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## **East Europe**

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# East Europe

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## **BSDP Adopts Political Program at Congress**

92BA1085A Sofia SVOBODEN NAROD in Bulgarian  
12 Jun 92 p 9

[Unattributed article: "The Third Way: The Social Democratic Response to the Challenges of Our Time. Political Platform of the Bulgarian Social Democratic Party Adopted at Its 39th Congress"]

[Text] The Bulgarian Social Democratic Party [BSDP] is guided in its activities by the long-term program "Social Democracy and Bulgaria's Path to the 21st Century," which was adopted at its 38th [as published] Congress in March 1992. Our strategy is aimed at building a free modern civil society in Bulgaria, based on parliamentary democracy with a republican state system and a social market economy. The fast and conflicting development of the political circumstances in our country, in the Balkans, in Europe, and throughout the world requires a clear social democratic assessment and answer to new problems as they arise. In its more than 100-year history, the BSDP proved that it is a nationally responsible political force. Today the Bulgarian Social Democrats are ready not only to present their solutions but also to assume the responsibility for their implementation.

### **I. Social Democracy Means a Responsible State and Freedom and Security for All**

Currently, assertions are reaching our country from different sides to the effect that the economic reform promoted by the SDS(d) [Union of Democratic Forces-Movement] offers no alternative. Incredible efforts are being made to instill in the Bulgarian people the idea that there is no other solution, that there is no "third way," and that, if such exists, it would take us into the Third World. Any publicly expressed doubt as to the accuracy of the reform and criticism of those who are implementing it is defined as demagoguery, populism, and a conspiracy against democracy.

The BSDP has always stated that the offered model of the reform has an essential social democratic alternative. This alternative is no utopia but a practically tried solution to the economic dislocation. The prescriptions suggested by monetarism, neoliberalism, and neoconservatism have so far not helped even a single country to come out of poverty and dislocation. However, a number of countries have been able to surmount the crisis, to develop properly functioning market economies, and to achieve a high living standard with the help of well-planned and carefully implemented reforms.

The efforts to separate the economic and social aspects of the reform and even to pit one against the other are anachronistic and harmful. They are also singled out and pitted against each other exclusively in the minds of some members of the Bulgarian "right." In reality, there is a basic argument and competition between right-wing and social democratic solutions to socioeconomic problems. In practice, social democratic approaches provide much more efficient and socially acceptable solutions. Democracy in the developed European countries is liberal in spirit and

social in content. It is a true synthesis of the values of political liberalism and of a socially oriented economy.

The Bulgarian Social Democrats openly stand in front of society in suggesting their solutions to the existing problems. The BSDP favors the establishment of a socially oriented market economy.

The alternative we suggest is aimed at the future and not at the past. Today our country is aspiring toward Europe. It faces the task of real modernization and not an artificial restoration of obsolete social and economic structures and relations.

### **What Kind of Party Is the BSDP?**

The BSDP is a party with a clearly visible social face.

In terms of its socioeconomic base, the BSDP is, above all, the party of the people engaged in physical and intellectual labor:

- Those who earn a living as hired laborers.
- Those who lack but would like, either by themselves or together with others, to create their own private property.
- Those who have private property and wish to develop it, either alone or in cooperation with others.

The BSDP expresses and supports in its policies the leading economic trend in the development of society, a trend that makes it possible for the hired working person to become a co-owner or a participant in the management of an enterprise and in the distribution of profits, which allows the working owner to become richer and allows everyone to live a worthier and more secure life.

The BSDP favors partnership between labor and capital under the conditions of a social market economy, which is a field of competition and cooperation among producers, consumers, and individuals protected by society.

Private ownership is not only the right of the individual but also a responsibility of society. The BSDP favors private ownership and creative capital. It opposes speculative and parasitical capital.

The BSDP is neither a class nor a sectarian party. It is wide open to all social groups and individuals who accept the values of social democracy. The BSDP is a truly national party. In terms of its position within the Bulgarian political stage, the BSDP is a moderate left-of-center and reformist political force. Our party is open to all people who think in a democratic and social manner and who would like, through reform, to reach a more equitable society worthy of mankind. The BSDP is the natural bearer of the ideas and values of the moderate democratic European left, which has long held a durable place in the foundations of contemporary democracy. Some of the merits of the moderate democratic left include asserting the social and civil rights of the individual. This includes the right to work and a suitable wage, the right to accessible education and health care, and the elimination of social, political, racial, religious, ethnic, or any other form of discrimination.

## II. Failure of the "Immediate-Change-of-the-System" Myth

Today the failure of the latest utopia has become obvious to all. This time it was the myth of the "immediate change of the system." It was by proclaiming this slogan that the SDS(d) won the 13 October 1991 elections.

Bulgaria is in a leading position among the remaining former socialist countries not only in production decline but also in the decline of living standards. An increasing share of the population finds itself below the poverty line, which creates a threat to the physical survival of the people. Unemployment currently exceeds a half-million people and is continuing to grow. Price increases and inflation are "eating up" the real income of most of the population. An increasing number of people have been deprived of any social prospects whatsoever. This situation favors the development of social vices, such as crime, drug addiction, and prostitution. The outlines of a new type of poverty are appearing on the surface of society, the worst manifestations of which are the homeless, beggars, and vagrants. Unfortunately, such a fate does not bypass children. The situation of some of the ethnic minorities is particularly difficult. We are faced with severe moral dislocation.

The condition of our society could be defined as one of social collapse. It includes the real threat of discrediting the democratic solution to the crisis. The people will believe in democracy as long as they are convinced it enables them to achieve a better life for themselves and their children. The end of such faith would mark the end of democracy because a "hungry democracy" leads to dictatorship.

Equally dangerous, compared to open or concealed dictatorship, is the lasting socioeconomic destabilization of society and the related loss of faith by the people. The possibility of such a development of processes in our country contains within itself unpredictable consequences.

The ruling Union of Democratic Forces has adopted an entirely wrong reform philosophy. It is the philosophy of the "big leap." Its failure so far has been natural and inevitable. The idea of an "immediate change of the system" means that "the Bulgarian people should achieve in 15 to 20 years that which other nations, under different circumstances, have taken centuries to achieve." We already tried to do this once. Bulgaria will have no strength to survive yet another similar adventuristic attempt.

The solution rests not in structural reorganizations and replacing personalities but in a radical change in the philosophy of reform.

### A Change in the Model of the Economic Reform Is Necessary

The course of the economic reform clearly indicated the failure of its intent. So far, it has failed to resolve even a single one of the economic problems that brought it to life.

Support of Bulgarian private business is being declared while, at the same time, everything possible is being done to suppress it with high taxes and interest rates. There is

talk of privatization while, at the same time, the share of state ownership in the economy is rising (from 93 percent in 1989 to 96 percent currently). Furthermore, it is being used in an ever worse and inefficient manner. A lowering of gross administrative state interference in the economy is being proclaimed. Meanwhile, the power exerted by government officials over enterprises is increasing. The reform is being carried out without a plan understandable to all. Instead of submitting a program, the government prefers to work "piecemeal." According to the Bulgarian Social Democrats, the existing problems are caused not only by the "bad legacy from the past" and the professional qualities of the "fathers of the reform," but above all by the "structural defects" of the plan followed in our country in making the changes.

Past experience has indicated that the desired winning market economy will not appear by itself through administrative "liberalization" of prices and abandonment of state planning. Instead, now all we have is a worsening of the crisis and rising speculation.

We Bulgarian democrats are offering a new philosophy for the economic reform. This is our answer to the challenges the reform throws at us.

In the view of the BSDP, one cannot convert spontaneously from centralized economic planning to a market economy. This can be achieved only on the basis of well-planned and organized reforms of the economic system, coordinated with and supported by society.

### What We Are Offering

We are offering socially oriented market privatization, aimed above all at the investment process. This is the only way to put an end to production decline and create the conditions to come out of the crisis and achieve economic growth.

The Privatization Law, which was adopted by the 36th National Assembly, is unsuitable in terms of implementing the proclaimed objectives. Its logic is faulty. There is search for "owners" instead of investors. There is no differentiated approach to privatization between profitable and losing enterprises. The means of privatization stipulated in the law favor a small social group, encourage corruption and further virtually free plundering of the national wealth. We favor a new privatization law in the interest of the broadest possible social strata, such as to ensure a flow of serious investments, related to the development of our economy.

We must learn from the legislation and positive experience acquired in this area by Czechoslovakia and Germany.

The future of our economy must be entrusted to people who know and can do. That is why, in our view, privatization should take place with the participation of workers in enterprises and through the initiative of people who are willing and able to create and organize efficient production and economic activity. Privatization must cover all areas of the economy and all phases of the reproduction process, from production capacities to state financial capital.

We must privatize not only factories and plants but also banks, exchanges, and all other institutions related to a market economy.

We are offering a new investment policy. This is the most important part of the change in emphasis in the reform. Its successful implementation requires the advance definition of national priorities for economic development not only by sector but also by individual economic enterprise. The investment process must be related to the process of restructuring national production. The efforts of the now developing private business should be backed by the state. Today the Bulgarian economy is being strangled by lack of investments. We need an optimal combination of state investment policy with the free flow of capital into the economy. We are calling for the development of a dynamic investment policy which would take into consideration the current and long-term strategic interests of the country.

Bulgarian social democracy considers restitution a structural part of privatization. The restitution laws passed by the National Assembly do not meet this objective. They are unclear and have numerous loopholes. Their application, in their present form, triggers social tension.

Restitution should assist privatization rather than obstruct it. We believe that in this process the former owners and their heirs should be given the right to choose either actual restoration of ownership or its compensation with securities—shares from the privatization of state property. Restitution should not be partial. It should be settled through a standardized legal mechanism. It is only with such prerequisites that the restored property may become included in the functioning of an active economy.

We must extend the deadline and widen the application of provisions for the restitution of health centers and sites related to the preservation of cultural values and preserves.

The Bulgarian Social Democrats share the view of the new role of the state in a social market economy. It should be such as to develop and support the legal foundations of a social market economy and to protect the interests of all participants in it. It must struggle against monopolism and speculation. It must create conditions for channeling funds into the development of necessary and promising sectors, and contribute to the fast development of all the institutions of a modern market. It must decisively and firmly intervene whenever the balance in the functioning of the market is disrupted. The state must master modern means and methods for forecasting and regulating economic processes under market conditions. The new Bulgarian state has the duty of discovering and restoring the national wealth taken out of the country and to prevent the participation of "dirty money" in privatization.

A new flexible crediting system is necessary, consisting of low-interest and long-term credits needed for the development of economic activities in the priority sectors of the national production process. The people's banks and credit cooperatives which could finance production and services must be reopened.

An immediate sharp reduction in interest on loans for the development of production and for participation in privatization is needed.

We are proposing a new taxation and customs policy; a progressive tax on the consumption share of personal income; exemption from taxes; reinvestment of capital and the stimulation of new jobs; differentiation of taxation based on the nature and target of economic activity; a well-planned tax and customs export-import policy; differentiated customs protection from unfair competition to benefit Bulgarian producers; and differentiated stimulation of exports of Bulgarian goods.

We are offering a new agrarian policy to stimulate the market orientation of agriculture. Without an active agrarian policy by the state, our agriculture will not be able to become competitive on the international market and meet the needs of domestic consumption. It must be aimed at providing material aid and advice on method to the new free agricultural cooperatives and to private farmers. Such a policy calls for a clear state policy in all areas related to providing agricultural services. Without the establishment of an infrastructure needed by agriculture, the latter is doomed to inefficiency and to a bartering system.

Along with the restoration of private ownership and free economic initiative, the economic reform must create the conditions for the development of free labor.

The BSDP calls for the fast development of a contemporary system for a socially regulated labor market.

Labor exchanges must be established in the country, and society must ensure the possibility of a free choice of profession for all.

Legislation must set a minimum hourly wage for hired labor to ensure a dignified life and the possibility of development for all people. Economic prosperity does not mean the accumulation of great wealth by stealing someone else's labor but a renovation of production through the fast application of new and efficient technologies.

Scientific and technical progress must be the basis of our economic reform. It is only under such circumstances that the Bulgarian economy can meet the requirements of the global economy.

The BSDP supports the right of existence and development of a free Bulgarian cooperative. We believe this is the fastest and most inexpensive form of organization of economic activities, which could pull entire sectors of the national economy out of their grave crisis. The cooperative is a way of uniting small owners and producers, turning them into a real economic power under market conditions. It is an example of the advantages of the third way in the economy.

The BSDP is in favor of the fast development of all modern forms of organization of production and economic activities, from a company owned by a single individual to a corporation. We favor the development of corporations,

with the participation of the workers. The country needs a new statute for the state economic enterprise, consistent with market requirements.

The modern social market provides high income from labor and from managing all types of ownership.

We are in favor of the free development of all forms of ownership under the conditions of a social market economy. A mixed economy makes it possible to compete and to promote cooperation among the different forms of economic activities, and the results of this competition and cooperation should be the only criteria for determining the efficiency of a mixed economy. Economic pluralism and fair competition block the path of monopolies.

We support the controlled but substantial and rapid increase of solvent demand. Today the Bulgarian economy is being strangled by a shrinking market. We are in favor of a controlled but substantial and rapid increase in solvent demand. A moderate increase in inflation would be compensated by stimulating economic activity and renewing economic growth. We favor increased consumption by increasing the population's income. We are in favor of income growing faster than inflation.

We call for the formulation of a program for repaying the foreign debt. We must prevent the selling of Bulgarian economic projects to pay the foreign debt. We insist that all agreements on the repayment of the debt and on foreign aid be made public.

We call for the broadening of the foreign market by restoring interrupted relations between East European countries and the CIS [Commonwealth of Independent States]. Today, the Bulgarian economy is being strangled by the foreign economic relations that have been destroyed and by the loss of markets. We favor the development of foreign trade with the developed industrial countries. We favor the preservation of our traditional relations with Middle and Near Eastern countries. However, we believe that the main emphasis now should be on the restoration of economic relations between the East European countries and CIS and the creation of a proper East European market. Without it, alone and separately, neither we nor our former partners in CEMA would be able to come out of the crisis and the decline.

The Bulgarian Social Democrats believe that, for the economic reform to succeed, we need the broad support of the entire society. That is why we are offering our socially responsible economic platform as an alternative to the policies of the SDS(d) and the BSP [Bulgarian Socialist Party].

We are looking for a broad social dialogue on economic problems because we believe that the solution to the national catastrophe cannot be the monopoly of any single political force.

### III. For a New Social Policy Turned Toward Mankind

The reform carried out by the SDS(d) has totally failed in the social area.

One of the worst defects of the Bulgarian reform is that it forgot man, who is the main target and basic factor in all social change. As a result, the economic reform is being blocked by social problems that it triggered but has been unable to resolve.

#### We Are Offering a Program in the Struggle Against Unemployment

This program includes the following:

- The retraining and the redirecting of manpower;
- Strict regulation of aid to the unemployed;
- Real incentives for the creation of new jobs;
- The active channeling of foreign aid toward infrastructure projects.

