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National Democracy Party Officially Founded

Background Information

92BA1087A Sofia ZORA in Bulgarian 19 May 92 p 2

[Unattributed report: "National Democracy"]

[Text] The National Democracy Party was officially registered on 7 April 1992.

Earlier, on 15 February 1992, the delegates attending the National Conference of OKZNI [National Committee for the Defense of National Interests] in Khaskovo unanimously resolved that, having fulfilled its political role of defending the national interests in the conversion to a democratic society, the OKZNI must disband itself. The delegates determined that the present circumstances required the founding of a new party, National Democracy, which was founded. Its statute was adopted and its leading authorities elected. Dimitur Arnaudov was elected president of the National Democracy Party, and Rumen Kasabov was elected his deputy.

In its next issue, ZORA will publish interviews with Arnaudov and Kasabov on the party's objectives and tasks and its place in political life.

Editor's Note

92BA1087B Sofia ZORA in Bulgarian 2 Jun 92 p 8

[Text] In its issue No. 19, ZORA reported on the founding of a new political formation—the National Democracy Party. The name itself indicates the principles and priorities that will be upheld by the party in our social life. Something else is also clear: What is sought is unity, not confrontation between the national idea and the principles of democracy.

ZORA has always encouraged understanding and consensus among all patriotic forces that aspire to work for the good of the fatherland. In this sense, as well, we look with trust and hope at any patriotic initiative aimed at the consolidation of social and national energy.

Chairman Interviewed

92BA1087C Sofia ZORA in Bulgarian 2 Jun 92 p 8

[Interview with Dimitur Arnaudov, chairman of the National Democracy Party, by Ventseslav Nachev, ZORA political observer; place and date not given: "Euphoria Must Be Replaced by Reason"]

[Text] [ZORA] Mr. Arnaudov, you did not run for national representative in the October elections, although, according to rumor, you had a good opportunity. Instead, you founded a political party. Is there any connection between these two events?

[Arnaudov] The decisions concerning both events had been reached by me as early as February 1991, when my former fellow workers adopted the policy of seeking a way to enter parliament and chose to form a coalition

with the BSP [Bulgarian Socialist Party] and its satellites. The inevitable confrontation with the positions held by the membership and the subsequent rejection of this action logically led to an alternative, the creation of a new political association based on a new ideological platform, using new political methods and displaying a new type of behavior. I was already prepared, the more so because, in January 1991, I proposed to the OKZNI [National Committee for the Defense of National Interests] Administrative Council a variant that called for the creation of a new organization to be known as "National Democracy," as a way of rejecting the unconstructive confrontation with other organizations on the political scene. The euphoria had to be replaced with reason. Time proved that this was politically correct.

[ZORA] Was this the reason for the creation of the National Democracy Party?

[Arnaudov] In no case was this the sole reason because reasons are merely a direct reflection of views on the adequacy of the form to be taken in terms of political realities. Even then, it was clear to me that the OKZNI is inconsistent with the dynamically changing political situation and that the form—a social movement—will result in a real loss of its political autonomy. Even the OPT [Fatherland Labor Party] created within the OKZNI was unable to further develop the political objectives and tasks of the movement.

[ZORA] You are thus hinting that the journalists have justifiably made a distinction between you and the remaining leadership of the OKZNI and the OPT. It is interesting to find out how you were able to preserve your autonomy and reputation, surrounded as you were.

[Arnaudov] If you were to ask the current OPT activists, they would tell you that I am a political corpse, a national representative who has totally failed, who was elected in vain, and who betrayed the hopes of his electorate. They would be unable to think in any other way about someone who dared publicly, using the mass media, to oppose them and rally the dissidents. In the parliament, I tried to and succeeded in establishing a real differentiation between political opposition and human interrelationships. I am satisfied that I remained true to myself and to the people who, at this moment, are the foundations of the National Democracy Party.

[ZORA] A party is created for the sake of actively participating in political life and struggling for political power. In that sense, what are the chances of the party you are heading?

[Arnaudov] You are asking me to answer a Hamlet-like question: To participate or to observe political life?

More than one year passed between the idea of founding the party and its official registration. This was a time used for renovating structures, for getting rid of people who made use of the situation to pursue personal objectives, for reinterpreting realities, and so forth. As an elitist party stemming from the circles of private owners,

the intelligentsia, and the financial circles, the party at this time is currently involved in developing its financial power and teams of experts.

The Latin saying "More haste, less speed" applies to the present organizational principle, which, in turn, indicates that the strong party manifestations are projected to occur in the course of time. We would not like to be thought of by the public as a party that talks a great deal but says nothing—that is, that prefers statements aimed at gaining the public trust. An example of this is found in the statutory concept that the party will set up teams of professionals, who will assume within the state hierarchy positions consistent with their skills. Our aspiration is to provide a practical manifestation to the concept of "statesmanlike wisdom." If, as a party, we are able to concentrate the thinking of more people on the applied aspects of the principles of democracy and to reject power as a means of governing but accept it as a means of managing social progress, it is understandable that this will be a party with possibilities. What matters is to consider the type of political decisions that would create conditions for individual prosperity and for meeting human ambitions and needs. Individual realization is the regulator and the criterion of the possibilities of a society.

[ZORA] Do you feel stronger being the leader of a party or more vulnerable?

[Arnaudov] Vulnerability comes with responsibility. The uninvolved person does not risk very much. The fact that I have something to do with the appearance of a party is rather the result of efforts to prove existing truths than the realized aspiration to prove myself. My credo has no market equivalent, and inevitable compromises neither are nor will be the result of any insinuation. If I am vulnerable, I am vulnerable because of my own character, because I have frequently forced myself to reevaluate my ways of thinking and behavior. Strength lies in the feeling of responsibility, and the National Democracy Party has the ambition to prove its own worth precisely by assuming responsibilities and displaying political morality. Without such morality, it would have no opportunity of rallying around itself people who accept universal well-being as a prerequisite and a factor for national prosperity.

[ZORA] Does that mean that such qualities are not found among the ruling coalition or the opposition?

[Arnaudov] The concept that is developing today is that life in politics must be such as to answer the questions "Who is what?" and "Who appointed him?" asked against the background of a comprehensive crisis. They reflect the party positions, if you will, and the aspect of the parties themselves. The psychosis of conspiracies and compromises dominates the thinking of leaders and the electorate, and doubts lead to rejections. The problem is the way the individual parties accept as valid a criterion that controls the choice of the arsenal to be used in achieving political superiority. Such a choice is a

strictly individual matter. To be able to judge means to have a clear idea of the psychological foundation of an action. Today such foundations are all too numerous to be subject to a simplistic evaluation.

[ZORA] Are you looking for allies among the various parties?

[Arnaudov] Our assessments are related to the forecast that, sooner or later, there will be a consolidation of political parties with similar or closely resembling political ideas—that is, that we shall eventually have three or four political blocs that will engage in a struggle for control over the power institutions. We see our position in something like a national liberal-democratic bloc, about which we would be willing to discuss and develop contacts and cooperate on the basis of existing possibilities. This is simply necessary according to the laws of social life, and we must be prepared for it. If we are a party with ambitions, we must be able to meet the needs of our time.

Deputy Chairman Interviewed

92BA1087D Sofia ZORA in Bulgarian 2 Jun 92 p 8

[Interview with Rumen Kasabov, deputy chairman of the National Democracy Party, by Ventseslav Nachev, a ZORA political commentator; place and date not given: "The Interests of the Citizen Are the Interests of Society"]

[Text] [ZORA] Mr. Kasabov, you are a specialist in commercial law and economics. Bearing this in mind, what would you say about your party's economic platform?

[Kasabov] The National Democracy Party supports the liberal-democratic principles of economic development. This means that we support the idea of enabling every Bulgarian citizen to feel comfortable within his state, to be able to realize his potential, and to be protected from the legislative and executive powers. It is only after we have synchronized the interests of the individual citizen and those of society that we can say that Bulgaria has become a democratic law-governed state. That is our aspiration.

[ZORA] Do you believe that your program documents have developed such fundamental basic stipulations?

[Kasabov] Our statute and program are based on the principles of free private initiative, economic autonomy, and guaranteed ownership. What makes upholding such principles even more necessary is the fact that the SDS [Union of Democratic Forces] doctrine is aimed at protecting foreign investors, ignoring the interests of Bulgarian producers and private business. We believe that such an extreme position could greatly harm the interests of the state and, in the final account, threaten the innate initiative-mindedness of the Bulgarian people. All modern countries, including the members of the

European Economic Community, have legislation (customs, tax, and so forth) that encourages and assists the development of the national economy. Briefly put, it is a question of state preferences. At the very dawn of Bulgarian statehood, Stefan Stambolov encouraged the passing of laws in the National Assembly to protect precisely Bulgarian industry and the Bulgarian economy.

[ZORA] What is your assessment of the newly passed privatization law?

[Kasabov] We believe this law to be the result of a political compromise. That is what also predetermines its difficult implementation. What am I referring to? First, the fact that this law has to be backed by no fewer than 30 executive rulings. As a result of this, its mechanism predetermines its very low efficiency. In other words, every year about 2 percent of production capacities in Bulgaria could be privatized. In Czechoslovakia and Hungary, for instance, the privatization laws made it possible, after sensible preliminary preparation, for the citizens to have the opportunity, if they wish, to acquire property in the most promising enterprises and sectors. No such alternative is contemplated in our country. Furthermore, the law on privatization does not even take into consideration the views of our creditors in terms of foreign debt. The stipulations of the law presume that

our debt will become the property of foreign banks and investors before the Bulgarian citizen has been offered the same opportunity.

[ZORA] After the quiet and slow collapse of the old governmental economic team, do you trust the new team that once again, it seems, will be functioning without a program?

[Kasabov] The fact that Mr. Kostov was retained as finance minister means that the government will continue to support the monetaristic approach in the implementation of the reform. From our viewpoint, the proper approach would be to combine a monetaristic policy with economic incentives and a specific program for the development and strengthening of the leading sectors in Bulgarian industry. For the time being, no member of the government has yet indicated what should be done with our electronic, military, chemical, or heavy-machine-building industries. It is precisely this lack of direction of the economic team that led to such a huge production decline. In our view, it is mandatory for the economic team of the government to rely on a scientific expert potential and to formulate and support in parliament a program that, good or bad, will be implemented within the period of its mandate.

Political Platforms, Problems of Separation Viewed*92CH0812B Bratislava NARODNA OBRODA in Slovak 14 Jul 92 p 3*

[Article by Julius Gembicky: "Is the Best Defense an Offense?"]

[Text] Both sides, the representatives of the Czech and the Slovak political scenes, have each won more than one battle, but in the end, both sides have lost the war for an acceptable form of national coexistence.

Even as we have been hunting around retrospectively in our memories since the November revolution, the Slovak side considered the redistribution of authority in Trecianske Teplice two years ago as a great breakthrough in mutual state legal relationships. That general offensive by the Slovak prime minister at that time, Vladimir Meciar, representing the VPN [Public Against Violence] on the bedrock of unitariness, brought forth panicky opposition on the part of the Czechs.

Unmasking the fact that the dominant Czech interests were identical with the Czechoslovak interests was received with excessive sensitivity by almost all Czech politicians in general. The differing views of the OF [Civic Forum] representatives on eliminating this unexpected pressure obviously accelerated the breakup of that victorious movement. Only a similar process of differentiation took place in the Slovak governing coalition, which was much more fragmented.

The KDH [Christian Democratic Movement] made use of the extremist idea of a state treaty at a suitable moment for a break in the deployment of political forces in Slovakia. For the Czech political scene, a transition from the threatening revolution in the state's legal composition to a more evolutionary and drawn-out discussion of the national councils was simply more acceptable. It was a matter of time and a test of endurance. Everyone knows the results Mil had; it was an obvious retreat from the more striking concept Meciar had. Embedded deep within the opposition, the HZDS [Movement for a Democratic Slovakia], after it was released of the feeling of bitter disappointment from being pushed aside, took up the position of confederation in the debate over the state's legal composition.

To tell the truth, there was practically no other free space in the configuration of ideas of the future arrangement of coexistence. The DS [Democratic Party] accepted the Czech idea of a unitary form of federation with nothing left over. The ODU [Civic Democratic Union] demanded only cosmetic changes in it. The KDH moved them in the direction of a loose federation with the confederative component of a state treaty and a dream of Slovakia's own small seat at the European integrational process. Since the SNS [Slovak National Party] defended the totally simplistic concept of an independent Slovak

state, only the area of confederation remained unoccupied for the HZDS. And even in its first platform there was also room ensured for some permissible type of loose federation.

The fiasco the federalist parties suffered in the recent elections in Slovakia puts them between a rock and a hard place. The HZDS strategy after the elections used as a point of departure the questionable assumption that the Czech side would remain in the defensive trenches of the joint state. It assumed that it represented a value for them that they would defend even up to the point where it would be permissible to accept even the more extreme concept of a confederation of two states, each with its own international legal identity. It assumed that the alchemy of possible concessions by the HZDS after the elections would be put into a crystallized form between the two differing substances that create states: a loose federation that is being promulgated by the SDL [Party of the Democratic Left] and an independent state, the alpha and omega of the SNS platform. The victory in the elections in Slovakia, which were occupied with these problems, somehow overlooked the fact that there was a significant shift mainly in the key Czech political grouping that in the meantime had successfully gone from the defense to the offense.

Kalvoda's government commission for the preparation of a Czech constitution yesterday received the basic thesis from the parliament in which they outline the principles of the future constitutional system, including the position of the Czech president. Obviously, they are putting together the concept of synchronizing the unilateral steps of the SNR [Slovak National Council] and the CNR [Czech National Council], that is, approving the constitutions of the SR [Slovak Republic] and the CR [Czech Republic]. They are creating a practical basis for a dual constitutional system. They still need to develop steps to proceed so as to painlessly overcome the legal vacuum, which today's obsolete constitution did not anticipate. And then the Republics' governments will take the initiative in dealing with the dissolution of the state.

The fact that the Czech Constitution obviously is incorporating a number of the principles of the 1920 constitution is worthy of note. Possibly they are just the ones that will allow the Czech Republic to claim the inheritance of the former CSFR in international organizations, which are advantageous for it in conferences for signing agreements on associations. From that standpoint, the future of Czech-Slovak relations does not look very optimistic.

Doubts About Advisability of Separation Voiced*92CH0812A Bratislava NARODNA OBRODA in Slovak 17 Jul 92 p 3*

[Article by Ivan Horsky: "Do We Have What We Want?"]

[Text] The Slovak National Council today will obviously approve what is from the political standpoint perhaps the most important document of its recent 48-year

history: a declaration on the sovereignty of the Slovak Republic. For now, according to the ideas of the governing bloc, it is not supposed to be a document with legal force, but rather a declaration of the intention for the future. For the long term, however, there are other problems that are not with their consequences.

Let us start at the beginning. The approval of the declaration, at least from the formal legal standpoint, is not in conflict with the postwar developments. As early as the Kosice governmental program, its Article 6 specifically states: "Putting an end to all the old conflicts and starting with the recognition of the Slovaks as nationally unique people, the government will strive strongly from its first steps to apply the principle of 'equality with one another' in the Czech-Slovak relations and thus institute true fraternity between the two nations. Recognizing that the Slovaks should be masters in their own Slovak land, just as the Czechs should be in their own Czech national homeland, and that the Republic will be restored as a joint state of equal nations—the Czech and the Slovak—the government will express that recognition by important state political actions."

But before February 1948, and after it, that path was not taken because the Prague agreements were broken and, right after the usurpation of power by the communists, strict centralization and rejection of even these reduced rights for Slovakia were instituted. And so the problem of a new form of national legal composition was resolved in 1968, more precisely by the constitutional law on the Czechoslovak Federation, Nr. 143, where the preamble specifically states "...recognizing the inalienable nature of the right to self-determination, up to and including separation, and respecting the sovereignty of each people and its right to create freely the method and form of its own national existence...."

Unfortunately, there were a number of modifications during the so-called normalization period, which, although they expressly recognized and formally made possible the existence of national agencies, in substance took away from them any actual possibility of influencing the control of social and economic matters, since it was not in the interest of the center. Therefore, not even the decisions contained in Article 142, Paragraph 2 of the constitutional law on the Czechoslovak Federation (with supplements and changes), Nr. 103 of 8 April 1991, were carried out, where it specifically says in regard to the republics' constitutions: "Until such time as a constitution of the Czech Republic and a constitution of the Slovak Republic are approved, the constitutional relations of those republics will be governed by this constitutional law and other regulations."

This is the framework of constitutional law approved by the former Federal Assembly. From that standpoint, the efforts of the republican legislative and executive agencies do not exceed the constitutional framework. But that is a purely formal, legal view of the overall problem.

Much more substantive is what is hidden behind all of this—the devil's hoof of politics.

In this, there are on both sides the most dishonest mutual accusations of a wide variety of sins against, and violations of the proper functioning of the state. In the meantime, according to the constitution now in effect, the republics do not have the authority to dissolve the joint state. But those people who say that if all social and political changes had to take place only on the basis of the jurisdictions in effect at the time are right; it would be hard for them to take place at all. Reality always precedes the law, which then is modified afterwards, changed, or even abolished.

That reminds one a lot of the old saying about the thief who yells, "Stop, thief!" Both sides, or to put it another way, both governing political representatives, thus sign the prepared scenario for the breakup of the joint state with a joint and inseparable hand. There is no doubt that they are taking an enormous burden of responsibility on their shoulders. At the same time, however, we should state that it did not have to come down to such dramatic developments if, in the period of the last two years, the letter of the constitutional law had only been carried out and if some groups had not speculated excessively about the question of national emancipation. And it was not just the Slovaks, but also the Czechs.

And so in the whirlwind of events, we ended up at the point where we now find ourselves. We stand before the need to seek out completely new forms of cooperation and coexistence. Obviously, these will not be the ones to which we are accustomed, but against which we have protested, each for our own reasons. Obviously, however, the process was unavoidable, or at least I have a feeling that it was. Politics is not a matter of sentiments. Pasting up ideological posters, accusing each other of all kinds of transgressions, frightening each other, or even making threats is all, in fact, the moment's accompanying music to the avalanche that is roaring down upon us. Who may escape it can only be seen in the immediate future.

But the question is whether or not it is what we want.

Havel's, Meciar's Political Ideas Compared
92CH0810A Bratislava KULTURNY ZIVOT in Slovak
25 Jun 92 p 1

[Article by Martin M. Simecka: "Our Assurance"]

[Text] It seems that, after the first days of chaos and confusion that took place after the elections, the outlines of what actually occurred and what was revealed are beginning to be clearly seen. Husserl should be happy. A fatal difference has now been revealed in how, to what,

and to whom the Czechs and the Slovaks relate; of course, not all Slovaks and not all Czechs, but still a decisive majority of them.

While today there are intensive discussions being held on the technology of the division of a unified state into two states, there is somehow no time for wondering at the division is actually happening. It is as if it was totally obvious from the results of the elections that the federal hybrid of two differing concepts of politics and two different nations is impossible and there is no need to deal with it any further. Actually, I almost agree with that attitude, but I do not want it revealed solely for observation; I want to think things over.

When I read Paul Johnson's book, I resisted his persistent interpretation of history based on the conviction that individuals are the embodiment of history; not the chosen ones, but the elected ones or, in some cases, those who caused themselves to be elected with the aid of violence. His history is the history of human characters, behind whom stand thousands or millions of wasted lives or, on the contrary, millions of lives saved for freedom. I have the feeling today that Johnson is possibly right. Individuals—and today we see that quite obviously—are truly the embodiment of history, all the more so if they are legitimately elected.

I think that the untenable nature of Czechoslovakia today is founded on a basic conflict of individuals. However, there is no point in hoping that by exchanging those individuals for others anything would change, because they are not only a symbol, but also the actual embodiment of today's concepts and the attitude of the majority. That conflict is most clearly expressed in the attitude of Vladimir Meciar toward Vaclav Havel. When V. Meciar accuses V. Havel of not having enough understanding for the Slovaks and of being partisan in his politics, it is a precise expression of his opinion and, at the same time, it is a world view that stands in sharp contrast to V. Havel's thinking. Vaclav Havel was elected president two years ago, that is, at a time when the majority of the Slovaks and the Czechs still related to the idea of individual freedom, under the impression of the events in November 1989. Havel embodied that ideal through his life and his works and was possibly more than the ideal as president, in the political sense of the word. It was possible to identify with him, to like him, and to admire him, and at the same time, in his office there was for many people not only a political, but also a metaphysical assurance of their personal freedom. Vaclav Havel, as a person who relates to an absolute perspective, could not simply "understand the Slovaks" in the way that V. Meciar imagines. In fact, he would have had to exchange that abstract perspective for an everyday perspective and an idea of pursuing nationalist politics, as Meciar himself pursues it.

By electing Vladimir Meciar and the nationalist oriented parties, the majority of Slovakia deliberately gave up that absolute perspective and chose for themselves the nationalist perspective. It is totally obvious that the

nationalist perspective is, in V. Meciar's understanding, in opposition to Vaclav Havel's thinking. Vladimir Meciar symbolizes an assurance for the voters that it is possible not to speak the truth in order to achieve a goal, that it is possible to change one's views according to need, and a certainty that exceeding the agreed-upon boundaries of decency will not be punished either materially or by scorn, as long as everything is covered up by a declared desire to help the nation. Paul Johnson calls that "moral relativism" and, according to him, it is the reason that the 20th century became the bloodiest one in the history of humanity. It is, of course, no accident that the greatest danger for the adherents of moral relativism is just such people as Vaclav Havel.

It seems like today Vaclav Havel, as president of the CSFR, is powerless against the Slovak elections. I think that is good. It is possible to relate to the ideal he still represents for many people, even in Slovakia, even if he is not our president. It is, in the final analysis, even more authentic because we should learn that we cannot place the burden of our personal freedom on the shoulders of our presidents, even if they are the best of the best, and we must each learn to carry it on our own shoulders.

German Foreign Investments in CSFR Viewed

92CH0740G Prague EKONOM in Czech No 19, 1992 p 25

[Article by Jiri Kosta: "Do We Need More Foreign Capital?"]

[Text] *In 1991, German investment in the CSFR amounted to 790 million German marks [DM], that is to say, not quite 3 percent of the entire volume of DM29 billion which was invested abroad last year by FRG capital. Last year, FRG investments in Eastern and Central Europe amounted to DM1.4 billion as compared with DM250 million in 1990. Thus, despite the fact that Czechoslovakia's share in FRG foreign investments is low—definitely lower than would be necessary—part of our public is voicing fears regarding the "sell-off of national property" and sometimes even speaks of the "danger of German colonization." We asked Prof. Jiri Kosta, one of the cocreators of the economic program of the "Prague Spring 1968," who has been at Goethe University in Frankfurt am Main for more than 20 years, to give us his opinion.*

I believe that the rejection of the influx of foreign capital the Czechoslovak economy so badly needs, given the shortage of domestic investment resources and the lack of managerial know-how, tends to be more indicative of emotional rather than any kind of rationally justifiable motives. Skeptics should realize that the unprecedented expansion, which the developed nations of the West have experienced over the past 40 years, is based primarily on the openness of national economies and the liberalization of their external relationships. To create that "economic miracle," which is so admired by the countries of Eastern Europe, it was not enough to merely

exchange goods and services, but there was a need, primarily, for the unfettered movement of production factors: labor, capital, and information.

In 1989, that is to say, during the last year prior to the unification of Germany, foreign investments made on the territory of the FRG amounted to DM22.7 billion, which represented approximately 5 percent of all investments. The value of foreign property in the FRG amounted to DM125 billion. On the other hand, in 1989 German firms invested DM27.8 billion abroad, bringing German property abroad to a value of DM185 billion. The case of Austria is also instructive for our purposes, where participation by foreign capital in industry amounts to approximately one-third.

If we consider that Czechoslovakia was more or less cut off from the West for a period of four decades, whereas West Germany benefited from the first injections of the Marshall Plan for the entire period of its existence as a result of its openness toward the world economy, then it is as clear as daylight that the share of foreign capital in our country must grow at a much faster pace than it does in Western countries.

Data regarding participation of foreign capital in prewar Czechoslovakia is also of interest. In 1937, the share of foreign capital in the overall capitalization of industry and in the banking industry in Czechoslovakia amounted to 27 percent. In the overall volume of foreign capital, British capital dominated (30.8 percent), second place was occupied by France (21.4 percent), and third place by Austria (19.1 percent). More than 50 years later, we come to realize that the celebrated economic efficiency of the pre-Munich republic stemmed considerably from its extensive integration into the world economy.

If German capital plays a dominant role in today's joint enterprises, I believe it to be a natural consequence of not only our geographic position, but also as a result of additional geopolitical factors. They include, for instance, the confidence expressed by German managers in the renewal of the productivity of our workers, an intimate knowledge of the problems involved in the post-totalitarian economy (based on the example of the eastern laender of the Federal Republic), the comparative advantage offered by relatively low wage costs, and an effort to readily penetrate the Eastern European markets through us.

The FRG Government in no way intervenes in questions of the allocation of capital resources—such decisions are made exclusively by the enterprises themselves and are made purely from the standpoint of long-term profitability.

As far as FRG foreign investments are concerned, Czechoslovakia was in sixth place in 1991 among nations in which Germany was investing—even ahead of France and Austria. That fact should be a major stimulus for us because it creates an important signal to the other

developed nations. In no case do we need to fear any "German expansionism" in connection with the influx of German capital.

Today's FRG is in no way comparable to that Germany which has so many times threatened the national existence of the Czechs in the course of history. Today, Germany is one of the consolidated Western democracies and a pioneer of the idea of European cooperation.

The cautious negotiation of foreign capital participation involved in the approval of competing offers from abroad (as even an outside observer could see, in many instances, such as the Skoda Mlada Boleslav Enterprise, as well as the Skoda Plzen Enterprise, the Sklo-Union Enterprise, the Avia Enterprise, the Czechoslovak Airlines Company, etc.) moreover guarantees that it is not a question of a "bargain sale."

Czech 'Unique Antichauvinism' Explained

92CH0772A Prague LIDOVE NOVINY in Czech
8 Jul 92 p 5

[Article by Milos Kubanek: "Czech Antichauvinism"]

[Text] The postelection emancipation that attempts to renew independent Czech statehood emphasized an exceptional characteristic of Czechoslovakia in the ardently nationalist postcommunist Eastern Europe. While the Russians and Serbs flex their power-hungry inclinations in the attempt to maintain smaller nations under their imperialism, and while Romania and Hungary would like to regain territories occupied by their national minorities, the Czechs, as a larger nation, have resigned themselves with relative equanimity to sharing a common state and territory with a smaller and economically weaker partner.

The Czechs will not invade Slovakia—weapon in hand—to fight to maintain a larger economic region and "to enslave and exploit" the Slovaks. To the contrary, on the whole, the prevalent belief among the public is that the sooner the common state breaks up, the better. There are three main reasons for this unique "Czech antichauvinism":

The first is the Czechs' traditional lack of aggressiveness and the concomitant liberal attitude toward international relations.

The second is the postwar practice of central reallocation of resources between the two republics, which was and is perceived in Bohemia-Moravia as being clearly to the benefit of Slovakia. Yet it is obvious that the present political order and constitutional mechanisms (regardless of their political impact) enable—in fact, more-or-less guarantee—that it will continue. That is also the source of the strong emotional aversion of the public toward Slovakia's statement that it was abused by Bohemia-Moravia.

The third cause has its roots in wider general changes in international economic and political relations, which have gradually been implemented since World War II, at least in the greater part of Western Europe. It is based on the realization that the traditional conquest, power, and colonial model of linkages are no longer the optimal structure for developed countries and their closely linked exclusive satellites in regard to the economic, political, national, and moral realities of the postwar world. If ties with economically weak countries are too strong, especially from the economic point of view, a number of problems (reallocation of resources being one of them) are caused, and in an era of free movement of international capital, liberalization of trade, and relative political security, there are ever fewer positive results. It is becoming apparent that a compact and balanced country, naturally open to regional and international relations, is now a more solid foundation for prosperity than a state with problem-ridden linkages to poorer units. One way in which these facts are expressed in Western Europe is, for example, the unalterability of postwar borders and, scruples about, and problems with accepting poorer countries into the European Community.

The fact that Czech politics is more likely to react to this postwar current of European relations than to Eastern European power excesses, with their traces of colonialism, indicates that the Czechs are moving in the right direction as they travel around Europe.

Czech antichauvinism may finally be able to celebrate success.

Slovak Culture Will Favor 'National Realism'

92CH0772B Prague MLADA FRONTA DNES in Czech 8 Jul 92 p 14

[Article by Martin Skopec: "National Realism? The Style That Is To Be Dictated to Artists in Slovakia"]

[Text] The Bratislava Artists' meeting on Monday (6 July 1992) turned into a seminar and its topic indicates the direction that Slovak culture will take in the near future. The seminar, called "Cultural Policy in the Coming Election Period," aims its attention at unifying the "squabbling" about direction in Slovak cultural activities; in other words, it submitted to the participants the HZDS's [Movement for a Democratic Slovakia] ideas about what those activities should be. The Slovak Creative Union, whose members are the representatives of the HZDS Cultural Club, initiated the meeting of cultural groups and associations. In the seminar's introduction, Igor Gazdik, art critic and member of the HZDS Cultural Club, read a proposal for the strategy for cultural development, authored by members of the aforementioned HZDS Cultural Club. Among other things, the proposal mentions the existence of three currents in Slovak art. The first current is made up of artists who advocate internationally accepted standards and strive for international recognition based on the

present artistic trends. These are diametrically opposed to the second current, which, according to the HZDS club, is an adherent of national emancipation. As far as art is concerned, it prefers "national realism." The third current portrays the weak cultural center.

Ivan Mjartan, the Ministry of Culture's state secretary, told those present: "A strong trend toward national realism is now beginning," and he substantiated that by talking about the need for a uniform approach in the area of culture and for "the removal of conflicts between artists." He pointed out that a proclamation about the sovereignty of the Slovak Republic would be made in the Slovak National Council, and that "the situation here will be totally different and therefore, it is necessary to agree on dignified representation within the state and abroad." Ivan Mjartan went on to say that the democratization of culture should consist of committees of experts setting criteria for the quality of art and making determinations about it, and thus, also deciding on what support would be given to whom. "In the present financial situation, we cannot allow everyone to be entitled to receive support."

