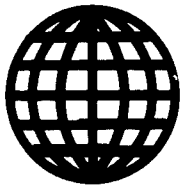


8 APRIL 1992



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East Europe

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CONTENTS

8 April 1992

INTERNATIONAL AFFAIRS

Settlement in Balkans Urged by de Michelis	[Belgrade VREME 16 Mar]	1
VMRO-DPMNE Strategy, Links to Bulgaria	[Skopje NOVA MAKEDONIJA 7 Mar]	5
VMRO-DPMNE Leader on Relations With Bulgaria	[Sofia ZORA 25 Feb]	6

BULGARIA

Denouncement of Diplomacy Changes	[VECHERNI NOVINI 31 Mar]	10
Turkish Consul General in Burgas Interviewed	[168 CHASA, 25 Feb]	11
SDS Coalition Formations Examined	[DUMA 28 Mar]	13
SDS Deputies Speak at Spring Meeting in Yambol	[DEMOKRATSIYA 30 Mar]	14
BZNS-e Council Elects New Permanent Board	[ZEMEDEL'SKO ZNAME 30 Mar]	14
Tomov Reviews Discussions at EBRD Headquarters	[DUMA 1 Apr]	15
Banking Employees Protest Decommunization	[DUMA 28 Mar]	15
Biokhim Bank Denies Report on Flying Red Flag	[DUMA 31 Mar]	16
Podkrepa Union Gives Background of Strike Action	[PODKREPA 27 Mar]	16

CZECHOSLOVAKIA

KDH Electoral Program, Candidate Slates	[SLOVENSKY DENNIK 30 Mar]	18
SKDH Holds Constituent Assembly, Elects Klepac	[NARODNA OBRODA 30 Mar]	18
Daily Critical of Attacks on Slovak Minister	[TELEGRAF 13 Mar]	19
Carnogursky Outlines Goals of Slovak Government	[Bonn DIE WELT 4 Mar]	20
Privatization, Coupon Investor Interests Viewed	[HOSPODARSKE NOVINY 4 Mar]	20
Newspaper Outlines TK SR, CSTK Operations	[NARODNA OBRODA 4 Apr]	22

HUNGARY

Correspondents Jailed, Beaten in Vojvodina	[UJ MAGYARORSZAG 24 Feb]	24
Official Views Issue of Privatization	[NEPSZABADSAG 28 Mar]	24
'Deliberate Restructuring' of Agriculture Explained	[MAGYAR HIRLAP 27 Mar]	25

POLAND

Moczulski Explains His Past Actions, Views	[PRZEGLAD TYGODNIOWY 8 Mar]	27
UD Draft Electoral Law Limits Small Parties	[GLOB 24, 27 Feb]	28
Restructuring of Energy Sector Proposed	[RZECZPOSPOLITA 25 Feb]	29
Developments in Polish-German Traffic Projected	[RYNKI ZAGRANICZNE 15 Feb]	29
Elwro, Canadian Telecommunications Firm Team Up	[RYNKI ZAGRANICZNE 25 Feb]	30
Lithuanian-Polish Trade Agreement Signed	[RZECZPOSPOLITA 28 Feb]	31
Economic Society Publishes Opinion on Recession	[RZECZPOSPOLITA 3 Mar]	32
Selection of Personnel To Oversee Privatization	[RZECZPOSPOLITA 28 Feb]	32
Heavy-Equipment Producer Restructuring Explained	[RZECZPOSPOLITA 28 Feb]	33
Effect of EC Association on Exports, Investments	[RZECZPOSPOLITA 28 Feb]	34

ROMANIA

Ukrainian Politician on Territorial Inviolability	[ADEVARUL 4 Apr]	35
FSN Split May Cause 'New Regroupings'	[ROMANIA LIBERA 31 Mar]	35
Bishop Tokes Decries Domestic Situation	[Budapest NEPSZABADSAG 28 Mar]	36

BOSNIA-HERCEGOVINA

Ethnic Division of Bosnia Termed 'Illusion' [OSLOBODJENJE 14 Mar]	37
'Megalomaniac' Maps of Bosnia Analyzed [OSLOBODJENJE 14 Mar]	37

YUGOSLAVIA

Parliamentary Behavior of Macedonian Parties [NOVA MAKEDONIJA 5 Mar]	39
Kljusev Government Increasingly Criticized [VREME 16 Mar]	40
State of Macedonian Economy in Jan [NOVA MAKEDONIJA 5 Mar]	42
Corruption, Economic Exploitation of Kosovo [VREME 16 Mar]	43
Comment on Western Plan To 'Tidy Up' Country [OSLOBODJENJE 13 Mar]	44

Settlement in Balkans Urged by de Michelis
92BA0709C Belgrade VREME in Serbo-Croatian
16 Mar 92 pp 36-38

[Interview with Gianni de Michelis, Italian minister of foreign affairs, by Svetlana Vasovic; place and date not given: "Milosevic's Mistakes"—first paragraph is VREME introduction]

[Excerpts] The Italian minister of foreign affairs discusses the EC's willingness to accept any peace settlement between the opposing sides, and he still maintains that some sort of confederation would be the best solution, noting that prolonging the war would be catastrophic for everyone, including neighboring countries. He discusses the "adroitness" of Kucan and Gligorov, how Milosevic underestimated European unity, and a false image that is being created of "wild Yugoslavs from the Balkans...."

[passage omitted] [Vasovic] What should Serbia do in order for the EC to lift sanctions against that part of the former Yugoslavia?

[de Michelis] The only thing that the European Community wants is a peaceful resolution of the Yugoslav crisis; for this reason, we are willing at any time to accept any peace settlement between the opposing sides. Because of this, we regard Serbia's position in exactly the same way as we regard all the other republics or ethnic groups in Yugoslavia. It is necessary, however, to reiterate to the Serbian public and to the Serbian political leadership that the European Community will not accept a solution based on the use of force or on a violation of the basic principles of Helsinki or Paris, which also implies the impossibility of a forcible change in borders. We understand quite well Serbia's concern for guaranteeing the human rights of the Serbian minorities spread around various republics.... But as stated in the second point of Lord Carrington's proposal, the protection of minorities is an indispensable part of a political solution. At the same time, we have condemned, just as we will continue to do in the future, any use of force by any side, which means by Serbia as well. Perhaps we will be ready to lift the sanctions against Serbia before long, if the United Nations peacekeeping forces are successfully deployed, or if the course of events at the Carrington peace conference is positive. And if Serbian demonstrations in Bosnia do not turn into civil war.

[Vasovic] Do you think that Milosevic is the right person for talks on these political problems?

[de Michelis] I would not want to get involved in a discussion of the internal affairs of individual Yugoslav republics, including those of Serbia, although personally I have never accepted the view concerning the "development of democracy in Slovenia and Croatia" and "nondemocracy in Serbia." You have wrong viewpoints in Serbia, but Croatia or any other republic is not immune to them either. There are advocates of a "hard line" in Serbia as well as in Croatia. Although Milosevic

has probably made many mistakes since the beginning of the crisis, it is clear that it makes no sense to exclude Milosevic from political processes if he is willing to sit down at the round table and negotiate a political solution to the crisis. Italy has tried (as have I personally) to help resolve the crisis under rather difficult conditions through a balanced approach.

We cannot be satisfied with the end of the crisis in the north of Yugoslavia and the spread of tensions to the south. By no means! We cannot forget that there will be nine million Serbs left in this region, and that there will be a strong need for cooperation between Italians and Serbs in the coming decades. This is why we hope that a political course aspiring to a peaceful resolution of disputes will prevail in Serbia.

[Vasovic] Is Italy's wariness towards the political processes in the former Yugoslavia and towards the disintegration of multiethnic states caused in part by the fear that similar scenarios will be repeated in other countries—Great Britain (Scotland), Belgium, Canada...and perhaps even Italy?

[de Michelis] If the people of Scotland decide that they want independence, then let them be independent. That is the essence. What the people in Belgrade were unable to grasp in May and June 1991 was that it is not possible to act against the will of the people. I tried to get Slovene and Croatian friends to establish some sort of confederation of Yugoslav republics, and I am still convinced that that would be the best possible solution for the interim, postcommunist period. At the same time, however, I realized that it is impossible to force one's will on the majority of another people. If most of the people of Slovenia or Croatia have ultimately decided that they want independence, then nothing more can be done about that. The same is true of Quebec.

[Vasovic] What will become of the Osimo Accord?

[de Michelis] This was a very important agreement between Italy and Yugoslavia, which provided an answer to certain unresolved questions from the Second World War. We will not contest the Osimo Accord and reopen questions that were resolved in the past, such as the border question.... It is true that we will have to reach a new agreement on certain questions from the Osimo Accord with the successors of the former Yugoslavia. Some of the provisions there no longer make any sense, since they concern relations between Italy and Yugoslavia.

The provisions on establishing a free customs zone in Trieste were important for Yugoslavia, and now this must be discussed anew with Slovenia. Even now, we are ready to sign some of these agreements with Slovenia and Croatia, and later with other republics as well, with Bosnia-Herzegovina, Macedonia, and if occasions present themselves, with a reduced Yugoslavia as well.

[Vasovic] Will you also support assigning a permanent seat in the Italian parliament to a Slovene representative?

[de Michelis] I do not think that that would be a good solution.... The position of the Italian government is to defend minorities through the force of laws, which must be confirmed in parliament. In addition, there is already a special mechanism built into the Italian electoral system that makes it possible for Slovenes in Trieste to run their own candidates in the elections. In the South Tyrol, the minority does not have the possibility of automatically gaining a seat in parliament; rather, such a candidate must be elected through the system that makes this possible.

[Vasovic] The system also makes it possible for socialists in Trieste to ally themselves with the League for Trieste and certain other Italian nationalist organizations. Do you think that this will be to your benefit in the next elections?

[de Michelis] An approach like that by us is clearly nothing new, because we entered into the same electoral alliance with the League in 1987. That is a political appraisal and a local decision by our comrades from Trieste.

[Vasovic] However, you have rejected cooperation with the Slovene minority. Do you think that this will have a positive influence on the development of a tolerant climate between the various nationalist groups in Italy?

[de Michelis] Yes. The cooperation that you mention, as well as the alliance in 1987, came about at a time when we had not seen the end of the communist regime. I am certain that the cooperation between the League and the Italian Socialist Party, which also contains a strong core from the Slovene community, will lessen the League's negative nationalistic charge and create a gentler atmosphere for dialogue and cooperation between Slovenes and Italians in Trieste.

[Vasovic] Are you sure that through this policy the Socialist Party is not losing its image as a tolerant, broad-minded party, open to all people regardless of national affiliation? Where are the limits of such political alliances, which are not in conflict with the principles of socialist parties?

[de Michelis] There are very specific conditions of political life in Trieste, since for years the Christian democrats represented the interests of the Italian population, while the communists, in part because of their roots in the Partisan war, defended the interests of the Slovene minority. This situation also had an effect on the creation of lists for Trieste. We, the socialists, would like to play the role of bridge between the majority and the minority. Thus, quick recognition of Slovenia was only one of the steps on the road to resolving many problems and creating a more tolerant climate in Trieste and the surrounding area.

[Vasovic] What is Italy's strategic interest in the Balkans?

[de Michelis] Our strategic interest is peace. We do not want an unstable situation in the Balkans. Over the course of the next 20 years, we will be busy with Pan-European integration, which will be political, but also economic in nature. If during that time we are divided into northern Europe, in which the positive processes of integration, development, the reorganization of systems, the creation of new jobs, and so on take place, and into southern Europe, which would be characterized by political destabilization and numerous problems in the area of repeated integration of the infrastructure, economic relations, and trade, then this would certainly be good for Germany, but very bad for Italy. Our future lies in the integration of all of Europe, which means implicitly its eastern and southern parts too, as well as the Balkans.

[Vasovic] There has been talk of a special Italian arrangement with Montenegro?

[de Michelis] That is untrue. We have given thought to the special geographic and economic position that Montenegro occupies in relation to Italy. That is why we have told the Montenegrin leadership that we want to discuss this, independently of Belgrade. And that is why I will go to Titograd. I have an invitation from Momir Bulatovic, who is a good friend of mine. He is looking to Rome attentively, but not because we would like to turn Titograd against Belgrade, but rather because it would be worse for the Montenegrins if they were to renounce their own national identity and interests.

[Vasovic] But in the referendum they opted for Yugoslavia....

[de Michelis] I am certain that they will demand a Yugoslavia in which there will be no possibility of Serbian domination. But if the two republics decide to stay in some sort of federation, then no one can prevent that. Right now, the most important thing is that Serbian politicians realize that there is a new order in Europe. If they isolate themselves from Europe, that will be a terrible mistake and a major detriment to the Serbian nation itself. That is why the time has come for all the republics of the former Yugoslavia to contribute to a peaceful resolution of the crisis. Lengthening the war would be utterly catastrophic for everyone, including us neighbors.

[Vasovic] Where in all of this is that theory, which is rather widespread in the Serbian media, about a plot between Germany, the Vatican, Italy...against Serbia?

[de Michelis] All of that is simply pseudopolitics. One must recognize that there is a danger inherent in the idea of a divided Europe, a Europe based on a division between the Western and Eastern Roman Empires, the Catholic and Orthodox Churches, and the like. Such ideas are completely erroneous and ridiculous, just like

the ones that were commonplace in Slovenia and Croatia about a socialist conspiracy against them.

[Vasovic] Given such paranoid ideas about various conspiracies covering the Yugoslav political skies, how was it possible to negotiate with individual national leaders?

[de Michelis] I got to know nearly every Yugoslav politician, both federal and republican. I think that there are few examples of crisis situations in which personal contacts between politicians play such a big role as they do in the Yugoslav crisis. Over the past 18 months, I have had more contacts with various Yugoslav politicians than I have with politicians from the rest of the world. Indeed, that is understandable, because Italy and Germany, on the EC level, and outside it Austria and Hungary, bear a special responsibility for peace in this part of Europe.

On the average, Yugoslav politicians are aware of the real problems. The majority of them are good politicians too. They have been confronted with what is perhaps the most important issue of our day—how to transform a totalitarian, communist state into a democratic system. Some of these politicians who themselves subscribed to communism, such as Gligorov in Macedonia or Kucan in Slovenia, are very adroit in grappling with the traumatic consequences of changing the political system.

It is fortunate that they have democratically disposed nations and that they have all experienced extremely strong emotional reactions by their fellow countrymen. It was probably very hard for Kucan and Rupelj at the beginning of July 1991 to explain to people in Ljubljana their reasons for agreeing to the compromise at Briuni, during negotiations with the federal armed forces and the European Community. However, that was the right course, and I believe that the majority of politicians with whom I have spoken have made rational, calm, and proper decisions.

[Vasovic] Do you count any of these politicians as your friends?

[de Michelis] I must admit that I have remained good friends with some of the former members of the federal Yugoslav government. I know that Markovic and Loncar are not very popular today in certain Yugoslav republics, but I must note that they contributed a great deal to making the Yugoslav crisis no worse than it is. I think that personally, and as politicians, they paid a high price for sticking to a policy of reason. But I am certain that later on, once the history books are written and emotion alone is not holding sway, the important role of Markovic and Loncar will be acknowledged.

[Vasovic] What moment was the hardest for you over the course of the negotiations with our politicians? Briuni?

[de Michelis] No, there have been much harder moments; for example, the night that Mesic was elected president of the Presidency.... The hardest moments

came after Igalo, in October. That was the culmination of the entire Yugoslav crisis. If we had succeeded then, Igalo could have been just as important as the cease-fire since January of this year, because we would have been able to conduct business as usual beginning back in late September. At the time, however, all the sides made several mistakes. That was after the war in Slavonia, Baranya, after the attack on Dubrovnik.... The hardest time for any sort of negotiations on resolving a crisis.

[Vasovic] Have you thought about what you would do if you were in Milosevic's place?

[de Michelis] I must admit that Milosevic is one of the most astute and clever politicians not only in Yugoslavia, but in all of East Europe....

[Vasovic] You have understanding for his policy?

[de Michelis] I understand it just as I understand many of his arguments. But he made one mistake—he underestimated the force of the European Community's unified reactions. There was one moment in his policy, it was on 16 December of last year, before Slovenia and Croatia were recognized, when Milosevic was certain that this issue would divide Europe. Mistake. I told him, "Don't count on a divided Europe, because we will still accept a unified decision in the end, and you will not be able to keep the Serbs isolated from Europe for decades on end."

[Vasovic] What was his response?

[de Michelis] He was self-confident with regard to Serbian strength, because, on the other hand, he must have been aware of what the reaction by Serbian public opinion would be. However, he underestimated the firmness, the steadiness of the partners from the European Community. He was certain that in the case of Croatia, he would be able to march in with firm military and political arguments. And that is just what he did, although it quickly turned out to be the case that the problem is much broader and that it cannot be resolved only within the framework of Yugoslavia, but rather within the European framework, which includes the changes in the Soviet Union.

Milosevic was probably counting on a different course of events in the Soviet Union, which was another mistake. There were some people in the Army and outside of it in Belgrade who believed in 1991 that events in Moscow would provide a good basis for a different policy, which was also a mistake. They missed the target entirely in their assessments of events in that country....

[Vasovic] You have had many contacts with President Tudjman....

[de Michelis] What is true of Milosevic is also true of Tudjman. He must realize that he must behave in accordance with European rules.

[Vasovic] So what about his promises concerning the establishment of Croatian sovereignty and power in Knin?

[de Michelis] Even if Tudjman wanted to unilaterally change the rules agreed to in the plan for sending in peacekeeping forces, that would certainly not be proper, and it would not even come to pass. Genscher and I told Tudjman quite clearly that Croatia must accept the conditions for sending in the peacekeeping forces, because there is simply no room left over for any sort of negotiations on a division of authorities between Croats and Serbs.

[Vasovic] Is it not also possible that the Croatian armed forces and police will move into the territory of the "Serbian Krajina"?

[de Michelis] That is no longer an issue at all, because both Serbia and Croatia have agreed to the sending in of peacekeeping forces.

[Vasovic] The situation will remain like it is, frozen, for years. What after that?

[de Michelis] It is certain that it will be frozen. On the one hand, the current Croatian borders will remain in effect, and on the other hand the peacekeeping forces will patrol the protected territories until the conditions have been created for the coexistence of various ethnic groups in this region.

[Vasovic] Does this mean that the Serbs will be granted the right to broader autonomy in Croatia?

[de Michelis] Yes. The second point of Lord Carrington's plan is crystal clear: The recognition of Croatia was possible only on the basis of Croatian recognition of that point. That is Europe's position. Now, from the experience with the South Tyrol problems, I maintain that recognizing broader autonomy is worthwhile, as a way to achieve economic prosperity and peaceful coexistence between various ethnic groups in return. It is in Croatia's interest to accept this sort of autonomy.

I would note that the Serbs are not confined to Krajina and Slavonia. There are many of them in Rijeka, in Zagreb, and in other large cities. Moreover, the Serbs in Bosnia-Herzegovina do not want civil war either; rather, they want compromise and negotiation. The biggest difference between 1941 and 1991 is precisely the fact that the vast majority of the population does not want war. That is the reality.

In the West, in the press in particular, a completely false image has been created of wild Yugoslavs from the Balkans, who only want to kill each other. That is inaccurate. In Vukovar, which was the worst episode of this war, where crimes were committed, it was clear that this war is criminal, because extremists forced it on people on both sides. Both sides were well aware of what sort of position the people were in who did not want to take part in this war. Finally, you saw manifestations in

Sarajevo—there, people conducted a cost-benefit analysis and quickly decided on a political solution, instead of shedding their blood in war.

[Vasovic] How do you explain Serbia's fear of independence?

[de Michelis] There is a similar problem in the Soviet Union, where Russia is independent but at the same time wants to be the successor to the Soviet Union. Serbia has confronted similar problems, although it will be hard for it to be the successor to Yugoslavia. This question must be resolved very quickly if Serbian policy is not to ultimately fail entirely in this overall process.

[Vasovic] How do you view the future of all these republics? There is talk of Europe 2....

[de Michelis] There will not be any major problems here. The majority will be members of Europe 2 at the outset, and then over the course of the next 15 years, which will differ from state to state, they will become members of the European Community. All of them. True, we expect problems between Greece and Macedonia, but we will resolve that. I was recently in Ukraine; everyone there told me that they want their own currency, independence from Russia, and so on, but at the same time they want to join Europe! I told them that that is contradictory, because by joining the EC they will have to renounce all the attributes that they so feverishly want to fight for today. If we accept Russia and Ukraine in the EC tomorrow, they would be divided only for one last second, and then they would once again be undivided. Together.

That is true of Yugoslavia as well. Here too, desires are extremely contradictory. Everyone wants independence, but at the same time everyone wants to integrate into Europe. That is impossible. Thus, ultimately, the European Community will replace Yugoslavia.

[Box, p 38]

[Vasovic] Do you think that it is possible for Slovenia and Croatia to be independent if they foster such close ties with Germany?

[de Michelis] Do not forget that Germany has extremely close ties precisely with Serbia, as with many other East European countries, from Poland to Ukraine. In recent weeks, Germany's interest in Serbia has in fact increased, so that there are no special problems here. I believe that at the end of the peace process, all the republics will find themselves in a hexagon, which is not an organization created against Germany....

If the Serbs feel threatened by German policy, then it is best to fight for peace, accept the new European situation, and be part of it. Thus, it is not necessary to look far ahead and predetermine the future. Anyway, that was Milosevic's biggest mistake, something that Ante Markovic was aware of. At the beginning of 1990, Yugoslavia was on the best possible course for becoming one of the

first four East European states to become a member of the EC. When we began negotiations on so-called associate membership, we were counting on Poland, Czechoslovakia, Hungary, and Yugoslavia. Up until the end of 1990, Yugoslavia had the best chance of all, in part because of Markovic's successful program, and because it was not a member of the Warsaw Pact....

This is why the war was a terrible mistake. The EC's door are open to all, but Milosevic's mistake was looking at this as if it were a privilege reserved for Slovenia and Croatia. There is no problem with how those two republics will behave in the EC; the problem is how to lead Serbia and the other republics into the EC.

VMRO-DPMNE Strategy, Links to Bulgaria

92BA0655A *Skopje NOVA MAKEDONIJA*
in *Macedonian* 7 Mar 92 p 11

[Article by Julijana Kochovska: "Greeks Among Us"—first paragraph is NOVA MAKEDONIJA introduction]

[Text] Historical facts proving the usurping of the four sacred letters VMRO [Internal Macedonian Revolutionary Organization] and the concept of an autonomous and independent Macedonia as a phase in the barriers erected by Sofia are revived in the strategy of the DPMNE [Democratic Party for Macedonian National Unity]. A time for political unmasking.

The result of the political studies of the DPMNE national deformity, conducted for more than one year, which exposed quite compressed and extremely indicative traits increasingly characteristic of the pro-Bulgarian spirit, from revision of the Macedonian language to efforts to rehabilitate the people involved in Bulgarian fascism, openly revealed the neosupremacist aspect of the DPMNE. Totally indefensible now are naive interpretations according to which these were merely a few mistakes that may appear in a young democracy or some kind of elaboration according to which the leaders of the DPMNE will use this Bulgarian leaning exclusively as some kind of marketing party device with which Georgievski and his like-minded supporters have chosen to engage in negative publicity for the sake of remaining actors in political life.