We would counter the catastrophic drop in the living standard with the following:

- A clear income policy that would guarantee a social minimum;
- A new social security law and the replacing of fixed with indexed pensions and aid.

We are offering a multifaceted approach to the problems of the various social groups.

For the youth:

- An active struggle against unemployment among the young. Accessible loan and tax facilities for young people who are starting their businesses in towns or in the countryside. The young need not aid but work!
- Concern for educational and vocational training for the youth;
- Aid to mothers and young families. The consequences of the negative population growth of the nation will not be surmounted without the active intervention of the entire society!
- Active preventive measures and a struggle against juvenile delinquency;

Concern for the disabled, women, and the families of the disabled:

- Indexed social aid and pensions for disability;
- Real job placement and the conditions for adaptation to normal life in society;
- The restoring of tax benefits to cooperatives of the disabled.

For women:

- Equal wages for equal labor;
- Guaranteed social rights for mothers;
- Efficient protection from layoffs for pregnant women and mothers with small children;
- Real aid in raising children.

For the family:

- Strict observance of the moratorium on laying off the sole working member of a family;
- In the loss of a job as a result of the liquidation of an enterprise, priority in providing another job;
- One-year full unemployment compensation.

We support the preservation of accessible health care. We need modern health insurance financing to ensure it. Before their establishment, health care centers must be secured by the state budget. Medical aid must be free.

Townships, supported by the state, should secure housing for the socially weak population strata, also during the restitution process.

#### **IV. The Political Reform: From Formal to Real Democracy**

Today the Bulgarian Social Democrats note a halt and even a retreat from the principles of a democratic political reform.

- Our new rulers are not setting the example of observing the spirit and letter of the new democratic Constitution;
- The separation of powers among the legislative, executive, and judicial branches is not observed;
- Efforts are being made to violate the rights of man and the citizen. People are being persecuted for their political convictions;
- Active use is being made of very familiar tricks from the past involving "structural reorganization" and "cadre quadrilles." Such changes are being made without any concept, without any relation to other structures, applying a voluntaristic method. This disrupts the functioning of the system of the state apparatus and local self-government;
- Attempts are being made to suppress free speech and to limit access to the national information media;
- There is no concept to guide the development of the local ruling bodies.

The political reform must be continued.

#### **We Are Proposing**

- The trial and just punishment of those who brought about the national catastrophe;
- The strengthening of the role of the Constitutional Court. The court must become a real guarantor of the normal functioning of democratic institutions;
- The termination of interference by the executive branch in the field of justice and in the choice of justice personnel. The Council of Ministers and the minister of justice must observe the provisions of the Law on the Higher Judicial Council and the resolution of the Constitutional Court on its interpretation;
- A new law on local self-government. Only thus can democracy become an intrinsic part of the daily life of the people;

- The creation of a truly effective legislative system. Bulgarian legislation must rapidly be made consistent with international law. Without effective conflict-free laws, the idea of a "law-governed state" will remain a formal concept without any real content;
- The guarantee of a truly independent status for the national information media (Bulgarian Television and Bulgarian Radio). We intend to submit a special Law on the Defense of the Freedom of Speech and the Press; according to international rules, citizens have the right to information.

#### **V. Peace in the Country, Peace Along the Borders**

In the period since 10 November 1989, a new balance of forces appeared in Europe and throughout the world. Ever more successfully, Bulgaria is asserting its position as a factor of security and stability in the stormy Balkan area. This was one of the decisive circumstances leading to the enhancement of the country's international reputation and prestige and our acceptance as a full member of the Council of Europe. We believe that a specific contribution in this respect was made by the BSDP, which has always placed national interests before its own.

The approach so far adopted and the activities of the SDS(d) government in the fields of foreign policy and national security are the target of serious criticism. There is improvisation, which creates the threat of major omissions and blunders. In less than six months, the SDS(d) has made major mistakes and omissions, as follows:

- To this day, the basic priorities of our foreign policy have not been outlined. There have been displays of voluntarism and inconsistency in resolving important problems and in earmarking our position concerning complex and dynamic changes on the Balkan Peninsula;
- Bulgaria's foreign policy orientation has still not been clarified;
- There is no clear and substantiated concept regarding the country's national security. At the same time, some major components within the national security system were destroyed, and reforms were undertaken without the necessary preliminary preparations and resources;
- Bulgaria still has no official defense doctrine;
- Major problems remain in the organization and activities of the organs of the MVR [Ministry of Internal Affairs] in maintaining order and the administration of justice;
- Tension has worsened among the different social, ethnic, and religious communities, which could bring about destabilization and threaten our national security.

#### **We Call For**

- The search for real international guarantees by the United Nations, the European structures, and, particularly, NATO, concerning our national security. It is necessary to speed up the creation of the structures and organizations stipulated in the Paris Charter for a new Europe;

- Continued diplomatic efforts on the part of our country to prevent any further widening and spreading of the military conflict in Yugoslavia. We express our concern at the threat that hangs over the freedom and independence of the Republic of Macedonia and the remaining republics in former Yugoslavia;
- Increasing the combat readiness and combat capability of the Bulgarian military. We favor a gradual conversion to professional armed forces, and we shall do everything possible to enhance the authority and reputation of the people who have dedicated themselves to their military duty;
- An efficient system for the struggle against crime and for guaranteed protection of the rights and interests of the citizens. Bulgaria needs a modern police force and specialized bodies to maintain public order and safety.

The BSDP favors unity in the resolution of problems of national security and foreign policy of the country.

#### VI. For a New Spiritual Climate in Society

The SDS(d) came to power under the slogan "Let us have a Bulgarian renaissance." One of the elements of this is a spiritual renaissance.

Instead of the fruit of any spiritual emancipation, we experienced the spiritual aggression of pornography, new sects, and manifestations of political ignorance and arrogance. All of this is already having an adverse effect on the overall spiritual climate in society.

The mental vacuum that developed with the collapse of communist ideology is being filled by members of numerous religious sects. Such aggression is developing into a spiritual colonization and expansion without meeting any kind of official resistance. Furthermore, the state, as represented by the Ministry of Culture, is even assisting it. The Bulgarian Orthodox Church is unable to do anything because it has been greatly weakened by internal contradictions and conflicts.

The struggle against spiritual aggression must be waged not through administrative measures but by enhancing the overall culture and education of the people.

#### We Are Offering

- A clear program for restoring, preserving, and enhancing the traditional values of Bulgarian culture;
- A system of tax benefits and assistance to culture.

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The BSDP is prepared to convert this sociopolitical platform into an expanded program for a future administration. We shall focus our direct efforts on achieving a national consensus concerning the basic principles of the reform. This is one of the most important prerequisites for its success.

The Bulgarian Social Democrats oppose in principle the vulgar style of political struggle. Such struggle harms Bulgaria most of all and discredits democracy itself. In all of its

activities, the BSDP has always placed Bulgarian interests above strictly party interests and political quarrels.

The basic slogan of the Bulgarian Social Democrats is "Free labor by free people in a free country."

The salvation of Bulgaria depends on all Bulgarians.

We shall rule Bulgaria through the talent of the entire nation!

#### Chief Prosecutor on Parties, Personalities, Policy

92BA1150A Sofia 168 CHASA in Bulgarian  
23 Jun 92 p 21

[Interview with Ivan Tatarchev, chief prosecutor, by Zoya Dimitrova; place and date not given: "The Chief Prosecutor Does Not Like Money, Is Angry With Switzerland, and Supports the Death Penalty"]

[Text] *Ivan Tatarchev has hated communism in theory and practice since he was a child, but he is not a member of any party.*

[Dimitrova] Does history repeat itself, Mr. Tatarchev? Do you draw a parallel between the regime after World War II and the role of the chief prosecutor in that regime today?

[Tatarchev] Do you mean to say after 9 September and today? I think the analogy is completely irrelevant. It is well known that the prosecutor's office after 9 September was an instrument of the governing class and of the Communist Party. I am not subordinate to anyone, I am not a member of any party, I am independent, and I am not tied to any political group. My only goal is to pursue law offenders, including those who were the cause of our present serious situation.

[Dimitrova] Have you stated that you are not a member of any party?

[Tatarchev] I am not even a member of the SDS [Union of Democratic Forces].

[Dimitrova] But many times you have declared your political biases. This brings forth certain allegations that you are patterning the entire logic on the conduct of a political personality. Is the chief prosecutor a political figure?

[Tatarchev] The chief prosecutor is not and is not able to be a political figure. No one, however, can prevent him from having his own convictions. I, for example, hate communism in theory and in practice. I have always hated it, from the time I was a child. But that does not mean I am a political personality because I am not bound by a single political organization—neither before nor at present. The allegations that I am carrying out the directives of the SDS, the deputies, and so forth are anecdotes.

[Dimitrova] Many times you have spoken of the independent prosecutor's office.

[Tatarchev] Which is what I am fighting for.

[Dimitrova] What exactly are you fighting for, Mr. Tatarchev?



[Tatarchev] I can give you a concrete example. A bill is to be introduced into the National Assembly on the structure of the judicial system. In my opinion, the bill contains several discrepancies with the current Constitution, which adopts the principle of the separation of powers. This bill provides that the prosecutor's office be dependent on the Minister of Justice, which means that the prosecutor's office be subordinate to the executive power. Such a proposition cannot be adopted. Our reasons, presented before the Legislative Commission, were supported by almost all of the political forces.

[Dimitrova] Does the Prosecutor's Office continue to be completely financially dependent on the executive power?

[Tatarchev] For now, that is the case, despite the fact that the courts are seeing large revenues. We increased salaries. With the increase in the cost of living, in reality they are low again, but this was the maximum we were able to achieve. I led that battle. The bill stipulates that the budget of the Prosecutor's Office be determined by the Supreme Court Council.

[Dimitrova] Does the chief prosecutor of the Republic receive the same amount of remuneration as the president or the prime minister?

[Tatarchev] You are kidding. As far as I know, I will receive the same amount as a national representative or a chairman of a parliamentary group, but I am not sure. There is another scale, developed for salaries, but I cannot give you exact information. It gives the chief prosecutor the same status as a member of the Constitutional Court.

[Dimitrova] In the Prosecutor's Office, there were exceptionally shocking personnel changes.

[Tatarchev] They were exaggerated. Figures were quoted that do not correspond to the truth. I cannot tell you exactly how many prosecutors were dismissed. First, all those of retirement age were dismissed. At that time, the Prosecutor's Office was paying 30 percent of the budget for prosecutors of retirement age. Something not within our power. The dismissal mainly affected the Chief Prosecutor's office, which had a number of elderly prosecutors. Some left because they wanted to. It is said that I forced them to leave. I did not go up to anyone with a pistol. And not like a Vanche-Mikhaylovist, as one newspaper wrote, or like a Macedonian, as another said. Many people left because of low salaries. There are other positions where they could earn three to four times the pay. For one section of those recommended for dismissal, under Paragraph 5 (because of professional disqualification—author's note), I withdrew my proposal.

[Dimitrova] For how many of those?

[Tatarchev] I cannot say. My head of personnel can tell you. About 10 cases. It is well known, however, that the VSS [High Judicial Council], which is a collective organ, makes the decision, and, even though I have made a proposal, the VSS does not have to consider it.

[Dimitrova] Do you have problems with the quality of people you appoint?

[Tatarchev] We have personnel problems even with those that remained. But we appointed a number of people. Just how many, my head of personnel, Petur Kostov, can tell you.

[Dimitrova] What are the criteria for appointing new prosecutors? Do you know the people you appoint? There are accusations against you, that you do not even know those you dismissed.

[Tatarchev] I cannot know everyone. We receive opinions and recommendations from the regional prosecutors' offices and public organizations but do not necessarily implement their proposals. We do not conduct investigations and check personnel militia dossiers as they used to do; we gather information only on the facts.

[Dimitrova] Who is in the circle around you that determines the candidates for future prosecutors?

[Tatarchev] Usually I believe the opinions of the regional prosecutors, when they have them.

[Dimitrova] Have you read the dossiers of the prosecutors?

[Tatarchev] No, I have not even seen them. I do not even know if such dossiers exist.

[Dimitrova] Is order No. 553/14.05.1991, signed by your predecessor, Martin Gunev, stating that only the chief prosecutor and the head of personnel can obtain information from the dossiers of the prosecutors, still in force?

[Tatarchev] I am not familiar with that order. But you have given me the idea, and I will verify whether such dossiers exist, if they have not destroyed them, because many of the dossiers in State Security were destroyed. My dossier, for example, was destroyed. I made efforts before Mr. Sokolov to see it because I was not able to go to even Petrich. They did not give me a pass. I wanted to know exactly who these good friends were.... But they told me that it was destroyed in 1990, maybe because then it was being said that I would be the Minister of Internal Affairs.

[Dimitrova] Are you still a proponent of the death penalty?

[Tatarchev] I feel that the death penalty categorically has to be restored, first because of the increase in crime. I cannot imagine someone raping and killing a child and continuing to live. In my opinion, that person does not deserve to live. Second, the conditions of prevention demand it. A criminal will think twice before depriving a person of life if he knows he could receive the same.

[Dimitrova] Still, several civilized countries expressed surprise when a judge who had pronounced sentence for some 10 death penalties was elected prime minister of Bulgaria.

[Tatarchev] I cannot judge him by the fact that he delivered 10 death sentences. I could judge him if he were overzealous and carried out someone else's orders and if his conscience as a judge were not clean, but when the law provides the possibility of giving the death penalty... But when someone participates in mass murder—I am thinking of the ominous death camps—and then remains alive, that is inexplicable to me.

[Dimitrova] But there is a statute of limitations.

[Tatarchev] I do not think that such a limitation exists, not only because they are crimes against humanity and the human race, but also because the clock has not been able to run during this time. These criminals have not been brought to account because they were above the law. What kind of limitation can one talk about? Even according to the decision by the then Politburo, the members of the Bulgarian Communist Party could not be tried without the permission or agreement of the Central Committee.

[Dimitrova] "Tatarchev seeks millions in Switzerland," writes the newspaper TRUD. Did you find it?

[Tatarchev] The most interesting thing in Switzerland was that I received official promises that Bulgaria would have cooperation from the authorities there to uncover money that had been stolen and taken abroad, the so-called dirty money.

[Dimitrova] How will this cooperation be shown?

[Tatarchev] The myth was even debunked that Swiss banks never give out information. There I received assurances that, upon request, in organized criminal proceedings and by indicating the bank where the money is located... The same was true about handing over people who would have to be tried in Bulgaria. Later, these same people made contradictory statements. I was greatly surprised, as were the other members of the delegation I led.

[Dimitrova] Does that mean you have witnesses?

[Tatarchev] Yes. Mr. Petur Stoyanov and Mr. Petur Kostov were with me. There was even an announcement from the Swiss side that no demand had been made for the investigation of Todor Slavkov, which is absolutely not true.