According to Mr. Mjartan, members of the Slovak television council should not be representatives of political parties, but should be independent individuals. Therefore, in this connection, changes will be made in certain paragraphs of the relevant laws concerning the television council.

The discussion that took place at the seminar was a sign of loyalty toward the members of the HZDS in the SR [Slovak Republic] Ministry of Culture rather than an attempt to resolve problems in Slovak culture. The latter will obviously not be able to avoid being politicized, which will ultimately mean a deterioration of culture as such. Would it have occurred to anyone two-and-a-half years ago that Soviet realism would be replaced by national realism in Slovakia?

Slovak Economist Says Common Currency Possible

92CH0811A Prague LIDOVE NOVINY in Czech 14 Jul 92 pp 1, 6

[Interview with Slovak economist Hvezdon Koctuch by Beata Bernikova; place and date not given: "Currency We Can Share in Common"]

[Text] *How do you rate the efficiency of the Slovak economy as compared with the Czech? We put this question to Hvezdon Koctuch (HZDS) [Movement for a Democratic Slovakia], chairman of the Slovak National Council's economy and budget committee and chairman of the Association of Independent Economists of Slovakia (NEZES).*

[Koctuch] It depends on how we measure it. At one time I defined efficiency as the ratio between actual productivity and that which is maximally possible. When I take it from the categories still in use today, the Czech

economy is 10-15 percent more efficient than the Slovak economy. But I think that the potentials of the two economies should not be added up but rather multiplied, as is the case in the European Community. Yet since 1918 the Slovak economy has been constructed as an object to be built into the context of the Czech economy. Had these economies been integrated from the start, the situation today would be completely different.

[Bernikova] Do you agree that the value of a currency is sustained by the efficiency of the given country's economy?

[Koctuch] Not only efficiency.

[Bernikova] Efficiency first of all.

[Koctuch] Yes, that is true, but a currency's value depends first of all on competitiveness which is a concept broader than efficiency.

[Bernikova] Can it be said that the Czech economy is what sustains the Czechoslovak koruna?

[Koctuch] We must ask whether the service role of the Slovak economy also bears upon the currency's convertibility. We maintain that it does. When looking at it we must consider that imports which are in Slovakia fabricated into intermediate products go to Czech lands at regulated prices.

[Bernikova] You oppose the "Klaus" model of economic reform citing the harsh impact it has on the Slovak population. You assert that you have your own model for the Slovak economy. What is it?

[Koctuch] The impact of "Klaus" economic reform on the Slovak economy is three times as bad as on the Czech. We simply cannot go on with it. Our concern is not just with the transition from a centrally managed economy to a market economy. It is rather with the transition from an economy of chronic shortages to an economy of human hope. This process is going on worldwide in the context of transiting from an industrial society to an information society. Our concept is a socially and ecologically oriented market economy guaranteeing the formation of a new quality of life as well as a new quality of the natural environment.

[Bernikova] Why aren't you in favor of dividing the state into two, each with its own currency?

[Koctuch] Because we can still share in common a currency which will result from the Slovak and Czech economy working together. You still proceed from the premise that here we have a single economy, a single market, a single currency. Why not shared in common? If the Czech political representatives believe that a Slovak koruna will be only one-third as hard, so be it, it is their business. I want to draw attention to one more thing. On 24 March 1945 the Czech political representation held talks in Moscow on currency matters. It found that the Slovak koruna was at least three times firmer than the Czech. Slovaks at that time agreed to a

one-to-one exchange ratio. It was then a significant loss to Slovakia. And now they are telling us, "For 40 years we subsidized you, now let us each live at our own expense." Only I don't know if the Czech representation realizes what impact it will have on the Czech economy.

[Bernikova] Of course if you reject a single model of economic reform the Czech political representation has not much of a choice....

[Koctuch] Not necessarily. After all, there are not just two alternatives, either one or the other. Does the economic interest of the Czech representation override the interest of the common state? This was ultimately expressed also by the Czech former prime minister, Mr. Pithart: "Should the Slovaks demand a different economic reform, then it is better that we part ways." And we are being told: "The common state is the value of values for the Slovak Republic." We ask whether this would apply even if its cost—from the economic reform perspective—is triply unfavorable for Slovakia? Our reply to this is: No. If the Czech side thus gives preference to its own economic interest, why then reproach the Slovak side for preferring its own as well.

[Bernikova] What size of a budget deficit are you willing to allow?

[Koctuch] That depends on the reasons for running up such deficit. I will tell you about it only after I become aware of the true situation of the Slovak economy in the first half of 1992. If the budget deficit results from financing highly effective investment projects it is a wholly different matter than using the funds for consumption.

Three Ways of Separating Currency Suggested

92CH0811B Prague LIDOVE NOVINY in Czech
14 Jul 92 p 6

[Article by Petr Husak: "Run to the Dollar—Separation Would Cost Slovakia \$1 Billion From Czech Lands Annually"]

[Text] According to the latest information obtained from circles close to the Czechoslovak State Bank [SBCS], in Slovakia there has been a sharp increase in the amount of korunas exchanged for foreign currency within the 7,500 korunas [Kcs] ceiling allowed to each citizen. During the week from 29 June to 3 July alone, citizens in Slovakia purchased foreign currency worth Kcs218 million. In the same period citizens of the Czech Republic purchased foreign currency worth Kcs220 million. Considering that Slovakia's population is roughly one-half the size, it means that every Slovak citizen is now exchanging on average twice the amount of currency. This is an obvious sign of insecurity. Is a currency separation drawing near?

According to information from quarters close to SBCS there are three principal methods of technically separating the currency which are under consideration:

Affixing validation stickers to banknotes is a very laborious process. The state bank would likely begin first with validating supplies of banknotes stored in various secret locations. It would take approximately two months to print the requisite number of stickers and affix them to the banknotes. It would not involve coins which constitute 3 percent of the total currency in circulation. In the first stage Kcs10 notes would probably be also exempt from validation. As we were informed, the bank would exchange validated banknotes maximally up to Kcs3,000 per citizen. Citizens would deposit the "remainder" of the cash in savings banks which would continue with a gradual exchange of cash for the validated currency.

Franking—that is, a kind of printed mark, is a simpler method and less time-consuming. But the banknotes would be more susceptible to forgery. Hence it may be assumed that the SBCS would resort to it only as a supplementary method.

Issuing new banknotes is something the SBCS is reportedly considering in two versions: as provisional banknotes and a definitive issue. In the first case it would involve new lower-quality "quick stitch" banknotes. But even the provisional printing of these banknotes would require four to six months. Emission of the definitive issue would take a year at the minimum. The decision on which of the variants of currency separation may be chosen is contingent on the time factor. Depending on how much time is left until the possible division of the federation, the optimum variant of currency separation will be selected. Each variant has its pros and cons. Hence a combination cannot be ruled out—validation stickers for banknotes in storage, marking lower-denomination notes, issuing the newly planned Kcs200 and Kcs1,000 notes, and gradual preparation of a definitive issue which could also be printed abroad. On its own the state bank cannot initiate a currency separation. Currency is a legal tender and subject to regulation by laws passed by the Federal Assembly. The federal parliament alone (in the event legislation is deadlocked in the Federal Assembly) and the national council of one of the republics seceding from the federation can "sanctify" separation of the federal currency. How would one proceed afterward? One of the parliaments would probably have to adopt a law on currency separation on "D-2" day. On "D-1" day trucks would probably distribute the validated currency overnight to all bank branches. "D" day could then begin....

Separation and Foreign Currency Position

An important prerequisite for a possible uncontested separation is a balanced foreign currency account of the state. Czechoslovakia's foreign currency account is the strongest since World War II. If we add up the obligations and claims of Czechoslovak enterprises, banks and the government, we arrive at a positive balance of Kcs1,138,000 [as published]. Deducting from it government claims uncollectible in the medium term, for

instance in Syria, Libya, and so on, we "crunch" the numbers down to a negative balance of less than \$1 billion. The CSFR's relatively favorable foreign currency account is an important factor enabling the Czech politicians, driven into a corner by Slovak fables about functioning confederations, to possibly declare the Czech Republic unilaterally, as a legal successor to Czechoslovakia's obligations abroad. Without fear that an independent Czech Republic would be unable to meet all obligations incurred by the federation. An eventual division of the assets and liabilities between two independent states of the "former federation" (for instance according to population size) could be a matter for further negotiation.

But there are also other things involved—among them Czechoslovakia's status vis-a-vis the IMF and other international, currency, and finance institutions. In the event the Czech Republic becomes a successor to CSFR, the Czechoslovak quota would become its quota. Should it be divided according to population (with one-third going to Slovakia), the Czech Republic's quota would become smaller than Hungary's. Presently Hungary is getting set to take over the post of an executive director in the World Bank—a post slated to go to Czechoslovakia effective on 1 November 1992. Similar consequences loom also in the event of successorship in the Bank for International Payments in London of which Czechoslovakia has been a shareholder since the 1930's.

What can worsen the foreign currency account of the successor states? If the federation is divided one might see an outflow of short-term capital—monies deposited by foreign banks with Czechoslovak banks. But this involves only a negligible (from the point of view of the foreign currency account) sum of \$60 million. But in the event of the country's division certain loans granted to CSFR become payable immediately. Among others, all creditors of a \$200 million loan (G-24 countries) may in the event of division demand immediate repayment by the successor state. A similar danger arises for two more CSOB [Czechoslovak Commerce Bank] issues for which the State Bank is a guarantor. The first case involves 375 million Deutsche marks [DM]; the second a somewhat smaller amount. Even though the terms of these loans do not contain an implicit clause on their becoming immediately due in the event of the country's breakup, their language refers to the central bank of the republic, without any specific proviso or explanation of what is meant by the term republic.

Separation and Foreign Capital

In the first four months foreign capital investments in Czechoslovakia amounted to \$280 million. Assuming an unchanged tempo, at the beginning of the year the estimate of total investment for the year approached \$1 billion. The current struggles over the state powers arrangement and the political uncertainty resulting from them may slow down significantly the anticipated tempo of the foreign capital inflow into Czechoslovakia. According to sources close to the State Bank the CSFR's

trade balance is however for now developing very favorably. The current account balance is positive at an amount estimated as between \$900 million and \$1.5 billion. The foreign currency reserves are permanently growing. The so-called gross foreign currency reserves (covering the entire banking sector) on 3 July 1992 stood at \$4.7 billion, of which the State Bank's foreign currency reserves amounted to \$2.15 billion. Even in case

when the capital inflow should briefly cease as a consequence of the separation and turn into an outflow, the Czech Republic has enough economic strength to meet the federation's obligations without having to disrupt the currency's convertibility. How would this play out in Slovakia? According to our information the Czech Republic finance ministry estimates the annual redistribution for 1992 from the Czech lands to Slovakia at Kcs25 billion—that is, equivalent to nearly \$1 billion.

Location of Gold Reserves
(in metric tons)

Total CSFR Gold Assets	Gold Assets Location		Abroad
	Czech Republic	Slovak Republic	
105	51	20	34

Romanians Give Serbs Strayed Hungarian Pilot*92CH0858A Budapest NEPSZABADSAG in Hungarian
8 Aug 92 p 3*

[Article by Peter Mag: "Pilot Has Not Returned from Romania; Balazs Toth Handed to the Serbs"]

[Text] (From our county reporter) Balazs Toth, age 18, a participant in the Alfold Cup glider competition, went astray with his glider airplane Wednesday evening. He made a telephone call from Romania on Thursday morning and said that he had landed near Temesvar [Timisoara].

Four members of his team crossed over to Romania on Thursday to help bring him as well as the airplane home. No official word has been received about them since.

Szeged airport commander Andras Podolcsak was unofficially told by the heads of the Oroshaza border district that the young pilot had entered Romanian airspace from the direction of Serbia, that therefore the Serb authorities were requesting his extradition, and that, presumably, the Romanian party intended to fulfill this request. Andras Podolcsak sought help from the Hungarian Foreign Ministry in this regard.

(From our Bucharest correspondent) No information could be obtained from the Romanian Foreign Ministry spokesman before we went to press in the countryside. We were able to learn the following from persons in authority at the Hungarian Embassy in Bucharest: Balazs Toth, who landed in the Zsombolya [Jimbolia] area on Thursday, had been taken into custody by the Romanian border guards, and guards have also been assigned to the glider.

The border guard command stated that since the airplane had approached Romanian territory from the direction of Yugoslavia, Balazs Toth and his airplane had been handed to Yugoslav authorities on Friday at 1600. Romanian officials denied that the Hungarian sportsman had been locked up in a dark cell.

In response to a question raised by the Hungarian Embassy in Bucharest as to why Balazs Toth had not been permitted to contact the Hungarian Consulate or Embassy in Bucharest, the Romanian official said that there was no need to make such contact because the airplane had entered Romanian territory from the direction of Yugoslavia.

'Cultural Autonomy' Promised Ukraine's Hungarians*92CH0858B Budapest NEPSZABADSAG in Hungarian
29 Jul 92 p 3*

[Article by Z.Sz.: "Lower Carpathians; Kiev Provides Cultural Autonomy"]

[Text] "Ukraine provides cultural autonomy to the Hungarian minority in the Lower Carpathians, as required by

the Constitution," Mikola Makarevics, Ukrainian first deputy foreign minister, responded to a question raised by a NEPSZABADSAG reporter at the organizational meeting of the Hungarian-Ukrainian joint committee on minorities, which was held in Budapest.

In addition to government organs having jurisdiction, the minority organizations involved also participate in the committee's work. The committee is expected to meet twice a year to make recommendations to the respective governments for the resolution of emerging issues.

Possible problems arising between the two countries are expected to be of a practical nature based on everyday life, rather than political issues, Geza Entz, the head of the Office for Hungarians Beyond the Border, said. Hungary's good relations with Ukraine could set an example for relations between Hungary and the rest of the neighboring countries, the state secretary said. The present organizing meeting supports Ukraine's participation in the workings of the Central European Initiative. Henceforth the Hungarian and the Ukrainian parties are going to present joint positions to various international organizations. The two parties also discussed the matter of completing construction of the hospital at Beregszasz [Beregovo] and the issue of simplified border crossings. Regarding the latter, Geza Entz said that, although there is a common desire to do so, differences in the levels of economic development between the two countries do not yet permit the full opening of the borders.

SZDSZ's Tamas on Government's Aims, Tactics*92CH0779A Budapest HETI VILAGGAZDASAG
in Hungarian 4 Jul 92 pp 64-65*

[Article by Gaspar Miklos Tamas, parliamentary representative of the Alliance of Free Democrats: "1994"]

[Text] The wittiest political satire of the past two years appeared under the above title in the June issue of the MOZGO VILAG. The scenario of the article is this: Hungary rushing toward a totalitarian dictatorship and war. It is not customary to interpret antiutopistic pamphlets reminiscent of Swift and Orwell—literally. But, without doubt, there is a solvent market for the various timetables of total doom. While the liberal and left-wing grumblers shiver themselves to sleep struggling with the nightmare of nationalistic dictatorship, Prime Minister Antall is struggling with the nightmare of the returning communist cadres. FIDESZ [Alliance of Young Democrats] consultant Andras Kovacs tries to elicit insomnia by trying to bring to life the astral body of a coalition of the MDF [Hungarian Democratic Forum] and the MSZP [Hungarian Socialist Party]. The great cosmetic moment of cooperation with the liberals seems to be fading away. The liberals' suspicion is not entirely incomprehensible. Here is just one example of the tactic of infiltration and "subversion," known from the ugly old days of the antifascist popular front: On 1 May, the

spokesmen of the Democratic Charta, which ended up in the hands of the MSZP's social-democrats, together with the most important trade unions, published a proclamation, the main elements of which have been adopted directly from the MSZP's platform. No one consulted us; the thousands of liberal signatories of the Charta. A month-and-a-half later—after the MSZP's success at the elections—the “Charterian” socialists (Vitanyi, Agh, Hegyi) were so bold as to make the threat: If the liberals would not comply with them (especially in the affairs of the MSZOSZ [National Federation of Hungarian Trade Unions]), then they would face grave consequences. Following the liberal-socialist MAGYAR HIRLAP, the socialist NEPSZABADSAG also announced that Miklos Nemeth was their candidate for the post of prime minister. In the meantime, no one knows whether the MSZP's policy is a continuation of the course of market-oriented reform or it has completely shifted over to a tax-raising and money-diluting syndicalist social-demagogy. The worker's fist may well be an iron fist, but one cannot be sure that it will punch exactly where it should. The short-lived dream of the “coalition of opposition” has disappeared for the time being.

Imre Konya (MDF), in his bitter loss of hope, recalls the anticommunist solidarity with the onetime Opposition Roundtable.

I am always glad to display anticommunist and antifascist solidarity but, whenever possible, I always carefully select the political forces with whom I have solidarity. At this moment, the MDF's auxiliary forces do not seem very capable of a coalition.

As people say, the political fronts have become rigid. But, then, what will happen in 1994?

Any serious answer to this question may come only if we take our eyes off the mesmerizing quadrille that is a characteristic feature of today's Hungarian party politics. According to Tolgyessy, the SZDSZ keeps an equal distance between the MDF and the MSZP. According to Orban, the FIDESZ keeps an equal distance between the SZDSZ and the MDF. According to Horn, the MSZP keeps an equal distance between the MDF and the SZDSZ (according to Surjan, the KDNP [Christian-Democratic People's Party] has not committed itself to a coalition with the MDF and, according to Torgyan, the Smallholders are in opposition while other Smallholders contest that)—gentlemen, I am dizzy.

First of all, we must clarify why Hungary is “an island of peace” in East Europe. There are two principal reasons for this historic luck, both being connected to the inheritance of the recent past. Everyone fashionably criticizes one of the primary reasons, the so-called spontaneous privatization (“asset salvation”), but the late Kadarian Hungary's elite of managers and technocrats no doubt had less to lose than their counterparts in the neighboring countries and, thus, they participated more or less constructively in the democratic turn although, unfortunately, the excessive cheating soured the new free order.

The second primary reason was that the opposition and the legal-expert elite obstructed settling the bill politically with the leading groups of the defunct regime and their serfs—the attempt of such a settling morally destroyed Czechoslovakia and East Germany, and is administering the final blows to Polish political stability at present.

The preservation of the “island of peace” status depends in large part on the MDF administration. More precisely, it depends on how the MDF-pseudo-Smallholder camp evaluates its own position and what conclusions it draws from its assessment. By now, the strategy of joining the opposition, relaxing and regaining strength (for 1998) has lost its attractiveness for the splintering government coalition. But it is almost certain that the present government majority cannot be maintained in 1994 in a lawful and permanent way. Part of the MDF group, which is reckoning with defeat, is fleeing into supervisory committees, bank boards, foundations, questionable corporations just as the MSZMP's [Hungarian Socialist Workers Party] convertible clique did in 1989; it is fleeing into high-ranking posts just as the bankrupt gentry did at the end of the last century. A future administration of a different color will have to reckon with an emotionally opposing, informal economic and political power concentration (and, I think, discreetly make peace with it now while it still can). However, the possibilities of—how should I put it?—paralegal solutions are rather attractive for the right-wing and extreme-right-wing lines which cannot tolerate the prospect of defeat.

But it is time that I also mention the greatest danger, no matter how unpopular this may be in public opinion, which is inclined to equate foreign affairs with sticking one's head in the sand. The MDF's best chance for turning around trends that it finds unfavorable is to get involved in one or another (or more) regional conflicts. Hungarian public opinion, traditionally unknowledgeable of East European affairs, is being successfully shaped already. With the partial exception of a few weekly papers and late-night radio programs, we cannot hear or read a single true word about the internal affairs of our unfortunate neighbors. With regard to onetime Yugoslavia, the vise of self-censorship has tightened hard. This is accompanied by the West's disquieting confusion and lack of understanding (and Mitterrand's pompous appearance has changed nothing in this). We are justified in expecting our neighbors' crypto-communist and crypto-fascist factors to offer excellent pretexts for irresponsible Hungarian answers. Even a better administration, one that could be taken more seriously, would be in a difficult position amid the constant provocations of the various iron guards and others.

“We are the ones in power,” said the MDF's blond deputy chairman at the end of last week. One (of course, not one with good manners) usually says something like this when one is not in control of the situation at all. This statement of the deputy chairman is not a report on the

situation but a prophecy. Translated into plain language, it means that the 1994 elections will hardly be free.

However, this is a false prophecy. It is false because, despite democracy's loss of prestige, no one contests the democratic ideal in Hungary today. And there can be no action without ideals, no matter what kinds of hazy wishes are stirring in the heads of some crypto-Hungarist elements. Although social dissatisfaction may push the electorate to the left, the revival of communist dictatorship has no significant number of followers despite all of the MSZP's mistakes; the MSZP itself is not one of the followers either. Hungarians do not want an extreme-right-wing dictatorship. If the liberal parties will not pull themselves together in order to gain a decisive majority and if the MDF will not accept the principle of rotating parliamentary management, then we can reckon with uncertainty mixed with some coercion after 1994. There are forces in Hungary that, although they continue to be committed to certain principles of general democracy, are hardly loyal to the ideal of modern liberal constitutionality. We must live with these forces. This is the price of freedom. The MDF will not disappear into thin air like a bad dream, for it occupies a rather large space in Hungarian political culture. The liberal opposition, which is—although clumsily—stumbling toward victory, must clearly state that antiliberal democrats are a permanent part of Hungarian life, and that their temporary defeat would not mean that they would be forced off the stage or that their cultural and social preferences would be eliminated. There is space for all of us.

The year 1994 will not be full of sunshine, but it will not be terrible either.

(The author is a parliamentary representative and chairman of the SZDSZ National Committee.)

Attorney General on Government's Supervisory Role

92CH0779B Budapest HETI VILAGGAZDASAG
in Hungarian 4 Jul 92 pp 37-38

[Interview with Attorney General Kalman Gyorgyi by Endre Babus; date and place not given: "If the Conflict Is Impossible To Resolve, the Attorney General Takes His Hat and Leaves"]

[Text] *The storm that was elicited by the appointment of county judges has hardly subsided, and now the administration would like to initiate yet another position-gaining action in the judiciary: It wants to take the public prosecution department out of parliament's supervision and put it under its own. The piquancy of the affair is that the executive branch found the attorney general to be a partner in its efforts to limit the autonomy of the public prosecution department; it was the attorney general himself who wrote the "death sentence" of the public prosecution department, supervised by parliament. Among other things, we asked Attorney General Kalman Gyorgyi (53), who himself, "off duty," is an eminent legal expert, why he did not try to win an independent position for the*

public prosecution department, akin to that of the Supreme Court, as has been proposed by many legal experts during the past century?

[Babus] You stated last week in your widely publicized presentation that a public prosecution department, under the Ministry of Justice, would be needed in Hungary. What were your reasons for in the end accepting this standpoint, which strengthens the administration's position?

[Gyorgyi] It has been my firm scholarly conviction since the 1970's that, in a parliamentary state, the public prosecution department should function under the government's supervision.

[Babus] Allow me, then, to remind you of your May 1990 statement to the HETI VILAGGAZDASAG. At that time—a few weeks after you were elected—you still said that you did not want to commit yourself to the ideal of the public prosecutor working under either parliament or the government.

[Gyorgyi] As one takes up a new office, one must handle one's private whim and private scholarly conviction with self-restraint. Thus, after I was elected in parliament, I initiated a series of scholarly meetings in the fall of 1990, with the overt objective of thoroughly analyzing West European solutions and Hungarian legal historical precedents, e.g., the circumstances of the enactment of the 1871 Hungarian prosecution law. Subsequently, in the spring of last year, we worked out the concept of placing the public prosecution department within the government hierarchy. This concept is doubtless in line with my scholarly conviction. However, it does make a difference whether such an important constitutional issue is worked out on the basis of mere personal ideas or on the basis of thorough professional discussions.

[Babus] It is possible that a much more prosaic assumption may have emerged in connection with your election. It could seem that, after a while, you had had enough of the ordeal that you had been subjected to in parliament where—as we all remember—your replies to interpellations by representatives were voted down one by one in the first three instances. It is a ready assumption, then, that the prosecution department could want to secure the loyalty of the given government majority and, at the same time, it could want to eliminate the possibility of calling the attorney general to account in parliament.

[Gyorgyi] It would be hard to find a high-ranking government officer who would wish to have a boss above him. Thus, it is not a private ambition of mine to seek a supervisory forum in the person of the justice minister. However, it is my conviction that, in the judiciary too, an operational constitutional structure must be developed in Hungary. It is hardly accidental that the public prosecution department is under government supervision in all the West European democracies—with the exception of Portugal. Incidentally, even the participants of the 1989 Opposition Roundtable agreed with such a

change and, until last fall, the largest opposition party had supported the reform concept under discussion.

With regard to your comment in connection with the interpellations, I am convinced that the prosecution department has no place in the first line of political struggle. Thus, I do not think that it is very fortunate that at present the attorney general has the same kind of political responsibility to parliament as the members of the administration. It is the justice minister who should be politically responsible to parliament for the operation of the prosecution department.

[Babus] Obviously, the present concept was supported at that time by the Opposition Roundtable. However, the present legal status of county and municipal courts hardly coincides with the concepts of that time, as is also indicated by the scandals related to the appointments of individual presidents of court. Perhaps there is a relationship between this and the fact that part of the opposition ceased to support the concepts of reforming the prosecution department—for which a two-thirds parliamentary majority would have been needed. Incidentally, why do you think that a status that is similar to that of the Supreme Court, i.e., independent from both parliament and the government, is not beneficial for prosecution department's hierarchy? It would, by the way, automatically eliminate the possibility of directing an interpellation in parliament to the attorney general.

[Gyorgyi] It is conceivable in theory that a country's penal policy is determined by independent courts and an independent prosecution department. However, there are no such efforts in the Continent's integrated democratic states, which cannot be accidental. For instance, the Austrian People's Party and the Austrian Socialist Party are fighting each other not in order to change the prosecution department's constitutional position, but in order to gain power so that the winner can exercise supervision over the prosecution department.

[Babus] I believe that these are precisely the examples that elicit justified fears. And these fears are not at all new. Already at the beginning of this century, none other but Attorney General Ferenc Vargha, one of your predecessors, wrote: What is independence for if the government can use the incumbent omnipotent attorney general for initiating a campaign whenever and wherever it wishes? Ever since, many legal experts have been urging for the establishment of an independent prosecution department, claiming that a prosecution department under the justice minister's supervision would make it possible for political influence and party policies to permeate the judiciary.

[Gyorgyi] It is without question that one can always quote outstanding thinkers who were dreaming of an independent prosecution department. One of the most dramatic readings of mine is the 1935 inauguration speech of Attorney General Ferenc Finkey, the great criminal attorney. Finkey, who was appointed by Miklos Horthy at the recommendation of the justice minister,

gave a lengthy argument in his speech that the prosecution department should be given the same independent status as that of the courts. Thus, at the moment of assuming his office, a government officer questioned precisely those principles on the basis of which he occupied the attorney general's chair. It was a magnificent gesture and an impressive act—but I strongly disagree with Finkey's view. I think that the executive branch must take the responsibility for penal policy, e.g., when, in a given period, the state concentrates its forces on prosecuting violent criminal acts or criminal acts connected with drugs or perhaps arms trade. It would not be right if the government would be limited to the role of a mere spectator in connection with state justice. However, without supervising the prosecution department, the executive branch does not have adequate means to influence the penal policy.

[Babus] The police and secret police organizations of tens of thousands, is in the government's hands. At the same time, the independence of the prosecution department with a staff of 920 persons would, once and for all, eliminate the suspicion—after all, 50 years of conditioning may still be at work—that the prosecution department acts under political pressure in certain cases.

[Gyorgyi] According to a bill that was worked out recently, the prosecution department would not be at the mercy of given political demands in the future either. The justice minister would issue directives only to a single person: the attorney general.

[Babus] This is enough. For it is well known that the prosecution department operates under a strict hierarchy.

[Gyorgyi] The attorney general's task is to impartially adhere to the provisions of the law. He is the one who must fend off any potential political initiatives. And, as a final solution, in case the conflict is impossible to resolve, then the attorney general takes his hat and leaves. Such a thing is a noteworthy event in a parliamentary state.

[Babus] Using your words, that may be an impressive moral act, but under no circumstance can it be called an institutional assurance for fending off potential government influence.

[Gyorgyi] I can state on the basis of the talks during my visits abroad that in the middle-class democracies the justice minister does not directly interfere with judicial affairs. For it can lead to a serious loss of confidence when a government wants to put the judiciary under its control. And it is utterly inconceivable that a government party would try to defeat the opposition through judicial avenues. Such attempts would backfire, for after the next elections a reverse process would begin which could shake the judiciary apart and could cause constant political uncertainty.

Government Sues for 'Offending the Authorities'

92CH0803A Budapest HETI VILAGGAZDASAG
in Hungarian 11 Jul 92 pp 76-78

[Article by Gabor Juhasz: "Offended Authorities; Being Sued, Within the Government"]

[Text] Government officials filed complaints against Representatives Matyas Eorsi and Jozsef Torgyan last month; Jozsef Antall, Peter Boross, and Lajos Fur claim that both representatives committed crimes by offending the authorities before the greater public. Other signs also indicate that the government wants to provide greater criminal law protection to the authorities and thus also to itself, to the extent that offenders may be punished with as much as three years in prison.

"I am not only requesting, but I am expressly demanding that you release me, so that I have a chance to present in court all the proof I have," SZDSZ [Alliance of Free Democrats] Representative Matyas Eorsi said on 23 June when exercising his right to make the "last statement" in House debate about lifting his parliamentary immunity. This fighting statement also suggests that the case—perhaps lawsuit—against the opposition representative charged by the prime minister with having offended the authorities could still hold some surprises, but the issue much rather pertains to who is going to be surprised.

On the other hand, it seems as certain that the government has gotten fed up with being accused in public of having even thought of violence. In his 6 June television statement, Matyas Eorsi said that during the 1990 taxi blockade "then Interior Minister Balazs Horvath considered the possibility of having the authorities fire into the crowd." Jozsef Torgyan suffered the same fate in June. Interior Minister Peter Boross and Defense Minister Lajos Fur filed complaints against the Smallholders Party chief; it seems that they copied the qualifying term used in the Eorsi case after Jozsef Torgyan had named the police and the security services as the supporters of the 11 June Smallholders coup that had been aimed against him (HVG 20 June 1992).

