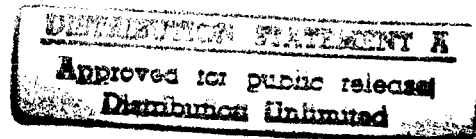


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INTERNATIONAL AFFAIRS

Prominent Hungarians Comment on Romanian Issues

SZDSZ Head Criticizes Tokes

91CH0421A Budapest NEPSZABADSAG in Hungarian
2 Mar 91 p 2

[Text] (MTI)—In December 1989, Romanians of every nationality demonstrated how united they were, and how determined they were to end communist tyranny once and for all. Today the people can speak freely, express their opinion in the press, and criticize what they do not like, said Gaspar Miklos Tamas in an interview published in the Bucharest newspaper TINERENTUL LIBER.

The SZDSZ [Association of Free Democrats] member of the parliament expressed his disillusionment with the behavior of Laszlo Tokes, his old acquaintance and friend of sorts. "Laszlo Tokes's moral courage in December 1989 deserves our special admiration and gratitude because his conduct then was truly great. But now, in my personal opinion, he should be concerning himself with his church and parishioners, and should leave politics to the politicians," Tamas added.

Gaspar Miklos Tamas said that he and his party disapproved of the fact that Hungary's representatives in Strasbourg had abstained from voting when the Council of Europe had been considering granting Romania special observer status.

Antiminority Actions Charged

91CH0421B Budapest VILAG in Hungarian 6 Mar 91
pp 17-18

[Article by Attila Ara-Kovacs: "Abhorrence of the Market"—first paragraph is VILAG introduction]

[Text] Bucharest prefers to curb the announced restructuring of the economy into a market one, rather than tolerate equal opportunity for Transylvania's ethnic Hungarian entrepreneurs. The post-Communist regime perceives the unavoidable effect of Hungary's developing market economy as a threat.

Today no one regards as an exaggeration, merely for effect, the statement that the iron curtain, believed to have been dismantled once and for all a year ago, is now being rebuilt. Admittedly, this time the increasingly impenetrable border divides East Europe, rather than Europe as a whole. It not only bars the movement of people, but has also recreated, and already embodies, a confrontation between two different worlds. It will suffice to spend just a few hours at some border crossing. The exodus of intellectuals, and occasionally of various ethnic groups, from the Soviet Union, the tens of thousands of ethnic Hungarians and ethnic Germans fleeing Transylvania provide clear proof of the present actual

state of the world that supposedly has rid itself of tyranny, as we were assuming not so long ago.

The Yugoslav and Romanian accusations recently formulated against Hungary mark the commencement of a new struggle. The Hungarian-Croatian arms scandal has also shed light on the ideological fears in Belgrade and Bucharest. The Yugoslav Army's hardliners have frankly admitted this in their January BULLETIN, calling Hungary a tool of the West and the principal agent of anticommunist subversion.

But primarily the ethnic Hungarians scattered throughout the countries of East Europe are experiencing the greatest anxiety, fearing local reprisals in response to Budapest's policies. This fear appears to be well founded in Romania in particular, the country that has been the least successful in extricating itself from the trap of communist power, and where organization of the opposition, especially of the historical parties, is not really significant. Transylvania's ethnic Hungarians still recall very vividly the pogrom last March in Marosvasarhely that revealed a criminal conspiracy between the Romanian Army and the police. At the same time, the ethnic Hungarians must also realize that the government is willing to open the gates wide even to the most anti-democratic mass pressure, rather than return the minority or church schools; and that it prefers to abandon restructuring of the economy into a market one, rather than tolerate equal opportunity for entrepreneurs.

But it must be admitted that Romania's ethnic Hungarians and Germans, thanks to their traditions and foreign contacts, are showing surprising mobility, in spite of their oppression. Although Bucharest has successfully deprived itself of incorporating the West's ideological and material advantages into its society and economy, it has been unable to prevent its immediate neighbors', especially Hungary's, influence on its own domestic conditions at the level of private initiative. Many people, especially the ethnic Hungarians of Transylvania who, understandably, have better access to information, are attempting to make good use of the Hungarian economy's restructuring and to create conditions similar to those in Hungary. Countless newly founded private enterprises are rising in Transylvania from the ruins of Romania's planned economy. Although extremely undercapitalized and severely handicapped by the absence of a still lacking market environment and by antimarket regulations, these private enterprises nevertheless exist and could become the foundation of a society that will emerge from the planned economy. Bucharest is fully aware of this. Consequently, the measures directed against ethnic Hungarians, and against Transylvania that are relatively more consolidated than the country's other regions, are by no means accidental.

Nor is it an accident that Transylvania's ethnic Hungarians and Hungary itself are presented as enemies in the statements emanating from Bucharest. In some cases, of course, it is in Romania's interest to be in Hungary's good graces. That is why it could happen that a relatively

objective official report on the anti-Hungarian pogroms last year was issued in Bucharest just when Romania had applied for, and was striving to achieve, observer status in the Council of Europe, so that Hungary, an already a full-fledged member, would not oppose Romania's application. The Hungarian delegation abstained from voting, and Romania was granted observer status, and the next day the second version of the report on the pogroms arrived in the West. In contrast to the first report, the second one makes no mention of Romanian official responsibility for the pogroms.