[Dimitrova] How do you explain this reaction? That is was just a formal point of view, that these were preliminary discussions, that we do not have an agreement with Switzerland for mutual legal assistance?

[Tatarchev] No. I do not know. I am beginning to think money is the most important thing in this world.

[Dimitrova] And you are not convinced of that?

[Tatarchev] For me, money has no significance. But, specifically, certain states have no interest in letting certain sums get away. They refuse to conclude bilateral legal deals with us, and this is their practice in general.

[Dimitrova] Have you undertaken other measures in this direction since then?

[Tatarchev] Since then, no. We are still not in possession of the money. We are on the way to exposing some bank accounts. There are still decent people who have the feeling that they are Bulgarians, and we are depending on them.

[Dimitrova] Concerning Case No. 4, on the economic catastrophe... In the press, there were assessments that this is "an abnormal pregnancy," that the "volume of evidence is great."

[Tatarchev] That is indisputable. Therefore, for several of the elements in the chain of crimes in that case, separate cases will be conducted. At the moment, a case is being conducted against Georgi Atanasov and Stoyan Ovcharov. That is one, the "Moscow" fund is a second, and a third will probably be organized on issuing aid to foreign states, which is also a criminal activity and injures our economy to a great degree. That will also be separate.

[Dimitrova] Obviously, the time has not yet come for the realization of your dream....

[Tatarchev] About national treason? Its time will also come. Until then, the cases of death camps will also emerge, and of the revival process. They are coming soon. And that will come a little later.

[Dimitrova] How do you feel in this post, Mr. Tatarchev? You have always been like a jurist from the other side.

[Tatarchev] I think that a lawyer can feel he belongs wherever he is, as long as he is connected with the law.

[Dimitrova] And you still do not sometimes begin to use your defense reflex after so many years in the practice of law?

[Tatarchev] Interesting that I do not. To tell you frankly, no.

[Dimitrova] That means you were born to be a prosecutor?

[Tatarchev] And maybe that is by heritage. My maternal grandfather was also a chief prosecutor, at the beginning of this century. His name was Ivan Kraft, and he was a Bessarabian Bulgarian. Before that, he was a judge and, while serving as a regional judge in Pazardzhik, sentenced to death the murderers of Aleko Konstantinov [19th century writer and politician].

#### **Business Weekly Comments on Corruption**

92BA1179A Sofia DELOVI SVYAT in Bulgarian  
26 Jun 92 p 2

[Article by Dimitur Deliyski: "The Bone Is Served, and It Is Clear Who Will Crunch It"]

[Text] One-half plus one of the personnel of the Agency for Privatization (the so-called parliamentary quota) already are known. It is known that its six elected members are divided proportionally between the two political forces of the ruling coalition. In spite of the assurances of Mr. Al. Yordanov that three of the four proposed by the SDS [Union of Democratic Forces] are not party members, parliamentary sources confirm that, up to now, they have been on the side of the ruling coalition. The frantic battle not to allow even one of the candidates proposed by the opposition to be on this staff has its own explanation.

The stake the agency will wager amounts to hundreds of billions of leva. Allowing an opponent to even observe what you do with these hundreds of billions would be the least ingenious thing to do. At some point, it could even become dangerous. The bone is too fat for you to let anyone see how and with whom you share it. Or to whom you serve it and for what.

At first glance, the above-mentioned discussions look quite politicized. This would be so if some facts from the illegal privatization carried out up to now or from the preparation of certain items for privatization did not prompt us to be particularly careful. None other than Valentin Mollov reported in 168 CHASA that deputies Ilko Eskenazi and Ventseslav Dimitrov received \$220 thousand for intermediation in the selling of Balkankar. Converted into leva, this amounts to more than 5 million. Consequently, each of the two, if he just deposits this money into any one of our banks, will have an additional annual income of interest of more than a million and a half leva.

The evil tongues say that the secret privatization of the so-called Swedish hotel at Chernomornie brought to a famous jurist, an SDS deputy and now a high government official, 10 percent of the shares, which, the same tongues assert, equaled more than 3 million leva. Again, just for intermediation. It is not hard to imagine the price of this intermediation. Such a high commission is paid only if the intermediary has succeeded in reducing 10 to 15 million from the price of the privatized object. And that means that he has picked them from the state pocket. To fill his own.

A typical example of corruption is the sale of the residence in Bankya to a Japanese lady dirt cheap. The attempts to be convinced that, in this case, it was a matter of renting and not selling are naive. And the sum of \$255 thousand, for which the mayor of Sofia gave this luxurious residence, is nearly equal to the stipend of the mayor's son for his education in the United States, "given" by the foundation of the same Japanese lady. First, because at current prices, the value of the residence is not less than 40-50 million leva, and the lev equivalent of the above-mentioned dollars barely exceeds 5 million. Second, because the entire transaction was carried out in flagrant violation of the existing legislation. We can guess that, together with the payoff in the form of the stipend, a much smaller check for another few thousand dollars is hidden in someone's pocket. It looks like the truth is that money does not have a sense of smell. Just like the political parties Mr. Mayor is constantly changing. It makes one suspect that those in power now do not count particularly on success in the coming elections. Rather, they are hurrying to crunch the bone.

But let us return to the initial thought in these discussions.

The ruling powers did not allow a representative of the opposition to be a member of the Agency for Privatization. And they are continuously building a democratic society. As I listen to their fairy tales in that direction, I cannot get rid of my impressions of the Italian Parliament. There, I was interested in the work of the Finance Commission and in the struggle against the Mafia. Communist deputies were chairmen of the two commissions—for the sake of control over the ruling parties, it was explained to me.

However, our parliament obviously does not need control. It is better not to let the left hand know what the right one is doing.

### Government Policy on Taxation Criticized 92BA1152A Sofia 168 CHASA in Bulgarian 23 Jun 92 p 11

[Article by Rada Vangelova and Grigor Lilov: "The Making of a Mafia, Seen as It Is"]

[Text] *One of those 39 would put Al Capone to shame.*

The chief of the Main Tax Administration of the Ministry of Finance publicly accused his immediate superior of lying. Last Saturday, only one day after Ivan Kostov had made a statement in the parliament to the effect that he had never exempted the Sapio Foundation from taxes, his subordinate acknowledged the signature of the minister and confirmed the veracity of the letter.

Mr. Stoyan Aleksandrov, known as a strict teacher, has been clearly able to protect his reputation for adhering to principles. He did not conceal the fact that, "within a single week, precisely after the minister affixed his signature, goods were imported, the unpaid tax on which was 40 million leva." The unpaid excise fees, he added, have still not been computed.

The decision of the minister, which benefited his friend Yasen Zlatkov (the president of the Sapio Foundation), is illegal from several viewpoints. To begin with, foundations may not engage in commercial activities unless their income is used for nonprofit purposes. Second, this occurred only a few days after the Cabinet eliminated such "benefits." Finally, there is no law that says that Ivan Kostov has the right to exempt anyone from paying taxes.

Meanwhile, the price to be paid was 388.49 million leva of unpaid taxes, and still counting. This is more than the amount needed to pay doctors or the funds the minister of finance refused to appropriate to bring pensions up to date.

Stoyan Aleksandrov said he cannot comment on the signature of his boss and is not responsible for him. He said that "any individual tax break granted means unfair competition, which is also a violation of the law."

However, the Sapio affair is only the tip of the iceberg.

According to Aleksandrov, there have been so many "permits" that the precise number cannot be estimated.

"In my view, the chairman of the National Assembly should call for an extraordinary session, even if the Ministry of Finance does not demand it. Let me say frankly that some people who make use of tax breaks are backed by very interested individuals within the government and elsewhere. There is a lobby in parliament," admitted the chief of the Tax Administration.

Let us recall in this connection the Valentin Mollov article "They Settled Our Hash With the Mafia Nostra," in which the merger of the state with the criminal world is illustrated as follows: "A typical example of this is the interrelationship between the Sapio Foundation and the Ministry of Finance. That is how a mafia is born."

That is perhaps the reason for which the chief of the Main Tax Administration categorically demanded on television

the separation of its structural unit as a juridical person. In practical terms, it means taking it out of the system of the Ministry of Finance.

Is it possible for this wish to be related to another fact presented in the newspaper BULGARIYA. Our colleagues reported that, on 2 June, between the hours of 1325 and 1345, Minister Kostov saw Teodor Dimitrov, chief of the SDS [Union of Democratic Forces] KS [Coordinating Council] and chairman of the Plovdiv township council. The newspaper hinted the transparent objectives of the meeting, mentioning only two facts: The first was that a financial audit in the past had determined that Mr. Dimitrov had not paid taxes and excise fees totaling 20.2 million leva; the second was that Stoyan Aleksandrov had refused to consider the audit invalid.

168 CHASA wrote as early as last year about a competition through which the Korekom monopoly was replaced by the monopoly of Transimpeks. At that time, Minister Kostov once again did not know what the problem was, although he had signed that document. Last month, however, it became clear that Rozim and Company had filed a claim against the minister and the monopolist for violating the competition law and creating a monopoly for Transimpeks in customs-free Bulgarian trade.

Article 4 of the Law on the Protection of Competition prohibits state administrative authorities from making decisions that, either expressly or by omission, lead to the establishment of a monopoly.

But, what of it? The case in which the minister ignored the laws is not the only one. Private companies paid turnover taxes and excise fees between 22 December 1990 and 11 March 1991 that, according to law, they did not owe; on the basis of a letter issued by Minister Kostov, dated 7 June 1991, the township councils began to collect turnover tax on the rental of township housing, although, by law, it is tax exempt; parliament had to intervene to prevent retroactive taxation of the former private and collectively owned companies of citizens.

The 168 CHASA press group has already published facts on benefits granted some company in The Bahamas, registered in Liechtenstein, that intended to open gambling casinos. It was Kostov personally who reduced its tax on profits by 50 percent for an entire 10-year period. We then discovered a new rate on excise fees, which he had signed, and which, despite the prohibition included in the Penal Code, actually allows gambling and lowers excise fees on pornography.

Still in the files is a letter signed by D. Ludzhev, dated 20 September 1991, containing a list of illegally established gambling casinos in Bulgaria, that reads: "The necessary must be done to make public the illegal nature of their creation by your financial authorities and the actions taken to close them down."

"Perhaps, after time has passed, I will be described as one of the fathers of the Bulgarian economic miracle," Mr. Kostov said modestly when receiving an award as Mr. Economics of 1991. He may have been right as an individual.

In Bulgaria, the tax reform has not even begun. No tax administration has been established, and the independent institution that was to consist of a Chamber of Accounts was frozen.

The taxes we are paying are low, Mr. Economics claims. However, he ignores the fact that, accumulated one on top of the other, the rates, which are low in themselves, are raising taxes by a factor of 1 to 7.

Forty percent of profits, 10 percent of payments to the township, and 2 percent more for improvements are collected as taxes from the same amount of income, without giving credit for what has already been paid once. This is followed by a tax on personal income. Furthermore, a mass of excise fees are being paid along with the notorious 22 percent, which is, in fact, a 28-percent turnover tax on sales prices. Social security collects 35 percent of wages and almost 54 percent of the actual wages paid. Finally, 5 percent of the wage fund, regardless of whether there is a profit or a loss, goes to the deep pocket planned by Kostov. This striking account does not include either customs fees or various other fees.

Even the effort made by parliament to eliminate one of Kostov's miracles, the taxation of interest on investment credits as profit, proved to be a bluff during the period of the Cabinet crisis.

On 6 February 1992, Mr. Kostov proclaimed in the press that "he would get down from the saddle with a feeling of tremendous relief and pleasure." Four months later, the time for this worthy action came about. Actually, the time also came for other institutions, not just parliament, to ask the minister other questions.

#### **Unintended Consequences of Law on Cooperatives** *92BA1151A Sofia 168 CHASA in Bulgarian* *23 Jun 92 p 11*

[Interview with former Defense Minister Dimitur Ludzhev by Ketii Popova; place and date not given: "Billions of Losses to the Budget From Haste in Promulgating the Law on Cooperatives"]

[Text] *Ludzhev calls for eliminating the provision on exemptions from turnover tax, customs fees, and excise fees.*

Dimitur Ludzhev proposed and submitted a draft bill to the parliament that calls for rescinding Paragraph 5 of Article 37 of the Law on Cooperatives, which exempts associations of the disabled and students from turnover tax, excise fees, customs duties, and other taxes. This proposal, which may seem scandalous on the surface, would not harm students or the disabled if the government makes use of the provisions of Paragraph 6 of Article 37, which calls for reducing or exempting from taxes some cooperatives, Ludzhev said in an interview with 168 CHASA.

[Popova] What type of preferential treatment was given the cooperatives after last August, when the Law on Cooperatives was passed?

[Ludzhnev] Unquestionably, the intention of the legislature in granting such favorable consideration to the cooperatives had strong social foundations. A similar preferential regime in taxation, which would stimulate the development of cooperatives, can be found in a number of developed legal systems.

We must remember that Paragraph 1 of Article 37 of our Law on Cooperatives provides a full enumeration of their fiscal burdens: turnover tax (or, in certain cases, the excise fee), customs taxes, and other fees. Such a preferential regime was supplemented with the provisions of Paragraph 2 of the same article, which exempted the cooperatives from all taxes and fees related to their founding, restructuring, termination, and liquidation.

Tax breaks based on the current law are extended not only to the cooperatives, as independently held subjects, but also to their members. Paragraphs 3 and 4 of that same Article 37 exempt from all taxes and fees their payments and related transfers of rights as well as dividends, if used to increase their share contributions.

[Popova] What motivated you to call for the elimination of such preferential treatment?

[Ludzhnev] On the surface, the provisions of Paragraph 5 of Article 37 also indicate a profound social intent. What could be more noble than the decision of the state to abandon its typical collection from associations of two categories of people with reduced possibilities for social self-protection: the disabled and the students?

However, it is interesting to note that, in the relatively short period of time since the enactment of the Law on Cooperatives, the treasury has lost more than 5 billion leva as the result of the application of this provision in the trade in petroleum products alone. (To better illustrate this figure, we could point out that it is not substantially different from this year's budget of the Ministry of Defense.) We should add to this huge amount losses from unpaid excise fees in the sale of cigarettes, alcoholic beverages, and other goods, on which a stiff excise fee is paid.

Looked at from a formal, logical point of view, the conclusion should be that citizens with reduced capability to work and students are the most secure social groups in our country. Unfortunately, however, such a claim has nothing in common with reality. Most of these categories of Bulgarian citizens are among those who are most severely affected by the economic difficulties caused by the conversion to a market economy.

The truth concerning the application of Paragraph 5 of Article 37 is entirely different. Hiding behind this provision, dozens of cooperatives with fictitious memberships were founded. Through them, a small number of people, who have nothing to do with the disabled and students, are engaging in unfair competition, the result of which is their exclusive self-enrichment.

The efforts of the Ministry of Finance to stop such a vicious practice through an honest interpretation of the violation of the provisions of Paragraph 5, Article 37 are hardly assisting in strengthening legal order in the country.