The coincidence of the two cases may be regarded as accidental at first glance, or it could be ascribed to the deterioration of the manner in which the Hungarian political struggle is being conducted. It is noteworthy, however, that the number of proceedings and indictments initiated for offending an official or an authority (Criminal Code of Laws, Paragraph 232) has once again risen since last year, following a low point in 1989 and 1990 (see table). Equally true is the fact that Justice Minister Istvan Balsai has recommended to parliament to legislate more stringent punishment regarding this crime.

**Criminal Proceedings Initiated on Grounds of
Offending an Authority or an Official
(Criminal Code of Laws, Paragraph 232)¹**

	Number of Proceedings Initiated	Number of Indictments
1987	349	286
1988	309	268
1989	300	231
1990	305	157
1991	313	269

¹ Justice administration statistics do not show the number of judgments pronounced in the various years. Similarly, no central records exist to show the number of rules violation proceedings initiated for offending an authority or official.

Matyas Eorsi and Jozsef Torgyan have undoubtedly taken a greater political risk today than the existential threat hanging over their head when facing the administration of justice, even though the complainants believe that the graver version of offending the authorities—the variety of the offense committed "before the greater public"—has materialized. Under existing law this crime qualifies as an offense punishable by a prison term not exceeding two years, while the basic crime draws up to one year in prison, correctional-educational work, or a fine. The legislative proposal introduced by Balsai intends to add one year to each of these prison sentences based on the assertion that a "dual violation of laws" exists; the government wishes to accomplish this by amending the Criminal Code of Laws. Such amendments require the affirmative vote of a simple majority, not of a two-thirds majority.

The government's proposal for more stringent protection of the authorities and of officials under criminal law in itself indicates that an ever-increasing number of criminal proceedings may be initiated based on Paragraph 232, but the growth in the number of proceedings can be regarded as certain if parliament adopts additional amendments that have already been introduced. These amendments would also change in a single stroke the criteria governing rules violations. The government wants to abolish the rules violation variety of offending authorities for the future—an offense punishable only by the payment of a fine; "mild" cases like this would trigger either no proceeding at all, or the initiation of a criminal proceeding, and the latter would be the more likely outcome. As before, proceedings involving an offense to the authorities could only be initiated on the basis of filing a complaint (in a manner similar to slander or defamation of character, both of which are actionable only on the basis of a private initiative). Based on the government proposal, however, the superior of an offended person would have an obligation to file a complaint in the future, if the subordinate so requests. Present rules require the judicial machinery to be set in motion in response to a complaint filed by the "organ defined by law," but filing a complaint may be refused even despite a request by an offended person, if the complaint is contrary to the "public interest." This provision provides some latitude to the leadership of the various authorities.

The question is, of course, whether Matyas Eorsi has indeed committed a crime by making his statement. Based on Criminal Code of Laws Paragraph 232, a person is punishable if he makes a statement, spreads the word, or uses an expression—perhaps an expression that conveys this effect, or commits an act that is suited to shake confidence in an authority or in the functioning of an official (former minister of the interior, presently Minister Without Portfolio Balazs Horvath, in this case), or is designed to infringe upon the honor of an official.

There can hardly be any doubt that a statement is well suited to shake confidence in the political sense of that term, if it pertains to an active minister, and asserts that the minister, in his previous capacity as interior minister—moreover, substituting as the head of government for the prime minister who had fallen ill—he had considered to order the authorities to fire into the crowd. (It is yet another question that under Hungarian constitutional law the political fate of ministers depends on the confidence of the prime minister.) But the criminal act of offending the authorities is also peculiar because of its unique rules of evidence: The offender is not punishable if his statement is proven to be true; on the other hand, the truth can only be proven if the statement of the fact is justified by the public interest or by any person's just interest.

Thus it is not at all certain that Matyas Eorsi—a lawyer by occupation, just as Balazs Horvath—need not worry about his ability to present his promised proof, not to mention the fact that a significant number of documents that might serve as proof—such as records and internal directives—could probably be found only in the files of the government (i.e., of the offended person and the complainant); in addition, how could one prove what another person had in mind at a given point in time?

As of today both parties feel certain about being able to make their own cases: They do not even want to hear about a quiet, out-of-court settlement. Matyas Eorsi is talking about proof, Balazs Horvath is not satisfied with some kind of an apology, Jozsef Antall would at best like to accomplish a situation in which "a statement like this does not remain in Hungarian political consciousness," as he told representatives. Accordingly, the question remains, who has called whose bluff. From the standpoint of the government and Jozsef Antall personally, a judgment against Eorsi will not suffice, even though that could put Matyas Eorsi in prison, of vital importance is that the government remain "clean" in the course of evidentiary proceedings. As a politician sued by the government and as an experienced lawyer, the opposition representative is expected to launch an attack. He might lose because Balazs Horvath did not consider ordering the authorities to fire into the crowd, but even that way, certain details of the secret history of the taxi blockade may be revealed to the public in court, and such revelation is undesirable from the standpoint of the government, or of certain members of the cabinet.

Only the timing of the proceeding is more uncertain than its outcome: At press time, professionals at the Budapest Prosecutor's Office of Investigations had only been studying the complaint against Eorsi, because they had not officially received word of the parliamentary decision lifting Eorsi's immunity. A series of hearings lasting for months or even years is also conceivable, and the likelihood of protracted proceedings is suggested by the best-known suit in recent years. This case was initiated in response to a complaint filed by Interior Ministry Deputy State Secretary Laszlo Korinek, the head of the Ministry's regulatory division, against journalist Attila Schmidt. The complainant believes that the NEPSZAVA journalist has shaken confidence in the authority under his jurisdiction by publicizing information Schmidt had in his possession, but without mentioning names or institutions, information, according to which criminal authorities had not done everything they could have to find out the truth about Peter Zwack's house fire, and that this failure to act had been suggested by persons at higher levels of government (HVG 1 June 1991). The Korinek versus Schmidt case has taken a new turn last month: Despite an objection by the chairman of the Supreme Court, a council of the highest court had affirmed a judgment pronounced last August, in which the Budapest Court had found the journalist guilty and had ordered him to pay a 25,000-forint fine.

The NEPSZAVA case, too, indicates that lawsuits like this are not independent from the freedom of the press: A series of lawsuits initiated by the authorities is capable of harnessing not only the yellow press, but it can also force political newspapers to become overly cautious. As a result of a proliferation of these kinds of proceedings, (and especially if three-year prison terms are enforced), editorial offices are most certainly going to impose self-censorship sooner or later, rather than pondering what is and what is not permissible, just to be sure. Newspapers will be encouraged to do so if the press law already introduced by the government is adopted by parliament. Upon the enactment of that law courts could order the payment of as much as 15 million forints to compensate for violating someone's personal rights in one or or another newspaper article (HVG 30 May 1992).

In most instances political statements turn into criminal cases because the disputed statements reach hundreds of thousands and millions of people through mass communications. Matyas Eorsi, for instance, would obviously not have to spend his summer vacation searching for proof, had he expressed his views about what Balazs Horvath had in mind for example, in the corridors of parliament and not as part of a television program. The possible Eorsi suit is also going to serve as a test for political openness, because it will reveal whether certain, possible secret documents thus far unknown to the public will be presented to the court, the way Eorsi promises this will happen, and, if so, whether these documents will be printed, or if the thoughts of Balazs Horvath, or other members of the government as of October 1990 will be

revealed only to the exceptional people participating in a closed hearing, protected by the veil of state secrecy.

Scant Support Seen for Hungarian Draft Resisters

92BA1224A Novi Sad MAGYAR SZO in Hungarian
6 Jul 92 p 4

[Article by "ger": "The People of Velebit Have a Different Opinion; Most of the Town Does Not Support the Oromhegyes Protest Movement"]

[Text] Velebit is located only a few kilometers from Oromhegyes. The one town has hardly any Hungarian-speaking inhabitants, while the other is almost 100-percent Hungarian. What the two have in common is that their inhabitants are diligent people, mostly farmers. During harvest time, there is not much time for "talking about politics"; the Oromhegyes reservists, their family members and supporters, and the crisis staff who have been directing the almost-two-month-old protest movement announced that during the harvest they will suspend their present form of protest and will do their share of the work, but they will nevertheless continue to assemble at "headquarters," i.e., the Ziccer Club. The authorities have not yet employed any force against those who have resisted the call to active duty, but are ignoring their demands and frequent petitions for canceling the call and for allowing the safe return of those who have fled abroad. It seems that the authorities have much more pressing problems to deal with, namely, the political pressure that is steadily increasing because of the economic sanctions.

The official power establishment may ignore the Oromhegyes peace movement and the demands of the disobeying reservists, but the inhabitants of the neighboring town of Velebit do have their opinion regarding the affair. In talking to local people, the outsider will unequivocally come to the conclusion that the things people are most interested in include the following: when will they get their diesel fuel ration, will they be able to harvest their few grains, why they get only nine dinars instead of 13 dinars for their corn, and why the price of slaughtered veal has gone down from 120 dinars to 80 dinars at a time when everything costs several times more than it used to? However, beyond the everyday problems, they also have their views regarding the Oromhegyes protest movement, which was summarized by community secretary Miordrag Dakovic as follows:

"The MAGYAR SZO reported earlier that the people of Velebit support the participants of the Oromhegyes protest movement and, as a sign of their support, sent them food. It is possible that some people have sent some food to the protesters, but I can state that most of the town disagrees with the protesters. The reason why we do not support their act is not that they are Magyars, but that they think and behave as if they were exempt from the laws and obligations that the other citizens must observe. If the call to active duty had been resisted somewhere else, say, in Kragujevac, we would view it in

the same way. The constitutional state must affect everyone in the same way. If it is stated in the Constitution that Serbia is a state, then citizens should have the same rights and obligations, regardless of whether they are Magyars, Serbs, or others. As several people have commented, the Oromhegyes protest has been taken to an extreme. Many things have changed since it began, and their demands are not justified anymore. The reservists did not report for active duty, and what is the situation now? No one bothers them, but, then, what is the point of their demands? What would become of us if we all opposed each other?

"We maintain good relations with the Magyars of both Oromhegyes and Velebit. The Magyars are a minority in Velebit, but this does not mean that they must face discrimination. When MAGYAR SZO correspondents came to our town last spring, one of our townspeople said that he would be the first one to help his Magyar neighbor if anyone mistreated him. This is true indeed, but, unfortunately, some people interpreted this statement to mean that local Magyars are in need of protection because they are being mistreated, and this is far from the truth. The townspeople help each other, they have to struggle with the same problems, and there is no political separation among them. They help each other both in sowing and harvesting," said community secretary Miodrag Dakovic.

Novi Sad University Strike Leader Interviewed

92BA1224B Novi Sad MAGYAR SZO in Hungarian
7 Jul 92 p 4

[Interview with Stanko Bosnic, student and president of the strike committee of Novi Sad University, by Marta Varju; place and date not given: "We Shook Vajdasag From Its Apathy"]

[Text] [Varju] You, Ujvidek [Novi Sad] students, were somewhat delayed in organizing yourselves and beginning the strike. This subjected you to much criticism. What was, in your opinion, as strike committee chairman, the cause of the delay?

[Bosnic] It is true indeed that the Ujvidek students did not join the Belgrade students right away. I think the reason for that was that the Ujvidek University Student Union, as an institution, did not react to the strike in time, and when it finally did, it did not represent the majority opinion of university students. It took some time until College of Liberal Arts students announced the truth and others joined them. Actually, we were delayed because of differences of opinion.

[Varju] Incidentally, those in Vajdasag [Vojvodina] have a laid-back mentality....

[Bosnic] I was born in Vajdasag, but my parents were "immigrants." There is some truth in that those in Vajdasag are "laid back," but I think that we live in an age when those of Vajdasag, Sumadija, and even Serbia, i.e., all citizens of Yugoslavia, have had enough of war,

of the fact that fundamental human principles and norms are disregarded, and of the fact that what is happening today is not governed by rationality but by emotions and by the fact that the cup is running over. Well, as long as we have begun talking about those in Vajdasag, it is true that civic loyalty and public order, and respect for the requirements of the power establishment and the law, permeated these people more deeply.

[Varju] I myself was witness how Bogdanovic, the president of the Ujvidek Student Union, was a turncoat. He represented diametrically different views from one day to the next and, since he was the president, he probably exerted great influence on most university students. On Friday, he still supported the demands of the Belgrade students, but at the meeting held on Monday, he stated the opposite of everything he had said. What did you students think of that?

[Bosnic] I do not wish to, and will not, accuse Aleksandar Bogdanovic personally, but his behavior was certainly contradictory in certain things. It is possible that he did this against his will. On the other hand, it is also true that politics do not tolerate mistakes. And he did make mistakes. He continued to be interim president of Vajdasag Student Union. While we were on strike, he visited us a few times, but never made a speech to those assembled. He told us that he agreed with our demands and with the students' intentions in general, but he questioned our methods. He thought that we should not have locked ourselves in the university.

[Varju] Looking back at the demonstration that lasted almost 12 days, did you achieve your goals?

[Bosnic] The fact that most students and instructors rallied behind us was, in itself, a great achievement. We were also regularly visited by the citizens of Ujvidek, but I think that our greatest achievement was that we shook Vajdasag from its apathy. For a few days, the College of Liberal Arts became the center of the city. I am glad that we were able to invite many people during the strike, who told us of their views; we talked with them, perhaps contributing to the promotion of tolerance. I cannot give you exact data on how many people participated in the demonstration; the only written evidence is the petition that was signed by 3,800 people.

[Varju] The university students were visited even by the crown-prince...

[Bosnic] It was very nice and moving when Aleksandar Karadordevic stepped into the stronghold of the protesting university students. What moved me the most was that the citizens of Ujvidek wanted to be eyewitnesses to that and not only the Serbs but also the Magyars, Slovaks, and other nationalities came to greet His Highness. The crown prince is a very open and pleasant man, and I believe that his presence here will provide a certain degree of prestige to the country.

[Varju] The Ujvidek students ended their protest. What is the next step, what will you do next?

[Bosnic] We will join the Belgrade students. Unfortunately, we will do this only symbolically for the time being, for we still have much to do here and, in addition, 22 through 30 July is the time when students who participated in the strike may take their examinations. It is clear that all of us must concentrate now on the examinations. Those who wanted to have already gone to Belgrade. At the university there we are provided with room and board. The instructors are required to administer the examinations during the week mentioned. Should any of them refuse to do so, the aggrieved person may turn to the rector, who will then take the necessary measures.

[Varju] When was the last time you took an examination?

[Bosnic] My last exam was on 11 June, way before the strike. I will not make use of this so-called adjunct examination period, for I have only a semester exam to take for fulfilling admissions requirements, and I have time until September to do that.

[Varju] Does this mean that you are not one of the weak students?...

[Bosnic] This is proof that it was not weak university students who organized and promoted the strike.

(The instructor who was present at the interview also corroborated that he was an excellent student.)

[Varju] What changes do you think the student demonstration will bring?

[Bosnic] It will at least change the thinking of people, of individuals. Well, I do not expect any fundamental change, but the fact that increased efforts are being taken in Ujvidek to finally bring about a change is a great achievement. People will no longer accept smoke-screening or being reprimanded, and, above all, they will not tolerate tyranny and injustice.

Restrictions in Abortion Draft Bill Proposals

92CH0793B Budapest NEPSZABADSAG in Hungarian
1 Jul 92 p 4

[Article by J.S.: "Variants on Abortion; The Administration Surprised the Opposition"]

[Text] *As we already reported yesterday, Istvan Balsai described at a Salgotarjan meeting the administration's draft bill proposal. The minister said that two versions will likely be submitted to parliament. One would allow an abortion only if either the mother's or the fetus's life is threatened, while the other would allow an abortion in any so-called crisis situation.*

In reply to the NEPSZABADSAG's question, Roza Hodosan, member of the team that worked out the SZDSZ's [Alliance of Free Democrats] draft bill proposal, said that, in view of the events during the past weeks, she hoped that the Pusztai concept, which is

much closer to the SZDSZ's standpoint, would be submitted. She thinks that both variants presented by Istvan Balsai give reasons for concern. The enactment of the first variant would mean a complete ban on abortions. On the other hand, the other variant would subject permission to committee decisions, for the existence of a "crisis situation" described by the minister would require an investigation. Representative Hodosan considers their own draft bill a proposal that is in line with European norms, and any similar proposal acceptable.

MSZP [Hungarian Socialist Party] Parliamentary Representative Judit Csehak said that making abortions so difficult is not a European solution at all. According to the MSZP's standpoint, the present regulation should be legislated. Incidentally, Representative Csehak did not

expect a separate proposal by the administration; as she said, she expected a discussion of the SZDSZ proposal—and extensive modifications on the part of the government parties.

Judit Csehak subsequently stated that she would not endorse the making of the present regulations any stricter and, since the proposal of the government parties is likely to be enacted, she will support putting the issue on a referendum.

Katalin Filo, chairman of the Women's Council of the Hungarian Democratic Forum, did not wish to make any statements to the NEPSZABADSAG, but she stated that she was unfamiliar with the administration's draft bill on abortion.

Commentary on Walesa's Military Doctrine Speech

92EP0599A Warsaw *POLSKA ZBROJNA* in Polish
31 Jul-2 Aug 92 p 1

[Article by Lieutenant Colonel Tadeusz Mitek: "A Policy of Secure Sovereignty"]

[Text] It was ascertained in the main planks of the Polish security policy outlined by President Lech Walesa that the republic should possess its own system for the defense of the state and military potential which would provide an opportunity to counteract any aggression. The Polish Armed Forces, as a basic element of the defense system, should be maintained in peacetime at a level of mobilization readiness that would make it possible immediately to embark on combat actions in the event of a threat to the sovereignty and territorial integrity of the state.

In the event of a local conflict threatening our territory, we will undertake actions that would make it possible to stop the enemy. In turn, if a total war were to come about, the Armed Forces should be capable of determined defense and resistance in order to inflict losses on the aggressor and cause an international response.

These are basic statements for strategists, staff officers, and military logistics specialists. They will be built upon appropriately in conceptual studies and the executive decisions of commanders.

We should note that defense military issues were outlined in the aforementioned concept of security policy in a very broad context of the economy and government policy. Along with military issues, geopolitical premises and economic, ecological, ethnic, and social aspects were included in the notion of security. That notion also embraces issues of domestic security associated with threats of various types that weaken state structures and thus make them vulnerable to external pressure.

In the nonmilitary dimension, the security of Poland is associated with the political and economic integration in Western Europe, with membership in the European Community being secured as soon as possible and, consequently, our lag in the development of civilization being overcome.

It was stated unambiguously that Poland does not now have a designated enemy, and renounces the use of force in relations between countries. We want to locate military units throughout the territory of our nation. However, we will simultaneously seek security through ties to existing defense alliances. Full membership in NATO for Poland was pointed out as the long-term goal, in recognition of the fact that the North Atlantic Alliance is a fundamental factor of peace and politico-military stabilization in Europe.

The career servicemen of the Polish Armed Forces are eagerly awaiting decisions of the constitutional organs

concerning the Polish security policy. It is highly significant that at present, this policy is being developed in an atmosphere of the uniformity of intentions and understanding among institutions responsible for national security. Defense of the state is one of the basic elements of the *raison d'être* of the state. Absolutely unequivocal statements and straightforward decisions are necessary in this area. It should become the rule that from now on, the defense sphere will not be burdened by a contest of extemporaneous political interests.

Intelligence Problems Reflected in Lustration Law

92EP0525B Warsaw *PRAWO I ZYCIE* in Polish
No 25, 20 Jun 92 p 4

[Article by Krzysztof Dubinski: "Intelligence—the Biggest Loser"]

[Text] In the heat of the debates over the balance of political and moral losses caused by Minister Macierewicz's lustration law, the losses have entered another dimension and the results have been felt by the security apparatus itself. The last weeks of the lustration law disrupted the work of the special services, disturbed the governing structure of these services—which had still not stabilized following the radical changes of 1990—and finally had a disintegrating influence on the staff and employees.

The biggest loss is that level of Polish special services that, until now, were most diligent about staying in the background, and the one that is now most needed for the Polish state's proper functioning: the intelligence service.

Agent Elite

"Remember you are responsible for the life and well-being of your source." This is the motto that is instilled in every new intelligence officer. Its basis is the protection of the agent's identity, or concealment of the source of information. It is binding on all intelligence services in the world, regardless of the political or ideological system. And no one has ever heard of its being voluntarily broken.

For the most part, intelligence agents are a true elite. These are people who must have access to the most important political, economic, technological, and defense information. It is important that they have unrestricted access to decisionmaking and opinion-giving centers, as well as have the ability to move around freely on the international level. You do not recruit such people off the street. The selection, development, and training of a good intelligence agent can sometimes take years and requires great operational effort, and let us not conceal the fact, also financial costs. This frequently also requires recruitment of additional agents that are essential both for the very process of recruiting as well as later service, or liaison of the agents.

An individual who undertakes work for the intelligence service commits, in his country of residence, one of the most serious offenses: He becomes a spy. In case of exposure, in the best case scenario he faces a long prison term, and in the worst case he faces the death sentence.

Unmasking

Because of these and many other reasons, Department I of the former MSW [Ministry of Internal Affairs] and the Intelligence Administration of the current UOP [Office of State Protection] possess separate lists of sources. Until now, it was completely compartmented and inaccessible to other special services. This was one of the most successful methods of maintaining agency secrecy.

The end of this secretive character occurred under quite dramatic circumstances. If one believes obscure press reports, the intelligence chief Colonel Henryk Jasik refused decisively to carry out Minister Piotr Naimski's recommendation with regard to providing lists of intelligence agents. Consequently, he was dismissed. His duties were turned over to one of his deputies, who also went against this recommendation. At that time another deputy was appointed director of the Intelligence Administration. The editorial staff is not disclosing the names since they were not made public. Apparently, certain *rezydentura* chiefs (chiefs of station) abroad were recalled home and pressure was exerted in order to obtain information from them concerning their agency. However, I doubt if these press reports can be verified.

Minister Naimski, however, achieved his goal. As it appears from the document in Macierewicz's so-called third envelope, the information in the Intelligence Administration active files was made available to the Department of Studies of the Minister of Internal Affairs. Seventeen individuals, neither intellectually nor professionally qualified, and not sworn to an oath, and what is more important not investigated as far as their outside loyalties and responsibilities, obtained information that should have never been revealed to anyone outside the intelligence community.

It appears from information presented to deputies by the MSW that exposure of intelligence staff officers also took place. Their personal files are kept in the Independent Staff Section of the intelligence service and like the source files they were inaccessible to other MSW and UOP organizations until now. Information can be found there, among other things, concerning covert agents. The important interests of the service require that their official biographies should never be linked with any building on Rakowiecka Street.

A Chief in Difficult Times

During the decadent era of Kiszczak, and the retirement-age General Sarewicz, Col. Henryk Jasik became head of the intelligence service. The appointment of this career intelligence officer from the young generation proved to be a salvation for the organization. The dissolution of the SB [Security Service], of which the intelligence

service was by law a part, the verification procedure and establishment of the UOP, began a several week process of complete disintegration of the special services. The state's interests were placed in the background, and all group solidarity mechanisms broke apart. A complete relaxation of discipline and sense of duty took place in the Rakowiecka Street building. The only rule that applied was that of save your own skin.

All of these highly demoralizing phenomena affected the service to a small degree. Col. Jasik became a chief who was able to maintain discipline and a measure of normal working conditions for his organization at a most difficult time of historical transformation. He also was able to find a method, comparatively without conflict, for adapting the structures and goal of intelligence activities to the expectations and needs of the Polish Republic's sovereignty.

What is more important is that the Polish intelligence service retained intact the operational ability that had brought it high praise throughout the world. Undoubtedly, one of its greatest achievements was precise information obtained by one of the intelligence sites concerning the location of various western hostages in Iraq. Thanks to this information, during Desert Storm not even one allied bomb struck a target where there was a hostage.

This was one of those intelligence successes that Col. Jasik attributed to a very positive evaluation made publicly to him by Krzysztof Kozlowski.

Col. Jasik's return to the UOP is expected. This would be a personal decision guaranteeing the stabilization of the situation in the intelligence service, restoration of credibility, and minimizing of damage that for this service could result from the lustration actions.

Restoration of Credibility

Whatever one says about the ideological origin and character of intelligence in the PRL [Polish People's Republic], it built its organization and network of sources throughout all those years and achieved a reputation as one of the most competent and most professional services. It is not coincidental that CIA Director William Webster warned Minister Krzysztof Kozlowski, who was dismantling the former MSW empire, that it is easy to destroy an intelligence service but to rebuild it takes years.

Minister Macierewicz's team could not understand this. No one could convince them that exposing even a nonoperational network of intelligence sources, not even mentioning operative agents and staff, would totally destroy the intelligence service's reputation, and would result in the loss of trust in its representatives. For all those cooperating with Polish intelligence, the lustration law signifies uncertainty and deathly fear of exposure.

It may happen that for many years to come few will want to cooperate with a service that cannot guarantee them

security and discretion. Who can guarantee that someone sometimes for similar extemporaneous reasons will not repeat lustration.

The undermining of the Polish intelligence service's credibility occurred at the most unhappy moment. Faced with new geopolitical surroundings, which carried with it unknown and, until now, unforeseen dangers, the republic needs efficient "eyes and ears." Polish intelligence should effectively make itself at home with the new course of action and ensure the flow of valuable and timely information from it, and build new source networks. Such is the complete requirement for national security, which is quite poor and alone, to trust other conventional guarantees, for example, our own military potential.

Together or Separately

The disintegration of the hitherto existing secretive character of intelligence should once again begin discussions concerning its place within the nation's framework. A change in this placement could protect the service against interference that is unfounded and results from improvised regional political interests.

Currently, it is similar to the former MSW. The intelligence service carries out autonomous tasks of great importance for the state's security and occupies a decidedly lower position as one of the organizational units of the UOP. The intelligence chief, who is a dispenser of intelligence information, is separated from intelligence consumers, who normally are the prime minister and president, by two higher government levels. Manipulation and distortion of reported information is possible on these two intermediary levels.

As a matter of fact, this intelligence hierarchy is a legacy of the organizational and centralized tradition of the KGB. In the majority of democratic nations, intelligence agencies are a separate part of the government and are subordinate to the prime minister or the president.

When the SB was dissolved in 1990, proposals were made to separate the intelligence service from the security apparatus. Deputy Jacek Merkel presented this proposal to former Prime Minister Mazowiecki. He stipulated the establishment of an intelligence agency that would be distinct from the central government UOP office. These ideas had been discussed earlier in the intelligence service itself and were considered very advantageous for the service itself.

The rejection of these ideas was probably due to practical considerations. After separating the intelligence service, the same would have to be done with counterintelligence, and then each of these organizations would have to double their logistic and technical base. It was therefore decided that an Office of State Protection, independent of the MSW, would be created and would integrate the special services.

Today, following the experience with the lustration law, it would perhaps be worthwhile to return to this discussion. It appears that the transformation of the intelligence service into a central office with a clearly defined constitutional subordination is the most sensible solution.

Defense Minister Comments on New Developments

92EP0599B Warsaw POLSKA ZBROJNA in Polish
31 Jul-2 Aug 92 pp 1-2

[Article by Stanislaw Lukaszewski: "Minister Janusz Onyszkiewicz: To Replace the Old Structure With a New One"]

[Text] A meeting between Minister of National Defense Janusz Onyszkiewicz and journalists was held on 30 July at a conference center. Zbigniew Skoczylas, chief of the Department Personnel of the Ministry of National Defense was present. The minister wanted to outline what is happening in the Armed Forces and what will certainly happen. A lot is happening in the Armed Forces. First of all, a process of finalizing work on the concept of the Ministry of Defense and the concept of the Armed Forces has been set in motion.

That concept was developed as early as one year ago. It was confirmed by decisions of both the government and the National Defense Committee. Unfortunately, it has not been implemented to this day. It is worthwhile to revisit the concept one year later in order to check how thinking about a reform has stood up to the test of time. The proceedings of two special commissions are devoted to that. One of them is involved in reviewing the concept of the civilian-military component of the Defense Ministry. The other commission is working on the structure of the General Staff and the entire Armed Forces. The work of the commissions has made great progress because the point of departure was advanced, if for no other reason.

Minister Onyszkiewicz hopes that the commissions will finish their work before mid-September, and subsequently the concept will assume its final shape. What is the concept about? It has to do with the fact that the structure of the Defense Ministry still dates back to the 1960's, a structure from the time of the Warsaw Pact. It is basically a military structure. However, the requirements of a democratic state make it necessary to think about civilian control over the Armed Forces. Therefore, that reform will be concerned, in particular, with separating the responsibilities of the civilian and military elements in the Armed Forces.

Therefore, the structure of the Armed Forces and their leading organs will be completely different from the current one. Adopting that structure will necessitate effecting large-scale personnel reassignments and thus filling new positions in the civilian-military and military elements. The number of such positions will not be greater, it will be smaller. However, their subordination

will be of a different kind. That is why it is necessary to think about filling those positions anew, to some extent. One of the goals of the reforms is to cut back central structures. At present, they are too extensive. As large-scale personnel reassignments lie ahead for us, the minister of national defense primarily discussed the personnel policy and a model of our Armed Forces. The minister said that we have studied many models of armed forces, and that there is no single model that would reflect a multinational model. Therefore, we will try to develop our own, Polish model. After all, other countries that are emerging in post-Yalta Europe are taking an interest in it. That is proof that the model is not bad.

The minister communicated that at present, a review of the cadres in the Armed Forces is underway. That is, in a way, a routine annual action that has always taken place during the winter season or in early spring. This year, the review did not take place, and only now we are embarking on it. Certain decisions were made on the strict interpretation of legal provisions that refer to the age at which career servicemen should retire. So far, the regulations have been fiction of sorts. Exceptions have been the rule, and what should have been the rule has been exceptional. As far as generals are concerned, one clear-cut and transparent criterion will be used. Each general who turns 60 this year will retire, without any exceptions. That will result in 20 more generals retiring. If the same guideline is applied next year, 30 generals will retire. There are now 86 generals in the Armed Forces. Therefore, it is easy to imagine what the scale of the forthcoming personnel changes is going to be as far as generals are concerned.

