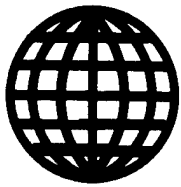


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13 MAY 1992



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Berisha: Recovery Will Take 15-20 Years

AU0705140592 Tirana RILINDJA DEMOKRATIKE
in Albanian 22 Apr 92 pp 1-4

[Interview with President Sali Berisha by Skender Shkupi, secretary of the RILINDJA DEMOKRATIKE Editorial Board; place and date not given: "A People Like Ours Are Promised and Will Have a Worthy Future"]

[Text] [Shkupi] Mr. President, you are the best-known person not only in Albania, but abroad. Do you think that this special position may create a sort of danger if solutions to the nation's most crucial problems are delayed?

[Berisha] To be frank, I would not relate any of these things to my person, but first for me personally and for the parliament delays would undoubtedly be unforgivable. The government arising from the 22 March elections gained not only a strong and difficult mandate, but also sound credibility at home and abroad. It is necessary to use this credibility wisely in reconstructing the ruined economy without losing even a minute, solving the people's concerns and worries fairly, and fighting against crime.

[Shkupi] The Socialist Party has fiercely attacked Mr. Meksi's new government, especially the defense minister. For instance, is it inevitably necessary for Mr. Zhulali to be a military serviceman?

[Berisha] In general, the new government of Mr. Meksi has been well received by the people. This cabinet is certainly not the ideal one, but I think that this is the first democratic cabinet of Albania in the last 70 latest years. It is composed of intellectuals who are distinguished in their fields, speak foreign languages, and are determined democrats. The main criteria in their appointment have not been personal sympathies or relations, but their ability, wisdom, honesty, seriousness, and commitment to democracy. For the first time, we have in this government people who have won sympathy, confidence, and popularity among the people by opposing the former regime.

In forming Meksi's government we have tried to consider geographical criteria, where this was possible. Its members come not only from three or four areas, but from all of Albania and the people are pleased by this.

When I stressed that this is the first really democratic cabinet, I considered the fact that it was formed in full conformity with Helsinki principles. These criteria require that the Defense and Public Order Ministries should necessarily be run by civilians. That is why we appointed Messrs. Zhulali and Kopliku to head them. As for the arguments over this question, I stress that these have arisen from lack of knowledge about this issue. The defense and public order ministers have been and are civilians in every democratic country. Civilian officials have also been extended to other directorates.

The minister guarantees to apply the state policy in the Army or police, whereas the general staff ensures its responsibility and professional and technical leadership. Albania has entered a new era, the age of democracy. It will strictly apply all the obligations deriving from the Helsinki Act. That is why I am confident that Mr. Zhulali, who is a determined democrat and an efficient intellectual, will capably run the ministry entrusted to him.

[Shkupi] Our foreign policy has traditionally been stiff and very clumsy. Can you tell us what possibilities the victory of the Democratic Party opens for this policy, not only for the country's economic revival, but for protecting our national rights in the international political arena?

[Berisha] Our foreign policy will be a policy of open doors. It should aim at creating every possibility to integrate Albania into Europe and simultaneously to protect and fairly solve the Albanian question. It should help and facilitate the economic revival of Albania and its membership in international institutions and organizations.

[Shkupi] In an interview given recently to the daily paper of Pulia, LA GAZETTITA DEL MEZZOGIORNO, you stressed that "We will need at least 15 or 20 years for a total transformation," a phrase that was underlined by ZERI I POPULLIT on 16 April 1992.

How are plans for the country's economic revival?

[Berisha] I have admitted not only to this paper but to other papers that we will need two years to begin to feel the economic revival. I think that Albania will need at least 15 or 20 years to reach an economic development in all areas and at levels we would like. Perhaps others are expecting this moment to come earlier or later. It does not seem long to me when I think that transforming Albania from one of the poorest countries of Europe into a developed country requires 15 to 20 years. As regards the plans for the economic revival, the new government's program clearly defines its basic guidelines for decisive economic reforms. I am of the opinion that two factors are decisive: our work and the economic cooperation with the foreign world. We will be able to revive our economy only by interweaving these two factors.

[Shkupi] One of the intense points of the debate between the two strongest current political tendencies in Albania is the problem of the deep contrast between the liberalized prices and wages, which have been frozen at traditionally low levels. How do you think this contrast can be alleviated?

[Berisha] It is more than true that this difference has had a strong influence on the living standards of the great majority of civil servants. I have repeatedly discussed this problem with representatives of the IMF and the World Bank. Some express the view that an intervention is necessary. I have also discussed these problems with

the trade unions and I will discuss them with the government and the IMF. The government will then take the relevant decision.

[Shkupi] The long years under dictatorship have succeeded in damaging and deforming many virtues of our people. Crime and acts of violence have increased today and ethics and the basic elements of people's behavior have been distorted. Do you think that these problems are less important than ensuring food? Do you consider it appropriate to establish strict laws to prevent crime and eradicate the psychology of violence?

[Berisha] It is true that the long years under dictatorship have sapped the morality of society, as Mr. Havel puts it. Moreover, I want to stress that man's spirit and culture are thousands of years old. Thus, the disease of morality is not incurable. It is curable and completely surmountable. It is of great importance for us to develop citizens' qualities and human virtues and to encourage the development of culture. This will make it entirely possible to overcome the spiritual crisis we are undergoing.

It is of great importance not to forget that on 22 March we defeated communist rule, but not communist customs and traditions. A very distinguished dissident named Polot writes that in the communist totalitarian system, the slave and enemy of communism are modeled according to the communist system. This means that in our struggle to establish democracy, we should recall these words every day and avoid using "old models" and communist practices, which at present exist for everything.

I do not think that our laws are not strict, just as I want to stress that crime and corruption in Albania can be successfully fought against by respecting the laws. The president, prime minister, minister, judge, and citizen should respect the laws in the same way. I am confident that by following this road, we will establish peace and calm without needing procedures, investigator's offices, courts, or special laws.

[Shkupi] The socialist press has recently been insisting on three issues that were forcefully raised by the Democratic Party last year: to continue the trial of Shkoder, punish the block men [former Politburo members], and solve the riddle of the gold. Is there perhaps hesitation on the part of the new government to pursue to the end these problems, which weighed like balls and chains on the legs of the former communist governments?

[Berisha] The three issues you mentioned are fair and need to be solved as soon as possible. I am of the opinion that it is a baseless and premature pretense to think that the government of Mr. Meksi is hesitating at a time when it has taken its oath of office only two days ago. For my part, I will ask the government to commit itself within its competences to solving these problems that are very worrying for the whole Albanian public.

[Shkupi] What, according to you, are the short-, middle-, and long-term prospects for Albania as a state and the prospects for the Albanian nation?

[Berisha] I cannot but be optimistic. I am always confident that there exists a solution to every difficult situation. We can solve our future by ourselves if we commit ourselves with great dedication and establish cooperation with other states. What we are asking now are the undeniable rights of every nation. That is why we will work and insist on fulfilling them. Of course, our first steps are difficult and the road we have to follow is not short. I am confident that a people like ours is promised and will have a future that will be worthy of its culture, aspirations, and great ideals.

[Shkupi] Thank you.

Pashko Interviewed on Economic Prospects

*AU0705142992 Tirana RILINDJA DEMOKRATIKE
in Albanian 29 Apr 92 p 3*

[Unattributed interview with Gramoz Pashko, Democratic Party People's Assembly deputy and former deputy prime minister; place and date not given: "Separation of Parties and the State—The Key to Democracy"]

[Text] [RILINDJA DEMOKRATIKE] You have said that Albania needs one year to achieve stability. Do you still keep to this statement?

[Pashko] I was wrong. I did not properly recognize the role of the state mechanism and the role of the mechanism called popular psychology. In theory, the situation is as I envisaged, but develops differently in practice.

We Albanians experienced five centuries of the Ottoman Empire at a time when the countries of Central Europe experienced the Habsburg democratic tradition. Our psychology was formed under the monarchies of Zog and Enver Hoxha. We have now gained political and human freedom. There are many of us who think that this is now the end. However, stabilizing the economy demands even more sacrifice, a struggle against inflation, strict measures to limit the amount of money in circulation, and controlled rather than spontaneous privatization. These measures demand a stabilized state directed by a political class that has gained the people's vote of confidence. However, the measures that must be taken also demand a people who are ready to accept the solutions the political class will offer. We lack both the one and the other. For instance, when we intended to restrict the growth of the money supply and to free prices, we met such resistance that we were not able to take this measure on time or in the proper way. As a result, the amount of money in circulation tripled between July and December. As a result, prices rose, with consequences much more serious than those that would have resulted from restricting the growth of the money supply and freeing prices. Thus, a weak government is not able to

implement strong, stabilizing reforms. It easily falls victim to pressure. I had not taken this phenomenon into account.

I was convinced and still insist that the lek would not have depreciated so much if we had taken deflationary measures. The shops would be fuller if we had distributed them by auction and if we had freed prices. The prices would not be as high as they are today, making us tremble for the future.

All these measures, always on paper, gave me the hope that the Albanian economy would be revived within one year.

I am however now doubtful that stability is imminent. Macroeconomic indicators make a logarithmic rather than linear progression. Five months of disruption in the progress of an economy produces results that take several years to be repaired.

[RILINDJA DEMOKRATIKE] What do you think is the Socialist Party's future role in Albania's political development?

[Pashko] The idea of socialism in Albania has died. There is no danger of its reviving in our country for the next 10 years, even with its European image. However, socialism was not defeated by ideas but by the poverty it created. Meanwhile, there is a danger of its ideas entering by the back door as neocommunism. The Socialist Party is no longer supported by any ideology or doctrine. Its mother party at least relied on the idea of the dictatorship of the proletariat and on Marx and Lenin. However, those very same people who until yesterday threw you in prison or interned you if you talked about the market economy or private property have now become supporters of the market economy. The same people who destroyed the social economy talk louder than anybody else about a social policy, or rather state policy. They talk about an economy that will help the poor, and speak against individuals enriching themselves, which is the opposite of the market economy. Well, let us recognize that this is their right. However, it is not democratic ideals that inspire them to political struggle. They are interested in power for its own sake. There are people who want power for the sake of gain. These are a segment of the middle-ranking officials appointed in the time of the Workers Party who are today in the Socialist Party and are incapable of performing any kind of work except management.

Nevertheless, people deeply educated in communist convictions constitute a special class. This class loves power for the sake of power, not for profit or for privilege. It loves power pathologically and is sick with the idea of the grandeur of power. It suffers from the megalomania that is the obverse of paranoia. Think of the great dictators of history, and how miserable their lives were in comparison with the praise given to their names. Imagine their sleepless nights as they fantasized how to set traps for their opponents. Imagine how frightened of everybody they were and how they liquidated everybody

who surrounded them, one after another. They sacrificed everything in their personal lives and gained nothing but power.

[RILINDJA DEMOKRATIKE] A great deal is being said about a second current within the Democratic Party [PD] separating you from Dr. Berisha. Does this current really exist, or do you still confine yourself to the opinion that has been expressed about different positions within the party?

[Pashko] I think that I have indirectly broached this question in the views I have just expressed. However, let me be more explicit. We live in Albania, in a paternalist atmosphere that adores symbols. Albania brought down the symbol of Enver Hoxha but has still not created a new symbol of democracy, which fortunately remains anonymous. It is however unfortunate for some people who adore symbols that democracy remains anonymous. They miss something to venerate. They therefore create commotion and often illusory symbols. Let us recall the Bible for a while: God created heaven, but also created hell. God created the angels, but also the devils. They were more necessary to God than to men. These latter, poor mortals as they were, continued to live between good and evil and the angels or devils minded their own business in heaven or hell. No living creature ever met them, but people's lives were given meaning by the lives of angels and devils and were formed in their image.

The creation of such a great deal of commotion before the elections about two currents within the PD was an expression of immaturity, especially in the press, but this commotion often concealed political motives. The Socialists desired it in order to create confusion about the opposition. Meanwhile, some writers in the opposition press wanted to make names for themselves in the opposition ranks by imagining devils. What evidence was produced? What resulted from all this? I say that nothing of principle appeared.

I would like to carefully distinguish what might be called an alternative line from what constitutes a second position, a second opinion, etc. For me, the party line is connected with the program. The program aims to destroy the communism that still lives in people's mentalities and in existing institutions and, second, to build democracy. In this cause, nothing divides me from anybody in the PD, as long as this party really aims to destroy communism. However, I have and will always give myself the right to have my margin of freedom and to judge ways, means, priorities, etc. There are limits to the freedom that I allow to the individual judgment of myself and others. This is precisely because we are individuals. Specifically, in contrast to Berisha, I favored the elections being held in April, and I think I was right; however, this does not mean that I was not against communism. I was against our leaving the government at the moment we did, for the reasons I have stated, but this does not mean I was not against communism. I have said that the best way to destroy communism is to carry out the economic reform and to destroy its institutions so

that they will never be reborn again in Albania, and have said that street pressure matters much less than these reforms, but this does not mean that I am in favor of communism.

I will always express my opinion whenever such problems are discussed.

[RILINDJA DEMOKRATIKE] ZERI I POPULLIT has recently risen strongly in the defense of you and some other PD intellectuals. The same paper continues to make a noise about the "blank check" [unlimited Western aid alleged to have been promised by Berisha following a PD victory in the March 1991 elections]. I imagine that this new stance of the press will not please you.

[Pashko] This is not accurate. Of course, I have never wanted to be defended by dilettante articles in ZERI I POPULLIT. More than 60 articles were written against me in the first electoral campaign. At that time, they attacked me directly. They continued to attack me during the parliamentary session and when I was in the government. They have now realized that ZERI I POPULLIT has the contrary effect. Now they want to attack me by "defending" me. I therefore suggest they should not eat from the dish they have spat in. They also wrote and spread plenty of slanders in the last election campaign.

As for the "blank check," the attack on me was a mere bluff. Those with the slightest understanding of the symbolism of the "blank check" know that I have counted the figures on this check. Even before we won the elections, our mere participation in the government led to Albania's admission in the CSCE. Without approving a tangible reform program, Albania was admitted to the IMF and the World Bank (many countries including Russia are still not members). Albania received more than \$200 million in food aid (without working and while paying people 80 percent of their wages). What more should have come to "Socialist" Albania after 31 March to convince these gentlemen how little of what they saw from this "blank check" was produced by themselves.

[RILINDJA DEMOKRATIKE] You have seldom appeared recently in the press or in public. Is this a retirement from active political life?

[Pashko] I have not in the least retired. I am dealing with something more long-term than everyday politics. I am completing a book about the economic reform in Albania and I have begun a textbook on the principles of a modern economy for students of the next academic year. I think that the time has come for us to realize that our policy today is to build democracy and that democracy cannot be built without books.

Official Accuses BSP of Fomenting Unrest

*AU1105071592 Sofia DEMOKRATSIYA in Bulgarian
1 May 92 pp 1, 4*

[Interview with Major General Bogomil Bonev, chief secretary of the Ministry of Internal Affairs, by DEMOKRATSIYA representative Nedko Petrov; place and date not given: "Socialists Oppose the Laws"]

[Text] [Petrov] Mr. Bonev, how would you assess the provocative headlines that appeared in DUMA on 30 April, such as "Interior Ministry Seeks Enemies Among the People Who Sow the Land"? Is this not tantamount to a call for destabilization in the country?

[Bonev] Such headlines indeed constitute a cynical provocation because the statement of the Interior Ministry Press Center nowhere contains threats against country people. Threats are made only against the criminals who are hindering the land reform. It appears that, at the moment, DUMA thus wants to identify absolutely all country people with the criminals who are sowing the seeds of storm in the Bulgarian villages. This is not the case; information shows that only a certain narrow section of the population is opposing the implementation of the Land Act. For example, I can show you a fax just received from the regional directorate of the Interior Ministry in Pazardzhik: After listing dozens of cases of people taking the law into their own hands in relation to members of the liquidation councils and of open sabotage of the councils' work, the report ends with the following statement: "Evaluation of the incidents provides grounds for presuming that, behind the displays of discontent, stand former leaders of the labor cooperative farms and agricultural leaders who disagree with the Land Act, most of them being members of the Bulgarian Socialist Party [BSP]."

[Petrov] Is the Ministry of Internal Affairs really acting in the role of "arbiter in some dispute between the people of the land and official power," as DUMA claimed yesterday?

[Bonev] No such dispute can exist when we have a law! Maybe some people do not like the law, maybe they oppose it, but it is a law adopted by the National Assembly, and, good or bad, it must be carried out. There is no place for speculation. Whoever breaks the law will be punished; this is quite normal.

[Petrov] How would you interpret the accusation that the Interior Ministry announcement contains not a single concrete fact or detail about "weapons," "incidents of sabotage," or "instructions for destabilization"? Are any such facts available, and, if so, when will the public be informed about them?

[Bonev] It is simply impossible for us to publish in a single Interior Ministry announcement all of the information, which actually consists of materials of cases under investigation. If DUMA wants to publish specific facts on its pages, it is welcome to ask, but it is unlikely

to do so. However, the information is absolutely specific. Here is a typical example: "At approximately 2345 [2045 GMT] on 16 April 1992, an unknown person fired a shot at the window of the house of Iliya Angelov Shchukelov in the village of Elshitsa, Panagyurishte Township. He is the chairman of the village's land commission." I will give another example: "In the village of Tsalapitsa, over 800 people are occupying the administrative building of the cooperative farm. Agricultural work has stopped. Under instructions from the public prosecutor's office, the police have taken measures to stop the illegal acts." There are dozens—no, hundreds—of such cases: "In the village of Byala Reka, Purvomay Township, unknown persons destroyed beehives and fruit trees owned by the chairman of the liquidation council, and an anonymous threat was made to kill him.... On 24 April, in front of the offices of the labor cooperative farm in the village of Dinkata, a group of about 200 men and women stopped the liquidation council from entering the building. In the conflict that ensued, one of the women drew a knife and threatened the chairman of the liquidation council. She attempted to stab him, but he managed to divert the blow, then others intervened and confiscated the knife.... On 21 April, about 50 inhabitants of the village of Dryanovets took the law into their own hands and entered the dairy farm of the local cooperative to steal the animals.... On 20 April, in the village of Nedeleva, Suedinenie Township, the chairman of the liquidation council was beaten up...." We have reports from villages in Panagyurishte and Pernik districts about people who are strutting about with pistols tucked into their belts and intimidating people. These are partisan weapons, and the threat to use such a weapon is a very real one. Apart from the fact that it is a crime under Article 339 of the Penal Code to possess and carry illegal firearms, here a far greater danger exists for the public because the action is connected with threats against the organs of authority, and the law provides heavy penalties for this. DUMA, while accusing the Interior Ministry organs, does not react to these events; therefore, the Socialist Party organ joins the side of the criminals.

[Petrov] Have there been any forms of organized sabotage on the part of the Socialists in connection with the application of the Land Act?

[Bonev] A brochure illegally printed in Sofia on 23 April has been distributed throughout the country. It contains certain basic insinuations such as that the Land Act is purportedly antidemocratic; the blue (democratic) majority, together with the Movement for Rights and Freedoms, has created a law that will destroy the Bulgarian village; and so forth. Later, in the guise of legal advice, the brochure gives practical instructions on how to sabotage and oppose the liquidation commissions. This is a blatant instruction for sabotage, and it is no accident that the brochure is anonymous because its authors are perfectly well aware that they are inciting people to commit crimes....

It is very characteristic that the statements published in DUMA as criticism of our Press Center's announcement

almost completely coincide with the insinuations and instructions of the anonymous brochure.

[Petrov] The Socialists attempt to insinuate that some kind of "scenario" exists according to which the Interior Ministry organs are "coordinating" their actions.

[Bonev] This is absolutely ridiculous because, in this case, they are trying to run before the wind. If, God forbid, what we have written about is true, then we are indeed arranging a scenario.... In any case, the facts indeed speak for themselves: Sabotage has been centrally organized, and such instructions indeed lead to specific illegal and criminal acts. Because they know that this can be proved, but not at the moment, they claim that the Ministry of Internal Affairs has no evidence, yet, when the Interior Ministry does provide specific evidence, they claim that it is a put-up job.

[Petrov] What is your comment on DUMA's caustic remarks about the Press Center's announcement, which indeed contains several typographical errors?

[Bonev] Strange as it may be, the illiterately corrected text was sent by one of their men. I refer to Dragomir Penchovski, a journalist and coordinating officer employed by the former RABOTNICHESKO DELO, who was sacked by Dimitur Stoyanov and banned from working for any other publication.... Whereas Major Nikolov, chief of the Interior Ministry Press Center, proofread and prepared the text for broadcasting on television and radio, the person in question faxed the uncorrected text to DUMA. We will now make this person's services available to them, if they want to appoint him to a post....

BSP Accused of Instigating Peasant Unrest

*AU0805195092 Sofia DEMOKRATSIYA in Bulgarian
5 May 92 p 1*

[Editorial by Encho Mutafov: "Document of Violence"]

[Text] We are publishing excerpts from the "document of violence" on page 3 of this issue. The brochure did not carry the names of its authors and publishers. It circulated throughout the country anonymously, in the form of a "circular" issued by an underground organization. It was a text with a veiled face conceived with a guilty conscience by its authors. The subject was only one—to instigate illegal actions and to stir up unrest.

We knew about the document, and, in two subsequent issues of our daily, we asked about its author. In the Otzvuk [Echo] Television Program, a communist emissary, embarrassed by the pressing questions of General Bonev, chief secretary of the Ministry of Internal Affairs, finally decided to "assume the responsibility," admitting that his party was the author and disseminator of the notorious brochure.

After the affair was disclosed, one of the supporting press organs of the Bulgarian Socialist Party [BSP]—namely,

the daily ZEMYA—began publishing the text. The ZEMYA editors were entrusted with the assignment, while DUMA was spared the disgrace. Let us not talk about who is taking the chestnuts out of the fire....

Hence, the BSP assumed the responsibility.

Our readers certainly realize why I am deliberately using terms that usually apply to terrorist actions. By assuming responsibility, some terrorists inform the police or the media about their intentions. Something of this kind occurred in our case, only the terrorists did not take the initiative; they were forced to disclose their intentions. They assumed the responsibility only after they were unmasked. Prior to that, the document-instruction was circulating all over our poor country, making it even more miserable. It was circulating illegally (Where was ZEMYA to protest on that occasion?) and encouraged the peasants to break the law.

We also decided to publish excerpts from the brochure, selecting them at random, because they are all the same, anyway.

This is how the undesired publication accomplished something our people would rather unceremoniously call "showing their bare asses." Their [the BSP's] true intentions and methods were demonstrated. The comrades are madly enraged that the land is being restored to the people and that the labor cooperative agricultural farms, one of the strongest levers of their system, are disbanded. The trick about the "cooperatives" being successors of the labor cooperative agricultural farms did not pass. The peasant is becoming a private farmer, and no one can blackmail him with the red ballot anymore.

Therefore, they started touring the country, creeping all over the place. From the members of the BSP Supreme Council to the rank and file, red emissaries—and armed "active fighters"—they are all touring the country and instigating people as much as they can.

Why should you be surprised? Crime is the essence of their lives. They started their regime with crimes, they ruled with crimes, and they are leaving with crimes. They were capable of killing people without trial, without a sentence. They were capable of driving thousands of Bulgarian citizens into exile. They did not hesitate to commit the most horrible crime—namely, to annihilate the nation and annex it to an alien state.

Considering all those actions of the past, a document like the aforementioned one is a mere trifle. What does it cost them to instigate people to act against each other, brother against brother? What does it cost them to encourage people to break the law? The violence in the villages was exacerbated by their fear of being held responsible. A document such as the aforementioned brochure encourages violence, while the central and local party print media are keeping up the tension with verbal instigations, and their hysteria is further escalating under the impression of a few strikes and riots.

Life in the Bulgarian villages is peaceful today, with a few exceptions. The commissions are doing their job, and even some decent Socialists who are aware of the realities are assisting them. People are cultivating their land. It is sufficient to visit some rural areas to convince oneself of the facts: Have you ever seen so many people, so many cattle, and so many carts in the fields? The evil augurs who were forecasting starvation and anarchy are departing, the nation is healing, and this is what the party of destruction (Communists) dislikes most of all.

They are the only ones who are obstructing life. Unfortunately, there are still thousands of them (let us not delude ourselves)—there are still thousands of red terrorists. They are concocting their "directives," they are disseminating anarchy, they are poisoning our society, they are trying to take us back to the past.

Nevertheless, I am almost convinced that they no longer believe their lies.

BSP Newspaper Alleges DPS Splitting

*AU1105091492 Sofia DUMA in Bulgarian 5 May 92
p 7*

[Article by Chavdar Krustev: "Splits in the Monolithic Movement for Rights and Freedoms"]

[Text] Openness and predictability are among the fundamental requirements for party formations in a democratic society. Despite the fact that in our country every political party is striving for minimum openness and maximum unpredictability, and despite the fact that we are a long way from the European standards in society, the current political formations in Bulgaria have nevertheless achieved a relative openness and a certain predictability. The only exception in this respect is the Movement for Rights and Freedoms [DPS].

The DPS emerged as the logical reaction to an infantile (to put it mildly) strategy for the solution of ethnic problems. The DPS was blessed by politicians with guilty consciences and political double-dealers. The movement rallied the overwhelming part of the Bulgarian Muslims in a monolithic block.

Nevertheless, Ahmed Dogan's "movement" was not any movement of progress.

It is stagnating with an unchanging number of the original ethnic Turks and of Circassians, Tatars, Gagauzes [Turkish-speaking Christians of the Varna area], Kazulbashas [unidentified ethnic group]; with part of the Bulgarian Gypsies; and with part of the Bulgarian Muslims. The presence of some dozens of Bulgarians in the DPS leadership shows only that traitors to their nation such as the literary hero Kiryak Stefcho will never be extinguished in our country. All the efforts of the DPS leaders to prove their expanding influence in one or another direction were denied by the opinion polls conducted by DEMOKRATSIYA and the Public

Opinion Research Center under the Ministry of Education and Science. DEMOKRATSIYA published the results of the poll on 21 April 1992. Prof. Yordan Venedikov simply unmasked Ahmed Dogan's claim published on the same date, 21 April 1992, in the weekly 168 CHASA, according to which the number of DPS supporters is expanding. The poll results show that the 5 percent of voters who voted for the DPS (?) in November 1991 remained the same 5 percent in March 1992, regardless of the newly established "structures in various areas of the country," such as in Mikhaylovgrad, Vidin, Vratsa, and Veliko Turnovo, "where you will not find even one Turk," according to Ahmed Dogan's statement for 168 CHASA.

As a matter of fact, both Prof. Venedikov and Ahmed Dogan are evidently missing some 3 percent of the actual votes for the DPS in the November elections. Because the poll claims that 41 percent of the voters voted for the Union of Democratic Forces [SDS] and 35 percent for the Bulgarian Socialist Party [BSP], and, considering that these results were evaluated as "curious," the manipulations with the unchanging number of voters of the monolithic DPS can simply be accepted as an oddity. It can be regarded as a smokescreen to conceal the process of disintegration that is affecting the DPS.

The "movement" was doomed to absolute stagnation from its very beginning, considering that the rights and freedoms of its members were proclaimed and guaranteed as early as mid-January 1990. The DPS had exhausted its potential as a human rights organization even before it was established. The adoption of the new Constitution guaranteed equal rights and freedoms to all Bulgarian citizens, irrespective of ethnic identity and religious affiliation. The "movement" lost all its dynamic strength, which by no means corresponded with the interests of the small group of leaders with Turkish or Bulgarian names who were eager to gain personal advantage from concocting some kind of "community rights." It was no coincidence that Deputy Tatarlu punished Deputy R. Raykov with a devastating look when the latter asked him the bold question: "For which rights and freedoms are you still fighting?" It was not accidental that the enraged DPS leader spoke about all sorts of other things but avoided answering that specific question.

The cited statistical survey of the Public Opinion Research Center under the Ministry of Education and Science stresses the "particular stability of the DPS electorate." Nevertheless, it does not conceal the fact that 83 percent of DPS voters would vote for the DPS today, while 7 percent would vote for the SDS and as many as 6 percent would vote for the BSP. Nevertheless, if we were to add the necessary correction to the deliberate inaccuracy of the aforementioned poll results (namely, that 1 percent should equal 6 percent to the advantage of the SDS), as it was specified in the reference data of the poll, the picture would look quite different. The difference is so great that it forced Ahmed Dogan himself to declare: "We should not be surprised if

part of our electorate joined the electorate of other parties....," adding as an incantation: "And it is not unlikely that part of their electorate could join ours."

Similar incantations only show the fear of the evident cracks in the monolithic DPS. The leaders of this stagnating "movement" have realized all too well that most of their voters are poor. Despite the fact that in their election program they announced an economic platform of a definitely social democratic nature, they practically betrayed their voters by supporting the SDS in the National Assembly, thus dooming them once more to the fate of poor servants, regardless of the many oaths that Dogan has sworn, committing himself to "establish the DPS as a center party" and declaring that: "We are already joining the center parties of Europe. This should be the next stage in the development of our movement, based on the new social realities in our country." The political maneuver—namely, of "voting against the interest of one's own constituents"—is already evident, and the Ahmed Dogan cohort will be obliged to witness an increasing trend of DPS voters moving to the left in the coming months and years.

The daily 24 CHASA, basing itself on the 14 April 1992 results of the Public Opinion Research Center poll, says that "13.7 percent of the DPS supporters are in favor of socialism. According to the same daily, 55.6 percent of the DPS supporters are convinced that "the existence of rich and poor in Bulgaria is unacceptable." The so-called ethnic realities are disintegrating in facing the economic conditions and are influencing the political formations, no matter how much they may be indoctrinated by the permanently fanned chauvinism and fear in the ghettos created by the DPS in smaller towns and villages where the Muslim population prevails.

The unexpected monarchist enthusiasm expressed by some of the DPS leaders, the corruption of the consciences of potential traitors like Kiryak Stefchos, and similar other maneuvers are still concealing the processes of disintegration of the stillborn movement. In all likelihood, the sudden love for the "center" (because of the presumable increase of its influence in the next elections) was also aimed at healing the emerging split. However, the regrouping of our society, the overcoming of the emotional political self-identification, and the growing self-identification on the basis of economic interests is not likely to spare the DPS.