Lately there has been an upsurge in the activity of the so-called Vatra Romaneasca organization, East Europe's only neo-Nazi political party, and it is becoming more effective as well. The organization certainly has over a million members, and although it is operating mainly in Transylvania, its influence on national politics is surprisingly strong. By now the government is not only forced to yield to Vatra's anti-Hungarian demands, but must also heed the organization's openly antidemocratic proposals. According to well-informed sources, it was due to Vatra Romaneasca's intervention that the trials in Transylvania of onetime Securitate officers have been stopped. In Bucharest it is being mentioned as a fact that the Gulf crisis was merely a pretext for the January decree that has placed tighter controls on foreigners; its actual purpose was to curb visits by Hungarian citizens.

Although they apply to the entire country, the recently introduced economic restrictions are nevertheless directed mainly against the far more urbanized ethnic Hungarians of Transylvania. No particular secret is being made in Bucharest of the hope that Hungary will eventually provide employment for the ethnic Hungarians who are becoming unemployed in large numbers. Of course, the intention behind this plan is mainly to pit the Hungarians, who likewise are coping with an economic crisis of their own, against their Transylvanian brothers as competitors in the job market. That would partially moderate Budapest's commitment to minorities and would also make Hungary's process of democratization less appealing to Transylvanians in general, and not just to the ethnic Hungarians living there.

ALBANIA

Alia Addresses National Party Aktiv

91P20298A Tirana ZERI I POPULLIT in Albanian
24 Mar 91 pp 1-2

[Speech by Ramiz Alia, first secretary of the Central Committee of the Albanian Workers Party [PPSH], to the National Party Aktiv on 23 March 1991]

[Text] Dear comrades,

This aktiv is of special importance both because of the issues which are being treated and because of the time when it is being held.

Political developments in the world should attract our attention. The war with Iraq is over and Iraqi troops have been withdrawn from Kuwait but the situation in the Middle East remains tense and fraught with new and old conflicts. Iraq is not at peace, nor are the Arab countries; the Palestinian issue, inter-Arab conflicts, and the conflict with Israel have not been resolved. The war is over but it continues in other forms between other forces; a hot war, a political war, and economic war.

We must be vigilant because southeastern Europe borders the Middle East. But we must also be vigilant for another reason: events in the Balkans, especially in Yugoslavia, are following a dangerous path. In Yugoslavia they are openly talking about the disintegration of the federation, about Serbian hegemony, and about civil war and other things. Oppression and repressive measures against Kosovo and against Albanians in other areas have been intensified.

All these things pose a danger to our country, too. For this very reason we must always be on guard and ready to defend the freedom and independence of the homeland. Nothing, neither the domestic political struggle, nor economic difficulties, etc., must weaken our defense. Now more than ever, the defense of the country must be the cause of all the people. Our party, as always, must consider this to be its sacred duty. The banner of the freedom and independence of the country, the banner of its defense has been held high for 50 years by our party. It must remain this way in the future. This is the guarantee of security for every citizen, for every patriot of our country.

Our aktiv is being held after two bitter events which have taken place in our country. I mean the events connected with the toppling of the monument to Comrade Enver [Hoxha] and the mass exodus of many of our citizens to Greece and Italy.

These two events have something in common: the aim of dealing blows to our party, discrediting it, splitting it, and weakening its links with the masses. We know that only the enemies of the Albanian Workers Party [PPSH], only external forces which are interested in causing bloodshed in Albania, in causing internal destabilization, in dividing the country, could have such goals. Only attacks against the PPSH and the diminishing of its prestige could pave the way for such phenomena, because it is known all over the world and every Albanian believes that the Albanian Workers Party has been and is the only political force which has worked for and has achieved the unity of the people, which has eliminated all divisive elements, whether because of region or because of religion, which has ensured internal stability and public peace and quiet in the cities and the villages.

The event which took place on 20 February was as barbarous as it was painful, not only for every communist, but also for every honorable Albanian citizen and patriot. This pain, along with the revulsion, was clearly expressed in the demonstrations which took place

throughout the country in defense of the name and works of Enver Hoxha. On this occasion, the party, once again, demonstrated its maturity because it knew how to restrain passions and use logic and reason. It showed that it was a leading force of the country, that it knew how to avoid provocations, placing the unity of the people and the interests of Albania above everything else.

Another important event is the mass exodus of people, the majority of them young, to Greece or Italy. It is not a question of discussing whether or not this exodus could be avoided. The main thing is why this mass exodus happened, who is instigating it, and who benefits from it. Of course, there is an economic factor. But economic need cannot be the only explanation if we consider that many children under 16 years of age emigrated and the fact that the majority of the emigres were employed. Why, after 45 years, did the peasants in Vrake start thinking about their relatives in Montenegro? The opposition says that this exodus was provoked by the PPSH to reduce the votes for its opponents. Nonsense! Would the party in power organize such a mass exodus only for votes which might elect only one deputy, discrediting the state which it runs?!

Undoubtedly, the massive exodus was provoked, just like the events in the embassies on 2 July of last year were provoked. Why would Belgrade report, on the same day as the events in Durres, that it would be ready to accept 25,000 Albanians of Slavic origin? Was it not an open appeal similar to rumors that, on this or that date, borders or embassies would open, or ships and ferry-boats would come, even from America, to get everyone who wants to leave? At a time when there are economic difficulties, when many people talk about emigration as the road to salvation and we are going to Europe as if it were just a stroll away, many people, especially the youth, are gripped by an emigration psychosis, which has been transformed into a contagious disease. This is a great misfortune which will affect every Albanian and a tragedy for our people and nation. No one should use such a distorted route. Everyone, and, first of all, we communists, should work to check these destructive phenomena. Nowhere and for no reasons should we play into the hands of the enemies of Albania who have dreamed about seeing her children scattered throughout the world like ravens.

