billion cubic meters).

An extreme example—at least on paper, since this plan, which assumes a huge increase in the cost of energy, has not yet been officially approved by the new government. And obstacles, particularly as regards nuclear energy, are numerous. But the direction is clear, and it will not change.

[Graphic omitted detailing production figures by country of pit coal and of lignite in millions of tons as follows: GDR—300 lignite; Poland—193 pit coal, 73 lignite; Czechoslovakia—28 pit coal, 100 lignite; Hungary—2.3 pit coal, 20 lignite; Romania—15 pit coal, 45 lignite; Bulgaria—7 pit coal, 29 lignite.]

## BULGARIA

### Scope, Causes of Unemployment Viewed

#### Figures Examined

90BA0206A Sofia KNSB in Bulgarian May 90 p 13

[Article by Khristo Dobrev: "Surplus Manpower on the Market"; bar graph omitted—graph shows the increase in the number of people registered at labor offices during April 1990 as follows: 47,973 by 9 April; 53,136 by 16 April; 57,988 by 23 April]

[Text] What is sought at the Varna labor market is what is missing; what is available is not in demand.

Years ago I was asked to accompany a journalist working for a noted French trade union publication. When we discussed the itinerary, he stubbornly insisted that we visit the Labor Exchange. I wondered why he wanted to see that office. Its role was that of a dispatcher: It issued notes on when to begin work, or else it was engaged in accurately implementing the numerous resolutions and decrees tying the workers to their jobs within the same enterprise. He was amazed not to see a line of unemployed. At that time this was a major problem in France. I wondered about him because it had been instilled in our minds for many long years that under socialism there can be no unemployment.

For the past few months in our country, as well, things began to change at a headlong pace. A new commodity, manpower, appeared on the market. A great deal of time had to pass before we could understand that manpower is a commodity and delete the resolutions, decrees, and tables of organization that tied it, in order to have full contracting freedom, as is the case with any other type of market.

I had to wait until I could get to my computer. Apparently the people before me had been "playing" with it for quite some time. I pressed a few keys for the various areas in which I was interested. There were no job opportunities available. I was stunned, for what if I were to lose my job.... I went into the reception room, which contained several booths with beautiful metal grills. The first thing that impressed me was the shape of strange computers and the businesslike courtesy of several women. One of them asked me where I had worked and how long I had been unemployed. She tapped something on the computer and gave me a printed form:

"Comrade chief. Please register me as relieved from work in accordance with the stipulations of Council of Ministers Letter No. 57 of 5 December 1989; I would like to be assisted in finding a suitable job or in joining a course for retraining and, if necessary, secure payments of monetary compensation and social aid as stipulated in the resolution.

"Enclosed are the following documents: letter of information, labor book, internal passport, education document, document of skill and right to work, and declaration that I am not employed and have no labor income."

I entered the date, signed, and thus entered the area of unemployment.

I asked the people who were around me a stupid question: What were they looking for at the Labor Exchange? What else could they seek other than employment?

"I resigned from my enterprise," I was told by D.G. "I could see the scandals that were taking place, and the chief told me repeatedly that I was opening my mouth excessively. He began to look at me askance. I then took my hat and left to take care of my children and my husband at home. However, the money is not enough and I must look for a job."

B.S. is of another opinion. He is an economist, and, in his view, he was improperly laid off because the bosses were hiring their own people. He claimed that there were worse bookkeepers than he was, doing nothing all day long but knowing how to curry favors.

That may indeed be the case. Who says it is a good thing to be laid off and pound the pavement? In the past one could still find work, either seasonal or permanent. Now, however, people are being laid off in large numbers. If we ask the other side, the employers, they would tell you that this is an inevitable process. Both the economy and the collectives would like to work with a smaller group of administrative-managerial personnel. The good wish of the managers in most enterprises and the trade union committees is to undertake additional activities and provide additional jobs. However, this is not always possible. According to initial computations, for example, the Georgi Dimitrov Shipyards were scheduled to reduce their personnel by some 400 persons. However, "internal reserves" were found, and only 270 were laid off.

According to Ivan Stoyanov, the chief of the Labor Exchange in Varna, by the middle of March there were 250 unemployed registered, most of whom had been laid off. During the first "round," this affected mainly engineers, economists and other employees, and auxiliary and temporary workers. The enterprises have no right to lay off people assigned to jobs or those who have three years left until they retire. That is why it was mainly younger people, under age 45, who found themselves at the Labor Exchange.

So far, the Labor Exchange has done everything it could. Anyone who registers is "entered" into the computer that tracks job openings. In the four districts of the city, other computers provide essential information. The exchange tries to coordinate this major social process, but its possibilities are limited. Unemployment is unemployment, and it is difficult for anyone to be dumped. It cannot be said that the enterprises are throwing at the market their own people. Despite the difficult situation of the economy, possibilities are being sought to retain

the workers and to make their work profitable. However, this is not always possible, although there are some 3,000 job openings in the city. By now, 20 people have already begun to receive their six-month unemployment compensation, and it is expected that by the end of April their number will rise to about 80. These "blows" are somewhat softened by the 40 different courses for retraining people in the most sought-after skills in the city, from cooks to casing builders. However, people hesitate a great deal before undergoing retraining. The result is that today in the labor market what is sought is unavailable, and what is available is not sought.

The market has its own laws. The Labor Exchange has decided to study those laws more closely, although this is not its exclusive concern. Two specialists have been assigned to study sociology. In the future they will conduct the initial interviews with applicants. On the other hand, the trade unions do not remain indifferent. As we were told by trade union official Zhel'ov Milushev, the trade union committees see to it that changes are made in an organized fashion, that all the actions of economic managements are well considered, and that social tranquillity within the labor collectives is ensured.

There is something else as well. The Varna manpower market is tied to Devnya and the surrounding cities by virtue of a number of circumstances. For the time being, both demand for and surplus of manpower may be considered normal.

The summer season is coming. Many people will find temporary employment in the resort complexes. It is expected that there will be long queues at the Labor Exchange in the last months of the year. One of the possibilities for better coordination is for the city bureaus to be merged within a regional center that will provide greater maneuverability.

We are witnessing a new social phenomenon that must not only be studied but must also become the target of considered and efficient steps to guarantee social justice.

#### Overstaffing Analyzed

90BA0206B Sofia SVOBODEN NAROD in Bulgarian  
8 Jun 90 pp 4-5

[Article by Professor Lyuben Berov: "Unemployment, the Bitter Taste of the Socialist Experiment"]

[Text] In its electoral platform, the BSP [Bulgarian Socialist Party] is accusing the SDS [Union of Democratic Forces] of offering the people "mass unemployment" because the union is oriented toward a more radical dismantling of the inherited command-bureaucratic system of "real socialism." This slogan would have had a more ethical basis had it belonged to some kind of clean political force that was not in power until yesterday and did not engage in costly experimentation in its economic policy. What is curious is that this noisy accusation comes from a hastily renamed party

whose recent uncontrolled economic policy created the reasons for eventual future unemployment.