For this reason, the verdict of the Constitutional Court [refusing to register the DPS as a political party because it was ethnically based] should not be regarded as a tragedy. The court simply declared that it is aware of the anticonstitutional nature of the DPS. However...the political pragmatism of the judges prevailed over their sense of justice.

A "ban" on the DPS would have been likely to open unhealed wounds and unleash new emotions. Left to itself, the DPS, as it is today, having exhausted all other reasons for its existence, has simply no alternative than

that of permanently disgracing itself as a separatist organization, supporting the pro-Turkish and Pan-Islamic expansion west of the Turkish borders. The movement has nothing in common with the interests of its own voters, who feel more like Bulgarians in Bulgaria than like Turks in Turkey. In the circumstances of the developing social awareness in Bulgaria, which is proceeding along the path of democratization, the country's development is likely to prove the right of existence of any political formation much more effectively than any constitutional court. This is what Dogan himself has realized. "You cannot promote democratization while banning other people. The existence of a party is determined by the people's natural needs for it," he said.

This is a statement we cannot help agreeing with.

Former BSP Leader on Association With Europe

*AU1105141692 Sofia VECHERNI NOVINI
in Bulgarian 7 May 92 p 1*

[Interview with Aleksandur Lilov, former leader of the Bulgarian Socialist Party, BSP, and a member of the party's parliamentary faction, by Veneta Rangelova and Elka Lazarova; place and date not given: "Our Admission to Council of Europe Is Only Beginning"]

[Text] On 7 May, Bulgaria became a full-fledged member of the Council of Europe. The National Assembly adopted three documents: the Council of Europe's Statute, the General Agreement on Privileges and Immunities, and the Supplementary Protocol to this agreement. Thus, it contributed to our return to the European family.

[VECHERNI NOVINI] To whom does the merit for this exceptional moment in our country's development belong?

[Lilov] One should not personify the merit, despite the fact that, in politics, it is important which politicians a state has and how they are assessed abroad. Bulgaria's admission to the Council of Europe is recognition of its development along the road to democracy. It confirms the Bulgarian society's awareness of the need to come close to the European principles and standard. Actually, the past three years ensured Bulgaria's democratic development. During those years, we adopted the Constitution, and new laws, pluralism of opinions, and freedom of speech asserted themselves. Consequently, Europe opened—or, rather, slightly opened—its door to us.

[VECHERNI NOVINI] How would Europe react if it sensed some new nuances in our democracy?

[Lilov] Europe cannot be deceived because it carefully monitors changes in the former socialist countries. It will accept only a state that will not be an alien body in its structures. Therefore, the manifestations of violence we see in our political life are alarming. Our villages have forgotten the policeman's baton! The police must not interfere either in the villages, in science, or anywhere

else, except where it is necessary to protect the law, and the peace and security of Bulgarian citizens.

[VECHERNI NOVINI] So far, Europe has only let us stand by the slightly opened door....

[Lilov] Yes, the beginning is positive, but what is more important is how we succeed in associating ourselves with other economic and political communities. If we want to join the European Parliament in 10-15 years, we must advance very much in our economic and political reforms. This advance must be measured by European rather than by Balkan standards. It is important who heads the government, but real changes and results of the regime's actions are more important.

SDS Wants 'Underground' Brochure Investigated

AU0805160892 Sofia DEMOKRATSIYA in Bulgarian 1 May 92 p 1

[Unattributed editorial: "Who Is the Publisher?"]

[Text] "To oppose the designation and appointment of members of the liquidation councils by bureaucratic administrative methods.

"For this purpose, meetings of owners of land and agricultural property should be organized to select persons to serve on the liquidation councils, whose names should be proposed to the oblast administrator for appointment.

"To utilize Article 52, Paragraph 3 of the Regulations for Application of the Agricultural Land Ownership and Use Act to pressurize the liquidation councils to grant to those entitled to a share, including groups of persons, property in relation to their share.

"The pressure should be applied by members of the dissolved organization united into a new cooperative, by the ruling council of the new cooperative, and by the initiative committee described at the beginning of this brochure."

The above is taken from the document "Certain Practical Actions Regarding the Agricultural Land Ownership and Use Act," which we will publish in a later issue of DEMOKRATSIYA.

Before us is a document that actually provides a scenario for open resistance to a law by a political force. This law was adopted by the National Assembly and implemented in the most democratic manner by the country's legally elected institutions.

In practical terms, this document is horribly reminiscent of the rules for underground activity, illegal resistance, boycott, and anarchy with which we are so familiar from the past of a certain party. Now this party exists under another name but is attempting by the same means to incite the ordinary man to commit fratricide, to wreak

retribution, and, perhaps, as a more distant prospect, to participate in events like those now occurring in a neighboring country.

Mr. Sokolov, is an investigation under way to identify the publishers, disseminators, and authors of this "underground" publication that is being disseminated through the cells of the Bulgarian Communist Party that have allegedly long ceased to exist in our enterprises and institutions?

KNSB Stavrev Points Out Government's Errors

AU0805191892 Sofia TRUD in Bulgarian 1 May 92 pp 1, 3

[Article by Prof. Dr. Svetoslav Stavrev: "Trade Unions Are Not Ideal Partners, but the Wise Know How To Use Them"]

[Excerpts] After a declaration that was rather unexpected by the broad public and the subsequent joint memorandum of the Confederation of Independent Trade Unions in Bulgaria [KNSB] and the Podkrepa Labor Confederation, the conflict between the trade unions and the executive power that had been slowly escalating finally broke out with full force. The development of these events was not unexpected, as a matter of fact. It was a logical result of the crisis in the relations between trade unions and government, provoked by the unwillingness of Filip Dimitrov's government to engage in a partnership on the basis of the already established tradition and by the government's incapacity to propose a new body to replace the previously existing partnership institution that should be acceptable to the other side.

The government, which could not believe that the two competing trade unions would overcome their mutual hostility, reacted with painful consternation, in the first place, accusing the trade unions of illegal political claims and refusing to assume their responsibilities; in the second place, the government announced forthcoming structural and personnel changes, thus indirectly admitting its guilt, and, in the third place, it postponed its reply to the crucial questions to a future time, following its recovery from being knocked down by excessive self-confidence and internal squabbles. [passage omitted]

For those who, for one or another, overlook or refuse to admit the errors committed by Filip Dimitrov's government over the past five months, prior to the moment in which the government realized the necessity of a reorganization, I take the liberty to point out a few of these errors:

First, the government erred in assuming that, unlike Dimitur Popov's coalition Cabinet, the new, single-party government did not need the support of trade unions and employers and is perfectly capable of coping with its task, regardless of their attitude toward its actions.

Second, the government erred in deluding itself that the trade unions committed an anticonstitutional attempt against the government's prerogatives by insisting that the agreements within the framework of social partnership should be considered as obligatory commitments for all sides that participated in the agreement, which, naturally, also applies to the government.

Third, the government, instead of assuming the role of mediator between the trade unions for a just and acceptable distribution of the confiscated property inherited by the KNSB, actually nationalized this property (by expropriating the KNSB?!?), thus grossly violating the interests of the trade unions and disregarding all international norms and, moreover, disgracing our country's prestige in the eyes of the international democratic community.

Fourth, the government made a mistake by refusing to disclose its programmatic intentions and by subsequently explaining this refusal on the grounds of the requirements of international financial institutions. Shifting responsibility to others is an art, but it should be perfectly mastered; otherwise, the responsibility triggers back like a boomerang, and this, in my opinion, means that last year's situation is likely to repeat itself.

Fifth, the government erred in introducing and adopting the country's budget without publicly announcing the decision on the liberalization of prices and on compensation measures, something that recently provoked the fall of Andrey Lukanov's government and that today failed to produce the same effect, only because no one is interested in doing so.

Sixth, the government made the mistake of presenting the usual reorganizations of companies and the traditional replacement of economic managers (without specifying its accusations and without providing evidence of corruption or of incompetence likely to justify the removal

of the individuals in question) as the initial phase of the structural economic reform.

Seventh, the government made the mistake of closing down the Ministry of Foreign Economic Relations instead of entrusting it with topical tasks that no one else is in a position to accomplish today, as a result of which we lost and continue to lose accessible markets, while numerous enterprises are suffering from being unable to export their goods.

Eighth, the government erred in doing nothing to solve the question of the enormous debts accumulated by the enterprises with banks and business partners, which they cannot pay back, as a result of which they continue to function in a totally uncertain and hopeless situation, simply depending on the charity of their debtors.

Ninth, the government made the mistake of totally neglecting private business, which no longer believes in declarations and is hardly likely to assume its obligations and responsibilities.

The enumeration of the government's errors could go on forever, but the worst is that the mistakes are likely to multiply if the government should persist in its self-isolation from the public. This is by all means likely to affect the ruling coalition, but the government should make its own assessment of the situation, unless it is willing to miss all of its chances for the next elections. As for the employed, who represent the trade unions' "electorate" and, as is known, the basic electorate of the political forces, they are less and less interested in who is ruling Bulgaria. They are increasingly concerned about the chances of the average Bulgarian to live like a normal human being—namely, to be able to work and to earn according to his work, so that he may be entitled to say: I live well because I am industrious, capable, and honest, or to be told: You do not live well because you are lazy, incompetent, and demand, without contributing. [passage omitted]

Division at Historical Justice Committee Meeting

92CH0500A Budapest MAGYAR HIRLAP
in Hungarian 30 Mar 92 pp 1, 3

[Article by J.D.: "According to Tibor Zimanyi, the Constitution Is the Last Bomb Planted by the Former Regime—Erzsebet Nagy Becomes President of the Historical Justice Committee"]

[Text] For almost a year now, the Historical Justice Committee [TIB] has been bogged down in a debate over its bylaws, instead of working to represent the interests of its members, charged at the opening of the TIB general meeting MDF [Hungarian Democratic Forum] parliamentary representative and member of the operative committee calling the meeting, Tibor Zimanyi. Despite all reports to the contrary, he added, TIB was not facing a crisis. Zimanyi sharply attacked some of the leaders of TIB, who had since quit their posts: "They should have stuck around to be questioned, even at the risk of turning the membership against them." Among the reasons for calling the conference he alluded to the fact that the December meeting of representatives had not been called in a democratic manner. In light of that fact they have set up a preparatory committee—referred to by many, according to the speaker, as a junta—which has called a new delegate meeting, primarily with the aim to elect a new leadership.

In his speech, interrupted by catcalls, he explained that the general meeting had been called not by the leading bodies of TIB, but "by an organization calling itself an operating committee."

He went on to say that the validity of the bylaws was being challenged by people, who under the existing regulations could not have put enough of their supporters into key positions. "The way this group sees it, only actions that further their own personal goals can be considered democratic," he added. He reminded his listeners that TIB had been formed four years ago at his apartment, and those who joined later were attacking the very basic principles laid down at the meeting. He also expressed disapproval of a splinter group of POFOSZ [National Association of Political Prisoners] that chose later to join TIB. He took exception to a statement by the group's leader, Jozsef Tittman, who asserted that TIB had to be loyal to whatever government happens to be in power. "We thought that we were creating a much-needed organization that would be independent of governments and parties, an organization which if necessary can both cooperate and criticize the existing political bodies."

Andras B. Hegedus denounced those questioning the decision of the Constitutional Court on the statute of limitations issue. He criticized the protesters demonstrating on Szabadsag Square on 15 March, accusing them of using the spirit of 1956 to advance their own agenda. He distanced himself from those who "were

attempting to lead TIB into the same fold with the ultra-right wing group associated with the Jurta Theater."

Speaking again as the vice president of the committee, Tibor Zimanyi rejected most of Andras B. Hegedus' charges. He understood, he said, why people were disillusioned with the press and why they were protesting against it on 15 March. He added, however, that TIB had not taken part in organizing the demonstration. He made it clear that he could only accept, but not respect, the ruling of the Constitutional Court, and that he reserved the right to criticize that decision. He referred to the Constitution on the basis of which the court had rendered its decision as the "last bomb planted by the former regime." The rule requiring two-thirds parliamentary majority vote for adopting new laws, he said, was a result of premeditated sabotage by the former state party. He also blasted those founding members who joined in signing a declaration to air their concerns.

In the course of the often-heated debate, the founders who had signed the declaration were accused by several members of working to dismantle TIB. Pal Locsei, for example, was shouted down when he attempted to remind the membership of the importance of adhering to certain democratic rules of procedure. Nor was Istvan Marian received with a general outpouring of enthusiasm when he spoke in opposition to settling old scores, and tried to remind those present of the role "nice communists" had played in preparing the revolution. According to Istvan Szasz, while TIB had members of diverse views, there could be no doubt that they all had a duty to foster democracy and promote the value of patriotism. The president of POFOSZ, Jeno Fonay, suggested the creation of a super agency that would represent the interests of former political prisoners. In Fonay's opinion the most dangerous enemy facing them was the MSZMP [Hungarian Socialist Workers Party], which was becoming stronger by the day.

In her address, TIB's honorary president, Erzsebet Nagy, who had been chosen by secret ballot, spoke in support of the material and moral rehabilitation of all victims of vilification, calling on everyone to respect democracy and the law, and to adhere to the principles of legality. Tibor Zimanyi, Jozsef Tittman, and Gyula Erdesz were named vice presidents. According to the committee's collectively adopted position, TIB is an all-national, all-party organization committed to the preservation of tradition and the protection of individual interests. The declaration welcomed the establishment of the 1956 National Revolutionary Alliance, and held out the prospect of joining it at a later time.

Head of New Journalist Organization Interviewed

92CH0500B Budapest HETI VILAGGAZDASAG
in Hungarian 28 Mar 92 p 98

[Interview with Csaba Kosa, president of the Hungarian Journalists' Association, by Andras Lindner and Zoltan

Horvath; place and date not given: "Portrait"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] Already the editor in chief of the progovernment, and even more pro-MDF [Hungarian Democratic Forum] daily MAGYAR FORUM, Csaba Kosa, age 49, was recently named president of the Hungarian Journalists' Association [MUK]. The only child of village teacher parents in Transdanubia, he loses his father at an early age. Upon his mother's second marriage, Kosa moves from the Vas County village of Andrasfa to Budapest. Here he graduates from the Ferenc Rakoczi II High School in 1961. He joins the staff of ESTI HIRLAP, a publication of the Budapest Committee of the MSZMP [Hungarian Socialist Workers Party], as an apprentice. "Initially I was very happy there. I must have visited at least 2,000 different places. I was writing reports, getting my own college education on the go." Eventually he also gets the real thing: In 1965, he enrolls in night school to study law and later philosophy. Subsequently, he tries his luck at another party organ, HETFOI HIREK, and also at the SZOT [National Association of Trade Unions] daily NEPSZAVA. "The journalistic atmosphere that prevailed at those places was nauseating, so I was greatly relieved when I was finally able to transfer to MAGYAR VIZGAZDALKODAS," he goes on explaining his adventures. Instead of churning out political lies, he takes up writing children's tales and even publishes a few historical novels. "They worked on me incessantly, trying to convince me to join the party. At one point they even had the date of my induction set, but I resisted," he recalls his struggle to preserve his moral integrity. "My physical being was never in danger. Nor did I know much about what the samizdat people were doing," he adds, downplaying things a bit. "There was a writers' soccer team that used to hang out together starting in the late 1960's, and then there was the tightly knit group of friends around Csurka, Vegh, and Utasi," he adds, introducing another team of great names, "but I was also close to Mihaly Czine, Ervin Lazar, and Istvan Bella." In the late 1980's, Kosa returns to NEPSZAVA. Prevented from attending the first time, he does not join the MDF [Hungarian Democratic Forum] until the Second Lakitelek Conference; in the spring of 1990, he is offered a position at the HUNGARIAN FORUM. Soon he emerges as one of the leading voices in the government-affiliate Freedom of the Press Club, and now he has been named president of MUK. "I am a big fan of animals, and I still become emotional when I see a horse," he says, unveiling one of his great passions. The chief editor's wife is a commercial artist, and they have three children. Like her husband, Mrs. Kosa is also an MDF member, and their oldest son is already an active member of the Democratic Forum of Young People.

[HETI VILAGGAZDASAG] In just two years, you have risen to editor in chief and president of a journalists' association. In addition, you are occupying the office of one of the former editors of NEPSZABADSAG. Are you satisfied?

[Kosa] I have never aspired to rank or status. All I have ever wanted to do was write, and right now the fact is that I have no time at all left for writing. I am tired. As for the office, I have heard that it belonged to Szabo of the [TV] program "Blue Light" [Hungary's equivalent of "America's Most Wanted"]....

[HETI VILAGGAZDASAG] You have spent much of your life working in the inner world of the press, which you have so often criticized recently. But for a long time, working at the "standard-bearing" journal of the profession, you have helped to promote the interests of the water lobby that had already been discredited by the Tiszalok, Kiskore, and Nagymaros projects. Do you plan to make up for that now?

[Kosa] I have never promoted anyone's special interests. I have visited the waters and forests you are referring to. I did, of course, know who the bigwigs were, but I had no personal ties with any of them. I was a minor league player back then.

[HETI VILAGGAZDASAG] But still you did manage somehow to compile a book of interviews in which you included, without even a trace of criticism, such people as the designer of the Tiszalok power plant and the mastermind behind the Kiskore water reservoir.

[Kosa] That book dealt with the grand old men of the profession. I tried to show the human side of highly knowledgeable specialists whom the regime was never able to get to conform to the Bolshevik mentality.

[HETI VILAGGAZDASAG] Still there were other voices back then as well. Didn't you hear them?

[Kosa] I knew about Bos and the Szigetkoz. I had been misled somewhat. It was not until I saw a model of the Nagymaros hydroelectric plant that I finally woke up.

[HETI VILAGGAZDASAG] And did you learn anything from that experience? Would it be possible for anyone to lead you by the nose again?

[Kosa] I know that I am an emotional person, driven by impulses, and as such I tend to jump at new things without hesitation. But now I know the limits of boldness.

[HETI VILAGGAZDASAG] For most of the 1980's you were a freelancer. Did that also require boldness on your part?

[Kosa] I was getting a lot of orders from publishers, primarily from Mora. Still after a year and a half everything began to feel like a chore, and I was beginning to miss being a part of a collective. Writing was not going well either. Slowly I was becoming depressed....

[HETI VILAGGAZDASAG] Was that when you began to seek psychiatric help? Rumor has it that there were political reasons behind it as well....

[Kosa] That happened in late 1983, early 1984. I began to feel that this system would never end, and that there was nothing one could do about it. They told me that I had a counterrevolutionary attitude.... But I was never threatened, and I cannot reproach anyone for subjecting me to political persecution.

[HETI VILAGGAZDASAG] We are happy to hear that. You are an author of 13 books. If you added up all of the Kosa works published to date, what kind of a volume would we be talking about?

[Kosa] Maybe 180,000-200,000 copies.

[HETI VILAGGAZDASAG] Have you always published under your own name?

[Kosa] Always. But sometimes I did sign only with my initials.

[HETI VILAGGAZDASAG] Now that we are on the subject of the "profession": Whom do you consider to be the greatest living Hungarian writer?

[Kosa] I am partial toward the Transylvanians. To me Andras Suto is the king of all writers.

[HETI VILAGGAZDASAG] And what about Gyorgy Konrad, who—Jozsef Antall's subsequent complaints notwithstanding—was recently named by a German magazine as its favorite? How does he rank on your list of top authors?

[Kosa] I used to read a lot of his works. Now I have no time for them. But I do think highly of him. Although I must admit that I was taken aback by his statements to SPIEGEL. It was as if he had lost the even composure for which he has been so well known.

[HETI VILAGGAZDASAG] And if he had asked you to sign the Democratic Charter?

[Kosa] First of all he never bothered to come to me. Although even if he had, I would not have signed it. For I reject its basic premise that the current government presents a danger to democracy in Hungary. If it is in any danger at all, it is because of threats from other directions. From the MSZP [Hungarian Socialist Party]-MSZOSZ [Federation of Hungarian Trade Unions] alliance, supported by the MSZMP. If the Charter had contained reference to such threats I would have signed.

[HETI VILAGGAZDASAG] At the founding meeting of your Hungarian Journalists' Association the outstanding stylist, writer-professor Istvan Benedek, who is widely respected for his ability to speak to the point, stated that instead of freedom of the press what we needed was decent press coverage. Even Andras Sugar could not agree with that statement. What about you?

[Kosa] If I remember correctly that was not exactly the way he put it; what he said was that many people today were taking advantage of the freedom of the press, interpreting it as a license to take liberties with the press.

Then he went on to add that such freedom of the press we did not need.... Perhaps the word "such" has been brushed over somehow.

[HETI VILAGGAZDASAG] Those darn four-letter words! And what do you think about them simply throwing Tivadar Farkashazy out of the room? This is not the way to promote progovernment humor...!

[Kosa] Farkashazy has not said anything to me, nor have the organizers reported such an incident. If it had happened, we would have offered him protection. Despite the fact that I cannot relate to any of his views.

[HETI VILAGGAZDASAG] Included among your little collective are such highly recognized press stars of the former system as Alajos Churidak, Andras Sugar, Denes Gyapay, Akos Moldovanyi, Istvan Stefka... forgive us for not listing them all. Are you not concerned that they are simply using you as their battering ram? Their bullet shield? Or that they will eventually trample over you?

[Kosa] Your question surprises me. For if they advance the ideals that we have laid down in our bylaws, I do not care if they run circles around me. I have heard similar allegations from others as well, which I interpret simply as attempts to drive a wedge between us. At that is something I will not allow to happen.

Bank Privatization Guidelines Adopted

*92CH0514B Budapest FIGYELO in Hungarian
16 Apr 92 p 4*

[Report by P.B.: "Bank Privatization"]

[Text] The government has adopted general guidelines for bank privatization strategy.

According to the government's position, the privatization of the banking sphere must be accomplished as a strategic privatization effort and is to be directed by the state. Accordingly, final decisions related to privatization will not be made by management, but will fall under the state's ownership authority.

Actual privatization must be preceded by the timely development of a strategy to organize the portfolios of the individual banks. The privatization of banks must be accomplished primarily as a result of increasing their capital.

Primarily in regard to large Hungarian banks, establishment of the following ownership structure shall be the goal until the second half of the 1990's decade:

(a) The state shall remain a major stockholder, but in the medium term the state's direct ownership share must be reduced everywhere to below 25 percent;

(b) Large international banks shall become strategic partners in large Hungarian banks, but in a way that Hungarian influence prevails in large banks;

(c) An opportunity for participation shall be made available to Hungarian and foreign institutional portfolio investors (including international financial organizations) in order to improve the supply of capital. Such investors, however, shall not enjoy full voting privileges;

(d) Another important requirement shall be to provide appropriate opportunities to Hungarian small investors to join the banking privatization process (e.g., by setting aside a certain part of banking stock subject to payment in the form of compensation vouchers).

One or more advisory firms with broadly based experience in bank privatization shall be selected on the basis of a tender invitation in order to successfully implement the privatization effort. Only one firm may be hired in conjunction with the privatization of a given bank. It would be inappropriate from the standpoint of both principle and practice for the state and the bank to hire separate privatization agents.

MNB Chief on Deficit, Bank Privatization

92CH0514A Budapest FIGYELO in Hungarian
16 Apr 92 pp 1, 10

[Interview with Peter Akos Bod, Hungarian National Bank president, by Dr. Gyorgy Varga, FIGYELO editor in chief; place and date not given: "Economic Evolution Is at Stake"—first paragraph is FIGYELO introduction]

[Text] The Hungarian National Bank [MNB] showed an understanding of the "higher than planned" budget deficit and reacted with restraint, even though one could expect the central bank to act more firmly in a crisis situation like this. The MNB is responsible for the equilibrium of the money market and for preserving the worth of the currency, after all. In explaining the conduct manifested by the MNB, the central bank president also stated his view that the annual allotment of \$50 per tourist could be increased with the concurrent abolition of the tax exempt status of interest income earned on foreign exchange deposits.

[Varga] How does the central bank react to the budget deficit explosion? What is going to be the bank's position if the budget deficit continues to exceed the amount approved by parliament for a longer period of time?

[Bod] The MNB's monetary policy need not be revised for the time being. Part of the budget deficit can be covered by 30 billion forints' worth of state securities to be transferred to, then placed out by the central bank. The rest of the deficit can be financed through the money market. This has been made possible by increased individual savings. The savings rate has reached a record high in Hungary, and this enables the financing of the budget deficit. Accordingly, there are no concerns of a technical nature.

[Varga] How about economic policy concerns?

[Bod] There are some, and I would like to address these. The state's debt burden will increase in 199 [as published; exact year not stated] if we cover the budget deficit by issuing high interest paying securities at a high cost to the government. The debt burden on 70 billion forints of deficit financing amounts to between 17 billion and 18 billion forints, and the same on 10 billion [as published; probably 130 billion] forints amounts to 40 billion forints. Accordingly, the state could find itself in a financial crisis.

The other effect exerted by deficit financing is that it removes the entrepreneurial sphere from the money market. This should be understood to mean that whenever risk-free state securities promising a high return appear on the money market, savings are invested in these securities and not in the productive spheres of the economy.

[Varga] In other words, the budget deficit should largely be blamed for the slow evolution of economic forces supportive of modernization.

[Bod] This is true. Whenever the nation's savings are absorbed by the state budget, all the related, adverse consequences have an impact on the real economy. Accordingly, the budget deficit diminishes the chances of economic evolution.

[Varga] The central bank's political actions suggest an understanding of the situation and are rather restrained. One could expect this institution and its president to take more stringent action in a crisis situation like this. In due regard to the interests of this country, the MNB's starting point should not be a listing of resources available for deficit financing, but the damaging consequences you just mentioned.

[Bod] My starting point is the central bank law. It states that whenever the institution is in conflict with the government—as, for instance, relative to the state budget—it has a right to turn to the public. I would have the right and duty to turn to the public if the government pursued policies that undermined the possibility of sustaining the value of the forint and if the government did not hear the views of the MNB president. I see no reason to turn to the public in the present situation. My associates cooperate with Ministry of Finance professionals, we submit our economic policy proposals to the Economic Cabinet, and I feel that the Cabinet is receptive to these proposals. The government manifests a far-reaching willingness to cooperate. The way I see it, some new economic policy issues will be underscored by the government in the near future.

[Varga] Does the MNB have an action plan for financial emergencies?

[Bod] No, it does not. We do not expect a monetary crisis this year. The likely consequence of a greater than permitted budget deficit is that real interest rates do not decline or that they may increase.

[Varga] This, then, would further deepen the recession.

[Bod] Exactly! But this is not primarily a monetary problem.

[Varga] Why not? An upward pressure on real interest rates exerted by deficit financing does have an inflationary effect.

[Bod] In this sense yes, it is a monetary problem, because the ripple effects of increased banking costs affect enterprise expenses. Banking costs constituted more than 5 percent of all enterprise expenditures in 1991. In reality, however, I do not count on inflationary pressures in the short term because of the recession. I much more expect to see a further reduction in production and growing unemployment. Incidentally, and this is not just an aside, producer prices increased only by thousandths of 1 percent in February.

[Varga] What causes the increased savings rate at a time when KSH [Central Statistical Office] data show a decline in production, and declining real wages and real income, and when unemployment is growing at a dramatic speed? I have only one explanation for this: Banking records treat deposits made by small entrepreneurs the same way as household savings.

[Bod] It is indeed difficult to see this picture clearly. And whatever is not clear to you is not entirely clear to this bank either. If we were to take seriously the 7- to 9-percent decline in the 1991 gross domestic product [GDP] as reported by the KSH, and the volume of household savings reported by the bank, the result would be that 18 percent of all individual income went into savings. If this were true, this ratio would exceed even the Japanese rate of savings! The savings rate has increased from 2 percent to 8 percent as compared to the GDP.

[Varga] Is this data reliable?

[Bod] It is not, because we do not know the actual size of the GDP. In other words, your puzzle could be solved by assuming a likelihood that the GDP was larger than what the KSH records showed. In this way the ratio of savings would immediately drop. The other explanation for this phenomenon is what you are assuming: Part of the savings set aside by entrepreneurs is shown as household savings. In addition, the fact is that the Hungarian economy is assuming Italian features, i.e., some entrepreneurs and some private persons do not pay taxes after their income. These "savings" show up in bank accounts, nevertheless.

[Varga] A strong pressure exists these days to reduce interest rates. But reducing interest rates would be risky because of a possible weakening of the propensity to save, and it would not be certain that this could be accomplished anyway because of the budgetary situation. Shouldn't there be a tax incentive to invest?

[Bod] What I am about to say will make me unpopular among entrepreneurs, but in my view the tax burden on

entrepreneurs appears to be heavy only on paper. The actual situation is different, as I pointed out a few moments ago. A substantial part of entrepreneurial income slips out from under tax obligations. This is why I disagree with your proposal. If anywhere, some tax relief could be granted in the framework of the 20-percent resource tax on interest earned on deposits; as a result of this tax there would be a need to maintain an artificially high level of interest rates on deposits, and consequently also on loans. Accordingly, a full or partial abolition of the resource tax could help stimulate enterprising. But this is the only field in which I could think of a tax reduction. High interest rates are only one of several obstacles in the way of an evolving enterprising and investment environment. Interest rates should also be reduced to prevent foreign firms from avoiding the influence of Hungarian monetary policy. Foreign-owned firms operating in Hungary borrow funds in foreign money markets because of the present high interest rates.

[Varga] As long as you have mentioned the resource tax that burdens the interest earned on forint deposits, let me mention the fact that financial circles are considering the possibility of terminating the tax exemption on interest earned on foreign exchange deposits. What is your view in this regard?

[Bod] Interest on deposits should be taxed, unless doing so would violate some political interest. In my view, the fact that interest earned on forint deposits is taxed, while the same on dollar deposits is not, represents a distortion. The two types of income should be treated the same way.

[Varga] Some MNB leaders have mixed feelings about the \$400 million surplus of the current balance of payments. Do you find yourself in the same situation?

[Bod] I do. I would not mind seeing a lower level surplus resulting from, let's say, a higher pace of machinery imports. The high surplus indicates that the absorption capacity of the Hungarian economy is low.