It will have to be offset, to some extent, by new promotions. As far as other officers are concerned, the principle has been accepted that officers with the rank of colonel and lieutenant colonel will retire at the age of 58. It is not a legal provision, but that guideline was adopted in order to speed up a certain generational change.

It will mean that about 1,200 officers will retire, if majors are included. Therefore, a promotion opportunity for young people will open up. As a result of the cutback, the number of general billets will drop considerably. At present, there are 448 of them; after the reform, there will be about 150.

Which candidates will be promoted? Minister Onyszkiewicz offered assurances that it will turn solely on professional qualifications for particular positions in the future structure of the Armed Forces. How will verification fit within that? In the opinion of Minister Onyszkiewicz, absolutely different criteria are decisive for verification. The authors of the verification law and those who voted to pass it lacked knowledge, or perhaps imagination, of what its implementation in the Armed Forces would mean. Perhaps, the authors lacked knowledge about arrangements that were in effect in the Armed Forces at one time.

Therefore, if it becomes necessary to implement the law in the Armed Forces, Minister Onyszkiewicz will not do it. The reform of the Armed Forces has not been personally authored. It is the result of extensive consultations. It has the support of the government and the president of the Republic of Poland. Minister Onyszkiewicz undertakes to assume responsibility for the introduction and format of the reform. The minister is convinced that the Armed Forces and our society need it, and that it will be useful.

We will report separately about other issues touched upon at the press conference given by the defense minister.

Author Discusses Draft of New Electoral Law

92EP0523A Warsaw POLYTIKA in Polish
No 25, 20 Jun 92 pp 1, 4

[Article by Bartolomiej Nowotarski: "Time for New Regulations: On the Way to Elections"]

[Excerpts] There are many indications that new parliamentary elections are close by. Therefore, passage of a new electoral law becomes an important matter for the agenda of the day.

As a rule, we agree that the result of the parliamentary elections should serve as a reflection of party pluralism in a given country, and at the same time assist in bringing about the proper functioning of the national representations from which, in due course, a stable government can be created. Undoubtedly, these are fitting proposals. However, in a country with a party system which is not yet formed, a country with many weak parties, these stipulations are basically mutually exclusive. However, it is true that elections could give a clear answer by the electorate to the question: Who will wield power and based on what program, and who will constitute the parliamentary opposition and based on what program?

Extreme opposing views exist concerning the role of the electoral law. The exponents of one of these believe that the electoral law does not exert any practical influence on the stability of the makeup of the parliament, and the social situation, as well as the established and consolidated preferences of the voters constitute the decisive factor. Others, on the contrary, are apt to attribute a significant role to the electoral law, frequently citing the famous words of M. Debre that it was not that the presidential system of the French Fifth Republic has so much to do with its stability, but rather the so-called majority electoral law, which, in this case, required the candidates starting out in the second round to obtain 12 percent of the important votes from their constituency beforehand.

As usual, the truth lies somewhere in between. In order to obtain a clear-cut answer to this electoral issue, we must aim at the preservation of those electoral priorities that would clearly demonstrate certain guiding forces

and political programs in a given country. In those countries where there is a two or three party system, it is the voter who, by voting for one of the main parties, decides on the program to be carried out by the government. This occurs because there is no need to appoint broad government coalitions, whose programs often result in wide ranging mutual compromises, coordinated without the electorate's approval. The natural solidification of democracy constitutes a long-term process. It can, however, be delayed or accelerated.

A Law That Should Be Changed

The 1991 electoral law delayed this process. It never did give a clear answer to the question of who should govern. On the contrary, parties that, mathematically speaking, won the election found themselves in the opposition. The fundamental conclusion of last year's elections is that, in a society of vague election preferences, one must begin by passing an electoral law that will be good for the country. In defense of the obligatory law we can say that it was not exclusively responsible for the party fragmentation of the Sejm. It only preserved the indecisiveness of the electorate, by simply producing an uncertain outcome. Of course, party interests and the desire to be reelected to the Sejm have somewhat obscured the *raison d'être* of the state for some of the deputies of the tenth parliament session. But even the experts have shown themselves to be indecisive and have not pressed for a more stabilizing electoral law.

This law could be acceptable if it resulted in fewer parties being needed to achieve a parliamentary majority (for example, by adopting d'Hondt's but not Hare-Niemayer's vote-counting method). Secondly, we could have had a Sejm made up of nine parties (plus a national minority party) and not 29 or ultimately 18 (after certain deputies joined larger deputies clubs). Thirdly, in the majority of regions because of this and not another system, natural thresholds were created with four percent of the vote, and it was necessary to add an artificial threshold on the national level. In conclusion, I believe that if there are too many divisions in the country, the law should not serve, as some believe, as the exclusive reflection of fragmentation.

Voting for a Person

It is assumed that elections in single-seat areas that use the majority method serve to bring out a stable party representation in parliament. It is certain that a law of this type works well in a somewhat more firmly established democracy, perfectly confirming by example a two-party system with single-round elections being sufficient as a rule. When there are several leading parties and also small parties, for better answers as to who should govern then voting should be carried out in two rounds, thereby forcing the conclusion of electoral alliances among the parties after the first round. However, this variant does not lead to the crystallization of a two-party system. An indoubtable quality of this law is the ability to vote for specific individuals. As a rule,

voters prefer to vote in this manner when they do not have greater recognition of the political parties which are in conflict with one another. This is generally confirmed by the phenomenon of the personalization of politics when political parties are seen through the exclusive prism of their leading figures. In addition, this law gives a chance to various regional leaders, persons who are popular on a gmina or provincial level. [passage omitted]

However, in this system, I see a definite preponderance of positive over negative elements.

Voting for a Party

Voting for a party or another political group is the main intent of so-called proportional systems, which serve to develop the party system in the nation. From the point of view of the nation as a whole, these systems can be viewed positively for the most part, provided they are moving toward a clearer answer to the question of who will lead; to the question of who will be served by methods of vote-counting favoring strong parties (for example d'Hondt); and to the question of what percentage thresholds would block access to parliament specifically for small parties and for the best-placed parties on the national level in voting districts. [passage omitted]

A Mixed System

It appears that for the most part two types of laws acceptable in our reality have a real chance of passage. The first is the proportional law, which involves the d'Hondt method of vote-counting in electoral districts with a five percent margin on the national level. Its shortcoming is the inability to vote for a person and this is what the voter likes best. On the other hand, the proposed law, which is exclusively majority oriented, could be difficult to accept because of a lack of tradition. After all, we also care about the development of the party system. There remains the mixed law, which links positive traits of both types mentioned and thus largely eliminates their negative aspects. Democratic Union Parliamentary Club proposals took this path and are currently under Sejm deliberations.

The new draft law assumes the election of 115 deputies in single seat districts using a system of simple majority as well as 345 deputies in multi-seat districts in a proportional system election. In the first instance, the electoral dispute will take place between well-known and lesser well-known politicians supported by different political groups and this fact, as frequently noted in other democratic countries, as a rule contributes effectively to increase the voting frequency which is significant for a democratic country. Whereas in the second case, we would vote for a party, a political group, or more precisely the symbol "X" would be written next to those political parties supported by us. This signifies the resignation from the need to vote for a name within the

scope of a given electoral committee list, a fact frequently believed to be an unnecessary complication of the November 1991 electoral law.

The basic goal of the proposed legislation is the adoption of solutions which serve to make the work more efficient and to stabilize the future Sejm and therefore the government of the Polish Republic.

Therefore, the main intention is the restriction of access to the Sejm by small parties which have especially poor support among the electorate and also creates a parliamentary structure which by denoting certain leading parties would facilitate the process of forming a government or would be instrumental in its relative stabilization. Therefore, in some of the elections under the proportional system proposals were made for counting votes by the d'Hondt method and for the use of the five percent national threshold level. However, as a principle this level would not concern the electoral committees established by national minority parties.

Priorities proposed in the law for parties able to show significant electoral support should also favor the establishment of a stable representation in the Sejm. Those parties to be considered include parties which have registered their candidates and lists of candidates in at least one-half of the country's electoral districts and regions, as well as parties which already have independent parliamentary clubs in the Sejm. This is or at least should be evidence of their substantial participation in the state's affairs. These priorities concern, among other things, precedence in drawing the same numbers on a national level under which lists of these parties will appear on election rolls. This matter is important insofar as it is not insignificant from the voter's point of view on whether a given party is number 1, 2, or 60 on the list.

The parties mentioned in the draft law's reasoning will also have the authority to come out with a proposal about the right to a longer period of time being allocated for free radio and television time for their electoral programs.

In work on the draft law, attempts have been made to take into account all negative experiences resulting from the previous electoral campaign, and those which are a result of an imprecise formulation of the regulations of the 28 June 1991 law. Of course, the final form of the electoral law will depend on the results of the work by Sejm committees and the political compromises contained therein. We should only hope that solutions which will serve to stabilize the Polish political scene will not be sacrificed on the altar of various compromises and specific interests. This is especially true after the most recent experiences.

Economic Impact of German Unification Detailed
92EP0562A Warsaw RYNKI ZAGRANICZNE in Polish
13 Jun 92 p 3

[Article by Ewa Rzeszutek: "Uniting Germany: Consequences for the Polish Economy"]

[Excerpts]

[passage omitted]

Polish Threat and Opportunity

Considering painful historical experience, the matter of balance of power in the coming united Europe is most crucial for Poland, especially in light of our relations with European Associations and the dissolution of the Soviet Union. In Maastricht, the leaders of EC countries informed us that a broad economic chasm separates us from the Common Market and that we have a long road to full membership in it. The agreement on joining the European Community gives us a truly great opportunity in that sphere, but at the same time it raises the cross-bar very high. For our young democracy and the market structures just being formed, it may be a somewhat high barrier. Accepting this invitation is, however, the only way out of the state of economic "collapse."

The considerations cited above refer also to our cooperation with the market of the united Germany, our largest market in Western Europe. For us, the present and future threats of German unification are economic in nature. In the first place, there is the enormous disproportion in the economic potentials of the two countries. [passage omitted]

The unification of Germany and the accompanying rapid process of integration into Western Europe exposed with great clarity the enormous asymmetry between the economic potentials of Poland and Germany. But the economic strength of the FRG may also be an opportunity for our country.

The widely developed trade with our western neighbor, his investments and credits, may constitute the principal incentive for the development of the Polish economy. In the long term, our country presents itself as an attractive economic partner for Germany. Following the economic integration of part of the eastern former Soviet bloc into the body of western Germany, Poland may become, especially in the border regions, a profitable sphere for German investments. With a rise in living standards, our country of almost 40 million will be a significant market for German exports.

Economic ties between Poland and the West, where Poles have much trade experience, may be helpful for further expansion of German capital to eastern markets. Moreover, Germany is not only the road to the west for Poland, but our country may also be a landbridge to the east for Germany.

At present, united Germany is not only Poland's first trading partner, it is also the largest sales market and supply source in the EC. In the last two years, trade with Germany averaged 25 percent of our total foreign trade, while the FRG dominates trade with EC countries by more than 50 percent.

Economic and Trade Cooperation

Polish-German exchange continues to be characterized by great asymmetry. Against a 25 percent FRG participation in Polish foreign trade, FRG trade with Poland amounts to scarcely 0.7 percent. That puts Poland somewhere between 30th and 40th among Germany's trading partners.

The structure of traded materials is also unfavorable. Materials that are little processed dominate our exports (fuels, raw materials and agricultural- food products constitute approximately 60 percent). Among imports, products of the electrical machinery, chemicals and metallurgical industries occupy the main position.

Other forms of cooperation, including especially capital investments and cooperative production, continue to remain in the initial phase of development and have no great influence on mutual economic relations. That fact cannot satisfy either party. It is also contrary to such conditions as longstanding traditions of cooperation, geographical proximity of both markets, economic potentials of the partners and Poland's real financial dependence on Germany as our principal creditor (Germany's share in Polish debt to the West is at present approximately 28 percent).

Meanwhile, positive manifestations of the last two years include: a real increase in access of Polish goods to the German market as a result of amelioration of the EC trade policy with respect to our country, a clear increase in dynamism of trade mainly of exports to the German market and a significant improvement in mutual financial relations. Moreover, a treaty- institutional basis has been created for development in such spheres as scientific-technical cooperation and technical training, environmental protection, cooperation of small and average-sized companies, contacts with FRG laender, mainly within the framework of regional and cross-border cooperation and development of the economics in the food-stuff sector in Poland.

On the basis of Central Office of Statistics data, we must say that exports from Poland to FRG increased by approximately 23 percent in 1991 and imports by 10 percent (as against 1990). In 1991, trade with the German market amounted to 34,117.9 billion zlotys [Z] in exports, and 14,012.8 billion in imports. So the closing positive balance amounted to 20,105.1 billion.

During the last two years, access to the German market improved decidedly. Specific indicators of that were the EC's granting Poland preferential tariffs within the GSP [General System of Preference] framework as of 1 January 1990 for a term of five years (it is estimated that in 1990 Polish export to the FRG of materials covered by the GSP preferential tariffs exceeded 800 million German marks [DM]) and regulation by treaty of access to the German market in the area of technical services and construction. In accordance with that, during 1992-93, the average yearly limit of employment of Polish workers in Germany on a work contract basis will be 35,170 individuals and includes all German territory.

A series of meetings on the consequences of Germany unification and access to the market of the former GDR established that past regulations guaranteeing access for materials at a level not less than the level set in the trade agreement of 1989 would be binding for that territory to the end of 1992. Exports from Poland to the territory of the former GDR will not be subject to tariff except for agricultural goods, which are subject to compensatory payment. During that period, technical standards in force at that time will be binding with the exception of sanitation and measuring apparatus where deviations from EC standards will not be tolerated.

Normalizing Financial Relations

The last two years also brought a marked improvement in Polish-German financial relations and the restoration to Polish economic entities of access to credits granted on the western German market. Among the most substantial elements of improvement in that sphere are: the contribution of the FRG to the stabilizing fund for Poland amounting to DM421 million, agreements on restructuring Polish debt to Germany, and a definitive regulation of repayments of the so-called jumbo credit of 1975. The agreement anticipates remission of DM759.6 million and payment of DM568.8 million in zlotys. The Fund for Polish-German Cooperation to administer the zloty fund was created at the same time. Its responsibilities are: supporting youth exchange, programs in the area of environmental protection and infrastructure formation, specifically, the development of transportation and telecommunication networks, and training personnel for management, operation of cultural institutes, restoration of monuments, German language teaching and maintaining German culture.

Poland was also awarded credit lines for 1990-1992 amounting to DM2.5 billion as a Hermes guarantee. The guarantee ceiling was divided into two pools: DM2.2 billion for export to Poland of investment goods and DM300 million for short-term finance export to Poland. Of the DM800 million covered by Hermes guarantees in 1990, contracts in the steel industry were valued at approximately DM300 million, DM185 million was earmarked for telecommunication development and DM150 million for railroad development.

The advantages of the Hermes guarantees are great in comparison with the ceilings of other countries. The ceiling pool is managed directly by a Polish-German joint commission that analyzes and recommends proposals.

Commentary on State of Economy for First Quarter

92EP0566A Warsaw GAZETA BANKOWA in Polish
No 27, 5-11 Jul 92 p 20

[Article by Slawomir Lipinski: "A Somewhat Crooked Mirror"]

[Text] The Supreme Chamber of Control [NIK] has presented a summary report on the results of inspections it conducted in the first quarter of this year. During that

time, inspectors rummaged through 1,078 organizational units (including 290 units of the state administration and the administration of justice, 182 units in industry, 98 in trade, and 65 in finance and insurance).

The NIK says that these inspections yielded a financial result of nearly 185 billion zlotys [Z], a figure which comprehends the resulting reduction of excessive budgetary subsidies, the covering of losses by those guilty of creating them, the collection of back taxes, and the return of profits derived from overstating prices. Let's look at the comments the NIK submitted in regard to selected sectors of the economy. (In some cases these are preliminary comments because final reports have not yet been prepared.)

Banks

We have already written about the results flowing from inspections of the banking system (including the discussion of "Principles and Money" in GAZETA BANKOWA No. 25). Consequently, we will add here just a few supplementary things. Half of the banking system is subject to inspection. Together these banks account for 60 percent of deposits and also 60 percent of credits extended. The portion of delinquent payments on credits fluctuated in these banks (at the end of last year) from 10 to 60 percent, with an average of 30 percent. In some of these banks, the portion of delinquent payments exceeded its own net funds. The NIK realizes that this is in part an effect of the economic recession, but it recognizes that the basic cause is irregularity in the functioning of the banks (irresponsibility in the extension of credit). Proof is to be found, among other places, in the fact that just 25 percent of the banks that were examined did not give credit in excess of 15 percent of their own net assets, and more than half of the banks inspected gave so-called large credits (greater than 15 percent of its own net funds or more than 10 billion) in violation of Article 35 of the banking law. The NIK maintains that in small banks large credits and guarantees were often given to persons who were in some way connected to the bank. The weakness or absence of banking remedies and the sloppy documentation in private banks were also mentioned. The flow of money from large state banks (limited to commercial paper) to private banks offering more expensive credit has also been criticized. (For the sake of precision, let's add that since the middle of last year the deposits of state banks that have been directed to other banks are counted as limited commercial paper.) The NIK maintains that the irregularities in the banking system are in part the result of the weakness of regulation.

Commercialization, Privatization

According to the NIK, inspection of the joint-stock companies of the State Treasury (from September 1990 to February 1992, 404 state enterprises were transformed into joint-stock companies) demonstrated that there is no system to protect the interests of the State Treasury in these companies. The NIK asks whether the

placement of persons not connected with the state (private businessmen) at the head of the board of directors guarantees that type of protection. Payments for shares made available to employees do not flow into the budget for many months. The example given is the sale of the Krakchemia trading company to a private company with capital of Z1,000,000 for Z18.6 billion, which is to say Z10 billion less than its book value. The profitability of the sold enterprise was 130 percent.

The NIK says that it stopped a similar transaction in relation to Novita of Zielona Gora. The inspection of the MPW [Ministry of Privatization] led the NIK to conclude that the lack of unambiguous direction as to whether privatization is to be directed by the budget's immediate interest or the economy's long-term interest has hindered privatization, as has the lack of an explicit strategy with respect to particular industries and branches, with respect to foreign investment, and with respect to promotional and informational policy.

The Customs System

In this sphere the NIK made, along with an overall inspection, a few spot inspections, including some concerning the import of liquid fuels. In the examined import of 800,000 metric tons of fuels, so-called budgetary reductions were estimated at Z288 billion, and because last year's entire import amounted to nearly 2.5 million metric tons, it is estimated that total losses were correspondingly higher.

The trade of cattle imported from the former German Democratic Republic as stock but in fact destined for slaughter was also examined quite closely. In sum, about 28,000 head of cattle were brought in, but the inspected import of one fourth of these showed that budgetary reductions amounted to approximately Z725 million. One third of the spot inspections confirmed that there was no regulation of goods diverted in transit. In large part these goods finished their journey in our country.

The on-going overall inspection proves that none of the previously identified problems have been solved. Arrears in customs payments at the end of last year amounted to more than Z600 billion (with total inflows of Z16.7 trillion), and the customs offices do not do much to recover them. Customs officials continue to have troubles with the SAD [Standard Administrative Document] system, and the GUC [Main Customs Office] is slow to issue basic instructions. The explanation these customs officials offer is the horrible infrastructure of border crossings, and the lack of a computer system and of quick communications. Consequently, the humiliating occurrences of trucks testing their strength at border crossings will multiply: In the past year, thirteen vehicles crashed the barrier at Sieniawka and five at Zawidow.

Foundations

Examination of 85 foundations indicates that the motive behind their formation was not so much noble aims but the desire to take advantage of various preferential regulations of economic activity. In 1990 and 1991 the income of the foundations studied amounted to Z1.89 trillion, of which 73 percent (Z1.38 trillion) was transferred to them by budgetary units. Their own income comprised twenty percent, but this was mainly interest on capital investments. Donations from natural persons constituted barely 0.03 percent of income, and donations from abroad, 2.6 percent.

In this period barely 7.6 percent of income was allocated for the purposes described in the foundations' charters, the rest was treated as interest-bearing capital or was invested in economic activity. The operating expenses of the foundations themselves absorbed Z112 billion, and nearly half of that was spent on salaries. Tax breaks amounted to Z27 billion, in the foundations studied. The NIK is critical of the lack of supervision over the foundations' boards on the part of the state donors. For our part, we add (unfortunately, this is not in the NIK's material) that one foundation furnished with large budgetary resources has an enormous influence on the magnitude of the given figures, and this distorts the total picture.

Small Industry

In the first quarter, the NIK conducted its own appraisal of the influence of the economic and financial system on the development of small and medium-sized industrial enterprises that have remained socialized (51 state enterprises, 10 cooperatives and joint-stock companies, and eight voivodship offices). The NIK is of the opinion that a small enterprise still does much worse than a large one. Last year the average gross return on investment for all state industry amounted to somewhat more than six percent, with large firms showing an average of 7.9 percent, medium-sized ones just 1.4 percent, and small ones minus 4.5 percent. This leads to the conclusion that the once massive desire to divide up the greedy behemoths, and to separate the small companies from them, yielded results contrary to those intended. It is more difficult to answer the question of why it happened this way, for the causes given by the NIK seem only to confirm the saying that the thin will be furious until the fat become thin. In times of crisis, it is easier for large firms to save themselves from the lack of demand (that is how it is everywhere in the world), and they do so at the expense of small cooperatives. However, it will certainly not be permissible to disregard the NIK's statements that we still have no policy on small business. But let's add that it is difficult to expect that such a policy would also embrace the state sector. State-owned small business is self-contradictory.

The Unemployed

Regional employment offices, mainly due to lack of money, are not pursuing an active employment policy but instead are limiting themselves to registering people who are on relief. Employment councils have not been

convened, and those that have been formally convened have not begun activity. The thesis that there is an epidemic of unemployment swindles, carried out through the filing of false financial statements, has been confirmed. This is done mainly by people from the countryside and small towns. The estimates of the regional employment office in Wolomin, outside Warsaw, indicate that 70 percent of the men receiving relief there are working, although illegally.

Splinters

Finally, here is some information from other spot inspections. The NIK believes that foreign loans obtained in the third quarter of 1990 for modernization of transport are being employed horribly. Of the \$170 million allocated in the course of 12 months, only about \$4.7 million have been put to use, two times less than what was indicated by the timetable that was established with the World Bank (chiefly due to the PKP's [Polish State Railroad] nonperformance of the agreements). Large—in the opinion of the NIK—sums burden the State Treasury because of the creation of a high, positive balance of payments in accounts with the former USSR. (A figure of Z30 billion has been mentioned.) The NIK believes that more than \$400 million flowed out of Poland as a result of the numerous re-export transactions remaining beyond the control of the MWGzZ [Ministry of Foreign Economic Cooperation] and the Bank of Commerce. In these transactions Polish firms filled the role of currency exchange offices for companies from the former USSR. It happened this way due to the improper establishment of the exchange rate for the transfer ruble and the lack of a mechanism to establish a level of exchange with the USSR that would be advantageous to the state.

The Ministry of Finance has been accused of recklessly extending government guarantees for bank credits to enterprises (among others for the bankrupt Ponar in Tarnobrzeg and the privatized Krosno). The ministry has also been accused of having no control over the creation of new banks with the participation of the State Treasury and of responsibility for the disorder in the files concerning debt and foreign amounts due.

When reading a review of NIK reports, one should realize that it is not a faithful description of reality, because the basis of the NIK is to catch someone else's errors. There is probably no institution that does not make mistakes, and this applies to the NIK as well, but that obviously does not diminish the importance of its work.

Views on Reprivatization by Sejm Deputies

92EP0562B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 29 Jun 92 p II

[Article by Ada Kostrz-Kostecka: "Reprivatization: Who Expects What?"]

[Text] Instead of a law on reprivatization, at present we have competition as to which plan will be presented to the Sejm: the government plan or the deputy plan. The

Ministry of Privatization finished its work on its plan and sent it to the Council of Ministers, together with a schedule of differences after interdepartmental consultations. Before a first reading at a plenary session, the Sejm Commission for Privatization submitted two deputy plans. Obviously, it would be best if the Sejm were to consider the three plans together, but everything indicates that the deputy plans have a better chance because we do not know when the government will accept the ministry plan.

The plans differ on substantial points: Who will have the right to file claims, what the scope of property covered will be, and how the claims will be settled. On the first point, the deputies from the Union for Real Politics [UPR] are most extreme; they recognize the right of physical individuals who were citizens of Poland at the time their property was expropriated as well as legal entities who had headquarters in Poland at that time.

Regarding the scope of the law on property covered, the deputy's plans are fairly similar. They propose taking into account legal acts pursuant to which the property was nationalized in the years 1944-62. The departmental plan, for example, excludes the Zabuzan matter, water rights. As a method of settling claims, the UPR and the ministry propose first of all the return of property in kind, then substitute property, and as a last resort, shares or capital bonds; the deputies from the Democratic Union place compensation in the form of capital bonds in first place.

And what do the former owners expect?

From the beginning when claims were first filed to the end of the first quarter, the former owners or their heirs filed 9,135 claims; most of these, 3,939, were filed with the Ministry of Privatization. In the first quarter, 28.3 percent were filed, in other words, the number of claims is increasing regardless of the fact that legal settlements are still lacking.

Increasingly, those filing claims are not acting "blindly" as happened in the beginning, but are describing their lost property and their right to it more precisely. The Ministry of Privatization makes this assessment in analyzing the situation.

The latest bulletin of the Department of Reprivatization of this ministry states that the greatest number of claims continues to come from the following voivodships: Nowo Sacz, Warsaw and Poznan. Dominant among the claims, are those of the so-called Zabuzan type.

Compared with the past year, among the claims sent to the ministry, the number of former owners claiming rights to forests and buildings has increased. Of claims to arable land, the number of claims for lands of less than 50 ha or more than 100 ha increased most rapidly.

Frequently, it is persons presently living abroad that are interested in regaining property. In the first quarter, the Ministry of Privatization received 62 letters from

abroad, mainly from Germany (84.6 percent). Second was Great Britain with only three percent of the claims. Most frequently, emigres apply to recover their rights to land, village buildings, and town property and real estate. Property most frequently claimed is located in the following voivodships: Wroclaw, Legnica, and Zielona Gora.

Difficult Financial Times for Craftsmen Foreseen

92EP0601A Warsaw ZYCIE GOSPODARCZE
in Polish No 29, 19 Jul 92 p 15

[Article by Agnieszka Gutowska: "Eye for Loan"]

[Text] "We should be appreciated in a free Poland," say representatives of the Union of Polish Handicraft Workers, "but the unstable economic situation contributes to the fact that chances for the development of the handicraft industry diminish from year to year." However, this industry has always been tough—even thrown into deep water, it would always surface.

There were about half a million handicraft enterprises in Poland two years ago. Today there are many less. According to ZRP's [Union of Polish Handicraft Workers] estimates, approximately 30 percent of enterprises have suspended or ceased their business altogether. Deputy Henryk Rozpara, ZRP's chairman of the board, said in his interview to Lublin's PULS: "The costs of running a business are snowballing. It becomes unprofitable to provide services. Both, the craftsman and the customer are losing in this race."

There are many reasons for this. On 4 May, turnover tax rates were raised. Before that, the law which increased by two percent social security premiums for craftsmen, their employees, and coproducers went into effect. Furthermore, the financial situation of handicraft businesses has been worsened by the cancellation of tax brakes and preferences, the increase of prices for the raw materials, and the collapse of cooperation with the state-owned enterprises. At the same time, the demand for products and services offered by the handicraft industry is clearly declining, due to society's growing impoverishment on the one hand, and the influx of imported goods, on the other.

In addition, the costs of operating a business are rising because of the conversion to gross-wage taxation, and because the cost of electric energy, gas, heating, and rent is going up. Handicraft enterprises are usually located in old, rundown buildings, where rents are often higher than the places are worth. Because the service sector is much less profitable than trade, for example, the owners of those businesses are unable to continue their operations, let alone to modernize or spruce up their shops. Thus, the handicraft businesses are disappearing not only from the main streets of cities, but in general.

Antoni Odzimek, deputy chairman of the Poznan Handicraft Chamber, claims that the successive Solidarity governments have not been interested in the development of the handicraft industry. The people of this business had some hopes with regard to the Olszewski government, but in this case also "we have not seen any practical results of political declarations; apparently, it is still considered more profitable to live off interest than to invest."

Jerzy Bartnik, chairman of the Warsaw Handicraft Chamber is convinced that in a country with a normal economy it would not be possible to neglect "the second pillar of economy" to such an extent. "I can see how much craftsmen are appreciated in Germany. But in our country? Last November, Poland hosted a convention of the European Handicraft Federation. No one from the government showed up there, except for some deputy secretary of state, who spent an 'entire' 15 minutes at the convention. My foreign colleagues claimed that in their countries at least half the government would attend such a meeting."

Besides, the craftsmen are envious of Germany's economic policy, which is conducive to the development of small businesses and the handicraft industry. "Tax laws in the eastern lands are three times more favorable than in the rest of the country. Anyway, there are many more incentives. We don't see a similar policy in Poland," concludes Bartnik.

That is why craftsmen loudly call for "pragmatism of the small business economy," convinced that there is still time to save and utilize the potential of the handicraft industry. They are convinced that that sector can arrest the development of negative phenomena in the economy, such as unemployment.

"The majority of handicraft businesses have vacancies," points out Chairman Bartnik. "One could fill them out when appropriate economic conditions arise, such as demand for services and products."

In his opinion, what is needed to create such conditions is a return to investment breaks and preferential loans, and to rent control by the local authorities. "To activate small and medium-sized enterprises is more profitable for the budget and better from the social point of view than to support an army of unemployed," he concludes.

In a ZRP's publication, titled *Development or Progress? Stagnation in the Handicraft Industry—Threat to the Polish Economy*, we read: "We want to devote the economic and organizational assets of the handicraft industry (26 chambers of commerce, 468 guilds, 494 handicraft cooperatives, and 20 wholesale centers) to the construction of a modern Polish economy. The basic precondition is to pull Poland out of the recession. It cannot be accomplished without the involvement of the handicraft industry, as well as the small and medium size enterprises."

The same publication informs us what the handicraft industry is capable of doing. It can "steer a stream of money into the treasury, by enlarging and modernizing its production and its service-oriented assets; it can substitute foreign kitsch with high quality domestic products; it can energize the economy by establishing cooperation ties with large factories; it can pacify social tensions by employing and training a large number of unemployed people; and it can organize professional education for youth and adults alike."