We have had even greater economic difficulties. But we have never had such emigration. On the other hand, the economy cannot recover if people do not work. Do you know, comrades, that only in the past two months, because of absenteeism and failure to fulfill plans, we have had as many losses as we had because of the drought last year? Therefore, it is essential for all, for each citizen, for everyone who loves this country, to do their jobs, to do the work which will bring us profits and raise the standard of living. Our economists have calculated that if this year's tasks in industry, agriculture, and export are executed, the economic recession will end, the economy will be stabilized and conditions will be created, immediately, for its rapid improvement, according

to a schedule which our government has drawn up, utilizing, for this purpose, economic and financial cooperation with the foreign business world.

The party and state organs should concentrate their attention on the economic stabilization of the country, ensuring that people in the villages and cities do their job and that tasks are carried out everywhere. It should be kept in mind that one of the reasons for lack of efficiency, in state organs in particular, is related to the separation of party and state functions. Earlier, these two bodies worked together for production. Now that the state organs, exclusively, must deal with this issue, a gap has been created which is felt in the villages, as well as in the work centers and the institutions. The remedy is not found by turning back, but work in the state organs should be strengthened and strong and regular work discipline should be put above everything else. An end should be put to liberalism once and for all.

The election of People's Assembly deputies was the principal subject discussed at the meeting.

It is the last week of March. The election campaign is at its peak. Every communist, every cadre, every party committee has enough time at their disposal to keep them from saying tomorrow: Ah, if I had not done this, if I had not met him, if I had not gone to that village or to see that family, if I had not used this or that argument. It is time to gather together all forces, to demonstrate all initiatives, to show all our militancy, to use all our influence among the people. With this conviction and appeal we must go into the villages, stir up the people, and work night and day.

It must be more certain that the candidates of the party and of the subjects which support the party will win the elections.

In regard to the elections, just like everything else, we must be realistic. We know that the people want the party because they have linked their fate with it for 50 years. They trusted it when the question of achieving freedom from the fascist occupiers appeared; they followed it during the great revolutionary economic, educational, and cultural transformations which put Albania on the road to progress; through the efforts of the party, exploitation was eliminated and social equality was achieved: through its efforts, illiteracy was eliminated and conditions were created so that today we are able to talk about making middle education compulsory. The party gave the peasant land and replaced his fear with bread; through the party, Albanian women have achieved their necessary emancipation and their role as a political force in the country. The party has opened all roads to the youth, whom it has called and has treated as the future of the country. There is no need for me to mention everything which has been achieved under the leadership of the party. Each and every citizen of the country can do this.

But, there are people who doubt these achievements, people who use our difficulties and shortcomings as

justification for denying the past, who use the attractive image of Europe to undermine the work and sacrifices of the people, who promise the moon and the stars without keeping their feet on earth. They do all they can to fault the party, to alienate the masses from the party. In reality, individuals in various strata of the population have set up for themselves the parties which have emerged out of pluralism. The elections will show us what they really are. Their meetings and demonstrations have shown us what they represent and how they operate.

The party and the communists cannot underestimate the other electoral forces or the obstacle which they might present. The only real route is to strengthen the ties with the masses, to work closely with individuals, to convince them to vote for the party candidates. Comrades have had a lot of experience with this but more agility and imagination are needed.

The people are looking for security in the future. They need someone they can trust. In these complex national and international situations, when dangers can come unexpectedly, because there are states which are interested in destabilizing Albania, the people need to see clearly so that they will never fall into misfortune. In this way, they will learn how to emerge from the economic crisis. This cannot be achieved through the holy spirit or by means of propagandistic slogans to the effect that Europe or America will give Albania a blank check and baskets full of dollars! These are just promises to win votes.

Europe and America, and anyone else, will help Albania if we Albanians will work, if the political forces which win the elections learn how to use the resources of the soil and the subsoil wisely, if they learn how to restructure the economy to modernize it and to increase its profitability, if they learn how to cooperate with foreign businessmen on the basis of mutual interest.

What political force, besides the PPSH, has that great political and economic, national and international experience, has that maturity and feeling of responsibility for the fate of the people, which will move the country forward, which will ensure the future? What political force, besides the PPSH, is able to guarantee the freedom and independence of the country, in these turbulent times in the Balkans? What political force is able to assure the people that there will be peace and order, besides the Albanian Workers Party, which, for 50 years, has been ensuring peace and social order, as never before in our national history? Therefore, we have the confidence of the people, who never forget, we meet with the people, we proceed with faith in the people, convinced that they will understand their party in the best way possible.

Our party is the initiator of the democratization of the country. It has worked and works with courage and decisiveness in this direction. After the elections it will continue to follow this road. Our party is in favor of

cooperation with all political forces which want to promote democratic processes in all fields. We believe that everyone can contribute to achieve the best solutions for the country and the people, in regard to all things, for the development of the economy and of culture, education and agriculture. This action, this constructive cooperation, for which our party will work, is not only for the purpose of the good development of democracy, but also responds to the basic issue of national unity, the unity of all the people.

The other matter which I would like to address deals with the party congress, which, in regard to time, is an ordinary one, but, because of the issue which it will be treating, it can also be called extraordinary.