[Varga] At the same time, the high surplus is also a source of inflationary pressure.

[Bod] Today, foreign exchange negotiables entering the banking system are the primary source of producing forints. Therefore, if the influx of capital continues to increase as it has thus far, and if this [increment] is not invested in the real economy but is deposited in banks instead, the risk that this practice is going to have an inflationary effect is also going to increase. Periodically, the MNB is forced to take tight-money actions to reduce this risk. The last time we took such action was in October 1991. On the other hand it is true that the unpleasant consequence of this is a 16-percent reserve rate on money loaned to banks. The same rate is only 9 percent in Germany, for example.

[Varga] I feel the same way about the balance of payments as I do about savings. Last year's final trade balance showed a deficit, while the current balance of

payments closed with a substantial surplus. The latter includes an item familiar to many: uncompensated transfers, the volume of which shows a dynamic increase, and this, too, increases the surplus. Could you explain to me what is at issue in this regard?

[Bod] The item you just mentioned amounted to \$860 million in 1991. It is a significant amount, indeed. Previously, this item has been regarded as high if it has reached the \$ [as published; probably \$30-] to 40-million level. Eighty-five percent of the amounts designated as uncompensated transfers represent transfers to domestic foreign exchange accounts, and 15 percent consists of funds transferred by employees, government aid, transfers by persons who have relocated themselves, etc. Accordingly, it is easy to pin down what this 15 percent consists of. Eighty-five percent of these transactions consists primarily of invisible merchandise and service exports. I believe that at least \$500 million of this amount should be added to the value of exports, in which case our trade balance would also turn out to be different.

[Varga] What is your view of the central bank's reserve policies? Don't you regard a more than \$4 billion reserve as excessive?

[Bod] Not if we compare this amount to the increased volume of imports. The reserves still cover only four and a half months' worth of imports. In addition, a substantial part of the reserves consists of short term foreign exchange accounts owned by Hungarians and payable on sight, and this is not the most favorable form of reserve financing. Although it is relatively cheap, it is also liquid. Having appropriate reserve policies is the price one has to pay for economic security.

[Varga] Foreign capital influx plays an important role in the real appreciation of the forint, in turn, this appreciation slows down inflation...

[Bod] ... And increases real interest rates as well as deepens the recession. This magic circle must be broken so that we end the recession without unleashing inflation.

[Varga] Would not the favorable balance of payments situation and the favorable position of the forint permit an increase in the \$50 annual allotment given to Hungarian tourists?

[Bod] This rule has been established under constraint; a change in this regard is on the agenda. I would oppose this for only one reason: Many would use the higher amount to purchase convertible currencies to deposit these in high interest bearing foreign exchange accounts. This would further increase our concerns relative to the balance of payments surplus; excessive liquidity would increase further. This endeavor to convert forints into convertible currencies could also be reduced by taxing the interest earned on foreign exchange deposits.

[Varga] Do you envision a possibility for foreign, and, of course, also for Hungarian entrepreneurs to perform foreign trade transactions based on the forint?

[Bod] Yes, the conditions for this already exist. The MNB board has decided that foreigners exporting to Hungary may accept forints payments on their invoices. A foreigner could maintain his forint balance in a Hungarian bank account and could use such amounts in Hungary for the purchase of Hungarian goods and services. Thus we would have a de facto Euroforint, another station stop on the path of rendering the forint convertible. At the same time we must also impose certain restrictions. For example, we do not permit foreigners to invest their forints in securities issued by the state, because the return on such risk-free securities is rather high. This of course is not meant to be a perennial rule; we would probably lift this restriction if interest rates dropped significantly.

[Varga] When is the MNB's decision going to take effect?

[Bod] This is going to be announced in the form of a government decree. The proposed text of such a decree will be submitted by the bank in the near future.

[Varga] One hears many different, and even conflicting views concerning the privatization of Hungarian banks these days. To mention just one: Some swear by strategic investors, others believe in portfolio investors. Where do you stand on this issue?

[Bod] I represent a partly liberal and partly conservative viewpoint. I am liberal insofar as I caution everyone against developing a strategy of general applicability, and mainly against developing a uniform strategy. As a business transaction, bank privatization requires individual evaluation. It then follows that I do not regard as fortunate, but mainly, as useful for us to commit ourselves at the outset to a certain type of foreign investor. In some instances we will find that strategic investors are needed, in others we will want to choose portfolio investors. I would not restrict in advance the ratio of foreign capital that may be invested in our banks either. I would not rule out possible foreign majority control in large banks. It is yet another matter that we ought to avoid a situation like this in terms of the Hungarian banking system as a whole.

My only restrictive condition would be to require that foreigners not represent themselves merely by establishing an office here. Instead, they should establish and build a network of offices, and should contribute to the development of the infrastructure in the countryside. They should be close to their clientele.

Finance State Secretary on Budget, Privatization

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[Report by Gabor Karsai on his discussion with Tibor Pongracz, Finance Ministry political state secretary and

chairman of the State Property Agency Directorate; place and date not given: "Budget and Privatization"]

[Text] "Is a political state secretary a political wild boar in your view, one who needs not be competent in professional matters? A number of your journalist colleagues have inquired whether I came to the ministry as a commissar." Showing irony rather than being offended, Tibor Pongracz asked the above question during our conversation. He was appointed a few weeks ago to serve as the political state secretary of the Finance Ministry and as chairman of the AVU [State Property Agency]. "Whereas," he added, "this position enables me to perceive myself as an economic policy maker capable of acting independently from group interests."

Consistent with his dual position, I inquired from Tibor Pongracz about both the budget situation and privatization. He politely declined to answer my question concerning the factual situation that surrounds the budget. "The budget is not my favorite topic today. I am aware of the general situation, of course, but it would be appropriate for the minister to be first to discuss figures." Recognizing my lack of comprehension, he added: "No two identical figures are published concerning the economy. For example, at the beginning of the year the amount of operating capital received in Hungary during 1991 has been estimated to amount to \$1.5 billion; subsequently they began talking about \$1.7 billion and \$2.0 billion, and by now I have also heard of a \$2.3 billion figure. I would not want to provide erroneous figures. One thing is certain: The situation is worse than expected and I do not like to discuss the reasons that caused this to happen."

Mistaken Forecast?

His caution is understandable. According to preliminary data published by the Finance Ministry, the first-quarter budget deficit amounted to between 46 billion and 48 billion forints, but according to Karoly Attila Soos, National Assembly Committee on the Budget chairman, on 25 March the deficit amounted to as much as 79 billion forints. A significant part of the difference could be explained by the fact that on a time-proportionate basis more privatization revenues were transferred to the state budget [than scheduled], and with the temporary repayment of advance taxes claimed by banks, which were disbursed at the request or demand of the Finance Ministry. The admitted level of budget deficit well exceeds the time-proportionate part of the 69 billion forint [deficit] scheduled for the entire year; disregarding the tactical steps that have been taken, it even exceeds the annual amount scheduled. On top of everything, not much good can be expected to occur during the remainder of the year. If general meetings held by banks decide to reduce the level of targeted reserves recommended by the directorates, and if, as a result, the amount of profit taxes paid by banks increases, this action is not going to offset the shortfall in economic performance vis-a-vis the forecasts—a matter that may be regarded as certain—and thus also the taxpayers'

ability [to pay taxes]. The explanation is simple: This year's calculations projected stagnation (a zero- to 2-percent increase) in comparison to last year's performance. But since at the end of last year economic conditions were well below the average, even stagnation would require a significant growth if compared to the conditions that prevailed in December. This, on the other hand, appears as entirely unrealistic. For this reason, a number of bankers and researchers regard a budget deficit of two or three times the projected amount as possible.

Tibor Pongracz, on the other hand, regards this possibility, in this fashion as unlikely. He acknowledges that the revenue side of the budget had been predicted incorrectly, and that therefore last year's and this year's gross domestic product [GDP] would be smaller than expected. But he rules out the possibility that this is a result of a conscious effort to overestimate the budgeted revenues. Although the government has debated at length ways in which to reduce expenditures, in the end, revenues had to be adjusted to conform with the combined total amount of expenditures plus the deficit, Pongracz added.

Discipline Is of Primary Importance

The state secretary regards a relaxation of the financial discipline as the chief problem. In his view, no one enforces ownership authority at state enterprises; as a result of this there is no constraint to increase profits; at the same time, private enterprises use both legal and illegal methods to avoid taxation, although, in theory, one cannot dispute the fact that they are overtaxed. Taxes owed by enterprises alone amount to about 50 billion forints. Enterprise indebtedness in the form of customs duties plus general sales taxes is tremendously high; it amounts to 120 billion forints. With a declining standard of living, but even more so, with broadening illegal commerce, a tangible reduction in consumption tax revenues can be felt.

Pongracz does not regard the preparation of a supplemental budget as necessary as of now, because, in his view, the budget could easily be stabilized by collecting overdue taxes and customs duties. Pongracz gave an evasive answer when asked whether he agreed that a provision of the bankruptcy law that permitted the partial write-off of taxes and customs duties owed by enterprises—a measure that strengthens the Finance Ministry's power position but reduces state revenues—was unusual in the context of international practice. He said that the provision was debatable nevertheless well intended; it regards the state as an ordinary creditor. He expressed doubt [about my assertion] that this was a new form of plan-oriented and regulatory bargaining, and compared the mention of international examples to quoting Lenin's remarks, as that was customary in the previous system. Examples, just as quotations, can be found in relation to everything. He then went on to quote Chamfort who said that economists were surgeons with a sharp knife but whose functioning was obtuse. In other

words, it could only be told in the future whether this provision of the bankruptcy law proved to be appropriate.

If Nevertheless

Upon my persistent questioning as to what could be done if the budget deficit increased beyond the level he thought was appropriate, we discussed every possible method of increasing revenues. There is no chance for increasing customs duties and taxes, a transition to a dual rate general sales tax also recommended by international financial organizations—one at 8 to 10 percent and another between 17 and 20 percent—is possible in principle at any time, but is unlikely. If introduced, nevertheless, this kind of tax would also have to be offset by [increased] payments to individuals under social policy provisions, and would exert unfavorable effects from the standpoint of anti-inflationary policies. Tibor Pongracz is firmly opposed to increasing the present 20-billion-forint allocation of privatization revenues to the state budget, and believes that it would be desirable to use these funds for reorganization prior to privatization, for privatization guarantee funds, and to finance low-interest privatization loans.

Is There Going To Be Reform?

Tibor Pongracz clearly recognizes the fact that state bonds financing budget deficits divert resources from entrepreneurs and hinder the reduction of interest rates, even though by now, nominally high interest rates are no longer the only obstacles in the path of enterprising. From the standpoint of reducing interest rates Pongracz regards the use of privatization revenues for the establishment of guarantee funds, which reduce risks taken by banks, and thus also the interest rates, as important, moreover, he also believes that resource taxes on deposits be abolished. The budget situation raises questions, however, as to the feasibility of mainly the latter.

I asked the state secretary where we stood with state household reform that had been promised to be introduced by the end of last year. Could opposition representatives be correct when they say that a household reform law would not be introduced prior to the next elections? Pongracz asserted that the idea of state household reform has been raised 10 years ago when Istvan Hetenyi served as minister of finance, but it has always been postponed. In order to accomplish such reform it would be necessary to define the extent of the state's involvement [in the economy], more accurately: the reduction of the state's involvement, and this is particularly difficult in a country that is becoming increasingly poor. The transformation of large distribution systems in parliamentary democracies has been a result of several years of debate; only small changes are likely in this regard in Hungary, too. In any event, work in this regard should be accelerated, according to the state secretary.

In late March Pongracz granted an interview to NEPSZ-ABADSAG. At that time he asserted that "if present

management is able to easily purchase enterprises, that practice is at least as offensive from the standpoint of the masses as selling everything to foreign firms." At this time his statement was more precise, at least in my view. "I do not believe that the masses would like to see any kind of owner. Whoever has money is suspect in Hungary," he said. This is an interesting contradiction, he added, because public opinion polls show that an overwhelming majority of the people support the development of a market economy and privatization. Pongracz attributes great significance to attracting foreign capital—we are still very far from the average of a 25- to 30-percent [foreign ownership] share that prevails in Europe—and regards managers as one of the sources from which a Hungarian capitalist class could evolve ["one of the sources of a national capitalist class"]. In other words, along with establishing the Employee Stockholder Program he also regards the establishment of conditions for management buy-outs as urgent. Pongracz also agrees with the idea that we should endeavor to privatize state property as fast as possible; a wait and see attitude could cause great damage in the form of market loss and the growing number of people who "carry away" [enterprises]. Pongracz nevertheless believes that today's pace of privatization cannot be substantially accelerated due to the given foreign and domestic demand. For this reason Pongracz does not attribute an overly great significance to the size of enterprises that remains under long-term state ownership either. We still have an ample supply of things to privatize and the enterprises that are going to belong to the future State Property Trust Corporation must be reviewed on a regular basis anyway.

"What is your view of Tamas Szabo's letter to AVU leaders that halted the second wave of self-privatization, and in which he recommended reconciliation within the MDF [Hungarian Democratic Forum] parliamentary faction and with the Monopoly group?" I asked Pongracz. I asked this question because this matter reminded me of methods used in the old system, when the party provided directions. The state secretary believes that all views, irrespective of party standing must be heard with respect to privatization issues and feels that the process itself must be rendered reviewable to a maximum extent by both the participants and the public.

Pongracz regards demand for privatization, and, in general, the stimulation of enterprising as the key issue insofar as economic growth is concerned. The establishment of conditions needed for economic growth, however, is influenced, among other things, by the rate of inflation. "We must rule out the possibility of a kind of growth proclaimed by the 13th Congress of the MSZMP [Hungarian Socialist Workers Party] in 1985!", he said, then added: "We will not improve the MDF's chances in the elections at the cost of an economic catastrophe. The government and the party I am a member of has a greater sense of responsibility than that."

State Accounting Office Activities Discussed

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[Report by E.Zs.: "Classified State Accounting Office Reports"]

[Text] In most instances the State Accounting Office [ASZ] does not even know the size of state assets it is supposed to protect, according to ASZ Chairman Istvan Hagelmayer at a press conference concerning his organization's annual report, urging the adoption of the state household law. Auditing the books of some 3,200 autonomous local governmental units also presents a significant concern; not even the ASZ's incremental staff of 65 suffices for the performance of this function, not to mention the fact that no functional technique for doing so has yet been found. The ASZ will soon examine governmental measures aiming for the alleviation of unemployment, and will conduct an after-the-fact audit of the Hungarian Television to find out the extent to which Hankiss's action plan could discontinue the controversies that were revealed. The management audits of the Hungarian Radio, the Ministry of Public Welfare, and of the prosecutors' offices continues.

The issue surrounding the secrecy of materials has been underscored at the press conference. A number of ASZ reports have not been publicized thus far because the data and facts they contained were classified as secrets by the affected ministries or the government, and perhaps by one or another parliamentary committee. These reports include one the ASZ has prepared concerning Bos-Nagymaros. In this relation Hagelmayer had this much to say: In ASZ's judgment the political leadership has played a significant role in the actual progress that has been made in the construction and much of the information has been kept secret even from parliament. All this has also been supported by the interests of the water resources lobby. Similarly, ASZ reports concerning the Ozd Foundry Works and two years ago, concerning the MNB's [Hungarian National Bank] receivables in convertible currencies have been classified secrets.

ASZ will begin to examine the state budget in the next few days. Initially, the organization has declared that it did not believe that the budget had adequate foundations. Accordingly, for the time being, there is no official ASZ position as to whether there is a need for a supplemental budget. Vice Chairman Laszlo Nyikos expressed what he termed as strictly his personal view, that the government will be hard put to avoid having to submit a supplemental budget.

Postcommunist Governing Alternatives Noted

92EP0346B Warsaw GLOB 24 in Polish 31 Mar 92 p 2

[Article by Jan Wojnowski: "What Is Next After Communism?"]

[Text] At a meeting of the B. Limanowski Club in Warsaw, Professor Karol Modzelewski asked, "What is next after communism?" and immediately added that the inability to answer the question thus posed is characteristic of the intellectuals active in politics.

The leader of Labor Solidarity views the continuing liberal economic policy as dooming the nation's economy. At the same time, he considers it "indecent" to criticize the Balcerowicz Program. To be sure, the monetarist orientation has not restructured the Polish economy. Similar difficulties are being experienced by all the other postcommunist countries; even the former GDR is no exception. Following the collapse of the communist system the market economy turned out to be a desirable goal, but the road thereto, tried and tested as it may be in some other countries, is not producing the desired results in Polish conditions.

There are no paradigms to be followed in emerging from communism, and the market economy cannot be achieved unless the state provides a social safety net. The program sponsored by the liberals is ruining our productive potential. Treating the economy inherited from communism as a "ruin" has lowered Poland to the level of Third World countries. There is no road of return from backwardness.

How did it happen that the first Solidarity government chose the monetarist version of a program for economic reform? Modzelewski believes that Poland had the opportunity to choose a different road. The opposition was capable of working out a corresponding program and the elites were capable of leading the Solidarity movement. But that did not happen. The sudden disintegration of communism surprised everybody. Power had to be taken without being prepared for it.

In such a situation liberalism was invoked in a doctrinaire manner. Soon the "elements of bolshevik thinking present in the ruling groups" made themselves manifest. The premise adopted was to introduce irreversible changes in the economy within the shortest possible time and to smash up everything so that there would be nothing left to rebuild. Such was the approach and the plan of action. "Independent" journalists, servile to the new rulers, zealously proclaimed that there was no alternative to the Balcerowicz Program.

The ideas presented in the fall of 1989 by Balcerowicz were not yet a structured program. They were, as Modzelewski put it, a reflection of the new alignment of political forces. Deputy Ryszard Bugaj contends that he has never supported anything of the kind termed the Balcerowicz Program and never voted in favor of the "outline" of that program. In the Sejm he voted for

specific laws, some necessary and other risky. The law on privatization was a bad one, but its bad aspects were not perceived by public opinion. He admits that he himself also lacked the courage of openly criticizing it, out of fear of "giving the wrong signal." Even then he had been criticized for obstructing the reform program of the Mazowiecki administration. He realized that that program was "in excess of the permissible risk margin." He opposed the importation of the monetarist solutions advocated by Jeffrey Sachs. Andrzej Milkowski said that he and Bugaj became marginal people so far as the OKP [Citizen's Parliamentary Club] was concerned; their criticisms were ignored. He had warned against "dogmatic privatization" but was viewed as a "rare bird." And in the meantime the government began to build the new reality in a bolshevik manner.

Modzelewski said, "Nowadays we should bear in mind the circumstances which did not allow an open opposition to the economic program of the Mazowiecki government."

At the time even the PZPR [Polish United Workers Party] deputies lacked the courage to be in the opposition, sitting as they were on the "bench of dunces." The liberals' program was accepted by Solidarity. Everyone was bound by a vow of confidence in the Solidarity government, so to speak. There was widespread public acceptance [of that government] and the opposition was weak. Any criticism of that program was used to scandalize Solidarity's worker constituencies. Thus, at the time, an open attack on the program would be interpreted as wanting to take the first step to topple the Mazowiecki government and break with the force which supported it. Breaking with Solidarity was inconceivable. This explains why opposition had been difficult and in practice impossible.

The transition from the communist economy to a market one will take decades. It cannot be accomplished by means of state intervention.

Other speakers at the discussion drew attention to the need to adopt socially acceptable solutions. According to Prof. Janusz Zarnowski, the reaction to the pernicious policy of the liberals should be a leftist response. The left is divided and bickering, but it alone can create a solid base of social support for a leftist reform program. Without the support of the masses the ruination of the economy cannot be stopped. Owing to the lowering of the living standards of working people, "the society is becoming ready for yet another upheaval" (Dr. Andrzej Malanowski).

The experience of the last two years shows, said Prof. Sylwester Zawadzki, that obstinate adherence to an extremely liberal doctrine leads the economy to disaster. Thus a third way, an intermediate way, should be chosen without fearing a return to the etatism of the centralized economy. The ideas of Keynes and the Swedish and German solutions should be utilized. There is no better model for Poland than a mixed economy.

The economic program of the current government is a bone of contention among various political interest groups. Among the ruling elite an amateurish approach has become the norm. This should be opposed by a strong social democratic party. The situation of the left is not good: Labor Solidarity pretends that it is a social democratic party, platforms are being thought up by intellectuals, and leftist groupings do not strive for unity.

The diagnosis made by Prof. Leszek Gilejka is also disturbing: a weak government, many corrupt institutions. The remedy for this should be a "participation and self-government program." Surmounting this situation is also complicated by the "conceptual chaos" (Dr. Eugeniusz Noworyta). Within the Sejm, there still continues "a kind of masquerade, with everyone desiring to be closer to power." Essentially, there is no reason for opposing liberalism to social democracy; all that is needed is to combine these two ingredients properly.

When introducing the radical economic reform, the Polish mentality, "the soul of the nation" was not taken into consideration (Dr. Pawel Boski). It is the Polish way to reject thinking in competitive terms, treating people as elements of doing business. This view is being confirmed in the recent public opinion polls.

The psychological factor was also mentioned by Prof. Andrzej Grzegorzczak. Intellectuals should work out "a new program for educating society." Attitudes should be altered. Thus the point is that people should work better, demand less, and strive for harmony. On the other hand, platforms enabling the authorities to manipulate the society should be rejected.

Prof. Stanislaw Gebethner tried to justify the existing situation from a somewhat deterministic standpoint. It is due, he said, to a combination of objective necessity and subjective errors. Above all, "a genuine diagnosis of the rise and fall of socialism has not been made." The sudden collapse of socialism surprised everyone. Solidarity was unprepared to take over the government. What happened was necessary, but the mistakes made are a derivative. The program was constructed on the basis of the idea, believed in, that the 45 years of existence of the Polish People's Republic had ruined this country. Thus damage was done. Any other government, too, would have made mistakes. Were a modernization of the previous system of society possible, the leadership of the PZPR would have undertaken it: "They were not intellectual pygmies." We got stuck in a "historical trap": Communism left traces in public awareness—people have become accustomed to social entitlements, and this fact was not considered in the program for the economic reform.

Prof. Jan Dziewulski believes that "the economy was deliberately strangled with the aid of money." Unless the continuing decline in the earnings of workers and receipts of the state budget is halted, there will be a social

rebellion. Only mass demonstrations can halt the implementation of the existing program. In this connection, chaos or even a dictatorship is not avoidable.

Karol Modzelewski too does not preclude the onset of instability which may result in a dictatorship. But he does not think that it would be a bloody dictatorship. Thus, other solutions to economic problems have to be explored. The idea of the "third way" can be introduced in practice provided that it is supported by a political force.

Modzelewski recapitulated the discussion with the laconic statement that the ruling circles of the United States and the strategists of the IMF lack the imagination to conceive the aftermath of communism. "They do not even know how to recognize their own long-term interests."

Peasant Parties, Coalition Possibilities Viewed

92EP0345A Warsaw SPOTKANIA in Polish No 11,
12-18 Mar 92 pp 16-19

[Article by Stanislaw Marek Krolak: "Peasant Parties Refuse To Unite"]

[Text] It is rather difficult to understand what is preventing the peasant parties and politicians from reaching a common consensus even though they have the same constituency and the same goal—that of protecting the interests of the countryside and farmers.

There now exist three different clubs of peasant deputies in the parliament, representing five peasant parties and groupings. The largest is Waldemar Pawlak's Polish Peasant Party Caucus, with its 53 deputies and six senators. The Peasant Accord Caucus has 20 deputies and 13 senators representing Rural Solidarity (until recently led by Gabriel Janowski, who is now the minister of agriculture) and the Mikolajczyk PSL in the person of Chairman Henryk Bak. The Solidarity PSL [Polish Peasant Party] Caucus, which until recently was part of Peasant Accord, has 10 deputies and two senators as members. The sole representative of the Fatherland Heritage Party is Deputy Roman Bartoszcze, who had campaigned for elections in an alliance with Peasant Accord.

The most radical explanation of the reasons why the society does not understand the initiatives of the peasant politicians has been provided by Roman Bartoszcze a year ago PSL chairman, now the leader of the Fatherland Heritage Party: "The point is that the society believes in the existence of a divided peasant movement. There does not exist any peasant movement. Sure, representatives of parties referring to the peasant movement sit in the parliament, but outside Wiejska [the parliament building on Wiejska Street] this movement does not exist. The time for appealing to particular strata or milieux of the society is irretrievably over, and posing the matter thus is harmful to the national interest."

Aleksander Luczak, the vice chairman of the Supreme Council of the PSL (the former ZSL [United Peasant Party]) believes that expectations of major accomplishments should the peasant movement become united are greatly exaggerated. "Even if a single peasant party were to exist, it would probably split into factions. In politics this is a natural trend. The present expectations of the rise of a big peasant party are only complicating a consensus among the existing peasant groupings." This according to Professor Luczak, who is considered as belonging to the party's right wing. As for Wladyslaw Serafin, a leftwinger, he does not perceive any chances for reaching a consensus. In his turn, Jacek Soska, well-known for his violent speeches in the Sejm, believes that no accord is needed, because the peasant movement and the PSL are the same thing and outside them there are "only the usurpers of the traditions and assets of the peasant movement."

Likewise, the leaders of other groupings do not view as likely any merger of the political groupings based on rural constituents. Both Jozef Slisz, the chairman of the Solidarity PSL, and Henryk Bak, the chairman of the Mikolajczyk PSL, do not consider possible a rapprochement among the existing parties in the next few years. To be sure, Henryk Bak believes in the desirability of cooperation, but only within the framework of a coalition [rather than a merger]. A cooperation that would blur or curtail the identity and autonomy of the individual parties is unacceptable.

Solely the Reverend Bijak of Wilanow, who has for years been trying to reconcile the bickering heirs of Witos [prewar peasant leader] and Mikolajczyk, still firmly believes in the possibility of the rise of a united peasant party. The Reverend Bijak's dreams seemed to have become reality in May 1990 when a group of PSL activists headed by Roman Bartoszcze (the so-called Wilanow PSL) merged with the Rebirth PSL which had until December of the previous year borne the name ZSL, thus forming a new party called the PSL.

The goal of the Reverend Bijak seemed to draw near. Roman Bartoszcze, who at the time became the chairman of the new party, said that this was the last chance for building a modern peasant party. "I believed that a peasant party associating peasants and proprietors of small establishments in town and country, a party of small proprietors, is needed for the political stability of the country. I believed so even despite the fact that the ZSL was administered by the *nomenklatura*, because that party had for members several hundred thousand peasants who, contrary to the *nomenklatura* championed private ownership. These people, the largest group of proprietors in this country, are the foundation for democracy-building. This fact remains unchanged to this very day."

Bartoszcze tried to find partners for a coalition. "I held talks with the ZChN [Christian-National Union], the Labor Party, and even the Confederation for an Independent Poland [KPN]." He proclaimed the slogan of

decommunization of the PSL's membership. "I believed that the historic value of the PSL was devalued by the apparatchiks. I wanted to give these people a chance to either resign their posts or to remain in the PSL and with a pure conscience live and work in a free Poland. But they did not avail themselves of that chance." In the end, Chairman Bartoszcze formed an electoral coalition with Gabriel Janowski and Jozef Slisz. But before the elections took place the coalition collapsed and Bartoszcze was thrown out of his office (the public prosecutor is to this day investigating this matter), and ultimately the Extraordinary PSL Congress deprived him of his chairmanship. The new chairman is Waldemar Pawlak, a rising star on the political scene.

The experiment ended in a fiasco. Instead a new source of conflicts arose—the dispute about the party's name. Not all the activists of the PSL reactivated in 1988 in Wilanow attended the Unity Congress. Henryk Bak's group did not accept that decision and preserved the existing party. In order to somehow distinguish itself from the more numerous "usurpers," it began to call itself the Mikolajczyk PSL and sued in a court of law to deprive the other, competing parties of the right to call themselves PSL. In the court of the first instance Bak's party lost the suit, but the court of appeals waived the verdict and the dispute is still underway. Much indicates that this time Pawlak's party will lose the case, because the court of appeals pointed out that the decisive factor is which party was the first to employ the disputed name and not which one was the first to be registered. There is no doubt that in this respect the priority belongs to Bak's party.

There is no clear answer to the question of what are the actual differences among the peasant groupings. Whenever farmers' interests are concerned in the parliament, all the peasant groupings generally champion them, despite some differences in specifics. For example, the PSL is resolutely demanding minimum negotiated prices, whereas Peasant Accord supports minimum negotiated prices that would not assure profitability for everyone but would rescue 50 percent of the farms from bankruptcy, and Solidarity PSL and National Heritage reject minimum prices as a way of assisting agriculture and instead support other forms of subsidies, chiefly preferential credit. All these parties, however, claim in unison that they are reaching a consensus in the Sejm on matters concerning the countryside.

Their ideological differences are more distinct. Henryk Bak defines them as fundamental: "The dispute about the name is a dispute about principles. The current PSL has not cut itself off from its ZSL past. There should be an explicit difference between the Third Republic and the Polish People's Republic."

Paradoxical as it may seem, the PSL Caucus during the current term of office of the parliament has more members with a communist past than it did during the previous term. "Previously," Henryk Bak commented, "it had no post-PZPR [Polish United Workers Party]

nomenklatura, but now the communists from the agricultural circles have joined them." Aleksander Luczak does not deny this. Instead, he offers the reminder that the PSL had entered the elections in an alliance with the agricultural circles and the ZMW [Rural Youth Union]. Each of these organizations was fully autonomous and the PSL had no influence on the nomination of the candidates. Now, however, although no one wants to admit it plainly, signs are appearing that this alliance is beginning to be a vexatious handicap to the PSL.

Waldemar Pawlak thinks that the basic differences among the groupings ensue from their different origins. "The PSL emerged from that segment of the peasant movement which tried to solve the problems of the society under varying circumstances, whereas Center Accord originates from the Solidarity tradition—from the struggle with communism. We believe that the free elections have fully ended the division of groupings into better and worse ones, into just and unjust ones." Aleksander Luczak stresses that his party also includes members of Solidarity origin.