#### Origins of the Nightmare

The appearance of unemployment in a country depends on two things: the mass layoff of workers or employees as a result of closing down or curtailing the activities of a large number of enterprises or state departments, and the steps taken by the authorities to transfer the released manpower (with or without retraining) to new jobs, where it will be more useful to society.

Mass unemployment appears when the number of released people is much higher than that of people who have found new jobs. It is hardly necessary to point out that such a change in jobs (particularly if retraining or relocation become necessary) sometimes causes bigger or smaller upheavals in the lives of many people.

There are two reasons for a more extensive release of manpower in Bulgaria in the near future. The first is the need to reduce the bulk of the inflated bureaucratic apparatus in enterprises, former trusts (today companies), municipalities, state departments, and the administrations of the BCP [Bulgarian Communist Party] and the various official organizations, and so on, the purpose of which was to control everything within the boundaries of the command-bureaucratic model of a planned state socialism. Most of this apparatus becomes unnecessary with a real conversion to a market economy. This does not mean that in a market economy the state will not fulfill important regulatory functions. However, because of the essentially advisory methods of influencing the economic units, such activities will need far fewer personnel. Entire departments and public organizations or parts of them will become totally unnecessary and will have to be closed down. In the case of others, their activities and personnel will have to be drastically curtailed. Naturally, this does not apply to areas such as education, health care, culture, social security, communications, and so on, which will continue to be primarily the responsibility of the state.

The approximate scale of this phenomenon can be seen by the fact that in bourgeois Bulgaria, according to the 1941 budgets of state and autonomous institutions and the budget of the final year before the country became involved in World War II, there were 74,086 state administrative employees, including career military ranks (the overall number of state employees totaling 153,214 minus teachers, higher education personnel, medical personnel, agronomists, foresters, veterinarians, feldshers, and various agricultural and forestry technicians, Bulgarian railroad employees, and employees in ports, the state printing press, and communications). Let us not forget that at that time, as well, the state performed important economic functions such as regulating foreign trade, credits, labor relations, currency exchange, and so forth. Today (according to the latest data for 1988), the overall number of state and municipal

employees, as recorded by the Central Statistical Administration, totals 1,318,957 persons, of whom, after respectively subtracting those employed in education, science, culture, health care, transportation, trade, communications, agronomy, forestry, and veterinary medicine, there remain 554,501 administrative personnel. However, we must bear in mind that this total number does not include the personnel of the "confidential departments," which are not included in our official statistics: the personnel of the Ministry of National Defense; the Ministry of Internal Affairs; the State Council; the Council of Ministers, with its various services; the party and other official organization regular personnel; and others. In 1988 their number was in the six digits. All of this indicates that the administrative apparatus increased at least eightfold compared to 1941, although the country's population increased by no more than 30 percent, minus those who recently left the country.

It is true that today many specialists with secondary and higher training employed in the enterprises are also listed as state employees. However, this does not substantially change the picture if we bear in mind that many of the jobs held by employees in the eliminated areas of employment, culture, trade, and so forth, were parasitical management positions, thus inflating the administrative-accountability personnel. It is true that at the start of 1990 some reductions had been initiated. However, they affected no more than several tens of thousands of people (essentially the party apparatus) and were postponed until after the elections. Some of those who were laid off were kept as "reserve" personnel or else were transferred to other departments.

Naturally, it would be totally wrong to believe that these more than 554,000 administrative-management employees must be immediately laid off in their totality. The state will continue to perform regulatory functions that will require the proper personnel. As a minimum, we could accept the number of state administrative employees for 1941 (which included some 10,000 police and plainclothesmen) plus a 30-percent increase because of the increased population of the country and as much because of the new functions undertaken by the state in recent decades, such as environmental protection, new institutions related to the scientific and technical revolution, automotive control, and so forth. This means 74 plus 45, or about 119,000 persons. The difference is more than 435,000 people who tomorrow will become surplus, following a real conversion to a market economy.

Until 10 November 1989 a significant percentage of these potentially surplus employees were ordinary non-party people. The remainder were members of the BCP-Bulgarian trade unions because, until recently, that party had official monopoly over virtually all leading and "responsible" positions on the high, middle, or even low levels. We should expect a sharp opposition on the part

of these people unless they ask themselves which party is to be blamed for the creation of such an inflated administrative apparatus.

With suitable pressure, such potentially unnecessary administrative officials may also keep their state jobs for years on end without actually engaging in socially useful labor in a market economy. However, this means that we shall not eliminate the current high state budget deficit and further inflation.

#### The 'Great Advantages' of Central Planning

The second potential source of future unemployment is our industry. We are far from the idea of negating all that had been done in terms of industrialization, starting with 1948. However, in the course of four decades we developed an industry based on strict administrative protectionism. All external competition was eliminated thanks to state monopoly of foreign and domestic trade. The centralized planned management of the economy also excluded any type of internal competition among enterprises, which held a monopoly status on the national market. Many or even most of the cumbersome state enterprises enjoyed the heavenly opportunity of vegetating, while producing expensive and substandard goods. This was the inevitable result of the aspiration of the BCP to build or expand enterprises at all costs and thus maintain a fictitious higher growth rate of industrial output in order to enhance the prestige of the system and of "real socialism." In practice, however, the results of such activities were quite modest (sifting through the familiar tricks in the statistical selection of plan indicators issued by superior authorities). Dominant was the aspiration to appoint two or three persons to perform a type of work that objectively could be performed by a single person.

The results of all this can be seen in the following comparison made by the author on labor productivity in our industry, expressed in the annual industrial output per individual employed in the sector in 1988 and recomputed in dollars. The computation was based on data on the sum of the overall industrial output and the number of employed individuals in the processing industry by country, which was based on the latest published UN statistical yearbook and recomputed for 1988. The resulting indicators in national currency have been recomputed in U.S. dollars based on the average market rate of exchange in the individual capitalist or developing countries and the official parity rate or the rate for noncommercial payments within CEMA countries. Following, rated according to the size of the average annual output, in dollars, are the results for 38 countries (the figures marked with an asterisk should be considered inflated because of an unrealistic official rate of exchange between the national currency and the dollar):

Bangladesh, 4,243; Peru, 5,565\*; Sri Lanka, 7,702; South Africa, 11,035; India, 15,316; Philippines, 15,396; Bulgaria, 18,040; Hungary, 18,428; Uruguay, 18,839;

Kenya, 19,117; Poland, 19,324; Mongolia, 19,818<sup>\*</sup>; Portugal, 19,969; Cuba, 20,036<sup>\*</sup>; Tunisia, 24,944; Hong Kong, 26,700; Czechoslovakia, 26,711; Turkey, 29,391 (with a six-day workweek and a longer workday); USSR, 32,049<sup>\*</sup>; Syria, 33,410; GDR, 46,336; New Zealand, 40,504; Yugoslavia, 43,446<sup>\*</sup>; Chile, 43,991; South Korea, 45,248; Spain, 49,051; Sweden, 68,083; Singapore, 69,231; France, 70,764; Great Britain, 71,342; Austria, 77,614; FRG, 81,857; Finland, 87,122; Italy, 88,042; Canada, 115,489; Japan, 119,139; and United States, 136,859.