The reason for the historical facts of usurping the four sacred letters—VMRO—to the Macedonian people is to camouflage the anti-Macedonian actions; the concept of an autonomous and independent Macedonia is a stage of a supremacist plan for the eventual distortion of the feelings of the people in Macedonia about who and what they are, promoting the idea that Bulgaria is the savior of Macedonia from its colonization and assimilation by the Serbs. These are the key aspects of the plan of Todor Aleksandrov and Vancho Mikhajlov, which was resurrected precisely through the DPMNE strategy. Past events have clearly indicated that the DPMNE is dropping its mask and that the "Macedonian patriotism and Macedonianism" displayed by the leading nucleus of

that party are actually concealing a political platform to promote a supremacist change.

Continuing Action

The anti-Macedonian actions of the DPMNE Sofia agency in Macedonia were clearly confirmed by the subsequent behavior of that political group in precisely that direction. Starting with the call to rebellion, which was nothing other than a call for chaos and civil war in Macedonia or something else that would have been extremely serious, it indicated that, in fact, the Macedonian people had been called upon to rebel against themselves, with the extremely questionable move made by the DPMNE at a time when the state interests of the Republic were in question and when the fake question was raised of whether to have a referendum, and whether Macedonia needed a constitution. In both key periods in the development of an independent policy of the Republic of Macedonia, the DPMNE leadership came out with the nebulous idea that both the referendum and the drafting of a constitution of the Republic should be pushed to the background, while priority should be given immediately to legal acts passed on Macedonian independence or secession. This, however, is precisely nothing more than a typical implementation of the supremacist concept according to which, with a seceded Macedonia, it would be much easier to fall into the arms of Sofia, for what matters here is implementing the Bulgarian official principle of obtaining the independence of Macedonia as a state. The DPMNE is applying the same system in the process of international recognition of the Republic of Macedonia by shouting that Macedonian official policy has done nothing to prove Macedonia's wish to become an independent state(!?).

However, whereas in the past the DPMNE leadership surreptitiously harmed and underestimated the feelings of the Macedonian people, in an effort to find some kind of foundation for Todor Aleksandrov's concept that "we raised the principle of Macedonian independence because otherwise the people would not have followed us," now the supremacist policy of the DPMNE is being openly promoted, serving those who are working actively for the Greater-Bulgarian claims over Macedonia. The proof of this statement has already become obvious.

Connections With Sofia

During his 15-day trip to Canada and the United States, Georgievski was actually the hostage of an organization that is not recognized by the Macedonian people and that would like Macedonia to become the province of another country. This was publicly stated at the highest official level of the Republic of Macedonia, in the parliament of the Republic, at a time when Georgievski tried with his resignation as deputy president of the Republic to create an incident of fatal significance to Macedonia. He expanded the meaning of his stay in Canada and the United States, which was exclusively under the auspices of the MPO [expansion unknown] and his contacts with supremacist circles, by adding the

view that the Macedonian diaspora, which, in the past, he profoundly revered, actually consisted of Bulgarian Macedonians, Serbian Macedonians, and Greek Macedonians. Furthermore, on his return from Canada and the United States, he persistently insisted on depicting the supremacist MPO as some kind of Macedonian organization. The next step was the visit paid by the DPMNE delegation to Sofia and the updating of Zhivkov's view of letting historians and academicians debate the nature of the Macedonian nation. In the two press conferences, both in Sofia and Skopje, Georgievski openly promoted the concept of "feelings toward people who live in Macedonia," clearly indicating, as an intermediary step, the concept that "Bulgaria will allow the people in Macedonia the freedom of their feelings." It is an unquestionable fact that, in the course of its visit to Sofia, the Georgievski, Dimovska, and Arsov leadership met, among others, with Aleksandur Yordanov, the head of the Union of Democratic Forces parliamentary group, who noted in his statement that, naturally, the Bulgarians have two states. A fact no one can reject is that the DPMNE leadership gave to Skopje journalists from Sofia the minutes of its visit to Bulgaria, transcribed in Bulgarian only. This attitude, along with a recently issued report in the Bulgarian language by Minister Lepavcov means, in practical terms, that the view of this being a coincidence in the political platform of the DPMNE is extremely questionable.

Rehabilitation of the Occupying Forces

The open ghostly transformation of the supremacist attitude of the DPMNE leadership was quite clearly manifested at the recent meeting held in Shtip, where, in celebrating Gotse Delchev's birthday, one could hear with crystal clarity the effort to rehabilitate Todor Aleksandrov. The effort to rehabilitate some individuals or events to which Macedonian historiography has firmly given a negative assessment and determine their anti-Macedonian nature is nothing new to the DPMNE. The same effort to rehabilitate Aleksandrov, added to the DPMNE attitude toward Vancho Mikhajlov, is the familiar song of that party, which it sang during the electoral campaign and at the founding of the party. Now in Shtip, in practical terms, the effort to rehabilitate the man who liquidated a number of Macedonian revolutionaries is actually a more explicit exposure of the policy promoted by Georgievski. Actually, he confirmed this publicly and openly a few days ago when, in front of the Macedonian public, he once again explained the reason for the request for a retrial and the role of a person who was in the service of the Bulgarian fascist court. Whether accidental or not, the raising of this question coincides with the public apology offered by the editors of the independent newspaper REPUBLIKA for having forgotten the birthday of Gotse Delchev and the time when Stoyan Ganev, Bulgarian minister of foreign affairs, tried, while visiting Macedonia, to lay a wreath on Gotse Delchev's grave, in the presence of Ljupco Georgievski and Dosta Dimovska. Naturally, this was

when REPUBLIKA published requests for the rehabilitation of Spiro Kitanchev, Dimitar Gyuzelov, Dimitar Chkartov, General Drangov, and an entire group of other people who are known in Macedonian history as the Bulgarian promoters of the occupation of Macedonia.

The case of Dragan Bogdanovski, the founder of the DPMNE, is unquestionably a manifestation of some internal struggles and private interests. However, it would be difficult to claim that Bogdanovski has been abandoned by the supremacist organization of his comrades of yesterday.

Considering such facts related to the DPMNE political platform, it is inevitable that the attitude of that party toward the Ilinden OMO [United Macedonian Organization] will be mentioned. At the party congress in Prilep, it was precisely the members of that organization who demanded that the DPMNE distance itself from the Bulgarian attitude of supremacy. Studies indicate that, since then, the DPMNE press and the official Bulgarian press have been waging a fierce campaign to label the Ilinden OMO as an organization of Serbian spies. An almost identical label has been tacked on Macedonian intellectuals, scientific workers, and journalists.

Adding to all of this as a sequel to the political platform of the neosupremacist aspect the fact that the method used by the DPMNE leadership has always included a militant attitude, extremism, chaos, and efforts to destabilize democratic processes in the Republic, the end objective of the DPMNE becomes clear. Under the cloak of "most Macedonian party," we find only that the DPMNE is in the service of Greater Bulgarianism. Hence, the need in the Republic of Macedonia to politically expose and unmask the mission of the DPMNE. Naturally, this must take place within the institutions of the system and among the leadership of the democrats in parliament.

VMRO-DPMNE Leader on Relations With Bulgaria

92BA0692A Sofia ZORA in Bulgarian 25 Feb 92 p 5

[Interview with Ljupco Georgievski, chairman of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity, VMRO-DPMNE, by Dobromir Zadgorski, deputy editor in chief of ZORA; place and date not given: "Macedonia Will Not Sink to Its Knees"—first five paragraphs are ZORA introduction]

[Text] I salute Bulgaria for this worthy act of political daring because, essentially, this blocked the forces that oppose the just recognition of our independence.

The ice of mistrust between Bulgaria and Macedonia had been encouraged for half a century.

They plundered air force, artillery, and communications facilities worth nearly \$10 billion, paid for by the Macedonian people, with the aim of leaving us poor and disarmed. However, we shall not sink to our knees.

Serbia is finding itself in increasing international isolation.

Within two months, Macedonia will obtain extensive international recognition.

[Zadgorski] Mr. Georgievski, without exaggeration, I consider your visit to be historical. You are not only the first VMRO-DPMNE politician to come to Bulgaria but, I dare claim, also the first unprejudiced Macedonian leader who has come to selflessly break the 50-year-old ice of the political winter that was brought by the winds of communism and Serbomania. At the press conference, I was impressed by your statement that Serbia is leaving behind it a devastated Macedonia.

[Georgievski] To begin with, let me express the gratitude of the Macedonian people toward Bulgaria for being the first to recognize Macedonia. I salute Bulgaria for this worthy act of political daring because, essentially, this blocked the forces that have opposed the just recognition of our independence. Bulgaria not only risks harm to itself by opposing the European Community but has also rather worsened its relations with Greece. We value this exceptional step. Europe was wise and did not condemn your country. As to the crisis in Bulgarian-Greek relations, triggered by Athens's claims toward Macedonia, I think that it will be surmounted once the Greek politicians realize that the position they have taken isolates them from Europe. Bulgaria did not yield to the pressure, which is to its credit. I told this to the Bulgarian politicians with whom I spoke.

It is true that the ice of mistrust between Bulgaria and Macedonia had been nurtured for nearly half a century. The communist regime and the Serbomaniacal lackeys "saw" the image of the enemy for decades not only in Bulgaria but also, though to a lesser extent, in Albania and Greece. This is a difficult legacy, which we must surmount.

Now, as to Serbia and the policy pursued by Milosevic toward Macedonia at this point, believe me, I can frankly say that this is a policy of a communist mafia of the worst kind, which is encouraging the bandit activities of the Serbian Army in Macedonia. It is through it that Serbia is creating an area of real devastation in our land. Everything is being carted away, not only military ordinance but also hospital equipment and electronic facilities and, in general, anything of value somehow related to the Armed Forces. Actually, we cannot relax until the last Serbian soldier has left Macedonia.

[Zadgorski] The hesitant position assumed by the present Macedonian leadership in connection with Macedonian independence painfully reflects on the aspiration toward independence. Actually, that was the reason you resigned as vice president of the Republic.

Although the VMRO won the elections, it became an opposition party. At the same time, the most regressive bolshevik forces mounted a total attack against the VMRO-DPMNE and against you personally. In addition to calling you a "fascist," you were repeatedly accused of Bulgarophilia. Actually, to this day, this accusation is being hurled at you at anti-Macedonian meetings of the Serbomaniacs in Kumanovo, an accusation that, as a rule, becomes anti-Bulgarian as well. Particularly "distinguished" in this respect becomes the Party of Communists-Movement for Yugoslavia, financed by the Milosevic regime.

[Georgievski] Unfortunately, you are right. The Macedonian state leadership, excluding the clear and categorical position taken by the VMRO-DPMNE, had no definite position from the very beginning as to whether to remain part of a truncated Yugoslavia. It could not imagine Macedonia as independent and included the equivocal collaborationist formula of the question in the independence referendum. Already then we sharply objected, realizing that such a formulation, claiming to be in favor of sovereignty but within the framework of some kind of new Yugoslavia, was a knife stuck in the back of Macedonia. Actually, it was very difficult for the communists and the Serbomaniacs, and even for some honest people poisoned by propaganda, to realize and believe that Yugoslavia will indeed break up. It is only of late that they have begun to realize this. However, the sworn servants of Titoist communism still have no intention of retreating. They even fail to realize that the Yugoslav Army—that is, the Serbian army of occupation—considering the already existing internationally acknowledged independence of Macedonia, is plundering my country even more than it was plundered under the Turkish yoke. If these troops were to remain, it would mean that they would turn us, under the diktat of Milosevic, into "southern Serbs." They grabbed air force, artillery, and communications facilities worth nearly \$10 billion, which were paid for by the Macedonian people, with the sole intention of leaving us poor and disarmed. However, we shall not sink down on our knees. However severe our economic and political problems may be, we shall do everything possible to arm our territorial defense forces as insurance against Serbian threats. I already told the Bulgarian journalists that we prefer a weak Macedonian army to a powerful Yugoslav—that is, Serbian—army to "defend" us.

As to the anti-Macedonian meetings, they are being openly conducted by Belgrade. The pro-Serbian moods are particularly strong in Skopska Crna Gora and Kumanovo. Money is not being spared to support such moods. As to the fact that they describe the VMRO-DPMNE as the party of "Bulgarian fascists," I have long stopped wondering about it. From the very founding of our party, our enemies and, more precisely, the servants of the communist Serbian regime have been describing us as "Bulgarists," "Vanchomikhaylovists," "fascist Bulgarian agents," and "Sofia parasites." It even became necessary for me to state, with an open letter addressed

to the newspaper NOVA MAKEDONIJA, that the communist regime is constantly generating and multiplying ever more Bulgarians in Macedonia because it steadily and persistently ascribes to the VMRO-DPMNE a pro-Bulgarian character. Yet it is a known fact that we are the largest party in the Republic, with the highest number of supporters.

[Zadgorski] This is a frank conversation, Mr. Georgievski, and, to be honest, both for our sake and for the sake of reality, we must touch upon the question of the so-called Macedonian nation. This is a sensitive question that I ask not for the sake of confrontation but with the feeling of one brother talking with another. Naturally, you may refute me, but I believe we have major historical reasons not to agree with the official views of Skopje on this matter. At the same time, although it does not recognize the existence of a Macedonian nation, Bulgaria accepted Macedonian statehood at the risk of spoiling its relations with Greece, for instance. Furthermore, we are categorical in our view that we must not interfere in the act of self-determination, even though, from the ethnic, social, and even internal viewpoints, we may not agree with it, with the act of self-determination of the Macedonian citizens.

[Georgievski] You know, the first thought that comes to mind is that no single Bulgarian political leader with whom I spoke, including the president and the prime minister, mentioned a single word about not recognizing the Macedonian nation. This means that we are already able to deal on the level of states—that is, normally. The emphasis was exclusively on the fact of the recognition of the Republic of Macedonia by Bulgaria. You see, I have said this elsewhere, and I am saying it now as well: Let our historians deal with this argument. This is not a straight policy question. Leave science to the scientists because, in this case, what matters most is recognition of the state. Naturally, some people in Macedonia are not happy that the existence of a Macedonian nation is denied. However, this question must not be an obstacle to relations between governments. In his various meetings and statements, President Kiro Grigorov has repeatedly emphasized this fact. And the fact that I feel myself a Macedonian should in no case poison relations between us. As I already mentioned, no one raised the question of the Macedonian nation, which is a constructive approach. Let historians argue. We shall not prevent them.

Something else is related to this issue. The very fact that Bulgaria acknowledged Macedonian independence—and was the first to do so—indicates that it does not have any territorial claims concerning Macedonia. This is a severe blow to Serbian communist propaganda, which, for 45 years, instilled in the minds of the Macedonian people the criminal lie that Bulgaria is “enemy number one” and that, at the first possible opportunity, would grab Macedonia. Some of this instilled prejudice remains. And because Greece now has declared a virtual diplomatic and propaganda war against us, while Albania, pursuing its own interests, is supporting some

inadmissible demands of the extremist wings of the Albanian Party in Macedonia, Serbia once again is resurrecting the familiar “Bulgarian threat” scarecrow.

[Zadgorski] Let me ask you something about the future. It is obvious that the now-independent Republic of Macedonia needs, as soon as possible, not only a new foreign and domestic policy and new leaders but also daring economic decisions in order to come out of the stagnation and unemployment that, alas, afflict Bulgaria to an equal extent. What are the prospects in these areas?

[Georgievski] In principle, I am an optimist about the future. By saying this, naturally, I do not mean that it will be easy. The new foreign and domestic policy is related to a number of factors. We, the VMRO-DPMNE, were the first to ask for Macedonian independence and the first to point out that the greatest threat to this independence will come from nowhere else but the Milosevic regime. It is because of this position that we were attacked by all available means by the communists and Serbomaniacs whose historical time, however, already irreversibly belongs to the past. They hate us also because we keep repeating that the confrontation between Macedonia, on the one hand, and Bulgaria, Greece, and Albania, on the other, must be put to an end. This confrontation was not our doing but was imposed by the Serbian lackeys who ruled us for nearly half a century. However, the political concept of Slobodan Milosevic is collapsing. Serbia is finding itself increasingly isolated internationally, and, although I am convinced that on 17 February, under the pressure of Greece, the European Community will still not recognize Macedonia, I am confident that, within a period of two months, Macedonia will obtain broad international recognition because such is the will of our people: full independence and sovereignty, a position that coincides with the objective course of democratization in the world.

As to the economic situation, it is indeed catastrophic. Furthermore, Serbia and, of late, Greece, as well, have frozen their business relations with Macedonia. Difficult times lie ahead in the matter of introducing a national currency, which is so greatly needed. As the main opposition party that is struggling to come to power in Macedonia, we have developed a realistic and accurate assessment of the actual economic and political situation. We believe that, with new parliamentary elections and, eventually, by forming a coalition with the parties within the national bloc, we shall obtain the decisive vote of the people and come to power in the interest and defense of the new path followed by Macedonia because the danger of the restoration of neocommunism is still quite present. In this sense, a Balkan area without boundaries and, particularly, the free movement between democratic Bulgaria and Macedonia would be a natural contribution to the process of decommunization.

[Zadgorski] Mr. Georgievski, yesterday I had the opportunity to speak, although briefly, with Dosta Dimovska and Dragi Arsov, your fellow workers and deputies in the

VMRO. I informed them that ZORA is the newspaper that most systematically and firmly has been defending the concept of Macedonian independence for the past two years. I am telling this to you, as well, not for the sake of earning credits but with a feeling of satisfaction that independence is already a fact.

[Georgievski] I sincerely thank you for your position. I have not had the opportunity to read ZORA, but I believe that the role of the journalists and, in general, of

the press is very important when it is a question of building bridges of friendship among peoples. At the press conference, I already said that the free movement of the press and literature could become an immediate fact the moment borders are eliminated and normal contacts are established.

[Zadgorski] Thank you. I sincerely wish success to the VMRO-DPMNE and to you personally for the noble cause of building a new Macedonia.

Denouncement of Diplomacy Changes

AU0604123592 Sofia VECHEPNI NOVINI
in Bulgarian 31 Mar 92 p 2

[Article by Aleksandur Zhelev: "One Must Not Always Be Silent When Facts Speak"]

[Text] After the Ministry of Defense and the Ministry of Internal Affairs, it was naturally the turn of another defensive element of the Bulgarian state—the Ministry of Foreign Affairs. It is only logical that a country "without external enemies" (the internal ones are another issue), which already dismantled its intelligence and counterintelligence, does not especially need people who have been professionally trained to analyze its foreign policy and recommend steps in its implementation. After all, recommendations about the Bulgarian position on any international issues can be obtained ready-made from one of the fraternal—pardon, friendly—embassies. It is not surprising that those engaged in this dismantling job use not only old arguments (the need to get rid of the participants in the "revival process" and, generally, the members of the *nomenklatura*), but also old or experienced personnel specialists. The first wave of dismissals at the Ministry of Foreign Affairs was implemented with the direct assistance of Mrs. Ganeta Minkova. In the past, while still single and a member of the Central Election Commission, she facilitated the participation of the Movement for Rights and Freedoms [DPS] in the October parliamentary elections. In a subsequent radio broadcast, she justified her decision with the need to take into consideration the great respect Turkey enjoys throughout the world.

It would be nice if such unorthodox understanding of the linkage between foreign and domestic policies had remained the domain of only one employee of the renewed Ministry of Foreign Affairs or the government, but we doubt it. There are several facts, which we will list in no particular order, that will support our doubt.

First Fact. The terrific uproar (with a warning that resembled a novel by Gabriel Garcia Marquez) that was created around the Ganev-Dogan affair did not exactly clarify what actually was supposed to happen. However, it made it clear that whatever should have happened did not happen because of the revolutionary vigilance of the dark blue [Union of Democratic Forces]. Bulgarian readers did not see any copies of the innocent lists in any of the daily newspapers, and the television viewers could not enjoy the videorecordings of Dogan's innocent trips to the Turkish Embassy. In the confusion that developed, the new internationalists failed to present an essential argument in favor of their thesis. Therefore, we will point it out to them: Why should Dogan prepare worthless lists, when his party is represented very well in the parliament and the National Security Commission, where it can drink information straight from the spring?

If it wants to, the DPS can participate in the elimination of the remnants of Bulgarian counterintelligence. After

all, the counterintelligence employees were stupid enough to think that they could really engage in counterintelligence and, thus, jeopardized not only their jobs but also their freedom.

Second Fact. Convicted Turkish spy Vladimir Ignatov was released from prison after he was pardoned by the president. His verdict was not revoked. The campaign that preceded this humane act did not try to deny his activity in the service of the Turkish special services. It was only explained that his activity was motivated by his indignation at the revival process. Did not Father Krustyu from Lovech [the priest who betrayed Bulgarian national revolutionary Vasil Levski to the Turks] also have certain motives? Actually, it appears that some church officials now want to rehabilitate him, too.

Third Fact. During his recent visit to the United States, Prime Minister Filip Dimitrov decided to be of service to his country by becoming the last in the line of Bulgarian politicians who refute Giulio Andreotti's position—namely, that the "Bulgarian connection" in the attempt against the pope was a part of the propaganda campaign between the two superpowers, which was aimed at discrediting a certain government from one of the two camps. Mr. Asen Agov, who covered the visit, hastened to assure us that the entire free world was touched by the idyllic relations between the DPS and the Bulgarian people, without specifying precisely what part of the Bulgarian people. He also did not point out that, if this idyll continues, we will receive new promises. Again, apparently because of his absentmindedness, he failed to point out some trifles. For example, the word "minority" is not recognized as a category of civic law throughout the world, and parties based on ethnic and religious foundations are not allowed.

Fourth Fact. Ludzhev again visits Turkey. This time he arranges cooperation between the two Ministries of Defense. It was not specified in what areas the cooperation will apply. If we were to receive lessons on the reorganization of the Armed Forces during the transition to democracy, would it not have been better to visit Spain? Perhaps more prosaic issues are involved? For instance, the coordination of the two countries' military industrial complexes, so that we could supply each other with ammunition and spare parts and thus save some transportation expenditures. Those visits became too frequent. It seems that, in our efforts to compensate for the Ottoman presence in Bulgaria, we base our presence in Turkey mainly on Minister Ludzhev's visits.

We began with diplomacy, so let us end with it. Mr. Filip Dimitrov clarified to Dr. Petur Beron that he will not be ambassador to Indonesia because "he would not protect the interests of the Union of Democratic Forces in Jakarta." Let us hope that we will live long enough to see a government that will protect the national interests in Sofia. Furthermore, let us hope that it will do it in such a way that will leave no doubt as to which nation's interests are involved.