Jozef Slisz stresses the fact that he leads a distinctly rightist party, whereas Pawlak's party is distinctly leftist. "Let me illustrate this with the example of the cooperatives. We believe that farm cooperatives, i.e., rural banks, dairies, etc., should be authentic: They should associate farmers and be governed by farmers, whereas the PSL believes that employees of these cooperatives may also join them as members. Obviously this conflicts with the nature of the cooperatives and results in that the governing boards of cooperatives are dominated by employees, who attend to their own interests first. It seems to me, however, that the election of Waldemar Pawlak, a plain spoken man, to the chairmanship will provide the opportunity for reaching an understanding—of course after the PSL purges itself of its communist past."

This opinion is supported by Antoni Furtak of Peasant Accord, who stressed that the economic platforms of Rural Solidarity and the PSL are similar. Bogdan Pilarski of Solidarity PSL declared unambiguously, on the other hand, that the members of Slisz's PSL are communists with whom he shall never talk. "What is there for us to talk about with Mr. Bury, Mr. Maksymiuk, or Jagielinski?" he asked rhetorically. In contrast, Antoni Furtak views Roman Jagielinski, the chairman of the PSL's Political and Program Council, as one of the most solid politicians in the PSL.

It is their origins that account fairly clearly for the differences between Pawlak's PSL and the parties deriving from the Solidarity tradition. But it is much harder to grasp the differences among the post-Solidarity groupings. I believe that they can be grasped only if the personal element is considered. It is no secret that Gabriel Janowski, the current minister of agriculture and until recently the head of Rural Solidarity, and Jozef Slisz, the previous chairman of Rural Solidarity, hardly

are friends. Janowski had won the election to the chairmanship by accusing Slisz of wanting to involve Rural Solidarity in political disputes. The loser established soon afterward the Solidarity PSL, while Janowski made no particular secret of his desire for the portfolio of the minister of agriculture and a deputy prime ministership. When, after the elections, Center Accord refused to support Artur Balazs for the post of Sejm deputy speaker, Slisz's party left the coalition and Balazs became a minister without portfolio in Olszewski's cabinet.

Roman Bartoszcze is not concealing his hostility toward Slisz and Janowski, who, he thinks, were disloyal to him. He said, "To be active in politics does not have to mean chasing after high government posts as is the case nowadays." In their turn, politicians from nearly every grouping agree in claiming that Bartoszcze ceased to matter ever since he had abandoned the coalition with Center Accord. "A politician who changes alliances so often cannot be trusted," said Furtak. Bartoszcze's former associates from the PSL adopt a clearly mocking tone when speaking of their quondam chairman. Professor Luczak said that it was Roman Bartoszcze's hard luck that he was not psychologically equal to the burden of his duties. It is only Henry Bak, who would gladly enter into a coalition with the Fatherland Heritage Party and Roman Bartoszcze and who views shifts in alliances as a political tactic. But here arises a problem: Does the Fatherland Heritage Party exist at all? Jozef Slisz claims that he has not heard of any such party being active in the provinces. Antoni Furtak shares this opinion, but he adds that he has not heard either of Slisz's party being active there. He said, "Solidarity PSL is the kind of party that supports any government. It supported Mazowiecki and later Bielecki, and now it supports Olszewski. It is certain to support the next prime minister as well."

In March a new political grouping, the Peasant Accord Party, may appear on the scene. New leaders will be elected at the congress of Rural Solidarity. A majority of the existing leaders will remove themselves for politicking. "Solidarity PSL is a school for people who want to engage in political activity," said Antoni Furtak. It is not known yet whether, after the congress, together with a group of deputies from the caucus, Peasant Accord will establish the Peasant Accord Party or join Henryk Bak's PSL. If the latter, the Mikolajczyk PSL will become a political force that cannot be ignored. The more so if Bak wins the suit for the party's name. At any rate, Antoni Furtak described the goal clearly: "In the countryside, there is a need for political activism. The left wing has been claimed by Pawlak's PSL, while the right is vacant and will be our base." Furtak emphasized that the political movement of which he speaks will not be confined to the countryside alone. It should also encompass small businesses, craftsmen, and services.

Similar, and in many points identical, platforms also are being proclaimed by Solidarity PSL and Fatherland Heritage.

At the same time, though, attempts continue to form a peasant Christian bloc. Jozef Slisz's old idea suits many nowadays—it suits both Prime Minister Olszewski and Waldemar Pawlak. Immediately after Pawlak's visit to the primate, Jaroslaw Kaczynski and Slisz visited him too, and both men announced that they have formed a peasant-Christian bloc, trying to block the initiatives of the PSL. Politicians from that party admit that they are not as religiously Catholic as Slisz's people who constantly sit in churches, but they stress that Christian values are being respected at the PSL, if only considering that most of its members are Catholics. Jacek Soska does not think it possible at all for the PSL to reach an understanding with the Democratic Union and the Liberal Democratic Congress, but in view of the similarities in constituencies he perceives possibilities for cooperation with the Christian-National Union and perhaps also with the KPN, "which has so far been keeping its cards close to the vest."

Waldemar Pawlak stated that the need to build a broad and stable political base is indispensable to the country. But Roman Jagielinski stressed that this does not mean that his party intends to change its colors. "For the time being all these outcries about the peasant Christian bloc are mere window dressing. The parties are vying to show which is the most Christian," he added. On the other hand, peasant activists of Solidarity origin find it funny that their colleagues from the PSL want to gain credibility by individually erecting at least one church each, so to speak.

Henryk Bak is not particularly gripped by the notion of a peasant-Christian bloc. In his opinion, the idea is warranted but the problem is that its purpose is hardly too clear. If this concerns forming a coalition, sure, but it has to be on equal rights and on the basis of clearly defined principles. A situation in which, e.g., Center Accord would dominate the other members of the coalition is unacceptable. Just as cautious are Peasant Accord and Fatherland Heritage, with the latter though resolutely supporting Olszewski's concept of basing the government on an appeal to the entire nation.

For the time being, peasants, and those claiming to be peasants, are looking for their own place on the political scene, each on his own, and each dreaming of playing the principal role. No one wants to act as a member of a united peasant alliance.

[Box, p 17]

The Mikolajczyk PSL (Polish Peasant Party) was reactivated on 10 June 1988. In May 1990 some of its activist members resigned from it and, together with the regular PSL, formed the "Rebirth" Polish Peasant Party. In such a situation those who had remained added the prefix Mikolajczyk to their party so as to distinguish it from the other peasant parties. The Mikolajczyk PSL views itself as the representative of the independence tradition in the peasant movement, for it is based on an updated 1946

vintage platform. It is a national party and its chairman is Henryk Bak. Accurate information on its membership size is lacking.

[Box, p 18]

The Polish Peasant Party was formed on 5 May 1990 as a result of a merger between the Rebirth PSL (previously, until December 1989, the ZSL), and a faction of the PSL (the so-called Wilanow PSL). It harkens back to the tradition of the Polish peasant movement and strongly advocates peasant interests, although formally it is not a class party. Its chairman is Waldemar Pawlak, and it has a membership of about 200,000.

[Box, p 18]

The Solidarity PSL, registered on 5 April 1991, is a national party and declares that economic order is based on private ownership of production and the market economy, and it harkens back to the values reflecting Solidarity's resistance to totalitarianism. Its chairman is Jozef Slisz. Last year it had a membership of about 15,000.

[Box, p 19]

The Polish Fatherland Heritage Party, which had its founding congress on 4 August 1991, registered two weeks afterward, a national party, champions private landholders and medium and small entrepreneurs and is resolutely opposed to any class-oriented approach to the economy. Its chairman is Roman Bartoszcze. There are no accurate figures on its membership.

[Box, p 19]

Rural Solidarity, established on 8 March 1991, does not identify itself with any political party but supports the unity of the peasant movement. As a trade union, its attitude is eminently that of a claimant. It has a membership of 400,000.

Sejm Committee Examines Government Report

AU0805192992 Warsaw ZYCIE WARSZAWY in Polish
4 May 92 p 2

[Report by 'poz': "What the Government Report Contains"]

[Text] A government report, or at least a version of this report placed before a Sejm committee this week, contains a summary of hearings with Defense Minister Parys, senior Defense Ministry officials, and television employees (these employees were questioned about the circumstances of televising Parys's speech). The Sejm committee also had an opportunity to read an appraisal, contained in the report, on press articles about the Parys case and a so-called "assessment of the legal situation."

According to the report, Parys explains that he was compelled to deliver his speech because of press articles and statements by politicians, e.g. Bronislaw Geremek, announcing the president's intention to curtail democracy. The defense minister is reported to have said that Walesa had demanded the appointment of a new chief of the General Staff. Parys describes the invitations for generals to join the Office of National Security [BBN] without the knowledge of the Defense Ministry as a "breach of official procedures."

He is also reported as saying that his contacts with the president were made difficult, and that Mieczyslaw Wachowski, the Rev. Franciszek Alfred Cybula, or Andrzej Drzycimski were present at every single meeting with Walesa. As an example of his impeded access to officials, Parys quotes a meeting between Walesa and German Defense Minister Gerhard Stoltenberg that never happened. Wachowski told Parys that Walesa would not meet Stoltenberg because the meeting had been suggested to the president too late.

Defense Vice Minister Romuald Szeremietiew and General Zdzislaw Stelmaszuk, chief of the General Staff, defend the policies of their boss. Szeremietiew says that BBN chief Jerzy Milewski tried to convey various instructions to the Defense Ministry, and that the previous chief of military intelligence, Commander Czeslaw Wawrzyniak, presented Milewski with regular reports.

General Tadeusz Wilecki describes his 27 March conversation with Milewski, when the BBN chief offered him the post of chief of the General Staff. According to Wilecki, Wachowski also attended the final part of this conversation.

The "assessment of the legal situation" suggests that the president may only confer his powers as chief of the armed forces to a minister of state, whereas Milewski is merely a secretary of state with the courtesy title of minister. In addition, the chief of the General Staff can only be appointed by the president, and only on the defense minister's recommendation.

The authors of the report remind the reader that the BBN is merely an advisory body to the National Defense Committee. Therefore, although the BBN's tasks are set by the president, they may not exceed the statutory scope of the National Defense Committee.

Observations From Decommunization Seminar

92EP0346A Warsaw SPOTKANIA in Polish No 11,
12-18 Mar 92 p 3

[Article by Elzbieta Narbutt: "The Absolution: Decommunization—Did It or Will It Happen?"]

[Text] Early in March the Stefan Batory Foundation organized, following a seminar on problems of Poland's economic future, its next seminar, an international one this time, dealing with the broadly interpreted problem of decommunization in the postsocialist countries.

Nearly 300 intellectuals attended, including some from Czechoslovakia and Hungary. Aleksander Kwasniewski and Jacek Kuron, Tadeusz Mazowiecki and Wlodzimierz Cimoszewicz, Jozef Oleksy and the Rev. Jozef Tischner faced each other. Jan Krzysztof Bielecki, Janusz Lewandowski, and Donald Tusk also were present. That was a kind of meeting among the Democratic Union, the Liberal-Democratic Congress, and the Alliance of the Democratic Left. Jaroslaw Kaczynski did not want to witness it, and so he did not come although invited. On the second day appeared a representative of Center Accord, Andrzej Urbanski, because Tadeusz Mazowiecki calmed things down by declaring that the Democratic Union does not intend to assume too close ties with the post PZPR [Polish United Workers Party].

Bronislaw Geremek sees a Poland still staggering under the weight of the corpse of communism. Jan Krzysztof Bielecki termed communism a severe contagious disease which was caught by some of the new elites. Thus the diagnosis was unambiguous: We were infected by communism, but are we still? This is a good question. The most ardent opponents of decommunization were Wlodzimierz Cimoszewicz, Aleksander Kwasniewski, and Jacek Kuron. Wlodzimierz Cimoszewicz [leader of the postcommunist Leftist Alliance] even caused general jollity among the audience when he claimed that he did not remember if in the past people used to be terrorized, at least not those he knew. To the somewhat older generation this statement recalled Wladyslaw Gomułka who simply could not understand that people had problems buying pantyhose.

A great souled and very gentle man, Jacek Kuron, warned that decommunization may, like anything that involves capture and destruction, produce fatal consequences for the captors and destructors themselves as well, especially when the social order has collapsed so that popular nostalgia for communism is growing. The Rev. Jozef Tischner, as becomes a Christian, wondered whether mutual forgiveness and mutual asking for pardon, such as was in his time done by the Primate Stefan Wyszyński in his letter to German bishops, might not be worthwhile.

No conclusions were reached, because a substantial proportion of those present took the position that decommunization, to the extent in which it could take place, has already taken place, and thus the problem does not exist.

Military Potential of Eastern Neighbors Evaluated

92EP0348A Warsaw NAJWYZSZY CZAS in Polish
No 11, 14 Mar 92 pp III-V

[Article by Mariusz Jedrzejko: "Armies Over the Eastern Border"]

[Text] The avalanche like changes taking place on the territory of the former USSR is causing growing interest among politicians and military men. It is difficult to be surprised by this. For years, the Soviet empire was one of

the main factors shaping the face of the world; it had real influence on many events taking place on our planet. The emergence of new states, and the formation of the Confederation of Independent States [CIS] is the beginning of a completely new era in politics, and is changing the map of Europe and the world. The clear trends toward independence, and the swift pace of disassociation of republics in the European part of the former USSR raises the question: How will those changes affect Poland's security?

Last year, I presented in NAJWYZSZY CZAS comments concerning the inner workings of the Soviet army. Today, after a few months, the situation has changed enough that it is worthwhile to examine more closely the armies and related tendencies among our eastern neighbors.

In the time from Stalin to Brezhnev, the military industrial complex was one of the most important (under Brezhnev, the dominant) factors affecting the politics of the Soviet empire. This was the result not only of the numerical size of the army, and its influence in the satellite countries, but of the specific layout of the political arena in the USSR, and the mentality of society. A kind of cult of the military, and the unconcealed hegemonic urges of the Kremlin leaders strengthened the military establishment and assisted it politically and financially.

The Gorbachev period, and its new approach to certain aspects of political-military relations, brought about a limiting of military influence on domestic and foreign politics. For the army, which for years was cherished and raised on high, that time was a bitter, sobering lesson.

Has it been possible, however, to change the mentality of the professional cadres (especially the leadership) in so short a time? This is doubtful, taking into account the depth of many years of ideological molding. Though it seems impossible, in the ranks of military units, professional soldiers and ordinary draftees believed that at any moment the "loathsome imperialists" were prepared to attack their Fatherland.

The disintegration of the USSR, and the political vacuum which accompanies it, causes the growth of sentiments for the era which has passed, and for the power which was then wielded. There is no way to dismiss these moods, in the face of the public exposure of super-conservative forces in many areas of the CIS.

Whether we want it or not, the development of the situation in the republics of the former USSR bordering on Poland must have a connection to an evaluation of the state of security in our country. Jan Parys, the first civilian minister of national defense, indicated this openly when he presented his views of asymmetrical threats. Despite the colossal economic crisis, the widespread organized corruption in economic life, and the breakdown of the old system of values, the territory from the Bug River to Vladivostok will have real influence on the changes taking place in world politics. Sooner or

later, Russia, which dominates the CIS, will want to recover its influence, and have a decisive role in the direction of worldwide changes.

The fact that instead of one neighbor to the north and east, we have four, does not at all mean an increase in security for the state and nation. For historical experience shows that, in situations of internal crisis in newly-formed states, extremist groups—including nationalist groups—attempt to take power.

Given uncontrollable changes (the problem of feeding the nation might affect these changes over the next few months) and the lack of clear solutions, the rivalry for control not only of society will increase between the army and those forces which created the strength of the Soviet empire (an example of this rivalry might be the battle over the Black Sea Fleet). Fears of how military officers will behave in a situation of domestic tensions leads to a sort of auction, in which each side tries to attract higher ranked military officers and leaders to their camp. Ukraine, which desires to form its own armed forces at any cost, and as quickly as possible, has the lead in this. This situation, considering the quantities of materiel and armaments stocked in Ukraine, has a direct link to the security of Poland's southeastern border. It is true that, during his visit in Poland, the defense minister of Ukraine declared a wish for full peaceful contacts, and a readiness for military cooperation; it is worth remembering that there are presently 12 mechanized and armored divisions, and more than 300 fighter planes, stationed in Ukraine.

In all the republics, the leadership is aware of the consequences which an uncontrolled rise in tensions in the army, resulting from worsening material and living conditions, would bring. In Russia alone, close to 200,000 professional soldiers without their own apartments are stationed. The salaries and conditions offered to troops evacuated from the countries of Central Europe until now have been a kind of bomb with a delayed fuse. One should assume that it was this which prompted B. Yeltsin's decision to raise officers' pay to a minimum of 1,800 rubles monthly.

It is also worthwhile to pay attention to an interesting phenomenon.

The CIS Is Arming

Despite the enormous financial problems and the difficulties in cooperation as a result of the disintegration of the USSR, work on the construction of new weapons, and on the production of weapons of mass destruction, has not been slowed. A program of modernization of nuclear weapons is being carried out. Intensive tests on the SS-18 missiles and a new three headed version of the SS-25 rocket have been conducted since August of last year. A new launching complex for the SS-25 is being built in Byelarus. Great emphasis is also being placed on developing and implementing in the armed forces movable missiles with increased accuracy and resistance to

electromagnetic interference. Let's remember that similar changes are taking place in ground troops, and in radioelectronic warfare and reconnaissance systems. The new infantry fighting vehicle-3 surpasses its counterparts in the armies of the former Warsaw Pact states in battle parameters.

It is difficult to say in which direction the organization of the CIS armed forces, and that of the individual republics, will go. Attempts to form separate civil and military hierarchies within army leadership structures should be expected. It should be noted immediately, however, that in the case of the CIS, the acceptance by military officers of a civilian minister is not at all certain, though it is not impossible. Unquestionably, however, the leaders of all republics will want to have direct influence on the army and upon changes being made in the army.

The Army Over the Eastern Border

The changes in the European part of the former USSR have brought about that instead of one neighbor, we share borders with four independent states: Russia—in the Kaliningrad District—Lithuania, Byelarus, and Ukraine. In all these states there are stationed units of the former Soviet army, formally subordinate to General Shaposhnikov. The skeletons of national forces are being formed parallel to this. Because this is not an easy matter, one can expect sharp disagreements and discussions over the division of military property, and spectacular deeds, like the escape of a group of pilots from Ukraine to Russia in SU-24 airplanes. Nor does anyone hide that the battle over the officer corps of the republics' armed forces, and the competition over who can provide for them the best conditions, is continuing.

Beginning from Poland's northern border, the situation looks as follows:

Kaliningrad District

As the part of Russia situated farthest to the west, it is a territory which is unusually important from the economic and military point of view, due to its geographic position and its ports which do not freeze over. The economists grouped around Yeltsin will treat the district as a sort of window on the world. Judging by its first moves, German capital is also enormously interested in this region. This is confirmed by the growing number of applications by citizens of Russia of German descent for transfer to the territory.

From the military point of view, the Kaliningrad district always had great significance. Presently, ground troops stationed in its boundaries are estimated at well over 100,000 armed soldiers. In Baltiisk, besides a large number of modern ships and submarines (armed with conventional and nuclear arms), there is stationed a brigade of naval infantry. In Kaliningrad there are, among others, the Baltic Fleet Headquarters and that of the Eleventh Army, as well as armored and artillery units. The 18th Mechanized Division, and units of an

armored division and a paratrooper brigade, are stationed in direct proximity to the Polish border. According to Russian military plans, the Northeastern Army Group, under the command of General Mirov, is to be organized there. Not counting the military equipment and troops which come to Baltiisk from units from Germany, there are more than 600 tanks, close to 1,000 infantry fighting vehicles, and 140 planes across our northern border. In addition, the Baltic Fleet has nearly 200 battle units and a modern naval and bombardment air fleet (91 carriers of nuclear arms). The numbers themselves do not, of course, show anything. If, however, we compare them to the inventory of the Polish army, the problem assumes a completely different dimension.

Lithuania

With the creation of an independent state, the Lithuanian government also undertook intensive action towards the creation of their own armed forces, and towards the evacuation of Soviet army divisions stationed there. The construction of new barracks, and the provision of apartments for the officers and their families, are necessary for the complete withdrawal of these 80,000 troops.

Considering its resources, Lithuania will not be able to form large armed forces. From information in the press and the statements of politicians it can be deduced that there will be about 15,000 soldiers (in the first phase), with prospects for expansion to around 40,000. The new army is to be made up of ground, air, and naval troops, and coast guard units.

It is clear from the actions taken so far that the Lithuanian government will not undertake (as has, for example, Ukraine) actions aiming toward gaining control of the Russian officer corps. They do want to take over part of the specialized military equipment. Observing the activity of Lithuanian diplomats, one can also assume that the republic's government wants to secure the assurances of some NATO countries regarding import of military equipment.

Byelarus

The situation in the Byelarusian Republic does not bring with it such great emotions and tensions as in the case of Lithuania. The slower pace of changes is the result of, among others, closer ties with Russia, and lesser national distinctness. As part of the USSR, the Byelarusian Military Region had stationed the Fifth and Seventh Armored Army, two air armies, and the 28th army. Large tactical liaisons were stationed in direct proximity to the Polish border—in, for example, Grodno, Brest, and Volkovysk.

Observation of events in Byelarus indicates that the republic evidences growing aspirations in the military sector. This is shown by the desire to assume co-control over the means of transport of nuclear arms located on the republic's territory. The possibility of complete liquidation (under their own control) of these weapons is

also being considered. Byelarus is committed to forming its own armed forces from the Soviet army units stationed on its territory. Taking the population potential into consideration, that armed forces might be defined as an army on the order of 70,000-100,000 soldiers. Presently, there are, in seven armored divisions, three mechanized divisions, paratrooper and air units, close to 1,500 tanks, 3,000 infantry fighting vehicles, 1,000 cannon of various caliber, and more than 400 planes, of which 170 are nuclear weapon carriers. 60 ballistic rocket launchers are also stationed in the republic.

Ukraine

The newly created state expresses complete commitment to form its own armed forces. The legal solutions which have been adopted (including the law on military service) laid the foundations for these activities. Wide-ranging organizational activities are planned under the newly-created State Committee for Defense and Security. The concept for the Ukrainian National Army thus adopted assumes defensive self-sufficiency as a foundation. The armed forces are to be made up of ground troops, air force, and navy. One should also consider the fact that, in the transition period, Ukraine is not liquidating nuclear weapons, and will treat the possession of those weapons as an important argument for building its strength. This also has a psychological dimension as regards Ukrainian society. In a situation of great economic crisis, the argument that "we are a nuclear power" will be made use of in arguments, and in building the national identity.

If the government's plans were to be realized, then by 1995, in addition to a National Guard of 30,000 (armed with, among others things, airplanes, helicopters, tanks, and armored transports), Ukraine would form an army of 200-250,000 (there is also talk of an armed forces on the order of half a million), which would take over most of the battle equipment from Soviet army units in the Sub Carpathian, Kiev, and Odessa Military Regions. The wish to take over part of the Black Sea Fleet also comes into play. It is worth calling attention to the fact that the equipment presently accumulated within the territory of this republic surpasses in quantity the inventory of the Polish army several times, and diverges from the standards set by the CFE-1 [Conventional Armed Forces in Europe] pact. At this point, the question arises as to whether the governments of the new republics will want to observe the decisions established by agreements on generally accepted military potential which can be accumulated in Europe. For the observation of pacts is a fundamental condition of stability and security in this part of the continent.

In the military regions located in Ukraine, there have been accumulated 6,475 tanks, 6,800 infantry fighting vehicles and armored transports, 176 tactical nuclear weapons launchers, and more than 1,200 airplanes.

The nuclear potential of Ukraine consists of close to 2,000 rounds for tactical weapons, 260 nuclear bombs, more than 100 permanent ballistic missile launchers (silos).

The political declarations of the new eastern neighbor accept the recognition of present borders and nondeclaration of territorial claims as the foundation of mutual relations.

The historical conditions of Polish-Ukrainian relations should be remembered, however. During the period of formation of the Ukrainian state, extreme nationalist forces will also make themselves heard. Conclusions drawn from the development of the situation in the southern republics of the USSR make this thesis a probable one.

How, then, to see the situation beyond the eastern border?

That which we observe within the borders of the former USSR is only the beginning of the building of a new state organism. In this process, various forces will make themselves heard; desires to take the mantle of the former empire will also be evident. One can presume that Boris Yeltsin will become a figure of greatest prominence, and the Russian Republic will strive to assure itself the dominant role. That aspiration will collide with Ukraine's ambitions. Nor can one leave out the religious factor in this process.

The south is Muslim, the west Christian (with clear differences between Orthodoxy and Catholicism). This might create the basis for future conflicts, especially with the southern Islamic world, where ties of a special kind play a role.

The nearly complete defenselessness of Poland's eastern wall enjoins one to look differently on our security.

The asymmetry of threats indicates an urgent need to rethink the dislocation of the army [in our country] heretofore, and to rebuild the military infrastructure, ruined over the last few years. The social dimension of this problem finds its reflection in the speeches by representatives of church and administrative authorities from southeastern voivodeships.

For can it be possible that the only fighting unit of our ground troops was the First Mechanized Division in Wesola, east of the Vistula?

[Box, p III]

What Kind of Army?

The appearance of a civilian minister of defense, the personnel changes in that ministry, the public finances situation, and also the international situation, have led to a rise in interest in the problems of the army and defense on the part of many social groups. This interest can be seen on the one hand in the consistently high prestige of the army in public surveys; and also in the

voices which deny the need to maintain armed forces at all, or speaking of the need for reductions in the army; and finally in statements pointing to the need to restrain and reverse the process of the demilitarization of Poland.

This discussion can not lack the statements of those persons most interested and most informed as to the real state of the army and of its needs which result from the tasks which fall—or might fall—to the armed forces in the new political and international situation. Making the pages of our paper available, we wish to invite those who live the everyday life of the army—the representatives of the rank and file cadres, and also all those for whom matters of Poland's defense are close to the heart, but who, for various reasons, did not have the chance to publicly present their thoughts—to speak out.

Military Cooperation With Ukraine Examined

92EP0350A Warsaw POLSKA ZBROJNA in Polish
3-5 Apr 92 p 1

[Article by Jerzy Rajch: "Polish-Ukrainian Military Cooperation"]

[Text] On returning from a meeting of defense ministers in Brussels, Colonel General Konstantin Morozov, the Ukrainian minister of national defense, made a brief stop-over in Warsaw. The Ukrainian visitor met with Jan Parys, the Polish minister of national defense.

Following their meeting, Minister Morozov told the POLSKA ZBROJNA reporter, "We want to maintain the best good neighborly contacts with Poland. We desire cooperation and a peaceful dialogue."

Minister Jan Parys stated that a Polish-Ukrainian agreement for military cooperation is being drafted. It is expected that military attaches will be posted to Kiev and Warsaw. As part of that military cooperation, Poland proposed the training of field officers and physicians in our higher educational institutions.

Cooperation in equipment repair and spare parts supply is expected. In addition, the recommendations ensuing from last January's meeting of the two ministers became elaborated in greater detail.

Military Investments: People Over Machinery

92EP0350B Warsaw GAZETA WYBORCZA in Polish
9 Apr 92 pp 12-13

[Interview with General Leslaw Dudek, former lecturer at Academy of General Staff, by Bartosz Dobrzynski; place and date not given: "Needed and Unloved"]

[Text] [Dobrzynski] Can it be said that we have a strong military?

[Dudek] The strength of an army is merely one element of a nation's defense potential. A nation's military strength consists not only in the number of its tanks and aircraft

but also in the fortitude of its institutions, the people's attitude toward defense matters, the degree of training and morale of the troops, and lastly the number and equipment of the troops.

[Dobrzynski] Yes, precisely, what equipment is the Polish army provided with?

[Dudek] Compared with our neighbors, our equipment is not too great. The West German Bundeswehr is excellently equipped and trained. The wealth of that army is a derivative of the wealth of a nation which can afford such sizable military expenditures.

[Dobrzynski] What about our other neighbors?

[Dudek] Czechoslovakia has always had a rich arms industry tradition. Under the Warsaw Pact, it was better armed than we. The USSR used to sell it modern equipment, because it was more "trustworthy," especially after 1968, and its economy could afford bigger purchases. Ukraine and Byelarus inherited their arms from the Soviet army, arms that will remain fully efficient and modern until the end of this century, even without additional investments. In addition, they have large numbers of trained troops. For the time being their armed forces are still being organized, but in a few years their armies, especially the Ukrainian, will be strong. As for Lithuania, in view of its small population, it cannot be a big military power.

[Dobrzynski] What is needed to build a modern and strong army?

[Dudek] Napoleon said that waging war requires, first, money, second, money, and third, money. Of course, that is an exaggeration, although there is no substitute for modern armaments, which are costly. It is worth noting that before the budget of the Ministry of Military Affairs accounted for one-third of government expenditures. Now, Poland has no money, and so we should at least change the public's attitude toward the military. Our army officers are experiencing feelings similar to those once experienced by tsarist generals in the Red Army: They are needed but unwanted.

[Dobrzynski] How long would it take to rearm our military with Western equipment?

[Dudek] That depends on money, of course. In theory it would take several years, but for the time being no such plans exist. At least this is indicated by the attempts to purchase Soviet-built arms from the former GDR army. In our situation, investing in people matters more than investing in arms. Please bear in mind that this year's graduates of officer schools will serve in the army for the first quarter of the 21st century. We could train fewer military personnel, but we may not train second-category personnel. Money for army exercises should be found.

[Dobrzynski] Were the Polish armed forces in 1939, compared with those of their neighbors, larger or smaller than they are at present?

[Dudek] I think that the ratio of forces is the same as it had been on the first day of World War II. Were history to repeat itself, that is, were our two neighbors to wage aggression again, we would have no chance whatsoever. Actually, the Bundeswehr alone would be enough.

Gen. Leslaw Dudek is working on a history of the Polish military doctrine for the years 1918-89.