No particular comments are necessary concerning Bulgaria's unseemly place in this classification, although inevitably such comparisons include a certain dose of conventionality. Such conventionality, however, cannot entirely refute the results concerning labor productivity in our industry as a whole, which appears to be six to seven times lower than that in the leading capitalist countries and lower by a factor of two and a half to five, compared to the other developed countries. Even if, for the sake of making us feel better, we would halve this difference, it would remain high.

Equally important is the negative trend of development. If we were to make a similar computation concerning the situation in 28 countries with comparable data for 1971, we would see that at that time the relative level attained by Bulgaria in terms of labor productivity was 16 percent of that in the United States (in 1988 it had dropped to no more than 13.1 percent). A greater or lesser decline may be seen for all other CEMA countries (GDR from 46 to 33 percent; Czechoslovakia from 25 to 19; USSR from 34 to 23; Poland from 19 to 14; and Mongolia from 17 to 14). Had the trend in the rest of the world been the same, we would have had some justification. In most of the developed and developing countries that were studied, however, we can see a narrowing of the gap compared to the U.S. level.

#### Shall We Become the Poor Relative of Europe?

Considering this low labor productivity, we cannot enter the European home, although, temporarily, this may be the reason for certain concessions as granted to a poor relative. With such productivity we cannot afford the luxury of an open-market economy as an eventual member of the European Community because we would remain forever noncompetitive on the foreign market and would be unable to safeguard even our own domestic market without strong protectionism.

One could debate about how many of our present workers and employees among the executive and the administrative-technical cadres will be let go by our manpower-overburdened industry in the near future, under the pressure of external and internal competition. Given the present customs fees and other commercial conditions, an approximate estimate is that it could affect, as a minimum, several hundred thousand people (with more than 1.6 million currently employed). We have no other choice, following the collapse of the

former CEMA principles. In its maximal variant, given renovated equipment, this figure may reach seven digits.

These thousands of persons cannot be personally blamed for the fact that until yesterday a monopoly ruling party pushed them out of the villages and directed them into jobs in a poorly structured industry that, in tomorrow's market circumstances, will not need so many personnel. They could demand of that party an explanation for its errors in economic policy. However, this would not change the fact that today many people objectively are not creating a national income although they hold full-time jobs in industry. With the help of the state, they will have to find another application for their efforts, which would be more useful to society.

#### The Policy of the Future

Given this situation, two choices of economic policy are possible. The first is a two-step or multiple-step radical conversion in breaking the chains of the current centralized administration of the economy, based on state ownership, without allowing unprepared changes. Thus, based on the direct material interests of the working people, the new production relations will lead to a fast increase in output and the opening of a large number of new jobs, after the sifting process based on a healthy economic sense and competition would eliminate anything that is either unsuitable or unnecessary and that hinders economic progress. This will enable us to avoid mass unemployment. Such a policy could easily become, however, a target of noisy demagogic attacks (particularly on the part of those who are responsible for the present crisis). However, it is impossible to cure our sick economy if everyone calmly remains in his old job in industry or administration, although it may be objectively useless to society. The time has come to pay for the accumulated economic policy mistakes made by the old nomenklatura class.

The second option is to postpone for an indefinite postelection future the resolution of the grave economic and social problems resulting from the policies of the BCP. Such is the uncertain and largely conflicting policy of the present temporary government, aimed at a delayed and rather partial conversion to market relations, while retaining for as long as is possible, state ownership and important elements of the compromised command-administrative model as a prerequisite for keeping in their leading positions the old nomenklatura leadership. Such a policy is like the behavior of a cowardly or ignorant driver who is simultaneously pressing both the gas and the brake pedals in the vain hope of moving ahead the stuck economic vehicle (or perhaps motivated by the secret intention of merely showing efforts and then declaring to the passengers that the market is, in general, unsuitable as an engine and that we should go back to the old system of fictitious universal employment and poverty). However, this is not the way to eliminate the future appearance of truly mass unemployment the moment an initial attempt is made of

truly opening our economy to the world. The people must opt for one of the two ways.

## CZECHOSLOVAKIA

### Export Licensing Requirement Published

90CH0267C Prague SVET HOSPODARSTVI in Czech  
13 Jun 90 p SP3

[Article by Eng. Ivan Frost, director of the Department of Licensing at the Federal Ministry of Foreign Trade: "Are You Applying for a License?"]

[Text] The abandonment of the strictly centralized system of the plan, together with the ongoing demonopolization of foreign trade, has resulted in the creation of entirely new approaches toward the conduct of foreign trade activities. Every producer, in other words, even a private individual, has the opportunity of exporting his merchandise to any territory for convertible currency. With minor exceptions, intended to protect the domestic market, full liberalization of exports and imports of engineering products exists. Manufacturers who obtain permission to conduct foreign trade activities may export their own production virtually without limitation.

On the other hand, in view of the restricted domestic raw materials resources and, thus, the necessity to import a number of components, it is the task of the state to assure the adequate protection of commercial policy and ecological interests and the delivery of basic inputs for the needs of production and for supplying the domestic market.

Consequently, the Federal Ministry for Foreign Trade has been charged by the government of the Czech and Slovak Federated Republic to establish quantitative or value limits for the export of selected merchandise, particularly with respect to fuel and energy commodities, metallurgical material, lumber, food and foodstuffs, chemical products, pharmaceuticals, building materials, and some other items. The listing of these components will be expanded or contracted in conjunction with the results achieved by the Czechoslovak economy and in conjunction with developments in the domestic market.

For the ruble area and for clearings involving Yugoslavia, the existing system of issuing licenses will be retained for 1990. This means that in relationships with these countries obligations based on concluded protocols regarding the exchange of goods for 1990 will be adhered to.

In conjunction with the resolution of the Government of Czechoslovakia, dated 4 May 1990, a licensing system will become effective 1 July 1990 in relationships with the free currency region. As of that date, individual entities which are entitled to conduct foreign trade activities are obligated to submit applications for the allocation of licenses covering components subject to the licensing regulations to the Department of Licensing at the Federal Ministry of Foreign Trade.

Effective 1 July 1990, customs officials will not permit the passage of merchandise listed in the Czechoslovak export item list which is subject to licensing regulations other than merchandise for which a license has been issued and for which a contract has been signed prior to 30 June 1990. All domestic entities with a right to conduct foreign trade activities, which was granted by 31 May 1990, shall receive a listing of merchandise subject to licensing regulations by the end of June. Possible additional information will be published in the Official Gazette of the Federal Ministry of Foreign Trade, in HOSPODARSKE NOVINY, and in SOUKROMY PODNIKATEL.