In ZRP's opinion, the handicraft industry is the biggest vocational school in Poland. The system of the adult professional education, used by the handicraft industry, can perfectly serve to retrain the unemployed. It takes two years and consists of practical training in enterprises, supplemented with classes providing theoretical knowledge. This system is conducive to professional mobility and a fast retraining of employees, in accordance with the needs of the job market. At this time, 60,000 enterprises train 180,000 persons, while another 100,000 enterprises are able to accept new adult employees.

However, in order to fully utilize this potential, a state policy which "would stimulate the development of the handicraft industry and its branches" is necessary, according to Chairman Rozpara. Craftsmen have presented their proposals in that regard to successive governments. ZRP has even published a paper, regarding "principles of socioeconomic policy in 1992." It has also appraised the principles of the state monetary policy. Among other things, it has addressed Prime Minister Olszewski three times. In the last address, it criticized the principles of the turnover tax. In particular, ZRP sees a threat to the handicraft industry in the 5-percent tax rate, levied on processed food products, construction materials, and the construction, repair, and installation services.

Deputy Rozpara is amazed by the incoherence of the tax system. On the one hand, the income tax related to the housing construction is being reduced, while at the same time the turnover tax for the construction materials and services is introduced, which only increases costs of apartments. Therefore, "what the craftsmen want the most is civilization," by which they understand introducing clear credit regulations and a coherent and stable tax system, as well as breaking down economic, legal, and organizational barriers that discourage investors.

The craftsmen are worried by the incoherent and unstable tax system, as well as by the red tape pertaining to various type of taxes. In that regard, they demand that the current, 40-percent rate of the turnover tax be declared the highest; that the tax brackets be dependent on the income per each family member; that a simple tax return form be upheld; that the tax on some types of turnover be amended; and that the other tax procedures, as well as the system of investment brakes be simplified, as a way of overcoming the recession.

Craftsmen often have an impression that economic ministries work only on making their lives more miserable. As an example, they bring up a proposal that each—even the smallest—economic enterprise have a bank account and pay taxes through it. "By the time a country blacksmith finds his way to a bank, many years will have passed," Deputy Zapara commented on this issue at a session of the ZRP board.

In addition, what the craftsmen understand as "civilization" is an efficient bank system, capable of providing loans to the handicraft industry and small businesses. The fact that the bank network in Poland is poorly developed (80 banks, compared with 403 in France), and that they do not compete with each other, results in their reluctance to make quick credit decisions and take risk. Even if the loan is small, they require a high collateral, mortgage, or guarantees from the loan-taker's home bank. Machinery and equipment, bought with that loan, are not accepted as a collateral. All that extends endlessly the procedure of obtaining a loan. Furthermore, small, private banks have limited possibilities of providing loans. Moreover, high and unstable interest rates discourage businesses from applying for loans.

"The interest rate could be as high as 60-70 percent yearly. Who would take an investment risk in this situation?" asks Zbigniew Cebula, craftsman and exporter since 1958.

What is worse, foreign credits are practically inaccessible for the handicraft industry because guarantees from Polish banks are required, the minimal amount of a loan is too high (usually at least \$100,000), and a loan has to be used in the country where it originates.

"We keep sending the same message: Let us work," says Chairman Odzimek. And then he tells a story of a craftsman who took a 1.5 billion zlotys loan to modernize his business. He was unable to pay interest and reached the verge of bankruptcy. So, he traveled to Switzerland and sold his eye. With the money he received for his eye he paid back the loan and saved his business.

Surely, it is not typical for Polish craftsmen to save their businesses in this way, but this does not change the fact that the Polish handicraft industry, while not a relic yet, is barely surviving rather than flourishing.

Macedonian 'Fear' of Conference on Yugoslavia
92BA1305A Zagreb NOVI VJESNIK in Serbo-Croatian
29 Jul 92 p 15

[Article by Dragan Djuric, NOVI VJESNIK permanent correspondent in Skopje: "Gligorov Is Playing the Turkish Card"]

[Text] What can the French initiative to call an international conference on the former Yugoslavia mean for Macedonia? The Macedonian public is trying to find an answer to that, not without fear that Macedonia could experience a fate similar to that following the Balkan Wars in 1912 and 1913, when the agreement in Bucharest divided it among Serbia, Greece, and Bulgaria. That decision set forth in the agreement has held until the present day, with one essential change—the former Serbian part of Macedonia, recognized in the second Yugoslavia as the Republic of Macedonia, long ago moved toward independence, liberating itself, as has often been emphasized, from "Serbian occupation."

The independent and self-sufficient Republic of Macedonia (as defined by the Constitution) has so far been recognized only by Croatia, Slovenia, Bulgaria, Turkey, and the Philippines, while still broader international recognition of the EC (under Greece's pressure) is dependent upon changing its name. That is, if Macedonia should participate in the international conference in its present international status, the Macedonian newspaper VECER observes, Macedonians might be "unpleasantly surprised by an arrangement that could turn them into the victim of a possible 'overall resolution' of the Yugoslosis." The Macedonians would perceive attempts to thrust their country into a new Yugoslavia as a new Versailles. That formula, it is feared here, could satisfy the appetite of the Serbian regime, which in the West has had to step back.

The offer has already been made to Macedonia to cooperate with the Yugoslavia consisting of Serbia and Montenegro. That is, "FRY [Federal Republic of Yugoslavia]" Prime Minister Milan Panic has publicly offered Macedonia economic union with Serbia and Montenegro, and Greece is ardently supporting this with its attitude on the Macedonian question. At the same time, the resolve of Macedonians not to consent to a change of their name takes them further away from international recognition and is causing a very difficult economic situation, because they do not have access to international financial institutions and banks, nor can they enter into any very significant arrangements with foreign entities.

Viewed pragmatically, the simplest thing would be to accept the Greek-European "recommendations" and, at least temporarily, agree to the necessity of changing the name. On the international plane, Macedonia would be without its name, but Macedonians would get an internationally recognized state, which could join all international institutions on an equal footing.

By contrast with that pragmatism, at the moment in Macedonia there is not a single political party or organization that would consent to such a move. Anyone who made it, the assessment is, must take political death for granted.

The stars have not been favorable to Macedonia at all. Because of Greek opposition to the recognition of Macedonia if it bears that name, the EC will certainly not alter its decision while the British hold the chairmanship, because ratification of the document from Maastricht is anticipated by the end of the year in all the member countries of the EC. At the beginning of next year, however, if Denmark refuses to take the chairmanship of the EC, and there are suggestions to that effect, then Greece would take the helm of the European Community, and it will certainly know how to use its term of office to avoid a reopening of the "Macedonian question."

No very essential changes of direction in the attitude of the United States should be expected up to the end of the year, because in an election campaign it is pointless to hope that President Bush, whose political rating is on the decline, will make a risky move that would irritate the voters of the powerful Greek community in America, giving up their votes in advance. Macedonia should not hope to hear any encouraging accent from the other side of the Atlantic Ocean at least before the end of this year.

Finally, rumors are spreading through Macedonia that the secret agreement signed in 1913 in Bucharest, which divides the geographic space of Macedonia among the three Balkan states that today neighbor Macedonia, expires this year. Is it not possible that this will again open the Macedonian question in the worst possible way—with a new Balkan war? That is, will Macedonia, lacking international recognition, not become once again the spoils from a military viewpoint of the renewed appetites of its stronger neighbors?

There are many questions and few answers. Nevertheless, it is obvious that Gligorov is trying to find a magic formula "which will preserve Macedonia's independence." To some extent, he has already succeeded in winning over the Albanians, as a sizable ethnic group in Macedonia and their parties to come to the defense of Macedonian independence, and he is now attempting to find a way out of the uncomfortable encirclement of his neighbors via Turkey. Current Macedonian policy is trying to distance itself equally from both Bulgaria and Serbia, attempting to remove from the back of the Macedonian people the label of a "divided nation," which follows the lines of "Bulgarophilism" and "Serbo-philism." And there is no better choice than Turkey, as the most respectable force in the Balkans, it is felt in Skopje. Whether he will succeed in this, however, depends greatly on whether the firestorm of war spreads even to the hot south of the former Yugoslospace.

If war breaks out between the Albanians and the Serbian regime in Kosovo, it will be very difficult to avoid

formation of a part of a "southern front" in Macedonia as well. That challenge could be disastrous for Macedonia. The situation would be essentially changed, however, if Macedonia obtained international recognition, because, in that case, the international community, through its security system, could also guarantee territorial integrity, security, and if necessary, provide it appropriate military assistance.

Statistics on Type, Quantity of Serbia's Weapons

92BA1277B Zagreb NOVI VJESNIK in Serbo-Croatian
19 Jul 92 p 19

[Article by Fran Visnar: "Three Times as Many Cannons as America"]

[Text] You might not like it, but according to the statistical indicators, Serbia is the world's second power in artillery. When last July the former YPA [Yugoslav People's Army] commenced the war against Croatia, it possessed 19,029 various artillery guns—1,799 antitank guns, 4,200 recoilless cannons, 6,400 mortars; the heavy hand-operated artillery consisted of 1,934 guns, there were 250 self-propelled cannons, 4,286 antiaircraft guns, and 160 multibarrel rocket launchers.

After the losses of equipment on Croatian soil (including those in Slovenia and Bosnia-Herzegovina [B-H]), the Serbs at the moment possess 17,270 artillery barrels, which continues to be an important strength on a world scale. For example, the ground forces of the United

States have 5,789 cannon barrels (including mortars), and the Marine Corps—922. Germany has some 4,579 artillery guns, Ukraine—5,000, Turkey—4,187, India—4,000; the Italians have 1,952, the French—1,403, and the British—only 729 guns in their artillery arsenal. Serbia is followed even by the Chinese Army with its millions—China has 14,500 artillery guns (3,800 of them mortars).

The greatest artillery power is Russia. It possesses 55,000 various artillery weapons (before its disintegration, the USSR had 64,000 artillery barrels, 13,000 of these mortars). Taking the Soviet doctrine of superior artillery power as its example, Yugoslavia at one time, and now Serbia, consistently enjoys the advantage of possessing such a large number of heavy guns with which it is systematically destroying the peripheral areas of Croatia and almost all the cities and settlements in B-H. The fact that the Americans and NATO are hesitating to send ground forces into Sarajevo lies precisely in the fear that an air strike could not quickly destroy this arsenal. Especially because in Vietnam the Americans were dealing with only 1,200 cannons and mortars of the Vietcong.

Serbia has deployed its artillery over the entire area that it surveys: There are 3,000 artillery pieces in B-H, 4,000 in Montenegro, and more than 10,000 artillery weapons in Serbia proper, Vojvodina, and Kosovo. All the more important ammunition stores and factories for the production of armament are also on parent Serbian territory. The way things stand now, Serbia has prepared itself for an exhaustive war lasting several years in which artillery is its strategic stake.

**Total Quantity of Serbian Weapons on the Territory of Serbia, Montenegro, and B-H
(July 1992)**

Type of Weapon	Quantity (Number of Pieces)	Production Status	Stocks of Ammunition
Rifles	Automatic and semiautomatic rifles	2,200,000	Stepped up
	Submachine guns	600,000	Continued
	Machine guns	25,000	Continued
Mortars and bazookas	Single-round antitank bazookas	200,000	Stepped up
	Multiple-round antitank bazookas	4,000	Stepped up
	Guided antitank missiles	1,500	Continued
	Antitank bazookas and mortars	2,000	Stepped up
	Mortar shells	5,600	Continued
Cannons	Recoilless cannons	4,000	Continued
	Light antiaircraft cannons	3,900	Continued
	Heavy artillery	3,400	Continued
	Self-propelled artillery	220	
	Multibarrel rocket launchers	150	Continued
Tanks	Tanks	800-900	Shut down
			100- and 125-mm shells for 10 months

**Total Quantity of Serbian Weapons on the Territory of Serbia, Montenegro, and B-H
(July 1992) (Continued)**

Type of Weapon		Quantity (Number of Pieces)	Production Status	Stocks of Ammunition
	Armored personnel carriers (armed)	738	Partially continued	"Maljutka" antitank missiles, light cannons, and machine guns
Aircraft	Airplanes (operational)	180	Shut down (partial maintenance)	Conventional bombs, cluster bombs for 8-10 months
	Helicopters (assault and transport)	150 "Gazelles" and MI-8's	Shut down	Antitank missiles, guided missiles
Rockets and missiles	Surface-to-surface tactical and medium-range missiles	50-60 launchers	Improved	
	Fuel	—	Supply embargo	Stored for 3 months of intensive combat
	Air-to-air (airplane) missiles	600	Service, modification	—
	Air-to-surface (airplane) missiles	400	—	—
	Surface-to-air (antiaircraft) missiles	200 launchers	Improvements	500-600 pieces
Ships	Frigates and corvettes	4		All ships, missiles, and ammunition in Kotor Bay
	Patrol and missile boats	60	Shut down	All ships, missiles, and ammunition in Kotor Bay
	Minesweepers	8-10 operational	Shut down	All ships, missiles, and ammunition in Kotor Bay
	Amphibious vessels	40	Shut down	All ships, missiles, and ammunition in Kotor Bay
	Submarines	5	Shut down	All ships, missiles, and ammunition in Kotor Bay
	Pocket submarines	6	Shut down	All ships, missiles, and ammunition in Kotor Bay
	Marine helicopters	16		On naval pad in Tivat

The condition and number were arrived at on the basis of recent British, American, French, German, Austrian, Italian, and Swedish published sources. The mutual discrepancies in these estimates amount to + 2 percent. The table gives the time it will take to expend the reserve ammunition in battles taking place daily.

Former Romanian nationals, mainly related to the former regime of N. Ceausescu, are serving as individuals in Serbian ground troops.

The presence of Russian volunteer pilots who are reportedly flying MiG-23 and MiG-29 fighter-bombers is arrived at on the basis of the fact that on several occasions conversation of pilots in Russian has been detected during combat missions.

Minister Rupel Visits Lithuania, Byelarus*92BA1280B Ljubljana DELO in Slovene 24 Jul 92 p 24*

[Article by Anton Rupnik: "Minister Rupel Visited Lithuania and Byelarus"]

[Text] *Lithuania was the first to recognize us, and we have only now agreed with Byelarus on establishing relations.*

(From our correspondent.) Moscow, 23 Jul—Yesterday and today Slovene Foreign Minister Dimitrij Rupel visited his counterparts in Lithuania and Byelarus. Whereas Lithuania was the second foreign state (after Croatia) that recognized Slovenia's independence and established diplomatic relations with it, the head of Slovene diplomacy agreed (only) today with Byelarusian Foreign Minister Petr Kravchuk on establishing diplomatic relations at the level of embassies.

Lithuanian Foreign Minister Algirdas Saudargas invited his Slovene counterpart to visit as early as last year. On this occasion they met at the Baltic summer resort Palangi.

Relations between Slovenia and Lithuania go back to the times when the republics were striving to achieve state independence. Since both of them are now seeking a new basis for economic ties with the world, the ministers devoted the most attention precisely to these issues. The Lithuanian side is offering to help Slovene businessmen strengthen their ties with the hinterland in the former Soviet Union, and for its own part it is expecting Slovene partners to provide corresponding assistance in penetrating the markets of Central Europe.

Lithuania and Slovenia have a similar position on the edge of crisis regions, and consequently they will further intensify their exchange of views within the framework of the CSCE. Dr. Rupel invited his host, Saudargas, to visit Ljubljana; his visit is expected as early as September, i.e., before the elections that are scheduled for October.

The Byelarusian interlocutors emphasized the traditional fruitful cooperation between the former republics, now states, that has already been taking place for a full decade. The people in Minsk are expressing satisfaction because they are (at least one) Slavic state that can show itself before the world with its achievements. They are showing a great deal of interest in Slovenia's experiences with its own money, and consequently it was agreed that a Byelarusian banking delegation would soon come to visit our state bank.

Both sides are determined that they will soon conclude several necessary intergovernmental agreements on economic, financial, and tax matters.

[Box, p 24]

Rupel's Statement

Brnik—"Byelarus is already a very important partner for Slovenia and its economy now, and even more important is the fact that Minsk is obviously becoming an economic center not only of the Commonwealth of Independent States, but also of a future East European economic community, i.e., as important in the East as Brussels is in the West. Consequently our visit to this state, as well as the signature of the agreement on establishing diplomatic relations, seem to me to be very important for Slovenia," Slovene Foreign Minister Dimitrij Rupel stated at the Brnik airport after his return.

The day before his visit to Minsk, Rupel was also in Lithuania, which may be interesting to Slovenia because it has numerous channels for economic and political communication with the states of the former Soviet Union. Slovene citizens still need entry visas, which they can obtain at border crossings, to travel to both states, and Slovenia will also introduce the same measures for citizens of Lithuania and Byelarus, although there are no difficulties at all at border crossings.

Refugee Exodus From Bosnia-Hercegovina Detailed*92BA1310B Ljubljana DELO in Slovene 1 Aug 92 pp 21-22*

[Article by Vinko Vasle, Slobodan Dukic, Peter Potocnik, Zoran Odic, Majda Vukelic, and Sasa Vidmajer: "Flight for Survival"]

[Text] *One of the biggest and most tragic "migrations of peoples" since World War II is being experienced by the states that arose on the territory of the former Yugoslavia. According to unverified information, on the territory of the former joint state about 2.3 million people have been left without a home and a roof over their heads. The UN High Commissioner for Refugees warns that because of the consequences of the war in Bosnia-Hercegovina and in Croatia, Europe will be flooded with refugees and the homeless over the next 10 years, even if the war ends.*

When the first exiles came to the Slovene border, it was a tragedy. Now, when a wave of more than 2 million refugees is rolling toward Europe from the former republics of the late Yugoslavia, it is all still just a bare statistic, which politicians perceive as a nightmare, while Europe is shedding crocodile tears of despair and—what else—putting up a high wall, which is supposed to be bigger and stronger than the Berlin wall, to keep its territory from being flooded by Balkan refugees and Balkan filth.

The statistical figure of more than 2.3 million refugees, however, includes children, women, the aged, the sick, and the wounded. It is more than 2 million personal tragedies of people who have lost everything—a roof over their heads, land, homes, their families, and their

neighbors. Before the war, Sarajevo had half a million inhabitants, and today only about 200,000 are still vegetating in it. There were 40,000 people living in Gorazde, and today there are supposed to be only 10,000 still in that Bosnian city—assuming that they are still alive. Fifty-seven new “cities” have arisen, in which more than 100,000 people are experiencing the horrors of concentration camps. These are camps in all parts of Bosnia under Serbian control and in Serbia itself—in mines in Aleksinac, in Stara Gradiska, and in the Omarsko mine. The river of refugees is spreading throughout Bosnia—from Foca and Zvornik people fled to Gorazde, which turned into a city overnight in terms of the number of inhabitants, and into a tomb in terms of the quality of life. Those who did not flee ended up as prisoners inside the fence of the alumina factory in Karakaj, where one of the concentration camps is located. Some are fleeing to Mostar, and others are fleeing from Mostar; some are fleeing themselves, and others are being resettled by forces, in order to cleanse the area ethnically. Ethnically pure areas have thus emerged on the territory of all of Podrinje, from which Serbs have forcibly relocated the Muslim and Croatian inhabitants—those who survived the massacres, obviously. The self-styled state of the Serbian Republic of Bosnia-Herzegovina has already been cleansing Bosanska Krajina (Banja Luka, Bihac, Cazin, Prijedor, and other cities) for months now. The victims are non-Serbian inhabitants, without exception. In Banja Luka, an Office for the Resettlement of the Non-Serbian Population has been established and registered. They are thus achieving the basic goal of the war on the territory of Bosnia-Herzegovina: the emergence of ethnically pure territories with a Serbian population. The Croats are being relocated to western Herzegovina, and the Muslims have only been left an area in central Bosnia, in the valley of the Bosna River.

Pay or Die

Sarajevo is also being ethnically cleansed. The occupiers have already driven out almost all the non-Serbian inhabitants from Grbavica, since according to Karadzic's “cartography” Grbavica is part of “Serbian” Sarajevo. The non-Serbian inhabitants of this part of Sarajevo can leave peacefully—and without all their property—only under the condition that they pay from 2,000 to 5,000 German marks [DM]. Otherwise death comes, since all this is not just a matter of statistics, but also the financial ministry of the Serbian Republic of Bosnia-Herzegovina. Radovan Karadzic claims that he will thus collect DM30 to DM50 million for the treasury of his new state.

Where did those who have managed to leave the territory of Bosnia-Herzegovina flee to? Most of them are in Croatia—already about 400,000, according to the latest data. Almost 300,000 refugees are supposed to have found refuge on Serbian territory; according to the data of the High Commissioner for Refugees, about 163,000 people fled to Serbia from Croatia, and more than

219,000 from Bosnia-Herzegovina. The Serbian authorities are keeping silent about the fact that all refugees who are fit for the army are immediately turned over for the ranks of the “army of the Serbian Republic of Bosnia-Herzegovina,” and sent back across the Drina to Bosnia-Herzegovina in the uniforms of the former Yugoslav Army—while young men from Serbia are also fleeing, as if they were from Bosnia, and seeking refuge in several European states.

Almost 70,000 refugees from Bosnia-Herzegovina have found refuge in Slovenia. According to statements from the Republic Civil Defense Headquarters [RSCZ], this has exceeded sixfold the financial and technical capabilities for housing and care here.

According to the latest data (27 July), there are 48,271 officially reported and registered refugees. Among them a full half are children under 16, 40 percent are women, and somewhat less than 10 percent are adult men, mostly elderly, although after the declaration of a state of war in Bosnia-Herzegovina and the introduction of general mobilization there has been an increase in the number of refugees who are seeking refuge here in order to evade military service. Some of them, however, have already been turned back at the border and did not receive temporary refugee status here, and likewise recently refugees at the reception centers have been warned several times about their military obligation. In this regard, we should add, as the RSCZ points out, that there is no legal basis for Slovenia's returning presumed military conscripts to Bosnia-Herzegovina.

As far as the ethnic composition is concerned, over 71 percent of the refugees are Muslims, somewhat more than 20 percent are Croats, 1.5 percent are Serbs, and 6.9 percent are members of other peoples and nationalities.

They are housed at refugee centers which are located in 47 Slovene opstinas, and those now completely occupied. Specifically, more than 17,000 people are living in them, including 8,833 children under 16, 6,612 women, and 1,928 men. As the RSCZ has already been warning for some time, most of the refugee centers are completely unsuitable for living in wintertime, since it is not possible to heat them, and at the same time the electrical and plumbing fittings and the sewage system are worn-out. They will consequently have to be renovated before winter, and so far a great deal of money has already been spent on this, but in spite of that, few centers are equipped in such a way as to meet sanitary and hygienic standards. Also used to take care of the refugees are the “strategic reserves of material resources intended for housing and taking care of the endangered population in case of mass natural and other disasters, food reserves, and the Red Cross reserves,” the RSCZ wrote in a special report.

An increasingly bigger problem is represented by the families with which refugees are living, since up to 20 refugees are living with individual families. These are mostly families that are socially weak and already do not

have enough money to survive on themselves. So far they have received assistance primarily in the form of food and hygienic necessities, whereas they have not received money. That is why from day to day more and more refugees want to move to the reception centers.

Already 3 Percent of the Population

The refugees already constitute more than 3 percent of the population in Slovenia, and their proportion in individual obcnas is considerably higher. And, since taking care of the refugees to date is already exceeding our capabilities, there is a serious danger that the entire system for taking care of them would collapse upon the arrival of even more of them. That is why the RSCZ thinks that the acceptance of more refugees would be irresponsible both toward the inhabitants of Slovenia and toward the refugees themselves.

The centers for social labor state that the social distress of the Bosnia-Hercegovina refugees is substantially higher than the distress of the Croatian refugees was. Specifically, there are many pregnant women, including a considerable number who were raped during the war, and there are many children who cannot be left to fend for themselves. There are also a considerable number of mentally and physically impaired people, and consequently settling them at the centers is problematic, and there is no more room for them at special medical and social institutions.

Recently, there has not been a large number of refugees coming to Slovenia from Bosnia-Hercegovina. There are more and more people, however, who voluntarily leave the reception centers and leave for Bosnia-Hercegovina, but come back after a few days and bring relatives and acquaintances with them.

For the time being, our republic—from a security standpoint—has not had any particular difficulties with the refugees. Their movements are restricted. They can only visit other reception centers if they have a special permit. Every refugee, in fact, can lose that status if he leaves the center without permission and moves to another center. As the RSCZ emphasizes, however, for the time being there are no major difficulties with the refugees and they mostly respect order at the centers as well as public order.

From mid-April until now, Slovenia has spent more than 712 million tolar on the refugees, and according to rough calculations, we would need more than 608 million tolar per month for normal care at the centers, and more than 737 million tolar per month to take care of those staying with families. So far our republic has received about a million dollars in assistance from abroad. We are getting continuous assistance only from the UN High Commissioner for Refugees, Italy, the World Islamic Organization, and Austrian and German humanitarian organizations.

Since all the possibilities for accepting refugees have been exhausted here, the RSCZ thinks that we should not

receive any more refugees, especially not those liable for military service. Immediately after the first secure areas are formed in Bosnia-Hercegovina and humanitarian corridors are ensured, repatriation of the Bosnia-Hercegovina refugees should be started.

Thus, in practice all of Bosanska Posavina has been depopulated, many people have fled from Sarajevo, Podrinje has been depopulated, and a "defensive zone" has been created (where the Muslims and Croats have been killed or driven out), 30 to 50 kilometers wide from the Drina in the interior of Bosnia. Now Bosanska Krajina is being hurriedly cleansed; Hercegovina is still the most populated, but people have also fled here from the left, from the east, to the right, to the west, across the Neretva if they are not Serbs and in the opposite direction if they are Serbs. Just like Karadzic's, Boban's kingdom is also emerging, ethnically pure and in accordance with Boban's philosophy of a Croatian Community of Herceg Bosna, and with Tudjman's pronouncement that "Croatia without Bosnia is like an apple with a bite taken out of it."

Unknown Fate of 800,000 "Units"

Before the war that started four months ago, Bosnia-Hercegovina had 4,800,000 inhabitants. If we subtract more than 2 million refugees, we are left with the statistical fact of 2.8 million inhabitants. According to the official recount, on the side of Izetbegovic, Karadzic, and Boban, there are 2 million people left in Bosnia-Hercegovina. Then where are 800,000 statistical "units"? These figures cannot be rounded off, not even if we very generously subtract all those who fled and were not registered anywhere as refugees. If we subtract from it the 40,000 people killed in the war, 20,000 officially missing, and about 100,000 in Serbian concentration camps, it is still not clear where more than half a million people are!

One of the Croatian paradoxes also has to do with the refugee problem. The HDZ [Croatian Democratic Community] officials in Dalmatia were among the first to cause a refugee problem in Croatia, at the beginning of the uprising by the Knin Serbs (17 August 1990), when they literally invited Croats from the Knin opstina to move out to safety. The Croatian Government seriously began to be aware of the refugee problem after the fall of Baranja last August, when 25,000 Baranja residents fled to Hungary at once, and twice as many were scattered throughout Croatia. It was only then that an office for refugees, now headed by the well-known Croatian theologian Dr. Adalbert Rebic, was established as part of the Croatian Ministry of Labor and Social Policy. As early as last September, more than 200,000 refugees were counted, among whom 150,000 were settled in Croatia. By 3 January, when the Sarajevo agreement on the end of hostilities was signed, the number of Croatian refugees had increased to around 700,000, but then it began to decline and stopped at the figure of 250,000.

These are registered refugees, who have, along with free food, stays in Croatian hotels, gymnasiums, summer resorts, with private individuals, public transportation, and health care, the right to "pocket money," i.e., monetary compensation between 4,000 and 8,000 Croatian dinars. Refugees from Bosnia-Herzegovina, who have already exceeded the figure of 400,000, are in a different position from Croatian refugees, because they are not entitled to monetary compensation.

In spite of that refugee pressure upon Croatia, so far only two refugee centers have been set up from the former military barracks in Dzakovo and Pozega, which, in addition to the temporary one in Zupanja—where there are one and a half refugees for every resident—and in Slavonski Brod, are primarily reception centers for sending refugees to the interior of Croatia and to Dalmatia.

"The Croatian Government owes our hotels \$150 million, but it has nowhere to get it. Admittedly, we are receiving irregular assistance in the form of food, medicines, clothing, and tents, but we need money," stated Dr. Adalbert Rebic. Croatian Deputy Prime Minister Mate Granic, who is responsible in the Croatian Government for refugee problems, said, however, that the refugees were now costing the Croatian Government DM100 million a month, and that the refugee problem had already crossed the Rubicon of Croatia's endurance a month ago. According to him, it has become a factor in Croatia's instability and its sinking into complete economic collapse. Finally, this was also noted by representatives of the High Commissioner for Refugees, who inspected the refugee camps in Slavonia and warned about the danger of the spread of contagious diseases, undernourishment, and poor hygienic conditions.

Black Humor From Belgrade

Batric Jovanovic, chairman of the Serbian Assembly's committee for war damages, estimated a few days ago that "Serbia had received around 400,000 refugees from Croatia." These, however, are only rough estimates, according to this Belgrade politician, who is preparing to have Belgrade officially demand more than \$24 billion from Zagreb for the refugees and war damages. The witty Jovanovic, however, also casually included in this amount damages for prisoners of war from World War II, and certainly with the hope that this sum could save Serbia from disaster.

In any case, the figure most frequently mentioned in Serbia with respect to refugees from Croatia and Bosnia-Herzegovina is 300,000. Serbian official representatives claim that they do not know the exact figures, since many refugees are staying with relatives and friends, and a large number of refugees do not even want to report to the Serbian authorities. According to statisticians' data, the most refugees, around 70,000, are in Belgrade, and more than 100,000 are in Vojvodina. The Kragujevac, Nis, and Kraljevo areas are suffering the most pressure from refugees. Because of the refugee problems, the Serbian authorities have passed a special law on refugees and established a

commissariat; it is only through the latter that one can obtain official refugee status, which brings several privileges. Otherwise, the Serbian regime is accusing the international community and the UN of not doing anything for its refugees. At the same time, Milosevic's regime looks away when Seselj's forces, together with organized groups of refugees in Vojvodina, cleanse cities and villages of Croats, Slovaks, Hungarians, and other non-Serbian residents. The Serbian Red Cross claims that more than 100,000 refugees have come to the territory of Serbia from Bosnia-Herzegovina alone, and it estimates that there are at least that many more who have not reported to the authorities. Serbia has organized 30 reception centers for all these refugees, it is consuming about 150 metric tons of food for them daily, but all the international assistance that is still coming to Serbia, according to these estimates, is supposed to be sufficient to cover only 30 percent of the requirements.