Lack of Direction in Defense Industry Conversion

92EP0347A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 20 Mar 92 p IV

[Article by Antoni Kowalik: "Shooting in the Dark: The Defense Industry"]

[Text] The future of the 29 enterprises producing for the needs of defense still remains unknown. Their debts to the banks, to suppliers, and to the state budget now exceed 9 trillion zlotys [Z], of which roughly more than Z1 billion is in accounts payable for the first two months of this year. For the last few months these plants have had no cash for operating expenditures or even for paying wages to their employees. In such a situation, their attempts to overcome the crisis on their own may have the same effect as shooting in the dark. The directions of the restructuring of discrete subsectors of the defense industry have not yet been defined, and there is no money either for implementing any adjustment program.

The Ministry's Proposals

According to the Ministry of Industry and Trade, the point of departure for drafting plans to restructure the defense industry is to determine the arms manufacturing capacity that it should retain for the needs of national security as adapted to the new conditions and structure of the armed forces.

The next problem is how to organize that capacity, and lastly, how to restructure what is left in order to adapt it to production for the market.

The ministry presented a three stage program for restructuring that industry. This concerns performing a thorough analysis of the industry's subsectors and enterprises—of what has already been accomplished. On this basis, business plans would be drafted for each plant. The last stage would be, of course, the practical application of the adopted assumptions.

The defense industry consists altogether of 12 specialized subsectors comprising enterprises manufacturing particular kinds of armaments. The ministry's program proposes dividing them into four groups. [The first group] would include, e.g., ammunition plants, classical weaponry plants, and radar and electronics plants. It is

assumed that the enterprises belonging in these subsectors, especially those which manufacture finished products, should be converted to one-person treasury companies and keep that status without being subsequently privatized.

The second group consists of the aviation, armor, and naval subsectors. The enterprises in this group, which also provide finished products, are also to be converted to companies, but, unlike in the first group, they need not be wholly treasury owned, so long as the majority share in them is held by the treasury.

The remaining groups of enterprises should, on the other hand, according to the above program, operate in accordance with the requirements of the market economy and be converted [privatized] on general principles.

Government Contracts to the Aid

The ministry's program envisages that these conversions be completed by the end of 1992. During this period business plans are to be drafted and implemented. This raises the question of whether by then these enterprises will still exist, and whether the funds can be found for implementing the plans in each plant. At many of the enterprises the financial situation is so bad that, unless government loan guarantees are provided, they will go under.

These enterprises, according to the Director of the Military Department at the Ministry of Industry and Trade, Jerzy Kade, will not survive the period needed to accomplish their restructuring, unless they are enabled to manufacture at least a minimum quantity of armaments and equipment. The problem is that so far, the Ministry of National Defense has not placed any orders that would enable these plants to survive through 1992, and everything indicates that no such orders will be placed. That is because the defense ministry has yet to settle too many arrears in payment for the equipment already supplied to the military as well as for the obligations ensuing from the orders placed last year whose fulfillment was suspended owing to revisions in that ministry's budget. Yet the work to produce the arms and equipment ordered is already in many cases greatly advanced. That also is because the enterprises with which these orders were placed have already purchased the needed producer goods in this country and abroad. As a result they accumulated a huge inventory of production in progress, which adds to their operating costs.

Nonculpable Expenses

These expenses were one reason for the financial crisis of the defense industry. Another reason was of the same nature: Last year, too, the Ministry of National Defense failed to pay for the equipment it ordered. Contracts, large ones at that, with Iraq and Yugoslavia were broken, again not through the fault of the enterprises. The same thing happened to trade with the former USSR. Altogether, the arrears in accounts receivable by defense industry enterprises reach Z2.8 trillion.

All this has forced the enterprises to borrow at a high cost and to be unable to repay the loans anyhow. For this reason, the aviation, armor, and naval industries are in the worst situation. Anyhow, these subsectors were the ones most adapted to the needs of the former USSR. In the aviation industry, for example, as much as 85 percent of output used to be shipped to the former USSR. On the other hand, the plants in which the least share of productive capacity is set aside for military needs have fared the best. They find it relatively most easy to convert to civilian production and adapt themselves to market requirements. The plants chiefly geared to supply the military, on the other hand, cannot by now be helped much by the moratorium on, or postponements of, the payment of their obligations to the central budget.

At present the crucial issue is funds for the restructuring. But even earlier decisions have to be taken on the directions of ownership transformations, the size of the productive capacities that should be retained for defense needs, and the minimum quantities of shipments to the military, without which these enterprises will collapse. Thus this concerns both money and a program. Every additional months of living in a vacuum is augmenting the losses.

Bad Debt Management, Recapitalization Profiled
92EP0358B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 21-22 Mar 92 p II

[Article by Pawel Jablonski: "Heal the Enterprises or the Banks"]

[Text] In the next few weeks, the government proposal for a law on financial restructuring of banks and enterprises should be ready. The law is to, among other things, create the legal bases for increasing state banks' capital reserves (recapitalization), which will allow them to undertake decisive actions toward enterprises whose financial situation makes payment of loans impossible.

Preparing to implement the program to revive the economy, the Ministry of Finances initiated steps in the direction of restructuring of banks belonging to the state. It was decided that these banks should separate all their worst loans from their balances. Outstanding liabilities from borrowers who were classified as "doubtful" or "losses" during the audit in June 1991 should be entered in these newly created special balances of bad active debts. New organizational structures specially created in the banks for this purpose would deal with the management of these debts. On Friday at the Ministry of Finances, there was a meeting of representatives of eight commercial banks with divisions (or departments) dealing with so-called bad debts. At this meeting, the ministry was represented by Vice Minister Stefan Kawalec and Slawomir Sikora, director of the Banking and Financial Institutions System Department.

This is the second meeting devoted to the management of bad debts. During the first, in January, the organization of bank divisions which would deal with this was

discussed. At Friday's meeting, the banks presented concrete organizational solutions. This matter was solved differently in different banks. New cells with the status of divisions or departments were created. In most cases, the persons directing these bodies joined the bank's board of directors. In one of the banks, only those bad debts which it was regarded could be converted into shares in the indebted firms were separated into the new department. The rest of the worst loans remained in the credit department. The ministry proposed that the best employees, and people who know the problems of particular branches of industry, should join the new divisions.

The fact that the bankers were very cautious in their evaluation of the threat which bad debts pose for banks was probably due to the presence of journalists at the meeting. One of the speakers even stated that it is worth considering whether they should be called "bad" or just "difficult." Only representatives of the Bank of Gdansk gave concrete numbers. In their bank, loans made to 781 units, for a total sum of 2.2 trillion zlotys [Z], were regarded as bad. Of this group, 160 firms received loans of over Z1 billion. The indebtedness of these large borrowers comes to Z1.6 trillion of the total bad debt sum of Z2.2 trillion. The bank employs six people in the division dealing with these loans; these employees are already conducting detailed examination of 22 firms.

In the Industrial-Commercial Bank in Krakow, [several] groups of the worst loans were separated. To the first of these were counted steel mills, arms, and aircraft factories, and the Compact Car Plant. Their debts make up about half of the credits lent by the bank. The size of these enterprises does not allow the bank to resolve their problems by itself. Enterprises subordinate to regional organs are counted in the second group. Among this group, the bank singled out some enterprises as fit for liquidation or restructuring. The last group of enterprises is made up of those with which the bank intends to undertake individual cooperation.

The representative of the Universal Economic Bank in Lodz stated that in her bank, credits lent to light industry are a problem. The bank can manage with factories in other industries. Therefore, some sort of general idea for reviving that sector of industry is needed.

Krystyna Studenska, vice president of the Silesian Bank, said that her bank, thanks to a consistent credit lending policy followed for three years, does not really have a bad debt problem. To satisfy its owners, however, a new cell has been created which, the bank intends, will become in the future the germ of an investment bank. Maria Wisniewska, vice president of the Wielkopolski Credit Bank, also stated that the risk connected with credits has always been studied in her bank, and that most loans regarded as bad hold out hope of payment.

Among other issues discussed during the meeting, the question of the risk reserves which have been created was often returned to. Presently, there is a great disparity

between the evaluation of these reserves by the banks which created them and treasury inspection organs. In the case of the Bank of Gdansk, the exchequer estimates that the reserves are seven times too large. This is rather important, because a large part of the supplementary financing of the banks is precisely to assist in the creation of appropriately large reserves for bad debts.

Minister Stefan Kawalec stated that discussions with the World Bank on making loans to us for the supplementary financing of banks were begun this spring. The banks might receive these loans (one of the participants mentioned the sum of \$300 million) this fall.

It is proposed that the banks, after separating the bad debts, dealt with the enterprises which received them. In the first phase, the enterprise would, in a firmly set time period (four months, for example), develop a plan of restructuring. This would be the basis for the working out of agreements with creditors. It is proposed that the time period for this activity also be firmly set (two months, for example). The State Treasury would appear in concert with other creditors at these negotiations. The factories which would be impossible to revive would have to go bankrupt. However, other action would be possible in regards to certain enterprises which are particularly important for the economy.

Advances in Triangle's Economic Association

92EP0370A Warsaw RYNKI ZAGRANICZNE in Polish No 41, 4 Apr 92 p 3

[Article by Maria Olszewska: "Let Us Protect Our National Interests While Looking Forward to a European Future," under the rubric "The Triangle Zone"]

[Excerpts] The countries of Central Europe—Poland, Czechoslovakia, and Hungary—found themselves in a somewhat special situation. In mid-December 1991 they each signed an association agreement with the EC, which as of the beginning of March became operative in its part concerning trade [with the European Community], by liberalizing it from the outset in an essential manner and initiating further liberalization in accordance with a specified timetable. Yet, among themselves these countries continue to trade in the old manner and retain the entire traditional system of tariff barriers.

This situation has now become yet another barrier to the integration of these countries with the European communities, so vital to the process of the economic changes initiated in this region. Of course, this is something that these three countries are not ignoring: The establishment of a free-trade zone is currently the subject of their fairly advanced negotiations. [passage omitted]

Experts Discuss Details

In December 1991 consultation talks on a working basis commenced at the expert level, and in practice they still continue to this day. By "expert level" is meant chiefly department directors at the interested ministries of the

three countries. First of all, they had to exchange information about existing laws governing foreign cooperation and about planned institutional changes. In all three countries changes are proceeding in the same direction but follow somewhat different paths, and thus there exist some discrepancies in the domains that are the subject of the talks.

Example: In Czechoslovakia the system for nontariff protection of the market is more extensive than in our country but, on the other hand, the level of tariff protection is lower. In Poland, in its turn, nontariff barriers are virtually absent. Some differences also exist between taxation systems, price-formation, etc., in these countries. Small teams of experts have been discussing specific problems in order to draft jointly the articles of a future agreement.

This getting to know each other resulted in late January, in Budapest, in a trilateral meeting that could be termed plenary, because it served to analyze three different drafts of the agreement on forming a joint free-trade zone. The stage of consultations was superseded by the stage of negotiating a joint draft text of an integrated trilateral agreement.

The work on "honing" that agreement is being accompanied by further consultations among experts on discrete fields. For example, the issues being discussed in detail include: regulations governing merchandise origin, notification of technical barriers, protection of intellectual property, problems with the balance of payments, the extent of the goods included in trade—separately for durable manufactured goods and for agricultural materials and foodstuffs, etc.

As planned, each partner has presented a list of, among other things, desiderata concerning the agricultural raw materials and foodstuffs (a field in which negotiations are particularly difficult) which, from the standpoint of his interests, the partner would like to sell on the markets of the other two partners.

These lists are being the subject of trilateral and bilateral negotiations.

How About the European Communities?

The negotiating techniques used are patterned on the tried and tested techniques of our talks with the European communities and the EFTA [European Free Trade Association] countries. Besides, the Polish side generally represents the view that it is precisely the agreements with discrete EFTA countries that should serve as the model for concluding an agreement for a free-trade zone within the Triangle.

After all, our objective in establishing the Triangle is European integration, common coping with the requirements of the EC. Thus, in our regional agreements we

should not deviate from the rules adopted for the agreements for association with the EC and being drafted together with the EFTA, so as not to form an isolated economic region.

The subsequent trilateral meeting, held in the first half of March in Krynica, was accompanied by talks within two working groups—agricultural and industrial, which are defining the range of the merchandise to be covered by the agreement. The timetable for abolishing tariff and nontariff barriers should be clearly defined, and a list of the merchandise to be exempted from tariff duties at the moment the agreement takes effect should be prepared. Further, the timetable for the gradual reduction of duties on other merchandise should be drafted, and the groups of merchandise not subject to liberalization should be specified, because the government is planning to take the requisite measures, that is, as in the agreement with the EC.

In searching for a relevant model solution, at first it was pondered whether such decisions should not be postponed until each of the three countries defines precisely its own, broadly understood, industrial policy. Soon, however, the experts reasoned that, since the absence of such closely defined policies in our three countries did not prevent concluding and partially already implementing the association agreement with the EC, there was no reason why it should impede the trilateral agreement either.

Unsentimental

By now an accord has been reached on the language of certain articles of the future agreement. For example, as regards the protection of intellectual property, the text of the pertinent article to be included in the agreement was agreed upon during the meeting in Budapest at the end of February. Soon now financial, banking, and foreign trade experts will meet and perhaps agree upon the text of the corresponding article in the future agreement. Furthermore, another "plenary" meeting is scheduled for the beginning of April.

Under the timetable adopted by the three currently officiating ministers responsible for foreign cooperation, the text of the agreement should be agreed upon by the end of April so that its acceptance could occur in May and its signing in June, and its implementation would begin in July 1992. The draft agreement provides for attaching to the "trilateral text" appendices of a bilateral nature referring to, e.g., mutual Polish-Hungarian or Hungarian-Czechoslovak exchange of concessions. This should be a most effective approach, technically too as regards implementation.

Cezariusz Z. Kwaterski of the Economics Department of the Ministry of Foreign Economic Cooperation, a participant in the Triangle talks, answered as follows when asked about the climate of these talks, in the context of

traditional longtime cooperation among the three countries within the framework of the former socialist bloc, which, as known, evokes sentimental emotions as much as it evokes hostility:

"We are working without sentiments, and without hostility as well. That is, ours are businesslike talks, because each party is concerned with protecting its own interests while at the same time looking forward to a European future. A Central European free-trade zone is a necessity to each of the partners. On the one hand, it promotes precisely national interests and on the other it is to assure a disciplining competition for producers. Just as in the agreements with the EC, the year 2002 is to bring the abolition of barriers.

Projection for 1992 Crop Production Presented

92EP0358A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 26 Mar 92 p II

[Article by Edmund Szot: "Prognoses for Crop Production: Less Grain, More Root Crops"]

[Text] It is estimated that 4,850,000 hectares of winter wheat were sown last fall—that is, more or less as much as a year ago. The sown area of rapeseed, at 440,000-450,000 hectares, is about 5 percent less. About 1.8 million hectares of winter wheat were sown, 100,000 hectares more than last year, while 2.1 million hectares of rye were sown, about 200,000 hectares less than were harvested in 1991. The sown area of wheat-rye decreased to 700,000 hectares (a decline of 30,000 hectares). Winter crop sowing was delayed, and the appearance of shoots was also late due to a drought. Wintering conditions were, however, generally not bad, and did not pose a threat either for grain or for rapeseed.

If the area of spring sowing of grains stays at last year's level, the overall area of grains will be 80,000 hectares less than a year ago. The cultivation area of potatoes will grow, however, probably by 100,000-150,000 hectares. Such hopes are prompted both by the fall prices of potatoes and by the great demand for them, especially in the eastern border voivodships. Here also the above mentioned increase in planting of this crop is expected.

The cultivated area of sugar beets will not undergo greater change. After the agreement with the Sugar Industry Council that this year's sugar production will not surpass 1,750,000 tonnes, one can assume that the sown area of sugar beets will come to 370,000-380,000 hectares. One can expect that, as in past years, the area of corn for seed and for fodder will continue to rise: of the former, to 90,000 hectares (an increase of 20,000 hectares), and of the latter, to around 300,000 hectares. An increase in cultivated area of leguminous fodder crops can also be expected.

The size of the harvest depends, however, not only on the cultivated area, but on the yield, the amount of which is greatly affected by the consumption of production measures. This has been decreasing at an unsettling rate for two years. This is true for all production measures,

including agricultural measures, meaning the sowing material. This year, 130,000 tonnes of seed for spring grains were prepared for the spring sowing, but last year, for example, only 80,000 tonnes of it could be sold. A great demand for potato seedlings should not be expected. Last year, farmers bought five times less of them than in past years.

The next factor which will affect the decline of yields and harvests this year is lesser consumption of mineral fertilizers and crop protection agents. Last year, a decline in fertilizing occurred in all agricultural sectors; the average consumption of mineral fertilizers for the 1991 harvest was 95 kilograms, or 100 kilograms less than in the 1980's. The consumption of mineral fertilizers for the 1992 harvest will be even less, coming to about 70 kilograms. With the decline in consumption of mineral fertilizers comes a fall in the use of lime fertilizers. Despite the maintenance of subsidies for their extraction and transport, the consumption of lime fertilizers dropped last year to 139 kilograms per hectare, which was two times lower than minimum requirements.

Deliveries of crop protection agents came to 6,300 tonnes last year, more than 69 percent less than in 1989. In relation to hectares in agricultural use, the consumption of crop protection agents came to about 0.4 kilograms active matter. The greatest drop in use of chemical agents took place in agricultural cultivation; it was less in fruit growing. The result of this is a significant rise in the

contamination of fields with weeds, which affects the results of agricultural production in future years.

A clear breakdown of sales also occurred in the agricultural equipment market. The effect of technology on the amount of yields is perhaps harder to pin down, but it is difficult to deny.

The last factor which has an effect on the amount of yields is the course of atmospheric conditions during the vegetation and harvest periods. Last year, the weather was good for grains, and less so for root vegetables. Assuming that atmospheric conditions will be better for the latter this year, while they will not worsen for grains, it is possible to predict that this year's grain yield will come to 29.5 quintals a hectare, and the harvest will be 25.2 million tonnes. This would then be about 2.5 million tonnes less than last year's harvest. This is the prognosis of yields and harvest which the Department of Agricultural Production in the Ministry of Agriculture and Food Policy. In the opinion of some specialists, these predictions are too optimistic, for they do not take into account the overestimation of the harvest last year; they also do not take into consideration the effects of the total deterioration of the state farms where yields have been significantly higher than those in individual farms for over a dozen years.

The harvest of potatoes, rapeseed, and sugar beets, the department expects, will be higher this year than last.

Senator Criticizes 'Wait and See' Foreign Policy

92BA0845E Bucharest AZI in Romanian 17 Apr 92
pp 1, 3

[Interview with Senator Dumitru Calueanu, vice chairman of the Parliamentary Foreign Policy Commission, by Rodica Ciobanu; place and date not given: "We Should Be More Daring"]

[Text] [Ciobanu] Senator, please begin by referring to the upcoming international parliamentary events which will also be attended by delegations of the Romanian Parliament.

[Calueanu] At this time we are preparing to attend the conference that will be held in Brussels in May on "Parliaments and European Construction." Its purpose is to seek the guidelines for Europe's future architecture in keeping with the interactions among the European parliamentary bodies. There is much talk of a European federation or confederation; there are proposals to establish a parliament for our continent, made up of two houses that should replace, as much as possible, all the other international parliamentary bodies currently in existence. There are plans for a European senate, organized along the lines of the structure of the European Council, with representatives from the European Parliament, and a house of deputies based on the latter's structure but with mostly economic duties. This matter will be discussed in our Parliament, too, and the Romanian delegation's position in Brussels will be geared to Romania's interests. Because in a European parliament one has to relinquish one's sovereignty, but this act must be accompanied by some kind of European security measures.

[Ciobanu] What proposals will the Romanian delegation put forth?

[Calueanu] This is precisely the issue. Of course, we would like to leave with a set of constructive suggestions and proposals. We discussed this matter at a meeting of the commission, to which were invited representatives of the Foreign Ministry, the National Defense Ministry, and the office of the president. The discussions were very pertinent and the comments very sharp, but unfortunately not quite to the point. People did not yet dare broach the topic. In fact, this is one of the traits of our foreign policy that I do not like. We are in a "wait and see" mode. We should be more daring. We, in the commission, dared to ask more of the government.

[Ciobanu] There is permanent cooperation with the Foreign Ministry. Are there differences on major issues between the latter's position and that of the parliamentary commission?

[Calueanu] All our meetings are attended by Foreign Ministry representatives. Even Minister Adrian Nastase himself often came when the discussions had to do with our position toward Ukraine or the events in the Republic of Moldova, for example. We were not always

in consensus. But we must remember that the individual viewpoints of various parties are expressed in the commission. The decisions, however, are taken by open ballot.

[Ciobanu] I would like to remind you of the Romanian Parliament's declaration regarding the referendum in Ukraine which, according to some commentators, was responsible for the postponement of the Ukraine foreign minister's visit to our country.

[Calueanu] I am not convinced that the Parliament's declaration was the reason for which the Ukraine foreign minister canceled his visit, which had been scheduled for the next day, and we did communicate this to our ministry. The declaration was courageous and the government issued a similar one almost immediately.

[Ciobanu] What is the commission's stand on the tragic events in the Dniester Region?

[Calueanu] We discussed the situation there immediately after the Romanian delegation returned from the meeting of the four foreign ministers in Chisinau. Our commission was of the opinion that on some issues Romania should have adopted a sharper attitude. Our country should have taken a more resolute stand regarding the statements made in Tiraspol by the Russian Vice President Alexander Rutskoy, which were not far removed from the Brezhnev Doctrine. The separatists are clearly supported by Russia, with its powerful imperial nostalgia. We wanted to know whether the problem was posed in the following terms in Chisinau: Why does Russia keep its 14th Army in the Dniester Region and why is it not doing anything about the latter's tendency to interfere? I repeat, they should be more determined on the matter of Moldova. Of course, we are in favor of a peaceful solution to the conflict.

[Ciobanu] Senator, the Foreign Policy Commission has a consultative say on the appointment of new ambassadors. Who was the last ambassador on whom you advised?

[Calueanu] We indeed provide consultative advice on ambassadors, after pretty heated debates in the commission. But they are appointed by the president of Romania. At the latest meeting we advised in favor of a liberal, Deputy Sorin Botez, who will go to South Africa. He will be our first ambassador to that country.

[Ciobanu] Thank you.

Interior Minister Describes Activities, Problems

92BA0838C Bucharest FLACARA in Romanian
7 Apr 92 p 7

[Interview with Victor Babiuc, minister of the interior, by George Arion; place and date not given: "I Did Not Think I Would Become Minister of the Interior"]

[Text] [Arion] Mr. Minister, one of the people who have been guilty of atrocities during communism might be

brought to trial. I'm referring to Alexandru Draghici. As Romania's minister of the interior, how do you view the possibility that your predecessor will be indicted? What can you say about this affair?

[Babiuc] I think it's normal. In fact, as minister of justice, in November 1990 I mentioned the need to initiate two categories of trials: one for those who fired during the revolution, who were unknown then and are still unknown; and the other for those who committed abuses during the dictatorship and who have gone unpunished. We did not intend these to become a campaign of trials, the unlimited pursuit of all those who in one way or another committed small abusive acts during the 45 years of communism, but rather to reach the upper levels of that period's administration, those who basely profited from their position.

[Arion] Does the Draghici case fall in that category?

[Babiuc] I was referring especially to the 1946 elections, to the collectivization, the Canal...

[Arion] What do you know about Draghici?

[Babiuc] I know that which would be known by anyone who was... young at that time (I was a student): that he belonged to the Political Bureau, that he was minister of the interior, that as a gray eminence, he led the investigation of important personalities in the country's political life, and that at one point he retired. He has been retired for over 20 years without anyone asking him what he had done, and now the time has come to ask him those questions. No one should live under the impression, no matter what position he occupied in the state at any one time, that he is untouchable because he has achieved a given station.

[Arion] I think that it is very late and that he will not understand anything; for society, however, his trial could have some benefits...

[Babiuc] The penalty imposed on anyone for having violated penal law does not represent society's revenge, but is the consequence of each person's behavior with respect to the rules of conduct that must exist in society. The application of the law does not mean revenge. Mr. Draghici and others like him must bear the brunt of the law, because otherwise the very idea of law is compromised.

[Arion] As you have said, no one in a truly democratic society can consider himself untouchable. Are you convinced of it?

[Babiuc] Through everything I have done since I have been a minister, no one can say that I have behaved as if I considered myself untouchable.

[Arion] In your present position, would you have the courage to reach for someone important?

[Babiuc] This courage must be there for anyone who becomes involved in an activity that requires the exercise of the law: police, prosecution, judiciary.

[Arion] How does the former minister of justice get along with the present minister of the interior?

[Babiuc] How shall I answer you? This is a job I did not expect. I could say that I felt more at home at the Ministry of Justice: I came from a field and was dealing with a field which was absolutely familiar, intimate.... Here, I had to deal with matters for which I was not prepared emotionally.... But I should tell you that there is no mismatch. Legal experience is not only welcome, but absolutely necessary for any minister of the interior.

[Arion] How many people are imprisoned in Romania right now?

[Babiuc] I know it approximately, it's a figure that changes... more than 40,000 people.

[Arion] Is this a lot? A few?

[Babiuc] Quite a lot.

[Arion] Have you visited the prisons?

[Babiuc] I visited them in Romania, and I visited them abroad, because at the Ministry of Justice I was concerned with prison organization and modernization. As soon as I became responsible for prison administration at the ministry, I learned that there were too few of them, that they are poorly equipped, that the inmates live under miserable, subhuman conditions, and we wanted to know what the conditions were elsewhere. I can tell you for instance, that I visited three prisons in America. Last year, I visited two prisons, and this year, although I was no longer minister of justice, but because I wanted to witness a preventive arrest in that ministry, a preventive arrest of interest to the Ministry of the Interior, they showed me one and they also showed me a prison so that there should be no confusion in connection with what I wanted to see. The differences are... what can I say? When I saw American prisons in the movies, I thought they were movie prisons. But when I saw the real ones in New York and Washington, I realized that there were no great differences between what I saw in the movies and what I saw on the spot; the differences are insignificant, especially since I was looking at prisons dating back 20 and 40 years, commonplace prisons that have nothing special about them... Except that they are civilized, clean, orderly, and you don't feel that you are going to be physically crushed when you go into them.

[Arion] Why is it that in a totalitarian system there is this preoccupation with humiliation, up to the annihilation of the human spirit?

[Babiuc] We have both lived through the same period... under the same totalitarian system. The concept of humiliation, of destroying individuality, existed everywhere, in all areas, at all levels; all the more so in a prison where people were sent not to be deprived of liberty, but

to be subjected to exhausting labor, under agonizing conditions that would destroy them, and not in order to return them, educated, into society.

[Arion] What are the current relations with SRI [Romanian Intelligence Service]?

[Babiuc] Of the ministry?

[Arion] Yes.

[Babiuc] Normal. Nothing spectacular... cooperation relations. all in all, we are two organizations with complementary activities.

[Arion] Do you know to what extent the presidential office is or is not involved with all that has happened in Romania from December 1989 until now?

[Babiuc] If you don't mention something concrete, I won't answer with specifics, but only with generalities...

[Arion] ...Let's take the miners' demonstrations.

[Babiuc] No one in Romania knows who or what was behind these demonstrations... There are a number of assumptions, a group of scenarios, but no one has confirmed them so far. Let's hope that some truth will surface, because a parliamentary commission is working on it.

[Arion] How is it possible for such things to happen in a country without anyone knowing the source...

[Babiuc] I wish I knew. I find it difficult to answer... this question...

[Arion] Or for instance, to broaden the subject, I find it entirely anomalous that the truth is not known about the so-called terrorists. When one person dies in a population of 23 million, you find it... but when one thousand die...

[Babiuc] I think that your dissatisfaction is quite legitimate. Unfortunately, I can't give you an answer that will satisfy you. Both the events of December 1989 and the miners' demonstrations through which we all lived, are being investigated by the District Attorney; these events are in their jurisdiction. Some investigations are done by the police, some by the District Attorney, just like the District Attorney can obtain any fact from the police and proceed to investigate it. That is why it is only there that you will get a qualified answer. Anything I might say to you is simply an assumption or hearsay.

[Arion] But in the back of your mind, do you have any guesses about it?

[Babiuc] I could have guesses, by I cannot state them...

[Arion] I understand.

[Babiuc] Even you have guesses.

[Arion] Of course. Could a situation arise in which you would resign, for instance?

[Babiuc] Naturally. The moment I find myself prevented from doing what I believe must be done at Ministry of the Interior, I would no longer consider it right to sit here, in this chair. At the Ministry of Justice I behaved as I do here, as a free man, who does more or less right, or wrong, because that is what he thinks should be done... keeping in mind my task behind this desk, but not because I'm playing someone's game... The moment I could no longer do what I think is right, I would leave.

[Arion] How free are you as minister of the interior?

[Babiuc] From what standpoint?

[Arion] From all standpoints.

[Babiuc] I don't feel very free because of my schedule; this ministry, which is huge, consumes almost all my time and all my energy... But I have no constraints whatever, except those imposed by legal provisions. I do not have a naturally abusive nature, and even less so here, where I am called upon to implement the law and assure order in the country.

[Arion] Were you ever tempted by the allure of power?

[Babiuc] No. I have not been tempted and I hope not to be tempted. Since I have become minister, something which I never dreamed before, I tried to act like a normal person, and as someone who knows that he is minister for a limited time. That person must not lose the reflexes of one who is not a minister, nor must he feel one day, if he no longer is a minister, that alas, he has suffered a misfortune.

[Arion] You know a lot of things... do you sleep well?

[Babiuc] I sometimes don't sleep well because I'm tired, but not because I know too many things.

[Arion] How transparent must a minister of the interior be?

[Babiuc] Almost completely. Nor in fact do I see why he should hide. In final analysis, all that we do is to assure protection for the citizens and their property. Why should I hide what I do toward that goal? Of course, as in any activity, there are a number of considerations of a professional nature. But these are not a secret in themselves, but rather are less well known because of circumstances. There are fewer secrets than people think.

[Arion] Will today's policeman, if I may call him that, and the policeman of tomorrow be different from yesterday's policeman?

[Babiuc] If you mean the policeman of before the revolution, the answer is unquestionably yes. Today's policeman no longer defends a regime against the citizenry as he did until December 1989, but must protect the citizens and their property, no matter what party is in power, independently of who is the country's president or prime minister, or minister of the interior. Then, if he

acts in the democratic spirit of which I spoke earlier, he will obviously be other than he was before the revolution.