The 10th Party Congress will be held at a complex time, in a difficult situation, under special conditions. There have been suggestions that this congress be held as soon as possible. Some people tried to have it held before the election for deputies of the People's Councils. The comrades had good intentions. They thought that an extraordinary congress would renew the party, especially its cadre, and that it would provide an opportunity for stipulating current tasks, keeping in mind the correction of past faults and shortcomings. But, for many reasons, especially because of the election campaign, it was too difficult to hold the congress earlier. At least it was impossible for us to go to the congress with a definite program because of the time constraints.

Now, after we are finished with the elections, we must hold the party congress. No one should think that the period after the elections will be an easy one and that the congress should be delayed. On the contrary. After the pluralistic elections, a new situation will be created in the country, a situation which will bring many political, economic, and social problems. For all of these the party will have to determine its own concrete attitudes. The communists must have a clear picture of what the party demands from them in these times, what it demands in the political, economic, and social arenas. Second, we must clearly specify the renewal which we must achieve in these plans, protecting the values of history and culture, and our social and material heritage and achievements. Therefore, we must analyze the past with a realistic eye. Third, we must specify how we will achieve our future goals, the roads we will follow, while preserving the existing social, economic, and psychological stability. Nothing should be done by massive moves, which might be destructive.

Many of our ideas are presented in the party's election program. The draft Constitution which will be approved by the new People's Assembly contains a number of important ideas. Of course, all these ideas will be made richer and more concrete in the party program. But I would like to emphasize that while seeking renewal, as is often said, the Albanian communists must not abandon their socialist ideals and their goal of building a just society without exploiters and exploited, in which people will enjoy all the individual freedoms and in which the

worth of each person will be measured by his worthwhile work, by the contribution which he makes to the development and progress of our society and homeland. Renewal means that we will adapt to the situations created and that we will follow the roads which respond to the times and to the requirements of current national and international development.

Does our party have the potential and the strength to bring about this renewal in all levels? We think that it does because our party has always been creative and bold. It has always been realistic and has not hesitated, and does not hesitate, to correct what had to be corrected and to do everything which was fruitful and progressive. From this point of view, the party is open to any suggestion and to any reasonable opinion which would really help in its renewal and which would be beneficial to the socialist future.

Many comrades are concerned about the party's past, about how and how far the party should distance itself from that legacy which, they think, weighs heavy on its activity today. Our party has no reason to reject its past. On the contrary, such events as the National Liberation War, the creation of the new people's democratic state, the transformations in the villages, the agrarian reform, and the collectivization of agriculture, industrial development, the revolution in education, culture, and the improvement of the health of the people, the struggle for the protection of the freedom and independence of the country from many attacks are historic victories which do honor to our party and its founder and leader Enver Hoxha, just as they do honor to each Albanian communist.

But have there been mistakes? Of course there have been and we can say, without fear, that we are making mistakes even now. No political force can keep from making mistakes and no individual can be infallible. Therefore, in our congress we will review the line being followed—not to break away from anyone or to depart from the path of socialist ideals but to learn about those mistakes which we should correct and which we should not make any more. We will do this calmly and objectively.

It has been proposed that an organizing commission be created to prepare for the coming congress. This commission would be composed of some comrades from the current Central Committee and some young comrades, party members, who have the necessary qualifications to carry out the tasks which will be assigned to them. These comrades, in cooperation with the commissions which were created at the national aktiv which was held in December 1990 for the purpose of preparing the draft party statute, will prepare the documents and other materials which are needed for the successful development of the party congress.

I would like to say a few words about the elections which will be held in the grassroots organizations and in the district committees in preparation for the 10th Party

Congress. It is essential that the procedure which is in effect today be democratized as much as possible. Therefore, in regard to the elections of the district party committees and of the Central Committee, it would be good to have nominations from below, from the grassroots organizations for the district party committees and from the district conferences for the Central Committee of the party. A definite number and definite rules should be set for this purpose, without taking away the right of the representatives at the conference or congress to discuss and nominate the candidates. These can be a limited number, let us say no more than one-third of those who will be elected to the respective committee. There can be other methods. The aim is to ensure that the leading organs are elected by the grassroots and not only by the representatives. At any rate, the party will discuss and decide on this matter in the districts.

In conclusion, let me remind all comrades that this week is one of intensive work for the successful conclusion of the election campaign. We will exert all our efforts to ensure that the party candidates will be successful in the elections, that the elections will develop normally, orderly, and calmly, and that the desire and will of the people will be expressed freely and democratically.

I wish you all successes! Long live our Workers Party!

BULGARIA

Progress at Vienna Disarmament Talks Viewed

*AU0204122691 Sofia NARODNA ARMIYA
in Bulgarian 28 Mar 91 p 4*

[Article by Zhivko Tabakov: "Difficulties and Hopes"]

[Text] For the 10th time in the last two years, the Hofburg in Vienna opened its hospitable gates to the delegations taking part in two kinds of talks: the Conference on Confidence and Security Building Measures, and the talks on Conventional Forces in Europe. Unfortunately, both forums resumed their work under extremely unfavorable conditions, prompted first of all by the fact that the USSR did not implement the Treaty on Conventional Armed Forces in Europe. An additional difficulty was created by concentrating the basic political efforts and attention of the United States and the major European states on the Persian Gulf crisis. In addition, the talks, as a forum of the 34 states participating in the all-European process, were burdened by issues related to the deterioration of the situation in the Baltic republics and Yugoslavia.

The firm Soviet position related to interpreting Article 3 of the Treaty on Conventional Armed Forces in a way that allowed the USSR to place 600 tanks and other military equipment subject to reduction outside the realm of the treaty by turning them into coastal guard and marine units blocked the talks on conventional weapons.