Authorized entities will be submitting applications for a license pertaining to their anticipated exports in the year 1990, including exports already realized during the 1st half of the year, in the following format:

1. Name of exporting entity (maximum of 30 characters).
2. Identification number of exporter (ICO).
3. Nomenclature of merchandise according to customs tariff schedule (minimum of four decimal places).
4. Name of item (maximum of 60 characters).
5. Value, quantity, unit of measure:
  - Quantities with units of measure need not be listed where it is impossible to so express them.
  - Value in prices quoted as "all charges prepaid to border" in korunas (must always be listed).
6. Requested duration of license validity (from—to).
7. Per kilogram price.
8. Identification number of supplier.
9. Purpose of export (direct delivery or completion of capital assets).
10. Registration number for foreign trade activity.
11. Permit number to engage in foreign trade activity.
12. Date application submitted.

The difference as to whether to list a permit or a registration lies in the character of the exporting entity. Whereas the producer is obligated to submit a registration number, the exporting intermediary must submit the permit number.

An application for a license may cover only one licensed component.

The decisions will be mailed to the address of the exporter in accordance with the listed identification number.

An entity that intends to export merchandise listed in the list of components subject to licensing regulations may submit an application at any time during 1990. Applicants who already have contracts covering licensed goods shall submit applications by 20 June. After 15 August, not even merchandise subject to licensing regulations which has already been contracted for will be permitted to cross the Czechoslovak border without a license.

If customs officials determine that regulations have been violated, the exporter can be fined, in accordance with the customs law, and the magnitude of the fine can be as much as the value of the merchandise involved.

An assigned license is not transferable and there is no appeal against a decision pertaining to an application. The applicant must notify the Federal Ministry of Foreign Trade within 15 days of the instant he finds out that there is a circumstance which prevents him from utilizing the license, so that the license can be offered to another interested individual. The Federal Ministry of Foreign Trade can take away a license in the event commercial policy interests or, as a matter of exception, other important interests so require, if the license has been issued on the basis of false data or if stipulated conditions were not adhered to.

### **Financial Management Changes Under Market Economy Viewed**

*90CH0269C Prague HOSPODARSKE NOVINY  
in Czech 3 Jul 90 p 5*

[Article by Eng. Vaclav Houdek, Federal Ministry of Finance: "Change in the Model: Financial Management in State Enterprises During Transition to a Market Mechanism"]

[Text] Currently the financial management of state enterprises is governed by Government Ordinance No. 208/1989, Laws of the CSSR, based on law No. 88/1988, concerning the state enterprise. State enterprise financial management differs greatly from that of stock companies and enterprises with foreign capital participation in that state enterprises use the fund management principle. This needs to be eliminated not only to create relatively similar financial management conditions for different enterprises, but also to help overcome obstacles to potential participation by foreign businessmen in the management of our firms. The author describes planned changes in enterprise financial management along with several considerations relative to a radical economic reform strategy.

The elimination of funds management in state enterprises can result in a financial management model appropriate for transition to other forms of undertaking, without special requirements for other changes in financial management. For example, a state enterprise can then be changed to a holding company, a stock company,

or another corporate form. This also improves possibilities for issuing bonds as well as the conditions for state enterprise contributions to the entrepreneurial activities of other entities.

What this does not improve are the conditions for foreign capital participation, but these conditions also do not exist for stock companies or companies with foreign capital participation currently. The problem is the undervaluation of enterprise property and the lack of any valuation of the real estate used by domestic organizations. This being true, it is still necessary to develop relatively similar financial management conditions for different organizational entities.

### **Assets**

The basis of this new state enterprise financial management should be the formation of basic assets as a primary, initial, company-specific, long-term source of finance that covers the property (resources) of the enterprise. Basic assets would fulfill the same role for a state enterprise as the basic capital of a stock company, or the primary assets of enterprises with foreign capital participation. The formation of basic assets would be accompanied by the elimination of the basic resources and investment fund, the income fund, the capital assets fund, and the securities fund. These are the funds that have been designated as property funds, from which the basic assets will be formed.

State enterprises will no longer use the development fund. Residual amounts in these funds could be transferred to the basic assets or partially to reserves for the financing of noninvestment expenditures on scientific and technological development, or to a reserve fund for its new use as explained below.

After eliminating the development fund, state enterprises will cover investment expenditures on R&D directly from costs with a possible time differentiation. The same would be true for covering expenditures for the repair and maintenance of enterprise social needs facilities, the operation of which would continue to be financed from the cultural and social needs fund.

Working capital, including inventories along with all capital and basic capital equipment, under this form of financing, would be financed with any and all enterprise-specific long- and short-term resources, loans from monetary institutions and all enterprise obligations without regard to the character of the resource (investment or noninvestment).

All free monetary resources obtained by the company from its operations could be used to fund investment expenditures. Investments (including reconstruction and modernization) whether contracted for or absorbed in company overhead could not, however, still be included in costs. Costs could still include capital asset depreciation.

After eliminating the capital assets and investment fund and the development fund, depreciation will cease to play a role of a targeted source of financing, usable only to finance investments. It has already lost this role somewhat since the fund has been allowed to be used as a multipurpose fund.

Under the new financial management model part of the value of capital assets, depreciation (costs), and revenues (after booking) would convert into monetary assets with no change in the volume or structure of resources. Monetary resources obtained in this way could then be used not only to finance investments but to meet all financial needs of the enterprise.

### Funds

The existence of a reserve fund in state enterprises should be maintained. Its role, however, should change to correspond to the role that it performs under other organizational forms. The sole source of fund formation would continue to be allocations from profits after all transfer payment responsibilities have been met. The reserve fund would fulfill a dual role and it would be up to the enterprise whether to divide it into two separate funds.

Primarily the reserve fund would serve to moderate fluctuations in enterprise financial management that appear as inadequate profits after their distribution. When setting up a reserve fund for these possibilities a firm should assess the amount of fluctuation that is likely to occur in its operations and establish the fund accordingly.

This fund could also fulfill the role of a development fund. It would accomplish this by serving as a place to accumulate profits (committed profits) as a long-term resource to help the enterprise cover its economic development needs, i.e. to finance increases in its property or to increase the share of internal long term resources in the financing of its property.

In both cases the formation of a reserve fund should make it possible for an enterprise to finance its own operations without the need for contributions from other entities (including the potential need to issue bonds). Contributions from other entities, after all, become an important part of that firm's responsibilities because those contributing entities must receive a percentage of the profits.

Reserve fund formation, therefore, is closely tied to enterprise responsibility for decisionmaking relative to its business. The enterprise must decide when it might make sense to deposit a portion of this fund in an account at a financial institution to create a reserve of monetary resources to fund its operations.

State enterprises, just as entities in other corporate forms, should not use any special purpose funds formed

fully or partially from sources other than profits. This relates to especially risky funds, but is true as well for other types of these funds.