Turkish Consul General in Burgas Interviewed
92BA0683A Sofia 168 CHASA in Bulgarian 25 Feb 92
p 21

[Interview with Fevzi Uslubas, consul general of the Republic of Turkey in Burgas, by Georgi Bazotev; place and date not given: "We Are Destined To Live Together"—first paragraph is 168 CHASA introduction]

[Text] Mr. Fevzi Uslubas, consul general of the Republic of Turkey in Burgas, claims that fears that Bulgarian territory may be annexed are nonsense. However, he does not deny being visited by a member of the DPS [Movement for Rights and Freedoms].

[Bazotev] Mr. Uslubas, in 1985 Bulgaria was being accused of suppressing human rights as a result of the initiated renaming of Bulgarian Turks. What did Turkey have at that time, a democracy?

[Uslubas] After the November 1983 elections, a government democratically elected by the people came to power. Democracy, however, is a process; it does not arrive immediately.

[Bazotev] Were there repressions during that period?

[Uslubas] There were isolated claims of repressions. Opposition parties and movements had been banned by political law, and, for a period of 10 years, leaders such as Bulent Edzevit and Suleyman Demirel were not allowed to engage in political activities. Later, this abnormal situation was eliminated as a result of a referendum.

[Bazotev] The military coup in Turkey was not welcomed by the democratic countries, including the Allies, regardless of whether the NATO Special Services had been informed of the action.

[Uslubas] The Western countries did not welcome the military coup, but later, together with the U.S. Government, a number of Western leaders realized that it was necessary; it was imposed by the circumstances. They created no obstacles to Kenan Evren. Some Scandinavian countries caused certain difficulties for the export of Turkish goods to their markets. The European Community stopped economic aid for a while, but there were no diplomatic complications.

[Bazotev] In brief, the same measures that Turkey took concerning Bulgaria after 1984 were taken in the case of your country?

[Uslubas] What happened to the Bulgarian Turks at the end of the 20th century was a shock to us. Renaming was like thunder out of a clear sky. Until that time, relations between the two countries had been developing quite well. Kenan Evren had met with Zhivkov in Antalia, interesting plans for joint activities were scheduled for implementation, and annual trade between the two countries was in the range of \$150-200 million. Then, all of a sudden, there was the changing of names. Under

Stalin and, perhaps, Brezhnev, such a policy may have yielded some results. Under Gorbachev it was doomed to failure. It was not related to his idea of the image of socialism with a human face. On the whole, the international situation was not favorable for tolerating such gross violations of human rights. After the Republic of Turkey was founded in 1923, the new leadership of the country pursued a policy of establishing the best possible relations with its neighbors. That policy earned international recognition. Time proved that neighborly ideas prevail over confrontation.

[Bazotev] Is Cyprus part of good-neighborly ideas? Or is it an exception?

[Uslubas] Cyprus is no exception. That is a different question. The British mandate over Cyprus was expiring toward the middle of the century, which is why the interested parties signed an international treaty—first in Zurich in 1959, and later in London. With the signatures of Great Britain, Turkey, and Greece, a new state appeared on the world map: Cyprus. The Turkish population on the island was about 20 percent of the total, scattered in small settlements and towns in the northern part of the territory, covering about 35 percent of it, with Lefkosa as its administrative center. Turkey was given the right of guarantor of the new unit, with the Greek and Turkish ethnic communities jointly participating in its administration. Makarios was president, and his assistant was Fazil Kucuk. A similar system was applied in allocating positions throughout the state hierarchy. At first, decisions were being made jointly. In 1963, however, the Greeks in Cyprus undertook to wreck the joint administration that had been developed by common efforts. They began to appoint their own people to key positions, rejecting the Turkish representatives. When the junta came to power in Athens in 1967, the situation on the island worsened. Under a variety of covers, Greek military experts began arriving on the island. They were placed in important positions. The view prevailing among some Greek circles, a view that still exists, was that of the grand idea of Greater Greece. They were looking for ways to implement this idea. Cyprus played an important role in their plan. This was confirmed by subsequent events.

[Bazotev] Who was the head of the Greek community?

[Uslubas] Nikolay Samson, a guerrilla leader. He was backed by other forces. He overthrew Makarios, the legitimate president, in July 1974. As a guarantor of the Zurich and London treaties, Turkey could not remain indifferent. Prime Minister Bulent Edzevit consulted with the Government of Great Britain because there was no point in talking with the third participant. Lord James Callaghan, the British prime minister, said: "This is your problem. We shall not interfere!" The Turkish forces then went into Cyprus.

[Bazotev] However, no country except Turkey has to this day recognized the North Cyprus Turkish Republic

headed by Rauf Denktas; no single leader has accepted Denktas as a legitimate president.

[Uslubas] Yes, that is true, but the problem of Cyprus cannot be resolved by going back to the status quo of 1974. The key to this problem lies in recognizing the political equality of the two communities, which is something those who head the UN Security Council must realize. I hope they have already realized it.

[Bazotev] What if tomorrow Major or Bush were to tell Ozal, "This is your problem. We shall not interfere," and Turkish forces were to enter Kurdzhali...where Bulgarian Turks account for more than 20 percent of the population?

[Uslubas] This analogy is absolutely impossible!

[Bazotev] Why is it impossible?

[Uslubas] Bulgarian Turks have no connection whatsoever with Great Britain or the United States. They are Bulgarian citizens. The annexation of Bulgarian territory is nonsense. The Turks who live in Bulgaria enjoy, together with all other people, ordinary civil and human rights and freedoms. This is important.

[Bazotev] In your view, do they exercise these rights and freedoms, or are they subject to certain restrictions?

[Uslubas] Over the past two years, the new Bulgarian leadership has taken a number of positive steps. This should continue and develop as a process, so that the Turks who live in Bulgaria become a living bridge of friendship between our peoples.

[Bazotev] Speaking of equality, let me ask you this: Why is Turkey preventing 12 million Kurds from developing their independent educations in their native language, building schools, and creating their own community?

[Uslubas] As stipulated in its Constitution, Turkey is a state that is one and indivisible. It makes no distinctions among its citizens. On all levels, state or public, one finds officials of Kurdish origin or with Kurdish affiliation. I am speaking of all levels, including the highest. Anyone who wishes to learn and speak Kurdish is entirely free to do so. There is a feature, however, that many people, foreigners mainly, are not aware of: Kurdish is a spoken but not a written language. There are no manuscripts or books in Kurdish. Kurdish dialects are so numerous and so different from each other that, if Kurds from two separate villages meet, the easiest way for them to communicate is in Turkish. That is the reason for the lack of schools. That is why Mr. Demirel, the new prime minister, has suggested a program for the development of a Kurdish institute. Generally speaking, if Kurds are fluent in Turkish, nothing prevents them from becoming integrated into Turkish society.

[Bazotev] Does this mean that the Kurdish problem is a linguistic problem?

[Uslubas] It is a cultural problem.

[Bazotev] The reason 350,000 Bulgarians in Aegean Thrace have disappeared, who knows where—is it of a linguistic or a cultural nature?

[Uslubas] I do not know what became of those people. Some of them may have gone back to Bulgaria, while others may have blended with their Turkish environment. The opinion of many foreigners is that the Turkish language can be mastered easily and learned quickly. That is perhaps why these Bulgarians from Thrace melted quickly into the Turkish environment. The question should be studied.

[Bazotev] Mr. Uslubas, this spring the Turkish Consulate in Burgas stopped issuing visas to Turkey for a period of three days. Several weeks later, state companies and establishments had difficulty obtaining such documents. That was in response to the recently inaugurated monument near the Armenian Church, next to the Bulgariya Interhotel. The inscription on the monument stated that it was built in memory of the victims of the genocide committed against the Armenian people. Was that the reason?

[Uslubas] The issuing of visas was not stopped. The consulate grants all possible facilities to Bulgarian citizens and companies. That is our working principle. There can be no question of a connection between the monument and stopping the visas.

The truth is that we were greatly affected by that monument. To this day, we cannot understand why permission was given to erect it in Burgas.

[Bazotev] The monument was built on land owned by the Armenian Church, and the Burgas Township is not the authority that must decide how it is to be used.

[Uslubas] Permission to erect this monument was an error. It casts a shadow on our positively developing reciprocal relations. The removal of that monument is our greatest wish. Turkey has always proved its friendship. A clear future lies ahead of us.

[Bazotev] Why is it that the erection of a monument with a similar inscription in Marseilles several years ago did not trigger such sharp reaction?

[Uslubas] That is not true. At that time, the Turkish ambassador to Paris left France precisely because the term "genocide" was used on the inscription.

[Bazotev] Mr. Uslubas, has the consulate been visited by Mr. Sabri Madzharov, the coordinator of the DPS for the Burgas area, the brother of Elin Madzharov, who was sentenced to death by firing squad and was executed in 1989 for committing terrorist actions?

[Uslubas] Yes, it has been.

[Bazotev] For instructions?

[Uslubas] The doors of the consulate general are always open, like those of a church or a mosque. Anyone can

come here with his petition, which we will try to satisfy as best we can. The individual you mentioned came to see me along with representatives of the mayoralty in Pomorie to establish commercial contacts with Turkish businessmen to export cattle. He came here requesting an entry visa to visit his relatives in Turkey. I am visited by many managers, and, frequently, they pay courtesy calls and nothing else.

[Bazotev] From the BSP [Bulgarian Socialist Party] as well?

[Uslubas] From the BSP as well. We do not consider party affiliation a criterion in maintaining contacts.

[Bazotev] What do you usually talk about?

[Uslubas] We try to heal old wounds and to forget the past. We discuss the establishment of a Black Sea economic zone and other joint projects and commercial problems. Bulgaria lost its Eastern markets and must now seek new markets on uncharted territories. Turkey has a strongly developed marketing system and could help it. In brief, we discuss the future of the country.

[Bazotev] No discussions of separatism?

[Uslubas] Why are there such strong suspicions of annexation or separatism?

[Bazotev] The doctrine of the Islamic Party headed by Prof. Nedzemetin Erbakon about the state of Turan is not a suspicion but a reality. Is it possible for such a doctrine to show an appetite for some part of distant China but ignore Bulgaria as a province?

[Uslubas] There was a time in the past when territory was needed because of extensive farming and similar industries. New territory facilitated the economy of the conquering state. In the age of computers, that is nonsense. The good-neighbor relations we inherited from Kemal Ataturk are the core of Turkish policy, and we want to apply them in reality. Whether we like it or not, we are destined to live together. Good-neighbor relations are the gate through which we must pass.

SDS Coalition Formations Examined

AU0604102392 Sofia DUMA in Bulgarian 28 Mar 92
p 5

[Article by Mila Manova: "The Union of Democratic Forces Is Trying To Revive Its Ranks Before the April Plenum"]

[Text] The Union of Democratic Forces-Movement [SDS-Movement] started regrouping its forces as early as before its April conference. Why? The most logical explanation would be that the SDS intends to define the nature of and map out the forthcoming strategic steps of this conglomeration that the majority of SDS constituents are rather confused about. The favorite slogan that the SDS is a movement (something of a coalition, but not quite) that covers the entire political spectrum is no

longer heard as often as in the past. According to that slogan, the SDS is composed of right-wing, left-wing, and center groups. However, the Green Party, headed by Biserov, could not assert its authority and is trying to establish itself under another name. The Bulgarian Social Democratic Party faction under Kurtev is facing a disastrous verdict in the legal dispute about its legitimacy. Yordan Vasilev remained the leader of one half of the Democracy Clubs, while the United Democratic Center and the Alternative Social Liberal Party consist of only ministers, leaders, and so forth. Despite their small membership, the Democratic Party and the Radical Democratic Party appear as the real giants of the SDS-Movement.

This militant ruling SDS-Movement has to cope with numerous troubles in its practical work. The government is unstable. In addition to this, some ministers do not obey their party leadership. The cooperation between the Parliamentary Union, the executive power, and the SDS Coordinating Council is far from perfect. In the meantime, the economy is in ruins, the reform is nothing but a dream, the priorities of legislation are dealt with in a quite peculiar order, as a result of group interests, and so forth.

Under such circumstances, it is required to define the political profile of those who are in power and to single out the real leaders among them. It is unnecessary to add that they are not covering the entire political spectrum. However, it is evident that the political trend that has the greatest number and the most influential supporters within the SDS should be determined before the conference.

I already mentioned on several occasions that many of the founding parties and formations that created the SDS were subsequently removed at various stages of development and for unspecified reasons. In the beginning, they were eliminated mostly for personal and collective reasons of expediency. Later, the real split followed, which was the separation from the Bulgarian Social Democratic Party, the Liberal Party, and the Green Party. The incompatibility of principles and approaches between the SDS and the aforementioned parties is so obvious that we do not need to produce any evidence for it today. At this very moment, we are witnessing a strange rehabilitation of Yanko Yankov, as leader of the Union for the Turnovo Constitution, by the SDS. It is useful to remember that he was a human-rights fighter in the past, who subsequently turned into something of a non-Marxist Social Democrat and, finally, into a Liberal. Today he insists on restoring the old Turnovo Constitution and claims that he is neither a republican nor a monarchist. He presumably intends to establish an unheard of state form based on the Turnovo Constitution.

Yordan Vasilev describes Yankov's return to the SDS ranks as an important political event. Is it because he is so influential or because he brings such a large group of supporters, or is he supposed to revive the movement

with some totally new ideas? The new partner, in turn, does not forget to drop some negative hints about the president of the Republic, against Petko Simeonov, and G. Spasov, who allegedly rejected him.

Behind all of these "petty" political happenings, the SDS-Movement actually gained the support of one more promonarchist group, which, moreover, has the ambition to act as a sharp weapon in the struggle for decommunization.

Nevertheless, the conference is a different matter. It will again discuss the nature of the SDS, its goals, its orientation, and its organizational structure. It is not difficult to forecast that the old parties based on the principles of restoration and monarchism, who are striving for the restitution and for the repeal of the ordinance on the People's Court, supported by the newly converted anti-communists and monarchists, will prevail and assume command. The question of whether the coalition will be reduced to a few parties only, as Stefan Savov and Aleksandur Yordanov would wish, and whether the Democratic Party or the Radical Democratic Party should play the first violin, is only of secondary importance.

People in the SDS state that the problem of either monarchy or republic is not topical today. They also claim that relations between the SDS-Movement and Zhelev are almost harmonious. Nevertheless, the facts show that the cards of the game expected to be played tomorrow are already marked today. What is the fate of Mrs. Moser and her Agrarians, who should be left-wingers and republicans, expected to be? What if she changes her ideas, like Yanko Yankov and company? In that case, everything is possible.

Voters, let this be a warning that you should not wait for the April superplenum to answer these questions because the answers are in the process of being written at this very moment.

SDS Deputies Speak at Spring Meeting in Yambol

AU0404212092 Sofia DEMOKRATSIYA in Bulgarian 30 Mar 92 p 2

[Text] Today Georgi Markov, Stoyan Ganev, Verzhiniya Velcheva, Mikhail Nedelchev, and Aleksandur Yordanov [members of the Union of Democratic Forces parliamentary group] held a spring meeting before a large audience in the Diana Hall in Yambol.

Markov analyzed the work of parliament, illustrating his words with specific facts and incidents illustrative of the subversive activity of the communist mafia, which brought about the nation's tragic demographic condition. If the mafiosi continue their sabotage, Markov declared in his familiar style, it will become necessary to ban the Bulgarian Socialist Party-Communists. Velcheva continued on the same theme: "Because of the widespread robbery it was engaged in, this party forgot to

register itself." She jokingly contested Markov's proposal, pointing out that it was impossible to ban a party that did not exist legally.

Ganev devoted more time to domestic political problems and supplied specific facts about the scenario and schemes hatched by the latter-day socialist discreditors of himself and Ahmed Dogan in their attempts to compromise the Movement for Rights and Freedoms. One could hear a pin drop in the hall when Ganev described the various plans for sabotage that had been devised (by introducing computer viruses in the Ministry of Internal Affairs) and by installing microscopic radioactive plates in the offices of the Union of Democratic Forces [SDS] leaders and the government, which were intended to cause their physical elimination within five or six months.... "The most frightful thing," Ganev stated, "is that, if the political power becomes the captive of the mafia, this will mean the end of the hopes of every honest person." Ganev appealed to his audience not to tolerate corruption among local economic leaders, even if they are from the SDS.

Yordanov's witty speech was greeted with stormy applause. If the communists do not agree with the Land Act, Yordanov said, let them renounce their rights as heirs in favor of people who hold no land. The strike of the miners who have been fatally irradiated with uranium is absurd.... The SDS is firmly resolved to carry out its election campaign program. This is a struggle that must be waged not only in parliament but most of all through the local SDS structures. Anyone who does not want this should drink a glass of cold water, which this rainy spring promises to supply in abundance....

BZNS-e Council Elects New Permanent Board

AU0604145092 Sofia ZEMEDEL'SKO ZNAME in Bulgarian 30 Mar 92 p 1

[Report by Zh. Ivanov]

[Excerpts] At 1000 on 27 March, the Ruling Council of the Bulgarian National Agrarian Union-United [BZNS-e] that was elected by the union's national congress held its first session in the Aleksandur Stamboliyski Hall in Sofia. It was announced that 95 of the 116 elected members were present, and that nine of the 21 absentees had submitted excuses for not attending.

BZNS-e Secretary Tsenko Barev made an introductory speech. [passage omitted]

The Ruling Council approved by a vote that the Permanent Board should have eight members. Alternative candidates for membership were proposed from the hall, so that the final number of candidates was 14. As required by the union's statute, a secret ballot was then held, in which 93 members participated, as a result of which the following were elected members of the BZNS-e Permanent Board: Khristo Mirchev, Dimitur Batalov, Rosen Litsov, Ivan Semkov, Nayden Gulubov, Bayazid Saidov, Dimitur Vulkanov, and Khristo Khristov.

Regarding the second item on the agenda, the union's secretary announced that the resignation of Mr. Dragomir Shopov, editor in chief of ZEMEDEL'SKO ZNAME, had been accepted, and that Mr. Petko Ogoy'ski had been provisionally appointed as chief editor. The Ruling Council will elect a chief editor for the newspaper at its next meeting. [passage omitted]

Tomov Reviews Discussions at EBRD Headquarters

AU0704101492 Sofia DUMA in Bulgarian 1 Apr 92 p 7

[Interview with Aleksandur Tomov, deputy chairman of the Parliamentary Union on Social Democracy, by Nikolay Tsankov; place and date not given: "Jacques Attali and Aleksandur Tomov Talked About Future of Bulgarian Economy"]

[Text] At the end of last week, Jacques Attali, president of the European Bank for Reconstruction and Development [EBRD], received at the bank headquarters in London Aleksandur Tomov, leader of the group of spokesmen and deputy chairman of the Parliamentary Union on Social Democracy. We asked Mr. Tomov to answer several questions from a DUMA reporter.

[Tsankov] Mr. Tomov, this is your second meeting with Jacques Attali. What are your impressions of the visit and the EBRD attitude toward Bulgaria?

[Tomov] Within slightly more than one year, the EBRD became one of the leading European financial institutions. It has become particularly active in Eastern Europe, specifically in Poland, Czechoslovakia, and Hungary, and recently in the Commonwealth of Independent States. In fact, this is one of the most promising financial bridges leading to the consolidation of the new Europe. During my last meeting with Attali, I learned not only about the large-scale financial plans considering Eastern Europe, but also about the bank's willingness to intensify its activity in Bulgaria. For our part, we briefed him on our economic situation and explained why Bulgaria urgently needs substantial foreign investment just now.

[Tsankov] Recently, we heard about the first large-scale EBRD project in Bulgaria, in Maritsa-East.

[Tomov] Yes, the idea of this project emerged last year, and the fact that it has been implemented is gratifying. The second major project, which involves the modernization of one of our chemical combines, is almost ready. Nevertheless, if we compare both the number of projects and the scale of the means involved, we will see how seriously we lag behind Hungary, Poland, and Czechoslovakia, where dozens of projects are being implemented.

[Tsankov] What is the reason for this?

[Tomov] Regardless of how puzzling it may sound, the main problem is not the legislation, or at least not only

the legislation. The problem is in the lack of ready and complete projects that represent profitable investment. Generally, the funds directed at Bulgaria are more substantial than the possibilities of using them. We missed many great opportunities. There were many cases when millions intended for Bulgaria were allowed to slip from our hands. Consequently, the investors mainly directed them to Hungary and Poland. Now Russia and Ukraine are in the competition for EBRD credits.

[Tsankov] Can we expect the EBRD to intensify its activity in Bulgaria?

[Tomov] Jacques Attali and his primary aides want this very much, and there is a great chance that this will happen. The rest depends on the Bulgarian Government and, more specifically, on the Ministry of Trade and Industry. In the future, there also will be possibilities of financing nongovernmental projects. The talks left me full of optimism, yet concerned about the level of our work related to attracting foreign investment.

Banking Employees Protest Decommunization

AU0604095692 Sofia DUMA in Bulgarian 28 Mar 92
p 1

[DUMA PRESS report: "Red Flag Flies Over Biokhim Bank"]

[Text] On Monday, 30 March, financial circles will be shocked to hear of a token strike at the Economic Bank. On the afternoon of 27 March, a red flag was already flying over the Biokhim Bank. The 800 employees of the Economic Bank will start their workweek wearing arm bands as a sign of protest against the article on decommunization contained in the Banking and Credit Act that was published on 27 March.

Rumors of a possible strike started to spread two weeks ago, when the decommunization almost caused economic paralysis. The bank employees did not declare an outright strike, in expectation that the government would intervene. As is known, they sent a protest letter demanding that the president veto the scandalous article in the transitional and concluding provisions of the law, under which persons who have worked in organs of the Bulgarian Communist Party [BCP] and other former official organizations may not be elected to membership of bank management bodies.

Under the regulations that applied until recently, the chairmen of all branches of the Bulgarian National Bank—the present commercial banks—were required to be members of the municipal leadership of the Bulgarian Communist Party, claim the specialists who are defending those affected. The situation is different now. Instead of being appointed by the government, bank chairmen are now elected by the boards of directors, with the approval of the annual general meeting of shareholders.

Well-known bankers and experienced professionals are about to lose their seats. Two weeks ago, bank specialists and supporters of various parties came out in support of Tsvetan Petkov, the chairman of the prosperous Economic Bank and formerly a member of the BCP Central Committee. On 30 March, bank employees are expected to engage in nationwide trade union actions.

The law on decommunization cannot be applied to the banking system, said Aleksandur Novkov, deputy chairman of the Economic Bank, despite the fact that that law is of topical importance and specifically applies to the state sector and economic life. Specialists who have created banks enjoying international authority and trust and banking systems that have trained many staff cannot be placed under the same common denominator as the bankers appointed by the BSP town and district committees who never worked in a banking system, Mr. Novkov commented.

Biokhim Bank Denies Report on Flying Red Flag

AU0604095992 Sofia DUMA in Bulgarian 31 Mar 92 p 2

[Text] The editors have received a letter signed by Anna Subeva, deputy chairman of the Biokhim Commercial Bank, that states as follows:

"Saturday's issue of DUMA, dated 28 March, published an article on page one under the bold heading: 'Red Flag Flies Over Biokhim Bank.' We protest strongly against this article because it does not correspond to the truth.