The Conference on Confidence and Security Building Measures developed differently. This development was facilitated by the adherence of the participating states to their previous obligations on developing new confidence and security measures, reflected in the Vienna document of 1990, and the willingness of the neutral and non-aligned countries to give a more dynamic character to those talks.

The working structure of the talks, which encompasses plenary sessions, meetings of the permanent working group that in practice covered all issues previously covered by "A" and "B" groups, and meetings of special (ad hoc) groups, was restored. This largely facilitated the achievement of specific results. The methods of exchanging information between the participating states on the armed forces and weapons were coordinated. The first such exchange of information will take place on 15 April 1991. It is envisioned that the exchange of information will also affect the plans on deploying new weapon systems, which is a matter of great interest to Bulgaria against the background of the present military-political situation in the Balkans. Work began on determining the principles of distributing the expenditures related to implementing the so-called elective assessment [izbiratelna otsenka]. All issues related to constructing the future all-European communication system have been resolved. It will be based on a computer network consisting of a central distribution station located in The Hague, and terminals in the capitals of the participating states. It is anticipated that such relations between states, based on the principle of "electronic mail," will open and improve the hitherto traditional manner of exchanging information through diplomatic channels.

An official proposal was made to apply measures of preliminary information and on-the-spot-inspection to the activity of temporarily activated military units and irregular military units and configurations. Breaking away from the former bloc stereotypes, our country, together with Hungary and Norway, became a coauthor of this proposal.

Certain important issues related to preparing the second seminar on military doctrines were also discussed. In connection with the changes in Europe, basic attention will be devoted to the changes in the doctrines of the CSCE participating states.

Newspapers Drop BTA Wire Services

91BA0379A Sofia DUMA in Bulgarian 1 Mar 91 p 2

[Article by Mariya Stoykova: "The BTA [Bulgarian Telegraph Agency] Telexes Are Becoming Silent at Most Daily Newspapers"]

[Text] As of 1 March 1991, the central dailies will no longer use the services of the BTA [Bulgarian Telegraph Agency]. The new prices for subscribers receiving domestic and international news distributed by our national agency cannot be met by the newspapers. Yesterday, BTA Director Ivo Indzhev categorically stated

that he will stop the telex service to publications that do not accept the new financial conditions.

"There are those who will see us as the enemy. We are simply selling information that we purchase with foreign currency and offer in leva. That is the reason for the price increase. Furthermore, starting this year, consumption items, as well, will be purchased for foreign exchange," Mr. Indzhev told a DUMA reporter.

"I am surprised that a colleague of ours is discussing by mail with other colleagues a problem of fatal importance to any editor," said Lyuben Genov, editor in chief of OTECHESTVEN VESTNIK. "Last year, the cost of telex services was 50,000 leva; now we are asked to pay 1.2 million. In the final account, however, this will make better journalists of us. It will stir us up. In this respect, we are grateful to the BTA. Mr. Indzhev could have explained how this specific sum was determined. I understand the desire of the BTA to pay its way, but, nonetheless, in business it is very important to have a preliminary discussion before a commodity is sold," he went on to say.

Our colleagues from DEMOKRATSIYA were unpleasantly surprised when they learned that, as of today, their telex machines would no longer work.

Nor have we paid, as yet. The amount asked is approximately 2 million leva. "However, I am not entirely familiar with the problem," said editor in chief Volen Siderov.

TRUD informed the BTA in writing that it cannot afford a 1.2-million-leva subscription. Its editors have already received offers from some worldwide news agencies, which are asking about \$1,000 monthly.

"In my view, unless the news agency is helped by the budget, it will go bankrupt," said Nikolay Stefanov, head of the International Department.

ZEMEDEL'SKO ZNAME has also refused to subscribe to BTA domestic and international news. Lyuben Akhtapodov, deputy editor in chief, said that the agency is violating its last year's contracts with the editorial boards.

"We do not have 1.39 million leva. We shall have to cope by ourselves," Mr. Akhtapodov said.

Most of the dailies paid an average of 50,000 leva for the information they received in 1990. Because DUMA used three telex machines, the amount was 60,000 leva quarterly; the new cost is 203,606 leva monthly. As of today, DUMA, as well, will no longer be a BTA subscriber.

SDS Response to Economic Reform Analyzed

91BA0371A Sofia DUMA in Bulgarian 18 Feb 91 p 4

[Article by Barukh Shamliiev: "Cuddling Up With Demagoguery Postponed the Reform and Brought Us the Prices We Have"]

[Text] Although this story is a thing of the past, it remains rich in lessons. In less than three months, the country was faced with two price liberalizations—the first, suggested by the Lukanov government in mid-November 1990 and rejected, and the other, that of Mr. Popov's government, which was enacted on 1 February 1991. Ninety days separate the two events. Nonetheless, it would be legitimate to ask: Are there essential differences between them, and, if not, why was the first rejected and the second accepted? Finally, and most important, will Bulgaria gain or lose by having wasted 90 days, each of which equaled years in terms of its significance.

A clear answer to these questions would make it possible to see whether the political forces in our country proved to be on the level of the national requirements or whether some of them became hostage to their party's interests.

In this case, it is not in the least a question of undermining, with hindsight, the price liberalization promoted by the Popov government as a first step in a conversion to a market economy. On the contrary! With an absolute standoff state of the national economy, its rejection or even indifference to its fate would have fatal consequences. The efforts now being made to offer new models are nothing but late competition. They should not be accepted, all other opportunities having been lost.