In any case, in recent days about 5,000 refugees have returned from Serbia to Croatia and Bosnia-Herzegovina, but many of them are already going back to Belgrade; they say that the "current authorities" in the so-called Serbian Krajinas have done much more evil than Pavelic's Ustase caused in those regions.

[Box, p 21]

The refugee consequences of the war on the territory of the former Yugoslavia are also already threatening in the opinion of experts from the UN and the High Commissioner for Refugees. It is the largest exodus since World War II, which has included about 2.3 million people.

According to data and estimates from the middle of July 1992, 163,000 people fled from Croatia to Serbia, and 219,000 from Bosnia-Herzegovina. From Bosnia-Herzegovina 41,000 people fled to Montenegro, and from Croatia 8,000. Thirty thousand refugees from Bosnia-Herzegovina ended up in Macedonia. According to these data 320,000 people fled from Bosnia-Herzegovina to Croatia, and somewhat less than 70,000 to Slovenia. There are 69,000 refugees in the areas under UNPROFOR [UN Protective Force] control. During the war in Croatia, 140,000 people sought refuge in Bosnia-Herzegovina at that time, but have mostly returned to Croatia.

Let us also look at data on the refugees who have found refuge in other European states. There are already about 275,000 of them in Germany, 60,000 in Hungary, 41,000 in Sweden, 50,000 in Austria, 26,000 in Turkey, 16,000 in Switzerland, 10,000 in the Netherlands, 8,000 in Norway, 7,000 in Italy, 5,000 in Denmark, 2,000 in Finland, 2,000 in Belgium, 1,500 in France, and 38,000 in other European states or around the world.

UN, Western Attitude Toward Bosnia, 'Killings'

92BA1310C Ljubljana DELO in Slovene 1 Aug 92 p 22

[Commentary by Vojko Volk: "Observing the Killings"]

[Text] In the next few days and weeks, the world will sink into comfortable armchairs, and millions of mortals will

goggle at TV screens and watch the battles of athletes in the charming Catalonian capital; and, at least for a short time, the battles for life in Sarajevo, Gorazde, and other cities and villages in Bosnia-Herzegovina will be forgotten. The deadly monotony of the portrayal of the terrible sights of death will certainly be pushed into the background in all the media.

It actually starts to seem to a person who keeps seeing the same sights coming from bleeding Bosnia that he has already seen all this several times and never at all, and that he is watching a continuing series without an end. It is as if the whole world has simply reconciled itself to the insane actions of the Serbian conquerors, who are going off to "steal land" in an incomparably more brutal manner than the barbarian hordes and the "savage" Turks did centuries ago. That is why it is clearly true that the Bosnian tragedy is one of the biggest spots on the conscience of the modern international community, bigger and worse than all the wars, and the brutal deaths of innocent civilians cannot be compared even with the thousands who are dying of starvation at the same time somewhere in the African boondocks. In comparison with Ethiopia, humanitarian assistance to Bosnia can only be an extremely bizarre cynicism, with which troops of politicians from the developed countries are easing their consciences and setting the tables for their campaign goulashes.

It is not even slightly true that the international community, with the UN and the incredibly elaborate system of institutions, does not have the ability and power to intervene radically in events in which the constant perpetrator of massacres has already also been formally recognized as the culprit, namely the one against whom an international embargo has been introduced. Precisely the latest statements from the State Department, the Pentagon, and the UN Security Council directly prove that it is possible to do more. On orders from the latter, the bombers of the allied forces could bomb Baghdad and other targets just in order to destroy Hussayn's atomic project in that extreme manner. In other words, this means that the international community is prepared to use force for "preventive" purposes, in order to prevent a project that could possibly threaten life, but it is not prepared to do so in order to prevent the bloody execution that is happening every day in front of its nose, to the disgrace of the achievements of human civilization. It is as though tens of thousands of deaths in the Balkans were nothing in comparison with Saddam's paper with an atomic project.

All the strategic, tactical, political, and military explanations of this council about what the difference is supposed to be like between military intervention against Iraq, on one hand, and against Serbia, on the other, stumble over the simple fact that Milosevic is just more adept than Saddam Hussayn at leading the ossified bureaucracy of the international security system by the nose. Sloba says that there are no Serbian military formations in Bosnia, and Butrus Butrus-Ghali is already accusing the Croats of military interference in

Bosnia. JNA [Yugoslav People's Army] military aircraft, which are systematically bombing Gorazde at the time that one of the world's political leaders is landing in Sarajevo, of course, do not have any connection with either Serbia or Milosevic; they just fly that way, from memory and as a lark, and of course at their own will. None of them want to see the fact that it is precisely the activity of these aircraft that is the most glaring proof of the maximum possible involvement of Serbia, the FRY [Federal Republic of Yugoslavia], the JNA, the generals... in short, the entire murderous clique from Belgrade, in the slaughter in Bosnia—neither Butrus-Ghali, nor MacKenzie, nor Carrington, nor the entire Security Council, in short, none of those whom the Serbian leader is leading up and down with his lies. On the other hand, they all see Paraga's fighters, the Green Berets, religious police, etc., who are aiming rifles at the fortified cannons at safe distances, the tanks, and the aircraft of the JNA. Let whoever can, understand this. Whenever Milosevic says that he is in favor of immediate peace, the Muslims are already accused of their "stubborn lack of cooperation," and when Panic, the phantom prime minister of the FRY, says insipid things about Serbia's peaceful inclinations, the international community immediately yields to the comfort of hoping that peace will still come about in Bosnia.

Obviously we in Slovenia are also slowly giving in to the syndrome of always the same pictures from Sarajevo. In the Slovene media's reporting, there is virtually no longer any mention of the still continuing Serbian aggression against Croatia and the aggression against Bosnia-Herzegovina. They have adopted the Western media's vocabulary about the "civil war in Bosnia-Herzegovina, the parties involved in the conflicts," etc., which is not only the wrong thing to do and misleading the public, but is also extremely unfair to those who are resisting the Serbian conquests and the cleansing of territory that has never been Serbian. This action really can only be characterized as a civil war by the unconcerned ignoramuses and sterile incompetents in the ranks of the international bureaucracy. It is easier to understand the cooling of Slovenes' attitude toward the events in Croatia. The exacerbation of relations, and Croatia's political and diplomatic tactlessness, mistakes, and stupidities, however, in spite of this cannot change certain facts: that the neighboring state is still at war, that it has to deal with the temporary or even permanent loss of a large part of its territory, that it is being threatened and attacked by the same aggressor that experienced a defeat in Slovenia some time ago and is devastating Bosnia, and that in these very months Croatia has been struggling with a catastrophic economic crisis, which is by no means without psychological consequences for its population, which has already been seriously affected in one way or another. In this bloody Balkan circus simply no one is innocent any longer, neither the functionaries in the UN's glass palaces nor the politicians of the states that make up that leadership of the international community. It is actually just now, precisely in the last few months, that any consideration of the events in Bosnia has been intruded upon by the thought that everything that the international community has done to date has

actually stimulated the bloody campaigns of conquest by the frustrated leaders of outraged Serbdom. Were the UN's actions, above all the sending of the blue helmets to the newly conquered borders of Serbia, anything else but assistance for bloody Milosevic's campaigns of conquest? Isn't everything in Bosnia-Herzegovina happening according to exactly the same scenario, and isn't the international concern about the refugees precisely what was planned in Serbia? Haven't all the world's actions to date essentially been a terribly valuable service for the Serbian "cleansing of the territory"? It is precisely for this reason that it is understandable that both Croatia and Slovenia are attempting a more restrictive attitude toward the refugees, so that at least in this way, which is not exactly suitable, they can perhaps nevertheless influence the international community, and especially the international public, to exert more decisive pressure against the Serbian aggressors when it is directly involved and when it confronts the refugee tragedy. It would even have been a great success if they had punished the first violators of the embargo, since it is generally known that there is a swarm of states and enterprises that are doing everything possible to support Serbia. The stories about the Romanian tugboats that are carrying oil to Belgrade before the eyes of pedestrians along the Danube convey the seriousness of the international community's "concern" about implementation of this quasi-embargo.

The politicization of the refugee problem and in a way also the manipulation of the international community through the refugees' distress are of course an extremely harsh way of motivating it at least to undertake something, but all of it together is incomparably less brutal than the other facts and events where people have fled from. Possibly at this time this is also all that can realistically be done or rather utilized in the struggle to keep and increase the attention of the world, which is being seized by the drowsiness caused by the syndrome of always the same Sarajevo pictures.

Wage Dispute Between Government, Trade Unions *92BA1280A Ljubljana DELO in Slovene 29 Jul 92 p 1*

[Article by Vinko Vasle: "Without an Agreement Between the Government and the Trade Unions"]

[Text] *The trade unions are demanding withdrawal of the law on restricting wages in the public sector, but the government is opposing this; the chamber does not agree with the views on the causes of inflation.*

Ljubljana, 28 Jul—Today's talks between representatives of the trade unions and the Slovene Government fell through. The government did not want to withdraw the law on restricting wages in the public sector, and the trade unions said that they could not start negotiations on a social pact. They demanded withdrawal of the law, and the base wages were supposed to be regulated by an annex to the present collective contract.

Of course, complications already arose over the first of the five points that the trade unions proposed as a condition to

start negotiations with the government, i.e., regarding the demand that the government retract the legal, i.e., administrative regulation of wages in the public sector. Viktor Zakelj, the deputy prime minister for social activities, said at the very beginning that the law was already in parliamentary proceedings, and it depended on the deputies whether they would pass it or not. Within the limits of the budget's financial capabilities and its redenomination, the government acted in accordance with what it had available financially, and it therefore could not back off from the law. He also emphasized that "the government could not agree to such a rigid formulation of the first point offered by the trade unions," i.e., the withdrawal of the law. France Tomsic, who headed the negotiating group of trade union representatives today, said that all in all, this also represented a touchstone for the Drnovsek government's willingness to observe the international conventions adopted which regulate these issues.

Later, Minister of Planning Davorin Kracun and Dagmar Suster, vice president of the Chamber of Commerce, became involved in the polemics. Kracun said that Slovenia was in a crucial phase of eliminating inflation and that this was not only in the government's interest, but also in the interest of the workers. Consequently, the most important instrument for achieving the goal that has been set is control over wages, especially those paid directly from the budget.

If the present "mechanisms" were adhered to, this would mean a transfer of inflation from the past, and its rising again. Until there are anti-inflation mechanisms, it is necessary to restrict and control wages, he said. Dagmar Suster, however, said that the Chamber of Commerce did not agree by any means with such views of the causes of inflation. The assertions that wages in the economy are the reason for inflation indicate at least unfamiliarity with the matter, if nothing worse.

Minister of Labor Jozica Puhar agreed with Tomsic's assessment that all these issues were regulated by international conventions, but this applies to stable economies, and not here, when the state still has to intervene because of economic pressures and upheavals.

The trade union side thought that if the government thought that wages could be regulated by laws, then it did not even need a trade union partner on the other side. At the end, Tomsic called today's talks a dialogue with the deaf, and announced that after everything that happened today, the trade unions would have to resort to more radical measures. Consequently, Tomsic said, he did not see any particular argument for the trade unions' meeting with the government again. In any case, they will also convey their position to the government in writing.

EC Decision Complicates Macedonian Politics**Diplomacy Questioned**

92BA1212A Skopje NOVA MAKEDONIJA
in Macedonian 4 Jul 92 p 11

[Article by Ljupco Popovski: "Macedonia and Its Diplomatic Battle for Independence; With a Shield or on a Shield?"]

[Text] *Macedonian diplomacy was defeated in Lisbon. However, in retrospect, the EC declaration (and the lack of moral credibility it carried) was an expected step due to many specific interests. Instead of defining the strategy of the future steps to be taken at such crucial times, the debate in parliament degenerated into a naked power grab.*

It was quite understandable and even expected that the diplomatic defeat suffered by Macedonia at the European Community summit in Lisbon (the public and the leading politicians were terribly distraught, although they could sense it) developed into a major argument on the success of the present leadership of the state in the course of the several days of debate in parliament on the strategy pursued so far aimed at recognition by the international community. If no serious remarks may be made concerning overall Macedonian policy (for, in the final account, there is neither a war here nor any major interethnic unrest other than an occasional spark, and Macedonia is not threatened by any major danger), because the announced strategy of tolerance and peaceful cooperation was particularly valued, some of the steps taken by the leadership of the countries surrounding this Republic and the promotion of this Republic throughout the world could be assessed somewhat differently.

The declaration of the EC, which frightened only the ill-informed and those who constantly cheered and supplied the local public exclusively with facts certifying to the rightness of our position, it seems, came more as a sobering fact, enabling us to realize the true place of that same Macedonia in Europe, Europe's demands toward Macedonia, and Macedonia's influence. The string of contacts President Gligorov, Assembly chairman Andov, Prime Minister Kljusev, and Minister Maleski had established and the discussions the parties had with a substantial number of European statesmen and influential people in the United States and Canada reflected, on the one hand, the dynamic nature of Macedonian contacts with the world and confirmed the support and recognition of the policy Macedonia is following. Along with such approvals and recognition, there were the statements of the worldwide community that Macedonia's demand to become an equal member of the international community was not debatable; most of its members quickly guaranteed the inviolability of its borders. However, the debates invariably got stuck on the question of name.

Neither in Heaven nor on Earth

Neither the citizens of this Republic nor its leaders could imagine how Macedonia's name could become such a major stumbling block to its recognition and prevent us from assuming our place in any of the European institutions or of opening a diplomatic mission in another country and make us, instead, exist like a phantom state, neither in heaven nor on earth. For that reason, all that European recognition of the proper tolerant policy of compromise pursued by Macedonia seems to have been drowned by the deafening noise of those same Europeans demanding that the name be changed, and only then, perhaps, would everything be in order with the recognition.

It seems that the people who created and implemented Macedonia's foreign policy were unable to influence the resolutions of the EC, starting on 16 December, when the prerequisites for the recognition of the new countries in Europe were formulated at the regular ministerial meetings and with the Guimaraes and Lisbon declarations, which were of key importance to us. The hasty amendment of some articles in the bylaws seemed to be the main basis on which, without any major problems, Macedonia would positively enter the structure of European interests. When the Arbitration Commission, encountering no serious problems, said that it was only Macedonia, in addition to Slovenia, that was meeting the conditions for recognition as an independent state, the public in all countries—politicians, the press, and radio and television—was bombarded with statements that recognition was imminent, if not by 15 January, then in another month, at the latest. The occasional and, later, more frequent statements by Kiro Gligorov that "recognition will be a lengthy and torturous process" were viewed as statements that, although accurate, would in no way prevent us from reaching the final objective. The heavy reliance placed on the resolution of the Arbitration Commission appeared more like helplessness and a lack of realization that some recommendations, although formulated by top European rulers, were meaningless in terms of interests. The failure of the EC to honor the resolution and recommendation of the Arbitration Commission, although the EC had created the commission, led to the forming of a sphere of interests domestically that ignored the recommendations and the best possible decisions concerning the state symbols formulated by the Constitutional Commission of the Macedonian Assembly. The differences may seem to be insignificant, for which reason quite frequently the domestic interest groups hypocritically accused the Community of doing something that was being done in the country itself.

It seems that the makers of our foreign policy made an error (regardless of how accurate the raving critics in parliament may be) in poorly assessing the importance of Greece in European integration and in the eyes of Europe's North American allies. By the time the realization came that the Greek folly would be supported

because it suited numerous interests, it was too late. At that point, recognition of Macedonia began to be side-tracked.

Our diplomacy, reduced to a small circle of people, either ignored or entirely forgot that one of the key articles on which the EC rests is that the interests of all of its members must be protected under all circumstances. In this respect, regardless of how correct our position was and regardless of the support we had throughout the world and in our discussions with eminent statesmen, it was to be fully expected that the European leaders would support their Greek colleague in order to prevent the outbreak of a crisis in yet another country within the Community.

That is precisely why it was necessary to do what was done by all countries, but what Macedonian diplomacy either failed to do or simply sketched: a study of the position of Greece in Europe, the position of Macedonia in Europe, the operational methods and interests of the EC, and the direction our further efforts had to take. The several parliamentary debates (excluding the latest) were merely an amateurish exercise for a highly professional work and, above all, for providing political support to a given course of action.

What Now?

In the present situation, in view of all of the weaknesses displayed by our diplomacy and despite the great number of its accomplishments in terms of the patient, persistent, and cooperative treatment of the Macedonian-Greek dispute (for which it was frequently praised), the key question is how we should work in the future. The unanimous condemnation of the declaration of the EC that was recently voiced by parliamentary spokesmen, and the refusal to change the name of Macedonia are the foundations of the situation in which this Republic finds itself in terms of future talks. How would the nation react if we were to take, for example, the suggestion that Macedonia be recognized as the Central Balkan Republic? In that case, the Turks would be referred to as Turks, the Albanians as Albanian, the Wallachians as Wallachians, and the Macedonians probably as the Cebari. Or could depersonalization take another direction?

The dispute in parliament, which quite clearly developed into a sharp quarrel and calls for replacing the leadership and seizing the power (ignoring the need for decent speech and respect for political opponents), once again proved the totally amateurish and tragicomic nature of our respected representatives. Neither the speech by resigned Minister Maleski (which he publicly justified as his own personal reaction) nor, even less so, the debates among the assemblymen provided even an outline, other than mentioning positive steps and errors, of how Macedonia would pursue the diplomatic struggle in the future. The fact is that we find ourselves in a difficult situation, for which reason not only the highest political leadership but also the people, who have already confirmed their

skill in assessing the situation, should consider the results of such an interregnum, if this phantom state of affairs were to last perhaps another year. However great the isolation of Macedonia may be and whatever the price that will have to be paid by all of the citizens of this country, whether they are prepared to pay this price or not, the question of the future of the state and not of any temporary division of powers should be the topic of a consensus between the government and the parties. That is why it is extremely important to especially set on the table the key problems and all of the options (as all skillful diplomats have advised us, both publicly and in private talks, to do) and reach a decision that would leave the least possible scars to, as an assemblyman said, avoid going back to the time of the Krusevo uprising. Now is the time to make key decisions and take far-sighted steps and, one could say, display the ability to reach a real compromise.

Government Crisis

*92BA1212B Skopje NOVA MAKEDONIJA
in Macedonian 4 Jul 92 p 11*

[Article by Erol Rizaov: "Is the Government Falling?"]

[Text] After an exceptionally significant parliamentary session that dealt with their greatest, age-old historical interests, the citizens of Macedonia expected of their representatives a dignified debate and a response to Europe for the great injustice inflicted on them. For three full days, instead of the incentive to endure, instead of a return to self-reliance, and instead of rejecting the shock that was triggered by that part of the EC declaration on changing the name, the Macedonian citizens were exposed to new disappointments, even worse than the EC declaration, inflicted by their own people, people in whom they believed and for whom they had voted.

Everyone in the Republic witnessed the primitive internal party heartbreaks and abuses. Most assemblymen ignored the interests of their people. Honor was saved by only a few assemblymen, who represented all political parties, a factor that cannot fail to please us.

Meanwhile, one statement by a parliamentary spokesman opened a new dimension that is yet to preoccupy parliament. Blaze Ristovski, the deputy prime minister, publicly stated that the team of Mr. Kljusev's experts had fallen into a profound crisis. The extremely party-oriented debate by the "nonparty" deputy prime minister was naturally the expected consequence of the series of errors made by the Macedonian Government. Masterfully concealing his personal motivations, the deputy prime minister could only openly confirm that, in the eyes of the Macedonian citizens, the government had totally lost its reputation and authority. One could clearly see the internal quarrels, party biases, long-term interparty imputed accusations, and personal intolerances and hypocritical relations among ministers. Regardless of how good the members of an orchestra

may be, an orchestra that does not play in tune and has a poor conductor can play no tune other than that of economic chaos, mass disregard of the laws and the Constitution, which encompasses the government itself, a legalized black market, the blossoming of bribery and corruption, the compromising of people, helplessness, a lack of resolve, and political subservience. In practical terms, the statement by Deputy Prime Minister Ristovski does not include even a single argument in defense of the government.

Any more serious study of the work of the government would prove that, under circumstances in which not a single party enjoys a parliamentary majority, despite high skills and competence, this composition of experts was unable to formulate even a single significant project that would help it earn points.

Conversely, with each public statement made by the prime minister or by individual ministers, the government kept losing its reputation, eventually becoming totally compromised. We know that throughout the world governments consisting of experts are most firmly submitting draft bills and laws to the various parliaments (wherever there is no majority party) that could cause them to resign. In such cases, the parliament members are invariably more concerned with the survival of the government than are the prime ministers and the ministers. In our country, it was the opposite that happened. We acquired a government that is extremely sensitive to any kind of party or public criticism. It is a government that is always afraid of losing its positions, forgetting that it must do what it is most capable of doing. Expertise and doctorates vanish when confronting the various party and personal interests. Hence, the statement by Deputy Prime Minister Ristovski, although made for party reasons, merely proves that it is time for that government to go away.

In a multiparty parliament, the fall of a government is nothing other than proof that democracy exists in that country. Any reference to the difficult situation, the international surrounding, internal conditions, and the need to complete significant projects under way is merely an effort to defend what is indefensible. It is a common belief in the Republic that it would be a good thing for that government to resign as soon as possible, and, as for the few ministers who do not deserve such an end, let the new prime minister-designate take care of them, as is being done throughout the world.

Turning a change of government into a national tragedy is counterproductive because it also blocks the way to new elections. Changes made in a legal and democratic way would only indicate that one cannot remain in power in a democratic society without showing results. The government crisis and the eventual fall of the government will make it possible to deal in an entirely new way with matters that brook no delay, and to take new, concrete steps that will be visible to the Macedonian citizens. Changes in the Eastern countries and the rich experience of the West clearly prove that voting

lack of confidence in a government or an individual minister regularly trigger three days of excitement and commentaries in the mass media, and that, immediately afterwards, preparations are made to choose a new prime minister, who would form his own cabinet. It is this constant process that actually becomes the most significant motive and force for faster development and for a constant feeling of responsibility, accountability, and respect for a law-governed state, as well as the most powerful booster of democratic processes. It is totally logical and normal in a democratic society for parliament to express its confidence or lack of confidence in the government. It is illogical when opposition in parliament or the party that proclaims itself to be in opposition tries to keep the government in power, while that opposition is, in general, dissatisfied with the condition in the state. Could such an absurdity happen to us? Why not? Here anything is possible.

Dilemma Continues

92BA1212C Skopje NOVA MAKEDONIJA
in Macedonian 4 Jul 92 p 13

[Article by Georgi Ajanovski: "Macedonia, What Now?"]

[Text] *After skillfully avoiding various obstacles, will Macedonia now let itself be involved in a situation from which it will never be able to stand up on its own two feet and speak in its own name and in the name of its people?*

The present rejection of the name of Macedonia by Europe is compared by some to the time of the Balkan Wars and the tearing up of Macedonian territory, as well as the Bulgarian attempt in World War II to occupy all of Macedonia, protected by the fascist shield. In both cases, it was actually a question of the overall and definitive destruction of the Macedonian name and Macedonian national identity.

The difference lies in the fact that this time the country will be allowed "democratically" and generously to retain its territory and state provided it abandon its name and Macedonia never appear on maps and as part of human civilization, that there would no longer be any Macedonian people, language, or state but some kind of new, rechristened nation, with a fabricated language, a recently created state, something without historical roots, granted an existence by European kindness and interests.

In other words, this means accepting that, in this Balkan area, along the Vardar and the lakes, there had been a nameless people who lived for centuries, participated in purposeless uprisings and rebellions, and had its own legends and songs not borrowed from anyone; that, in the antifascist struggle, a nameless nation had participated extensively on the side of the allies, with its 100,000-strong army, not knowing why it fought; that there was no ASNOM [Anti-Fascist Assembly of People's Liberation of Macedonia], with all its accomplishments; that, at that all-national session, there were no

allied missions; and that, in general, all postwar state documents and international meetings dealt with a nameless state. And that the U.S. President George Bush and his Ambassador Zimmerman had not mentioned the name of the Republic of Macedonia in their recent written addresses to President Gligorov.

In those circumstances, without getting into the argument as to whether Macedonia and its leadership did everything necessary to ensure its international recognition and whether errors were made in that area, let us mention one extant, irrefutable fact: Europe does not say a single word about Macedonia's democratic state system, and the only thing it objects to is the use of the name "Macedonia." Conversely, it is prepared to recognize it as a state under a different name and even to guarantee the inviolability of its borders. The only prerequisite is for Macedonia to change its name; then it would become democratic, European, and internationally recognized, and Greece would be prepared to help and support it most extensively!

Does this mean that the failure of Macedonian foreign policy is its unpreparedness to engage in talks about the Macedonian name?

It would be truly pretentious to claim that some errors and omissions were not committed in foreign policy activities, or, for example, that, in this deliberation, it was only a narrow range of people who were included, that President Gligorov excessively trusted the advice and flattery of his foreign interlocutors, and that he did not find it necessary, in the face of a most important international meeting, to bring together most influential political parties and groups and thus develop a unified acceptable platform the way Mitsotakis did for Greece, that the present Ministry of Foreign Affairs is incapable of engaging in more delicate types of activities, and so on.

You will agree, however, that none of this was of decisive influence concerning the nature of the real question of accepting the name of Macedonia. In that matter, the Macedonian leadership was categorical: discussions about anything but not about the name!

Could this, too, have been a mistake?

In the interest of truth, we should say that, until the last meeting of the EC, no single political party in Macedonia publicly stated its readiness to adopt a different name, although isolated statements are now being made that one could have and should have discussed the question of the name, particularly the resolutions that included the name of Macedonia. However, it would have been more honest to mention this at that time and to publicly defend such positions.

We know that the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], which most violently attacked the policies of the Macedonian leadership and called for its resignation, still has no specific platform on

this issue. Other than a few assemblymen belonging to the highest party leadership who supported the European declaration, believing that Macedonia does not deserve to be internationally recognized as a state because it allegedly is not democratically constituted (!), the largest number of participants in the parliamentary debate had no problem concerning the unchangeability of the name of Macedonia. Nonetheless, it would have been good for that party to express a firmer view as to whether it would accept the international recognition of Macedonia under a different name. Because it is against it, its intentions become truly unclear.

In any case, the basic question may be reduced to the following: Will Macedonia agree to exist under a different name, or will it succeed in surviving with its age-old name?

To answer yes to the first question would be the simplest and the easiest. Greece and some of our other neighbors would applaud it, and the EC would breathe more easily.

Naturally, defending one's name involves risks and uncertainties. In the worst case, it means a readiness to withstand strong pressure and eventual political and economic blockades and isolation, the purpose of which would be to further impoverish this nation, to provoke a crisis and destabilization, to trigger internal dissension, and then to find a political group or party that, as it came to power, agreed to a change in name. This would achieve the objectives of all those who, for quite some time, have wanted to see Macedonia shaky, renamed, and deprived of its national identity.

After all of the road hazards, which it avoided so skillfully, will Macedonia allow itself to be involved in a situation from which it will never be able to stand up on its own two feet and speak in its own name and in the name of its people?

Power Struggle

92BA1212D Skopje NOVA MAKEDONIJA
in Macedonian 4 Jul 92 p 14

[Article by Ljube Profiloski: "Stability of the State on Trial"]

[Text] *This is a time when Macedonia and its stability and political cohesion are on trial, and it is our attitude that will determine the attitude that will be adopted by the EC and the rest of the world concerning our international recognition. Political quarrels are being impatiently awaited by our neighbors and may presage misfortunes.*

Two days ago, a high diplomat from the U.S. Embassy in Belgrade traveled incognito to Macedonia. He established contacts exclusively with the leaders of some parties considered by the Americans to constitute a relevant force on which they could rely. He avoided the state leadership, which was indirectly informed of his arrival. This visit by the U.S. diplomat is assessed in the Republic's political circles as an attempt by this now

exclusive superpower to "get a sense" of the deployment and correlation of political forces in Macedonia, and to rate the stability of the system and the current state leadership, and the possibility of supporting new political forces.

This is only one of the efforts that will present great temptations to Macedonia, following the latest declaration of the EC, according to which recognition is based on changing its name. We have already witnessed a variety of examples of sounding out and even influencing the mood of the population and the stability not only of the leadership but also of the state. Efforts are thus being made to create a chaotic atmosphere of panic, from the simple example in Ohrid, where the assembly members were falsely threatened with a bomb in their building, to the euphoric demands by the National Party in the Macedonian Assembly, calling for the resignation of the government.

Two Alternatives

With the passing of time since the Lisbon summit, increasing emphasis is being placed on a statement suggesting that Europe was playing dirty games with Macedonia and that we apparently easily fell for them. The EC, taking into consideration the interests of Greece as one of its members, is seeking the ways and means for their verification, without concealing the fact that it would also like to talk to Macedonian forces and political parties that may be prepared to accept other alternatives, including a discussion about changing the name. It is normal for the Community to make use of its power in promoting a change in the current regime in Macedonia and replacing the present leadership, which firmly defended the name, rather than standing firmly by its decision not to acknowledge Macedonia by that name.

Therefore, Macedonia would then become a real testing ground for the political options of the EC. A variety of experiments could be expected, based on the correlation among domestic political forces and the political unity within the Republic. Because Europe is unwilling to rely on the current regime in Macedonia, which is unwilling to discuss any change of name, there are those who believe that, if other forces and parties prepared to do so were to appear, it would do everything possible to promote a change in the present government. This even involves unannounced economic blockades, which would trigger social tension among the population and a chaotic situation in which conditions for undermining the regime could easily be created. Obviously, the most agreeable would be the parties that have already let it be known that one could discuss a name change. It is such parties and forces that would enjoy the support of the EC.