"The article connects in a mechanical fashion the actions of the collective of the Economic Bank with the name of the Biokhim Commercial Bank. The management of the Biokhim Bank regards as irresponsible the use of the name of a renowned bank in the above-mentioned article.

"The Biokhim Commercial Bank preserves its right to seek satisfaction from the DUMA newspaper in the courts and to claim compensation for the damage caused and benefits lost.

"We appeal to our clients not to be influenced by the DUMA article because it does not correspond to the truth."

The editors apologize to the Biokhim Commercial Bank for the trouble that has resulted.

Podkrepa Union Gives Background of Strike Action

AU0604094292 Sofia PODKREPA in Bulgarian 27 Mar 92 p 4

[Statement by Podkrepa Miners Trade Union Federation; place and date not given: "How Can Our Lead-Zinc Manufacturing Be Sold Out in Just 100 Days?"]

[Excerpts] Bulgaria is not rich in natural resources, or, to be more precise, our country has a wealth of poor mineral resources. For the rational mining of these minerals, the following have been developed: short-, medium-, and long-term programs; packages of laws, decisions, directions, and instructions; specialist organs, ministries, committees, corporations, and companies.

During the previous period, raw materials were put into the development and consolidation of heavy and light engineering, the energy industry, the chemical industry, electronics, transport, and other branches. This not only helped their development and competitiveness on the international market, but also helped to create highly qualified cadres and our own scientific products and institutes and promoted social gains and the development of backward regions of the country.

At the same time, the capital investments made were recouped many times over, and they are profit-making at the moment.

Unfortunately, because no market economy existed, the socialist command-administrative, plan-based approach took all of the profits from the country's ore mining and metallurgy into the budget. Without a single lev being reinvested, the industry was kept together piecemeal, through artificial, unrealistic prices and subsidies. The industry operated under extremely difficult conditions—namely, outdated equipment and technology, ecological genocide, and poor wages. This legacy forms the brunt of the unresolved problems that are at the root of the present extremely severe social tension, under conditions of a market economy and democratic government.

Neither the Atanasov and Lukanov administrations nor those of Popov and Dimitrov perceived the existence of these problems (or, at the very least, they did not or do not want to see them). This is the only way to explain the fatal delay and failure to solve them as problems of strategic national importance. On the contrary, the half-measures and lack of action aggravated the differences even further, particularly with the trade unions.

To date, the government still has no clear integrated realistic concept and program for lead and zinc production, regardless of the fact that the Podkrepa Miners Trade Union Federation has been insisting on this since March 1991?! [passage omitted]

The "law on mineral wealth" that is now in force dates back to before 9 September 1944. Not only are there no other laws or regulatory statutes applying to the raw material sector, but none are envisaged in the National Assembly's plan, at least in the near future. The danger is clear.

Under the provisions of other laws, dealing with the land, privatization, foreign investments, and so on, a real threat is being created that, in the near future, our precious sources of raw materials will be transformed, shut down, or sold to foreigners and foreign companies! [passage omitted]

During the preparation of "analyses" of the grave state of the raw material sector and the compilation of the initial data and assignments relating to offers for reconstruction and modernization, the "selection" of foreign firms, partners, and so on is decided by a close departmental circle consisting of the managing nomenklatura of the firms affected and experts in the field, right up to the deputy minister of the state department, which in most cases is the Ministry of Industry and Trade!! [passage omitted]

In essence, the first step in the implementation of Council of Ministers Decision No. 42 of 8 March 1990 was made when the Plovdiv Lead and Zinc Company—note, not the Council of Ministers or the ministry—on its own initiative, without announcing a competition by tender, "ordered" a study of the problems of lead and zinc production from the German Stollberg Engineering Company, sister company to Metallgesellschaft, in whose structure the Lurgi Company can be found.

The question is, why were the services of a neutral foreign company not engaged?

The answer is simple: As monopoly holders, the managements of the Plovdiv Lead and Zinc Company and the Sofia Rudmetal Company control sales of metal. [passage omitted]

Council of Ministers' Decision No. 42 of 8 March 1990 recognized that the state will not finance modernization, but the Ministries of Finance and Industry and Trade remain silent on the question of writing off the debts accumulated by companies and allocating funds for new capital investments.

In addition, the freeing of prices slowed up the production and marketing of nonferrous metals. [passage omitted]

In just 100 days, the present government has adopted two contradictory decisions:

1. The repair of the country's lead-production facilities;
2. The stopping of lead production and its export to Greece.

This had an influence on the decisions adopted on zinc production, ore mining, and so on, right along the line!

So far, responsibility has not been sought for this unscientific approach that lacks any method or program and is fatal for the development of the industry!

Podkrepa Miners Trade Union Federation

KDH Electoral Program, Candidate Slates

AU0604060392 Bratislava SLOVENSKY DENNIK
in Slovak 30 Mar 92 pp 1-2

[Article by Marta Ruzickova: "The Christian Democratic Movement—Guarantee of Democracy and Stability; The Movement's Extraordinary Assembly Approved the Electoral Program"]

[Excerpts] Trnava—The situation in the Christian Democratic Movement [KDH] that has publicly crystallized during March, as well as the approaching elections and the resulting need to adopt an electoral program and slates of candidates, made it necessary to call an extraordinary assembly of the Christian Democratic Movement. Its delegates met in Trnava on Saturday, 28 March. [passage omitted]

The delegates' attention focused on the address by KDH Chairman Jan Carnogursky, the full text of which we publish elsewhere in today's issue. Commenting on the separation of the Slovak Christian Democratic Movement [SKDH] from the KDH, Jan Carnogursky then added that, after the assemblies that were held in individual districts, the situation is such that, in Bratislava, about 10 percent of the members left the KDH for the SKDH, in West Slovakia also about 10 percent, in Central Slovakia 20 percent, and in East Slovakia 5 percent. [passage omitted]

The assembly was attended by Slovak National Council Chairman Frantisek Miklosko, for the first time in his capacity as a KDH member. He said that after two years outside the party, he will never stop appreciating the fact he has joined the KDH, which, he thinks, will be his last switch. Commenting on recent developments in the KDH, he said that he does not view them as a tragedy but as a solution. He described as a key point the fact that the KDH has defined parties with which cooperation is unacceptable. This has significantly contributed to the whole movement gaining a clear image, he said. In his opinion, the KDH ought to combine elements of a European Christian Democratic conservative party and elements of a popular movement. In the immediate future, he regards as the KDH's programmatic targets the reinforcement of Slovakia's position in Europe and the development of Slovakia in the economic, cultural, and other fields. He said that teams of people must be put together to attain these targets. He appreciated the fact that the KDH's electoral program speaks about the movement's openness to all people of good will and about the KDH not being affiliated to any church.

In addition to Frantisek Miklosko, who transferred to the KDH from the Civic Democratic Union-Public Against Violence, another well-known face appeared in the assembly Presidium—that of writer Hana Ponicka. She stood at the cradle of the movement in December 1989 when six activists (Jan and Ivan Carnogursky, Ivan Hoffman, Konstantin Viktorin, Anton Selecky, and Hana Ponicka) signed an appeal calling upon Christians to establish Christian clubs.

In a resolution, the delegates to the assembly approved the report by the movement's chairman as well as the draft KDH electoral program. They charged the KDH Council Presidium with defining some points more accurately, on the basis of comments raised in the discussion, and with final editing work. In the resolution, the assembly rejected, among other things, the registration of those who have left the movement under the name SKDH. The assembly regarded this as the misuse of a name that is already filled with historical content.

The closing address was delivered by KDH Chairman Jan Carnogursky, who said: "We have sent a congratulatory telegram to the constituent SKDH Assembly. Nonetheless, we are of the opinion that the path for which we have opted is the more correct one. We are in the position to achieve our aims with the support of the world and of Slovakia. I am confident that Slovakia will make the right decision in the elections." [passage omitted]

Following the assembly, the KDH Council and KDH deputies to both legislative bodies—the Slovak National Council and the Federal Assembly—met behind closed doors. At the outset of this meeting, the KDH Council unanimously approved Anton Selecky, hitherto charged with the management of the SLOVENSKY DENNIK editorial office, as chief editor. Candidates for the post of regional secretaries were also voted on. In East Slovakia, this post will be executed by Jan Scheer and in West Slovakia by Marian Miklosko. As regards the regional secretaries for Central Slovakia, Bratislava, and Kosice, three designated members of the KDH Council will continue to perform those duties until individual regions propose their own candidates.

The KDH Council did not deal with the election of the KDH central secretary at its meeting, and it entrusted Stanislav Vajcik with continuing to perform the duties of KDH central secretary.

The central point on the agenda of the KDH Council meeting, which ended long after midnight, was the approval of slates of candidates for deputies to the Slovak National Council and the Federal Assembly.

[Bratislava SMENA in Slovak on 30 March on page 1 carries a 100-word report on the KDH Assembly that states: "We learned from the submitted preliminary slates of candidates that the slate for the Slovak National Council is topped by J. Carnogursky, J. Brocka, L. Pittner, P. Taraj, F. Miklosko, and F. Javorsky and that for the Federal Assembly by I. Simko, J. Miklosko, J. Petrik, P. Rajnic, and M. Komarik."]

SKDH Holds Constituent Assembly, Elects Klepac

AU0604061292 Bratislava NARODNA OBRODA
in Slovak 30 Mar 92 p 2

[Article signed "(REP)": "The Slovak Christian Democratic Movement—Concerning How the Time Has Come"]

[Text] Zvolen—The Slovak Christian Democratic Movement [SKDH] constituent assembly was held on Saturday, 28 March, in a perfectly calm working atmosphere and in an atmosphere of exemplary—for many entities on the Slovak political scene—discipline. Representatives from the World Congress of Slovaks and from other national associations sympathetic to the new political entity founded on a Christian democratic platform participated in the assembly along with 277 delegates.

In the three weeks since the split from the Christian Democratic Movement [KDH], the supporters of J. Klepac have not only officially registered the new political party at the Interior Ministry, but have also established secretariats in all of Slovakia's districts. Several leading SKDH activists were involved in establishing the original KDH, and its first steps are still fresh in their memories. In his introductory address, Klepac promptly denied speculation that the split within the KDH was a preelection trick aimed at muddling the voters and at turning their attention away from rival political parties. He stated that the differences of opinion on the future constitutional and legal arrangement, economic policy, and methods of political work between them and J. Carnogursky's supporters are so great that both political groupings are linked only in the Christian ideal that is their starting point. In their election program the SKDH members openly support the accomplishment of the Slovaks' emancipationist efforts to establish their own state, economic reform encouraging domestic entrepreneurs, support for the development of democracy, and observance of human rights and liberties. The movement's fundamental aim—to achieve statehood—is also expressed in its election slogan: "The Time Has Come, Slovakia!" Delegates to the SKDH constituent assembly elected Klepac chairman in a secret ballot. Viliam Oberhauser and Bartolomej Kunc were elected deputy chairmen.

[Bratislava PRAVDA in Slovak on 30 March on page 2 carries a 200-word report on the SKDH constituent assembly. According to this report, "L. Porubec, a Slovak National Party [SNS] deputy in the Slovak National Council [SNR], who was present at the assembly as a guest, stated that six SNS deputies in the SNR support the SKDH and indicated that the SNS could become the SKDH's coalition partner in the elections."]

Daily Critical of Attacks on Slovak Minister

92CH0409B Prague TELEGRAF in Czech 13 Mar 92
p 3

[Commentary by Petr Husak: "The Slovak Guillotine"]

[Text] Nothing lies so heavily on the stomach of the national-socialist forces in Slovakia as privatization. Private ownership does not respect national borders and its supranational dimension tends to demolish the vision of a national Slovak state in the same manner that it demolishes the vision of a socialist economy. That is

precisely why the above-mentioned political forces are stepping up their pressure for a seat of a Slovak minister of privatization. That is why they are attempting to kill off one of the last liberals in the Slovak government. The socialist reformers in the service of these political groupings bring up constantly more absurd variations of new views of privatization, the transparent purpose of which is to acquire decisive authority over it, with a final goal being the elimination of privatization. A similar "new view" was also represented by the recent attempt to shift the basic decision regarding the privatization process to the jurisdiction of the various branch ministries.

As long as Ivan Miklos succeeds in deflecting all assaults by the national-socialist forces at least until the elections, there is at least a partial guarantee that the first privatization wave in Slovakia—that is to say, even in the entire CSFR—will come about. If Minister Miklos fails, Slovakia will not deliver its share into coupon privatization and will hamper its progress throughout the CSFR. Seen through Czech eyes, the federal concept of coupon privatization, given the current distribution of political forces—the growing influence of reform Communists in Slovakia and their offshoot in the Czech Lands which cannot be ignored—is very easily vulnerable. In the interest of saving the privatization process in Bohemia, therefore, there will likely be no choice but to attempt to segregate coupon privatization by republic. The segregation of privatization will not result in a technical problem, but rather a political one. Particularly during the elections. Coupon privatization can be segregated only by laws adopted by the Federal Assembly. A strong postelection coalition of a ruling Slovak left with the Czech leftist opposition will block the segregation of privatization even in the parliament. Then, a whole panoply of paradoxical situations could develop. Two of the more likely developments are as follows: After the elections, two and a half million Slovak citizens will own coupon booklets with completed ICO [expansion not given] portions for the first wave of coupon privatization. Citizens of the Slovak Republic invest their coupons primarily in the more efficient Czech enterprises. And they do so in a situation when the bell will perhaps have tolled for the common state. At a time when the course of the economic reform in both republics will be developing in diametrically opposed directions. In such a case, the property of Czech enterprises will be distributed to potential citizens of a foreign state. What do the Czech voters and the Czech minister for privatization say to this?

In the second case, two and a half million Slovak citizens will not have had coupon booklets for a long time because Prime Minister Meciar, together with his managers, will find another of the simple solutions—they will rescind the first privatization wave in Slovakia and pay each citizen 1,000, 2,000, or 3,000 korunas [Kcs] from the deficit Slovak budget. In the event the federation is not broken up by then, this debt will again be paid by the budget of the Czech Republic. What do Czech voters and the Czech minister of finance say to this? The answer is not simple. The Slovak guillotine is merciless.

Carnogursky Outlines Goals of Slovak Government

92CH0404A Bonn DIE WELT in German 4 Mar 92
p 5

[Article by Carl Gustaf Stroeck: "Carnogursky Resists the Hurry of the Slovaks To Achieve Independence"]

[Text] It is not only the former Communists, but also anti-Communists and democrats with impeccable pasts who are threatened with being run over by the accelerating developments in the former countries of actually existing socialism. An example of this almost tragically ironic situation is Jan Carnogursky, the once intrepid Catholic dissident, political prisoner, and resistance fighter against the Communist Party regime. During the decisive days of December 1989, he returned directly from jail to Czechoslovak politics.

At that time, Carnogursky established the Christian Democratic Movement [KDH] in his Slovak homeland, became deputy prime minister in Prague, and later replaced ex-Communist Vladimir Meciar as prime minister of the Slovak government in Bratislava.

Today, his party, the KDH, is split asunder on the nationalities question. This has to do with the future coexistence of the Slovaks and Czechs or their going their separate ways. Some of his party friends refused to obey KDH chairman Carnogursky, who favors a compromise with the Czechs. In this connection, he speaks of his party's being tried to the "breaking point."

The Slovak prime minister now already is giving a more pessimistic prognosis with regard to the upcoming parliamentary elections in the CSFR: In Slovakia, the "nationalities question" will become the primary election campaign topic. This will lead to the possibility that a future government would be formed by an "unsympathetic alliance" of left-nationalist populists around Vladimir Meciar, independent forces around the Slovak National Party (SNP), and ex-Communists, who will climb on the nationalities bandwagon.

But it is not only for "subjective" reasons that Carnogursky sees the Czechs and Slovaks drifting ever more apart in the near future. The Bratislava government chief fears that such differing political, social, and economic factors will come to light in Bohemia/Moravia on the one side and in Slovakia on the other side that, following the elections, those in power in Prague and Bratislava will hardly be able to agree on more than an absolute minimum of commonalities. In other words: If, in Bohemia, the "Thatcher-like" program espoused by CSFR Finance Minister Vaclav Klaus becomes a reality—Klaus being a man who proclaims a market economy without using Ludwig Erhard's word "social"—there would be no more common basis with the Slovaks.

This is because, in the exhausted communist economic structure of Czechoslovakia, Slovakia—because of its less exposed geostrategic location vis-a-vis the West—

had all that which is today proving to be a particularly hefty handicap pressed upon it: armaments and heavy industries, petroleum processing. Whether Klaus will succeed in Bohemia is already questionable—in Slovakia, his policies would amount to massive unemployment and poverty. Carnogursky says on this topic: "We have too many people employed in heavy industry—and far too few replacement jobs."

It is an irony of history that, in Jan Carnogursky, a Slovak patriot is in danger of slipping under the wheels of the radicalizing Czechoslovak situation. It is not without bitterness that he speaks of the Prague Czech politicians, who, more or less deliberately, still want to recreate the Masaryk and Benes republic, in which the Slovaks as a nation were not taken into account.

In response to a question regarding the political desires of his Slovak compatriots, Carnogursky replies that the overwhelming majority would like to "bring Slovakia to the same level as the other European nations and states." He says there are differences only in the methods and tempo. Many Slovaks believe that now, during the period of revolution in the East, there is a unique and perhaps nonrecurring opportunity of finally fulfilling the dream of a thousand years: having their own Slovak state.

He, Carnogursky, does not share the opinion of his "hasty" compatriots. Moreover, he is in favor of rational, step-by-step constitutional conformity and, as he stresses, he favors proceeding "in agreement with the other states of Europe." The solution is said to be an independent Slovakia within an integrated Europe. This European integration would modify or abolish many of today's state formations (in other words, also present-day Czechoslovakia).

Economically difficult times are not favorable for rational political decisions, Carnogursky feels, halfway resignedly. In the end, however, he says: "If Slovakia wants to break away from Prague, no power can prevent it from doing so."

Privatization, Coupon Investor Interests Viewed

92CH0398A Prague HOSPODARSKE NOVINY
in Czech 4 Mar 92 p 9

[Article by Jiri Havel, Institute of Economic Sciences, Charles University, Prague: "What Not Even Established Brains Are Sensing—Privatization Funds Viewed From the Point of View of the Interests of Coupon Investors"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] Coupon privatization is progressing at a slower pace than had been promised by responsible government authorities, however, for the present, it is progressing more rapidly than had been anticipated by pessimistic commentaries. The success of registration can certainly

not be attributed to official advertising pertaining to coupon privatization. It was assisted by particularly agile privatization funds.

The maximum number of registrations reduced the anticipated value of property accruing to each holder of investment coupons (DIK) to approximately 30,000 korunas [Kcs] in accounting prices. The above holds true provided that the governments prove capable of providing the promised volume of property to the coupon privatization process. The situation of privatization funds has, thus, become more complicated. If the privatization funds were figuring on a minimum volume of Kcs50,000 of property per DIK, and were entering upon their obligations based on this fact, then the resulting calculations will cause them certain problems. If the funds obligated themselves to pay out the DIK shares within a year at a rate of Kcs10,000 to Kcs15,000, then we are dealing with a serious problem of their liquidity.

The Liquidity Problem

If at least one-half of the DIK's demand fulfillment of such obligations, the funds will have to very rapidly (over several months) sell a portion of the shares in their holdings or acquire adequate credits, without a functioning stock market. Neither of these options are simple in any way.

In the event of securities sales, the securities market will be flooded, a factor which would clearly be accompanied by the rates for these securities falling well below their nominal values. Moreover, a portion of the securities will be unsalable, which will be partially compensated for by the proceeds from the sale of the securities of peak firms. If the market value of the "coupon shares" drops to one-half of the nominal value on average, then the funds (or investment corporations, fund founders), which were guaranteeing that they would pay money out after only one year without having an adequate financial hinterland of their own, will be on the verge of bankruptcy. Obligations on the part of privatization funds with respect to DIK's are not a problem of property, but rather of liquidity. As long as the funds are able to sell their securities gradually and also meet their obligations gradually, then their property should, in the majority of cases, be adequate. The acquisition of credits is not a simple matter either. The funds, as a rule, cannot provide any collateral other than the securities they hold. However, the question remains whether future legal standards will not limit the volume of credits made available to funds to certain ratios regarding their capital.

Fears that privatization funds will be the embryos of monopolies in our economy are frequently iterated, but lack deep argumentation. The absolute majority of funds today lacks the apparatus which could be expressly committed to managing tens and hundreds of administered enterprises in the immediate future, the financial teams of the funds will especially be administering the

portfolio and will be engaged in solving the above-mentioned problem of liquidity. The current lack of participation on the part of the funds in managing enterprises (gradually, they will probably assert their people in positions on boards of directors of stock corporations with a goal of coordinating their own interests) is more of a negation of the given phase of privatization.

In other words, the shortcomings of the funds can be seen more in the fact that, under the pressure of liquidity, they will, in the short term, sell the securities of promising enterprises below the prices anticipated in the long term. For the same reason, they will probably also frequently insist on paying out dividends at the expense of the investments of stock corporations. This will again increase the pressure for credits from the side of the enterprise sphere and will, in part, tend to stifle investment activity which is so badly needed.

Investor Ethics and the State

The absence of legal standards regulating investment terms and particularly the privatization funds is becoming ever more palpable. Protection for the DIK is minimal, as is support for investments. The law modifying the activities of funds, which is currently under preparation, could, however, be in conflict with obligations which have already been undertaken.

A possible solution for the indicated problems would be a legal prohibition of the repurchasing of enterprises by DIK funds and fund administrators, for example, for a period of three years. However, this is in dire conflict with the short-term interests of millions of DIK's and, fundamentally, changes the preference of DIK's in making coupons available to privatization funds on an ex post facto basis. A measure which would, in its final results, protect the DIK's as well as the economy would require immense political courage.

The prohibition to buy out shares would be criticized by the DIK's as well as by the funds themselves, with the latter swearing in a baronial manner that they are capable of meeting their obligations without difficulty. (This is not to cast doubt on the fact that some funds actually have adequate financial backgrounds or strategies which make them secure.) In any event, there would ensue a considerable, albeit temporary, restriction of ownership rights. This would impact on those who were counting particularly on short-term gain.

Another possible solution would call for the supplemental increasing of the volume of property assigned to the first round of coupon privatization. This would mean an agreement between the republics and the federation, the working out of additional projects, and a further deferment of the beginning of the first round.

Financial Hinterland and Guarantees

To the extent to which we would analyze as to where the mistake occurred, it is necessary to seek it in the stipulation of the minimum capitalization for the funds and their administrators. From the standpoint of first-year operating costs, including the financing of advertising campaigns, Kcs1 million is a ridiculous sum. An investment fund or a privatization fund is a kind of insurance agency for small investors. It is not without interest to state that the capital required by law for an insurance company is Kcs10 million and Kcs300 million, for example, in the case of a bank.

The efforts of the creators of coupon privatization were surely the provision of room for nascent domestic capital, but the question remains as to how fortuitous this solution was. Some funds have already spent tens of millions of korunas on advertising. And every day the coupon campaign is delayed costs them additional big money. It is worth noting that the financing for advertising shows apparently quite frequently stems from credits made available by domestic banks. It would be interesting to find out what kind of specific guarantees our state-owned banks were demanding. Fortunately for the fund administrators, for the banks, and for the lay public, there is the banking secrecy act.