All of this justifiably raises the following question: Is the existence of this provision in the Law on Cooperatives justified? My answer, as a citizen and a deputy, is "no." That is precisely why, more than two weeks ago, I submitted to the National Assembly a draft bill on amending the Law on Cooperatives, which called for deleting Paragraph 5 of Article 37.

[Popova] What reaction do you expect?

[Ludzhnev] This draft bill will unquestionably affect someone else's interests and will trigger, under the banner of social demagoguery, an entire chorus of professional moaners. To argue with them is both senseless and insulting. Nonetheless, I would like to point out that citizens with reduced ability to work and students will not feel any changes in the legislation should the Council of Ministers make more active use of the opportunities provided by the provision of Paragraph 6 of Article 37: to exempt from or lower the taxes of some cooperatives.

From there on, the obligation of the government should be to formulate clear criteria on granting a preferential fiscal regime and guaranteeing the publicity and substantiation of decisions made in this sense.

When such things happen in any normal country, a minister resigns.

#### **Bishop Subev on Monarchism, Holy Synod**

92BA1120A Sofia 168 CHASA in Bulgarian  
16 Jun 92 p 21

[Interview with Khristofor Subev, bishop of Makariopol, by Aglaya Shamlieva; place and date not given: "The Only Guarantee Is the One Offered by the Monarchy; the Rest Consists of Cheap Peasant Tricks"]

[Text] *The bishop adds that he has not undertaken to violate the Constitution but is merely seeking to amend it.*

[Subev] Before we start, please ask the editors of your newspaper not to put my photograph on the icons because I am not worthy of it. It is an insult to St. John the Baptist that, in your previous issue, my photograph, which is not all that pleasant to look at, was put under the halo of John the Baptist. I ask them to light a candle in church under his icon and beg his forgiveness.

[Shamlieva] Why did you decide that Czar Simeon should come back and that the Turnovo Constitution should be enacted?

[Subev] It is the wish of a high percentage of Christians to see a legitimate, a legal, rule in Bulgaria, as it had before the 1946 referendum, which was held under the conditions of occupation of the country. It is a wish to correct a painful injustice. Furthermore, historically and spiritually, Orthodoxy and monarchy are inseparably connected. Article 37 of the Turnovo Constitution stipulates that Orthodoxy is the dominant religion in Bulgaria.

[Shamlieva] The word from Montevideo [a reference to President Zhelev's visit to Uruguay] is that this was stupid and anticonstitutional.

[Subev] It is not my intention to violate the Bulgarian Constitution. It is on the basis of the Constitution, according to the procedure it stipulates, that I have the right to seek its amendment. That was the sense of my statement. The opposite is a simplistic view. To me, the monarchy is the only guarantee for things to calm down and for Bulgaria to start on its way to a normal life. The rest is nothing but cheap peasant tricks.

[Shamlieva] Nonetheless, a number of people viewed playing the monarchist trump a direct attack mounted against President Zhelev for his failure to support you.

[Subev] Let us assume that Zhelev did not support me. I do not believe, however, that he is prepared to interfere in church affairs. Dr. Zhelev keeps claiming that the state authorities should not interfere. However, if it is true that he had been supporting Father Maksim, that would constitute interference.

[Shamlieva] Are you blackmailing him now with the czar?

[Subev] I am not blackmailing anyone. I have always been loyal, but, whenever anyone acts extremely disloyally, my hands become untied and I can act in accordance with my own conscience and wishes. I am no longer constrained, and I shall do what is best for the cause of Orthodoxy. To me, this means the monarchy.

[Shamlieva] A number of people interpreted this stupid situation in which the Bulgarian church has found itself as arising from your personal desire to become patriarch.

[Subev] You are confused in saying that the church finds itself in a stupid situation. This occurred quite some time ago. In a purely communist, rude, and vulgar way, the state interfered in church affairs. During the time of Todor Zhivkov, people loyal to him were placed in leadership positions in all faiths. A patriarch under T. Zhivkov's personal protection was enthroned.

[Shamlieva] A state official?

[Subev] Not even that. An official must perform some kind of work. The patriarch's assignment was to do nothing but give the appearance that he was doing something in the eyes of the rest of the world. That is why the world described our church as the "church of silence." What did Maksim do, what did he protect? He kept selling church property to the state very willingly and zealously. You saw the notarized document with which the superb Bachkovo Monastery, which is church property, was given to the state, which was anticanonical. But how important could church canons be when there was a canon more important, the will of the party?

[Shamlieva] These are serious accusations.

[Subev] You misunderstand me. I do not wish to engage in personal attacks against anyone. I said this because it is a matter of church property. My style is different. I do not attack anyone personally. I was subjected to all sorts of

things, such as abuse, lies, and slander. They described me as being anticanonical. If my ordination as a bishop is anticanonical, the same grounds should apply to my ordination as a priest, which had to be approved by Maksim's office. To become a bishop, a clergyman serves for a period of 10 years. I have served 12 years. I can show you my two diplomas, one in atomic physics and the other from the Theological Academy.

[Shamlieva] Yes, your diplomas are excellent.

[Subev] I did not want to be made a bishop, something that is well known by both friends and foes. However, my benefactors and teachers talked me into accepting the position so that I might be able to work more actively and to help straighten out things in the church. This took two to three months. They persuaded me to become a missionary not in India but in Bulgaria because it is at this moment that our country needs the most missionary work. I personally will not criticize either Father Maksim or the other prelates. The only thing that matters to me is whether they were good shepherds. Generally speaking, they were not interested in their flock. This view is shared by the majority of the laity. Under totalitarianism, there was an explanation, fear, although that was no justification. What is strange is that, after two years of religious freedom, equal to that found in all democratic countries, they have remained idle. They have done nothing.

[Shamlieva] Why?

[Subev] Perhaps that is the way they were programmed. Quite likely, they were managed by the various secret services.

[Shamlieva] It is known, in Patriarch Kiril's case, that on holidays he asked for a pardon for priests who had been sentenced and whose property was confiscated for political reasons. Have there been cases in which Father Maksim has defended someone?

[Subev] It was true in the case of Patriarch Kiril. With Father Maksim, it was something else. He was even prepared to surrender St. Sofia Church to the Sofia City Council. Father Anatoliy Balachev had to interfere, to call upon the poet Radko Radkov, who used his influence with Lyudmila Zhivkova to stop it. Father Maksim refused nothing.

[Shamlieva] When you were detained by the Main Investigation Administration, even though you were a servant of God, did anyone help you?

[Subev] On the contrary. A general from state security came on four occasions to urge me to appear on television to repent publicly and to personally present my apologies to Father Maksim. To the best of my knowledge, at that time Maksim said, "Sentence him and I shall defrock him." The objectives of the committee I had founded were rejected. Just listen to them: Easter and Christmas—official holidays; catechism in the schools; a Bible in each home; and religious freedom. Such were the objectives of the Committee for the Defense of Religious Rights, Freedom of Conscience, and Spiritual Values, which was

founded on 19 October 1988. There were detentions, dismissals, and all the rest, while the church remained silent.

[Shamlieva] Are you preparing yourself for the position of Bulgarian patriarch?

[Subev] The statute of the Bulgarian Orthodox Church does not allow me to become patriarch because I must first have five years' experience as a metropolitan. I am only a bishop. After five years, I shall either make it or not. Those who are already seeing me with a patriarchal staff can relax.

[Shamlieva] The problem of the two synods seems to be more aggravating with every passing day. It seems as though the entire Orthodox world is supporting Father Maksim.

[Subev] The more critical the situation becomes, the closer we are to a good resolution. As to the other Orthodox churches, as you can see, not one of their documents includes a categorical assessment. They are calling for avoiding a split. The Greeks, for example, have seven synods. Father Maksim and his supporters, who are looking for outside interference in our work, are abusing their positions. There has been such a large number of casualties in the cause of having an independent Bulgarian church! This is a betrayal of Bulgarian national interests and a betrayal of the interests of the Bulgarian church as an independent, autocephalic, self-ruling church.

[Shamlieva] Have you tried to establish relations with the representatives of the other Orthodox churches?

[Subev] No, we do not want their intervention. To us, this would mean a betrayal of church independence. Let the

shame for such a step remain with others. Otherwise, we have good possibilities and contacts with our sister churches.

[Shamlieva] You and your supporters are no longer allowed to sing in Bulgarian churches; your response was to turn off the money tap.

[Subev] No one can forbid me to praise God. How can seven archdeacons be prohibited from services? Such absurdities have never occurred anywhere else.

We did not stop the funds. The state requires dealing with juridical persons, registered according to the law. I do not take money from the church. I live on my salary as a deputy. However, the Holy Synod, headed by the Right Reverend Metropolitan Pimen, deputy chairman, is in charge of financial operations. It was he who set the salaries of the Holy Synod personnel and the wages of parochial priests. God willing, I believe we shall be able to pay wages also to the bishops who are now opposing us. I believe that talks must be held on neutral grounds.

[Shamlieva] Where?

[Subev] Perhaps in city hall. However, they should not go there to submit documents. I suggest that there should be one representative per group (you see the way I avoid insulting them) because we are in favor of such talks.

We are not outsiders in this church and cannot stay to the side, considering the desperate situation in which it finds itself. We had to have such registration carried out in order to stop the invasion of all sorts of sects and doctrines alien to the Bulgarian Orthodox tradition.

May God save Bulgaria!

**Slovak Intellectuals Discuss Current Issues**

92CH0816A Bratislava KULTURNY ZIVOT in Slovak  
9 Jul 92 pp 6-7

[Comments by sociologist Sona Szomolanyiiova, natural scientist Ladislav Kovac, economist Jozef Kucerak, and poet Lubomir Feldek, arranged by Michal Ac: "...And They All Laughed Sadly"]

[Text] Just before the elections, four interesting people met in our editorial office: sociologist Sona Szomolanyiiova, natural scientist Ladislav Kovac, economist Jozef Kucerak, and poet Lubomir Feldek. It is not difficult to guess what links them together. It is their active participation in the November and post-November events in our country. Although we did not wish to engage in nostalgically remembering the moments when everything appeared so simple, we nevertheless could not resist the question that led to this meeting: Would you have done the same if you had known how it would end?

**Jozef Kucerak**

An intellectual must be true to himself in every situation, and therefore I probably would have acted the same way I did. Perhaps I would not have had the same rosy sense of unity, that everything would go very smoothly, without conflict. We were probably mistaken there, at least I was. But, in any case, I would have acted the same way as I did. And if today somebody talks about gentle methods as naivete, I emphasize that using other methods is against my philosophy. Removing people or not allowing different views are totalitarian methods, and in this respect we would not change our approach.

**Ladislav Kovac**

In spite of that, I think that a fundamental mistake was made: the Communist Party should have been declared a criminal organization. It was not necessary to persecute people. But this organization clearly bore responsibility for murders, a destroyed economy, and demoralization of society. When a criminal commits a crime, he must pay for it.

**Jozef Kucerak**

Maybe people's aggressiveness, which we are now witnessing, stems from the fact that crimes were not punished. Even laws which the communist regime adopted were obviously being broken. And here not even people who broke their own laws were being punished.

**Ladislav Kovac**

The aggressiveness that one can observe in some people today may have well been inspired by the fact that we have failed to punish real crimes. After all, what happened was that laws passed by the Communists themselves were violated. In other words, not even those who clearly violated their own laws were made to stand trial.

**Sona Szomolanyiiova**

Yes, the need for justice after the revolution was not satisfied. And not only that; fundamental things were not

even described and brought to attention. Today's 30-year-old, for example, does not know what the B-action was. What the fifties were like.... "Denazification" not at the level of an institution, but at the level of a public airing of those problems is really what is missing here. Of course, without naming the crimes and the perpetrators, there cannot be repentance. A few months after November it all made one feel as if the entire nation were the victim.

**Ladislav Kovac**

I will go back to the idea that the Communist Party should have been declared a criminal organization and banned.

**Jozef Kucerak**

The law cannot get ahead of reality. It is always a reflection of conditions in the society. The ban on the Communist Party should have been a punishment for the crimes of socialism. But people in Slovakia now accept socialism as something that was better than what is now. The problem therefore lies in knowledge, in awareness. And it must be admitted that Slovakia profited during socialism. It profited from the federation, from subsidies; by condemning the Communist Party we would not have achieved the condemnation of socialism.

**Sona Szomolanyiiova**

The nostalgia for the old regime is normal, as developments in all postcommunist countries show. The majority of people were not aware of the depth of the pre-November crisis. That is also the reason for the search for a third or other ways, because people have not yet personally experienced that such a way really leads nowhere. Nor are the experiences of our neighbors obviously deterrent enough.

**Ladislav Kovac**

Had the crimes of communism been clearly identified and punished, in a legal way, of course, the nostalgia would not have been what it is now. People may have felt more strongly the depth of the crisis in which our society found itself.

**Jozef Kucerak**

The denouncement, of which you speak, would be on the spiritual, moral, cultural, and ecological level. But citizens judge their lives on the consumer level. As long as they have not experienced something personally, as Sona mentioned, they are not willing to accept some theoretical construct, understand that the former social system had systemic defects and had reached bottom, and that it was essential to prevent a collapse and switch to something else. And now we come to what is indeed inevitable in Slovakia, that people have to live through the negative experience to its end.

**Lubomir Feldek**

People lived through many things. I shall go back to the idea of repentance, which was mentioned here. Even though it is meant well, it fills me with a kind of mysterious terror. Even though "repentance" is a word of the "newspeak," it belongs among words under which we suspect yesterday's meanings to be hidden. As in the word "diet"



we suspect "congress", so in the word "repentance" we suspect "self-criticism." And the experiences people have had with the various forms of self-criticism during the past 40 years are horrible enough. I remember how even as a boy I felt cold shivers down my spine when in the fifties I heard on the radio the incantations of Zdenek Nejedly on the margin of the trials carrying capital punishment. Zdenek Nejedly insisted that the main proof of the justice of these trials was the fact that the condemned themselves were asking for such punishment. Thus, self-criticism. In the fifties self-criticism turned into a monstrous ritual. Forced self-accusation became a part of the charge, and was the top item in the document specifying the charge. Murder was masked by suicide. Today, when there is talk about repentance, people remember this kind of repentance from the fifties, and they are concerned that this repentance demanded today may also draw them into the trap of moral suicide. And you will not talk a Slovak into committing suicide very easily. A Slovak is a person who wants to live.

**Sona Szomolanyiova**

It never occurred to me to think of it that way. When Milan Lasica—and he is precisely a man who did not have to do it—admitted that he, too, made certain compromises, I understood it as a call to all those who were put in the position of wronged victims to think of themselves a little.

**Lubomir Feldek**

Speaking about showing respect for people who sat in jail when we were doing quite well, that was also one of the reasons for my argument with Slobodnik. I blamed him for being inexcusably arrogant toward such people. But during this argument I also realized just how treacherous it is to do repentance in Slovakia and at the same time demand it from others. You will learn only one thing: If you want to repent, do it yourself. Don't drag us into it, and do it on our behalf too.