This is a time when Macedonia and its stability and political cohesion are being tested, and it is our attitude that will determine the attitude that is to be adopted by the EC and the world at large on the subject of our international recognition. Meanwhile, at least so far,

there is an indication that individual forces and parties in Macedonia are swallowing the bait of the EC. The moment the Lisbon declaration was made public, it was the national parties that particularly displayed their great aspiration for power and their desire to assume it at any cost, at the expense of the national and state interests, which was least expected of them. A public conference was immediately organized (VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] and MAAK [All-Macedonian Action]), at which the EC declaration was used as the pretext for gross attacks on the state leadership, demands for a change in government, and efforts to describe it as incapable, manipulative, pro-Yugoslav and, particularly, neocommunist, which especially pleases Europe. The attacks on and abuse of the state leadership continued ever more intensively at the parliamentary sessions also, the main topic of which was the Lisbon declaration.

Power Struggle

Under different circumstances, it would be entirely proper, normal, and democratic for any mistake made by the government and the leadership to be attacked by the opposition, and for the government to fall. A variety of games and hints and a lack of mercy are allowed. The struggle for power is governed by some rules, except that of forgiving the enemy. However, under circumstances in which Macedonia is facing fatal issues and when the citizens are extremely concerned about their future, expecting a political consensus on the most important national issues, the behavior of the national parties and other parties and political forces not represented in parliament is extremely symptomatic. This suits Greece's interests, which are to destabilize Macedonia and its deletion from the political maps. These political forces have recently abandoned the national interests and are using the difficult situation of the state to assume power. What they are currently doing violates the stipulations of their programs, the pledges of the party leadership, and, to an even greater extent, the commitment of their memberships to defend Macedonian national and state interests.

Parliament proved to be less mature than the individual citizens. The big question is whether individual representatives are expressing the thoughts of their electorate, of the members of their parties and their sympathizers, or whether these are their personal ideas and views, dictated by personal and narrow party interests. A number of members of parliament, particularly from the VMRO-DPMNE, have expressed a series of ideas that were untrue and disinformative and made extremely hypocritical turnarounds that conflicted with the programmatic stipulations and commitments of their parties. In turn, the demand for the resignation of Kiro Gligorov, the president of the Republic, could also be interpreted as a call for an illegal putsch in the Republic.

Furthermore, the fact that the representatives recently rejected the motion of elections ahead of schedule is a

question to be updated because, in a country that claims to support democratic principles, an election is the only legal institution on which power can be based. It is only the citizens, through elections, who will decide to which party to give their trust. Any other attempt at overthrowing the government is, in practical terms, a call for rebellion and totalitarianism.

Our neighbors, not only in the south and the north but on all four sides, are impatiently awaiting political developments in Macedonia and, regardless of the European stipulations of guaranteeing territorial integrity to all countries, this could bode ill for the future. Political unity and partnership and tolerance among parties are what Macedonia most needs today.

EC Decision on Macedonia Affects World Bodies

*92BA1211A Skopje NOVA MAKEDONIJA
in Macedonian 4 Jul 92 p 13*

[Article by Josif Dzockov: "Closed Doors of the International Institutions; The Economic Aspects of the Non-recognition of Macedonia"]

[Text] *Membership in the International Monetary Fund [IMF], for which acceptance into the United Nations is a condition, opens broad opportunities for the entrance of capital into the Republic. The denar is not stable, and the trade deficit cannot be covered without financial assistance from outside. Will the already approved funds for building the road network in the Republic and for developing OKhIS [Skopje Organic Chemicals Plant] and the "Tito" Metals Plant be lost?*

The recognition of nationhood or international legal existence is a political act. There is no argument here. In the meantime, every nonrecognition bears with it many repercussions with political and economic aspects. The Republic of Macedonia at this moment is in a position to feel these consequences. How long they will last and what they will bring to the former republic of Yugoslavia is even hard to imagine.

However, one thing is sure: The economic problems with which Macedonia will be faced in the near future, if recognition of the country does not come, will have extremely negative implications on the economy and the development of the entire economy. The extremely stubborn behavior of our northern neighbor in its unscrupulous battle to keep the Republic from being recognized, with its amazing position in the European Community that the name be changed, is probably aimed in these directions. It is becoming clear that nonrecognition and, with it, economic impoverishment is part of the strategy that has the ultimate goal of some kind of forced confederation, or, in the worst case, a dismembering of the Republic.

Not paying attention to such irrational ideas, the Republic has to find strengths right now, to find the true solution to overcome the difficulties; otherwise, nothing will come of the situation.

There is no question that a good part of the problems with which the Republic is faced results from our non-recognition, especially the economic ones. The act of recognition opens all of the doors of the international community, less as a privilege than as an opportunity to appear in the international political system as a regular partner for whom, certainly, all rights and obligations that derive from legal existence in an international framework will be in force.

Acceptance into the UN will create all of the preconditions for membership in a large number of international institutions, irrespective of whether they are political or economic. If we leave aside the political ones, which undoubtedly are significant and a matter that surely will be solved in the highest agencies of the Republic on the basis of the interests of the citizens and the state, which, surely, is a subject that needs to be discussed separately, the economic ones are a necessity without which hardly any country could conceive of its existence and development. In conditions where the world economy recognizes borders less and less and profit more and more, any economic barriers could be fatal, even for countries much more developed than ours.

The Main Word Concerning the IMF

In the first place, membership in the United Nations provides access to the IMF. The fact is that there is no world monetary and financial institution that will permit itself the luxury of carrying out any deal with financial assistance or credit for participating in improving any financial conditions and financing development, if, at the same time, it does not have the approval of the IMF, which is a "unique" institution of this type in the world. It is not by accident that many people call the IMF a world financial policeman. Membership in the IMF opens access to the treasures of the International Bank for Reconstruction and Development [IBRD], the European Bank for Reconstruction and Development, and many other financial institutions, the basic goal of which is investment of capital. There is no doubt that these institutions are based on profit, and it would be an illusion for us to expect that membership alone will bring a cup of dollars. However, on the other hand, it is certainly possible to expect that the financial world will have sympathy for us, knowing the potentials the Republic has at its disposal.

The economy of Macedonia has already for a long time been feeling starved for additional capital and fresh money. There will be no development if it is not supported by additional accumulation of capital. In particular, we will not have development in conditions of an exhausted economy, begun by the wars and blockades that have happened to us in this region and in which Macedonia did not have any direct participation.

The goal of creating a stable currency understands that this relies on currency reserves. These reserves most often are provided from one's own resources, but also

from significant funds that come just from these international institutions. Our republic does not have enough currency reserves, and there are no conditions to acquire them from any of the financial institutions, again because of nonrecognition. Therefore, the monetary course is precisely one of the anchors in the anti-inflationary program of the government, but not the principle one. The absence of adequate currency reserves does not permit the national bank to support the stability of the denar with reserves at the necessary moment.

Another problem just as significant is the trade deficit our country has with the world. How the proposed \$200-million trade deficit will be covered is probably clear to few people. Without financial injection, this is simply impossible. Actually, it is possible to expect that import of the things that are truly not a necessity may be reduced, but it is a drop in the sea if we consider that the greatest share of the funds goes to acquire oil, for which, at least at this moment, there is no substitute and with which our republic is not otherwise provided. At the same time, one must not forget that the greatest part of our economy is import-dependent, and any restriction threatens to stop the flow of production, which would have unforeseen consequences.

Negotiations With Whom?

The nonrecognition of the Republic also opens the problem in the area of the quotas for products the countries, especially the developed ones, receive from our manufacturers. These quotas, which the countries set up, represent a good opportunity for increasing the competitiveness of our products in these countries because everything that is ordered in the quotas is not subject to duties. Up to now, we have really been dragged along into the quotas that related to the former Yugoslavia, with the treaties it concluded with these countries. What will happen next year is more unknown. A similar situation obtains in the case of the crucial matter of the acquisition of a special status in exporting to certain countries. As an unrecognized international entity, when the contracts with the former Yugoslavia stop being in effect, the question is, with whom will the countries negotiate when we are looking for the corresponding quotas or favored trade.

No less significant is our lack of membership in GATT and GATS [expansion unknown], when the general conditions of trade in commodities and rendering services are being determined. We remain handicapped in conditions where these international institutions already extensively discuss the rules of the game in which we obviously, at least at this moment, are only spectators.

Although even more things of this kind can be enumerated, we will mention only the international organizations and associations in which the so-called TIR [International Transport of Goods by Road] car networks are allocated in international highway transport and in railroad transport, if, along with the no less essential code of the products our republic sends abroad, the computer

symbol and number 860 are still being printed, a sign that the commodity came from Yugoslavia. To acquire our own Macedonian symbol and number, we need to be a member of the international association that assigns them.

The World Bank Is Silent

The postponement of the recognition of the Republic, when international financial institutions are concerned, causes us direct damage. The section of highway that passes through our Republic that had to be financed with international funds is blocked. In question were \$22 million, which were to finance the completion of the highway to the border with Greece. Now there is no one with whom to negotiate, if we bear in mind that we are still not recognized internationally. Even more, the banking institutions in the world owe us \$5 million for the section up to Gradsko that has already been built, which, although the work is completed, cannot be obtained because the treaty was made with former Yugoslavia.

The situation is the same with respect to the plan for consolidation of 10 enterprises of former Yugoslavia, which included two of ours: OKhIS and the "Tito" Metals Plant. The IBRD will finance, with its capital, the development of the enterprises. According to the information we received in OKhIS, obviously nothing came of this. On the basis of the treaty of the former Federal Executive Council, they told us in OKhIS that an English company was to come and, according to the examination of the situation, to propose a program that will finance this bank. The first contacts were reestablished, and the arrival of the representatives of this company was set up. However, the events obviously influenced the stopping of any collaboration.

This is the situation. In essence, not at all rosy. Indeed, this is illustrated quite clearly in the remarks of the president of the Republic of Macedonia, Kiro Gligorov, with respect to the Declaration of the Lisbon Session of the European Community.

"In practice, this is a strong blow against us. We are deeply aware of what the uncertainty of a continuing postponement of recognition on the part of the EC would mean: Not only is our inclusion in the international community, in international political, economic, and financial institutions, blocked, but also there is a threat of extreme economic impoverishment, political uncertainty, and the conditions for stimulating the known aspirations of Macedonia's neighbors."

A sufficient commentary on the situation in which Macedonia finds itself because of the postponement of its recognition as an international legal entity.

Data on Refugees in Macedonia Published

92P20374A

[Editorial Report] Sofia 168 CHASA in Bulgarian on 4 August on page 7 publishes three short articles on

refugees from Bosnia-Herzegovina who have fled to Macedonia. According to the secretary of the Macedonian Red Cross, Ivan Narasanov, refugees began arriving in April and now number about 31,000. In addition to money from the Republic's budget and local assistance, the Red Cross has received help from the UN Office of the High Commissioner for Refugees, the Red Crescent organization in Turkey, the German Red Cross, especially its branch in Stuttgart, and the international humanitarian organization Caritas.

Interviews with Red Cross workers and inhabitants of Skopje reveal disagreement over the number of the refugees. Velimir Stojanovski, manager of the temporary refugee camp at Vodno, said as many as 60,000 have come to Macedonia. Stojanovski outlined conditions at his camp—only 110 beds for 258 children, 37 infants under age one, and at least five pregnant women—but indicated that more serious problems such as prostitution and illegal trade in hard currency had emerged at other camps because of the impoverishment of the refugees. He estimated the daily cost for caring for one refugee at 2,890 denars, of which the Republic budget provides 610. A local resident, Nedjib Omerovski, was supplying milk for the children out of his own pocket and a calf for a Muslim holiday. Stojanovski expressed his gratitude to Bulgaria for allowing departing refugees to transit Bulgaria but hoped that Bulgaria would accept refugees, as well. The refugees have been staying primarily in the Skopje region. Although the Macedonian people have been generous in sheltering refugees, the Republic's growing unemployment and uneasiness over its own ethnic and religious diversity has begun to cause some misgivings regarding the reception of additional refugees.

Views of Montenegrin Opposition on Cosic
92BA1305B Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 9

[Article by Z. Ivanovic: "Conversation With the President and the Gentleman"]

[Text] The general assessment that Cosic's courting of Montenegro has ended triumphantly, that it has exceeded not only the expectations of the political public, but even of the president of the FRY [Federal Republic of Yugoslavia] himself, implies that his meeting with the leaders of the Montenegrin opposition also went perfectly. Perhaps this was affected by the fact that President Cosic first discussed all the relevant issues and reached agreement with "those who hold the greatest responsibility," the current government leadership of Montenegro. By and large, the preparation, course, and results of the talks with the opposition left the impression that the president was acting more out of a desire to "do something to please the opposition" than out of the belief that these meetings would bring anything new and significant.

Dr. Novak Kilibarda, president of the People's Party, who took part in these talks, does not conceal his surprise at the fact that President Cosic received not only representatives of the parliamentary opposition, but also certain parties outside the parliament. I would say that without any sound criterion sufficient attention was not paid to the parliamentary opposition, Kilibarda says.

What Needs To Be Cleared Up

Representatives of the People's Party, he says, devoted most time in the talks with the SFRY president to preparation of the new democratic elections.

"The People's Party was unreservedly disposed to talk to Mr. Cosic, because he is the president of a state formed according to our party's conception. We pointed out to him certain intolerable actions that have been undertaken here on Montenegrin soil," Dr. Kilibarda goes on to say. "First of all, the Assembly decision to adopt a law whereby deputy caucuses obtain authority to conduct a policy independent of the policy of the party they represent. We called his attention to the fact that POBJEDA and the TV are in the hands of the state, that the incumbent party has seized and continued to dispose of the property of the former SAWP [Socialist Alliance of Working People], and that there are many other things which first need to be cleared up if the upcoming elections are to be democratic. In answer to Mr. Cosic's question as to why the People's Party did not take part in the elections when it welcomed the formation of the FRY, I answered: If the last elections had been democratic, new ones would not have been scheduled."

In answer to the question how much he believes in the good intentions of President Cosic after these talks and does he suspect that he will favor someone, Dr. Kilibarda answered: "As a writer and an intelligent man, Dobrica Cosic has every reason to fight for democratic elections. I think that certain of his deep-seated ideological beliefs, of which we must all be aware, ought not to outweigh the rational side of his personality."

We Are Not Satisfied at All

By contrast with the "Populists," most of the conversation between President Cosic and Zarko Rakcevic, leader of the Reform Social Democratic Party (who was accompanied by Malisa Marovic), was devoted to the status of Montenegro, to its relationship with Serbia and with the other republics of the former Yugoslavia.

"We openly communicated our views to Mr. Cosic, not President Cosic (because we do not recognize the legitimacy of that state): A sovereign Montenegro, recognition of the other republics of the former Yugoslavia, reintegration on that space (through economic union as a beginning), and then demilitarization of Montenegro, along with the position that the federal form of arrangement, because of great differences in size and development of 'two eyes in the head,' cannot bring Montenegro equality," says Zarko Rakcevic, M.A. "Mr. Cosic replied that he did not believe in reintegration on the space of

the former Yugoslavia in the near future, that confederation was a utopia, and he evaded the question of sovereignty, observing that the citizens of Montenegro, according to his information, had expressed in a plebiscite their convincing desire to live in the new state with Serbia. We called the attention of Mr. Cosic to the fact that Montenegrin statehood has not been recognized as well as to the fact that 61 percent of the inhabitants of Montenegro declared themselves to be Montenegrins in the census could bring about tragic differences between Serbia and Montenegro, to which Cosic responded: "Let people be what they are."

Haran Hadzic, leader of the SDA [Democratic Action Party] for Montenegro, says that they devoted most of the time in the talks with Mr. Cosic to the position of Muslims in Montenegro and to the SFRY, and that "we are not satisfied in the least" with the outcome of the talks.

"It is true that we did not expect much from them, but we wanted to prove that we are of goodwill and our intention to openly speak about the position of Muslims and about their increasingly unenviable status on the territory of northern Montenegro," Hadzic said. "We put a number of questions to Mr. Cosic related to Muslim mistrust of the present government, to disruption of civil peace by numerous paramilitary formations, to their disarmament, to the difference between the Sandzak and the Serbian krajinas.... We asked Cosic what he had done toward the return of the 60,000 Muslims, the number that has fled from the territory of the FRY, to their homes? However, Mr. Cosic gave us no specific answer to any of these questions. He merely observed that we do not look at things straight and he shared with us a few well-known phrases about how he would do everything, that we can be certain that we will be equal, and so on."

Hadzic added in the end that he would soon be informing the public more extensively about everything, but that the general assessment that good intentions had been shown by only one side still stands.

Darmanovic Describes Talks With President Cosic

92BA1305G Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 9

[Article by D. Vucinic: "A Great Deal of Democratic Rhetoric"]

[Text] Srdjan Darmanovic, the party's vice president, talked with Cosic on behalf of the Socialist Party of Montenegro.

"I presented to President Cosic," he said, "the views of the Socialist Party of Montenegro, which are already fairly well-known. For example, that we do not consider the March referendum on the status of Montenegro as a state to have been democratic because a respectable

portion of the electorate boycotted it and also because the referendum question was 'pythian,' that is, vague and ambiguous.

"We also consider the last federal elections and the bodies that emerged from them illegitimate, and that also applies to the office of Mr. Cosic, although, of course, we do not underestimate the individual role both of Mr. Cosic and also, if not more, of Mr. Panic insofar as they are advocating peace, removal of the sanctions, and democratic change, above all a change of the regime.

"The Socialist Party of Montenegro for all those reasons considers the upcoming elections necessary, but it will take part in them only if the conditions are democratic and fair. The new election law does not in and of itself guarantee certain conditions which are necessary: a change in the editorial policy and personnel in the public media, disarmament of the citizens illegally armed by political parties, recovery of the property of the former Montenegrin LC [League of Communists] from the incumbent party, a guarantee that the police will not be used to meet the needs of incumbent parties, and so on.

"Mr. Cosic said," Darmanovic continued, "that there is a high degree of agreement on the demand for democratic change, although he said—as he usually says—that his power is limited.

"It is clear that Mr. Cosic considers the question of the state of Montenegro mostly settled. He even prefers to use the term 'union,' which in my opinion could be the source of serious conflicts unless people realize that the March referendum did not close that issue. Mr. Cosic is full of democratic rhetoric, but his speech, say, in Niksic, was very symptomatic, if not highly dangerous. To refer to the entire world community as an enemy which has malicious intentions toward us is unwise to say the least. Nor, finally, is it true. That approach certainly does not lead to removal of the sanctions," Srdjan Darmanovic judges.

Russian Opposition Leader Against Sanctions

92BA1304A Belgrade NIN in Serbo-Croatian 31 Jul 92
pp 50-53

[Interview with Russian opposition figure Eduard Volodin by Milivoje Glisic; date and place not given: "Russian People Against Sanctions"]

[Text] *The unified opposition has been on Serbia's side from the beginning, says the former university professor, now a journalist. We have succeeded in telling the truth to the Russian people, while in parliament the opposition has done everything possible to minimize the blow inflicted on Yugoslavia by the Yeltsin and Gaydar government.*

The subject: Serbs and Russians. Our guest and discussion partner, Eduard Fedorovich Volodin, introduces himself as follows: Russian, born in 1939, has a daughter and a grandson, no police record, has not held any

positions of power, has received no state or government awards; graduated from Moscow State University, worked at institutes at the University and on the Presidency of the USSR Academy of Sciences, a doctor of philosophy and university professor, and since 1990, when perestroika "finally led to a red-hot situation," a political commentator for the newspaper SOVETSKAYA ROSSIYA. "Although my beard is gray," he says, "I am, as you see, a young journalist." That is all.

That is not all, however. At the moment, Volodin is the deputy chairman of the Coordinating Committee of the Union of Patriotic Forces of Russia, and thus the number-two man in the Russian unified opposition.

Eduard Volodin willingly and openly responds to even the most delicate questions.

[Glisic] The Serbs are disappointed; the majority of them feel that the Russians, by agreeing to the sanctions against the Federal Republic of Yugoslavia, have not behaved amicably.

[Volodin] I will answer you like this: The day after the current, provisional government of Russia voted on the Security Council for sanctions against Yugoslavia, I wrote an article in SOVETSKAYA ROSSIYA that began with the words, "Something inconceivable is happening. Anti-Russian demonstrations are taking place in front of the Russian embassy in Belgrade. But I, as a Russian, agree with them. For the first time in history, the Russian Government is betraying its Orthodox brothers in the Balkans. I hope that the people in Montenegro and Serbia realize that this is being done by the traitorous government of Yeltsin and Gaydar, and not by the Russian people."

That was also the position of the Russian unified opposition. I hope that it is known in Yugoslavia, and especially in Serbia, that the unified opposition has been on Serbia's side from the beginning. We have succeeded in telling the truth to the Russian people, while in parliament the opposition has done everything possible to minimize the blow inflicted on Yugoslavia by the provisional Yeltsin and Gaydar government. Naturally, this does not mean that I do not also blame myself for the vote on sanctions. The responsibility is borne by everyone, but the details about which I am speaking should be clear to the Serbs.

[Glisic] A secondary question: Why do you always refer to the Yeltsin government as provisional?

[Volodin] Some newspapers in Russia are even harsher—they talk about Yeltsin's occupation government. You see, I use a milder term. Let me explain: The opposition feels that neither Yeltsin nor his government will be able to survive their entire mandate for leading Russia. An opposition council adopted a practical resolution in June to call for a special session of the Congress of Soviets at which Yeltsin would be stripped of his extraordinary powers. His government will be forced to

resign, and a government of national confidence and national salvation will be formed.

[Glisic] Explaining the decision to support sanctions, Russian Minister of Foreign Affairs Kozyrev said that interests outweigh emotions and traditions in politics.

[Volodin] I have a very low view of Minister Kozyrev's intellectual abilities, and that means that I also have a very low view of his political assessments. Emotions always influence political decisions, and sometimes they even determine the course of political events. For example, during the Balkan war in 1877-78, Russia was not motivated by any economic interests; that was a war of Russian feelings. As a scholar, I know how Russian villages far-removed from politics reacted during that time. If a volunteer left the village—and there were many volunteers—the village authorities would resolve to support his family at their expense, and in the event of injury or death they would help the widow or family, while the church blessed these actions. That was motivated by emotion.

And as far as Russia's political interests are concerned, here too Kozyrev is at a schoolboy level. Besides Russia's economic interests in the Balkans, there are also geopolitical interests. Russia's strategic presence in the Balkans means the stability of its southwestern borders, while at the same time this allows it to monitor the situation along the Black Sea coast more safely. This also explains the presence of the Russian fleet in the Black Sea. The betrayal of Serbia and Montenegro destroys our geopolitical position in the Balkans, in the Adriatic, Black, and Mediterranean Seas. I assume that you know that Russia lost part of its strategic presence in the Mediterranean and in the Balkans when it betrayed the Arab world in the Middle East. The current action is rendering our influence, our interests, and our actions in this part of the world meaningless. In effect, we have strategically weakened our position on our southwestern borders, and for this reason I ask: What kind of politician is Kozyrev? After decisions such as these, enormous efforts will be necessary in order for us to return to the Balkans and Mediterranean Sea. I want to say that these are not simply good intentions and nice wishes; Russia is too big a country not to have geopolitical interests in this region. I am not talking here about amicable and Orthodox ties, but rather—to be blunt—only about interests.

[Glisic] What would be the motives for what you call betrayal?

[Volodin] Here, I will use the geopolitical term "Atlantism" or the more substantive term, from a philosophical and cultural-historical viewpoint, "mondialism." But in Russia, this "mondialism" is contrasted with Eurasianism, and "Atlantism" with Russian national interests. On the political scene, Kozyrev is a typical representative of "Atlantism," while on the philosophical-historic scene—even though he does not realize it, because his

abilities are too limited—he is objectively a “mondialist.” Naturally, it is possible to adopt both pro-Atlantist and promondialist positions, but there is also the historic destiny of the nation and state. Russia’s foreign policy over the last seven years has been unnatural for historic consciousness, meaning that it runs counter to the historic consciousness and historic interests of the Russian people. Even if it were continued for a little more time, that policy is inevitably condemned to ruin.

[Glisic] In that case, how do you interpret the Yeltsin phenomenon, and how did Russia even end up with Yeltsin?

[Volodin] As a political figure, Yeltsin arrived on a wave of refusal to accept an enormous quantity of inadequacies and mistakes from the period when the communists ruled society. Taking advantage of these negative phenomena, he very easily created a populist program. In a situation like that, Ivanov, Petrov, or Sidorov could have emerged as well, but they took Yeltsin, who was capable of taking direct action.

[Glisic] Thus, official Russia, with its official Russian policy, depends on the West and submits to the West’s dictates, as never before in the modern age—could one say this?

[Volodin] Without a doubt. If you read Baker’s letter to Kozyrev, you see that their views are completely identical. For now, only excerpts from that letter have been made public, but if you were to read the entire document, you would see that Kozyrev is simply a puppet in Baker’s hands, hanging from a string.

[Glisic] Is there any advantage to that? At one time, the West promised major material aid to Russia, but as far as I know nothing has come of that aid.

[Volodin] There exists, you know, the concept of political inertia. They, Yeltsin and Kozyrev, are so involved in the system that they cannot pull back, they cannot step away. In Helsinki, at the CSCE meeting, there were certain conflicts between the Russian position and Baker’s position, but that was only a weak attempt to break out of the inertia. But the fact of the matter is that the process of inertia is continuing. That is exactly why the opposition said in its statement that after it assumes power it will revise all international agreements concluded by the Soviet Union and Russia between 1985 and 1992, because that political decision will break the trend of inertia.

[Glisic] After all you have said, is it possible to formulate some sort of Yeltsinian political poetics?

[Volodin] It is simply difficult for me to formulate anything where Yeltsin is concerned. Aside from enormous ambitions and a complete misunderstanding of Russia, I think that there is nothing here. In more than a year as president, he has managed to use the word “Russians” not once, despite the fact that Russians today make up more than 80 percent of the population of

Russia. I wrote about this four months ago, and for four months I have been keeping an eye on whether or not he would say the word “Russians,” but he has remained very consistent—he has not uttered it a single time.

[Glisic] So what is the political credo of the unified opposition?

[Volodin] Let me say, before responding to your question, that the people in power do in fact have a credo. During the debate on the 1992 budget, Gaydar said something. He blurted it out, he simply said it.... When the opposition was attacking and criticizing him, he responded that the main task of his government is to create a third estate. But this is not the third estate, it is, in practical terms, the criminal bourgeoisie which came from the Mafia systems during communist days. In two years, these Mafia circles have already gained a political lobby, and it appears to us that they have already established contacts with mafia systems in the West. I think that this government’s objective is to create not a third estate, but rather a comprador bourgeoisie. If one recognizes this, then all the actions by this government make sense, including its foreign policy.

And the opposition? The opposition includes a wide variety of political forces, different philosophies and ideologies. In the unified opposition in parliament, there is cooperation between constitutional democrats, so-called cadets, and communists, but that does not confuse us. The basic gist of our assessment of events in Russia is that the crisis has reached a stage where questions are being raised about the existence of fundamental principles: the integrity of the state, its independence, and the survival of the very nation. We have concluded that on this basis, and in order to force this government to resign, we must set aside all political and ideological differences. National state interests are above all else.

[Glisic] Concretely speaking, what does the opposition’s economic program imply—some sort of reprivatization, the return of land to the farmers?

[Volodin] No, we will not take such measures. We feel that a longer period of state control over basic economic sectors is necessary, accompanied by a regime of highly favorable conditions for light industry, manufacturing, commerce, and agriculture, regardless of the form of ownership. During the stabilization period, moreover, very strict controls over foreign trade will be introduced. Together with state foreign trade, private foreign trade will be allowed for those enterprises and branches of the economy where private trade has proven efficient. The land question is a radical question. No one in the opposition intends to disband the kolkhozes and sovkhozes, farm property; rather, the farmers themselves should decide which form of production they want. Right now, this is being shown obviously by southern Russia.

Representatives of the Yeltsin administration wanted to break up the kolkhozes and sovkhozes and sell the land, but the Cossacks expressed strong protest. They said that

the traditional Cossack way of using the land is the current communal way, and that the Cossack people will not permit any sort of buying and selling on their territory. We have a very flexible view of this issue. What is being done today is the same thing that was done in 1928-29, during collectivization. Breaking up some of the kolkhozes or sovkhozes means condemning the country to hunger. I want to emphasize that we are not staunch supporters of the kolkhozes and sovkhozes, but we have considered the issue soberly and we feel that a new rural revolution would in fact be a national tragedy.

[Glisic] Just a minute ago you said, "if the opposition comes to power." What are the chances of it actually coming to power?

[Volodin] The attitude among the people since 2 January, since the introduction of the liberalization of prices, has turned sharply in the direction of the opposition and against the regime. Yeltsin has misinterpreted the ostensibly peaceful attitude of the people over these seven months. Psychologically, the people are no longer behind him. Inflation is unrestrainable. If his privatization program becomes a reality, then we will have tens of millions of unemployed people in Russia by fall, and that is an explosive mass of people. The problem is to avoid an explosion, to keep that basic mass under control, and, by using it, and in its name, to come to power in the traditional way.

[Glisic] The Yugoslav public would be interested in an explanation of Gorbachev's spectacular rise and his also spectacular fall.

[Volodin] Gorbachev's rise is completely explainable. In April 1985, as a young politician, he said that reforms and improvements are essential in all areas of life. Society expected all of this as well. If Gorbachev had been a national leader and carried out a policy of national interests, then he would still be enjoying undreamed-of political support by all of society to this day. As early as 1986, however, it became clear that he is simply a chatterbox. By that year, he had come to be known in Russian intellectual circles as Aleksandr Fedorovich—a reference to Kerenskiy. All of his actions were aimed at simply breaking up the entire state. The economy was gradually falling apart, and realizing that he no longer had any political support in society, he adopted the traditional struggle for peace. This is a good indicator in Russia: If you have failed to achieve anything inside the country, then struggle for peace on earth. This is the same thing that Khrushchev and Brezhnev did. At this point, we regard him as a traitor, and a public social committee has been formed to investigate Gorbachev's activities. In May, the chairman of that committee asked the procurator general of Russia to initiate proceedings against Gorbachev for antistate activities. We prepared the documents.

[Glisic] You say that his goal was to break up the state. What was his motivation—personal reasons, material advantages, clumsiness?