I estimate that approximately two-thirds of the funds have a minimum financial hinterland. Those who had counted on a smaller number of participants in coupon privatization, that is to say, they had counted on a higher amount of property to be acquired, are finding themselves in a complicated situation from the standpoint of existing obligations and expenditures. If only one-fourth of the funds was to go bankrupt within two years, it is possible to anticipate a massive negative reaction on the part of the DIK's.

Inadequate Information and Advertising

Investors in coupon privatization do not have adequate information available. Even data which are available contain considerable distortions based on decades of the command economy system. Let us say that the specialists in privatization funds are capable of judging matters with a certain degree of probability. Then, the DIK's primarily lack information on privatization funds. They can merely estimate that funds established by large banks and insurance corporations should not go under, if only for reasons of prestige. A DIK makes what is essentially an emotional decision on the basis of advertising: Someone gains his confidence, but he lacks the elementary documentation to make a rational decision.

The enormous advertising campaign has all the earmarks of a merciless competitive struggle. A number of claims are on the fringes of legality and common sense (not to mention specialized sense). Thus, for example, the advertising of one of the most ambitious funds contains a claim that investment is possible without risk: This is

classic deceptive advertising (Section 45 of the Commercial Code) because no investment is without risk, something which has certainly not remained concealed even from the sympathetic graduates of prestigious American universities.

The same blurb speaks of a tenfold gain. If it were a matter of a tenfold increase in revenue in comparison with expenditures, all well and good, but tenfold profit? A half-truth is worse than a lie: The advertising firm makes no provision to assure a tenfold profit, particularly in comparison with other investment opportunities. In another blurb, the statement was made that a certain fund is the most advantageous one: The fund which was the most advantageous one will perhaps be determined by 10 university professors in about 10 years—today, not even the most enlightened brains sense much in this regard. Another fund boasts that it has the best information regarding enterprises: Does it not happen to be violating some kind of trade secret this way? The mistake lies in the fact that no one has adequately outlined the rules of the game. This is a serious transgression, even against the most liberal of economic theories.

Newspaper Outlines TK SR, CSTK Operations

AU0704141592

[Text] [Editorial Report] Bratislava NARODNA OBRODA in Slovak on 4 April publishes an eight-page special supplement devoted to the Czechoslovak News Agency of the Slovak Republic (TK SR). The TK SR came into being on 1 April as a result of the Law on the Czechoslovak News Agency of the Slovak Republic, which the Slovak National Council passed on 30 January. The special supplement includes several items devoted to the new name and independent legal status of the CSTK branch in Slovakia, as well as CSTK operations in general.

On page 1 the supplement carries a 900-word article by CSTK Director General Peter Uhl titled "Ideas and Doubts."

Uhl explains the concept of a "federalized CSTK," which would consist of three legally and economically independent agencies: CSTK, which would be responsible for "export and import of agency reports"; CSTK of the Czech Republic; and CSTK of the Slovak Republic, which would "ensure agency reports from the CSFR, be they of a federal or republic nature." Uhl deplores the fact that the Slovak parliament did not accept this federal concept and insisted on a national solution. In this context he says: "The accentuation of national solutions tends to be coupled with a departure from liberalism. Even the law of the Slovak National Council charges the new Slovak agency with something that even Stalinists would not have dared—with being a subsidized organization, though one with the opportunity to engage in business ventures. The Slovak National Council law has placed an insurmountable obstacle to the agency moving away from being a state-controlled (government- or party-controlled) institution to

becoming a public corporation. In the long run, the law has considerably weakened the agency's ability to compete." This is why Uhl believes that the Slovak National Council law "must be amended."

In spite of these reservations, Uhl expresses hope for the "closest possible cooperation" with the Slovak colleagues and confidence that the endeavor to build a single agency system for the entire federation has not been thwarted.

On pages 1 and 2 the supplement carries a 1,700-word article by TK SR Director Svetozar Stur entitled "Hon- orably Reflecting the Complexity of Developments." Stur expresses his support for Uhl's concept of a "feder- alized CSTK" and criticizes the Slovak parliament deci- sion to replace the agency's established acronym, CSTK, with TK SR. He says: "On this occasion I must express my disappointment with the fact that, in discussing the bill, Slovak National Council deputies did not concen- trate on its substance but confined themselves to the issue of the agency name and the acronym derived from the name. As far as the name is concerned, until the beginning of 1994 we remain the Czechoslovak News Agency of the Slovak Republic. As regards the acronym, however, the Slovak National Council deputies abbrevi- ated the acronym originally proposed, CSTK SR, to TK SR, an acronym empty of meaning." Stur qualifies the adoption of the acronym TK SR as "ill-considered" and "devoid of logic." He emphasizes the "great value of established names and acronyms" in the market economy and says that the use of an acronym with no tradition "will negatively influence the status, name, and credibility of our agency." Stur warns that the law adopted by the Slovak parliament may downgrade the status of CSTK in Slovakia to that of a "small, insignif- icant, provincial, and, most important of all, unknown agency" and he joins Peter Uhl's call for an amendment to the law.

On page 3 the supplement carries a 700-word "dg"- signed article entitled "The Limits of Foreign Affairs Coverage." The article deals with CSTK cooperation with foreign agencies and its own network of foreign

correspondents. It mentions, among other things: "CSTK currently receives news items from 16 agen- cies—the international agencies REUTER, AFP, AP, UPI, and TASS, plus other international and regional agencies. CSTK has its own permanent correspondents in 20 cities in 18 countries—Belgium, Bulgaria, China, Egypt, France, India, Yugoslavia, Cuba, Hungary, Ger- many, Poland, Austria, Romania, Russia, Italy, Ukraine, the United States, and Great Britain. In 1990 it abol- ished the posts of permanent correspondents in Kabul and Hanoi. Its latest foreign branch in Kiev was estab- lished in March. CSTK has two permanent correspon- dents in the United States, Russia, and Germany and one in each of the other countries." Of the CSTK foreign correspondents, two (in Budapest and Vienna) are said to be from the TK SR.

Also on page 3, the supplement carries an 800-word Anna Tkacova article titled "Slovakia's Truthful Image Is at Stake." The article deals with CSTK's foreign language services. According to the article, CSTK items are being translated into three foreign languages— English, German, and Spanish. Regarding the recipients of these foreign-language services, the article says: "The CSTK service in English is transmitted to the Frankfurt am Main branch of REUTER and to Radio Free Europe. Through the Austrian APA it is transmitted to the French AFP, the American UPI and AP, the Italian ANSA, the Spanish EFE, the Kuwaiti News Agency, the Voice of America, the Japanese KYODO, as well as to the LEXIS-NEXIS data bank of the U.S. Mead Data Central company, which has about 400 participants in the United States and Canada. TASS, the Polish PAP, the German ADN, the Bulgarian BTA, the Romanian ROMPRES, and the Hungarian MTI receive the English service along a special cable circuit. The Spanish service goes via ADN in Berlin to the regional agency PRENSA LATINA and via PRENSA LATINA to all of Latin America. Via APA the Spanish service is distributed also to the Rome-based IPS, the so-called Third World agency, which disseminates information to Asia, Latin America, and Africa. The recipients of the CSTK German service are APA and AFP."

Correspondents Jailed, Beaten in Vojvodina

92P20216A Budapest UJ MAGYARORSZAG
in Hungarian 24 Feb 92 p 1

[Article by Peter G. Feher: "Torture in Vojvodina"]

[Text] The Vojvodina police have brutally beaten Trutko Vuity, Pecs correspondent of Hungarian Radio. Thanks to television, everyone knows this nice young man, and everyone admires his bravery. In spite of the real danger to his life he has gone back several times to besieged Eszek [Osijek] and to other towns burning in flames.

In yesterday's [23 Feb] Noon Chronicle Trutko Vuity gave a detailed account of the troubles he and two of his colleagues had to suffer. The recalcitrant Serbian soldier who was locked up in the same cell with him received a cigarette every half hour as a reward for giving a thorough beating to the radio correspondent. His two colleagues got the same treatment.

During the interrogations they tried to get the correspondent—through physical and psychological pressure—to describe where and how the so-called Hungarian Ustasha training camps, which the Serbians have so obsessively been looking for, operate. They tried to wring information out of him about Hungarian politicians and Croatian public figures through torture. When they saw that their attempts were unsuccessful, they let him go with the warning that he better not come back to that area, otherwise he will find great trouble there.

The method they used against the three Hungarians in Vojvodina is the usual method of a dictatorship. This incident just provides additional information, but it certainly offers evidence that it does not matter what color a dictatorship is, the methods are the same. It disregards human dignity and tramples on human rights. This is also what the Vojvodina police have done. While Belgrade is trying to convince the world that everything is fine in Serbia concerning the ethnic minorities there, its police cannot and probably do not want to control their temper. They had to inflict pain on Trutko Vuity primarily because they recognized his brave and, let's add, always factual reporting, and this is how they wanted to get revenge for it.

But the facts speak against Serbia.

Official Views Issue of Privatization

AU0604060492 Budapest NEPSZABADSAG
in Hungarian 28 Mar 92 p 10

[Interview with Tibor Pongracz, political state secretary at the Finance Ministry, chairman of the board of directors at the State Property Agency, and secretary of the economic cabinet, by Zsuzsa Gal; place and date not given: "Privatization Must Be Opened"]

[Text] Tibor Pongracz, a mathematician and economist, led economic planning programming research in the 1960's, and he became the leader of the Finance Ministry

Computer Technology Institute in 1988. He was appointed deputy chairman of the Tax and Finance Control Office at the beginning of this year, and three weeks later, on 27 January, he assumed his current positions.

[Gal] Privatization is a rather new area for you. Have you formed an opinion on the disputed issue of what proportion of state-run enterprises may or should be kept in state ownership?

[Pongracz] The question is to what end. It can be strategic, national, and business reasons.

[Gal] Business? Does this mean that the state should not withdraw from the economy?

[Pongracz] I do not quite mean that. What we must consider is whether we now give up the enterprises for foreign capital once and for all, or do we maintain greater state-run or semi-state-run enterprising possibilities for the national capital emerging later.

[Gal] The enterprises that you permanently want to keep in state ownership represent some 70 percent of the income-producing capacity of the state sector.

[Pongracz] As far as I know, this list has already been reduced. The number of enterprises to be kept in 100 percent, 50 percent, or 25 percent state ownership has decreased. My personal opinion is, though, that the state cannot fully withdraw from the market.

[Gal] Which is hard to accept when you think how inefficiently the state operates its enterprises. However, if you intend to give a greater role to national capital in the privatization, then measures like preferential loans, leasing, or management buyouts are necessary. There seems to be ample opportunity for the latter, but the State Property Agency does not seem to be supporting these intentions. Why not?

[Pongracz] The answer has two sides: that of an economist and that of a politician. The economist supports the rational solutions, like a management buyout. However, the politician also considers the public, which maintains that nothing has changed because the people are remaining in the same positions and they are robbing the enterprises. I do not know who stole what and how, but it should be examined how well this opinion is founded. At any rate, if the current management can easily buy the enterprises, that is just as much an insult in the eyes of the masses as if we sold everything to foreigners. Therefore, we have to think carefully how we do it. We must make sure that everything goes correctly, in a regulated way, and in public.

[Gal] The government has announced that privatization had to be carried out open to public scrutiny. Nevertheless, the practice is that transactions are secret until the contracts are signed. How then can it be controlled?

[Pongracz] Undoubtedly, negotiations with investors naturally do have secret phases. I suppose it is not a

public matter whether an investor can show bank guarantees. In my view, privatization has to be made open to the greatest degree, but do not expect me to go into details, because I have only been the chairman of the board of directors for six weeks. I would like to review a number of things, namely, how we chose the foreign advisory firms and with what results, how we assess the offers, and what guarantees are built into the contracts, and I also have to see how information is disseminated. I have no reason to doubt that the executive board and the board of directors work well, but everything can be improved.

[Gal] Who do you consult?

[Pongracz] I have asked for suggestions from the ministries—of course, only as advice—on how the privatization of their sectors should be carried out. The various professions are, of course, lobbying, but we cannot ignore their opinion.

[Gal] Will the economist or the politician dominate your decisions?

[Pongracz] The two have a strong link. We economists have to be extremely pragmatic, regardless of party affiliations.

[Gal] Let us be pragmatic then and return to privatization through leasing, which could bridge the lack of capital. At least in the case when the investor has to pay the price of the enterprise afterward, from the profits. Is this what you mean?

[Pongracz] The leasing method is being drawn up now. The aim, indeed, is to allow the widest possible group of people to participate in privatization. People have quite a lot of money in the banks, and they will only move these amounts if there is a point in risking it. Whatever methods we come up with, only a small proportion of the population will be able to buy property.

[Gal] This is one of the reasons you are in favor of reserving some of the property, or in other words, keeping some of the enterprises in state ownership. You probably also agree with compulsorily turning the enterprises into economic corporations, although, rather than serving efficiency, this only increases the number of well-paid jobs.

[Pongracz] Do not expect me to criticize the law on corporations and restructuring, because that was an excellent product of the socialist left. Anyhow, the enterprise form is unmanageable, and the enterprise councils are hotbeds of corruption. Changing them into corporations at least gives an opportunity for capital inflow. As for the boards of directors and supervisory committees at the head of the corporations, well, sometimes I feel that they make deals with the management. I have come across a bankrupt enterprise that had various limited companies, and it came to light that they paid out 200,000-forint monthly salaries. No one limits their expenses. What on earth forces these enterprises to be

profitable? Therefore, my view is that we have to lay down precisely what the sphere of authority and the duties of the boards of directors and supervisory bodies are, and what they have to fulfill, and the consequences will have to be drawn if they do not perform these tasks. We must set some requirements for them, because this inordinately large amount of property cannot be responsibly sold with the speed of an express train.

'Deliberate Restructuring' of Agriculture Explained

AU0404151592 Budapest MAGYAR HIRLAP
in Hungarian 27 Mar 92 p 9

[Interview with Gyorgy Rasko, administrative state secretary at the Agriculture Ministry, by Ildiko Nagy; place and date not given: "There Is a Deliberate Restructuring Going On in Hungarian Agriculture"]

[Excerpts] No other ministry has lived through such political storms and opposition attacks as the Agriculture Ministry, says Gyorgy Rasko. According to Gyorgy Rasko, there is a deliberate restructuring going on in the agricultural sector. A complete change in the ownership structure is under way. In certain areas production will have to be considerably reduced. The ministry is under justified political pressure today, one that can only be partially perceived in other ministries.

[Rasko] A drop in our agricultural production is a deliberate part of our agricultural policy.

[Nagy] To such an extent?

[Rasko] Yes. We must considerably reduce the production of wine, milk, canned food, sugar, and poultry. Unfortunately, this will destroy the poultry industry enterprises. However, we cannot repeat an irresponsible overproduction like the one last year.

[Nagy] How much will this sector produce for export this year?

[Rasko] We will produce export products valued at about \$2.1-2.2 billion. We think that it is not important to increase our export income at this time. Fortunately, today the Hungarian National Bank has a positive hard currency balance. The current inflow of capital does not require us to increase our hard currency income by all means. The time has come to reduce the production of sectors that, while apparently efficient, having marketable products, and bringing us hard currency, sell their products at a tremendous loss. We are now in a position to carry out a restructuring because it will do away with the old-fashioned production ideas represented by the Hungarian large-scale enterprises. [passage omitted]

[Nagy] Your ministry often argues in vain; it is unable to achieve things it considers to be justified from a professional viewpoint. Take the example of the minimum price, a leftover from the old price laws and something that everyone regards as a bad thing.

[Rasko] Indeed, we have repeatedly brought up the elimination of this minimum price. The answer was that it does not make sense to submit a modifying proposal for the price laws because this issue will be clarified by the agricultural market law.

[Nagy] However, today a tonne of wheat costs 4,600 forints, while it costs 6,400 forints to produce it.

[Rasko] Who bothers about the minimum price when no wheat can be purchased under 7,500 forints a tonne? Why couldn't we achieve anything we regarded as professionally positive? Let us not forget that no other ministry has undergone similar political storms and opposition attacks like agricultural ministry. There is a deliberate restructuring under way in Hungarian agriculture today. Our ownership structure is changing completely. Our ministry is under justified pressure today,

one that can only be partially perceived in other ministries. This government coalition is attracted to the issue of agriculture because this is the area the coalition knows best, and I mean here the smallholders, the Hungarian Democratic Forum, and the Christian democrats. At the same time, the chairman and heads of the agricultural cooperatives will be the big losers. [passage omitted]

[Nagy] Why did you stick to the marketing contracts?

[Rasko] Because the government will never again finance such a surplus stock as in 1991. Therefore, we draw everyone's attention, including those who are now getting land and machinery, to only starting production when there is a safe market. We will only support those who can stand on their own feet. That is the difference between our philosophy and that of the trade unions. [passage omitted]

Moczulski Explains His Past Actions, Views
92EP0269A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 10, 8 Mar 92 p 12

[Interview with Leszek Moczulski, leader of Confederation for an Independent Poland, by Tomasz Markiewicz; place and date not given: "Enemy of the Party"]

[Text] [Markiewicz] Dr. Andrzej Reymann, editor in chief of the little publication NAJNASNIEJSZA RZECZPOSPOLITA has recently been disseminating fliers containing the revelation that you were a PZPR [Polish United Workers Party] member during the 1940's. Is that true?

[Moczulski] I have heard of this obsessive little publication, but I do not intend to read all the garbage written about me. As to my membership in the PZPR, I actually was in it for a few months at the end of 1948 and the beginning of 1949. I joined that party for a very simple reason. At the time some activists for independence put out the idea that, because both the armed and political (PSL) [Polish Peasant Party] resistance to the communists had broken down and the major powers had abandoned Poland, there was no way out except to join the party and take it over from the inside. I believed that, and when I went to college I was in charge of the smallest cell of the party, in the Department of Law at Warsaw University. When it proved surprisingly easy, I planned to run a higher level cell, but to do this, I needed people, and I did not have them. I therefore naively confided in comrades from the lower cell. I was immediately denounced and ejected from the party as an enemy. Of course, my behavior was childish. I was 18 at the time.

[Markiewicz] The year following October, you wound up in jail for contacts with the Western press. In 1958 you were set free, and two years later you began working at STOLICA.

[Moczulski] I was fortunate. Judge Mieczyslaw Szerer, the author of the report on information crimes and later a coworker in the democratic opposition, was on the bench and found me "not guilty" for lack of sufficient evidence. After being set free, I wrote at Tadeusz Mazowiecki's place for WIEZ under a pseudonym, and at the beginning of the 1960's the prohibition against publishing my writing died down a bit. I wound up at STOLICA, through rather complicated channels. The weekly was later proclaimed to be one of the publications cited as being connected to certain political pronouncements of 1968. That is not entirely true. For the press of that time, STOLICA was entirely moderate. It had no reports of student demonstrations, but Leszek Wyszynski, the editor in chief, became involved in the faction struggles in the PZPR.

[Markiewicz] In his book, *Faith and Fault*, Jacek Kuron associates you with the "nationalist" current in the party, that is, with the "Moczarites." One indication of this was your participation in the demonstration at the

Dramatic Theater in the middle of the 1960's against a Mrozek play, "Death of a Lieutenant" ("*Smierc porucznika*").

[Moczulski] Strange, because I was never a National Democrat, certainly not a person in favor of Moczar. Some people probably confused me with the head of STOLICA. His name is Leszek and so is mine. As for the National Democratic movement, well, in communist circles, including those that broke with communism and even became part of the opposition and left the PZPR, anyone who was not what they considered leftist and progressive was called a National Democrat or nationalistic. I myself remember when a young comrade, an intellectual, exclaimed that the greatest enemy of the young Soviet Union was the National Democratic movement headed by Marshal Pilsudski. It is therefore not surprising that I, my whole life a Pilsudski supporter, was called a National Democrat. I recall how once at the Crooked Circle Club I battled everyone in the room in defense of the regime of Pilsudski's followers and Beck's policies, and I was called a National Democrat then too. It comes as no surprise that for the "commandos" and Kuron, my views were also those of a National Democrat.

[Markiewicz] But you were at the Mrozek play in the theater and took part in the demonstrations?

[Moczulski] Yes, That play, actually a rather weak one for Mrozek, made fun of Mickiewicz's legend, Ordon's Stronghold. This irritated Teofil Syga, and he wrote about the play in STOLICA. Apart from that, Marian Baranski, whom I knew at the time, had just been let out of jail. With a group of young National Democrats, he set up a protest demonstration at the theater (they whistled). They announced it ahead of time to various editorial offices, including mine and that of ZYCIE WARSZAWY. Once in the hall, I was surprised to see probably nine people from that paper, with Editor in Chief Henryk Korotynski and Leopold Unger. At the time they were both bitter. Later it turned out that from ZYCIE WARSZAWY word reached the Warsaw Committee that Moczulski had organized the demonstration against Mrozek, allegedly on instructions from Wyszynski. The truth of the matter is that I went there mainly to find out who the demonstrators were. They never let it out, but I worked in loose cooperation with Baranski for the next dozen and some years.

[Markiewicz] When the March demonstrations broke out, which side were you on?

[Moczulski] I waited for these events with great hope. The internal party struggle at the top pleased me a very great deal. I wished each side the greatest force to deliver smashing blows to the other side.

[Markiewicz] And what was your reaction to the rally at the university and its dispersal?

[Moczulski] The young people's rebellion confirmed by supposition that the maturing generation of the demographic peak was beginning to break up the system. I tried to become involved in it as a reporter. I showed up to write notes about the rally. Every newspaper had such a responsibility. I tried to convince the chief to run an article, but he was careful and had my ambiguous text revised over and over again, so that in the end a rather standard paragraph emerged. It had little relationship to the first draft, which is why it appeared as an anonymous item. But I managed to do something else. In April, as the anniversary of the outbreak of the Warsaw ghetto uprising was approaching, I wrote an article about it, as the person in charge of STOLICA's historical section. It turned out that it was cut down a good deal, but I smuggled in a strong paragraph condemning anti-Semitism. There was a scene, and, as happens in such instances, the chief sent me on compulsory leave, which lasted several months.

[Markiewicz] Dr. Reymann, whom we mentioned before, attacks you for cooperating with the MON [Ministry of Defense] publishing house in the 1960's. I have to admit that the books of yours that they published, like *The Talons of the Black Eagle, Rockets and Cowboys*, and *Dilemmas: An Introduction to the History of West Europe 1945-70*, in which you expose world Zionism, German militarism, and American imperialism, have a strange resonance with the party's propaganda line of the day.

[Moczulski] I am surprised that these things were all you noticed in *Dilemmas*. The book also had slang phrases and arguments, but without that the book would never have been published. After all, it is a lifeless footnote in a comprehensive work of 600 or 800 pages that shows the mechanism of the superpowers' hegemony. I literally posed a hypothesis there about entering into the agonizing situation of the Soviet superpower and implied directly that a crisis in that realm was developing back in the 1970's. By using Zionism and imperialism here I could pull the wool over their eyes, so that nobody paid any attention, and it was also camouflage for the party ideologists and made it possible for me to smuggle in my own views.