This loss of memory, which allows so many to throw dirt at people who spent time in jail on our behalf, is repulsive but can be explained: They are driven to it by fear. Fear of their own past, not that it was so bad for everybody, for some it was quite bearable, but they are afraid that, given the propensity to make examples of people, which has been always indulged in here and which threatens today as well, it will be precisely they who will have to pay for the sins of others. Schematizing is here again, you see. The past is interpreted in black and white, a person is put into one box or another, words and signatures are being given too much significance, and there is no time for people to get to know each other by their deeds. And those who really committed the most terrible deeds in the fifties are now sitting comfortably at home in their slippers, watching what is going on as if it were an entertaining TV program, and are quite convinced that the statute of limitations on their crimes has run out.

**Ladislav Kovac**

Who was punished by law for the trials of the fifties? What happened was what we talked about here, self-criticism

and repentance, and that was the end of it. In 1970, after the purges in the party, half a million people were expelled from it and almost a million of us were thrown out of our jobs—illegally. Who was punished for breaking the law? We, of course, can repent for having been silent, for not protesting enough, but what will that change in the feeling people and we, too, have that something fundamental was not done, that justice was not done. We made a mistake—and the Public Against Violence (VPN) started it—that we stayed on a moral level, that from the beginning we did not assume basic legal responsibility. Perhaps that latent aggressiveness, which is in us, would have dissipated.

**Jozef Kucera**

Punishing the crimes of the past is one aspect of the matter. The other aspect of people's mistrust is lack of understanding and knowledge. I sometimes use the following example to explain it in a simple way. Many citizens now have the feeling that somebody threw them out of a plane and they do not believe that the parachute will open. All of a sudden, entirely new phenomena are appearing: unemployment, fluctuation of prices; people have the impression that they will be getting poorer and poorer, that problems will be increasing. They do not believe that these are just temporary problems that have to be resolved, and that gradually things will get better. This mistrust causes aversion or even hatred of everything new. But a low educational level in social and legal matters has a lot to do with it; people did not have time to get acquainted with such things. They do not know what democracy is, they do not understand basic social and economic linkages. Because we do not have the tradition of economic liberalism, the simplest method for solving these problems appears to be to unite on the national principle. But the well-known old principle of economic liberalism says that relations between people and their coexistence are built on economic foundations, that people are dependent on someone producing something, and the other one too, that they must exchange it without regard to marriage, race, religion. In regions where a market was developed races and nations lived together in substantially better harmony than where there was no market. The quicker we succeed in taking the first step toward a market, the quicker we shall make it possible for people to live together normally, without having to create such artificial bonds on the national principle.

**Sona Szomolanyiova**

People expect the state to solve everything. That is the consequence of the missing tradition of economic liberalism and the prevalent statist understanding of the relationship citizen-state. And that is another legacy of the Communist Party rule.

**Jozef Kucera**

Parties with a national orientation speak in their programs as a matter of principle about how the government will restructure the economy, how the government will support some but not others. And herein lies great danger, because hiding behind all this is statism, control, and in fact also

the principles on which socialism is built. They are attractive especially to people who do not know how to find their place in the new conditions, who do not know how to evaluate their strength and their possibilities, who do not trust themselves. And this insecurity and low self-confidence also give rise to the aggressiveness of which we spoke. Yesterday I heard two 30-year-olds talk about how they will vote for Meciar and then at last there will be change. It was as if in that decision there was the accumulated anger and hatred toward something that they could not define, but which was rather an expression of their lack of trust in themselves.

#### Lubomir Feldek

Fortunately this roundtable discussion will be published only after the elections, so we have not the slightest reason to plan any tactical moves, we can no longer help or harm anything. And so we can begin that self-criticism or repentance with ourselves or with those parties and movements for which we are rooting in the elections.

Nor is there any need to avoid giving unpleasant answers to the question why there was such a turnaround, so that people who in November 1989 filled town squares and sang "We Promised To Love Each Other" are today full of hatred. Maybe precisely that which we hold against Meciar, the etatists, the unifiers, and the representatives of any other renewed form of collective thinking—maybe precisely that very same mistake is being made also by the other side of the political scene, where there are people who profess strict individualism. After all, even in case of the vetting law it was said that there is no time for individual procedures. Even individualists are scaring people by a collectivist conception of certain phenomena. And so it is no wonder that people are looking for salvation somewhere else, where, although they are not promised an opportunity for individual thinking, at least they promised an opportunity for collective forgiveness.

I have the impression that all this is happening because democracy also started with a schematic view of the past, did not allow a brighter interpretation of socialism in Slovakia, although I think that even such an interpretation is possible. For it can be said that Slovaks walk through history, and therefore they also walked through socialism, a little bit like "rebels," which means that they did not consider any system, socialism included, to be their own. People are now told that they collaborated, but they do not remember being any such collaborators: What they remember, you see, is that every day they outsmarted socialism in some way. So far, in giving account of the recent past we did not mention the word cheating: I have in mind positive cheating. Not cheating for personal benefit, but cheating so that something would work despite stupid orders from above, so that something could be saved in spite of destructive dogmatism.... Sona Szomolanyiova published an article a long time before November 1989, in which she brilliantly observed that in Slovakia opposition is formed on islands of positive nonconformity. And that is the way it really was. In spite of the fact that there were dissidents, and with all due respect to the secret church. The center of gravity of opposition thinking was in

these islands of positive nonconformity, which I am trying to translate into a more popular language as islands of positive cheating. How much cheating has been perpetrated against socialism every day just in the publishing house Slovak Writer! It was something that had its own space. It was not collaborating, although it was not yet an open resistance. But this space, these islands of positive cheating, have not been drawn on any maps to this day.

#### Sona Szomolanyiova

I mostly agree with you. Even though I am a little frightened by the word cheating. It was a specific feature of Slovakia that within the structures resided the agent of the damage being done to them. People worked out for themselves a kind of adaptive mechanisms, so that they could somehow live in socialism and even profit from it. On the other hand, precisely this cheating and adaptive mechanisms act as something of a hindrance. Because the surviving norm of the "who does not steal from the state steals from his family" kind creates alienation between the state and the citizen.

#### Ladislav Kovac

Our fundamental mistake is that we are moralizing and placing everything on the level of morality. It is to a certain extent typical that the first international political conference, which took place after November in Bratislava, was on the theme "Ethics and Politics." Why? After all, politics is a kind of activity such as, let us say, manufacturing shoes; a person who makes shoes does not discuss ethics. We should make an effort to stop the moralizing even when we are assessing the past or looking at the future. Lubo Feldek put even cheating into the category of ethics, whereas it belongs in the category of law. We must let go of romanticism in all its likenesses. Romanticism prevents us from accepting liberalism not only in economy, but also as political thinking. And what is more, it suggests the role of the elites. The point is that we should think in economic terms, get poets out of politics, and get into politics people who think logically, above all lawyers and economists, maybe also natural scientists. When I look back at the way the SR Ministry of Education worked, I believe that certain things were possible to realize because it had mathematicians and physicists, because all moralizing was gone and all was done according to a logical analysis. The positive things that were done in the Ministry of Education were done as a result of pressure on the legislature, and what will hamper us greatly in the coming stage is the fact that we are not sufficiently prepared from the legislative point of view for the era that will come after the elections.

#### Sona Szomolanyiova

I see the misfortune of Slovakia in the fact that the intelligentsia which plays some role in politics is not oriented toward science very much, they are mostly literary people, and pragmatic intelligentsia is altogether lacking; that is why in politics the romantic viewpoint prevails, which is not sufficiently experienced in the field of law and economics. In VPN we often said that it is high time to get such people into leadership positions, although precisely such people we did not have. After all, the

most devastated university departments before November were the schools of law and economics. When Laco Kovac mentioned here that we must get poets out of politics, I remembered Plato, whom I read some time ago, and who insisted that poets must be expelled beyond the borders of the state, because they destabilize it with their emotionalism, and I read him at the exact time when Lubo Feldek so beautifully provoked Pezlar with his article on the 18th anniversary of August. That was one of the first expressions of an open attitude. And at that time Pezlar's reaction was that poets should not meddle in politics. Every rule has its exceptions. Poets play their role during the time of the barricades, but during the time of building the state it would be for pragmatists take their place.

**Jozef Kucera**

The problem is not only whether intellectuals are in politics, but also how they behave in critical situations. There have been and are people among us who have other ideas, who have within them that false enlightenment, they see the world differently than we do. I believe that, before long, history will morally condemn people as well as intellectuals, those who had power as well as those who did not have it, because they saw the situation in a too simplified way, because they deceived people into believing something that was not real, because they were unable to evaluate the past realistically nor were they able to understand the future. And this, in fact, was and is the reason for our limited possibilities.

**Ladislav Kovac**

That again is the continuing Slovak romanticism. To realize that a society, even if we do not understand it, can function well if we give it good rules to play by, is beyond the scope of romantic thinking.

**Jozef Kucera**

From ignorance flows unexpected possibilities. Some intellectuals are still inclined to search for something that has been tried out a long time ago. I call it a false conceit. They are not humble, they lack humility. Obviously, this has always been true of Slavic nations, and probably will be for a long time to come.

It seems that citizens of Slovakia will have to experience personally certain problems which they have not experienced before, go through what they would not believe: namely, that a system based on socialist principles has no future. I do not want to make it sound simple, but all those parties and movements which proclaim themselves to be nationalistically oriented will not unite themselves to the extent that Slovakia could develop according to their ideas. At a cost of some socioeconomic conflicts, there will be rational development of Slovakia nevertheless. I would be very happy if these conflicts do not turn into armed conflicts. This danger exists, because we are not an exclusive nation and we cannot think of ourselves as something different than the nations in Yugoslavia or the former Soviet Union. If there is some spark, there could be a similar conflict here too. That would make me very unhappy, and I do not want to think of such a possibility.

**Lubomir Feldek**

There is also the traditional Slovak ambivalence, which from the outside looks like our national shortcoming. Czech journalists, for example, and not only they, cannot understand and consider as nonsensical the contradictory results of our public opinion polls. The election results are in conflict with the concept of the state setup. The positive attitude toward Meciar is in conflict with the positive attitude toward Havel. I would suggest another approach to this ambivalence: What if it is precisely this ambivalence that keeps the Slovak society in a kind of inner balance, what if it is a sign of cautious restraint? Only at the moment when nations let themselves be drawn into a fanatical one-sidedness do they find themselves in a really bad way.

**Sona Szomolanyiova**

I agree, but on the other hand this ambivalence can be the result of the fact that voters have an emotional relationship to the politicians and at the same time do not realize what their real program is. That applies mainly to the voters of the Movement for Democratic Slovakia [HZDS], but not to them only.

**Ladislav Kovac**

I am afraid that if after the elections the common state is broken up, it will not be possible to recreate it. After the establishment of the Slovak state such a geopolitical shift will take place that there will be in fact no other possibility but to fall within the sphere of influence of the East bloc. That is the basis of our practical politics—not to wait for this tragic break, but to try to prevent it with all the strength we have.

**Sona Szomolanyiova**

The struggle for democracy is still ahead of us. It must be fought out precisely here, in Slovakia. Previously we quite often relied on Prague to help us.

**Ladislav Kovac**

As soon as the economic reform in Slovakia is stopped, the situation will be irreversible. We cannot talk about an experiment in the sense that it will be made, evaluated, and future steps corrected accordingly. Such experimentation at the level of a state is inadmissible. Sociologists have yet to develop a technique for socioeconomic experimentation. So I would see our function in the future about like this: An intellectual must, of course, participate in social and political life, in power, but we should continue with a very hard self-reflection in the sense that we should deromanticize ourselves. Inferiority complex, as long as it is not a personal complex, a complex of an inferior person, is in fact the complex of the nation, which we bring to it precisely because of that unfortunate romanticism of ours. Further, it is essential to remove moralizing from politics and create legislative prerequisites for a democratic state; in that respect very little has been done during the past two years.

**Sona Szomolanyiova**

I believe that thus far nobody here has mentioned one conflict, the generational conflict. The young generation is not sufficiently aware that its interests are different from the interests of the politicians who are now making promises.

**Ladislav Kovac**

Let us be self-critical and say what we did to renew our educational system. To what extent were we parties to the college youth's descent into passivity? Why, for example, did we abandon the project of the Central European University? Why were we so inconsistent in filling the leading positions in university departments and chairs?

**Sona Szomolanyiova**

After November, we tried to do everything that was necessary to push through social changes, and we left the professional field empty. Political activity is undeniably a great experience for a political scientist, but...Slovakia is a country of generations with hands cut off: The generation of today's 60-year-olds in Slovakia lived practically through six revolutions. No sooner had a generation become professionally established than a revolution came

with the consequent purges, it was removed and others took their place. There is no continuity of professional specialization, preparation.

**Lubomir Feldek**

It seems that we are returning to the theme of this discussion, as it was defined at the beginning: intellectuals and power. I admit that this theme thus defined strikes me as somewhat heroic in style. As if it were a folk tale called St. George and the Dragon. And what interests us about St. George is only how much he has in common with the dragon, and what interests us about the dragon is how much the dragon has in common with St. George. As if St. George, when no longer concerned with the dragon, is no longer St. George.... And yet each of us can surely remember some beautiful moments when we became fascinated by some task or work in our professional field, when we wrote some study or translated a poem and more or less forgot that some power even exists. Personally, I consider precisely such moments the happiest moments of my life. And I was hoping that democracy will bring this: a time when an intellectual will not have to pay attention to power, and power will not pay attention to the intellectual....

(...and they all laughed sadly.)

### Small Constitution Passes, Controversy Remains

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[Article by Janina Paradowska: "There Was No Celebrating"]

[Text] Our political life abounds so much in paradoxes that, to boot, they have become something quite ordinary. Could anybody have foreseen that the greatest defenders of the Constitution of 22 July 1952, colloquially and for the sake of propaganda termed Stalinist, would become the Confederation for an Independent Poland [KPN], stalwartly supported by Jan Olszewski's Movement for the Third Republic and by the Center Accord, that is, by parties on whose banners decommunization figures as the paramount if not the only slogan? Yet this precisely happened on a Saturday afternoon when the fate of the so-called Small Constitution was being weighed in the Sejm, a constitution which may quite unexpectedly, once the Senate and the president take a position on it, become the integral Constitutional Act of 1 August 1992. The Center Accord and Olszewski's party voted against it, while the KPN abstained, which means that, whether they like or not, they preferred to preserve the constitution dating back to 22 July 1952.

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The Constitution of 22 July was actually terminated by surprise, in a chaotic atmosphere (this being by now a regular feature of the passage of any new law in Poland) and escorted out by the kitchen door, so to speak. One of the two accepted amendments, accepted out of more than 70 proposed ones, stated, "The Constitution of the Republic of Poland of 22 July 1952 is hereby annulled," on emphasizing that some of its chapters remain binding. The amendment had been proposed and then withdrawn because it contained an obvious error, but then it was reintroduced from the floor, of course on retaining the same mistake concerning such a crucial issue as the appointment of a government...and passed. By the same token a symbolic political act was performed: 22 July 1952 was bidden farewell on 1 August 1992.