[Arion] I have another question: if the wheel of history should turn so that Draghici would not be judged, so that his illegal acts would not be known, do you realize that you would be in prison?

[Babiuc] If you really want to know, I have thought about that. But I have done, and I continue to try to do, what I consider best for this ministry, for the ministry from which I came, and what I considered best for the country.... I have done nothing for any one person or for more than one person; I wanted to serve the institution in which I stood as well as the interests of the citizenry... It is also possible that I may have been wrong, but I am certain that I have committed no abuses, so normally what you mention should not happen to me.

[Arion] But do you think that the ministers and so many parliamentarians of the years between the two world wars had done anything against the law when they were judged?

[Babiuc] No, I don't think so. But they were judged by a regime, by institutions who were manifestly abusive. But I hope that through everyone's efforts, not just mine, such institutions will no longer exist in Romania, and then, under normal conditions, your supposition should no longer be possible.

[Arion] And one more question: how do you monitor your actions to assure that you make no mistakes, or better yet, that you take no actions against mankind?

[Babiuc] Here in the ministry, we have a criterion available to all—that of the law—because we don't act, or should not act otherwise than in relations to legal provisions. In that case, the things you mention should not happen. Whether that is so or not...

[Arion] I want to take advantage of this interview to point out that the FLACARA editorial offices have often been visited by unknown persons. I might ask you... to try to further the investigation for their capture.

[Babiuc] It is my duty to provide this support; maybe we will succeed in identifying those who entered your premises. This is one of the reasons the people are unhappy when the police, advised of an incident, cannot say who did it, nor how it was done, and when those who commit these deeds remain unpunished.

Latest News from the Ministry of the Interior

A few statistics for January and February 1992: 5501 offenses were committed 196 weapons were confiscated 19,408 persons were investigated 890 serious traffic accidents 9517 minor accidents 3660 perpetrators caught in the act in markets, flea markets, and shopping centers 440 wanted persons who were eluding prison sentences were caught and identified 39,492 fines were

collected for a total of 207 million lei In illegal currency traffic, fines of 64 million lei were imposed, 88,000 dollars were confiscated, as well as 61,000 marks, 154,000 rubles, and 42 million lei derived from illegal currency exchanges.

SRI Budget Given at Over 7 Billion Lei

92BA045B Bucharest ROMANIA LIBERA
in Romanian 14 Apr 92 p 4

Article by Florin-Gabriel Marculescu: "The Omnipresent Securitate"]

[Text] Dismantled (between inverted commas) in the evening of 22 December 1989, when its troops and archives were transferred to the care of the Ministry of National Defense, the feared institution of the Securitate did not actually cease to exist for even one moment. Taking advantage of skilfully staged riots in Tirgu Mures in the spring of 1990, it reappeared by the end of March under a very unassuming name: the Romanian Intelligence Service [SRI]; its birth certificate was a secret decree signed by Ion Iliescu, at the time president of the CPUN [Provisional National Unity Council]. Ion Iliescu had at the same time taken over the leadership of the service, troops and all. It continued to operate in a state of quasi-legality, so to speak, until the spring of this year, when at last a law was passed on the organization and operation of the SRI. All that Parliament did was to transpose realities into articles and paragraphs. While previously the Securitate was one, now it has dispersed into an apparently non-homogenous network of services and directorates; the Foreign Intelligence Service [SIE], the Guard and Protection Service [SPP] (subordinated to the presidential office), and the information services established or about to be established by the Ministry of National Defense, the Ministry of the Interior, and the Ministry of Justice. There may be still others somewhere in the underground tunnels of the FSN [National Salvation Front]. For the time being the existence of this myriad of services has not yet been legalized. But there is no doubt that the core of the securist constellation remains the SRI, led by the former and current securitate man Virgil Magureanu.

In reality the service is a superministry placed outside and even above the government and subordinated to an institution—the Country's Supreme Defense Council—whose prerogatives are impossible to ascertain from the text of the Constitution. The SRI director is appointed at the recommendation of the Romanian president at a joint session of the two houses of Parliament. That means that his place is at least equal to the prime minister. That is the reason for which Mr. Victor Babiuc, in an interview given for our newspaper, correctly estimated that the SRI enjoyed a privileged position in the state. The SRI hastened to publish a communique exuding undisguised irritation and endeavoring to persuade us that its statute flowed from the principle of the separation of powers in the state. False! The SRI has no right to invoke that principle in order to justify its

privileges. There are only three powers in the state and, following the example of the organization of intelligence services in all the democratic countries in the world, the SRI should be controlled by the government and carry out its activities either under the authority of the Justice Ministry, or that of the minister of the interior.

It is true that by law, the SRI activities are monitored by Parliament, for which purpose a joint commission of the Senate and Chamber of Deputies was envisaged. But the commission has not been formed. Even granting that the establishment of this commission will not be delayed anymore, the justified question remains, how can one monitor a superpower that at any time can block investigations by invoking circumstances linked to the preservation of state secrets? And what authority can such a commission have over an institution which, aside from presidential protection, has its own troops and a financial empire authorized by law? In other words, it has funds in addition to its budget allocations, the source and utilization of which in fact escape any means of control.

The SRI has been allocated more than 7 billion lei from the state budget. Twice as much as was allocated for culture and about as much as was allocated to the entire justice apparatus. That may be little, but by comparison it is excessively much.

The great achievement of the SRI was to keep alive the Ceausescu law on the state secret, a demented law totally opposed to the aspirations of our society, but which continues to be implemented with growing zeal by the democratic SRI... Small wonder, because the mentality and practices of the Securitate are being perpetuated by the new institution, which, as we said, is different only in packaging. Telephone conversations are being tapped, letters are being ruthlessly monitored, persons are put under observation as of yore, and the old securists have resumed and overtly continue their activities in institutions and enterprises. And by law, the fate of common mortals still depends on their word. What is stunning is that only Mr. Magureanu seems to not know about what is going on in his own backyard and is flooding the market with energetic denials. He denies everything in his path, even when caught red-handed. As in the past, he wields files to decide fates. Denunciations—also (re)legalized—are encouraged. The Securitate draws its power from fear. Fear of the past, of the present, and of the future. And as long as we do not wake up and banish our fear, it will continue to dominate us. The omnipresent Securitate was and still is the backbone of the state. Which state? In line with the fashion, we will say the law-governed state. A difference does nevertheless exist: the Securitate is mimicking the offensive. In reality, it is itself in disarray and looking to the future with justified concern.

Report on Magureanu's Statements in Parliament
92BA0845C Bucharet ADEVARUL in Romanian
22 Apr 92 pp 1, 3

[Article by Irina Dimiu: "By Law, the SRI Director Does Not Even Exist"]

[Text] What happened on Thursday under the dome of Parliament had the air of a double victory: On the one hand, a victory for the democratic deputies stubbornly insisting in demolishing the past, and on the other hand, a victory for Mr. Magureanu, who shifted the discussion from his file to those of Parliament members. But behind the appearances, it was a great victory for Mr. Magureanu and a defeat for the deputies. Once again, shadowy maneuvering won over insufficiently mastered democratic procedures.

Paradoxically, the deputies' defeat came from their laudable and tenacious wish to publicize their own securitate files. That, however, is against Art. 45 of the SRI [Romanian Intelligence Service] Law, the only article dealing with the status of the documents, data, and information issued or taken over by the SRI: "The archive material of the former Department of State Security involving national security may not be made public except after the lapse of 40 years of the passing of the present law." That is, on 24 February 2032. The vote and decision taken by the deputies become laughable, despite their nobility and courage. All the more so as Art. 45 of the SRI Law was passed by the vote of the same parliament.... A valid parliamentary decision on this topic should have preceded this law. Claudiu Iordache's motion of last year would have met these conditions, and that is precisely why it was helped to disappear.

In fact, the Chamber of Deputies in separate session was not even in a position to take decisions in this connection. The only point in Mr. Magureanu's appearance before the deputies was to answer—very promptly, this time—to the two questions raised during the week. However, the Chamber's agenda for that Thursday did not feature the usual space for answers to questions in Parliament.... On Thursday it had been agreed to work on the law on electoral campaign financing and the law on parliamentary elections without a break until 1430. The work day ended at 1300 without any reference to any of the electoral laws. As it was, the Chamber of Deputies in separate session could only show—which it did—that the SRI had failed to uncover and prevent leaks of information that, according to the SRI Law, may not be revealed; that Mr. Magureanu did not keep his promise to produce the lists of names of those who instigated the miners' raids; and that his statements often carried political implications. The Chamber also demanded the immediate formation of the joint commission of the two houses empowered to specifically and permanently monitor the activities of the SRI (in accordance with Art. 1 of the SRI Law). However, a session of both Houses was necessary in order to sidestep the criticism and get down to effective decisions. Not in

order to remove Mr. Magureanu, as it had been requested, but to possibly appoint him.

As long as he has not passed the tests envisaged in Art. 23, Mr. Magureanu is de jure not the director of the SRI: "SRI is headed by a director appointed by the Chamber of Deputies and Senate in joint session, upon the recommendation of Romania's president and after hearing the candidate proposed by the commission in charge of exercising parliamentary control over the SRI activities, which will present a report before the two Houses of Parliament." Since almost two months after the passing of the law the commission in question still does not exist, this procedure did not take place. Without having taken the oath before Parliament as director of the SRI, we do not see what orders and instructions Mr. Magureanu can issue (according to the same Art. 23). Consequently, the deputies cannot remove the unconfirmed SRI director.

Yes, Mr. Magureanu is outside the law. Until he becomes legal, Mr. Magureanu's demise can occur either by his own will, or by that of the person who installed him at the head of the SRI. What is more, the president of Romania is also chairman of the Supreme Defense Council to which the SRI belongs.

Judiciary Lacks Independence; 'Passivity' Decried

92BA0838B Bucharest ROMANIA LIBERA
in Romanian 9 Apr 92 p 1

[Article by Florin Gabriel Marculescu: "The Judiciary, a Nonexistent Power"]

[Text] "There is no freedom if the power to judge is not separated from the legislative power," said Montesquieu. In reprinting this famous citation, we do not intend to reopen a discussion of the well-known principle of the separation of powers in government, nor to deplore once more the fact that our fundamental law ignores it, but purely and simply to remind that without an independent judiciary our rights and liberties threaten to remain, as they have until now, just so many words. We have courts, we have prosecutors, we even have a Supreme Court, but the judiciary is far from operating at the level required by the state of law about which we have been hearing with nagging insistence since the revolution. No matter how curious it might appear, the judiciary continues to operate along communist patterns and to work in the service of the administration. Parliament and the government have been provided with a legislative framework more or less appropriate for our present goals. That the legislative and the executive operate at cross-purposes and do not rise to the level required by democracy, is due less to the imperfections of the law and more—we are tempted to say primarily—to the moral and professional flaws of those who personify the respective institutions. In any case, even if only formally, these institutions have broken with their communist past, and there are expectations that they will operate correctly in a not-too-distant future.

The judiciary however, the third power, remains as we have suggested, a shadow of totalitarianism. The draft law on judicial reorganization, a project formulated and submitted to Parliament for approval as far back as the autumn of 1990, has been blocked without any prospects in the Senate. Inspired by our legislation of the years between the two world wars, this project stipulated the reorganization of the entire judicial system on a democratic basis, embracing the principle that judges are independent, and the coherent and unified implantation of the attorney general throughout the judiciary system. We don't intend to delve into details, nor to discuss technical issues. As we know, they have been widely discussed in the press and we hope that the specialists will have their say before too long.

There is no question that the intervention of the attorney general is what has blocked the draft law, and there is nothing new about this statement. But beyond the options and preferences of the attorney general, we believe there exists the will of the present administration to prevent by all means and at any price the independent operation of the judiciary. The liabilities weighing on the shoulders of many of our present officials are too numerous and too serious. It is not a matter of petty transgressions, of banal infractions, but of political crimes committed on orders from highly placed leaders of the communist regime, in a tragic chain that begins in the 1940's and ends with Andrei Frumusanu and Aurica Craiceanu. It is a matter of the torrents of innocent blood that flowed in December 1989, of the horrors of the miners' demonstrations, of the terrorists who have disappeared as if by magic, of the Central Committee members who have been set free, of the executioners who are enjoying immunity. If Ion Iliescu is also among the guilty, it becomes easy to understand why the attorney general is allowed to operate in the old patterns. The guilty who are walking around undisturbed and in complete safety need the humble compliance of the attorney general, and protect it with blood. Files must be hidden, investigations erased or doctored; all of which requires time. An independent judiciary would constitute a real danger for many of those who now hold key positions in the institutions of our so-called state of law. Let us maintain no illusions. There is no way in which the trial of communism, meaning the trial of the few hundred seriously guilty parties, can begin, and even if it were to start, it would become transformed into a sinister parody.

After the revolution, nothing significant happened in the law. The Constitution defines its principles, but no one appears inclined to implement them, not even the minister of justice, complacent in his reprehensible passivity. There were some small personnel rotations, some retirements, but no decision to effectively cleanse the judicial structure, and in particular, the attorney general's office of those who are compromised politically, professionally, or ethically. Whether he wants to or not, the minister of justice is playing the administration's game.

The attorney general—with no legal sanction—has introduced a draft law regarding the organization and operation of the Public Ministry, through which it essentially seeks to extend its superpower statute, retaining its old organization. The minister of justice says nothing. The government says nothing. Parliament says nothing. A conspiratorial, stubborn, blind silence.

The judiciary cannot have free rein. The attorney general and the Supreme Court must for a while remain what they are: instruments of a guilty administration. Without an independent judiciary, the existence of the state of law cannot be discussed. Theories are useless. The model for the judiciary's organization need not be sought too far away: It exists in our democratic past, and the legislation of the Romania that existed between the two world wars cannot be forgotten.

Roman Wing's Turn to the Right Criticized

92BA0827A Bucharest *DIMINEATA* in Romanian
16, 17 Apr 92

[Article in two installments by Andrei Nistor: "The National Convention and the Rift in the National Salvation Front"]

[16 Apr pp 1, 5]

[Text] The National Convention of the National Salvation Front was by far the most significant political event for determining Romania's future trend. It seems the fracture of the Front is leaving a possible vacuum with serious consequences in the area of the center-left of the Romanian political chessboard. Unless this hypothetical phenomenon is forestalled and a major political force is restored, bad days will follow for the fate of our democracy with repercussions upon restoration of the national economy and upon the model of its transition to a market economy. A repetition of the Polish syndrome that appeared after the elections, consisting of a fragmentation of Parliament into tiny groups incapable of governing, would not be impossible in Romania.

Front as Expression of Will of Majority

Originating on 22 December 1989 in the events that opened a new page in Romania's history, the National Salvation Front was actually a state of mind that expressed the will of the majority of the population and the political force able to offer, from the first moment, viable solutions for the future and to direct the interests of the many, whom it pledged to serve on the basis of the only coherent and realistic program. The historic merit of the Front and the government it formed after the elections of 20 May cannot be denied or diminished. It set out with wide popular support while facing a sea of adversities and opposition from a bitter, aggressive and vindictive right.

We Must View Beginnings Dispassionately

The reorientation began under overwhelming economic, social and political difficulties. Parliament with its FSN [National Salvation Front] ratified a large part of the new economic legislation, the necessary basis for radical structural reforms and necessary but imperfect laws, clearing the way to a market economy. The Romanian Constitution was adopted and confirmed by a popular referendum. Clearly Romania changed its political face and the democratic way of life was firmly established.

The beginnings were hampered by the aggravation of the economic crisis and by inexperience. The start of the reforms, even in their form of gradual application, would have been enough to erode the image of the Front. Moreover the opposition, of which the traditional parties and the multitude of spuriously nonpolitical organizations were the negative nucleus, undermined the Petre Roman government's efforts from its first steps. It knew no loyalty in its political fight: Lacking mass support, it compensated for its actions with vehemence, hatred, vengeance and an appeal to some western centers of power to impede the democratic process and to make the effort to counteract the effects of the economic crisis impossible. In Parliament and especially outside it, and behaving as an antinational force, the rightist opposition bitterly opposed ratification of the necessary laws and after they were ratified it minimized and fought them and urged their nonapplication or abusive application.

When Did Roman Group Go Astray?

The economists and political analysts are best able to determine the time and way in which the Petre Roman group derailed the Front's initial pragmatic policy. The fact is that he replaced a social democratic orientation toward a gradual reform with a liberal one and drove the upper hierarchy of the Front toward a rightist policy. The application of "shock therapy" in the process of transition to a market economy became the main objective that foreign applauders were expecting, and they rejected the increasingly frequent criticisms from within the country. It is well known that the "shock therapy" theory is an emanation of the interests of some foreign politicians who want immediate results in the restructuring of East Europe without taking account of the specific realities and possibilities. The program of that kind that was applied in Poland was a failure and was resisted by a great part of the Polish population. Yet the Roman group considered it necessary to go on with it in Romania.

What caused this change of face? There were many reasons for it, some obvious and superficial and some mysterious and obscure. An important part was played by a growing lust for power, a fascination with the political game for its own sake, and the opportunism and politicianism of persons devoid of any real character or convictions. The highly powerful foreign pressures and influences, combined with the constant concentric attacks of the opposition gathered around the traditional

parties, cannot be underestimated. In this battle fought in the "high" realms of politicianism, in fact, the lot of the popular masses who bear the effects of any political doctrine ceased to concern the government party leaders, who were more and more involved in the competition for power at any price.

Errors or Deliberate Attempts To Compromise the Initial Program?

Never did Petre Roman or those around him directly and honestly reply to the criticisms of the direction of the reform on the path of a liberalism that was not applied in the stages of the economic crisis. Never did the Roman group substantiate its governmental actions theoretically. Consequently the real reasons for its erroneous policy could not be distinguished, nor the responsibilities determined. Not even the Front's National Convention made any analysis of the errors made by the Roman group. And so the FSN members, to say nothing of the public, could not determine the Front leadership's attitude toward such profoundly negative phenomena as:

- The misconception of the economic crisis and its aggravation by the wrong measures; disorganization of the management of the national economy and dismembering and decapitation of the industrial economic units, permitting the onset of anarchy in production.
- Subjecting the industrial heritage to a destructive process, nihilistically underrating it as a bad legacy, and the flow of values abroad.
- Disorganization of economic management on the macroeconomic level under the guise of autonomy and decentralization.
- Liquidation (literally) of the agricultural heritage through plunder and destruction; disorganization of the system for directing agrotechnical operations without replacing it with anything; lack of any effort on behalf of the fate of agriculture, on which a bet was made that was ultimately lost; abandonment of the necessary measures to conduct the agricultural campaigns and to provide agricultural machines, fertilizers, seeds, etc.; an alimentary catastrophe instead of the promised abundance.
- Unwarranted haste in liberalizing prices and in privatizing, begun under the aegis of foreign advisers who contemptuously dismissed the thoroughly documented studies and criticisms prepared by highly qualified Romanian specialists.
- Underrating or cursory treatment of the problems in connection with real and effective social security; lack of any honest or careful dialogue with the social elements who bear the bad effects of the measures taken by the adherents of "shock therapy."

The leadership of the Front did not take one step on behalf of the working masses, and then it declared that

the idea that those masses are its social base is purely and simply an unfortunate image.

[17 Apr pp 1, 3]

[Text] The main concern of the Roman group at the National Convention was to maintain its power, even at the price of losing the party. And it probably succeeded!

The confusion in the winning proposal, the resounding words and the empty phrases did not guarantee any return to the logic that requires facts and data on the state of our nation. An orientation of the Roman party's strategy was prepared in any of the directions required by the fires of personal ambitions, which are now kindled from the right.

The leadership of the Front should have resigned for only a small part of those colossal errors and changes in direction and for the loss of one-half of the electorate in the local elections, if they had been as anxious to behave honorably and honestly as the speeches and articles in the press maintain. After the loss of the recent elections in England, the Laborite leader Neil Kinnock had the courage to resign, proving himself a man of honor.

The responsibility for the major errors committed and for the change in direction of the political orientation falls upon the leading group. But a crooked logic impels that leadership to remain and a growing part of the FSN members and organizations to leave and regroup under another program and a strategy closer to the interests of the part of the public that supports the initial ideal and the national economic and social requirements that were asserted in the process of restructuring the country.

Complicity or Future Alliance With the Right

The traditional parties wanted the Roman group, whose drift to the right was becoming increasingly apparent, to do the job of demolishing the national economy and alienating its own mass of voters. They were accumulating political capital from the errors committed by Petre Roman, Adrian Severin, and others. It is the hope of the rightist opposition to fill the gap left by the split in the Front.

The upshot of it is that the representatives of the rightist opposition, through Ion Diaconescu, vice president of the PNTCD [National Peasant Christian Democratic Party], are speaking of a possible alliance between the Convention and the Roman FSN after the election, because "The Roman group, as a political orientation, is closer from the viewpoint of the Convention"... and it also includes "less compromised elements." The mouth of the sinner often speaks the truth! And so there is the place and role of the former national leader in the postelectoral political configuration, in the view of his former adversaries. It is true that the daily AZI very promptly qualified these assertions as a diversion. It is desirable that they should be. The Roman group's drift to the right should not be a collapse to the right. But one

must wonder whether they were adversaries or accomplices and whether they will be accomplices or allies in order to return Romania to the path of its great tragedies, which they imposed on it under the patronage of the governments dominated by the traditional parties, namely four dictatorships and a war fought on two fronts. The Romanian people do not deserve a new Golgotha for the sake of a selfish and dirty political game. A political declaration is needed, not a refutation of the press.

If political alliances will be necessary in Romania and if the transition to a payment economy requires a national reconciliation and a coalition of political groups, it should not be done through fraud and politicianistic combinations but by the decision of responsible political forces openly uniting their strategies for the good of the people.

Let Us Trust the Romanian People's Wisdom

Far from the elitist insults, the traditional contempt of the traditional parties, and the rejection of the working masses recently displayed by the Roman group, the Romanian people have an excellent sense of history! (Petre Tutea said it beautifully: "The Romanians have the genius of history.") They have insight into the implacable course of the times without reverting to the recent or most remote past.

In the coming electoral consultations, which are decisive for our future, the victory must go to the groups that are capable of answering the calls of history. But the present rightist opposition has proved its systemic incapacity in the decades between the wars, while the latest group leaning toward the right, the Roman group, has proved it before our eyes. Their presumed alliance, even if it is a diversion, by no means assures them of an escape from the electoral verdict.

The Romanian electorate is awaiting those who are ready to give them clear answers to their options, to their profound concern about the immediate future, to the crisis that is pulverizing the economy, and to the aggressive proliferation of poverty among the many in order to carry on the reform consistently and rationally without obligating them to new sacrifices and new utopias.

The electoral contest that is beginning should be a confrontation of clear programs, specific scenarios, doctrines of economic and social reforms expressed in clear terms, and decisive options concerning the social-political system proposed and the kind of economy planned, without the ambiguities, metaphors and long words that usually hide politicians' true intentions. The old political class that arose between the two wars was not cured of that disease, and some of the new politicians have been infected with it.

The FSN in Original Foundation

No dissident group appeared in the name of the FSN of 22 December, and no conservatives were hiding in the

Front. There was just the political force that the revolution brought forth, which has remained faithful to itself, has been enriched by new experiences, and has learned new lessons in the process of implementing reforms in the economy, society and legislation and in building the new institutions of the democratic state. It rightly guarantees total elimination of the errors committed by Petre Roman, Adrian Severin, and other leaders who abandoned the course chosen in the heat of the revolution and adopted by the electorate.

The challenge issued by the FSN of 22 December must be transformed to a credible and realistic electoral program that will restore to the voters, the many and those excluded from political activity confidence in the idea of honor, honesty and sincerity in serving their true interests. When the electoral efforts are over the country should have a firm government capable of solving, in a historical stage of social stability and peace in which democracy is consolidated, the serious problems of the economy and implementing the reforms and economic changes that are becoming irreversible. That will be the work of the Romanian people and the logical and necessary consummation of their will expressed in December 1989, in May 1990 and, through the sanctioning of the Roman orientation, in the local elections in February 1992.

Roman 'Failed To Obtain Understanding' in U.S.

AU0705122992 Bucharest AZI in Romanian 1 May 92
pp 1-2

[Guest commentary by Petre Roman, chairman of the National Salvation Front: "Lessons of Life"]

[Text] 1. Sadness is the most piercing feeling that a politician can experience. When a politician's public prominence and popularity go down, he should not take it to heart. If he believes his decline is unfair, then his chance of a comeback lies in lucidity, not in sadness. Trust in those whom he wants to represent—or, better said and truly meant: Trust in the people—is the only life-buoy for a politician who devotes himself to the public interest.

The contrary, trust in the clannish power of certain state institutions or the intolerant and aggressive class trust of the communist pattern, would show that the goal is something else. It makes me sad to think of such a goal—I will call it "politicking," which is placing personal interests before the public interest—which can occasionally be seen today even in prominent places, which I would rather not name here. I would just like to reiterate that the reform and the country's renewal will not spring to life and yield the expected results so long as the old mentality and the old regime's networks of interests belittle them and hamper them at every turn. The new people—people devoted to the renewal process, people who are able to bring about concrete positive changes—will be the constant target of hostile attacks

from those who think that they can still halt the course of history in their past privy and simply continue to believe in communism.

Yes, I am deeply sad that politicking, that is personal interest coming before and instead of the public and national interest, has gotten up front. Moreover, the forces of the past communist and antinational regime have made themselves heard once more and are quite active. Well, this does not augur well for the reform and the country's renewal!

Therefore, I am worried over the way in which the press and a part of the politicians are treating the subject of continuing the reform.

Please read again—honestly and in good faith—the program of reform proposed on 28 June 1990, the October 1990 report, and particularly the February 1991 report and you will clearly notice that we were courageous, responsible, professional, and definitely devoted to the interests of the country and people. Even the provisional government—forgotten by now—was the outcome of the revolution; it had its own political line, had to immediately deal with the disaster left behind by the communist regime, and had its merits in coping with the situation, something that is simply forgotten and distorted now.

Why do we no longer remember that an economic balance was maintained in the six months of that period and that the people were able to breathe a little after the horrible final years of the dictatorship?

Was it not the provisional government which launched that important study for the strategy of transition to the market economy, which correctly estimated the main directions of the reform?

What did the inherited \$1.5 billion hard currency reserves amount to given the disastrous state of our industrial apparatus and the dismantling of CEMA?

Our society will not be able to recover if we do not rebuild at home the centuries-old traditions that have animated our people: Work, honesty, courage.

It is easy, but so damaging, to avoid the truth, just because it is hard to utter it. If all politicians in our country were primarily concerned with their own image, it should be clear to us that the question arises who is still left to do something for the country (the answer being—nobody). At difficult times, self-sacrifice for the good and progress of the nation is the test of fire.

Anyway, justice and truth will come out eventually.

I was ready to accept any humiliation, as long the Romanian country and people were humiliated less. However, do not ask me to forget my dignity. This I will not do!

I have waged a dignified struggle, with honest means, against the reactionary forces of the communist regime,

which used the arsenal of bolshevik means, while the country was in the full process of building democracy. Can the country make progress if the old regime's networks of interests are still active and strong and the politicking practices of the prewar days are reborn? Particularly if all this occurs at a turning point in our history?

Last Christmas, I asked myself a few questions, which many Romanians are also raising. I fought to give an answer to these questions in our political program.

But what do we notice instead? Various parties or politicians, people with great responsibilities in the country and political life, do not attach due importance to these issues. Each one wants to play the game. But when the game requires that they put on the clothes of truth and learning, they try to avoid the issue by saying: "We do not want this game, we want to play *perenita* [Romanian folk dance where the partners kiss each other]"; so as to be able to embrace yet another young pigtailed girl.

These attacks count on the sadness piling up in the souls of people struggling to change things and whose only aim is accomplish the change. This struggle is difficult, because the people trying to envelop the country in a cobweb are devoid of any kind of morals. Their only credo is to cling to power by all means.

I am still worried—and maybe sad, but that is of no use at all—that the most widespread political "courage" today is challenging what other politicians have done or said. If each man with political responsibilities in our society were mainly concerned with his own image, who is going to do something for the country? As I have already said, self-sacrifice for the nation's well-being and progress in hard times is the test of fire.

2. I was very concerned, as is only natural, with the quality and especially the trustworthiness of our relations with America, particularly with the United States.

Direct and personal links always play a part. I recalled—and I let the memory linger in my mind—the great professor and man John F. Kennedy of Iowa University. He departed from among us early, unexpectedly, and too soon. I met him in Bucharest in 1986, at a scientific meeting, and we spent two days together. We became quite close. He said something very simple and hard to believe: "You (Romanian scientists I came to know—the newspaper's note) are like us." He was totally surprised by that unexpected, but very interesting revelation.

John F. Kennedy, professor of hydraulics, remained in my memory as a blazon of noble America. It is mainly thanks to him that I have ceaselessly tried to understand America and to feel closer to it; that is, thanks to him, and thanks to the man who symbolized a new America and bore the same name, John F. Kennedy.

What do I think now about American society? There are two basic considerations: a) That society allowed, stimulated, and achieved a great flourishing of science and technology after 1945. That flourishing was conveyed to all developing societies. How did it become possible? Because for two centuries American society has unflinchingly relied on the principle of economic freedom and the freedom of entrepreneurship.

b) Ideological extremisms were not able to take root in the American society. American society experienced neither communism nor fascism. Even racist extremism has steadily decreased with the passage of time. Why did political extremisms fail to impose themselves in American society? Because for two centuries the so simple values of democracy were not contested in American society.

America has been a country of refuge for many, either directly or in the mind, in difficult times in contemporary history.

Nevertheless, I failed to obtain the understanding of the American politicians. Nobody can ignore the fact that the United States is the only superpower in the world today. Is it really the case that nothing that is outside the framework of the thoughts and beliefs of today's American politicians can move in our world? Perhaps I need to go through a similar period of understanding to find an answer in which to believe.