This does not mean in the least that the government's model is the most efficient. There are more efficient models, the more so inasmuch as the model suggested by the Popov government is not different from Mr. Lukanov's.

Both Plans Are Based on the Rahn-Utt Recommendations

The currently accepted model contains nothing original or unknown, either in terms of science or of worldwide practical experience. However, a practical step taken today is more valuable than dozens of programs and models combined.

Nonetheless, all of this calls for an explanation of the political and scientific considerations on the basis of which the Lukanov price liberalization was rejected. What did prevail in this case? Was it the interests of the country, which required gaining as much time as possible for making the economic reform, or was it the political hatred of the socialist party, represented by Lukanov, that prevailed? Therefore, did the country win or lose?

Both Lukanov governments lost many "starry moments" for the practical implementation of the economic reform. No decisive steps were taken to stabilize the economy, above all steps related to its financial strengthening and the floating of a bond loan, converting savings accounts to term deposits, paying higher interest, and so forth. There was not enough will power to ensure the accelerated passing of important laws, although the

drafts of some of them had already been submitted for discussion by the Grand National Assembly, such as those on ownership, agrarian relations, demonopolization, and so forth.

Development of the Shock Therapy Idea

The SDS [Union of Democratic Forces] was the first to borrow it from the Polish reformers and to popularize it. It is true that, subsequently, for electoral campaign considerations, it abandoned it. However, this was for tactical rather than strategic reasons. Conversely, the BSP [Bulgarian Socialist Party] opposed the shock therapy and adopted the concept of following an even course of economic development. However, that concept, as well, was influenced somewhat by the elections and was not a long-term program. As time passed, changes on this subject occurred in the political behavior of the two main political forces. The suggested liberalization of prices and interest rates and the radicalizing of the economic reform indicated that Lukanov was abandoning the "smooth course." Conversely, and most surprisingly, it was none other than the SDS that rejected the liberalization suggested by Lukanov—that is, the shock approach to prices. As we are about to see, this was done by no means for scientific considerations but for purely populist reasons.

Even the briefest possible comparison between the two liberalization systems, those of Lukanov and of Popov's government, indicates that the advantages are on the side of the former. The price increase of virtually all goods and services it stipulated was substantially higher as compared to the level of liberalization of 1 February 1991. Today its opponents object that such a comparison is, to say the least, incorrect, claiming that Lukanov had adopted a lower foreign exchange rate of the leva to the dollar and that the pace of inflation in November 1990 was incomparably lower than it is now.

Neither argument refutes anything. It was precisely last November that this was possible and beneficial to the country, but, three months later, it had become truly impossible. During those three fatal months, the reform could have started and the population would have adapted to the new prices and interest rates under more favorable conditions. Why was that option rejected at that time?

The Removal of the Lukanov Government Reopened the Old Wounds

"For some of the parties within the SDS, the power was already at hand, waiting to be picked up. The opposition rejected the sensible suggestion of the president of the Republic to set up a program-based government. Mr. Beron openly submitted his own candidacy for chairman of a council of ministers dominated by SDS people. Some of the small parliamentary parties even suggested the proclamation of a parliamentary crisis and the holding of new elections. Under those circumstances, there could not even be a question of the Lukanov government ratifying a governmental act involving price

and services liberalization. The failure of this prospect is still bitterly remembered by the Radical Democratic and Green parties. An expression of these feelings was recently manifested by Al. Yordanov. Some invisible sign made the democrat Zhelev suggest, in an incredibly dexterous way, the name of a vice president whom he hardly knew but who is quite familiar with invisible signs. This was followed by outrageous efforts at forming a coalition at all costs, despite the will of the electorate (?), ignoring moral principles and democracy." (21 VEK, 2-8 Jan 1991).

With such views held by the opposition, it is clear that it was not concern for saving the country from an economic crisis that was given priority but the seizure of power.

I shall ignore the numerous publications in the media, lightheartedly rejecting price liberalization with most primitive economic arguments. However, I am bound to mention as an example the article by Petur Koev, the BSDP [Bulgarian Social Democratic Party] economic expert. According to him, Lukanov tried "to insinuate to everyone that there was no other way and that liberalization in that specific aspect was inevitable. Yet, such liberalization means that the economic power remains in the hands of the *nomenklatura*-speculative gang by legitimizing its current possession of so-called national property." (SVOBODEN NAROD, 11 Feb 1991). Look at that language and "analysis"! It is difficult to believe, indeed, that the liberalization suggested by Mr. Popov was aimed at strengthening the power of...the *nomenklatura*-speculating gang!

It would be interesting, in this case, to look at the view on the liberalization of prices not through the eyes of malicious amateurs but through those of leaders of parliamentary groups and experienced politicians. It would be logical to assume that they would willingly take the first step toward changing the system, for the good of Bulgaria. Alas! Demagoguery was lowered to its lowest point, for what is populism if not an attempt to win the trust of the masses with tempting but unfulfillable promises?

A typical case is that of Stefan Savov, chairman of the Democratic Party. He voted against liberalization because it was suggested by communists who "carry on their lapels and in their heads the idea of socialism and communism!" That was all. To him, the interests of Bulgaria took second place the moment a project was initiated by the Socialists, regardless of whether its implementation could take the country out of the swamp of the crisis.