Cultural and social needs funds and bonus funds should be retained in the new financial management model for state enterprises. They are used, after all, to finance expenditures that cannot be included in costs. Until the final versions of the tax laws are available, which are supposed to deal with this problem, the retention of these funds is a rational policy. In addition, the presence of a bonus fund relates to the focusing of wages payable resources.

In terms of the cultural and social needs fund the transition to a new financial management model will eliminate the responsibility for making minimum allocations from profits to this fund. The allocation is at the discretion of the enterprise, which should remember that there is no upper limit. Clearly, if there are insufficient profits available no allocation to this fund can be guaranteed from the state or national committee budgets. This change will also eliminate the responsibility for depositing the funds of the cultural and social needs fund in a separate bank account.

### Profits

A change in state enterprise financial management should also clearly be accompanied by a change (simplification) in profit allocation procedures. The top priority is accorded to transfer payments from profits to the state budget, national committee budget, to state funds, regulatory and pricing transfers, as well as to fulfill similar obligations covered by profits.

Also to be considered is the possibility, after meeting the above responsibilities, of making allocations from profits to the reserve fund (for instance as a percentage of profits), so that enterprises do not use profits exclusively to satisfy their short-term needs. Stock companies make this stipulation in their statutes, and companies with foreign capital participation have it in their contracts.

The remaining profits should be freely available to the enterprise for use in increasing its allocation to the reserve fund, making allocations to the cultural and social needs fund, to the bonus fund, or to other funds that it has decided to set up (as long as they are formed solely from allocations from profits, or to use directly to cover expenditures that for fiscal reasons cannot be covered from costs. Profits that are not distributed would be transferrable to the next year.

The transition to the financial management model described in this article will certainly cause a number of practical problems for both firms and financial institutions, both of which have been accustomed to the earlier forms of directive, planned management, or the fund management method (the allocation of resources and money according to purpose). It is essential, however, to master these new forms of financial management during the transition to a market economy. The transition to the

new state enterprise financial management model must be made in a relatively short time. The actual deadline for implementing these changes in financial management for both enterprises and financial institutions, and for the necessary legislative changes, should be 1 January 1991.

### Privatization Scenarios Viewed

*90CH0267B Prague SVET HOSPODARSTVI in Czech  
13 Jun 90 p SP1*

[Article by Stanislav Stuna: "Privatization: Do We Have a Good Scenario?"]

[Text] The concept of "reprivatization" originated in countries having a market economy. It is used to designate the transfer of originally private and later, under socialist governments, nationalized enterprises back to private ownership. This process took place (and possibly is still taking place), for example, in Great Britain and also occurred in a number of developing countries. Reprivatization took place under conditions of a market economy where nationalized enterprises form only part of the national economy. Even if nationalization pertained to the transfer of some key branches of industry, it did not lead to the liquidation of the market economy. On the contrary, the market economy continued to develop and proved the inability of the majority of the nationalized enterprises to face the competitive pressure of private enterprises—irrespective of whether they take the form of commercial companies or represent individual entrepreneurs. Many experiences pertaining to the solution of our current problems can be gathered from these reprivatization processes and their forms. However, it is not possible to adopt them as finished dogma because, in this country, we are dealing with solutions of a qualitatively different problem.

Our basic problem involves the introduction of a market economy which was essentially liquidated as a result of 40 years of general state directive-type management. To introduce a market economy means primarily to renew the functioning of the actual market and of the categories characteristic of it. This presupposes the creation of a system of legally independent entities in the economic sphere which must be liberated from the dictates of state organs as directly superimposed institutions, making decisions on key questions of the conduct of their subordinate economic entities. It is necessary to extract the economic sphere as a whole from the state form of organization pertaining to society. This presupposes the reduction of the concept of the state to a form of political organization of society as a resident of territory circumscribed by the state borders and to have it give up its function as the direct organizer of the national economy. Only in this way can a market economy which is organized by the action of the self-regulating principles governing a market economy be introduced.

In this direction, we have, for the time being, done very little and some notions regarding the way toward a

market economy are actually directly contradictory. First of all, we have retained, in virtually untouched form, the system of central state organs which came into being exclusively for the needs of the state command management such as the various industrial ministries, the State Planning Commission, the Federal Pricing Office, etc. The government continues to consider itself to be the "economic center," called upon to solve all substantive questions dealing with the development of our economy. As long as this situation persists, there can be no actual renewal of the market economy. In contrast, the efforts of the government should be aimed at liquidating its own position as the "economic center," at detaching the economic sphere from the state center by constituting the existing state enterprises and cooperatives as independent capital units, as creators of entrepreneurial aims, and as owners of entrepreneurial capital. In this regard, it is necessary to recognize the plurality of ownership rights tied to entities of economic activity, irrespective of whether these involve individuals or legal entities. Without this plurality, a market economy is unthinkable.

This operation of liquidating the position of the government and of the central state organs as the universal "economic center" must be accompanied by economic provisions aimed at liberalizing prices and opening up the economy by liquidating the existing conception that the state has a monopoly on foreign trade.

In the future, the government must orient itself primarily toward the consistent assurance of public interests in the classic sense of this concept, that is to say, toward assuring public order, the defense of the state, the integrity of citizens, the general level of education, the protection of national and nationality interests, cultural monuments and traditions, etc. Its priority task must become the protection of the environment and the social protection of citizens which are in any way handicapped in the opportunity to apply their skills in the labor market. At the same time, however, the government cannot continue to be responsible for the economic results of entrepreneurial entities. On the contrary, in this sense, conflicts of interest must arise between the government and the economic sphere, in other words between public and private interests. These conflicts will be manifest in particular regarding questions of the tax system and of the state budget. However, the state budget will necessarily be unburdened from the task of redistributing capital in the economic sphere.

We can discuss the forms of institutional arrangement in the economic sphere and the new arrangement of the organs of state administration, we can seek the best ways to solve these questions, but we should perhaps no longer be debating the necessity for separating the state and the economic sphere.

We now return to the question of reprivatization. Countries that undertook reprivatization remained as states in the traditional concept of the state during the existence

of a market economy. Their governments never considered themselves to be universal "economic centers" even when they were the operators of part of the industrial potential of the country. Nationalization took place on the basis of compensation so that, understandably, even "reprivatization" is carried out on the basis of a compensatory transfer of the assets of nationalized enterprises to private entrepreneurs. For example, the British Parliament directly sees to it that the government undertakes reprivatization under the most advantageous financial conditions. Consequently, in the case of some state enterprises, the reprivatization process takes years because the government is attempting to bring these enterprises to such a state that their sale would be as lucrative as possible.