Convention's Future Without Liberals Viewed

*92BA0845D Bucharest AZI in Romanian 21 Apr 92
pp 1, 3*

[Article by Radu N. Alexandru: "The Liberals Are Advancing While the Democratic Convention Is Regressing"]

[Text] In the past few days it was the turn of the PNL [National Liberal Party] to be in the attention of the mass media and the public. The topic, however, was the same: the electoral strategy, especially the strategy for the presidential election. The liberal "bombshell"—mostly for the former conventional allies—was the confirmation of the divorce of the PNL from the "key." The reason cited by the liberal leader was the need to separate from the UDMR [Democratic Union of Hungarians in Romania], because "The PNL is a national party which defends the interests of the Romanian people," and the statistical disadvantage of joint electoral lists. The other reason was the disloyal competition between the candidate Manolescu and the potential candidate Campeanu in the coming presidential race. Aside from reasons, the PNL seems to be the only party in the "democratic opposition" which is trying to get out of the trap laid by the opposition itself. The trap consists of reversing the logic of the political struggle and action; the "key" parties are making the unseating of the FSN their central political objective, which in fact was the purpose for which the CD [Democratic Convention] was created, and as such it is condemning these parties to eternally

being in the opposition and casting doubt on the viability of a possible future parliament split relatively equally between the FSN and its opponents. In this situation, the PNTCD [National Christian Democratic Peasant Party] et al. are probably considering forming a cartel with the PSM [Socialist Labor Party], considering the notorious friendship between the Peasant Party and our "great neighbor at the east." It is true that the neighbor is rather deceased, but a lasting friendship is not so easily broken.

The liberal "dissidence," which was nevertheless not easy to attain, because Mr. Campeanu ran into an important opponent inside his own party in the person of Mr. E. Tokacs, is on the point of canceling the entire CD. On the one hand, while for the PNL the loss of the UDMR votes—which in fact Mr. Campeanu did win in May 1990—may pose a serious problem, for the CD the loss of the liberal vote is a catastrophe. All the more so as such a loss cannot be recovered by the "key" as long as it also incorporates the UDMR, while the liberals have a chance of getting at least some of the votes of those irritated by the Hungarians' irredentist policy. On the other hand, by its penchant for an alliance of the "historical" parties—the Convention's older formula for establishing democracy—the PNL appears at first sight ready for a compromise. In fact, it is trying to get the UDMR and the PAC [Civic Alliance Party], viewed as electoral ballasts, out of the Convention and force the PNTCD to choose between its "historical" relative and its civic sister. Thus, the key of the "key" is the PNTCD and the responsibility for the decision has been shifted to the partner's court. But regardless of what Mr. Coposu will do, the present CD formula is compromised, and the causes of this situation go deeper. They have to do with the incompatibility between different ideological lines and the impossibility of harmonizing divergent interests, and however painted the "key" may be in the brilliant colors of a political coalition, it remains what it in fact was: a conjunctural electoral alliance.

Botnaru on Defection From Salvation Front

*92BA0838D Bucharest REALITATEA ROMANEASCA
in Romanian 4 Apr 92 pp 1, 2*

[Interview with parliamentary member Sorin Botnaru, National Liberal Party, by Dan Coste; place and date not given: "Former Salvation Front Member Accuses!"]

[Text] [Coste] Mr. Representative, could you first tell us about the activities of the FSN [National Salvation Front] and about your switch to the Liberal Party?

[Botnaru] On 23 January 1991, I participated in the decision to form the Front, considering it as a pluralist political organization that would define several political movements. In other words, not as a fractioned party, but as a pluralistic organization. I was certain that there would arise a Christian movement, a social or socialist one, a liberal one, and so on. All of which was a dream, because a group of young communist "wolves" were very capably and with great tact working within the Front.

[Coste] Can you give us concrete examples?

[Botnaru] Of course. Petre Roman, the Secares-Pasti group, and so on. They spring from very well defined sources: some, such as Petre Roman, were raised in the Comintern environment, others were also trained in communist environments, at the Stefan Gheorghiu school. Except for the former prime minister, they are all specialized in leadership techniques; they have learned something in their training as politicians, which is that the communist system cannot persevere if it shows its face, as was possible during the 1950's, when you could say that you are destroying, crushing, killing, causing to disappear. They have learned that a dual appearance is necessary: an internal one, and another, democratic one, for the public, for outside the FSN.

[Coste] As you see it, this is the group's technique. But how could it succeed in overcoming all the other movements within the Front?

[Botnaru] They took advantage of mercenaries without political ideas, people interested only in the fruits of power. The leaders successfully stopped the adoption of measures and the organization of the citizenry against the waves of corruption, injustice, and illegal actions. As a result, a gulf was created between the FSN and the rest of the political chessboard, and in particular, the historical parties.

[Coste] Was there a program to undermine the historical parties?

[Botnaru] Not at first. It occurred spontaneously. But later, such a program did exist, and we have seen the results.... They have misrepresented the wishes of the historical parties, which were to rebuild the European values of the Romanian society and its institutions.

[Coste] The ones the people accept.... Nevertheless, why did you leave the Front?

[Botnaru] Because the last National Convention adopted an statute unthinkable for a normal European party. There was no hope, no statutory possibility of acting for the ideals in which I believed. I was a member of the 13-15 June 1990 Commission, where I opposed the involvement of the historical parties in the Bucharest events. The events of 13 June and their consequences on the 14th and 15th were due to a serious political error, which has led to crime, committed by the Petre Roman administration. Social conflicts are not solved by force!

[Coste] You joined the PNL [National Liberal Party] in September 1991. Did you give it much thought?

[Botnaru] I was moving toward one of the historical parties in any case. The PNL seemed the most appropriate in terms of my ideas. I am truly satisfied with my choice; I have found people who analyze in sufficient depth the reality of the Romanian political situation, and who are determined to use this analysis.

[Coste] Why has the PNL assumed its responsibility of participating in the government?

[Botnaru] First of all, the government is led by someone who claims to be independent. Secondly, the momentary collapse of the FSN has generated the need for change, a change in which we believe and which we want to extend. The administration from 1990 to September 1991 was a semidictatorial system, and that, only because society no longer supported a dictatorial system. The PNL carried out not only a good technical political operation, but one which also changed things; hence all the attacks from the Petre Roman team, concentrated against us... directly or indirectly, through the intermediary of other forces which incorrectly assert that nothing was obtained by the entrance of the PNL into the government. In any case, it will never again be possible to take measures against the population (attacks or shootings) without warning it through a major political gesture of opposition.

[Coste] What functions do you perform in the National Liberal Party?

[Botnaru] I am Executive Secretary and I work in the Communication Department. In this function, I have participated in the adoption of positions regarding the current political situation.

[Coste] What is your position toward the Democratic Convention?

[Botnaru] It played an important institutional and instrumental role in local elections, but this role has ended. The form in which the opposition will be unified must be rethought.

[Coste] How about the National Convention for Establishing Democracy?

[Botnaru] We are members of this forum of parties, which has no structures, and in general, we are against the construction of political structures other than the current ones. Any change in symbols, or doctrine ambiguity, will only mislead the electorate and transform it into a voting machine. We are disengaging ourselves both from Petre Roman, who says that we form the archaic right, and from Nicolae Manolescu, who speaks of nostalgic organizations. The position of the PAC [Civic Alliance Party] president is sharper, but the same seed of reasoning seems to exist somewhere there.

[Coste] Manolescu has recently commented on your statements regarding the relationship with UDMR [Democratic Union of Hungarians in Romania]....

[Botnaru] The PAC president and public opinion must know that we evaluate rather than label. I have said that some of the communication channels between us and UDMR closed up due to a lack of information flow. We asked for clarifications, which we did not receive, regarding the positions that some UDMR representatives adopted abroad about Romanian-Hungarian relations in Transylvania, and about the statements of some Hungarian political figures. The latter contain points

that are dangerous for the political climate of this area. I hope that the Hungarian representatives understood what I said better than Nicolae Manolescu.

[Coste] Tell us about PNL's relations with PAC.

[Botnaru] Here, the problems are more diverse. From the fact that the PAC president referred to my switch from one organization to another, we note a shift from one doctrine to another, or from some principles to others within PAC; a very rapid shift, which worries us. Similarly, we observe that the manner in which things are analyzed is closer to the analyses of those who surround Petre Roman, than to our own approach to analysis.

[Coste] Manolescu considers that the Democratic Convention is essential for the legislative elections....

[Botnaru] We don't view our alliances solely from a quantitative standpoint, but also in terms of quality, of affinity, of fit, of political style, and of certain political principles. That is why we find it difficult to discuss matters with those who place everything in a quantitative equation. The electorate wants quality and will be increasingly difficult to deceive with quantitative formulas.

[Coste] Independently of relationships, how do you rate the Civic Alliance Party?

[Botnaru] I think that it has a good potential, men who can do politics....

[Coste] How about the legislative elections?

[Botnaru] We must have a large representation in Parliament from the true democratic forces, and in particular from the historical parties. That is why I spoke of rethinking the unity formula, from a privileged relationship between PNL with larger proportions of PNTCD [National Peasant Christian Democratic Party] and PSDR [Romanian Socialist Democratic Party]. We believe that this is the best formula, and the one most expected by the Romanian population. At the same time, we consider that the presidential elections must take place after the legislative ones.

[Coste] Why?

[Botnaru] Because as a function of Parliament's structure, every voter should determine the way in which the Presidency should exist. Both institutions have important state attributes. The voter will be better informed in the presidential election by knowing the results of the legislative election. The options of the Romanian electorate will be better defined: it wants to hasten the reform process, it wants stability... We are certain that the people wants reconciliation, a faster democratic transformation for society, and a true revitalization of the Romanian economy.

Trade Unions Keeping Political Options Open

92BA0851A Bucharest TINERETUL LIBER
in Romanian 17, 18-19 Apr 92

[Interview in two installments with Victor Ciorbea, chairman of the National Confederation of Free Trade Unions, by Cristina Balint; place and date not given: "We Are Aware of the Serious Crisis the Country Is Experiencing"]

[17 Apr pp 1-2]

[Text] [Balint] The trade union confederation you represent and the Swiss Federation of Christian Trade Unions in Constructions together organized the international symposium "Spring '92." Please begin by telling us about this event, which just ended.

[Ciorbea] From our viewpoint, this event was as necessary and useful as it was successful. I do not now need to dwell on its necessity and usefulness because our need is well known, the need of the trade union leaders and staff to attend such programs and to continuously learn. But I think that this need to learn is not limited only to the trade unions, only to this component element of the tripartite social system, but that it applies equally well to the representatives of the other elements, i.e., the management and the government. The success was due to several factors. First of all, I think that we demonstrated the importance and topicality of the subjects that were discussed during those 3 days, beginning with the issue of the place and role of a trade union in a democratic society, the political system, the relations between parties and trade unions, and collective negotiations and down to aspects regarding inflation, enterprises, and the mass media. Mr. Bernard Briguet, the leader of the Swiss delegation, visited our country twice before actually beginning to organize the seminar. He was thus able to directly observe what our needs were and what were the most important, serious, and sensitive problems we face, which then made the topics of the seminar. The success of the seminar was also due to the special quality of the lectures presented and the composition of the Swiss delegation. We were honored by the presence of members of the Parliament of the Swiss Confederation, Parliament members from various Swiss cantons, directors of the Superior School for Economic and Administrative Staff, directors and experts from other socioeconomic areas, members of the Federation of Christian Trade Unions in Constructions and of the Swiss Confederation of Christian Trade Unions, journalists, and others. We were also honored by the presence of the Romanian president at the opening meeting, as well as that of the prime minister, the Senate speaker, and the Swiss ambassador. All that reflected the importance that was I think deservedly attached to the seminar. Through these contacts our guests had an opportunity, as they themselves stated, to find out about the realities prevailing in Romania, some other of our needs and necessities, and some new opportunities for cooperation. I am convinced that this symposium was only the propitious

beginning of relations in the most diverse areas, especially of course in that of trade union activities.

[Balint] The entire national collective labor contract of the CNC [National Consultative Council] was signed on 17 March. Were you satisfied with what you had achieved?

[Ciorbea] After many rounds of negotiations held between November 1991-January 1992 with the prime minister and other government members, as well as with representatives of the management, the three confederations belonging to the CNC managed to sign the first national collective labor contract in the history of our trade union movement. That was signed on 21 January 1992. As is known, the clauses regarding the material benefits had been the subject of only preliminary negotiations; subsequently basic differences of views emerged between the trade union representatives and those of the management and government regarding those clauses. They were followed by strikes, which culminated in the meetings organized throughout the country on 14 February this year, in which hundreds of thousands of trade union members affiliated to the three confederations participated. Many further rounds of negotiations followed with the prime minister, government members, and management representatives and they finally led up to the now well known amendment of the government decisions, especially of Decision No. 21 of this year, which established the pay fund of reference. As an outcome of the modification of those regulatory acts, the necessary legal framework was created for ensuring the actual implementation of those clauses of the national collective labor contract dealing with pay and other personnel benefits. Consequently, we were able to proceed to the final negotiation of those clauses and on 17 March to sign the contract in its entirety. We still disagree with the government and management representatives regarding the minimum wage in the economy, which was not specifically mentioned in the national collective labor contract. One thing we have to point out though: Unfortunately, there exists a fundamental conceptual difference between the trade unions on the one hand, and the government and management representatives on the other regarding the idea of a collective labor contract, tripartite relations, and the role and place of the trade unions in a genuine democracy. On the one hand, according to the idea of the trade union confederations, this collective labor contract, which must be signed at the national level for every branch and at the level of enterprises and institutions, is a particularly important tool for the relations between the management and trade union organizations, because it sets the limits of the game and the foundation for a certain social stability for a determined period of time. We also have clear provisions in the Constitution along this line, which sanction and guarantee the need for and the outcome of collective negotiations, and we also have a law on collective contracts, Law No. 13/1991. Nevertheless, the other partners are questioning the need for such contracts both at the national level and at the level of

enterprises and institutions. There is no doubt that unless we overcome this mentality, unless people realize the need to create a real tripartite relationship and to establish a sound social partnership, we can certainly not have any real collective negotiations.

Also, we noted an extremely dangerous attitude on the part of some of the representatives of the management and of the state institutions involved in the process of negotiations, especially of the bureaucracy of those institutions. Each department, each county directorate, each economic enterprise, and each institution expects an expressed order from the relevant ministry, the government, or even the prime minister, expressly confirming that it is obligated to hold negotiations and to sign collective labor contracts, specifying that the national or branch collective labor contract does apply to it, and so forth. Consequently, we must take all the steps and make all the necessary changes to overcome this mentality and to prove, not just in words but by actions, too, that the management and the government indeed wish a genuine tripartite relationship.

[18-19 Apr pp 1-2]

[Text] [Balint] The minimum wage in the economy stirred many discussions and controversies. What was the stand of the trade union confederation you represent?

[Ciorbea] As I was saying, unfortunately, the management and government representatives refused to include in the national collective labor contract a clause fixing a minimum pay higher than that envisaged in the government decision. The same trend is unfortunately noted at the branch level, too, and even at the level of enterprises and institutions. Thus, we are at a real impasse in connection with this aspect, which is generating great social tension. We will undoubtedly wield all the specific forms of trade union struggle to raise the minimum pay in the economy, because at this time I think that everyone is convinced—and the management and government representatives will also have to be convinced—that the minimum pay established for the economy under the government decision is insufficient to ensure not a decent life, but even the survival of a wage earner and his family. I will not even say anything about the situation of the pensioners or those on unemployment relief. On the other hand, however, we are aware of the profound socioeconomic and political crisis that the country is experiencing and of the fact that the elections must be held on schedule, and that a government crisis is not desirable at this time. Consequently, we are not in favor of the non-specific forms of trade union struggle preferred in some quarters. On the other hand, I want to once again stress that we will not make any concessions regarding our natural demand to raise the minimum pay in the economy to a level correlated to the present prices, especially the prices of foodstuffs and agricultural produce. Consequently, we do not want the government to resign, but neither will we be blackmailed by threats to

that effect. We hope that everyone will fulfill their obligations and correctly and completely do their own duties.

[Balint] In order to win the struggle for having trade union rights recognized and defended, will your trade union confederation begin to lobby [in English in the text] the parties?

[Ciorbea] Geneally speaking, we remained faithful to the legal provision and the concept that the trade unions will not engage in politics. These are professional organizations that struggle to defend the socioeconomic rights of their members. In reality, however, as I said before, by struggling to defend and promote these economic and professional rights and interests, we willy-nilly engage in politics—economic, social, and trade union politics. On the other hand, we realized that if we limit ourselves exclusively to dealing with economic, social, cultural, and professional issues and do not practice some lobbying, we will not be able to attain our economic and professional objectives. That is why in reality some change is being imposed by the development of events, and I think that this kind of lobbying, of a relationship with a party, or promoting our own independent deputies, is a must.

[Balint] Have you decided on a specific party or group of parties?

[Ciorbea] We had talks with representatives of the major parties particularly interested in the process of real democratization of the country. For the time being no final decision has been taken by the confederation leadership. We have had only discussions in principle regarding those parties' programs and their economic choices, and especially regarding social protection and the place and role of the trade unions in the society, etc. Depending on the results of these discussions we will debate the topic with the leadership bodies of the confederation and take a decision.

[Balint] But if you begin party lobbying, do you not think that you may have the misfortune to become controlled by the party in question?

[Ciorbea] This kind of fear is natural; it existed and I think it still exists among trade union members. We have the unfortunate example of almost 50 years of dictatorship, during which the trade unions were nothing but a conveyor belt for the single party. That also explains this very powerful reaction against getting close to any party and even against lobbying. But I think that if a trade union organization is sufficiently well structured, has a very clear concept, and is mature enough, such a risk does not and must not exist.

[Balint] You participated as a guest in the congress of the International Confederation of Free Trade Unions [ICFTU] in Caracas. Did you manage to finalize the discussions on an affiliation between your confederation and ICFTU?

[Ciorbea] On 17-24 March I attended the ICFTU Congress in Caracas, Venezuela. As many analysts stressed, it was perhaps the most important congress since the establishment of the ICFTU in 1949. On that occasion I had talks with the new secretary general, with the other members of the executive committee, with many leaders of national and regional trade union centrals, and with members of the professional secretariats associated with the ICFTU. I believe that those discussions marked a particularly important step toward our confederation becoming affiliated to the ICFTU. Also, in the coming few months several federations affiliated to our confederation will become affiliated to international professional secretariats. Another piece of good news we found out in Caracas is that our Center for Training and Advanced Classes for Trade Union Leaders and Functionaries has become affiliated to the International Federation of Associations for Workers Education, something that will open up broad opportunities to our confederation for international cooperation in the area of education.

[Balint] As far as I know, you also attended other international events. What can you tell us about the Interdisciplinary Health Group [IHG]?

[Ciorbea] At the end of February-beginning March I participated in an interdisciplinary group made up of experts from the Ministries of Health and Labor and Social Protection, the National Institute for Management, and other institutions which attended leadership and management classes at the Case Western Reserve University [as published] of Cleveland, in the United States. At the end of the program, the Romanian participants together with prominent U.S. personalities, university professors, leaders of Romanian communities, and managers of major firms which sponsored the program laid the foundation for an association called the IGH. The immediate purpose of this group is to prevent the collapse of the health care system in our country, in view of the particularly critical situation in which it finds itself; the long-term objective is to restructure the entire health care system in our country. The association has already held its first session at the Medical School in Bucharest, which was attended by additional Romanian and U.S. members. The session discussed and adopted a statute and the other documents required to register the association as a legal person. We also discussed the current situation of the health care system in light of the fact that the budget bill allocated 50 billion lei less to the Health Ministry than the latter had requested.

Timisoara Mayor Urges CD Unity Be Preserved

92BA0845A Bucharest "22" in Romanian
27 Mar-2 Apr 92 p 7

[Interview with Timisoara Mayor Viorel Oancea by Mircea Ionescu; place and date not given: "New Models for the Electoral Campaign"]

[Text] [Ionescu] In a recent interview you said that you enjoyed an efficient electoral campaign organized by competent people.

[Oancea] The Democratic Convention [CD] had an electoral campaign directorate which mapped out a strategy and a timetable; after the colloquium organized by the U.S. National Republican Institute for Foreign Relations, the electoral campaign directors "caught on" to some new models. Together with the council candidates we held meetings in various points of the city and various neighborhoods to discuss people's complaints and how they would like to see their city. Then we had meetings with workers at the gates, as people were coming off work; we discussed the problems that concern them and that fall under the authority of the city hall. Poster propaganda yielded fairly good results, although some groups went and tore them down as soon as we put them up. For an audiovisual impact on the public we also organized a kind of electoral caravan which traveled through the city, through neighborhoods and streets with loudspeakers and presented the CD program. The caravan was marked with the symbols of the Convention and had panels displaying my portrait. We also had clips on local television (fewer on Bucharest television). In this way the people of Timisoara had the means to know me better and the results were visible, even though a "certain segment" of the press mounted rabid attacks on me, at least in the last week; knowing myself to be clean and honest, it did not bother me, I was convinced that the people of Timisoara were able to distinguish between words and actions. The last attack on me was on Saturday (which was legally forbidden, but to some people nothing is forbidden).

[Ionescu] What did you think of the results achieved by the CD throughout the country?

[Oancea] I think that the results are satisfactory for now, considering the Convention's preelectoral means of penetrating smaller localities, because we lacked the financial means of reaching the public. In Timis we made a bigger effort, and as we have seen, it was worth it—almost 45 percent of the county councilors belong to the Convention and we have a large number of CD mayors. As we did not have access to central television, while the local television broadcasted at impossible hours (0100-0200, when people who have to work the next day are asleep), direct contact with the public was very necessary. For example, I went to a locality where we had absolutely no cell of any of the CD parties. However, after talking to two or three people, the candidates (who were independent, but on our list) won more votes than we could have offered as councilor seats, only due to the fact that they were with the Key and with CD parties. If throughout the rest of the country the propaganda had been better structured and had had a better strategy, the results would have been much better.

[Ionescu] Bucharest's problems are well known: water supply, housing, public transportation, sanitation, roads, deliveries.... Does Timisoara have similar problems?

[Oancea] You see, Bucharest's problems are in fact shared by the entire country. We could not say that one city is faring better than another. There are so many priorities that they cannot even be described as such anymore. First sanitation, an area that should be on the agenda of every mayor; public transportation, roads, water, heating. But all city halls are having to contend with the wrong mentality of the government and Parliament. Normally, when the local administration bill was passed, it should have been accompanied by a bill on taxes and revenues. Three months have gone by since then and they still have not passed such a bill. Also, they should have passed a law on the local budget. It is not normal that the financial administration, which is not controlled by the city hall but by the Finance Ministry, should levy taxes for the city hall, while we do not even know how much and what. This money is floating about somewhere unknown to us and the government or I don't know who gives us some if they feel like it, and if they don't, they don't. So you do not know what you have in your pocket to manage expenses and you go about blindly and incapable of planning anything.

[Ionescu] Are there plans to tear down very old and run down areas of no historical importance? And what will be the trend, toward apartment houses or individual homes?

[Oancea] We have a systematization plan for the city, which was pretty well structured and had been approved by the city hall. Of course, we do not want to build the same apartment houses as in the past, in which we froze in winter and cooked in summer. They were built to meet quotas, with no regard for the standard of civilization of a home. I think that we will build blocks of apartments, but also homes (privately owned or as public associations), villas, and houses, according to everyone's pocket.

[Ionescu] What possibilities do you see for the struggle against corruption in Timisoara, a city located two steps from the border?

[Oancea] You see, this area was always perhaps the most subject to corruption; very large amounts of money, foreign currency, and gold circulated through here; it did business in passports, etc., had other problems, and a large traffic in foreign goods. After the revolution the phenomenon increased; one of the reasons was a mistaken interpretation of the idea of freedom and enterprise. The countermeasures are permanent monitoring of the legality of the actions carried on in the city. That is the only means not to uproot, but to bring down corruption—which exists in the civilized countries, too—to reasonable levels.

[Ionescu] What plans do you have to bring in foreign firms?

[Oancea] I already have quite a few contacts (with ambassadors and ministers of western countries and with foreign firms, because now there is increased interest in our country and especially in Timisoara). Of

course, investors do not come to Romania to give us charity, but to make money. We must accept this facet of the situation. At the same time, however, we must also make money. This does not mean that we are selling our country, because neither did the Americans sell theirs when the Japanese came and invested and built plants there. For the time being we must change our mentality, then perhaps the time will come for us to also go to other countries and open businesses there, without those people selling their country to us.

[Ionescu] Are there any plans for establishing twin cities relations with any city abroad?

[Oancea] We have twin cities relations with quite a number of cities and we will continue this process, which was established by law. The municipal council is authorized to establish such economic, social, cultural, and twin cities relations with other cities. More recently it seems that the government has been eluding the law and arrogating rights that exceed the law. A circular was sent around according to which any twin cities may be established only with the approval of the Public Administration Department of the ministry. The government would do well to read Law No. 69 and consider the last point regarding the duties of city hall municipal councils.

[Ionescu] How would you describe the people's mood in the city? Absenteeism was rather high at the recent elections and it seemed to indicate a state of indifference toward political events.

[Oancea] I would say that is an unfounded assertion. Indeed, the turnout at the elections in Timisoara was about 56-57 percent, but it does not reflect the reality, because big mistakes were made in the distribution of the voting centers. I think that at least 10 percent of the votes were lost. In 1990 the turnout was about 80 percent, so a difference of 10-15 percent is not that great.

[Ionescu] What do you think that the CD should do to increase its chances at the coming general elections?

[Oancea] First of all, of course, it must preserve unity. That is in order to prove that we want less for ourselves, less for the party or for an individual, and that we want to do something for the country. We must set aside personal and party pride. After that, we must indeed carry out more intensive propaganda in the areas in which we have not been too successful. The difficulties are primarily financial; we need cars and we need people. In Timisoara and Timis County we were successful because very many people donated their free time to this electoral campaign, and regardless of who will be in power, we must have a strong opposition in order to prevent the other from doing foolish things, so to speak, an opposition always capable of providing a counterbalance and maintaining a political equilibrium. When we will arrive at that point it will matter less who is in power.

Political, Interethnic Problems in Cluj Viewed

Mayor Funar's Assessment

92BA0854A Bucharest "22" in Romanian 24-30 Apr 92
p 13

[Interview with Cluj Mayor Gheorghe Funar by Gabriela Adamesteanu in Cluj on 9 April: "The Hungarian Minority Has Forfeited Its Privileges"]

[Text] April 9th is press conference day at the Cluj City Hall. One radio broadcast that "unjustly attacked the City Hall" has already been discussed, now the talk is about rat killing ("We must annihilate the rats, but wisely," suggests one of the participants, C. Mustata). The mayor announces that academician Prodan was delighted to have had his railing and apartment staircase repaired, and promises that waste dumping in the Manastur neighborhood will be resolved by "effective police intervention." Aside from the mayor and deputy mayor (PUNR) [Romanian National Unity Party], the press conference is also attended by one civil defense representative in military uniform. An economist by profession, university lecturer at the Institute of Agronomy, and a founding member of the PUNR, Gheorghe Funar is the current mayor of Cluj.

[Adamesteanu] Is the PUNR a political party to be reckoned with in Cluj?

[Funar] Of course. And not only in Cluj. We won 56 percent of the votes in the local election in the Cluj-Napoca municipality and county.

[Adamesteanu] Together with the FSN [National Salvation Front]?

[Funar] No, by ourselves. Without any coalition. That makes us the government party in the Cluj County and the Cluj-Napoca Municipality, where we achieved our best results. After the general elections we will be one of the four major parties in the country.

[Adamesteanu] Do you not think that, had it not been for that declaration by the Hungarian Defense Minister Lajos Fur, which the television picked up on purpose and with a delay, you would have had fewer voters?

[Funar] No, nothing of the kind. The government in Budapest did not and has no interest in supporting our political party through such declarations.

[Adamesteanu] What are the objectives of your current activities as mayor?

[Funar] Objectives concerning restructuring the City Hall activities by establishing new organizational schedules: We will have seven or eight additional services. We also want to introduce two director positions (for economic and for technical and investment affairs). At the same time, there are also personnel changes underway.

Four service heads have been released from their positions. The commission especially formed by the Municipal Council will investigate what happened at City Hall between December 1989 and 15 March 1992. Another objective is to clean up the city. We are not happy about the city's aspect even after these two to three weeks. The going is slow, but we will speed it up.

[Adamesteanu] What data do you have about the PUNR electorate?

[Funar] It is a stable and continuously growing electorate. It incorporates people with various concerns, of various professions, and of all ages.

[Adamesteanu] How many members does the PUNR have?

[Funar] The figures are known, but we keep them secret. We have neither the intention nor are we interested in becoming a mass party. We have several tens of thousands in Cluj and in the county, plus a very large number of sympathizers. For the time being a large percentage of the population is (unfortunately) still waiting to see; they have not decided for one political party or another, but they are showing their sympathies and support for a given political program through their vote.

[Adamesteanu] I understand that among the councilors there are representatives of the two churches.

[Funar] Yes. We are the only political party in the county who made such recommendations, and the idea was mine. The PUNR list featured Professor Moldovan of the Orthodox Theological Institute and Professor Langa of the Greek Catholic Theological Institute.

[Adamesteanu] Does that mean that they are actually on the PUNR lists?

[Funar] Yes. They are on our list. They accepted to run for council seats on our list. Even Mr. Langa, as an independent. We do not force the PUNR line on them; they are independent and they represent church interests in the council council. But we facilitated their access to the council and gave up two PUNR seats for two independents, and we are proud of the two church representatives.

[Adamesteanu] Does City Hall have it in its power to ensure that the Greek Catholic services are no longer held in the open?

[Funar] Yes, they will have churches. We are one step away from achieving that and I hope that the problem will be resolved very soon. I hope that at Easter all the congregants will be in a church and no longer outdoors.

[Adamesteanu] What can you tell us about the Hungarian schools?

[Funar] The problem has been wrongly stated. There are no Hungarian schools. We are in Romania here. In the municipality of Cluj-Napoca, too, all the schools are Romanian.

[Adamesteanu] Hungarian-language schools...