Here is another paradox. The farewell was made in an atmosphere of discontent and protests. Most discretely though quite distinctly, the president displayed his dissatisfaction. It is simply that he did not come to the Sejm. The loudest dissatisfaction was manifested by the Confederation for an Independent Poland, which always protests in a decidedly militant manner, as reflected by rapid marching of coherent phalanxes of its members, guided by the Leader's will of course, through the Sejm hallways, immediate declarations, gathering of signatures, and convening of press conferences, and in general making a big ado and creating an atmosphere of outrage.

At the KPN habits from the times when that party's main preoccupation was to occupy various buildings die hard. This time it claimed that its votes were miscounted. Allegedly, only 30 instead of 39 abstentions were counted, resulting in the fact that the new constitutional act gained two-thirds of all votes (seven more than the needed majority). Nobody was accused of deliberate cheating, although

the fact that the ballots were counted by a Democratic Union deputy was loudly emphasized.

As for Jan Olszewski's party, it was even more aggressive and immediately suspected deliberate manipulation of votes, demanding a recount. However, demands for recounts are such a frequent occurrence in the present Sejm that the presidium and the convention react to them with a practically stoic indifference. That too happened this time.

The presidium and the convention ruled that the results of the vote were final and that the Sejm passed "a constitutional act on mutual relations between the executive and legislative powers of the Republic of Poland."

This is the kind of atmosphere in which a dog tax is passed, not a constitution, as a spectator had sarcastically commented from the gallery, which was practically empty anyhow. By this he meant not only the KPN's antics but also the empty galleries, the barrenness of the discussion during which nearly 70 speakers took the floor but only a few had something to say, the absence of the president, the attempts to postpone the voting, etc. And to boot there was all this mess and anarchy. Those who had just recently been eager for the constitution to be passed, such as, for example, the president himself, suddenly were in no hurry any longer and complained that the Sejm was working too fast. Those who had been accused of procrastination were urging haste and unexpectedly presented a finished draft. Those who had claimed that they were in favor of the presidential system, tried to deprive the president of any powers, while supporters of the parliamentary-cabinet system did all they could to strengthen the president's powers. A real mess arose, and the fact that the constitution was passed at all verges on the miraculous.

But this mess spotlighted two issues crucial to the country. Once the new act takes effect, a fairly definite institutional change will take place in Poland: From a system under which the parliament held a clear predominance, we are going to switch to one that the framers of the Constitutional Act termed presidential-parliamentary. In essence, it is to balance the discrete branches of power and force them to cooperate in the management of public affairs, to cooperate with the object of protecting us against crises and paralysis of government institutions.

The term "cooperation" is here of crucial importance. Although the draft of this Small Constitution was first started by the Democratic Union as far back as in the beginning of this year, the most important work on the final version was done following the so-called Parys Affair [Jan Parys, ex-minister of national defense, dismissed after making anti-Russian statements], the Briefcase Affair, and during a government crisis. These events and the lessons to be learned from them clearly influenced the final solutions adopted. Consider for example the provisions concerning the procedure for forming a government. The framers of the act made here a provision for every contingency, thus resulting in a perhaps too complicated construct in which

an effort is made to preserve a balance between the president and the parliament while at the same time protecting the country against a situation in which no government at all might be formed.

The first move on this chessboard belongs to the president and consists in the fact that the president appoints a prime minister and a government which, however, must obtain the support of an absolute Sejm majority. Should this procedure fail, the next move belongs to the Sejm, which will then try to appoint a prime minister and a government, also by an absolute majority of votes. In the event of a fiasco the initiative again passes to the president, but the government he appoints must win a vote of confidence in the Sejm, though then just by an ordinary, not an absolute, majority of votes. The fourth move belongs to the Sejm, which may appoint its government also by an ordinary majority.

It is only following these four attempts that the final solution appears. It may be a solution in the literal sense, that is, the dissolution of the Sejm. As the fifth move, the president may dissolve the Sejm or appoint his own government for six months. If during those six months the Sejm fails to pass a vote of confidence in the president's government, but if it also does not topple that government by means of a constructive vote of no confidence, the parliament is automatically dissolved.

The experience gained in recent events has prompted incorporating a provision to the effect that recommendations for the appointment of ministers of foreign affairs, national defense, and the interior are presented by the premier upon consulting the president, while the chief of the General Staff is appointed or recalled in cooperation with the president.

On comparing the adopted provisions concerning the president's participation in appointing a government with the proposals of the president himself in the December 1991 draft of the constitutional act, Lech Walesa's dissatisfaction can be readily understood. That December draft left almost entirely up to the president the appointment and recall of a government (a vote of confidence in the Sejm would require only an ordinary majority, and the president was to have the unvarnished power of recalling the government on his own initiative). That December draft also stipulated that the National Security Council "is the appropriate agency in matters of national defense and security," whereas the now adopted Constitutional Act merely specifies that it is an advisory body under the president.

Thus there exist no grounds for contending that the Small Constitution basically introduces a strong executive in Poland and yields all power to the Belweder while incommensurately reducing the powers of the parliament. There is no reason to believe that it can merely lead to collisions between the president and the Sejm (such collisions are possible but they would be due more to the character of the participants in the game than to the regulations adopted), or that it is the straight road to dictatorship, as it has been

picturesquely put by certain deputies from the Movement for the Third Republic and the Center Accord and their satellites.

Of course, the ongoing political struggle warrants making all kinds of statements, including some that are strange, perplexing, or ludicrous, such as for example were made by the gentlemen deputies Stefan Pastuszewski (Christian Democracy) or Slawomir Siwek (Center Accord).

On studying the draft of the Small Constitution, Stefan Pastuszewski commented, "This law seems to fulfill the testament of the Round Table by following an authoritarian line deriving from the communist-style hold on power. The proposed system is a crossing of the parliamentary-cabinet system with a semipresidential one. It is an odd crossing. The president as an individual will be superior in the game with the parliament. In the game. Yes. Because it looks like a game. They are to score goals and the kibitzers are to keep the score. But is Poland really one big stadium? And what if this summit game is about something? About power, about prestige, about grandiloquent words—no one has won with me! (...) At the bottom of the constitutional act there is the seed of chaos."

Slawomir Siwek saw things just as distinctly as Stefan Pastuszewski, but he perceived a different pattern, a pattern that seems to be pictured on the wall of every office of the Center Accord.

"In my imagination I see the president fishing while Minister Wachowski convenes the first meeting of the newly elected Sejm and Senate, dissolves the Sejm, orders new elections, proposes new laws, and signs or refuses to sign laws and orders."

All this Deputy Siwek did see in his mind's eye because of the provision stating that the president may appoint ministers of state to represent him before other bodies on matters relating to the exercise of specific powers.

Thus different visions and different viewpoints are possible. In my modest opinion, it is those people to whom the entire horizon is overshadowed by the persona of Lech Walesa or Mieczyslaw Wachowski that are the most obtuse. Things are even worse when this concerns the response of entire political groupings. On the other hand, a more lucid perspective is obtained if it is considered that the constitutional act is the result of a compromise—and a major one at that—among the wishes of the president, the wishes of the parliament, the requirements of the country's situation, the weakness of party structures, party programs (of course, of the groupings which have them), and the expectations of the government.

One deputy said, "The greatest merit of this draft is that it is at all acceptable." He may have exaggerated a little, but, given such a fragmented Parliament with its continually oscillating posture, this is a weighty argument. Because how can the Small Constitution, let alone the big one, be passed considering that some parties change their views like gloves while others have definite views on, chiefly,

such things as ministerial portfolios, abortion, or Christian values, things from which, unfortunately, an entire constitution cannot be built?

Listening to the constitutional debate was in this respect very instructive. The ZChN [Christian-National Union] was concerned about making the sentence, "So help me God," an integral part of the oath sworn by the president and the prime minister rather than its eventual complementation as proposed in the draft. A representative of "Party X" was chiefly concerned about including a higher educational background among the requirements for eligibility for the presidency (an amendment that the Sejm tactfully rejected). Deputy Jan Olszewski declared that his party will vote against the act, because it guarantees the retention of the benefits ensuing from the Round Table agreement for the postcommunists, a conclusion which he inferred from the fact that the Alliance of the Democratic Left supported the draft. A KPN deputy wanted the membership of the Security Council to include prominent politicians, economists, and strategists (no names were named, but the KPN's opinion on who is a prominent politician and strategist is commonly known, just as the economists worshipped by the KPN are commonly known).

I am, of course, citing examples of somewhat odd, though not extremely odd, comments, but, after listening to the discussion and even after perusing attentively its stenographic record, I cannot find in it answers to the questions which seemed the most important to me. Namely, what positions on the issues in question are taken by the discrete political parties? How do they conceive the future political system? In what direction will the work on the future constitution be oriented? What are the limits of possible compromises? Or, taken as a whole, what are then the actual chances for passing a new comprehensive constitution? On the other hand, I know very accurately the identities of those who want to continue opposing President Walesa and those who aspire to reach an accord with him. That was precisely the main point of reference of the speakers. The weakness of the platforms of the political parties has become all too obvious in this debate, which fortunately only a few called a historic one.

The Constitutional Act of 1 August 1992 has its pluses and minuses. It defines more precisely the structure of the authorities and streamlines the legislative process. It empowers the Council of Ministers to issue executive orders having the powers of decrees (only to the extent defined by the Sejm) and introduces a kind of legislative shortcut in urgent cases. In these respects, it strengthens the government and makes possible a more rapid decision-making. The elimination of the legislative stalemate between the Sejm and the Senate likewise streamlines lawmaking processes. The redefinition of the requirements for holding a referendum warrants the hope that this institution too may finally become part of our democratic system.

The requirement of countersigning of the legal acts issued by the president means accountability for these acts, and in

a sense it also means a forced cooperation in decision-making between the president and the government. Such are some of the positive aspects of the new act.

As for the minuses, there is chiefly the vagueness of the definition of the Security Council (and especially of its relationship to the minister of national defense) as well as of the actual foreign policy powers of the President. But it would be difficult to find a model constitution regulating these matters in such detail as to eliminate the possibility of conflicts. Here, too, much depends on the regulations prescribing the needed cooperation and the persons engaging in such cooperation. The framework of this cooperation has been outlined in the Small Constitution.

Will the Constitutional Act of 1 August 1992 begin to be binding, and as of when? That now depends on the Senate and the president. The negative opinions on this Small Constitution, uttered by presidential chancellery Deputy Chief Lech Falandysz, may indicate that a presidential veto is to be expected. Should that happen, the roads of the president and his principal opponents would converge, however paradoxical this may once again seem, even though they originate from different spots. The president feels that he was given too little power, while his opponents think he got too much. But should such an indeed odd alliance be formed with the object of rejecting this new law, it would be a purely destructive alliance. Besides there is the quite characteristic fact that Jan Olszewski and Lech Falandysz used similar arguments in discussing the consequences of the Small Constitution. Olszewski spoke of the impotence of the main institutions of public life, while Falandysz spoke of the prolongation of the Polish drama, that is, of ineffective governing. Might not similar rhetoric lead to similar actions?

A compromise means, as is known, that no one attains all the desired ends. The subsequent fate of the Constitutional Act of 1 August 1992 will show whether such a greatly disliked word as "compromise" is finally valued in Polish politics or whether the all-or-nothing principle is still followed. The most rational procedure would be the act's acceptance by the Senate and its signing by the president. But do not preclude the possibility of a return to the constitution of 22 July 1952. This time the entrance will not be made through the kitchen door. It will be made in the full glare of klieg lights and certainly for a long time to come.

**Ministerial Conference on Financial Restructuring**  
*92EP0610A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 25-26 Jul 92 p 1*

[Article by P.J. and A.K.K.: "Economic Conference: Cancellation of Enterprise Debt, Comprehensive Privatization"]

[Text] A slump in agriculture caused by a catastrophic drought, a program of comprehensive privatization, and a draft law on the financial restructuring of enterprises and banks were the main topics of a conference of ministers from economic ministries, which was chaired by Deputy Prime Minister Henryk Goryszewski. At the conference, it



was resolved to break up the CPN [Petroleum Products Center] and entirely monopolize the fuel market in Poland. Minister of Agriculture Gabriel Janowski will present to the Sejm a program of remedial measures which is supposed to mitigate the consequences of the drought. The Ministry of Agriculture estimates that the grain crop may fall to 21.4 million tons, which will cause grain prices to grow to such a level that they will reach the level of prices for imported grain. The growth of procurement prices will be passed on through food prices, which may cause higher inflation.

The conference devoted much attention to a draft law on the financial restructuring of enterprises and banks. The draft, which has been under development in the Ministry of Finance for a while now, is intended to resolve the issue of enterprise indebtedness, which is a burden for the entire economy, in a way which will not infringe on the interests of the creditor banks. The law introduces new legal procedures: restructuring plans by banks and the acquisition of shares from the state treasury for debts. The law would assist in ameliorating the financial situation of only the enterprises which have a chance to survive in the future. These enterprises could apply to implement restructuring procedures which are much simpler and more advantageous for the debtor than the current, very infrequently practiced, restructuring procedures. Within the framework of these procedures, the creditors could reduce the debt by exchanging a certain proportion of it for stock.

Banks which have so-called bad debts in their credit portfolios will have a duty to take resolute action against the enterprises which received them. They may involve the restructuring procedures in question, the commercialization of the debt, or its swap for stocks, petitioning to liquidate the enterprise, or instituting bankruptcy proceedings against debtors.

Nine so-called commercial banks would receive financial assistance from the state, which would make it possible for them to increase the value of their internal capital. We already reported on the draft of this law in early June. Provisions regulating the proceedings of the state treasury in the course of restructuring were added to the draft later. This concerns situations whereby the state is the main creditor. A provision was also introduced which ties the acquisition of shares for debts from the state treasury in some cases to putting them in public development [as published]. Provisions referring to the situation of creditors taking part in restructuring were refined, to the effect that their rights should be respected equally, but not identically. At the same time, it was agreed that the Agency for Industrial Development would also be able to administer restructuring.

Ways to ensure that the cancellation of enterprise debt is a one-time process were also considered at the conference. Combining the impact of the law and the industrial policy of the state was discussed. Finally, it was resolved to keep the current format of the draft and to submit it to the Sejm as quickly as possible.

The draft Law on Comprehensive Privatization and National Investment Funds developed by the Ministry of Privatization was one of the topics touched upon during the conference.

The draft provides for creating about 20 National Investment Funds in the form of joint stock companies. The shares of about 400 enterprises transformed into joint stock companies would be distributed as follows: the leader fund, 33 percent; the state treasury, 30 percent; other funds 27 percent; enterprise employees, 10 percent. Each citizen of full legal age would be granted the right to purchase one certificate of participation, upon the payment of a registration fee amounting to about 10 percent of the average monthly wage in the country. The certificates of participation would have the form of a bearer security, and would signify participation in each of the funds in the amount of one share. The draft calls for the free disposition of certificates in transactions off the exchange and an opportunity to swap them for the shares of the funds which could be traded solely on the Securities Exchange.