In this country, however, for the most part, it will not be a question of reprivatization, since a substantial part of today's economic potential has lost any kind of connection with private ownership. We might sooner speak of a privatization which will involve individual operating units or smaller enterprises, the operation of which by individual entrepreneurs appears to be far more advantageous than their operation within the framework of bureaucratized state enterprises. This sale or leasing of parts of existing state property will undoubtedly be advantageous to both sides. However, even so, a substantial portion of the capital will remain within the sphere of the existing scope of state property. Proponents of the concept of "reprivatization" have in mind to continue holding this entire mammoth capital complex as a state complex and to gradually sell it off through the State Office for Reprivatization to private interests which will create holding companies for this purpose. This is the scenario for "reprivatization" taken over from various conditions of actual "reprivatization," as I have mentioned previously. I am convinced of the lack of suitability of this scenario in our completely different conditions, but I judge that it would essentially lead to serious economic as well as sociopolitical convulsions.

### **Privatization, Enterprise Problems Discussed**

*90CH0269E Prague HOSPODARSKE NOVINY  
in Czech 3 Jul 90 p 3*

[Article by Eng. Josef Palan, Prague Agricultural College:  
"Is Pure Neoliberalism Enough?"]

[Text] The author attempts a systematic view of the crucial problem of privatization and entrepreneurship, and points out the danger of a purely monetaristic approach to economic management.

One of our basic economic objectives is to assure full employment. This concept allows for about two percent unemployment. This is the goal, but it is very difficult to achieve. Once the six percent unemployment level is passed one begins speaking of mass unemployment that indicates serious disruptions in the functioning and management of the country in question. Take the example of Great Britain where unemployment hovers

around the eight percent level. The British Government, despite a generous program of "support for entrepreneurs" and its unquestioned successes, has not been able to get the unemployment figure down. This is clearly the result of one-sided, monetarily oriented economic management based on a belief in the supreme power of the market. It is management that ignores the importance of a coordinated economic policy between the government and most powerful economic and political entities.

Large corporations-enterprises are without a doubt an important and stabilizing element of every economy. After the Second World War certain key economic sectors were nationalized in several countries. Over the next few years many of these countries began to privatize these sectors again. The level of privatization of the public sector varies greatly from country to country. France is an extreme example, where the public sector includes coal, electric power, gas, nuclear power, railways, airlines, public transportation, communications, the post office, most banks, the merchant marine and insurance companies. The United States is at the other extreme, where the public sector includes the post office and part of the railway system. Other countries fall between the two extremes. This means that it cannot be stated that full privatization is the best thing to do. Generally privatization programs are undertaken to change the economic atmosphere, i.e. to improve capital utilization and thereby efficiency. The decisions about what to privatize and what not to privatize are made very carefully.

The full privatization of our large firms, if it takes place too quickly, would result in the sale at a low price of our national capital and would result in mass unemployment.

Broad entrepreneurial activity by employees who have become stockholders can be a strongly energizing factor in enterprise development. The current practice of developing various forms of employee stock ownership is a major phenomenon of the ideology of popular capitalism in the West. Restrictions on the free sale of stock along with a distribution of capital can result in the regulated sale of important economic entities.

Under our conditions we should accord some priority to selective forms of stock sales. I am convinced that state and enterprise support of the sale of a portion of enterprise stock to its employees with appropriate ownership rights and the selective sale of securities representing a portion of its capital to selected investors who favor technological innovation early in a consolidation phase can have great importance for accelerating the consolidation of state enterprises and its subsequent privatization. The consolidation period can be shortened to three to four years.

Small, prosperous enterprises could embark on this path of shared stock ownership quite rapidly. A precondition is the creation of appropriate institutional backing, especially from lawyers and banks. The transition process of

our economy to a market economy is closely related to the full support of entrepreneurial initiatives.

The systematic formation of a market climate and support for entrepreneurial activity are important roles for the government. This role includes selective tax breaks, limitations on regulatory measures, support for competition and its related institutional liberalization. The experience of Great Britain is an inspiration in this regard. The results of the nationwide program "supporting an entrepreneurial culture" in this country warns us, however, of the serious shortcomings of a purely monetarist approach to economic management.

I think the main reasons for these failures are:

—Insufficient scope and coordination of government economic policy (coordinating government activities with those of banks, large enterprises, important entrepreneurs, institutions the systematic influence of structural development, changes in national redistribution policies).

—Reliance on purely financial tools and a conviction in the universal impact of markets.

As the experiences of France, Belgium, and the FRG show, however, national economic considerations can never be divorced from direct economic interests of employees, nor can the time factor be overlooked.

The one-sided, neoliberal economic policy of the British Government has brought these long term results: increased inflation, inadequate reductions in mass unemployment, an unbalanced developmental structure, increased balance of payments deficit, a decline in the kilogram prices of goods, specialization of firms at lower levels of quality and technical sophistication. There has been a decline in investment in industry and agriculture, and increased investment in banking and finance. There has also been a large flight of capital abroad.

The positive aspects of the British experience include improved discipline and management in enterprises. A politically imposed economic policy has resulted in the extreme suppression of union influence and significant social polarization (because of unemployment and the uneven distribution of incomes). Crime has increased and the social order has been disrupted. Reductions in enterprise expenditures on employee training and inadequate state attention to this area has resulted in a qualitative decrease in educational levels on a large scale.

Economic policy is the art of using economic tools to achieve economic ends. For this reason it is also very important to make continual corrections to the behavior of the economic system in response to changes in external and internal conditions as well as strategic objectives. A consistent, systemic, programmed management system for the economy is an inescapable priority. In this regard our government faces difficult tasks, tasks that will demand better quality management, including

better coordination of activities among the Ministry of Finance, State Planning Commission, the central bank, and other ministries.

### Possible Asset Share Bonds Issue Criticized

90CH0244C Prague ZEMEDELSKE NOVINY  
in Czech 21 Jun 90 pp 1-2

[Interview with forecaster Milos Zeman; place and date not given: "We Shall Not Get Rich With Asset Share Bonds"—first paragraph is ZEMEDELSKE NOVINY introduction]

[Text] Yesterday, we were discussing with the well-known forecaster and member of the Federal Assembly, Milos Zeman, whom to vote for in community elections. Today, our questions are directed at the economic reform and forms of privatization.

[ZEMEDELSKE NOVINY] In our discussion at the beginning of April you called the form of privatization, where citizens would receive free and one-time vouchers from the state with which they could buy shares in enterprises, a utopia. Today, of course, it is one of the official government proposals. How do you view it?

[Zeman] I think that it is a beautiful example of how to present a popular proposal which would certainly receive great support from the public, but the conscience of a representative, and let us say even the conscience of a forecaster, revolts against it. Who would not be enthusiastic about receiving free asset share bonds that he could invest in stock? But the problem is that the mere issuance of securities does not yet create any wealth. Wealth is created by purposeful work. To be sure, we do not have any strong domestic capital ready, and I consider it necessary that people do buy stock. But precisely because there is no strong domestic capital, they should buy it for long-term payments, and those payments, even though they would bring immediate profits, should last perhaps even 10 or 15 years so that a certain expense, or, if you will, sacrifice is involved, such as, for example, that the flexible wage component would be contributed to the so-called capitalization of incomes.

That means, for what you do not spend on food, but what you save or invest, as basically every working citizen does.