Nor was Mrs. Elka Konstantinova, chairman of the Radical Democratic Party, an exception in displaying her habitual emotionality. "I vote against," she said from the rostrum of the Grand National Assembly, "because I ache badly for our people, the only nation in Eastern and Central Europe that must face a price increase in terrible circumstances."

We cannot forgive Mrs. Konstantinova for claiming things she knows nothing about because, if we take as a basis for comparison the price level at the beginning of 1990, we see that prices in Hungary and Poland have increased much more than in our country, unemployment there is relatively higher than in our country, and production in those countries has declined by a factor of at least 2 to 3 as compared to 12 percent in our country. However, we must concede that the concern she is showing for the bad situation of the people is touching. I ask myself, however, why is it that, if she is so concerned with the people's difficulties, she fails to show the same emotionality and condemn the current officially sponsored high cost of living? This, however, would be political adventurism. Demagoguery is easy but, sooner or later, it demands a high price.

Positions of the SDS Intellectual and Economic Elite

In November 1990, that elite sacrificed scientific truths for the sake of dirty political objectives. Life, however, played a bad joke on them. Those who last November totally rejected Lukanov's liberalization of prices of goods and services were forced three months later to take the same steps but, that time, under greatly worsened circumstances.

I find it most difficult to explain the view taken by Mr. Iv. Kostov, the former chairman of the Permanent Commission for Economic Policy of the VNS [Grand National Assembly], our current minister of finance. He is a respected economist and one of the first popularizers of the shock therapy applied in Poland. In the course of the VNS debates, he said: "Let me tell those who understand economics that a price increase of 100 or more percent greatly changes macroeconomic proportions, for which reason in no case could I accept it. This lowers the value of the cash in the hands of the population and thus reduces the possibility of tomorrow using such cash to carry out privatization. In other words, the true way to a market economy is blocked." I doubt that Mr. Kostov would sign his name to this statement today. Perhaps he, better than anyone else, knows that there is no way to develop a full-fledged market economy without strengthening its finances, without restoring the purchasing power of the leva, without eliminating the budget deficit, without liberalizing prices and increasing interest rates, and without balancing money and commodities.

Ventseslav Dimitrov turned out to be even more extreme. "In our view, the view of the SDS experts," he said from the rostrum of the VNS, this is not the most necessary step at present, or at least it is not necessary to increase prices to such an extent. Not only is it not necessary, but also it would be a wrong step. It would be a step with unpredictable consequences." The view expressed by Iv. Pushkarov was that of the Social Democratic Party: The fault of Lukanov's liberalization was that it was the result of an administrative act and not that of a market economy.

Were today's liberalized prices (he is one of their authors) seen on the market, in the course of competition? He could hardly give as an example the reforms in Hungary, Poland, and Czechoslovakia, where either first or simultaneously there was demonopolizing and privatizing and only then a price liberalization. No, he could not!

The same view is held by an entire party, the BSDP. The recently published "Viewpoint" of that party rejects the present price liberalization and insists that it should take place simultaneously and painlessly by the elimination of centralized control over prices and earned income and state monopoly, and by privatization, social protection, and convertibility of the leva (SVOBODEN NAROD, 6 Feb 1991). On the abstract theoretical level, such demands could be acceptable. Specifically, however, considering the present crisis, they are unrealistic and populist because they promote the illusion that the BSDP could simultaneously and painlessly activate all the factors that lead to the creation of a market economy.

The Entire Trouble Is That the Opposition Proved To Be an Unconstructive Force

We know that a government that suppresses the opposition is worthy of scorn. However, an opposition that, groundlessly, does not try to understand the situation of the government is a pitiful opposition. It answered with a firm no to the price liberalization suggested in November of last year. It said no to the proposed budget. It said no to any reduction of deficits and subsidies. At that time, other shouts could be heard outside parliament, as well, such as "resign!" and "strike!".

In considering the budget submitted by Mr. Popov's government, the BSP parliamentary group acted quite differently. The Socialists in the VNS had much greater reasons to yield to the temptation and to raise the banner of demagoguery. Never in our parliamentary history has a budget been submitted for approval without its being totally balanced and that included as many questions as the present budget. However, the Socialists voted for the budget and opened the way to the economic reform. They made critical remarks, but criticism does not mean total rejection. With this act, the BSP proved that it is a truly national party, with a broad way of thinking and acting.

Three months were wasted on our way to a market economy. Had we not wasted them, Bulgaria today would be at the point it will reach in April-May of this year, as the government assures us. What hindered this was the wind of false statements, which never runs the mills of economic and social progress.

HUNGARY

FIDESZ Leader Orban Views Party Relations

91CH0449A Budapest MAGYAR HIRLAP
in Hungarian 25 Feb 91 p 5

[Interview with Victor Orban, FIDESZ [Association of Democratic Youth] parliament faction leader, by Dezso

Pinter; place and date not given: "Personal Irresponsibility Replacing Collective Irresponsibility"]

[Excerpt] [passage omitted]

[Pinter] You stated that you would rather discuss issues of principles, but I would still ask you to also talk about concrete differences of views.