The draft Law on Comprehensive Privatization and on National Investment Funds will be referred to the Council of Ministers within two weeks after it is prepared by the Legal Bureau of the Office of the Council of Ministers.

As Jerzy Thieme, director of the Comprehensive Privatization Department of the Ministry of Ownership Transformations, told RZECZPOSPOLITA, the program was adopted without amendments after a short discussion. The latter boiled down to answers given by Minister Janusz Lewandowski to questions from Deputy Prime Minister Henryk Goryszewski and the resolution of one controversial issue brought up by Chairman of the Securities Commission Leslaw Paga. The issue was whether the shares of citizens in the National Investment Funds may be recognized to be securities or not.

Jerzy Thieme said that this course of the discussion gives rise to hopes that the draft will be accepted by the government.

### **Pirating of Television Programs Criticized**

*92EP0594B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 22 Jul 92 p IX*

[Article by Ryszard Andziak: "Television Without Boundaries"]

[Excerpts] [Passage omitted]

Since 1986, integrative processes within the European Community have been transcending the domain of economic politics, according to Dr. Piotr Daranowski of Lodz University. The "Twelve" outlined new domains for integration and, if only for civilizational reasons, our country should lie within the confines of these domains. They include the European information market. The adoption of the legal solutions practiced by the EC, conditioning honest participation in that market, is merely a question of time. We must become accustomed to decisions taken not only on Wiejska Street but also in Brussels. [passage omitted]



### Barriers That Must Be Overcome

These problems were the subject of a meeting organized by the monthly periodical TV-SAT and the Department of Law and Administration at Lodz University with representatives of foreign satellite channels. Several years ago there were few satellite TV recipients in Poland. The then authorities did not encourage access to uncensored information. Nowadays the situation has changed and some three million viewers watch satellite TV. Thus it is not surprising that foreign stations, which previously did not bother about several thousand individual antennas, are now watching out to make sure that the retransmission of programs does not violate their rights.

With what demands did representatives of Super Channel, BBC, TV-5, and MTV come to Lodz? Small ones. While offering free retransmission of their programs for housing-project cable networks, with only the MTV and BBC demanding fees, they are concerned, above all, that their rights be respected. Thus, they are opposed to combining their programs with others or having them broadcast in installments and at a later date. They also are opposed to image recording, intermissions in broadcasting, local commercials, and dubbing, and they demand simultaneous broadcasting. When asked why he was opposed to dubbing, the representative of TV-5 answered, "Promoting the French language matters to us."

It turns out that these basic demands are at times an insurmountable obstacle to Polish operators. One of our readers, who incidentally also is from Lodz, complained that until recently she enjoyed undisturbed reception of satellite TV. How, however, the management of the housing cooperative which had installed that facility decided to make it pay by interrupting the program with local commercials and thereupon showing videotaped films dubbed by a special reader. In brief, they are doing the things that foreign satellite stations are opposed to, let alone the fact that their broadcasts are being pirated.

### Total Piracy

"The example is being unfortunately provided by those at the top," Franciszek Skwierawski commented in the article "Satellite Piracy" in *RZECZPOSPOLITA*. "Polish television has hardly its equal in Europe as regards showing so many pirated broadcasts. Even in the most prestigious program, 'Wiadomosci' [News], we view segments from foreign newscasts instead of agency materials. The origin of these foreign segments disseminated via satellite TV cannot be concealed because they all are branded with the signals of their channels, the purpose being, among other things, to prevent their piracy." Such practices do not remain unnoticed by foreign stations. Jim Hodgetts of TV-5 termed the "Closer to the World" program broadcast by Channel 2 "total piracy." According to him, the protection of artistic property is becoming an increasingly important issue in Europe.

The Copyright Law of 1952 lacks, for understandable reasons, mention of satellite television. This is taken into account in the draft of a law on copyrights and related rights, which covers more broadly auctorial rights,

extending them to both moral and material domains and postulating that the scope of the law protecting the creative artist comprises the whole range of possible forms of exploitation of creative works. The draft identifies the principal domains of such exploitation, and links each to the right of separate remuneration unless the parties decide otherwise. Under the draft, broadcasting a creative work by satellite television represents a separate domain of use of that work. On the other hand, the reception of satellite programs by means of a collective antenna or a cable network does not represent such a domain if the program is simultaneous, broadcast on a no-fee basis, and designed for a specific narrow viewer audience.

### Let Us Not Wait With Our Hands Folded

In view of the ease with which creative works penetrate national boundaries, copyright protection by means of norms of domestic law alone is insufficient. Protection of foreign works may be accorded on the principle of reciprocity, of bilateral or multilateral agreements. The first such international agreement was the Bern Convention of 1886 on the Protection of Literary and Artistic Property. Poland is linked to its Roman version of 1928. Thus, in addition to EC regulations, adherence to the rules of international conventions also is necessary.

So far Polish law has been lacking clear rules regulating the activities of cable-network operators, according to Professor Marek Zirk-Sadowski, dean of the Department of Law and Administration at Lodz University. It is to be expected that this gap will be filled by radio and copyright laws. Not without importance also will be the future effect of EC laws on Polish legislation concerning cable television broadcasts. However, the current absence of regulations does not relieve cable network operators of the obligation of trying to act in conformity with "business integrity" on the market of European television services. Above all, Prof. Zirk-Sadowski emphasized, it is necessary to safeguard the integrity of satellite broadcasts and of the copyrights of the creators of programs broadcast by satellite and cable television. It appears that, even without waiting for detailed domestic or even European regulations, Polish operators should contact directly the stations broadcasting satellite TV programs. It should be borne in mind that the nature of EC laws, and consequently also of Polish laws, is to a large extent determined by the rules of the game followed by entities interested in a free flow of services on the European television broadcasting market.

### Draft Law To Streamline Privatization Viewed

92EP0610A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 25-26 Jul 92 p III

[Article by Marek Domagalski: "Straightening Out Privatization Paths"]

[Text] The Ministry of Privatization is finishing work on preparing draft amendments to the law on privatizing state enterprises, dated 13 July 1990. As we have been informed by Adam Wojcik, director of the Legal Department, they have resulted from two years of experience in applying regulations to date.

First of all, the notion of privatizing an enterprise has been refined. Privatization is to be based on selling to third persons shares, belonging to the State Treasury, in companies formed through the transformation of state enterprises. This is point one. Second, it is to be based on the liquidation of enterprises, which means disposing of all tangible and intangible components of the enterprises (in a manner specified in the law) and striking the latter from the state register. In view of this, it is stressed that ownership transformations are implemented in two dimensions: economic—disposal of state assets, and legal—the cancellation of the status of a corporate person for an enterprise interpreted as an independent, self-governing, and self-financing economic entity.

All tangible and intangible components of an enterprise must be disposed of in the course of liquidation, regardless of whether the disposition of assets will affect the entire enterprise (as meant in the civil code) at once, or it is effected in sequence with regard to organized segments of such assets over time. This should be ensured by preserving the continuity of the application of procedures.

Privatization defined in this manner provides a basis for other proposals which have been made for a long time by participants in this process anyway.

It is planned to incorporate basic directions for privatization in the socioeconomic policy guidelines which are submitted to the Sejm by the government, together with a draft budget law, on an annual basis. The process of privatization is an essential element of economic policy; its separate submission to the Sejm, practiced so far, appears inappropriate to the ministry.

It is proposed that a representation of private farmers who deliver raw materials to a state enterprise in a continuous manner, on the basis of contracts, be granted the right to petition for the transformation of such an enterprise. At issue are companies whose operations depend heavily on cooperation with farmers. The farmers would also have the right to elect 20 percent of the composition of the company's board of trustees.

Instead of using preferential pricing for the employees of a transformed enterprise, it is planned to reduce by one-half the package of shares to which they are now entitled, and to transfer it to them free of charge. This is, after all, in line with a resolution of the Sejm, dated 5 June of this year. It is proposed that the combined nominal value of shares earmarked for acquisition by the employees, free of charge, should not be able to exceed "the product of the average amount of wages paid in the six basic sectors of the national economy per one employee, over a period of 24 months preceding the sale of the first shares along general guidelines and the number of employees acquiring the shares." The previously mentioned farmers would also be entitled to acquire, free of charge, up to 10 percent of the shares belonging to the State Treasury in a company formed through transforming the enterprise. However, at the time the company is entered in the commercial register, they would have to be associated with the enterprise in question by way of an ongoing contract valid for at least two years.

Very substantial changes affect the procedure of privatization through liquidation. The entity-specific nature of enterprise liquidation is stressed, as well as the fact that liquidation embraces all components. Once started, the process of liquidation may not be stopped. The intent is to make it impossible to privatize solely the assets of an enterprise, leaving obligations and debt within the structure of a state enterprise which has been "stripped" of its assets. They also wish to prevent unhealthy practices whereby entities managing state assets participate in the process of privatization.

It is planned to reinforce oversight by the Ministry of Privatization regarding compliance with the main directions for privatization set forth by the Sejm. In conjunction with this, legal acts which run counter to the privatization program and are effected without the consent of the ministry would be void by law.

This is necessitated by a fact which is confirmed in the amendments: A liquidation program amounts to an integral part of management by the parent agency. The new regulation is to prevent situations common in practice, whereby the implemented program of privatization differs fundamentally from the concept to which consent has been given.

It is also planned that companies in which enterprise employees participate will have priority in taking advantage of privatization, and, in special situations, also companies in which agricultural producers participate, who are associated with the enterprise through contracts, and could take over the enterprise or its organized segments (to the exclusion of the public mode of providing access to privatized assets).

The refinement of essential conditions for contracts concerning the use of an enterprise or its segments for a fee, so-called Polish leasing, is noteworthy.

The draft law, which is discussed here very briefly, dovetails with regulations on the commercialization of enterprises and comprehensive privatization, which are also being drafted.

### **Improprieties Found in Privatization Actions**

92EP0592C Warsaw *RZECZPOSPOLITA*  
(*ECONOMY AND LAW* supplement) in Polish  
18-19 Jul 92 p III

[Interview with Ryszard Szyk, director of the Privatization Group under the Supreme Chamber of Control, by Ada Kostrz-Kostecka; place and date not given: "The Unfinished Audit"]

[Text] [Kostrz-Kostecka] What and who is being monitored by the NIK [Supreme Chamber of Control] at the Ministry of Privatization?

[Szyk] This is a second audit, and in general the NIK has become interested in the processes of privatization since more than a year already. First there were the audits by the Taskforce for the Budget and Systemic Analyses, culminating in the report of Director Lawina. The Taskforce for the Chemical and Light Industries audited the one-person

treasury companies. Early this year we were instructed by the government presidium, as confirmed later by the recommendation of Prime Minister Olszewski, to carry out a comprehensive audit of the Ministry of Privatization covering all activities of that ministry, from the moment of its establishment until the end of June 1992. This audit took more than half a year and was completed on 30 June.

[Kostrz-Kostecka] Has the NIK's audit revealed any irregularities in the activities of the ministry and the conduct of privatization processes?

[Szyc] The statutory objectives of the ministry were being accomplished to a varying degree—some properly, others partially properly, and others still not at all.

[Kostrz-Kostecka] Which ones were not accomplished?

[Szyc] I can say that legislative problems have been an extremely weak side of the ministry, and this led to many irregularities. The attendant implementing regulations have likewise been missing. At the moment the privatization law itself displays many loopholes, which are being mentioned somewhat too late. Had it been amended earlier, many irregularities could have been avoided.

[Kostrz-Kostecka] A segment of the public opinion has been accusing the ministry of employing too many foreign consulting companies and paying them exorbitant fees.

[Szyc] I admit that in many cases this has been true. Besides, we intend to perform an additional audit of consulting companies. In general, the cost of the studies performed by companies hired by the Ministry of Privatization has been much higher than the prices paid by these companies themselves for the studies ordered, and some of these studies could have been performed by Polish experts. But it is another matter that we have been receiving some foreign funding assistance for this purpose, and in this sense the whole thing is justified. At the same time, however, the ministry no longer uses a list of recommended foreign consulting companies which it had been using when we performed the previous audit.

[Kostrz-Kostecka] Could employees of the Ministry of Privatization also be hired by the consulting companies working for the ministry?

[Szyc] Such instances have taken place, and I know of no regulations prohibiting this. It is another matter that the ministry's employees have been receiving low salaries that often account for as little as one-fifth of their incomes, with the remainder derived from outside work.

[Kostrz-Kostecka] During a Sejm committee confirmation hearing of Janusz Lewandowski for the post of minister, one of the deputies described a ministry official who had, at a training course for enterprise representatives, agreed to answer questions...provided the enterprise would employ him as a consultant. Have instances of this kind been brought to light by the NIK?

[Szyc] Absolutely not. We document every action taken, and besides that is not our affair. Any pertinent notification from us is addressed to the attorney general, to organs of justice; it is they that may take further action if they deem it necessary.

[Kostrz-Kostecka] Some critics have been reproaching the ministry because its officials are members of the supervising councils of Treasury companies. Does the NIK also view this as an irregular procedure?

[Szyc] I know of no regulations to the contrary. If an official watches out for the Treasury's interests, it is good that he is a member of the supervising council. To be sure, some have not always looked out for the Treasury's interests.

[Kostrz-Kostecka] Certain politicians and reporters have been pointing to instances of excessively low valuation of the enterprises put up for sale as proofs of lack of concern for the Treasury's interests.

[Szyc] The issue of valuation is a separate matter; it has been handled by domestic and foreign companies. I believe that sometimes it is better to sell a company cheaply in order to keep it alive than to keep it idle. On the other hand, there have been many instances of initially high valuation of companies, such as 20, or 25, or 20-100 billion zlotys, which were later sold for less, e.g., for 15 billion zlotys [Z]. Paying for the valuation was unnecessary in such cases. And anyway, we could not verify the accuracy of the appraisals unless we were to employ an entire army of experts.

[Kostrz-Kostecka] The income from privatization in 1991 turned out to be much lower than had been anticipated even in revised plans.

[Szyc] The 1991 Budget Law specified receipts from privatization at Z15 trillion zlotys, an amount which was later revised to Z3.8 trillion. Privatization through capitalization alone yielded receipts of more than 1 trillion zlotys. Well, we have to consider the complex whole of external factors, including the recession, and only then we can evaluate the ministry's performance. The ministry's audit report still has not been signed, because additional explanations are being deposed and many persons are trying to protract this audit as long as possible. But until everything is cleared up and the report signed, we cannot speak of finishing the audit. At the same time, let me add that the privatization has not been all bad. Considering that modes of ownership of more than 1,500 state enterprises have been changed by the end 1991, that in itself is an accomplishment. The pace of ownership transformations had been accelerating, but in the first half of this year it slowed down.