[ZEMEDELSKE NOVINY] What then is the main difference between these two concepts?

[Zeman] The difference lies in for what purpose we shall use the means from the privatization thus achieved. In the second concept, which I am proposing, you can use them over a long time to finance specific programs for development which we need and which the market economy by itself cannot yet provide for us. Particularly the program for developing education, program for the protection of the environment, and the program for health care. These three above of all. In the first concept, when you distribute asset share bonds, we shall not have,

of course, any additional means for financing those programs. And so I think that the discussion precisely about this method of privatization will truly be a statesman's test. Some of the representatives will certainly succumb to the pleasing, populist, and I am not afraid to say, also demagogic arguments. Some of the representatives, however, should take the long view and realize that it is a blind alley. So I would conclude with the statement that the process of privatization I am proposing would mean a loss in the short run—but not that significant because dividends could gradually compensate for the payments—and profit in the long run. Improvements in health care will get under way, we shall begin to tackle the damage to the environment, and above all, we shall at last make proper investment in education.

[ZEMEDEL'SKE NOVINY] I believe that people do not have a precise idea about how long the period of transition to a market economy could last. Can an estimate be made as to when prosperity can be ensured? Would it take two or three years and would the standard of living decline in the meantime?

[Zeman] Prosperity will never be guaranteed, because that depends on the specific economic policy and on how it will be carried out by intelligent or less intelligent people. And I believe that from that viewpoint we have relatively good prospects ahead of us. A transition to a market economy, in my opinion, can be realized within two years. But a transition to more complicated structures will last substantially longer, it will require, I believe, a minimum of 10 years, which also is the time we are given in which we can hope to join the European community.

If we shall measure the standard of living by immediate consumption, that is, by the share of our real income we shall spend for such consumption, then I believe that it is essential that it be reduced, and on the contrary it is essential to increase the share which we shall put into the mentioned investments or savings. I repeat, not by turning it over to the state in the form of taxes, for example, but that under a certain economic pressure we shall reduce our consumption. After all, no good tradesman ever wasted his money, spent it recklessly, but preferred to buy new machinery. And that goes not only for private entrepreneurs, as stockholders, it would apply to almost all citizens.

#### **Automobile Industry Joint Projects Viewed**

*90CH0267A Prague SVET HOSPODARSTVI in Czech  
13 Jun 90 p 1*

[Article by Milos Kubanek: "With Whom Are We Going To Go?"]

[Text] Clouds are gathering over the Czechoslovak Skoda automobile. Many people, including today's influential Prognostication Institute, consider it a lost cause. They point out primarily that it is economically inefficient for small Czechoslovakia to be producing its own automobile and to be doing so in such small series.

However, the producers and their superiors at the Ministry of Metallurgy, Engineering, and Electrotechnology have a different opinion and defend it vigorously. Moreover, they intend to present it to the government in the immediate future in the form of a program which actually anticipates an increase in the production of our domestic automobiles over the next three to four years to 250,000 units and, in the long run, to 400,000 units per year (current production is 190,000). They figure that we could concurrently join in the European automobile market through the production of a number of export components and that even a number of components for the Skoda automobile would be produced abroad.

We disregard the fact at the moment that the various industry ministries are necessarily of long duration. The structural concepts which they are now creating could have a longer life span. The most express argument speaking in favor of the current ministerial concept of development for the automobile industry in this regard is the fact that, over a five-year period, estimates indicate that the sale of automobiles in Czechoslovakia would rise to 400,000 units per year. The importation of this quantity from advanced countries (since automobile markets in CEMA countries are quite unreliable) is beyond the means of the Czechoslovak economy given its contemporary production structure. In the event the production of complete automobiles is halted and is replaced by the production of components, we would have to produce Kcs16 billion worth of components to facilitate the importation of 200,000 automobiles, a figure which, according to the ministry, is unattainable. Let us also note that approximately every third Skoda automobile is exported for convertible currency, which results in considerable revenue.

However, with the transition to a market economy, to domestic convertibility of the koruna, and with the liberalization of foreign trade, a number of things will appear in a new light and it is possible to state that the arguments of the opponents of automobile production expansion will take on in strength. Among other factors, the transition to internal convertibility of currency is supposed to mean that the domestic consumer will have the possibility of a greater choice among imported automobiles and that the Skoda automobile will, thus, have greater competition. In the not unlikely case that the Skoda would not succeed in terms of price and quality in the face of strong (if limited) competition, this will mean a further impetus toward indebtedness on the part of the Czechoslovak economy without the formation of corresponding resources. The proclamation of the present ministry, indicating that the state will clearly protect domestic producers in the first phase of liberalized foreign trade through the use of import and export licenses and excise duties may be nice (and given the present overall competitiveness of the producers in the world market is clearly also essential), but in no way guarantees that the Skoda Enterprise, as well as other enterprises, will improve their economic efficiency and effectiveness. The "first phase" can, in this case, be unending.

Similarly, the statement by Minister Slavomir Stracar to the effect that the state has made Kcs550 million available to the Skoda Plant at Mlada Boleslav in order to overcome its financial difficulties and has granted Kcs150 million to the Bratislava Auto Plants in this connection does not portend particularly good tidings. A state which, under the new conditions, is to prosecute its structural policy primarily by issuing general directives and rules for the granting of bank credits could, quite silently, change into a permanent "milk cow" of the developing and ever more influential automobile industry (and not only it).

And to make matters worse, let us add that the domestic production of automobiles under present conditions can become an inflationary factor. In West Germany, the Favorit automobile is currently being sold for approximately DM12,000. Even if West German tourists (as well as East Germans) could exchange one mark for Kcs10—which is approximately the lower limit of the anticipated official rate of exchange following the introduction of internal convertibility of the koruna—purchasing a Favorit in Czechoslovakia would cost them DM8,500 plus a commission for black market and under-the-counter businessmen. The danger of selling out the domestic market inventory of Favorit automobiles can be prevented only by administrative limitations placed on its export or by increasing its price.

To seek a way out of this infernal situation, which is influenced not only by purely economic factors, but also by factors of "national pride" and even by pride in the relationship between Czechs and Slovaks, will, thus, not be simple. The way which the ministry and the manufacturers have elected is the capital joining of the Czechoslovak automobile enterprises to one or another of the large world automobile manufacturers. In this regard, the center of attention rests primarily on the Skoda Enterprise at Mlada Boleslav and on the BAZ Enterprise at Bratislava, which have already separately received two serious offers from General Motors and from Volkswagen. In conclusion, we present brief information regarding the hitherto known details of the negotiations:

Skoda at Mlada Boleslav originally received 24 offers for cooperation from foreign partners. Currently, only six large companies are in the game; in addition to the already-mentioned General Motors and Volkswagen, they are Citroen, Ford, Mercedes, and Renault. The final agreement with one of these is supposed to be concluded in October of this year. Czechoslovakia wishes to preserve a majority capital participation and the producer is demanding that employment not be reduced.