[Volodin] I think that a combination of all such factors was involved. I have not devoted much attention to Gorbachev's psyche, and I am not familiar with his behind-the-scenes activities, but in terms of his very nature, his character, that man has shown himself to be an enemy. He betrayed the party. Regardless of what our attitude toward it is, everyone in Russia recognizes that this is betrayal. He betrayed the fundamental national interests of the Soviet Union. He openly betrayed the Soviet Union in September 1991 when he unconstitutionally granted independence to the Baltic states. He also betrayed all the friends that Russia had in both the East and the West, he betrayed our army, and our geopolitical interests. Regardless of how one views the tearing down of the Berlin Wall, the process under way in Eastern Europe, that was the first line of defense, and he betrayed all of that.

[Glisic] What is the position of Orthodoxy in Russia today? Is Orthodoxy threatened?

[Volodin] I will quote several figures of interest to your readers. There were 1,242 monasteries in Russia in 1917, but only 11 in 1988. Today there are around 40. In 1917, there were more than 30,000 churches, while today there are around 11,000. According to estimates by the Academy of Sciences, 11,000 churches were torn down and 3.5 to 4 million icons were destroyed during Khrushchev's rule alone. That was the situation of Orthodoxy until 1988, but the situation is no better today. The rights of the Orthodox Church continue to be restricted. During the years of perestroika, 80 percent of the remaining icons were removed from Russia.

On the other hand, however, there has been a spiritual boom, and the authority of the Orthodox Church is on the rise. It is no coincidence that the well-known provocateur Gleb Yakunin, who wears a clerical robe, has begun a campaign of provocation, ostensibly to uncover priests as KGB agents. Everyone realizes that this is not about uncovering agents, but rather about destroying the true meaning of Orthodoxy. Moreover, the current provisional government is creating highly favorable conditions for realization of the pope's plan to reevangelize Russia. A regime of the greatest privileges has been offered to Protestant organizations as well. A great amount of propaganda is being done by the followers of Krishna. And because the Orthodox Church is poor, the aggressiveness of Protestantism, Catholicism, and non-traditional religions is increasing under these circumstances. For this reason, we stated in the opposition platform that upon coming to power we will offer support to the traditional religions of the nations of Russia, without interfering in their internal affairs, and I am thinking here primarily of Orthodoxy in the territory of Russia, and in a number of areas Islam, as well as Lamaism, as a special form of Buddhism, among the Kalmyks and Buryats.

[Glisic] Are ideas of Slavic identity, or rather Pan-Slavism, experiencing a revival in Russia?

[Volodin] If we look at the Slavic world, it is currently impossible to solve the problem of Pan-Slavism politically. As an ethnopsychological, cultural-historical, and in a certain sense even historical-philosophical ideal, it is meeting with a great deal of understanding among circles of the Russian intelligentsia, and is preserved in declarations by certain political parties, but the road from historical philosophy to politics is a very long one.

[Glisic] In closing, if the Russian opposition, to which you belong, comes to power, what can we Serbs expect?

[Volodin] I have already told you that the opposition has stated openly that upon assumption of power it will revise all international agreements concluded between 1985 and 1992. As you know, our parliamentary opposition bitterly opposed sanctions and the blockade, and at the same time it received a majority of votes in the Supreme Soviet when the question of using military force against Serbia and Montenegro was under consideration. We have an unambiguous, precise, and clear stance on this issue.

[Glisic] I warn you that many Serbs, for historic, sentimental, and, if you like, also religious reasons, expect a special status for themselves among the Russians.

[Volodin] You see, we have arrived at such a catastrophic situation that after coming to power, if we confer most-favored-nation status on Serbia, then Serbia will have nothing to pay us with. The second thing is to restore deliveries of raw materials, to bring about at least the previous level of commercial ties, and significantly strengthen cultural contacts—and even poor Russia can do that!

[Glisic] One more thing: You have bitter things to say about certain figures from the official government, from the leadership. After this interview, you will return to Russia. Do you anticipate any consequences; what is the current level of repression?

[Volodin] We recently published an open letter from Djuretic to Yeltsin on the third page of the newspaper SOVETSKAYA ROSSIYA, while on the second page was my article about the annual proclamation "Speech to the People." That was a document from June 1991 when several rather well-known people in Russia, including me, addressed the people with an appeal that they oppose betrayal and close ranks in the struggle for renewal, for a Russian renaissance. The current vice president, Rutskoy, immediately demanded that all the signers of the proclamation be sentenced to 10 years of hard labor! After the political coup in August 1991, many from the opposition, including the signers of the letter, were prepared for repression. Now, however, the opposition has grown stronger; we know which social forces stand behind us, and any repression against the opposition would be regarded as provocation.

[Glisic] The government is keeping this in mind?

[Volodin] I personally think that there is a danger of the current regime attempting some sort of provocation while parliament is on annual vacation. But that is why I became a journalist instead of remaining a professor....

Declaration on Peaceful Resolution in Sandzak

*92BA1305D Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 6*

[Article by R.H.: "Peaceful Settlement of Disputes"]

[Text] Tutin—A meeting of the opstina assembly was held the day before yesterday in Tutin in which a Declaration on Peace, Community Life, and Prosperity was adopted. The declaration was unanimously adopted by the deputies of one of the most underdeveloped opstinas in the country, and it was signed by the leaders Zvonimir Stasevic, Hasim Malicevic, and Muharem Trgovac. The declaration particularly emphasized that mutual tolerance, understanding, and respect for ethnic, cultural, and other specific features of the nationalities of Sandzak are needed in this area. All disputes should be settled peacefully in keeping with the law and through the institutions of the system. The people of Sandzak give full support to Milan Panic and Dobrica Cosic, from whom they expect removal of the sanctions and prosperity of Serbia and Yugoslavia in the near future, the declaration states. There are no paramilitary formations in this region. For the moment, there is no evidence whatsoever that any citizen of this opstina has participated in an organized way in the war in B-H [Bosnia-Herzegovina]. If there have been individuals, then these are people who had previously moved to Bosnia.

In any case, the local citizens of this opstina are disturbed by the presence of the reserve units of the Yugoslav Army in this region, which has particularly upset the Muslim people, who have nothing against the regular army, but have objections to the behavior of individuals in the reserves who could cause incidents with untold consequences. What most frightens the Muslims and Serbs in this region today is that peace and freedom can be disturbed by some third party from outside.

The position of the deputies of this opstina is that Serbia has been and remains the parent state of all the Serbs and Muslims as well as of the other nationalities who live in it.

Implications of General Vasiljevic's Arrest

*92BA1277C Belgrade NIN in Serbo-Croatian
24 Jul 92 p 9*

[Article by Svetislav Spasojevic: "Kill the Blackbird Known as KOS"]

[Text] Major General Aleksandar Vasiljevic, until recently the top man in the Security Administration of the Yugoslav Army, has for some 10 days now been in military prison in Ustanicka Street in Belgrade. (Even

after the arrest of the subject of its interview, which was expected anyway, NIN has quite enough material to continue the series of articles entitled "All the Secrets of KOS" [Counterintelligence Service; literally, blackbird.] The trouble with the written word is that it remains and thus places an obligation on men who are moral.

Last week, the daily press wrote at length and in great detail about the arrest of the man who is the best-informed about the strictly kept secrets of the top leadership of the Yugoslav Army. Nevertheless, let us repeat some of the more essential facts, which for the present are not sufficiently well-known.

On 15 July, the general was questioned in the military court in Belgrade for more than eight hours by Captain 1st Class Milomir Salic, investigating judge; he then broadened his original indictment and held him in custody during investigation. The man who until yesterday headed the Counterintelligence Service of the Yugoslav Army is accused of terrorism, undermining the country's military and defensive capability, abuse of official position, bribery, and corruption....

The law speaks exclusively through a final verdict. Not, that is, through an indictment, a press release, nor, God help us, through the press. And that is the reason why establishment of the truth lies in the jurisdiction of the court, but only in democratic societies. Although for decades now, and especially in recent years, we have been living in a state where there are no rights, we are compelled to believe in the inception of some new times and a human community. The "Vasiljevic case," then, should be left to the military court and we should believe all the while in its honorable intentions.

Although in the pages of NIN we have published about 100 typed pages, Mr. Vasiljevic never wanted to talk about the new chief of the Security Administration, General Nedeljko Boskovic. He broke that rule only once. At that time, he told me that the new top man at KOS had accused him of attempting to kill him! He thought, he said, that this was only a momentary eruption of the irrational and that the matter would be settled very quickly. The case took on a special dimension when following that incomprehensible accusation he was called in for a talk by Colonel General Zivota Panic, acting chief of the General Staff. Vasiljevic is said to have taken a shot at Boskovic in Sarajevo, in front of the garrison in Lukavica.

Gen. Zivota Panic, the top man in the Yugoslav Army, asked Vasiljevic, who at that time had just ceased to be the top man in the Counterintelligence Service of that same army, where he was on the particular day which the present top man of KOS, Gen. Boskovic, chose as the time when the assassination attempt was made on him in Sarajevo? Vasiljevic recalled that he spent that day with Isakije Stanic, the Belgrade lawyer who is now defending him.

I do not recall today the exact date of the unsuccessful assassination attempt of the Yugoslav general against the

Yugoslav general, but I am convinced that it was not St. Vitus' Day. That same day, again according to the testimony of Gen. Vasiljevic, in the building of the Federal Secretariat for National Defense [SSNO], in front of the office of the chief of the General Staff, Gen. Nedeljko Boskovic threatened Colonel Miladin Papic, military prosecutor of the Yugoslav Army as follows: "And when I arrest you, Miladin, I will bring the television people to cover it."

Vasiljevic, who has now been arrested, was pensioned off with another 30 or so generals on 8 May of this year. He learned of this in a small garrison in Hercegovina, where that day he had been attempting to exchange captured Croatian soldiers for members of the Yugoslav People's Army [JNA]. The news was communicated to him by the officers of that garrison, because they had heard it on television! Gen. Aleksandar Vasiljevic is now 54 years old. He has been replaced by a man older than him, a man who had already been in retirement about five years!

Following the conversation in Gen. Panic's office, the subject of NIN's interview realized that peaceful days of retirement did not lie ahead of him. The night before he went to the interrogation in the military court we talked for a long time in the newspaper office. He was convinced that he would be taken into custody, but also that there was no basis for that. I got the impression that he wanted to be arrested so that he could prove his propriety and devotion in the court, above all to the service to which he belonged, and then also to the army itself. Vasiljevic, in my modest estimation, is a born soldier. A native of Sumadija, he graduated from all the military schools and reached the top army leadership without the help of "negative selection." Others have told me in recent days that in this dirty Yugoslav war other top-level officers would not even have let their dog go where the "man from Kragujevac pledged his life."

The imprisonment of Gen. Vasiljevic and a "charge which could bring him life imprisonment" are interpreted by many as a declaration of a showdown with the former top military leadership and above all with Generals Kadijevic, Adzic, Brovet.... The end of the war is coming into view, and someone, like it or not, will have to render account for its consequences to the Serbian people and above all to the mothers whose children have disappeared forever. The trial of a man who by his office was one of the key Yugoslav generals quite certainly brings onto the stage of the courtroom what until yesterday was the country's top military leadership, but it is certain that the top government leadership will keep them company in the defendant's box. In that performance, even the top leadership of a republic, at least as far as those are concerned who are informed about the "Vasiljevic case," will not be given a cameo role.

Why has NIN, week after week, almost obstinately and in spite of everything, been publishing the confession of Aleksandar Vasiljevic? There is only one answer:

because there is no more reliable weapon in the defense of democracy than the free press. And the court will say what the truth is.

It is a long time since we saw the film "To Kill a Mockingbird," in which the hero defends an innocent man. The film's title in English means "To Kill the Blackbird (KOS)." Finally, to what extent is NIN in the right if it only suspects that some quite definite department wants to kill that bird at someone's expense?

Hercegovina Fighter Denies Forming Army

*92BA1305F Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 4*

[Article by D.B.: "Antelj's Paramilitary Army"]

[Text] Boracnica (Konjic)—Boro Antelj (age 35), "from Nevesinje and Orthodox to boot," as he says, has, following lengthy warnings, formed his own army and for several months now, pretty much outside the Bileca Corps, has been holding a lengthy front from Nevesinje to just outside Konjic. The young captain, who back in elementary school argued with the teacher over history, first graduated from transportation school, then the military academy, and he has served in Zemun and Kragujevac... and then not long thereafter a military disciplinary court in Belgrade "took away" his rank.

Everything was corrected at the end of last year, when Antelj, after quite a bit of coolness on the part of the General Staff (Blagoje Adzic), was formally assigned to the Trebinje Brigade. Antelj's fighting men, who are holding a front almost 50 km long, have recently been accused more and more of being outside the unified command, of being a paramilitary army....

"I formed the unit myself, but I am not outside the corps. The leader of the hue and cry against my unit is someone whose role in Nevesinje is unclear to everyone. This is Colonel Svetozar Parezanin, who has been initiating everything on behalf of the League of Communists—Movement for Yugoslavia [SK-PJ], and the point is to proclaim the Serbs who are now fighting for their lives to be war criminals, which is what happened after World War II," Antelj says, and he has this to say about the accusations that they are a party-oriented army and that is why he recently traveled to Belgrade:

"They accused me of having recently gone to the rally to destroy the present government in Serbia and to create an army for Vuk Draskovic and the SPO [Serbian Renewal Movement], which is foolishness. It is true that my long-held goal has been to create a Serbian army, a Serbian state, Orthodoxy, Slavism, but membership in a party should be left for after the war, when we win."

Hercegovina Corps Commander Describes Problems

*92BA1305E Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 4*

[Interview with Colonel Radovan Grubac, commander of the Hercegovina Corps, by Dragan Banjac in Bileca; date not given: "A Way Out of the State of Abandonment"]

[Text] Bileca—Colonel Radovan Grubac, newly appointed commander of the Hercegovina Corps, almost inherited the "disease" of avoiding newsmen of his predecessor in the time of the JNA [Yugoslav People's Army] in these parts—General Pavle Strugar, whom very few people managed to see during the period of nearly a year that he spent in Hercegovina.

"After its arrival here, the corps was in a state not of betrayal, but of abandonment. Order was needed, and we also had a problem because of the diminished number of company commanders, and there was also a poor match between people and equipment, so that some of the equipment was not functional. We also had the worst thing that could happen to us—mistrust on the part of the people.

"We came into conflict with three armies—the regular army of the Republic of Croatia, Ustasha units from Western Hercegovina, and the organized Muslims who in this region were mainly against us. The Croatian Army has been manned with fighters from Varazdin, Zagreb, Dugo Selo, Rijeka, Sibenik, Split, Omis, Makarska, Imotski, and Dubrovnik, as indicated by the mass of captured supplies, and we are dealing with outright aggression on the part of Croatia into these areas."

The commander of the corps in Bileca believes that his fighters broke down the Croatian forces, particularly on the Dubrovnik front, and inflicted considerable losses in equipment and personnel on them. "In the area of Ivanica," Grubac says, "a good percentage of the Croatian forces, in particular the Split Brigade, were manned with university and high school students. We are rather stable, we have achieved the necessary morale (there have been examples of pure heroism), and the objective is to drive these forces out of the SAO [Serbian Autonomous Oblast] of Hercegovina with the Neretva River as border and to the sea at Neum. It also includes the area of the upper Neretva and Upper Drina Valley."

In eastern Hercegovina, one can often hear (from officers) about the problem of the undefined state in those areas. The commander says that in some places the government is providing proper support, but in some places not. There is a particular problem, Grubac says, in the fact that the economy is not functioning and that Hercegovina has been left to itself and in large part plundered even by the Serbs themselves. The effort has yet to be made to seek the addresses of those who in the name of Serbism have plundered from these areas for their own personal benefit aluminum, say, and certain

other important items of value, which passed over into Yugoslavia through special channels and are being "concealed" there, waiting for the price to fill the car trunks of private operators. In the meantime, ordinary people are dying for them, and many have fled (with their capital).

"Of the 1,000 officers, 50 of us responded to the call, but one-third of the capable defenders fled to Serbia and Montenegro," he says.

Reproaching the Muslims in the area under Velez for betrayal, the commander says that he cannot have a high opinion of that people although (just like his command) he distances himself from certain actions by the police and certain paramilitary organizations toward the minority nationality of this region. In spite of a certain amount of understanding for those who did not respond to the call, Grubac issued a call to those who have fled to return and defend Hercegovina. Many people were confused by the case of Major General Vodije Vujovic, who when appointed commander here only made an appearance, spent the night in an apartment in the JNA Center, and went away. He is still getting paid in "his" corps, although he was later assigned (in the Command of the 1st Army) to the position of assistant commander for civil affairs.

Serbian Opposition After Democratic Party Rift

*92BA1305C Belgrade BORBA in Serbo-Croatian
30 Jul 92 p 11*

[Article by Cvijetin Milivojevic: "Winners With the Taste of Losers"]

[Text] The split in the Democratic Party [DS], as matters now stand, could be yet another step, this time serious and dramatic, toward instilling more order in the chaos of the Serbian opposition. A chaos which in these three years of multipartyism in Serbia has almost regularly been to the advantage of the present government....

Regardless of whether the departure of those who are dissatisfied has been a gain or loss for the remainder of the Democratic Party, in the past several days five opposition courses have become clearly differentiated in Serbia. Along with the Serbian Radical Party, which in spite of its fair amount of influence on the "popular masses" is not even considered an opposition party by most of the opposition; in addition to the several smaller parties of "independent origin" (Serbian National Renewal and the newly established Social Democratic Party are the most important); aside from DEPOS [Democratic Movement of Serbia], and its civil alternative under the name of the Civil Alliance of Serbia—the remainder of the DS (the former wing centering around Micunovic and Djindjic) is as of Sunday in a position to behave specifically as a party of the democratic center. No longer burdened by the Damocles (double-edged) sword which from the outset has hovered over the Democratic Party (because of its destiny as

"perpetually the second" party of the opposition) in the "person" of the numerical superiority of the Serbian Renewal Movement....

Who is winning and who is losing is the most frequent question of the public now that the wing of Vojislav Kostunica has "sacrificed" so-called party identity to the future (probably) election coalition of DEPOS. This movement, which has seen closing of the ranks of the opposition as the only serious possibility of bringing down the party in power, nevertheless is not what it was supposed to be—that is now absolutely clear—according to the conception of its initiators a few months ago. In spite of the St. Vitus' Day "victory," DEPOS, for instance, with its overemphasized national idea and iconography, has in a way repelled those who until yesterday were its allies, advocates of the civil option. Establishment of the Civil Alliance of Serbia (along with the probable movement of this association closer to the parties of the ethnic minorities) and the final split with the Democratic Party—are not greatly favorable to DEPOS however much it might be celebrating the division among the Democrats under the influence of momentary euphoria.

Why? With all due respect for the intellectual potential of DEPOS, the exclusive concentration of the national (Serbian) intelligence will nevertheless remain incomplete without support of the democratic center. Another thing: In view of the arrogance of the ruling elite of Serbia, the demands of DEPOS on the principle of all or nothing (constitutional assembly or nothing) do not promise success in any near future. Only if the goal is to expose "Micunovic's collaboration with the Socialists" would DEPOS have anything to be happy about. But the objective indicators (for instance, public opinion surveys) do not support that argument.

It follows, then, that the Socialists, pressed to the wall, having done nothing for or against, are the ones who have the right to be happy and have been given an un hoped-for opportunity for "a little breathing space." After all, although this may sound improbable, the former Socialists (now Social Democrats), some of the present Socialists (and very soon future Social Democrats), sympathizers of the Civil Alliance, Micunovic's Democrats, and also counting on the support of two men not committed to parties at the head of the federal state—in view of their own sense of tolerance, have more chances for a fruitful agreement. The hard-line leadership of the Socialists will certainly play the card of division (the card of the "suitable" and "unsuitable" opposition), because a similar attempt to append Seselj to the Socialists yielded an enviable result. It is not impossible that some new "bone" will be thrown in the midst of the opposition, which at this point is divided even formally, so that then it would engage in settling internal accounts.

DEPOS is getting what it wanted (unison in radical, uncompromising opposition to all moves of the government), and it can accordingly consider itself the winner.

The Democratic Party would no longer serve as the perpetual "bit in the mouth" checking all attempts of the opposition to unite since back in 1990. The Serbian Renewal Movement, as the leading party of the new coalition, officially gains from this that urgently necessary intellectual "wind at its back," personified by a segment of the academy until recently uncommitted, among them people from the world of science and culture.

Even the first elections will show whether this will be a sufficiently heavy weight on the election scale for each opposition fraction separately and for all of them together. They all have the right to hope.

Program of Social Democratic Party Discussed

*92BA1277A Belgrade BORBA in Serbo-Croatian
24 Jul 92 p 11*

[Interview with Cedomir Mirkovic, chairman of the Initiating Committee for Formation of the Social Democratic Party, by S. Pokrajac Stamatovic; place and date not given: "Soft Landing on the Democratic Runway"]

[Text] [Stamatovic] The idea of forming the Social Democratic Party [SDS] has been on the public scene for several months now, but just recently the initiative of people who support such an idea was made public through the Declaration on the Founding of the Social Democratic Party. In a few days, the party will present its programmatic principles to the public, and that is why at the beginning of the interview for BORBA we asked Cedomir Mirkovic, chairman of the Initiating Committee for formation of the party, writer, and editor of TV Belgrade, how bright the future is for a party of that kind under present political circumstances, when political forces are already deployed?

[Mirkovic] When we went public, it turned out that our initiative aroused encouraging interest, to use the mildest expression, because I might even say enormous interest, and so at this moment the most important thing for us is how first to respond in an organized way to that great interest. In coming days, we will be registering the political party and setting up the first branches in Nis, Kragujevac, Novi Sad, Kikinda, and Pristina, and in the first week of September we will be holding our founding congress in Kragujevac.

We Must Put Up With the Suspicions

[Stamatovic] Many in their commentary concerning your party stress the fact that the initial core is made up of former members of the SPS [Socialist Party of Serbia]. To what extent could that possibly be a minus, because often a favorable view is not taken of those who leave one party in order to form another one?

[Mirkovic] We have to admit that in past months the idea of social democracy and even the very term have been associated to a considerable extent with this group of deputies in the Serbian Assembly and with the fact

that they are the most visible in that Initiating Committee. That has double significance. On the one hand, it attracts those people who have identified with what they advocate and their refusal to give in to certain relations in their original party. On the other hand, one also hears the fear expressed that now someone has changed his clothes and that our party will be some kind of surrogate of some other party. I am aware that we must put up with various suspicions. We are starting out at an unfavorable moment because of the economically unfavorable situation and all the way to the fact that parties have already formed their profiles, while we are like some wedding guest who has been late and is attempting to catch up with those who have already gotten a good start on him.

[Stamatovic] Have you been late?

[Mirkovic] As far as I am concerned, unless I have to, I will not engage in verbal polemics against suspicions and skeptical observations. With our programmatic moves, because of the profile of our membership, through our role on the public scene, we must prove and demonstrate our identity and integrity. The political scene is beginning to become more dynamic; with luck and if the government does not invent any tricks, this could make it possible for us to make a soft landing on the democratic runway far behind schedule, indeed at least two years.

[Stamatovic] The working version of your Declaration bears a programmatic similarity to certain other parties, particularly the Democratic Party.

[Mirkovic] If a programmatic similarity with the Democratic Party has been spotted, this need not be surprising, because we are above all a democratic party with claims to emphasize the economic and social program and especially social security and solidarity. I would recall that our program consists of the most important catalogue of social-democratic values of the present-day Western democracies which have made a large contribution to economic and social development and which in addition are very dynamic and capable of adapting to specific conditions. We have adapted our program to our own circumstances. In the end, programs are the basis on which parties must be recognized, but practice provides the best credentials. True recognition lies in specific activity. I do not think that we will be the same as any party either in our program or in our activity, and will take up its space, nor that anyone will displace us because of a related orientation.

Take Cosic and Panic at Their Word

[Stamatovic] There is talk about a coalition between you and the Democratic and certain other parties.

[Mirkovic] We have agreed to build a political party which is open to coalition and ready to enter into alliances on certain issues, but at the outset we will operate independently. We will operate that way until we feel our own strength and political range and prospects. It seems to us that it would be a bad thing if we were even

now to see ourselves as a part of some alliance. In any case, we will very gladly enter into a coalition with the parties of the center.

[Stamatovic] What is your attitude toward DEPOS [Democratic Movement of Serbia]?

[Mirkovic] We have not formulated specific views concerning DEPOS. But I can set forth my personal view. DEPOS has a democratic orientation, and its orientation is democratic above all else. Regardless of how skeptical one might be of some of their specific moves.

[Stamatovic] Of what does that skepticism consist?

[Mirkovic] In that if I were an active member of DEPOS, I would do a better job of formulating the attitude toward the individual parties, and I would also array the objectives over time and provide them some kind of a calendar schedule. When you all at once come forth with a maximalist demand in a heap, it immediately becomes counterproductive. However, I have a liking for DEPOS, because otherwise I would not enter into the details of their strategy.

[Stamatovic] What DEPOS has been insisting on has not been accepted?

[Mirkovic] Some of what they insisted on has probably been converted as some kind of accumulated energy. The question now is which direction that dynamism will go. There are two tendencies, one which offers some kind of consensus to neutralize the great inner strains that are blocking Serbia. I see on the other side the tendency to respond to the action of DEPOS and to the action of the university students by thumbing their nose and displaying certain new signs of repression. I see that repression both in the laws offered on public assembly and in certain current actions concerning the news media. It seems to me that even in the government itself at this moment there is a strong inner strain between that tendency that wants increased social agreement and that tendency which sees a cementing of its interests in displaying an irreconcilable, exclusive, and arrogant attitude toward all demands for more democracy.

[Stamatovic] What is to be done under such circumstances?

[Mirkovic] The most important thing is for all well-meaning people and all constructive political forces at this moment to take Mr. Cosic and Mr. Panic at their word when they promised elections at all levels. When I say this, I do not mean that these two men would go back on what they promised, but I am afraid of those who will seek all possible ways of wriggling out of those promises and evading them.

[Stamatovic] Let us go back to your future party. I am interested in your attitude toward the Serbs outside Serbia.

[Mirkovic] No political program at this moment can claim serious support in the Serbian people unless it

faces the position of the Serbs who have been left outside Serbia and does so in the greatest detail and in a most responsible way, without beating about the bush and without cheap patriotic rhetoric. It seems to me that every one of those programs must be premised upon the necessity that the Serbian people be a part of one whole in the cultural and spiritual sense and have ties to its parent state of Serbia. It is likewise necessary to shape in all Serbs, both those in Serbia and those outside it, the awareness that only a democratic Serbia, strong economically and defensively, with friends in the world, can in the short term and the long term guarantee any future existence for the Serbs outside Serbia.

Cynicism and Mockery of the Serbs

[Stamatovic] How are we to arrive at such a Serbia? It obviously does not have at this moment all those attributes which you have enumerated.

[Mirkovic] At this moment, such a Serbia could emerge if the promises are kept which Mr. Panic and Mr. Cosic have presented to the public, and that means holding elections at all levels by the end of the year. Panic and Cosic have offered in the best possible way a solution both for the great internal tensions and even that partial legality of a state which is inappropriately being called Yugoslavia. Panic and Cosic could not have offered a better strategy, because they have distanced themselves from verbalism, and these are major pledges not to give in, not even to what ought to be consented to.

[Stamatovic] Your party will favor holding a referendum to reassess the decision on the joint state of Serbs and Montenegrins?

[Mirkovic] We have come out in favor of a referendum in which the people would express its will on all aspects of the joint state, including the name and all the way to the symbols. At the same time, we have not the slightest intention of questioning the justifiability of the peoples of Serbia and Montenegro living in the same state. However, the name of Yugoslavia for that state might rather be seen as cynicism and as a mockery of the Serbs. That name obviously was retained because certain politicians have bound up their destiny with the promise to preserve Yugoslavia, and now when it is definitively done with, they give that name to the two former Yugoslav republics which are the only ones that had statehood even before Yugoslavia. You cannot give the name Yugoslavia to Damp Little Meadow regardless of what you hope to achieve by that trick as is evident from the fact that retaining that name, which has not brought Serbia good fortune, cannot even guarantee it the right to inheritance of the former state.

[Stamatovic] Serbia—republic or monarchy? Again you call for a referendum?

[Mirkovic] We have left open the possibility of taking a vote on that dilemma, because we feel that everything that spoils and destroys the national identity and increases tensions should be resolved by social compact.

The fact that the Karadjordjevic dynasty was overthrown and that overthrow was sanctioned by an undemocratic regime argues in favor of deciding this in a referendum.

[Stamatovic] The concept of social democracy is often given differing interpretations?

[Mirkovic] It is certain that there are those who project their personal views, and perhaps they have not been sufficiently defined, onto the term and concept of social democracy. Some of them will drop us flat when they see what we are for. That will certainly occur with those who have perhaps believed that we are making some kind of national party which pays no attention to the drama and future of the Serbian people. We will likewise disappoint those who think that nationality questions can be decided by patriotic slogans and cheap war cries. However, I hope that we will attract those who believe that the national cause, the democratic cause, and the cause of social welfare must go side by side and that without respecting international standards and without positive international legitimacy—nothing significant can be done today.

[Box, p 11]

The Position and the Opposition

We have a clumsy and lazy incumbent party which has been deadened by the number of volts which has allowed it at this moment to do anything it wants any way it

wants, while on the other side, we have a powerless and increasingly nervous opposition which has no other choice than to shout about procedure, at least in the parliament, and to take advantage of the circumstance that sessions of the parliament are carried live over television so that in this way they can somehow have some influence on the public. That is not a good thing and that should not be our future.

[Box, p 11]

A Mockery of Logic

What the government has proposed in connection with Politika is for me a sign of immense nervousness in the top political leadership. If someone wanted certain changes to happen at any price, regardless of procedure, he might almost be satisfied with this, because this will certainly speed up certain changes.

However, as responsible people we must be disturbed because they are attempting to place Politika in the same status as Television, it would become government property, which they will refer to as public property, by some ironic mockery of logic. Whereas on the one hand Prime Minister Panic is promising privatization, even beyond the logic of what is realistic, the Serbian Government is responding to his requests with nationalization to which it refers as privatization. I hope that it will not succeed with Politika. Just think of the discrepancy between advocating nationalization of Politika and the desire to create the best possible picture of Serbia in the world.

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