[Kostrz-Kostecka] At the Sejm committee hearing which I had mentioned a KPN [Confederation for an Independent Poland] deputy declared that they had already seen the NIK report. Yet you state that it still has not been completed.

[Szyc] The report is still being prepared. However, there is the so-called postaudit protocol, which the NIK does not release to anyone until it is signed. The head of the ministry received one such document, but we do not know what he did with it.

**Farm Market Agency Offers Higher Price Supports**

92EP0610C Warsaw RZECZPOSPOLITA  
(ECONOMY AND LAW supplement) in Polish  
28 Jul 92 p 1

[Article by Ma.P.: "Higher Intervention Prices"]

[Text] A catastrophic drought and projections of this year's crop by the GUS [Central Office of Statistics] have prompted the ARR [Agency for Agricultural Marketing] Council to revise June prices and guidelines for the procurement of grains.

The position of the council will be presented at the meeting of the government today. The ARR proposes to maintain the previously proposed minimal prices at a level of 135,000 zlotys [Z] per quintal of wheat and Z70,000 per quintal of rye. At the same time, it is asking the government to increase intervention prices by 10 to 30 percent of the minimal price per quintal (so far, an increase of Z5,000 has been proposed), or to increase the price of wheat from Z1,485,000 to Z1,755,000 per ton, and the price of rye from Z770,000 to Z910,000 per ton. The accepted range is due to the difficulty of projecting the possible market price for grain and the need to respond to it flexibly in order to replenish reserves that are low and procure the largest possible amount of domestic products.

A demand to verify intervention measures developed in June was also aired at the ARR Council meeting on Monday. It was proposed to increase procurement of reserves by the agency from 500,000 to 800,000 tons; it is

to be financed by the ARR (mainly contracted out to the PZZ [State Grain Elevators]). If authorized storage facilities made purchases with the agency's guarantees, the grain would remain at the disposal of the ARR (in the absence of guarantees, the grain would be at the disposal of the buyer). The agency is also planning to abandon a system of advance deliveries, which has so far been used by state agricultural enterprises, and expecting to expand the network for the procurement of reserves and the extent of credit guarantees for the PZZ. The agency will sign partnership agreements and extend guarantees to enterprises which sign over grain storage facilities. The planned chain would include 13 units with a volume of storage exceeding 500,000 tons.

According to the GUS, this year's harvest may be 6.6 million tons smaller than last year's, and may come to about 21.2 million tons. To be sure, this will not cause difficulties with the supply of grain for consumers. However, it will not contribute to replenishing the overdrawn state reserves. Investigations by prosecutors are underway into the overdrawing of reserves at the local PZZ divisions in Kutno, Tarnobrzeg, and Gorzow. The reserves of the Ministry of Defense and Ministry of Internal Affairs were not drawn down.

In response to the position of the ARR Council, the National Union of Farmers, Agricultural Circles, and Agricultural Organizations approached Prime Minister Hanna Suchocka, seeking that minimal prices be set at higher levels: Z180,000 per quintal of wheat and Z140,000 per quintal of rye.

### Results of Poll on Election Law, Turnout, Issues

92P20386A Bucharest "22" in Romanian  
14-20 Aug 92 pp 5, 12

[Article by Pavel Campeanu: "Preelection Poll of the Independent Center for Social Studies and Polls"]

[Text] The public life of the country is, or seems to be, dominated by the coming elections. Press conferences, tours, protests, meetings, revelations, interviews, dramatic turns of events, circumspect associations and enraged disassociations, commemorations of the past with an eye to the present, excessively optimistic candidates, rumors with strategic objectives—a contagious frenzy is making its way more and more noisily by means of loudspeakers, in the press, and on television. But what echo does this trepidation have in the everyday life of the voters? How do they view the coming elections, and what place do the elections occupy in their concerns?

The most recent investigation of this subject took place in July of this year on a national sample of 1,033 persons at least 18 years old, living in 19 urban and 23 rural localities in 28 counties, plus Bucharest. The coefficient of error was plus or minus three. The poll dealt with the following: the degree to which the voters were informed about the new election law; opinions about the date of the parliamentary and presidential elections and about holding them on the same day; evaluation of chances that the elections would be fair and would help the country to emerge from the crisis; the extent to which the voters had decided how they would be voting on 27 September.

The new election law makes a number of important changes compared to the law which governed the 20 May 1990 elections. Are the voters informed about the provisions of this law? What do they think about the law?

The interviewees who stated that they had a minimum of information about the new law represented a little more than 18 percent of the sample. This figure is important apart from the elections; it can be viewed as a symptom of the crisis in law affecting our society. The crisis in law begins with the lack of authority of the lawmaker and ends with the lack of interest of the citizen: More than 80 percent of the voters do not know anything about the law presumed to guarantee to them their right to choose in full freedom, a right to which the great majority have never had access. Being ignorant of the law, the voters show lack of confidence in its effectiveness. But a law without power generates power without law. The state of law cannot exist without respect for the laws and the laws cannot be respected without being known.

Along the same lines, the evaluation of the new election law by those who are familiar with it is no more comforting. By their nature, once they are promulgated, laws are not negotiable but coercive. Any attempt to determine how they are evaluated by those who are obliged to submit themselves to them seems to be meaningless. This is not the case in a society with a crisis in matters of law and, moreover, it is not the case with a law which prescribes rights and not obligations, leaving the citizens much greater freedom to react to the law. The new election law

attempts to guarantee citizens the right to elect and to be elected—a right nullified through mystification by the Stalinist dictatorship. Nevertheless, only half of those who said that they knew the law thought that it was satisfactory. The widespread ignorance of this law and the dissatisfaction with some of its prescriptions cannot stimulate the informed participation of the voters in the 27 September elections.

The poll examined two questions of timing in connection with this campaign: the actual date, four months later than the date initially proposed, and the fact that presidential and parliamentary elections would be held on the same day.

The subjects were asked whether holding the elections in September rather than May made it easier or more difficult for them to go to vote. The following responses were given:

1. Easier: 7 percent
2. More difficult: 15 percent
3. No effect: 64 percent
4. Do not know: 10 percent

For almost two-thirds of the sample, the change in the date does not change the personal, immediate conditions of their participation in the vote. About half of the remaining third feels that the postponement is an obstacle. These voters represent 15 percent, almost one-sixth of the sample, indicating that there is a danger that postponing the elections might increase absenteeism.

When they were consulted as to when they would have preferred the presidential elections and the parliamentary elections to be scheduled, the interviewees responded as follows:

1. On the same day: 56 percent
2. On separate days: 20 percent
3. Do not care: 16 percent
4. Do not know: 8 percent

The majority are in favor of joint elections. The adoption of this solution by Parliament does not seem to us to be an obstacle to voter turnout.

The government is the organizer of the countrywide elections. On the spot, however, this role is carried out directly by the prefect's office, which represents the government, and by the mayor's office, which represents the local voters. The danger of disturbances—blackmail, illegalities, fraud—is much greater at the local level than at the national level. When asked whether they expect that the elections will be organized honestly in their locality, the subjects gave the following responses:

1. Will the elections be organized honestly by the prefect's office?

- Yes: 34 percent
- No: 13 percent
- Do not know: 45 percent

2. Will the elections be organized honestly by the mayor's office?

—Yes: 44.5 percent

—No: 15 percent

—Do not know: 39 percent

In performing its role, neither the prefect's office nor the mayor's office enjoys the confidence of the majority. Nevertheless, those who say that they are confident in regard to the action of the mayor's office are over 10 percent more than those who feel the same about the prefect's office. It is true that, at the same time, the mayors' offices are the recipients of more lack of confidence than the prefects' offices.

So as not to limit the interviewees to this local issue, they were also asked a general question on the chances for honest elections. Unimaginable in England and inevitable in Romania, this question led to the following election predictions by the voters:

1. They will be honest: 37 percent

2. They will not be honest: 17 percent

3. Do not know: 46 percent

Voters inclined to greet next month's elections with confidence are more than twice the number of the dubious voters, which does not exempt them, however, from representing only a small minority. Caution is prevalent, just as it is in regard to local authorities. Although the three electoral exercises after the revolution have not been characterized by serious manipulations, a good part of the voters remains cautious. The skepticism of these voters in regard to the honesty of the elections might express their skepticism about the government that is organizing them. Most likely, this skepticism has deeper, historical roots: Romania was never a country in which free elections thrived. The systematic election manipulations between the two world wars and the Stalinist election masquerades which followed have had a deep impression on our political culture—a memento of the past that the present does not always help us to shed. However we might explain it, a certain vague doubt about the honesty of the elections persists and this cannot help but diminish the voters' interest in this event.

Our society is tumbling down, and, as we tumble, we are called to vote. The strongest motivation for responding to this call would be the hope that, by voting, we would be able to stop the tumbling, the hope that the elections will be able to hasten the departure of the crisis which is constantly worsening. Is there such hope? In order to evaluate the way in which public opinion projects the possible effects of the future elections, the Independent Center for Social Studies and Polls [CIS] poll asked two questions. In the first, the interviewees were asked if they thought the 27 September elections would be able to

hasten the emergence of the country from the current crisis. Here are the responses:

1. Yes: 46 percent

2. No: 20 percent

3. Do not know: 32 percent

Even though they produce less and less and live more and more poorly, people continue to have a healthy dose of optimism. The optimists form only a minority, but it is more than twice as large as the minority that is convinced that the elections cannot have any beneficial influence. The significance of the response does not end here. The 46 percent do not merely believe that this crisis can be surmounted; they believe that it can be surmounted by political means, by the promotion, with the aid of the electoral mechanism, of institutions and players who are able to carry out this mission. The increasing lack of confidence in the institutions and players who have been on center stage of our public life in the past two and a half years is combined, in our electorate, with confidence in the potential virtues of political democracy.

The second question was for the purpose of checking such an interpretation, presenting a number of alternative or complementary possibilities for emerging from the crisis by democratic means. The same possibilities had already been tested 13 months earlier, in the CIS poll of June 1991. Here are the alternatives and the percentages which they received in each of the two polls:

Variant for emerging from the crisis, in June 1991 and in July 1992:

1. Formation of a large popular political party: June 1991, 3.5 percent; July 1992, 7 percent

2. Preparation of a program for economic reform that all political forces will support: June 1991, 60 percent; July 1992, 50 percent

3. Establishment of a military government: June 1991, 8 percent; July 1992, 8 percent

4. Emergence of a big popular leader to be in charge of public affairs: June 1991, 5 percent; July 1992, 8 percent

5. Return of the former king to the throne: June 1991, 10 percent; July 1992, 10 percent

6. Establishment of a strong coalition among all important parties: June 1991, 18 percent; July 1992, 23 percent

7. Postponement of democratization until after the improvement of the economic situation: June 1991, 6 percent; July 1992, 8.5 percent

Some subjects chose two variants so the total exceeds 100 percent.

The two polls show, in particular, the stability of the picture that public opinion has about such an unstable reality—in particular, about ways to emerge from the crisis. Between the two polls, there are changes in the size of the response, but not in the order or hierarchization. In

this respect, only minorities amounting to less than one-tenth of the sample lean toward dangerous solutions which favor crisis situations, such as: populism (1), the replacement of a civilian government by a military government (3), the emergence of a messianic leader (4), the restoration of the monarchy (5), or the acceleration of economic activity by the limitation of democratic freedoms (7).

In both polls, the options of the subjects are categorically concentrated on political-economic solutions. During the year between the polls the state of the economy did not stop deteriorating. Nevertheless, public opinion has not stopped putting its main hopes in effective economic reform. During the year, political groups and their leaders have shown that they are inferior to the demands of the historic moment; nevertheless, public opinion has not given up the hope of establishing a political force which can reform the economy without a disaster. During the year, political parties have been conspicuous in their efforts to deny the worth of the other parties; nevertheless, public opinion continues to expect them to place the need for cooperation above the reality of the dissensions that separate them. In the light of the above figures, the main issue in the coming elections is not which party or candidate wins, but how the process of disintegration that is destroying our society can be stopped. As a result, the most difficult problem is not the possibility for the voters to make an informed choice, but the capacity of the political establishment to offer plausible alternatives from which to choose.

The trepidation that prevails in the political world has a practical purpose, despite its chaotic aspect: It has a desirable influence on the final decision of the voter. But it is more difficult to find out to what extent the voter absorbs or rejects this influence. At this stage, the problem is not in knowing how influential one or another of the competing parties is, but in knowing how much voters can be influenced by exposure to the general electoral discourse that political parties are addressing to them. What is the relationship between the decision of the voter and this intended influence?

The CIS poll in July of this year attempted to examine the crucial decision of the voter from three angles: participation, choice, and timing.

When asked what they had decided in regard to participation in the 27 September elections, the interviewees responded as follows:

1. I have decided to vote: 75 percent
2. I have decided not to vote: 3.5 percent
3. I have not yet made a decision: 21 percent

The great majority of the voters seem to have made a positive decision in regard to participation in the election, two months before the event. One-fifth of the subjects continue to be undecided, an indecision which may or may not end in time.

The probability of participation in the elections next month seems to be higher than the actual participation in the February 1992 elections, but it is lower than the

intention to participate stated before the latter elections. From the experience of other countries, it is known that presidential and parliamentary elections usually draw more voters than local elections. From our own experience we know that the declared intentions to participate in elections are not realized entirely; in February of this year, about one-fifth of those who said that they would be voting joined the ranks of the absentees. It remains to be seen whether, during the next few weeks, the percentage of those who intend to vote will increase, decrease, or remain constant—and, in the latter case, how close this will be to the actual number of voters.

There is a problem in regard to holding the presidential and parliamentary elections at the same time: To what extent does a stated intention to participate refer to both elections or only to one and to which one? The results of the poll indicate that, in July, 93 percent of the subjects thought that, if they went to the voting places, they would participate in both elections. The minority which would participate in only one election was equally divided between both contests.

However, one essential aspect was not revealed: If the voter has decided to participate in the elections, has he also decided for whom he will vote? These are the questions from the questionnaire and the responses:

At the present time, are you sure for whom you will be voting?

1. In the parliamentary elections:

—Yes: 36 percent

—No: 63 percent

2. In the presidential elections:

—Yes: 41 percent

—No: 55 percent

A few weeks before the elections, the majority of the voters have not yet decided whom they would be voting for. This state of indecision is more pronounced in the case of the parties that are competing for parliamentary seats than in the case of presidential candidates. One reason for this was the fact that, at the time of the poll, the lists of candidates for the Chamber of Deputies and the Senate had not yet been submitted.

The progress of the election campaign could diminish or extend the state of indecision noted in July. The direction in which this state of indecision develops depends on the evolution of events and, especially, on events charged with a great disruptive force. But, the emergence of such an event during the election campaign is not only possible or predictable, it is even scheduled. The government has announced the irrevocable decision to proceed, four weeks before the elections, with a new reduction of state subsidies for vital consumer goods. How will this new economic shock affect the electoral behavior of the population?

I am afraid that no poll will be able to answer this question beforehand.

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