The BAZ Plant at Bratislava: Both parties which have shown interest hitherto are demanding majority if not 100-percent capital participation. Otherwise, they are not interested. The production program should include production of utility vehicles weighing up to one ton (ambulances, minibuses) and export transmissions.

### **Economic, Ecological Problems of Gold Mining in Mokrsko Viewed**

*90CH0244D Prague ZEMEDLSKE NOVINY  
in Czech 21 Jun 90 p 2*

[Article by Helena Bednarova: "Will the Splendor of Gold Blind Us? The Dispute About the Future of the Mokrsko Gold Vein Remains Unsolved"]

[Text] Mokrsko, a community not far from the Slapy dam, a place that in the span of a few months gained the reputation of a domestic Klondike. The main contribution to it was made by the media which readily became something of a platform for heated discussions among lay people as well as specialists looking for an unequivocal answer to a truly difficult question. "To mine or not to mine."

Yes, in the Mokrsko area there actually is a vast deposit containing approximately 40 tons of gold dispersed in microscopic particles in rock (in the amount of approximately one to two grams of pure metal to one ton of rock). The unpleasant fact is, however, that the only possible way to obtain this "dispersed" gold is the so-called method of dynamic leaching by toxic sodium cyanide, the use of which would mean for this uniquely undamaged area a blow below the belt at the very least. Although people who have a stake in this insist that the cyanide technology, without which the Mokrsko gold cannot be obtained, has been tested and proven abroad and that it is therefore entirely safe in the hands of experts, is it really so?

Experts in ecology, as well as the residents and cottage owners in the entire recreational area see the reality in a somewhat less rosy light. They judge correctly that mining with the participation of foreign firms would mean an economic and ecological devastation of our nature—after all, the yield of gold in the Mokrsko area (in the value, as mentioned, of one to two g/t) is not and cannot be efficient, when the world yield, for instance in Japan, reaches values hundreds of times as high. Moreover, the foreign participation with a half-share of the profit looks too suspiciously like the crafty policy of advanced countries which want to prevent devastation of their own countries by shifting harmful mining operations and productions to developing countries...

We should all realize that even in this respect the Mokrsko gold mine is truly golden. Whether we want or not, besides the 300 hectares of agricultural and forest land, which would fall victim to the mining, there exist many other arguments which require that we give it thorough consideration before making a definite decision. I have in mind particularly the not negligible risks for the area in the immediate proximity of the Vltava river (45 km from Prague)—very finely ground rock disperses dust in a radius of 1,000-2,000 meters and also poses (and that above all) a serious danger to ground water and the Slapy basin itself as well. After all, the

neutralization of the cyanides sometimes takes decades and moreover its effectiveness is not total—it fluctuates around 92 percent.

Time flies, but the solution of the problems remains out of sight. Certainly, on one hand for our Republic the gold deposit would cover for a decade our need for gold which we have been buying until now in London for hard currency, but again on the other hand—let us think realistically. For the sake of the unprofitable mining of uranium ore entire districts have been recently devastated, because of the brown coal mining our North Bohemian forests are literally dying before our eyes, our atmosphere has no competition in being the most polluted in all of Europe. Many times already we had the opportunity to learn that nature is one vast and extremely delicate mechanism, where everything is interdependent and a single mistake can cause disruption. Do we indeed have the right to place it at more, perhaps fatal, risk?

## HUNGARY

### New Central Bank, Statistical Office Chiefs Appointed

25000759A Budapest NEPSZABADSAG in Hungarian  
29 Jun 90 p 4

[Report by R. Zs.: "Cadre Exchange"]

[Text] Effective 30 June, the provisional president of the Hungarian Republic relieved state secretary and president of the Hungarian National Bank [MNB] Ferenc Bartha of his duties at his own request, with recognition of his merits. He also appointed Dr. Gyorgy Suranyi as president of the MNB effective 1 July 1990. Simultaneously, Imre Tarafas, the MNB's first deputy to the president, and MNB deputy presidents Dr. Laszlo Body, Sandor Czirjak, and Dr. Frigyes Harshegyi were confirmed in their present positions.

\* \* \*

Dr. Gyorgy Vukovich, the new chairman of the Central Statistical Office, was sworn in yesterday. On this occasion we asked that he introduce himself and state his most important tasks.

"I have been working in the Office for 35 years; since 1980 I have headed the social statistics division. In the 1960's I taught postgraduate courses in demography for a while, and then I moved to Geneva and worked as a UN official. In that position I dealt with the possibilities of European demographic cooperation. I regard this as an important issue at present.

"Statistics have come to a turning point as a result of the transition to market conditions, and because of the planned 1992 integration with Europe. Economic statistics in particular require rapid development. There are many new entrepreneurial ventures—these are the new providers of data—and this will result in a quantitative

increase of our workload. We also receive far more information than before from the government, and this too must be processed. A qualitative change in our work will result from the fact that we will discontinue full-scale assessments; representative sampling of data appears to be much more appropriate. Within the office we have begun drafting the new law on statistics. This will represent a modernization of the 1973 law which is obsolete in every respect."

### SZDSZ Terms Economic Package Plan 'Another Ransom'

25000758B Budapest NEPSZABADSAG in Hungarian  
4 Jul 90 p 5

[Article by R. S.]

[Text] Yesterday afternoon during a recess in Parliament the Alliance of Free Democrats [SZDSZ] gave an unsatisfactory grade to the government's economic package plan presented only in a sketchy form. The plan will be debated in the upcoming days.

Prominent SZDSZ members, faction leader Peter Tolgyessy, and experts Marton Tardos and Karoly Attila Soos, announced at a press conference that their party believes that the steps [outlined] are not clear in their context, and that from the standpoint of the future the supportive reasoning is insufficient. They stressed that during the election period the SZDSZ did not say that the economic transition may be realized without measures which have an unfavorable impact on the populace. Nevertheless, the measures announced at present which require parliamentary approval appear to [be the results of] hasty [action]. Constraints were not defined as organic parts of a program which serves as the foundation for economic uplift. The SZDSZ representatives were particularly aggrieved by the fact that partial solutions in the social welfare area do not support the most fallen strata, and that the rate of compensation for price increases is not appropriate.

After announcing the [SZDSZ] position, NEPSZABADSAG asked whether the announcement of the SZDSZ's separate opinion may be interpreted as having kicked up the 100 days of patience requested by the governing coalition. Peter Tolgyessy hastened to respond: Their understanding of the period of patience did not amount to abstaining from exercising the critique of mistakes. The way the SZDSZ sees it: Just as before, they once again are trying to obtain a ransom from the populace in lieu of an undefined goal. Marton Tardos added that in their view the measures outlined do not serve the purpose of recovery from the economic crisis. They could not understand why these emergency actions were not described at the time the government program was proclaimed. Asked about the consequences they are counting on, the representatives replied by saying that they would be unable to prepare a prognosis in this regard. In any event, the summer price increases remind them of the economic policy of the previous era.