UD Draft Electoral Law Limits Small Parties

92EP0253A Warsaw GLOB 24 in Polish 27 Feb 92 p 2

[Interview with Bartłomiej Nowotarski, a professor at Wrocław Academy of Economics and legal expert of the Democratic Union Parliamentary Club, by Marek Kupis; place and date not given: "Let the Stronger Win"]

[Text] [Kupis] You have authored the draft electoral law for the Democratic Union [UD] Parliamentary Club. Isn't it too early to begin a debate on the organization and principles of the next elections?

[Nowotarski] On the contrary. Electoral principles should be discussed early enough to avoid working on the legislature under the pressure of a fast-approaching

deadline, something that cannot be said about the timing of the work on the electoral law currently in force. The speed of the work on the current electoral law and the need to accommodate the expectations of the small parliamentary groups of that time, resulted in a legal act which created a parliamentary diffusion. As we can see, this does not lead to a stabilization of the state....

[Kupis] This is a rather controversial opinion. Proponents of the current electoral law maintain that it fully reflects the distribution of political options in the society.

[Nowotarski] Electoral law is prepared with two basic aims in mind. First, elections must reflect, to a certain degree, the distribution of political options in the society. Second, and I believe this is absolutely basic, they have to clearly define who and with what program will govern the state, and who and with what program will be in opposition. The stabilization, therefore, of the parliament and of the executive leadership appointed by it is more important. Our draft is designed to build a stable political system, that will not have to suffer from major quakes.

[Kupis] Which elements of your proposal will make sure that we do not live on top of a "political volcano"?

[Nowotarski] The main goal of the proposal is to limit access to the parliament for small parties, and to give preference to strong parties that have already gained electoral support. That is why we are proposing an introduction of a mixed majority-proportional system in which 115 parliament seats would be assigned to one-mandate regions according to the principle "the winner takes all", and, for the remaining 345 seats, parties would have to compete in multiple-mandate regions (from 8 to 15 mandates in one region). The draft also adopts a nationwide 5-percent threshold and the counting of votes according to the d'Hondt method, which gives preference to the stronger parties. If this electoral law had been adopted in the last elections, we would have had, at the most, ten parties in the Sejm, instead of the present number. Preferential treatment in allocating free radio and television time during the preelection campaign is also designed to strengthen the parties that are already successful and known. Thanks to the mixed system people would vote, both, for known politicians (in one-mandate regions) and for party programs (in multimandate regions). This would force the political leadership to give a sharper outline to their program differences than they did before. It would also draw people to the polls because, in the case of a politically weak system, very often known names are a determining factor.

[Kupis] The premises of the draft electoral law seem to have been formulated with the Union in mind, since it has a fairly stable electorate and many known politicians.... Don't you fear that electoral principles formulated in this way do not have a great chance to "pass" in the Sejm?

[Nowotarski] First of all, I would like to stress that I would recommend this type of solution to any party that would ask me to prepare a draft electoral law. To me, the most important is the stabilization of the state, regardless of the political option. Second, this is only a draft, and it will, doubtlessly, undergo certain modifications and further specifications in the course of work of the constitutional committee.

Restructuring of Energy Sector Proposed

92EP0281A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 25 Feb 92 p 1

[Article by K.J.: "Battle With Energy Lobby Proposed"]

[Text] A halt in the rise of prices should assist in the restructuring of the fuels-energy sector, said Andrzej Lipko, minister of industry and trade, after the Monday (24 February) meeting of the KSERM [Social Economic Committee of the Council of Ministers]. But he did not rule out the fact that in May the price of energy will rise about 20 percent. He explained that the creeping growth of prices will not exceed the amount of inflation and will force enterprises to economize on costs and improve their efficiency.

Asked about the recent increase in energy prices, he said that it was simply a matter of "making prices realistic, because the inflation index since the previous increase was higher."

It was also reported at the briefing that the ministry intends to liquidate seven mines this year (one out of 10), including four in Lower Silesia.

We learned that the restructuring proposal submitted on Monday by the Ministry of Industry and Trade, turned out to be too general. KSERM decided that information regarding the financial impact on the state treasury due to restructuring, and details of privatization actions in the sector (taking the role of foreign capital into account), should be added to the document. The matter of the state's energy sector security should also be clearly defined. This is what the ministry proposes:

- That the principles governing the setting of fuel and energy prices be put in order (a gradual elimination of state subsidies, pricing electric energy and gas fuels according to the level of inflation, instituting price revisions on energy carriers to bring them in line with the international fuels market).
- That support be given to competition where natural monopolies, which is what the energy networks are, exist. "The society must be protected against the price actions of the energy sector lobby," said Andrzej Lipko.
- That support be given to those actions which make it possible to meet environmental protection standards (seeking the support of foreign investors).
- Transformations in the subsectors: the hard and brown coal industry, electric power engineering, gas engineering, heat engineering, the refinery industry, and the liquid-fuels distribution system.

The matter of energy utilization and along with it the formation of an Energy Conservation Agency came up again.

The ministry proposed the creation of a regulatory agency for the energy sector. The agency would issue licenses for the production, transmission, and distribution of fuels and energy. It would regulate the activities of the bodies, the price-fixing rules, the contractual relations between the buyers and the suppliers of energy, and between the producer, wholesaler, and distributor.

Developments in Polish-German Traffic Projected

92EP0286A Warsaw RYNIKI ZAGRANICZNE in Polish No 20, 15 Feb 92 p 8

[Article by Stefan Sokulski: "An Important Element of Polish-German Cooperation"]

[Text] (From our FRG correspondent) The best example of the changes occurring in European transportation is the first container train organized by Polzug, Poland-Hamburg, Inc., Polish State Railroads, the Port of Hamburg, and Egon Wenk's Hamburg Shipping and Freight Forwarding Company. The Polzug train carries containers once a week, for the time being, on the Hamburg-Warsaw-Lodz route, but it may do so more often and carry containers also to Gliwice and Gdansk. Polish State Railroads and Hamburg each own 40 percent of shares in this company, with Egon Wenk owning the remaining 20 percent.

The preparations to form Polzug took about two years of lively discussion, arduous surmounting of problems, and gradual coordination of successive decisions. Besides, until the last moment it was not actually known whether the first train would start on schedule, because it turned out that the PKP [Polish State Railroads] no longer owns container terminals, whose new owner, Spedpol, Inc., might not agree to storing containers. Years ago these terminals used to belong to the PKP, but later the railroads gave them up to the freight forwarding department of the PSK [Polish Automotive Transportation], which subsequently had them transferred to Spedpol. It means nothing that the PKP, the PSK, and Spedpol all are to some extent subordinated to the ministry of transportation, because nowadays they all have considerable autonomy and the power to decide what to do in order to operate at a profit.

Egon Wenk practically termed this tragicomic. He believes that, as in the West, container terminals should be an element of railroad services, because customers should be assured of comprehensive transport services. The German entrepreneur contends that the principal cause of the current problems of the PKP is that it is providing only partial service, whereas customers prefer everything—transportation, transloading, forwarding, and container repairs—to be handled under a single direction.

Why then has Egon Wenk become nevertheless drawn to cooperate with the PKP? Let us listen.

"For 26 years I have been trucking freight to Poland, but of late the problems at border crossings have been so severe that this has ceased to pay. I pay the truck driver 30-40 marks per hour, and his having to stop for 20 hours at a border crossing means 800 marks more in his wages. Hence, rail transport is preferable. In the not distant future we should confine trucking operations to a radius of 300 km. Besides an increase in trade with the countries of the former USSR can be expected, and at those distances only shipping by rail is profitable. What is more, the EC has already recommended shipping by rail and, at the same time, organizing piggyback transportation serving to deliver freight directly to its destination."

When asked about problems in cooperation with Poland, Wenk said that solidity is not the distinguishing characteristic of Germans alone, that Poles also can work well, but they have to procure the same tools, systems, and operating conditions. In two to three years, Polish goods will find their place in the world and large shipments will also course to Poland, and that is why Polish transportation should rapidly adapt itself to modern technologies. In E. Wenk's opinion, rail transport from Hamburg to Poland is no menace to Polish seaports, which should convert to handling bulk cargoes. From Gdynia to Tarnow the distance is 790 km [as published], whereas from Hamburg to Tarnow it is 850 km. Besides, sometimes there is no other route than via Germany, because most seagoing vessels end their voyages in Hamburg or Bremen.

It is difficult to disagree with many of the arguments and conclusions of this German businessman, especially considering that he and his partners invested a great deal of efforts and money in organizing the Polzug container train, which they view as both a money-making proposition and the future of transportation.

It appears the representatives of PLO [Polish Ocean Lines] in Hamburg are the least enthusiastic about this enterprise. Jerzy Barski of PLO admitted that Polzug will be a major competitor to his company, but he added that new operating conditions obtain nowadays and one has to adapt. The decisive factors now are quality of transportation and price. He declared that it is possible that PLO may avail itself of Polzug's services to carry freight to, e.g., Katowice. The container train may also attract new customers.

Elwro, Canadian Telecommunications Firm Team Up

92EP0286B Warsaw RYNKI ZAGRANICZNE in Polish No 24, 25 Feb 92 p 7

[Article by Marian Bytniewski: "Northern Telecom Elwro Started"]

[Excerpts] In late January, the new joint venture between Elwro Electronics Plant in Wroclaw and the Canadian

company Northern Telecom was finalized. The new company is called Northern Telecom Elwro.

This event deserves special emphasis. First, because this concerns a linkage between Poland's largest producer of digital hardware and such a world telecommunications potentate as Northern Telecom. Second, the extensive experience of the Canadian company and Elwro's expertise in digital technology may complement each other richly.

We Introduce the Partners

The Elwro group of electronics plants is more than 30 years old. Founded in 1959, it has grown rapidly. At present it is manufacturing microcomputers, computers, teleprocessors, and teleprocessing hardware and software. In addition, calculators, industrial automation systems, and other electronic products. Its computer products account for 60 percent of the enterprise's sales and are IBM-compatible.

On foreign markets Elwro acts on its own as an exporter and importer and operates its own sales offices and outlets in Russia, Ukraine, Czechoslovakia, and the FRG.

The company's management believe that the following are, in brief, the reasons why Elwro is attractive to foreign investors:

- In Central and East Europe, Elwro operates a well-developed distribution and service network, thus facilitating the foreign partner's access to these markets.
- Elwro is a reputable enterprise with a strong standing on the domestic market and a firm base of customers for its products in the eastern part of the Old Continent.
- Elwro's skilled labor force and its output capacities enable the foreign partner to manufacture a new range of products. The cheap and well-trained labor force and the low prices of certain raw materials in Poland make it possible to manufacture products at competitive prices. [passage omitted]

Cooperation With Polish Industry

It has been underway for two years now. Northern Telecom has chosen as its principal partner in Poland the Elwro Electronics Plants, a company with the greatest experience and traditions in manufacturing digital equipment. At the end of last January a joint venture was formed with nearly equal shares held by both partners (Northern Telecom 51 percent and Elwro 49 percent), with the object of including this new company as soon as possible in the manufacturing and marketing operations of Northern Telecom. The ultimate goal is full-scale production of an entire family of public telephone

exchanges (both DMS-10 and DMS-100) and including Elwro in Northern Telecom's worldwide marketing network.

The technology transfer is to include not only manufacturing technologies but also a quality control system consonant with world standards and an integrated system for organizing marketing, shipments, and service.

To promote relatively dynamic operations of the new company and augment its ability to grow on the basis of self-financing, Northern Telecom will, in addition to transferring to the new company technologies for manufacturing automatic dialing exchanges, which is going to take a dozen or so months, also transfer to it gratis a line for manufacturing modern telephone sets, along with signed foreign contracts. Such a solution will also enable the new enterprise to start generating an income very rapidly, and in addition it will promote sales of its products on not just the Polish but also the European market.

It also is worth noting that at present Elwro's buildings are being adapted to the operation of new manufacturing lines. According to Wladyslaw Kierzkowski, Elwro's CEO, these preparations will be completed in three months. Even before this year is over Northern Telecom will manufacture about 150,000 modern telephone sets and automatic dialing exchanges for 100,000 new telephone subscribers.

The manufacturing operations will comprise both the production of hardware and the development and expansion of software, which in the case of modern telecommunications systems is also decisive to the class and applications of equipment. In addition to manufacturing, assembling, testing, and complementation, the enterprise will also handle deliveries and installation of equipment and the training of the user's maintenance and operating personnel.

The planned Northern Telecom-Elwro Training Center will be equipped with its own dial exchange for training purposes. In view of the future cooperation with the principal Polish operator (TP, Inc.) a joint system for training in digital communications at various levels of instruction and with a varied curriculum may be set up.

System Planning

Last year a group of specialists from Poland's Communications Institute sojourned for a month at the Bell Northern Research Institute in Maidenhead where, in cooperation with their colleagues from Northern Telecom, they worked out a planning and optimization assessment study for the Polish public telephone system, allowing for various development strategies and different optimization parameters. The findings of that study have been transmitted to the Polish Ministry of Communications.

In addition, experts from Northern Telecom carrying the needed computer hardware and software spent several

weeks in Poland while planning telephone systems for, principally, regions of southeastern Poland. System development plans until the year 2000 for the Malopolska area have been presented to the management of the PPTT [Polish Post, Telephone and Telegraph] and to the representative of the Krakow District of TP, Inc. At the same time, in view of the new close contacts with Elwro and Wroclaw, studies of [the telephone system of] Lower Silesia were carried out.

System planning took into consideration both the status quo and the development assumptions for telecommunications systems adopted so far by potential customers, but it also considered elements and assessments of the development potential for industry and business in discrete regions as well as demographic forecasts.

Lithuanian-Polish Trade Agreement Signed

92EP0291C Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
28 Feb 92 p 1

[Article by D.W.: "Trade Agreement: Poland-Lithuania"]

[Text] A trade agreement has been concluded for an indefinite period between Poland and Lithuania. It was signed on Thursday, 27 February, on the Polish side by Minister of Foreign Economic Cooperation Adam Glapinski, and on the Lithuanian side by Minister of Economics Albertas Szimenas.

This agreement is of a broad nature and defines the policy and procedure for cooperation in trade and economic matters. More specific agreements will be concluded between the banks of the two countries, as well as between their enterprises. Terms of delivery and all other details will be negotiated by the cooperating economic entities.

The Lithuanian delegation, which sojourned in our country between 26 and 28 February, attended meetings at the Ministry of Foreign Economic Cooperation but also held talks at the Ministry of Ownership Transformation, the Central Planning Office, and the National Chamber of Commerce.

Poland and Lithuania could, in the opinion of Adam Glapinski and Albertas Szimenas, especially cooperate in the construction materials industry, in agriculture and agricultural processing industry, in trade, finance, and banking, and also in tourism and public health.

The agreement signed by Poland and Lithuania is practically the same as those we have signed with the other republics emerging from the former Soviet Union. It thus provides for an exchange of trade and technical representatives, the establishment of joint societies and joint ventures, the conduct of joint research, the provision of consulting services, and the organization of industrial and commercial exhibitions and fairs.

All settlements of accounts will be in convertible currencies, but because both Lithuania and we have problems with cash, the possibility that proper agencies in our countries might agree on other forms of payment is also admissible.

Economic Society Publishes Opinion on Recession
92EP0292B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 3 Mar 92 p 1

[Article by Ada Kostrz-Kostecka: "Demand Will Eliminate the Crisis"]

[Text] At the moment what matters most is a revival of demand and a change in the policy on state enterprises. These general conclusions ensue from the discussion of ways of surmounting the crisis which was held on 2 March at the Polish Economic Society (PTE). The basis for the discussion was a PTE publication on the subject.

The Chairman of the PTE Governing Board Zdzislaw Sadowski presented the principal problems to be tackled in the near future while contending that drafting a long-term vision of economic growth is also indispensable.

PTE economists believe that mistakes have been made in the existing economic policy and that the current recession is their consequence (as well as a consequence of earlier mistakes). They do not agree with the view that the regression is needed as a way of eliminating inefficient enterprises.

"We believe that a continuation of the recession is dangerous to our country and should be stopped," said Professor Sadowski.

The PTE also believes that, while establishing a market economy is indispensable, in the case of Poland, a mixed-economy model with a strong state sector side by side with a dominant private sector is most advisable. Thus, there is no need for hastening the liquidation of the public sector, while the state enterprises which really need, above all, a change of management, should be "allowed to live." But as for small enterprises which in general had been in the past unnecessarily nationalized, they should be rapidly privatized.

How can the recession be overcome so as to bring about economic growth? This can be done by expanding foreign trade, but also and principally by reviving demand. But there is the fear of inflation. In the opinion of the economists, the current inflation is cost-spurred (prices rise when costs rise) rather than demand-spurred, and hence it cannot be cured by curtailing demand; on the contrary, it requires a stimulation of demand, although this should be done cautiously. In the future liberalization of foreign trade is inevitable, but at present, the market has to be protected against imports of finished products, while imports of producer goods should not be curtailed.

The economists also believe that the current policy of budget-slashing should not be continued; priority should instead be given to stimulating economic growth even at the expense of a budget deficit, and only later balancing the budget should be considered. Of the more detailed recommendations presented, noteworthy is a proposal for promoting housing construction as a way of stimulating demand.

Although the PTE's position has been made public, there is still no dearth of diverging opinions, even among the Society's members. During the discussion, Prof. Witold Andruszkiewicz claimed that a more rapid privatization is needed as a way of rescuing the Polish society from the mire. The fact that more than 90 percent of large enterprises still remain state-owned is besides being interpreted abroad as proof that nothing much has still changed in our country's economy.

Prof. Bohdan Glikman drew attention to concealed unemployment, which in his opinion reaches 25 percent, and which will be eliminated by creating a large number of small capital-conserving jobs. Prof. Jozef Soldaczuk declared that if we want to attract foreign capital to Poland, we cannot keep talking about an economic disaster and instead we should be demonstrating investing opportunities for that capital.

In the opinion of Prof. Zbigniew Madej, the economic changes are merely cosmetic in face of large-scale world trends. It should be considered that ours is the eastern variety of the European civilization and, despite the change in the system of society, the differences in agricultural productivity between us and Germany have been persisting for decades. In his opinion, the current downtrend will last dozens of years more.

Selection of Personnel To Oversee Privatization
92EP0292A Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 28 Feb 92 p 1

[Article by Ada Kostrz-Kostecka under the rubric "Nationwide Privatization": "Before State Enterprises Are Auctioned Off"]

[Text] Foreign or domestic management firms will administer the National Investment Funds and thus decide on the fate of the several hundred enterprises to be included in the privatization program, and that is why so much attention is being devoted to their selection. That selection will ultimately be decided by a qualifying commission to consist of financiers, economists, lawyers, and representatives of the government and private business.

For the time being, a preliminary list of candidates for the commission has been drafted: it includes, e.g., former ministers and deputy ministers of finance since the times of the "Roundtable," as well as lawyers specializing in the commercial law code.

Jerzy Thieme, director of the Department for Nationwide Privatization at the Ministry of Ownership Transformations, declared at a press conference on 27 February that, for the time being, this will be a group of 40 persons, which will be expanded to about 80 persons. Out of that group, 20 are going to be elected members of the qualifying commission, which should begin its work in mid-April and conclude it by the end of May.

As to who will ratify the ultimate composition of the commission, that is not yet known; it might be the Council of Ministers or a Sejm committee.

Since the nationwide privatization program is stirring so much emotion and controversy, it is expected that, in addition to the members themselves of the commission (who will have voting rights) and the representatives of the Ministry of Ownership Transformations (ex officio members), domestic observers and perhaps also foreign advisers will participate in the commission's work. The domestic observers will be representatives of the Sejm, the Senate, the Presidential Chancellery, the Supreme Chamber of Control, and the Office for State Protection.

The members of the commission will be provided with reports on a preliminary survey of the purchase bids and samples of questionnaires addressed to representatives of the companies participating in the auction, along with the rules for awarding points to successful bidders.

A very large number of companies has applied to be present at the auctioning of the administration of National Investment Funds, according to representatives of the Ministry of Ownership Transformations, the reality has exceeded expectations. Polish companies account for about 20 percent of the bidders.

The companies will be classified according to the number of points awarded and managerial contracts will be signed in the corresponding sequence. The underlying principle will be that of "economic wallet thickness," meaning that the companies will not be awarded each the management of the same number of enterprises, but instead only as many as they can manage at minimum cost. That is why the number of the companies cannot be determined in advance, but the estimates range from 12 to 20.

The commission will also select members of the Supervising Councils of National Investment Funds. For the present a list of 300 candidates has been drafted. Additional nominations will be sent in by, among others, the Polish Economic Society, the Association of Accountants and [the Association of] Legal Advisers.

At the press conference, the findings of polls on nationwide privatization also were presented.

Three-fourths of the respondents admitted that they know too little about this program. When asked whether the employees of the privatized enterprises should be given outright 10 percent of shares in them, 28 percent of the respondents answered "yes," and 29 percent,

"Rather yes." More than 60 percent of the respondents supported giving shares to the public on principles of equality without any special preferences. Gratis distribution of stock was supported by about one-third of the respondents, while 43 percent were ready to pay for stock. More than 63 percent of the respondents intended to keep their stock for some time, while 30.5 percent intended to sell it immediately.

Heavy-Equipment Producer Restructuring Explained

92EP0291B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 28 Feb 92 p IV

[Article by A.K.: "The Bumar-Warynski Holding Company"]

[Text] Following the collapse of the Soviet market, on which Bumar-Warynski used to sell most of its output, the enterprise began to cooperate with experts from the World Bank with the object of developing a broad restructuring and privatization program. That program presupposes, e.g., the expansion of coproduction exports to Western countries. The current level of these exports, which a year ago had not yet existed, has exceeded one million deutschmarks monthly and shows a rising trend.

The restructuring program is being pursued jointly with the Industrial Development Agency, which has granted financial aid to the company and will be among its stockholders. At present, the joint stock company Bumar-Warynski is being transformed into a holding company controlling 12 corporations which are arising in lieu of discrete plants of the enterprise. During the first stage Bumar-Warynski will own these corporations 100 percent. Next, they will be privatized.

In addition, the company owns shares in 11 domestic and foreign firms.

The privatization of the entire enterprise is being implemented by the capitalization approach, and its end result will be the introduction of trading in its stock on the stock exchange. This should occur by year end.

One of the premises of the restructuring program is upgrading the qualifications of the managerial personnel. Upon the conversion of the enterprise to a joint stock company, all executives were given temporary managerial contracts providing for a two-week advance notice of termination. For a month now a selected group of 65 top executives is being trained. That training, which totals 100 hours, comprises lectures and exercises combined with tests. It is handled by the Polish Institute of Management, and its purpose is to train executives to manage holding companies efficiently.

The first stage of existence of the joint stock company ended with a balance sheet surplus.