[Funar] There is no school in Hungarian only. And there will be none in the future. There are and there will be no schools in the Hungarian language. I am not talking about the High School No. 33 farce you have in Bucharest, which you accepted, and which is a shame for the capital. You allowed Romanian students and teachers to be thrown out with the help of the Hungarian Embassy. It is a shame for the Romanian capital and its inhabitants to have allowed such a thing. In the Cluj-Napoca Municipality there are no Hungarian schools. And therefore, it is good that no one needs to worry that they will be closed down, because there is nothing to close down. There are schools in which Hungarian takes a more important place as the teaching language. However, there are Romanian classes in all the schools in the municipality. No one can cite any example of a Hungarian school. The fact that some schools in Miercurea Ciuc or Odorheiul Secuiesc may have only Hungarian as the teaching language does not mean that those are Hungarian schools. They are Romanian schools in which the teaching is in Hungarian. The Romanian state is allowing the minorities such facilities. Stating the problem in terms of Hungarian schools is already an attempt to go one step forward: Because if the school is Hungarian, then the area is Hungarian, and if this patch of land is Hungarian, then the rest is Hungarian, too. And thus, Transylvania becomes a Hungarian territory and must be joined to Hungary. This is the strategy they are using, we know it very well, we Transylvanians. The matter does not seem to be sufficiently clear to all of the country's other citizens.

[Adamesteanu] So there are no Hungarian-language schools and high schools in Cluj?

[Funar] No. Three of them have more Hungarian-language than Romanian-language classes. But there is no school with only Hungarian-language classes. There have been pressures and attempts to throw out the Romanian students in order to establish such schools. But they met with no success even during the transitional period. And from now on, there is no chance.

[Adamesteanu] So all these schools will obligatorily have both Romanian and Hungarian students?

[Funar] Of course. And because of the lack of space in three of the University departments, we will be forced to rezone the schools. We will close down one or two high schools and the teachers will be transferred to other schools, because privileges had been secured in this area, too.

[Adamesteanu] Are you not worried about causing superfluous tensions? There are already rumors that you stepped in about bilingual business signs.

[Funar] We are seeking to implement the laws of the Romanian state, which we are obligated to do. And we noted—something about which the Romanian population is indignant—that business signs were posted on buildings only in Hungarian or in both languages, without any permission.

[Adamesteanu] You find bilingual signs offensive?

[Funar] Of course, if it violates the laws of the Romanian state. If permission was given for High School No. 2, it was the Education Ministry's permission for High School No. 2. The ministry's order has to be reflected on the school sign.

[Adamesteanu] But what is the percentage of Hungarian students there?

[Funar] The same as in other schools. I have the figures.... But that is a pretext, using percentage points to mislead the rest of the country's population who are not Transylvanians. Using such percentage points and all kinds of speculations. It does not matter how many there are. No. We are in Romania and we have the laws of the Romanian state, which we must implement. We are not talking in subtleties in this respect.

[Adamesteanu] Why does it bother you if the sign is in both languages, considering the large number of Hungarian students there?

[Funar] We live in Romania and we have an official state language, sanctioned in the Constitution, the Romanian language. Please note that the other minorities are not bothered. We have 14 minorities in Romania. The only one that is bothered is the Hungarian minority, which realizes that the implementation of the Romanian state laws will cause it to forfeit its privileges. It has lost them and it will continue to lose its privileges.

[Adamesteanu] What privileges?

[Funar] The UDMR [Democratic Union of Hungarians in Romania] is illegally occupying a building that belonged to the Lupas family, which made a huge contribution to the Great Unification of 1918. Leaving the UDMR there is a sacrilege.

[Adamesteanu] So you would like to take their headquarters away?

[Funar] It is not their headquarters, no one gave it to them. They have no contract, they are illegal. They got in there at the beginning of 1990, immediately after the revolution, while the Romanians were burying their dead and crying. By 23 December the Hungarians already had a political party.

[Adamesteanu] Did the Hungarians not have their dead?

[Funar] Of course they did, the bullets did not pick and choose.

[Adamesteanu] Then why do you say that the Romanians were burying their dead while the Hungarians were organizing a party?

[Funar] They occupied the Lupas family building. Please give me an example of a Romanian political party established on 23 December 1989, other than the UDMR. Because they were organized even before the Ceausescu regime fell. They had been organized ever since 1918, since the end of that year, for 74 years.

[Adamesteanu] The UDMR has existed since 1918?

[Funar] No. But the Hungarian minority has been organized since then and has been fighting against the Trianon Treaty, which they do not recognize. And while the Hungarian minority in Romania is the only one that is agitating about human rights, the others are satisfied.

[Adamesteanu] What do you think, is there anti-Semitism in Romania, or not?

[Funar] That is a lie kept up by others, by people with antinational Romanian interests.

[Adamesteanu] Tell me, is it not natural that the Hungarians should be taught school in their own language?

[Funar] I will answer you with a question. What will an engineer do, for example, who graduates the School of Forestry in Hungarian and finds a job in Vilcea? He will not be able to communicate with the other people. They are pressing for that in order to create reserves for tomorrow at the expense of the state, because they entertain utopic dreams about some day succeeding in joining Transylvania to Hungary.

[Adamesteanu] Are you very sure that all the Hungarians in Romania have such intentions?

[Funar] No, I am not saying that these are the intentions of all the Hungarians in Romania, but of the Hungarians across the border, or Hungarian irredentists across the ocean, and of the UDMR leaders here.

[Adamesteanu] To which UDMR leaders are you specifically referring?

[Funar] Take them from the top down and you will find every one of them. Unless they think so, the UDMR gets them out.

[Adamesteanu] But they never said such a thing in their statements.

[Funar] That shows you do not know them. They say one thing and do another.

[Adamesteanu] You dispute the legitimacy of the UDMR because it is a party based on ethnic origin, is it not? Is not the PUNR a party founded along the same line?

[Funar] Not by a long shot. We are the Party of Romanian National Unity, not of the Romanians, as is sometimes said on the radio, on television, and in the press not accidentally, in order to give credence to the idea that we are an ethnic party. So I would like to ask you to study our party statute, which envisages that any citizen can belong to our party, regardless of ethnic origin. We have in our party Hungarians, too, as well as Germans, Serbians, Bulgarians, and others. The chairman of the PUNR branch in Sibiu is a German, Professor Otto Stamp.

[Adamesteanu] Well, once again, do you think that there is anti-Semitism in Romania?

[Funar] No. And there never was in history. Now this lie about anti-Semitism is fed to us in order to detract our attention from our economic and social difficulties. This lie is being artificially fueled, unfortunately with the cooperation of the country's president, too.

[Adamesteanu] What do you think of the newspapers ROMANIA MARE and EUROPA?

[Funar] Neither of them has any anti-Semitic bend to it. The magazine EUROPA takes a stand against several Jewish leaders: Not by chance did some people complain that the revolution had been stolen from them.... It got into the hands of some representatives of the Jewish minority, including Petre Roman, Adrian Severin, Eugen Dijmarescu, and many others. We do not mind the fact that they are Jewish, but the fact that they are conducting an anti-Romanian policy. EUROPA especially focused on presenting these actions carried out by Jews and on restoring the historical truth. And now it has been showing various destructive actions carried out in the Romanian economy by the Roman-Severin team and their aides. People are confusing the issues. These are very popular magazines.

[Adamesteanu] Do you read them?

[Funar] I read them with great interest.

[Adamesteanu] What other papers do you read?

[Funar] I read ROMANUL, NATIUNEA....

[Adamesteanu] What do you think of Iosif Constantin Dragan?

[Funar] He is our honorary chairman and a good Romanian and we are proud of the fact that he is honorary president of the Vatra Romaneasca National Union [UVR]. We are looking forward to meeting with him in a few days.

[Adamesteanu] Are you aware of his connections with Nicolae Ceausescu?

[Funar] Yes, that is known. I have known Professor Iosif Constantin Dragan for a long time; we are both from Banat and I have had the honor of meeting him. People capitalize on such things, on the fact that, the way the

times were then, in order to achieve something in Romania, one needed a contact, including with the then president of the country, in order to get somewhere. I would ask you to give me examples of other Romanians abroad who made such donations like Professor Iosif Constantin Dragan.

[Adamesteanu] Are you referring to his donations to Elena Ceausescu?

[Funar] No. Those are insinuations. I am talking about actual donations, for example, to the Assembly Hall of the University of Cluj-Napoca, if you have had an opportunity to see it. The Assembly Hall of the Cluj-Napoca University was furnished with installations for simultaneous translation into five languages, donated by the Dragan Foundation. And much else. He was giving and continues to give us concrete material support.

[Adamesteanu] What do you understand by "concrete material support?"

[Funar] Buildings, property, publishing facilities, fax machines.

[Adamesteanu] It seems that in the wake of the bill recently passed in Parliament, the political parties will be barred from receiving outside support.

[Funar] Yes, and Parliament did very well to pass such a bill. But the UVR is a cultural and civic association.

[Adamesteanu] And the PUNR is its party.

[Funar] We are a political party, not the Vatra Romaneasca party. The UVR is an organization that incorporates Romanians of various political colors, including members of the FSN, the PNTCD [National Christian Democratic Peasant Party], and the PNL [National Liberal Party]. Not to mention PUNR members.

Doina Cornea's Assessment

92BA0854B Bucharest 22 in Romanian 24-30 Apr 92
p 12

[Interview with Doina Cornea by Gabriela Adamesteanu in Cluj on 9 April: "The Current Mayor Seems To Think That His Mission Is To Cause Dissension Between the Ethnic Communities for Electoral Purposes"]

[Text] A European-type city, Cluj is for the time being experiencing its diversity not as an opportunity, but as a hardship (in the view of the French sociologist). That is a big risk for a metropolis, because a closed city risks falling in the hierarchy of the country's cities (and even losing its economic investors).

[Adamesteanu] How much is the PUNR [Romanian National Unity Party] win in the local election felt in Cluj?

[Cornea] I do not go out of the house much and the PUNR does not interest me except to the extent that it will cause dissension here. And in that respect I hear that

they plan to get the Hungarian writing off of signs. Before the war I lived in Reghin, which was inhabited by four nationalities. The obligation was to have signs in Romanian, after which it could be in the language of the owner—Saxon, Hungarian, whatever he was. I do not think that it hurts the Romanian feelings if a store owner puts whatever he wants on his sign, as long as he has fulfilled his obligation to the country's citizens and had it written in Romanian. Then I also heard that they want to take down a plaque with the date of establishment of a Hungarian school, which was 1670. I wonder what the mayor has in mind when he wants to take down that plaque: Does he think that in that way he can change the date on which the school was built? I also heard some other versions: That those schools were Latin language schools. So they were not Hungarian schools, but Latin schools. Latin was the language that was taught in schools during the Renaissance (there was a late Renaissance here). On the other side of the mountains there were Greek schools; some historical realities have to be admitted.... Instead, we would do better to study what the Romanians did, for example during the period between the two world wars, how the luxury neighborhoods were built, how the city grew, and how the population doubled. The private buildings also testify to a civilization, a way of life, a style, a manner of feeling. That is the difference between neighborhoods inhabited by Hungarians, or Skecklers; the center is built in one style, it is very beautiful, we are proud of it, we love it, but the Romanian neighborhoods are very beautiful, too—airy, in harmony with nature, along the Somes canal. The University of Cluj had a reputation in the period between the two world wars. There was Racovita, Parvan, Bogrea, Hateganu at the Medical School, and Papilian. But going back to the question—Funar seems to think that his mission is to cause dissension between the two ethnic communities in order to profit the government. The objective is purely electoral. Just as Mr. Adrian Nastase, precisely on the eve of the elections, misinterpreted the declaration of the Hungarian defense minister in order to create panic among the Romanian population.

[Adamesteanu] You do not think that he succeeded?

[Cornea] I think that that was not the reason that the local elections were lost in Cluj. In the first round, the Convention won 46 percent of the votes in Cluj, which was very much, almost half. Consequently, it can be said that almost half of the population of Cluj is democratic. In the first round of elections the PUNR won 31 percent. If in the second round the Convention grew by 2 percent (up to 48 percent), who voted for the PUNR? The FSN [National Salvation Front] supporters. But we know that the social democrats (what both Iliescu and Roman claim to be) must be the most tolerant party from a national viewpoint. This means that what counts for the FSN is not the program. They are not a party, but a group made up of the guilty heads of the old regime, opportunists, collaborators, and profiteers who thought that by now supporting the FSN they could continue

mind their business.... I do not mean to say that all FSN members are like that. After all, many were disappointed.

[Adamesteanu] The problem is, what will Cluj do next time?

[Cornea] Without national observers, it will be very bad for Cluj. As it is there have been attempts at fraud. Pro-Democracy caught red-handed a person who was trying to put in eight ballots stamped PUNR. Where did he get them?

[Adamesteanu] Did the initiative of the Democratic Convention belong to the Antitotalitarian Forum of Cluj?

[Cornea] Prior to 20 May, too, Mr. Coposu wanted to form a coalition with the PNL [National Liberal Party] and the Social Democratic Party [PSD], but it failed. Later we wrote letters to party leaders—including the UDMR [Democratic Union of Hungarians in Romania] and the GDS [Group for Social Dialogue] and, together with Mr. Coposu, we went to the GDS. We took Mr. Coposu to meet Mr. Liiceanu. Because we saw that the political parties were greatly mistrusted, even this man, whom people did not know. The young people in the GDS did not even bother to go and meet him, if for no other reason, at least because they knew he had served 17 years in jail. It is interesting to meet such a man. Mr. Mihai Sora was the most receptive. We had several meetings with the GDS and the opposition parties. Then the [Civic] Alliance was formed. I joined the Alliance, I was also in the Forum. The Forum was founded in Cluj because we thought that if the parties united in the counties, the tops had to necessarily unite. They were very annoyed (at least here) with the Civic Alliance. I fought with them until I persuaded them to write a letter, to tell them that we were glad, so that we could stay together. For two days I struggled at the time to have a communique published in ROMANIA LIBERA saying we were happy about the Alliance being established. I am very pleased that the PAC [Civic Alliance Party] stayed together with the PNTCD [National Christian Democratic Peasant Party], the PSD [Social Democratic Party], and the UDMR. That is very important. I do not think that the PNL leaving is any loss. How many members does the Liberal Party have? Not too many. Some county people have already said that they were staying with the Convention, perhaps others will come out, too. As for us, those who do not belong to any party but are democrats, we will certainly vote for the Key. The electorate has faith in the Convention because there are united parties in it. This may be interpreted as a kind of naivete, as a need to be protected against the communist party. But I do not think that that is the only thing. The crisis here is for the time being only moral, not political. This is not a question of competing political programs. There is only one program: to eradicate communism. That is shared by all the opposition parties. The FSN is capable of entering alliances with anyone—Romania Mare, PUNR, or the agrarians.

[Adamesteanu] What was the PUNR electoral campaign like?

[Cornea] The PUNR staged a very aggressive electoral campaign. I heard cars going up Calea Turzii and honking non-stop. I went out to see what was going on, was there an uprising? were the Hungarians coming? what was happening? Then I saw the cars flying our tricolor and realized they belonged to the PUNR. After dark, airplanes and helicopters flew about for one and a half to two hours.... I do not know what they were, because you could not see. That was Thursday; the vote was on Sunday.

[Adamesteanu] It is being said that the PUNR electorate consists mostly of people who came to the city recently?

[Cornea] Not only those. For example, there are people from the university, people who were opportunists under Ceausescu, who fired me from the university, and who are still there. I think that some of them are not joining because of me. I represent some sort of "guilty conscience." Under Ceausescu we enjoyed greater solidarity from the simple people, the cleaning women, and the sales girls. My colleagues avoided me all the time and did not join me later, either. This was the only university that blamed its students when they went on strike, the only university that did not join the University Solidarity. Do not such things make you think?

[Adamesteanu] But the Convention, too, entered into unfortunate alliances.

[Cornea] Yes, in Oradea. In order to not elect a Hungarian mayor, the opposition voted for the FSN. That was very bad in my opinion, the fact that ethnic origin counted for more than the programs; a communist mentality. In a democratic country people do not look at ethnic origin when it comes to the mayor, you look to see whether the person is capable. In my opinion it would be no catastrophe if some towns, like Harghita or Covasna, had a Hungarian mayor. After all there are 2 million of them. A Hungarian mayor can be as good or as bad as a Romanian mayor, right? The Hungarians are citizens of our country, but that is something we keep forgetting. And even if Hungarian exiles made some irredentist declaration, are the Hungarians here responsible for it? Can you sentence them for statements made by Hungarian groups outside? As long as they show loyalty, they must be treated loyally. What connection is there between a Romanian Hungarian citizen and declarations made by the Hungarian government in Hungary? Even if we do not like those declarations, we can quarrel with those who made them, not with the citizens here. To humiliate them, to insult them on television, and to instigate people—that is the policy of this miserable government. A completely wrong policy.

[Adamesteanu] If it were up to you, for what date would you set the elections?

[Cornea] As soon as possible. I think that I would set the parliamentary elections for June. The presidential election I would not schedule at all, because de facto we are a constitutional monarchy. Everybody knows that we are not used to having elections. Perhaps that is precisely why they want to have the parliamentary and presidential elections on the same day, in order to create confusion again, so that the poor voter coming down the mountain and the old man without his glasses should not know where to place the stamp.

[Adamesteanu] What is the situation of the Greek Catholic church?

[Cornea] Once again I want to denounce a vile action carried out by the PUNR and the City Hall, which laid a trap for the bishopric and the representatives of this church. They went to negotiate with the Greek Catholic bishop, and the bait was: "If you are in the Council you can represent the interests of the church and then you may be able to achieve more." They answered: "We accept, but not on the PUNR list, because the church is not permitted to show up on political lists. Give us a completely neutral seat on the Council." The church designated Father Langa, the general vicar, a very intelligent man, who also went on television to defend the rights of the church. The City Hall put him on the PUNR list of councilors, saying that they were ceding a seat to the Greek Catholics. Father Langa said that he could not conduct the policies of any party; he picked up a pencil and erased the PUNR from the list. Next day the prefecture newspaper wrote that both the Greek Catholic church and the Orthodox church had two councilors on the PUNR list. The objective was electoral. Father Langa said that he was going to publish a refutation in the press, but I still have not heard of any such article having appeared.

Writers Union Discussion on Anti-Semitism

92BA0830A Bucharest ROMANIA LIBERA
in Romanian 9 Apr 92 p 3

[Article by Raluca Stroe Brumariu: "Semitism/Anti-Semitism Roundtable"]

[Text] On Tuesday 7 April the Writers Union hosted a roundtable discussion on the topic "Semitism/Anti-Semitism." The debates were led by Mircea Dinescu and Stefan Augustin Doinas, whose guests were Zwi Mazel, Israel's ambassador in Bucharest, and Bo Adahl, Finland's ambassador. The objective of the meeting was not so much to clarify matters through discussion, but mostly to bring this problem to the attention of the "center-oriented" press, accused by some of not having adopted a more forceful position toward the anti-Semitic attacks of the extremist magazines. Following are some of the ideas developed during the meeting.

Are the Romanian People Anti-Semitic?

Dinescu: "The Romanian people are not anti-Semitic, but what can we do when this belief is supported by those who write in anti-Semitic magazines? The Jews may have brought us communism, but we have managed to improve on it quite a bit. We are blaming others for our troubles but the time has come to speak lucidly about ourselves."

George: "Anti-Semitism has become a matter of inflaming the mind, and the public is still unprepared to discuss this question. My opinion is that anti-Semitism is an artificially sustained problem, a pathologic diversion phenomenon. The problem is a difficult one, because countries such as Romania, which have been subjected to a number of shocks from frequent border changes, express their existential feelings through nationalism. Except that people are now manipulated by means of the nationalistic spirit."

Doinas: "The Romanian people are not anti-Semitic, but we do have evidence of anti-Semitism in Romania, which we must acknowledge and censure. These symptoms arise against the people's tolerant background and they should be exposed at germination and resisted."

Zamfir: "I don't believe that the situation is currently specific to Romania. It may be that we encounter it here in forms that are sometimes more virulent, sometimes more comical. The explanation of what is now happening in Romania is of a political nature. The former political segment now controls through nationalism; they now swear by Antonescu with the same viciousness with which yesterday they swore by Marx."

Radulescu: "Anti-Semitism is currently a fabricated problem."

Adahl: "Anti-Semitism is a universal problem, verified in all countries. The basis of intolerance is ignorance combined with an inferiority complex equally due to ignorance. Intolerance has nothing to do with nationalism."

Ionescu: "With the 20,000 Jews still remaining in Romania, this problem should not even exist."

Mazel: "Anti-Semitism does exist in Romania and it exists in the press, where it is profuse. Anti-Semitism does not exist solely in the extremist newspapers, but in the center-oriented press as well. With so many newspapers writing against the Jews, it means that something is wrong in this society. This situation must be fought every day in the press, because it does exist, as was also pointed out at the National Salvation Front [FSN] Convention. It is a serious problem for Romania, because it occurs during its transition period. It must be isolated if you want to have a true democracy. We, the Jews, are working on your behalf, for Romania, in the U.S. Congress. But there is a limit, because there are no reactions of any sort here against these insults to the Jewish people."

Is It the Fault of the Press?

Dinescu: "We have the most violently anti-Semitic newspapers in Europe. I had expected the press to take a more manifest attitude against these attacks. The paralysis of our press or the jocular tone of some articles solves nothing. The image of our free press amazes the western journalists."

Doinas: "I am surprised that our press would attempt such distortions, which means that we don't want to accept the evidence."

Mazel: "The journalists are not presently playing their role in democracy, because democracy means responsibility. The television debate has opened the anti-Semitism file for the first time. The Romanian press has condemned the debate, in which many things were said, and the truth must be stated in full, especially with regard to the existence of anti-Semitism. I asked whether magazines such as EUROPA, ROMANIA MARE, OBLIO, STRADA, NU, and so on, existed in Israel, and I was told that they did not. And even though I have asked that a position be adopted toward the insults against the Jewish people, the press echoes have been very weak."

Government's Attitude Toward Anti-Semitism Problem

Mazel: "The Romanian Government and President Iliescu have condemned anti-Semitism, but the press response has been very small."

Dinescu: "While he was prime minister, Petre Roman gave the magazine ROMANIA MARE a free hand following some love letters from Barbu and C.V. Tudor. Recently, the government took a position against anti-Semitism in the press, the president took a position, and after two weeks the anti-Semitic magazines continue their attacks with even greater violence. What is the secret of this resistance?"

George: "Anti-Semitism and xenophobia are problems artificially sustained by the government as topics for agitation and diversion."

Zamfir: "The government is playing its last card—nationalism."

Barladeanu, secretary general of the Romania-Israel Friendship Association: "Until now, anti-Semitism in Romania has been treated only declaratively, and although there are laws to condemn demonstrations of racism and extremism, they are not exercised. Why? Because the situation could be exploited: when political, economic, and social failures began to pile up, this campaign was allowed to be unleashed with the government's agreement."

Regarding Mihai Eminescu

Mr. Doinas wanted to clarify some points about the Eminescu broadcast in January, in which he participated. After this broadcast, Mr. Doinas was repeatedly

accused of disparaging national values: "I was strongly accused following this broadcast, but I did not intend to disparage Eminescu; I was dissociating myself from his intolerance. His political articles cannot now be accepted as such; they can have an immediate justification, but now they can serve a bad cause—intolerance of others and the idea of racial purity. I challenge them as a political attitude for the present circumstance, but they still remain as a model for our minds."

Anti-Semitism, just like any other form of extremism, of chauvinism, must certainly be condemned. Despite what was said at this roundtable, several newspapers did take a position against the nationalist-chauvinistic campaign of such magazines as ROMANIA MARE or EUROPA, except that their position had no influence at all on the government. As long as communist-type diversions will continue to be the most intimidating weapon of the present administration, let us not entertain any illusions that real disciplinary measures will be taken against this campaign, despite official declarations; for the time being, the nationalist diversion serves the government's purposes.

Problems, Prospects for Agriculture Discussed

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[Article by Engineer N. Marincus: "Problems and Prospects in Agriculture"]

[Text] In the era of the former regime, notable investment projects were carried out in agriculture. Their effectiveness, however, was mediocre for a number of reasons: lack of interest on the part of the producers, excessive bureaucratic centralism, and low prices for the produce sold, and in consequence, derisory labor remuneration. After the 1989 revolution, the authority of the state bodies dropped to the point of disappearance, discipline collapsed, working time fell, and collective interest became individual and not seldom, selfish.

It can be said that the situation in the agriculture in 1991-92 was about the same as in 1946-47. The contradictions we see in various opinions about the agriculture are generated by the premises on which they are based: The agriculture is very diversified.

In broad lines, the factors that are blocking the development of the Romanian agriculture in 1992 are the shortage of capital, means of production, and extensive and truthful information regarding the producers, and properties that are too many and too small for family farms to be profitable. According to data obtained from the competent ministry, the number of land owners resulting from the implementation of the land stock bill will be about 6.2 million, and the number of plots of land of about 20 million. Once land is distributed to former owners who now live in cities, their number will make up about 40 percent of the total number of land owners.

It is worthwhile citing the great truth spoken by Professor Gheorghe Ionescu Sisesti: "Land is like a diamond; the more we cut it up the more it loses in value," and the law of the German scholar Liebig: "When several elements join in producing one item, the smallest element is decisive."

Huge investment projects have been achieved in the agrarian branch of the economy: land amelioration, agricultural equipment and machinery (SMA) [Agricultural Machinery Stations], centers for sorting and treating seed, storage facilities, plants for fodder concentrates, large processing plants for agricultural produce, fruit plantations, livestock complexes, socioeconomic facilities, institutes for research, planning, and education, and so forth.

Approximately 500 billion lei = \$2 billion were invested in land amelioration alone, of which 3,109,000 hectares of irrigated land, which is 21.1 percent of the overall arable area or approximately one-fifth of the irrigated land area of Europe.

The investment projects carried out in the agriculture, some of which are up to Western technical standards, represent an enormous asset. These assets cannot be accused of ideology, and the ones that are flawed can be corrected. We must apply the same dictum as in medicine: *primum non nocere*—first of all, do not damage what is good.

The privatization of enterprises in the rural environment, achieved by distributing shares to the employees, will decide their profitability, with or without important facilities, some of which need to be converted and others to be equipped with new technology. The necessary number of shares owned by the state can be auctioned off in order to obtain funds.

A rational utilization of the rural production units will present the following advantages: It will provide employment for an important number of workers in the area and ensure earnings; it will cut down the number of farmers and thus increase earnings for those who will remain in the branch; it will yield products of an increased value, something that will reflect positively in the national economy; it will raise the level of culture and civilization of the peasantry in view of the skills required to run the enterprises; it will level out the seasonal employment curve to a certain extent.

Paradoxically, the need for capital is currently urgent, capital that the peasants do not have. Wage earners in the country will be tempted to make their savings good by buying land, shares, or agricultural property, especially from city owners who want to sell. There are also city people with capital willing to invest it in agricultural production.

Some farmers, who have the necessary collateral, will borrow money from banks. There will also be foreign investors acting through relatives or conationals, or

forming mixed associations. Nevertheless, according to forecasts, the shortage of capital will abate only by about 1995-96.

The most important means of production are owned by the state. Some were left over from the former CAP's [agricultural production cooperatives]. According to the 1990 and 1991 statistical yearbooks, the number of tractors dropped from 151,745 in 1989 to 127,065 in 1990. Some farmers are endeavoring to get machinery of their own, most of which is prohibitive because of exorbitant prices and too long periods of amortization.

Archaic means of production dating back dozens of years or newly concocted are not profitable for a modern and highly competitive agriculture. Some villagers are struggling to get work animals without realizing the economic burden they are taking on, considering the cost of fodder, care, shelters, etc. The only justified exception are work animals or meat and milk livestock in hilly and mountain areas.

In spite of all the shortcomings listed, both the privatized and state agriculture are essentially stimulated by a market economy: competition, demand and supply. At the beginning stage, when the demand is not covered, prices are high, and thus people can accumulate funds that can be invested and contribute to increasing both production and productivity.

By the year 2000 the average prices of the main agricultural products are expected to be two to three times lower than in 1992, while in the 1998-99 they will be the same as comparable prices in the West. This drop will come as a result of computerization, increased productivity and efficiency, better equipment, and of intensified crops and an integrated, higher degree of employment of the labor force.

The average area of land per family, calculated in terms of arable land, will increase from approximately 2.5 hectares on the average in 1992 to about 5 hectares by the year 2000, following land sales by city heirs and by some farmers to people with capital.

In 1988, the area of farm land owned in EEC countries ranged between 69.3 hectares (England) to 4.1 hectares (Portugal). In the FRG the average area was 16.8 hectares, after 66 percent of the small holdings disappeared

in the past 10 years. It is expected that in the next 10-15 years the average area of a farm in that country will be 100 hectares.

The degree of intensification of vegetable crops will increase as of 1993 following the expanded cultivation of vegetables, fruit, grapes, seed for export, industrial crops, etc., while in the livestock sector, raising farm animals such as fowl, pigs, sheep, goats, bees, and silk worms, will develop.

At the same time, some products will be partially or completely industrialized with a view to obtaining higher prices. Agriculture will be practiced in a rational, closed circuit system: soil-plant-animal-waste-soil.

The level of employment of the labor force will increase from about 100 days in 1992 to about 285 days by the end of the century.

This will be made possible as a result of the diversification, intensification, and industrialization of the production.

Labor productivity will increase three to five times over compared to 1992 as a consequence of the use of machinery, knowhow, and better information in general and of the duration of employment in productive work.

The number of active farmers, which currently is about 27 percent of the population, will increase by 3-5 percent by 1994; subsequently, because of competition, industrial privatization, increased services, and larger concentration of property, it will drop to 15-20 percent about the year 2000.

Taking the year 1992 as the 100 index, the average family income in terms of constant value will increase approximately quadruple in correlation to other indicators. In relation to the gross income of a family, investments will increase from approximately 5 percent in 1992 to about 25 percent by the end of this decade. Imports will drop to 3-5 percent of the overall value of the production and will center on the import of equipment for new technologies. The export of agricultural produce can come to 20-25 percent of the overall value of the agricultural production by the end of the century.

On the basis of these developments, by the year 2000 Romania can expect to come closer to the production and quality level of the less developed EEC countries.

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