Effect of EC Association on Exports, Investments
92EP0291A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 28 Feb 92 p IV

[Article by Danuta Walewska: "Where To Invest in Poland: Association With the EC"]

[Text] Will the agreement on association with the EC affect in any way the situation of the foreign investor in Poland? The answer is, yes, and very much at that. The point is not just that, as has been repeatedly emphasized, the growth of our economy and domestic demand has become foreseeable.

The point also is that even now a foreign investor manufacturing, e.g., textiles may, within the limits of the quotas allocated by the Ministry of Foreign Economic Cooperation, avail himself of export relief on the Western markets, those near and those far.

Let us thus trace the change in the situation of a Western textile manufacturer in Poland. So far as the sensitive West European market is concerned, the duty-free Polish exports of textiles will grow in the most "sensitive" fields by 20 percent annually beginning 1 March 1992. A garment manufacturer with a reputable brand name that would once site its plant in Portugal can now avail itself on the same terms from the changing Polish conditions, because manpower, which once used to be extremely cheap at that end of Europe, is now our asset.

The United States market, which is so walled off by quotas and limits and where indigenous textile manufacturers are defending themselves against the inundation of cheap products from the Far East, has now become open to the Poles. It might be difficult to "unload" ready-made suits there nowadays, but there would be no problems with trousers or sweaters. The "Clothe America" promotional drive is the best proof of this. The Ministry of Foreign Economic Cooperation is looking for Polish exporters.

These two markets have previously rarely been considered by eventual foreign investors in Poland. They had rather been thinking of the "capacious Polish market," which we ourselves are mentioning ad nauseam. Investing in manufacturing in Poland also means the possibility of easier exports to the countries emerging from the former Soviet Union. The infrastructure of

Polish exporters already existing in those young republics may be successfully used by others too. The Ministry of Foreign Economic Cooperation even knows of instances of successful trade deals with the Chukchs and Chechenets. For the time being, it is unrealistic to believe that the currencies of our eastern neighbors will be soon now convertible and that one would have no problems in parting from them with a briefcase full of dollars. Renowned foreign companies also have no interest in "exports in a suitcase" and in smuggling the cash in a rucksack across the border.

There remains the simple and tried expedient of barter. In our "Near East" much can be bought, contrary to the appearances. In the future more and more things will be available for buying. It also is possible to transport back to Poland the merchandise bought, upon obtaining the appropriate permits. An investor who invests cash in manufacturing in Poland merchandise which has not been classified by those young republics as necessities cannot, however, count on procuring government contracts. For the time being, everything indicates that the former Soviets will have crude petroleum and other raw materials available for barter in return solely for food or medicines. Jeans and shirts are not yet an urgent necessity. Other possibilities have to be explored.

The most promising market to our countries is that of the "Triangle," that is the eventual exports from Poland to Hungary and Czechoslovakia. These countries will—in the best case—open to Poland as rapidly as the EC. A firm agreement has not yet been concluded, but the Ministry of Foreign Economic Cooperation told us that the chances for it to happen in mid-1992 are good.

Eventual investors also are being told ad nauseam that in Poland they can draw upon a cheap and educated labor force. Yes, it is true that much can be produced in our country. Nevertheless there is a narrow technological bottleneck—the shortage of finishing or even dyeing plants. The city of Lodz contains many environmentally polluting factories and it would be difficult to build there a new dyestuff plant, even if the World Bank were to provide the funds for it.

Poland has every opportunity for becoming a major textile producer. The agreement with the EC makes this opportunity more realistic. The only question is, will a group of serious investors be found who would want and know how to avail themselves of this opportunity?

Ukrainian Politician on Territorial Inviolability

AU0804072592 Bucharest ADEVARUL in Romanian
4 Apr 92 p 3

[Report on news conference with Dmytro Pavlychko, chief of the Foreign Relations Standing Commission of the Ukrainian Supreme Rada, by Constantin Lupu, in Bucharest; date not given: "Dictators Can Also Serve a Purpose"]

[Text] Before visiting their fellow nationals at their homes, the Ukrainian parliamentary delegation met with Romanian and foreign journalists accredited to Bucharest at a news conference.

The chief of the delegation, Mr. Ivan Plyushch, the president of the Ukrainian Supreme Rada (parliament) specified, after an introductory statement, that the main reason for their visit was to speed up the strengthening of diplomatic and other relations between the two countries; he also expressed satisfaction with the fact that this objective is being achieved.

Then Mr. Plyushch and the delegation members answered a broad range of questions—from Ukraine's position on the conflict in the Dniester region to the sentiments toward his country of origin by Mr. Pierre Berégovoy, the recently appointed prime minister of France. And, of course, the Kiev-Moscow dispute over the patrimony of the former USSR, including the military one, was not neglected.

On behalf of ADEVARUL, we asked the guests to answer the following questions:

1. According to what you say, some 500,000 Romanians (or perhaps we should say Romanians and "Moldovans") are living in Ukraine. How many of their representatives are in the parliament in Kiev?

2. What is the position of the Ukrainian parliament on the Molotov-Ribbentrop Pact and its consequences?

Mr. Dymtro Pavlychko, chief of the Standing Foreign Relations Commission of the Ukrainian Supreme Rada was kind enough to answer our questions.

1. "The Romanian minority is not represented in the Ukrainian parliament. Its interests are looked after in this forum by the deputies of the area in which these Romanians are living. The elections have not provided for such a structure in the composition of our parliament. Yesterday I learned that, even if their deputies have not achieved the necessary number of votes, national minorities are represented in the parliament. I think that this idea has to be dealt with in our future electoral legislation. But do not forget, our last elections did not take place in a completely democratic way."

2. "We believe that the measures stipulated by the Molotov-Ribbentrop Pact were unjust. However, as a result of this action, Ukraine reunited its territory. As one can see, even dictators may work for the benefit of

certain peoples, thus they too may serve a purpose! In our actions, however, we do not start out from the realities of 1940, but from those of the Final Helsinki Act. As a matter of fact, we are maintaining particularly fruitful relations with Poland, which does not intend to claim our western territories. Anyhow, we are of the opinion that bringing historic criteria into the discussion can only be harmful. For then we could also demand certain territories from Romania that once upon a time belonged to the Volyno-Galician Principality. Today's territories must remain inviolable!"

FSN Split May Cause 'New Regroupings'

AU0604131692 Bucharest ROMANIA LIBERA
in Romanian 31 Mar 92 p 1

[Article by Florin-Gabriel Marculescu: "The Front of Fronts"]

[Text] Held in a hall that is exclusively used for performances, the Convention of the National Salvation Front [FSN] was not out of step: The show of the power struggle reached a remarkable level from the first to the last day of the debates. Had Bessarabia's fate not marked a dramatic turning point during those days, the fierce fight by those who supported the two people thirsty for power—is it necessary to name them?—could have earned a smile from us. Thus, once again we were able to note, for the umpteenth time, the pettiness of the soul and meanness of the interests of those in government, probably at a unique time in our history. Of course, once again big and declamatory words could be heard, the nation's history was conjured up, and declarations of allegiance toward the country were made, but to what avail. Who is able to erase from our minds the disgraceful treaty of friendship signed with Moscow and endorsed by the Petre Roman government? How could we ignore the nefarious cowardly and irresponsible small-step policy from the angle of which both Parliament and the government viewed the imperatives of reuniting our country within its natural borders? The effects of this policy are undoubtedly felt today.

However, let us return to our subject and to the match that took place in the Polyvalent Hall in the presence of a single competitor, Petre Roman, while the second one, Ion Iliescu, was constrained by his constitutional political neutrality to follow the hostilities from a distance trusting the power of influence of his followers. One cannot say that he did not do more than his duty: With his vociferations he pushed tension to the maximum. However, as far as numbers are concerned, the Iliescu group realized that they were exceeded by those who continue to pay credit to the demagoguery of ex-Prime Minister Roman. There were discussions on the three motions [presented at the FSN convention], but these discussions were perfunctory and superficial. What was at stake was just Ion Iliescu's nomination as the Front's candidate for the not too distant, or who knows, the distant presidential elections.

Conducted skillfully, the maneuvers of the Roman group ensured the success of its own motion, which, winning 64 percent of the votes cast, was adopted as the FSN's platform-program. The "spiritual" author of this document was consequently recognized as president of the ruling party. In the end Petre Roman renounced the pompous and ridiculous title of national leader.

Without being deprived of the right to run in the elections, Ion Iliescu was advised, in the customary considerate way, not to take any step that would put him into an extremely difficult position. Anyhow, his candidacy is subject to two conditions: 1) to tender a written application, and 2) to explicitly endorse the motion of his rival. The second condition embodies a subtle impossibility, because the incumbent president, given the same aforementioned political neutrality, cannot afford the luxury of such a statement of political allegiance. In actual fact, Ion Iliescu has been removed by the party that is near to his heart.

In conclusion, the Roman wing has positioned itself indubitably at the helm of the ruling party. Petre Roman has won yet another battle in the war of the nomenclatura by avoiding an obvious split of the Front. I said obvious because this split has actually taken place. It is hard to believe that the FSN parliamentary groups, the great majority of which are pro-Iliescu, will know how to cooperate with their own party and support it. Thus a new paradox has been reached: A ruling party holding parliamentary minority. The Iliescu-Roman dispute is far from having ended. Petre Roman places his political movement in the European social-democratic spectrum and assures us that it has finally become a democratic party that bases its program on "economic freedom" and a "new social balance." It seems that Mr. Roman cannot renounce demagoguery and the effects of haughty rhetoric. His efforts to persuade us that the Front is in the process of changing has to be taken with a pinch of salt; for, can the leopard change its spots? We are tired of just words and his political past is no positive reference. He favors undelayed elections. In this respect he is right, but it is almost certain that the majority of the FSN in Parliament will try to deliberately delay the adoption of the necessary laws in this respect. Mr. Roman also spoke about a possible dissolution of Parliament. An illusion, because this is the prerogative of President Iliescu and even if, absurdly speaking, the latter would consent to this suggestion, the dissolution cannot take place. In accordance with the Constitution, it is possible in a single case: If, over a 60-day period, Parliament refuses to grant a vote of confidence for the formation of a cabinet and if at least two requests for investiture have been rejected. The political scene is getting complicated and the de facto split of the Front may bring about new political regroupings.

Bishop Tokes Decries Domestic Situation

*AU0604060192 Budapest NEPSZABADSAG
in Hungarian 28 Mar 92 p 3*

[Interview with Laszlo Tokes, ethnic Hungarian Presbyterian bishop in Romania, by Gergerly Bartfai in Budapest on 27 March: "This Is Not Yet the Age of Platforms"]

[Text] Laszlo Tokes recently gave a lecture on national and religious minorities at the European Presbyterian Conference in Budapest. Following a news conference on 27 March, Laszlo Tokes gave an interview to NEPSZABADSAG.

During the news conference, Laszlo Tokes welcomed the fact that at long last, the churches attribute great importance to the problems of religious and ethnic minorities. It is essential that Europe focus its attention on this particularly East European factor of destabilization. Laszlo Tokes expressed his concern about the revival of the Ceausescu doctrine, namely, that Romania regards the situation of the national minorities living there as an internal issue. However, the principle of self-determination applies to both the Hungarians in Transylvania and the Romanians in Moldova.

Our correspondent first asked Laszlo Tokes about the congress of the National Salvation Front [FSN].

[Tokes] I consider the FSN to be the legal successor of the Romanian Communist Party, and the FSN is divided by a demagogic power struggle. Petre Roman made an unscrupulous use of nationalism, and he was the main supporter of Vatra Romaneasca. Iliescu has mostly drifted with the tide.

[Bartfai] I ask you now, in your capacity as the honorary chairman of the Democratic Alliance of Hungarians in Romania [RMDSZ]; with which Romanian parties are you willing to cooperate?

[Tokes] Unfortunately, the national character is also a decisive factor among the democratic and opposition parties. Even the most European-like party, the Civic Alliance Party, is constantly making concessions to nationalism. Only a narrow intellectual elite represents a sure ally for the RMDSZ. If you ask me to list the parties, we can count primarily on the National Peasants Party and the Civic Alliance Party.

[Bartfai] What is your opinion of the platforms within the RMDSZ?

[Tokes] In my opinion, the time has not yet come for this. There are no marked ideological differences in Romanian society that would justify the emergence of such platforms. Of course, from a pluralist political viewpoint, I consider the differentiation to be inevitable; we can only question the manner and timing of this differentiation. I do not think that the acceleration of essential structural changes is fortunate in the current situation of the RMDSZ and of the Hungarians in Romania, on the eve of the elections. However, one cannot stop these efforts, and we must accept them as a reality.

Ethnic Division of Bosnia Termed 'Illusion'

92BA0722A Sarajevo OSLOBODJENJE
in Serbo-Croatian 14 Mar 92 p 4

[Article by Z.J.: "If All of the Private Property in the Republic Were in the Hands of the Serbian Population, 17 Percent of the Area of the Imagined Canton Would Still Be Missing"—first paragraph is OSLOBODJENJE introduction]

[Text] The key has been drawn for the Serbian canton, and out of its 37,000 inhabitants, 17,696 are Muslim; division of the country along ethnic lines is an illusion in which the experts will not get involved.

Behind the scenes of the recent meeting in Brussels of the three Bosnia-Herzegovinian parties, rumor has it that "at least one map of a divided Bosnia-Herzegovina was spread out" on the negotiating table. This news, of course, could not be confirmed because the Brussels session took place behind closed doors.

When asked by the journalists whether in Brussels there indeed was some cartography, the president of the Presidency of Bosnia-Herzegovina and leader of the SDA [Party of Democratic Action] delegation replied categorically, "There was no cartography presented. We have been insisting for a long time that the advocates for dividing Bosnia-Herzegovina share such a paper with us so that we can see what it actually would look like."

But, if it did not see the light in Brussels, the promised paper did finally so appear in Sarajevo. Under the direction of the SDS [Serbian Democratic Party], two maps have been offered in recent days. According to the one based on the findings of the leadership of the party, "64 percent of the area of Bosnia-Herzegovina belongs to the Serbs," and the other map shows a possible division of the republic into three parts.

How much of such cartography truly corresponds to the factual situation is the question to which we tried to find an answer at the Republic Institute of Statistics. Asim Music, a renown geodesics engineer, presented these official statistics: The total area of Bosnia-Herzegovina, according to data from the Geodesic Administration records, is 5,119,684 hectares, of which 2,392,712 hectares are under private ownership and 2,726,971 are under state (social) ownership. Percentagewise, this is 47 to 53 in favor of state ownership. So, how can anybody claim that 64 percent of the territory is under his ownership? Even if all of the private property were in the hands of the Serbian population, the area shown on the map would be 17 percent less than claimed. This means to achieve the claimed area, one would have to reach over into state-owned property.

Here are a few more examples that clearly speak against the validity of the findings of the most recent cartography produced under partisan direction. Leaders of the SDS claim that "two-thirds of the Sarajevo municipality Center" is Serbian. How could anyone believe this

knowing that the statistics indicate a total population of this particular area to be 79,286, including 39,762 Muslims, or 50 percent, and 16,631 Serbs. The total area covered by this municipality amounts to 3,298 hectares, of which 52 percent, or 1,729 hectares, is in private hands, and 1,569 hectares is under state ownership. Or, for instance, in the case of the town of Kljuc, which has also been incorporated into the Serbian area; its total population is a little over 37,000, of which 17,696 are Muslims and 18,506 are Serbs. For someone to become the owner of the whole of Kljuc, which covers about 84,000 hectares, one would have to usurp no less than 57,000 hectares of state-owned land. Banjaluka is another case. With 123,890 hectares, of which 78,566 hectares are privately owned, and 45,324 state owned. And that is, as engineer Music points out, the rational used by some for proclaiming certain territories as "theirs." The dividing of the country along ethnic lines is an illusion, and the experts will not get involved in such matters. Because, how can one divide Muslim, Serbian, or Croatian parcels of land in a village, when they are next to one another? The only way to accomplish this is for someone to leave his hearth voluntarily or to be forced to leave. And that is the tragedy.

'Megalomaniac' Maps of Bosnia Analyzed

92BA0722B Sarajevo OSLOBODJENJE
in Serbo-Croatian 14 Mar 92 p 1

[Article by Kemal Kurspahic]

[Text] When Karadzic's troika showed their map of a divided Bosnia-Herzegovina last weekend in Brussels, even the diplomatically reserved Europeans openly reacted with "This is absurd and unacceptable."

Now, both SDS [Serbian Democratic Party] maps are accessible to the public in Bosnia-Herzegovina. One shows, as the party claims, that some 60 percent of the territory belongs to the Serbs, and the other map shows the taking and giving of some areas and then tries to connect these concocted ethnic islands. The first reaction of the public was that "they did not take everything—they left a little bit to the Muslims and Croats." Further reactions boiled down to astonishment, bitterness, a refusal to accept, or just mass entertainment. These megalomaniac maps which replace the lost illusion of a "Greater Serbia" with the illusion of a "great Serbian republic of Bosnia-Herzegovina," besides bitter amazement or ridicule, also deserve more sober analysis. A demographic analysis would show that the SDS, by tipping its hand, has proven that any attempt to draw ethnic borders in a republic with 4,354,911 inhabitants—of which 43.7 percent are Muslim, 31.3 percent are Serbian, 17.3 percent are Croatian, and 7.7 percent are Yugoslavs and others—is doomed, because such an attempt in any "foreign" would-be state would leave hundreds of thousands of people in the sad position of a minority. A geographic analysis would show, for instance, how unfounded an idea it would be to divide

Mostar between Serbs (19 percent) and Croats (33 percent) and at the same time leaving nothing to the Muslims, who make up the majority (34 percent) of the town's population. And, from a political analysis, one could conclude how difficult, if not unbearable, life would be in a "three states in one" arrangement, with its variety of regulations and practices in such ethnically explosive "constitutive units." All of this was immediately clear to the European negotiators during the Bosnia-Herzegovina dialogue, and that is why they advised that such maps should not be presented to the public, and when in the future we create units for an undivided Bosnia-Herzegovina—such as when determining their number, their territory, their authority, and their relation with a central power—that along with ethnic, economic, geographic, transportation, and other criteria being considered, that criteria along the lines of those used when European regions and autonomies were formed be used as well. Participation of the European experts in our situation will help us find the harmony necessary between the desired and the possible, because with the ideas as proposed in Brussels no one wins anything, and no one loses everything.

But, ideas—and now the maps—about an ethnically divided Bosnia-Herzegovina demand actual historical and civilizational analyses based on criteria from Europe and the world at the end of the second millennium. The ideas in question belong to the past.

Due to such ideas, "iron curtains" and "Berlin walls" are raised again among peoples and nations before the tragic consequences of such curtains and walls have even been

removed from postwar Europe. Instead of planning for a future independent Bosnia-Herzegovina—for which a two-thirds majority has voted and which is gaining more recognition and support around the world, a Bosnia-Herzegovina with its unique mixture of religions and peoples, which make her the most cosmopolitan part of not only the former Yugoslav federation but the Balkans as a whole, or whether it is her tradition or culture of living together and mutual respect—these advocates of "three states in one" use as their starting point some newly composed dogmas like "Life together is impossible," "Divisions are unavoidable," or "It's better to move or commit a collective suicide than have an independent Bosnia."

I do not believe that any of the advocates of creating curtains and walls between us has any authorization to bring down our human sovereignty over Bosnia (and Herzegovina, of course) as an entity, to a sovereignty over a smaller or the bigger third, nor do they have our authorization to change the status of any of us from a free—and by European standards outlined in the "Brussels papers," equal—citizen into the status of a sad minority (there is no such thing as a "Muslim" Mostar or a "Croatian" Sarajevo), nor the authorization to capture inside the invented ethnic borders our aunts, our graves, or our gardens that up until now have all been so important in the political cartography of the same political inspiration. We'll definitely talk more with Europe, but presumably with more feeling for the reality that there exist other projects worth taking into consideration than the either-or projects presented.

Parliamentary Behavior of Macedonian Parties

92BA0669A Skopje NOVA MAKEDONIJA
in Macedonian 5 Mar 92 p 4

[Article by Aleksandar Sholjakovski: "On the Waves of Political Lethargy"—first paragraph is NOVA MAKEDONIJA introduction]

[Text] The representatives in the Macedonian Assembly have quite comfortably settled on the assembly's benches. This comfortable feeling is disturbed by disharmony. The national extremists are the only ones on the stage. Demagoguery, both social and national, is keeping close watch and raising the threat of a new totalitarianism.

Macedonia is in its second year of parliamentary democracy. Last year, dramatic processes took place. There was serious political restructuring, and more is expected, which may be even more serious. The Republic is on its way to gaining international recognition, along with the opportunity of advancing its further destiny in an integral and independent manner.

To what extent are the political subjects, the parties in parliament and parliamentary life participating in all of these processes? On the basis of the standards of parliamentary democracy, is their role decisive in the tremendous social activities? Who is waging the struggle for democracy and for implementing and mastering new areas of human rights and freedoms?

In the Western democracies, the political parties are essentially the ones that initiate, lead, and implement such processes. Most frequently this is accomplished in parliament, helped or urged on by various movements, lobbies, or worker or intellectual associations, related to what is known as public opinion or, in a word, the public. However, it is unquestionable that, within these systems, the intention is to wage the struggle essentially within the limits of the assemblies and through the legally elected representatives of political parties or groups.

Is this also our case, and is it possible to adapt our multiparty and parliamentary system to a parliamentary struggle or to the means through which this struggle is waged in the more developed societies?

Let us immediately say that this lesson has not yet been learned and that there are a number of inconsistencies in the functioning of this system, as well as a number of deformations leading to processes that do not fit parliamentary democracy or democracy in general.

Sterile Initiatives

The distribution of forces in the parliament is such that many people tend to interpret it as "Macedonian luck" because it eliminates the predominance of a single political line within the as-yet-undefined social and political environment. However, except at the beginning, this procedure is no longer a challenge for the parties and

their representatives to test themselves and to test their ideas and trends. Therefore, the parliamentary struggle may be essentially reduced to very weak and sterile initiatives and rather low political marketing efforts. There is no true confrontation or, if any exists, it is so insignificant that, in general, it cannot be considered an aspect of the parliamentary struggle. It looks as though the parties are satisfied with approving the daily agenda, after which they engage in a number of inconsequential actions.

Could it be that the parliament members have adjusted all too well to their benches so that any disharmony would spoil their comfort? People who should struggle and raise their own concepts allow themselves be carried on the wave of political lethargy. Such claims are well founded. How else could we interpret the fact that some representatives in parliament have never said anything or have remained totally anonymous, and their names and party affiliations have to be looked up in the records. The VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] and the representatives of the PDP [Party for Democratic Prosperity], who have formed a coalition with the NDP [National Democratic Party], have a clearly manifested nationalistic orientation. Their nationalistic trends, which are largely inspired and directed by neighboring countries that have obvious aspirations concerning Macedonia or part of Macedonia, meet with no opposition. Part of the PDP-NDP leadership is openly promoting the dismemberment of Macedonia, and this triggers only a feeble reaction on the part of their potential political opponents. The DPMNE is ever-more-openly declaring itself in favor of the "Bulgarian option" for Macedonia, while no single political party has raised this question with the seriousness it deserves.

Free Space for the Nationalists

The Social Democratic Union of Macedonia [SDSM], which should logically oppose the nationalists and which does not always suitably react to their bartering of Macedonia and to many of their other activities, does nothing to block their field organization. The reduced activeness of a few representatives of the SDSM is clearly not sufficient to block the sympathies and aspirations of the nationalists, who are preparing adventurist plans in and around Macedonia. The SDSM stumbled on the "complex of communism," which was imputed to it by the nationalists, and failed to develop its own strategy and assume the initiative in a number of matters, which would unquestionably have put it ahead.

The reformists in the Liberal Party are satisfied with the presence of the unquestionably popular Stojan Andov, it appears, above all because of his function, although his supporters include only two or three familiar names; the rest of the list is dominated by anonymous representatives.

Left alone in the thus-opened space, the DPMNE is doing almost anything it wants. It is making announcements for all sorts of things and using a significant amount of social and other demagoguery in speaking of "new" alliances and associations for Macedonia. The extent to which all of this represents any tangible quality, solidity, or real possibility is a different matter. The fact remains that the nationalists, both Macedonian and Albanian, have an open field for action and extremism. Unopposed by any other political force or any other options, the nationalists are able to do whatever they want.

Parties Without Membership

It is more through its inaction than its actions (which are most frequently poor) that the government is providing an even broader scope for action for such trends. That is why, for instance, one should not wonder at the fact that Albanian extremists are being supplied with materials with which to claim that they are being threatened, considering that for an entire year the government has been unable to resolve the problem of the assemblies in Tetovo and Gostivar, thus actually suspending the electoral results. Or else it is not astonishing that, with its rude attitude toward the demands of the farmers, it is allowing the nationalists to make use of this fact for their demagogic purposes. Or else, the fact that Minister Lepavcov has openly and officially wondered why the journalists could not understand Bulgarian, something that provides exceptionally useful arguments for those who are seeking a justification for their muddled national consciousness. Numerous examples may be cited but, no one reacts to them and no consequences follow.

With the exception of two or three among them, the nonparliamentary parties consist of one or two activists, who are frequently frustrated individuals with no membership or without any differentiated or political ideological platform. Many reports are being issued, but their impact, naturally, is limited, even when they contain truly good decisions, proposals, or criticisms.

However, a parliamentary democracy and a multiparty system have a characteristic that inevitably penalizes or rewards actions or inactions: the elections. In all cases, elections come about. It is hard to conceive that the present parliament members will peacefully surrender their mandate.

To the extent to which, at least until the next elections, the voters will feel that their hopes were dashed, they will mete out the proper punishment. The punishment may come in a variety of ways, one of which is abstaining from voting. Should this happen, the results will not express the views of the citizens of Macedonia which, once again, will grant opportunities for extremism, and we know what this may lead to.

Our political representatives have had plenty of time to assess their strength and to undertake what is known as a broad parliamentary political battle, thus justifying the

trust of their electorate. A tremendous number of parliament members have failed to do that. Playing with the trust and the patience of the people and failing to undertake anything that would stop the economic and social decline could trigger the kind of social explosion that quite suddenly would lead to a new suspension of parliamentary democracy and the introduction of a new totalitarianism of a national or social kind or both. For we must not forget that the demagogues are always watching and waiting for their chance.

Kljusev Government Increasingly Criticized

92BA0709B Belgrade VREME in Serbo-Croatian
16 Mar 92 pp 33-34

[Article by Saso Ordanoski: "Macedonian Government: Who Turned Out the Light?"—first paragraph is VREME introduction]

[Text] The increasingly widespread opinion is that the stability of academician Nikola Kljusev's government is inversely proportional to its responsibility.

The so-called expert government, with the exception of several individuals, has not achieved a single relevant result since it has been in power, unless one credits to its assets the daily generation and escalation of chaos. Hence the phenomenon that, only one year after its antidemocratic, antiparliamentary enthronement, this government of authorities and experts has turned into a caricature, a rich reserve for mass-media taunts and barroom jokes. For popular amusement. And for fury, which will only increase.

Thus, the well-known Macedonian writer Kole Casule devoted part of a lengthy polemic article published recently in the Skopje weekly PULS to summing up the work and "successes" of the Macedonian expert government thus far.

In the very next issue of that weekly, the minister of police in the Macedonian government, Dr. Ljubomir Danailov Frckovski, responded to Casule. Ironically qualifying Casule's writing as "direct intercourse with history," and "a specific form of cultural and political pathology," which appears in countries with a "culturally provincial" atmosphere, like the one that prevails, in Frckovski's opinion, in Macedonia, he states that this sort of situation also gives rise to a "provincial intelligentsia," whose views are characterized by "images, binary or black and white," "devoid of any analytics with arguments" and with "an incredible amount of rhetoric (critical or apologetic; it is all the same)." "This always involves," the Macedonian minister of police continues, "an uncontrolled hormonal discharge of anger and bile, superficial moralizing, and the endless belief that everything has happened just as the person in question predicted, or just as he warned it would happen sometime earlier."

In a lengthy response, Casule once again dismisses the minister ("the republic's number-one policeman," as he

calls him) by saying that he, Frckovski, "as one of the leaders of the 'Expert Government' affair, has no alternative but to declare himself a passionate and professional defender of all the world's disorder and chaos, which he and his buddies (referring to the other members of the government) are attempting to hawk as (government) strategy and policy."

Even the tone of this excerpt from the lengthy polemic, which—and not only in this case—is turning up increasingly on the Macedonian political scene concerning the work of the current Macedonian government, is an illustration of the amount of amassed nervousness that is present, the severity of which emerges in conversations, regardless of whether you defend or attack the cabinet of Macedonian Prime Minister Nikola Kljusev.

Simply as a reminder: A year ago, after the elections in which no single party won a majority in parliament, the current Macedonian government was formed through arduous negotiations and interparty agreements, and through the mediation of Kiro Gligorov. This government, with a "motley" party composition, was declared "suprapartisan" and given the name "expert government," but its work was not backed by a single political party in the Macedonian parliament.

Shadow Cabinet

To make the paradox even greater, VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], the party with the largest number of deputies, recently announced that it is assuming the role of "constructive parliamentary opposition"; it has attempted to form some sort of "shadow cabinet," but even today, practically speaking, it is one of the biggest defenders of the work performed by the majority of the government's cabinet ministers.

And as far as the social democrats are concerned, whose chairman, Branko Crvenkovski, declares that "without a clear program, with many improvisations and one-time moves, it is most often caught off guard by events. In not a single case does the government as a whole deserve a passing grade"; their positions on the government, in practice, are not one bit clearer. Although they have tried to bring down the entire government through their initiative to topple certain cabinet ministers, even their moves are most often of a calculating nature, ill-defined, and oriented towards everyday politics.

On the other hand, even Macedonian President Gligorov, whose influence in the creation of the government and its later work is undeniable, is behaving in a dual manner: Through the government's work, he is achieving everything that was set up in his strategy on effecting policy in Macedonia, while with respect to all its omissions and the frequent scandals linked to it, he "helplessly" shrugs his shoulders and points to the parliament, which is where government activities should be debated.

Thus, in a certain sense, everyone is both satisfied and dissatisfied with the work of the Macedonian government, whereby in the sea of criticism and approval of its policy it is impossible to determine clearly to whom the government is actually accountable. And what is probably even more important, who will bear the political consequences if the government is forced to resign as a result of the increasing social and political pressures and problems in Macedonia? In any event, everyone is laying claim to its successes (if there are any).

In fact, the government's current position has been best defined by the League for Democracy, its most vehement opposition critic: "The government's stability is inversely proportional to its responsibility!" The chairman of the League for Democracy, the prominent professor Djordji Marjanovic, in calling this sort of government position "cast in cement," adds that there can be a change "only if the entire government slips on a banana peel."

Political Sensitivity

Practically speaking, all of the government's cabinet departments are subject to criticism: the way in which it is pursuing the process of international recognition of Macedonia; the solutions that it has offered in health care, social (nonexistent?) policy, culture, science, education, the economy, and defense; the recent strike by farmers because of the government's handling of their problems; or because of the nonexistent Macedonian monetary policy. It appears that there is less and less understanding of the complicated, objective circumstances in which the Macedonian state has found itself since the disintegration of Yugoslavia. On the contrary, in the haste of the election campaign in Macedonia—it appears that a political consensus has already been achieved between the parties concerning the need to hold special elections—everyone feels that they will profit politically by criticizing the government. In all honesty, God only knows that this is not a hard thing to do, unfortunately for the government: 10 of its ministers, led by Prime Minister Kljusev and Vice Prime Minister B. Ristovski, have already been compromised quite a bit by various major and minor affairs, abuses, and scandals. Moreover, the minister of information in the cabinet of academician Kljusev, because of his attempts to replace, by decree, a number of editors and directors in news organizations who were "from the former regime" and "unsuitable" in terms of the "strength" of their national dispositions, supporting and participating in true VMRO-style haranguing of the private and public integrity of 10 or so journalists, has succeeded, over the course of a year, in completely ruining relations between the government and practically all of the major Macedonian media, so that these media do not miss an opportunity to make fun of the government whenever possible. The phenomenon is also theoretically interesting: It is as if Kljusev is trying to show that in principle the minister of information is more important than the government's standing in the media! But the

"reflectors" of understanding for the government's actions in media are increasingly fading.

At one of the latest cabinet meetings, Prime Minister Kljusev announced that the question of confidence in his cabinet will be placed on the agenda in the Macedonian parliament. If that actually happens, then it is certain that interpartisan accusations will most likely multiply and that, because of the described relations among political forces, there will be no one to topple the government. Undoubtedly, someone will also put forth the argument that Macedonia is in a period of high political sensitivity, due to the uncertainty surrounding the date that it will be recognized, and that the fall of the government could be a signal of the "frivolity" of the Macedonian state, which would have negative consequences for Macedonia on the Brussels-Lisbon diplomatic scene (regardless of the fact that it would probably be difficult to convince the Italians or the French that a state is not solid because its government has fallen).

Naturally, anything is possible in connection with the status of the Macedonian government—as long as Macedonia's Metternich, Mr. Kiro Gligorov, does not reach an agreement to the contrary with party leaders.

[Box, p 34]

Resignations

Several days ago, the minister of culture, academician Cvetan Grozdanov, following previous resignations by the minister of national defense and the minister of education, became the third minister in Dr. Kljusev's cabinet to submit his resignation, whereby he asked parliament to release him from his duties in the Macedonian government at the next session of parliament. Among the reasons cited by Dr. Grozdanov in explaining his resignation was the impossibility of carrying out his duties at the ministry following the rejection of the new Law on Financing Cultural Activities in Macedonia by the relevant Assembly committee.

Although not connected to Mr. Grozdanov personally, however, the resignation itself provided a pretext for public leaks of rumors concerning an ever-growing split within Kljusev's own cabinet. Reportedly, a "rightist," militantly pro-Macedonian group of ministers is led by current Vice Prime Minister Dr. Blaze Ristovski, who openly (but naturally not publicly) clashed with his prime minister at one of the most recent cabinet sessions. The certainty of this confrontation is no doubt the result of an attempt to safeguard the internal influence of the "right" or "left" wing over the government's very work and decisions.

State of Macedonian Economy in Jan

92BA0668A Skopje NOVA MAKEDONIJA
in Macedonian 5 Mar 92 p 2

[Article by S. Kiridzievska: "A Start in Production Increase"—first paragraph is NOVA MAKEDONIJA introduction]

[Text] In January, industrial production increased 2.2 percent. Retail prices in January rose by 26.2 percent. In December, the average per capita income in the Republic was 11,974 dinars.

Overall industrial output in the Republic in January showed a 2.2-percent increase, compared with the average monthly output reached last year. The higher level of industrial production in January was noted in 12 industrial sectors, accounting for 40.5 percent of the overall production structure. This increase was noted in machine building (358.6), production of petroleum derivatives (97.3), production of electrical machinery and equipment (36.1), construction materials (35.1), and beverages, 30.5 percent. A drop in industrial output was noted in 20 industrial sectors.

The citizens of the Republic will also remember the month of January for the high price increase, which automatically affects the cost of living. Statistical figures indicate that retail prices rose by 26.2 percent in January, mostly because of farm produce prices, which rose by 40.6 percent, followed by durable industrial goods, 28.6 percent; beverages, 26.8 percent; and foodstuffs, 28.6 percent. As compared with January of the previous year, the overall increase in retail prices was 295.5 percent. Consequently, compared with December 1991, the cost of living increased by 27.2 percent and, compared with January 1991, by 284.6 percent. Record price increases in January were noted for cigarettes and beverages, the price of which increased by 45.5 percent.

The average personal income per working person in the Republic was 11,974 dinars in December 1991. Within the same period, employed people averaged a net income of 9,823 dinars, while people not engaged in economic activities, 22,094 dinars. The real per capita income in the Republic in 1991, compared with 1990, dropped by 12.6 percent. We must point out that, in the Republic, 3.3 percent of people holding jobs showed no increase in their personal incomes in December.

As to employment, the number of persons seeking work in December was 166,873; 36,426 of them had been previously employed, and 130,447 were looking for jobs for the first time. Compared to the previous month, unemployment in December 1991 dropped by 0.7 percent.

In January 1991, the Republic's exports totaled \$68 million and imports totaled \$125 million. The imbalance in commodities in January was \$57 million. During that period, the Republic imported 113 tons of petroleum for 363 million dinars. It also imported 1,000 tons of petroleum derivatives for 10 million dinars. Imports of petroleum and petroleum derivatives were entirely paid for in convertible currency.

Corruption, Economic Exploitation of Kosovo

92BA0709A Belgrade VREME in Serbo-Croatian
16 Mar 92 p 18

[Article by S. Dzezairi and V. Orosi: "Kosovo Mosaic: Plundering the Dead"—first paragraph is VREME introduction]

[Text] The collapse of policy in Kosovo has been accompanied by the stealing of property, and the Serbs are not sitting around with their arms crossed.

Coincidentally or not, only one day after the statement by U.S. Senator D'Amato to the Albanian weekly ILLYRIA, which is published in the United States, to the effect that "the leaders of Kosovo must demand free elections under the control of the United Nations," the Central Committee of the most influential party of Kosovo Albanians, the DSK [Democratic Alliance of Kosovo], announced the "organizing and holding of free, multiparty elections."

Dr. Ibrahim Rugova says that the demands by Albanians for self-determination in the territory of the former Yugoslavia, for recognition of the subjectivity and sovereignty of Kosovo, and for an end to the occupation and ethnocide against Albanians are legitimate and acceptable to the present-day world and European civilization. In a somewhat parallel move, the chairman of the Parliamentary Party of Kosovo, Veton Suroi, announced only a few days ago during a visit to Tirana that even if they were invited to participate in the Peace Conference on Yugoslavia, the Albanians would not do so unless they were first accorded nation status. Moreover, the Political Declaration by the Social Democratic Party—one of its leaders is publicist Skeljzen Malici (at last week's founding meeting he surprisingly surrendered the helm to Luljeta Pula, who has not exactly concurred with the DSK's political course)—states that the "real prospects for Kosovo do not lie in the creation of an autarchic and self-sufficient state, but rather in including Kosovo in political and economic associations of a regional character." Indeed, the founding meeting of the Kosovo social democrats will remain memorable in part because it was attended by several former politicians, headed by Kacus Jasari, who was also elected to the party's innermost leadership circle, as well as by two members of that party, Ajri Begu and Behlul Becaj, who, proceeding from the assumption that, as they said, Kosovo is occupied, proposed a moratorium on party activity on the domestic scene, which provoked a torrent of reaction from those present, who feel that this is an unacceptable act since, as it was stated, an Albanian commitment to a peaceful resolution of problems, under conditions of a moratorium, would not yield results.

Reproaches

The political present of Kosovo Albanians is also marked by the position of parties on the initiated dialogue between the Serbian and Albanian opposition (DSK

representatives did not participate, although they supported it). At first, immediately after the Belgrade meeting, Suroi and Malici were criticized in the pages of the Albanian-language press for going to Belgrade, the explanation being that, through their parliamentary deputies, the Serbian opposition was also involved in the creation of Serbian policy towards Kosovo. Then, on the eve of the expected continuation of the dialogue with the Albanians, the leader of the Democratic Alliance accused the ruling party of refusing to engage in dialogue with Albanians on global questions. On the other hand, the political parties and other associations made up of Serbs and Montenegrins opened fire on the Belgrade opposition, going so far as to declare it traitorous for daring to talk about resolving the Kosovo question without their representatives.

In all likelihood, the recent arrival in Pristina of national deputy Milan Paroski (he proposed the Israeli type of defense in order to solve the Kosovo problem) was decisive in terms of carrying the dirty laundry of the temporarily installed leadership back to the Serbian parliament. First in line was the newly appointed chancellor of Pristina University, Radivoje Papovic, who was accused of using his position to buy two expensive Audi 100 automobiles. To be sure, once the dust had settled somewhat, the provincial secretary for education and culture, Miodrag Djuricic, attempted in Papovic's absence to justify the latter's actions by contending that he himself was involved from the very outset in the purchase of these luxury cars, but that this was done according to the principle of "trading in damaged goods for new ones." However, the journalists who were present, especially those who were among the first to file reports during the period when students were striking due to poor conditions and miners did not even receive their guaranteed personal income for months on end, were not satisfied with the explanation. They have their own version: Papovic did in fact have an accident in his old car last December, at which point he submitted all the documents to the insurance company. With a certain investment, or rather a loan from the Provincial Center for Finance, he got an Audi 100, but then, in mid-February—how unfortunate—he had another accident, and he repeated the process! On one invoice concerning the purchase of a car from a private Sarajevo company (!?), according to the official denial, only one car is listed, while on the second one, which was made public a little later, there are two! Thus, there is plenty of confusion, but also low-quality proof of Papovic's actions.

Cover of Night

After all, the obvious and regular abuses of position and thefts have been discussed at the speaker's rostrum in the Serbian parliament in the past as well. Thus, deputy Zivorad Grkovic alleged before his colleagues that "the problem with Kosovo is not Albanian separatists, but rather corrupt Serbs, armchair politicians," and he even gave names: Bogdan Kecman (provincial "Red Cross"), Jagos Zelenovic (head of the SPS [Socialist Party of

Serbia] for Kosovo and Metohija), Milos Simovic (Provincial Secretariat for Finance).... He revealed that organs of the MUP [Ministry of Internal Affairs] of Serbia in Kosovo have determined major plundering in areas headed by Serbs. He even provided examples of this: 40 trillion dinars have disappeared from the "First of May" construction enterprise, while 30 tonnes of copper have been plundered from Termovent. It is no longer any secret that 300 kg of gold has been stolen from Trepca as well. That factory's newspaper does not cover up the theft of goods: "Material, equipment, finished products...are being removed from industrial premises. Warehouses and offices are being broken into, and equipment is being stolen. This usually happens under the cover of night, but it also occurs in broad daylight. The thieves come from outside the combine, but there are also insiders involved."

Perhaps it is in part because of this that people are impatiently anticipating the announced arrival of Prime Minister Bozovic, who will have plenty to do in addition to this complication, primarily with respect to personnel questions.

Comment on Western Plan To 'Tidy Up' Country

92BA0722C Sarajevo OSLOBODJENJE
in Serbo-Croatian 13 Mar 92 p 1

[Article by Miroslav Jankovic]

[Text] It seems like everyone in the former Yugoslavia will get something after they have lost so much, to be satisfied in the end, and all this in the best traditions of Balkan masochism. This is how we could describe the latest intention of America to tidy things up in Yugoslavia and to create five states on the map of our former Yugoslavia, the fifth state being the Serbian-Montenegrin Yugoslavia. The famous "three twosomes" are, in fact, a cynical American rational for a third Yugoslavia: What really is important is the frame, and what is inside the frame can be anything that the five future Yugo-states agree on, providing it is what America dictates.

Dividing Yugoslavia into "three parts to, and in the end, have a whole" is the American plan, not the European plan: The European (German) plan was to have a bare dismantling of Yugoslavia. But, to make it known as to who is really the boss of the world and to prevent Germany from growing too fast or strengthening its presence on our and other European ruins, it has to be the way America wants it. Therefore, there has to be some kind of Yugoslavia, even if it is made up of three different kind of states. Besides wanting to bridle Germany, America is also saving Yugo-geography in order to prevent the expansion of secessionism in the world, Slovenia and Croatia being the most obvious examples of it. By forcing these two small states into forming, at least, a customs union with the rest of Yugoslavia, they will have at least upheld the basic principles of international law, which in our case has been so drastically violated. Bush and his chiefs are doing this as much for

principle as for the sake of the English, their greatest weakness, which is being threatened by secession from the north.

In this American concept, an especially interesting point is the point of balance—the agreement that Serbs and Montenegrins inherit Yugoslavia. The sole fact that a third Yugoslavia is being allowed automatically covers at least half of all the less-than-honest international arbitrations surrounding the Hague-Brussels liquidation of Yugoslavia. It also injects the independent little states with a significant amount of authentic statehood, which they need so very much, and which will be complete once the third Yugoslavia will have to, according to Baker's latest statement, recognize the four neighboring states and establish relations with them. The foursome, in return, will gradually (as either a confederation or as a customs union) have to establish relations with the new Yugoslavia, all of which will be accomplished with much trouble, conflict, arguing and quibbling, injustices of all sorts, and all of this under the "sweet" pain from an arm twisted by the powerful American fist.

The most interesting question is why the Serbian-Montenegrin leadership is agreeing so smoothly to a small Yugoslavia while no one else is presently agreeing to any other kind of Yugoslavia. The answer is, because it has to! By agreeing to a small Yugoslavia they would be pardoned the guilt that they were the instigators of the war, they would be pardoned from paying damages, and of any drastic division of property. In return, the mini-Yugoslavia would even get some loans for recovery, it would inherit about 8,000 international contracts and signed conventions of all sorts, it would inherit the illusion that the war was carried out in the quest of a recognizable goal and that they were not defeated, and finally, the border issue with the Croats will be determined. They will inherit all of the typical Serbian orthodox illusions.

And, in fact, what is facing the third Yugoslavia are all kinds of masked experiences. In order for the world to recognize a third Yugoslavia, it will have to give full rights to its minorities (Albanian, Hungarian, Muslim) that the Serbs in Bosnia-Herzegovina and in Croatia will receive, even though these Serbs will definitely be left out of their parent country. It will have to share a foreign-currency reserve of approximately 3 billion dollars, and with the above-mentioned promised loans it will have to pay off the debts of the former Yugoslavia, which amount to about 14 billion dollars. This debt, in fact, is for war reparations, only in a different "state of matter." The other four republics will have the status of an English guard soldier who, when addressed by an officer, must always reply with only one word—Sir. If, by accident, he answers Yes, Sir, he immediately is made known as a blabbermouth.

Those whose statehood is given by the Anglo-Americans are either constantly at war in order to maintain their statehood, like Israel, or they constantly obey (and sometimes even go to war), such as those "bananas" in Central America.

Because after all, we'll get what we asked for!

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