[Orban] I was surprised to read in your [Hungarian Helicon Publishing House] MH-Extra column that, according to Janos Kis, sometimes the differences between the views of two FIDESZ [Association of Democratic Youth] experts are greater than those between the FIDESZ and SZDSZ [Association of Free Democrats] when debating objective and professional issues. I do believe that this is how it appears outside of the parliament, but those who sit there cannot seriously believe this. I will list those legislative issues in which our view was entirely different from that of the SZDSZ. Numerous elements of the constitutional order that was arranged in the [Hungarian Democratic Forum] MDF-SZDSZ pact was also unacceptable for us. We considered the SZDSZ' draft bill proposal, which was submitted during the parliamentary debate on the new order of public administration as a bad alternative. That of the government was also bad. The stalemate that has developed in Budapest is the bitter result of the election system promoted by the SZDSZ and the local government law. This could have been avoided by the adoption of our standpoint. The disagreement between the FIDESZ and the SZDSZ in the restitution issue is so great that I will not enpound upon it now.

[Pinter] In the final analysis, what is the greatest difference between the two parties?

[Orban] Although one could meditate on that for a long time, what is important to me is that our differences present themselves in objective issues.

[Pinter] The SZDSZ openly invited the FIDESZ to jointly form a government when the moment arrives. Are you thinking about such a solution?

[Orban] I think as Janos Kis did in early February: We are not ruminating about who our partners could be in forming a government.

[Pinter] But one or two things did happen since February.

[Orban] Yes, but in order to form my opinion, I must become thoroughly familiar with the view of the leading SZDSZ politicians. We are expanding our program and are trying to maintain normal relations with any party that could later be considered a partner, including the SZDSZ.

[Pinter] Is it conceivable that there would be a situation in which, contrary to your earlier statements, you would accept a role in the present government coalition? Jozsef Antall made the statement that "I consider the FIDESZ

a true representative of liberalism, and I do see its consistent efforts to remain firm and professional and to preserve its image...."

[Orban] Nothing can be expected. We received too few votes in the elections, consequently, we have not much weight in the parliament to play any worthwhile role in the government's work. We would be unable to bring about a fundamental change in the government's operation although this is what would be needed. The idea of joining the government has not even come up. And a coalition with the FKgP [Independent Smallholders' Party] should not even be in our worst dreams.

[Pinter] Are there people in the FIDESZ faction who think differently than you do about a possible coalition?

[Orban] I am not aware of it. But since participation in the government has never been offered to us, we did not discuss this question thoroughly.

[Pinter] So, no one has ever contacted the FIDESZ to propose a coalition?

[Orban] The MDF constantly speaks about the FIDESZ being acceptable for it after all, but they have never come to us. This is a very clever tactic of party policy, Jozsef Antall knows exactly why he did this, I understand perfectly.

[Pinter] Please tell me.

[Orban] I assume that Jozsef Antall's positions have been strengthened by his hint at the coalition talks that there was a party out there, in addition to the ones with which he was negotiating, which could be included in the government. Incidentally, my relationship with Jozsef Antall can be considered pleasant, but I seldom meet with him. I would consider it important if the relations between the MDF and the other opposition parties became similar to those now existing between the FIDESZ and the MDF. The essence of our relationship with the MDF is that the MDF can be certain that if it turns its back, we will not stab it from behind.

[Pinter] According to one critic of the FIDESZ, political adaptation cannot be tantamount to using tactics in an unprincipled manner. I ask that you speak your mind and describe the parliamentary parties for me.

[Orban] The only reason why I put my head into this noose is that when one is willing to give an interview, one should not only keep saying one's piece, but should also drink the bitter glass to the last drop. The Christian Democratic Party is the one among the government coalition parties with which we have the best relations. It is an open party with which it is possible to cooperate even in the most difficult questions. All of this does not mean that they did not make expressly offensive or unacceptable comments in the parliament, but that does not, in essence, change my opinion. The MDF is a terribly heterogeneous organization, not only from the aspect of the mixed composition and political spectrum

of its national committee, membership, and parliamentary faction, but also from the aspect of the diversity of ideologies that exist side by side. They claim that they can tolerate each other, but I see that more like a confrontation and, thus, the MDF is an unpredictable party for me. Presently, this is my biggest problem with it. The FKgP is farthest from the FIDESZ; the comments of its representatives reveal a value system that we very strongly reject. We think the FKgP's policies are disastrous, best exemplified by the restitution law. A year ago, no party said that they wanted restitution the way the parliament is now debating it, the FKgP was the only one that proclaimed land reprivatization. The FKgP elicited an atmosphere in the parliament in which now every party feels a kind of public pressure that restitution is a must. The FKgP set goals for itself, and is putting pressure on the MDF for goals that are detrimental to society. Thus, in parliamentary politics, we consider the FKgP to be one of our most important opponents. I have already spoken of the SZDSZ, which leaves the MSZP [Hungarian Socialist Party], which we will consider a successor party until it brings its long and painful inheritance process to a close and gives an account of its assets. I think that they enjoy an inadmissible advantage over the other parties by being the earlier communist party's successor party. For this reason, the contact between us is difficult, almost impossible.

[Pinter] It is natural that you have opponents, but do you have personal enemies in the parliament?

[Orban] I hope not. I have serious reservations toward many representatives and wish that they were not sitting there, but I must accept the fact that they were elected. My ill feelings are not governed by personal motives but rather by the political dangers inherent in their standpoints. I hope that they, too, will go against me only on that basis.

[Pinter] The view that the parliament's loss of respect may contribute to political instability is gradually gaining strength. Do you perceive a loss of prestige and do you see any danger of destabilization?

[Orban] True, although our popularity has not decreased, we also feel much of a loss of prestige. People form their negative opinions about the parliament as a whole, and that is very bad. They cannot really differentiate between the helplessness of the parliament and that of the government. Long years of parliamentary practice and socialization will be needed to change that. As far as destabilization is concerned, I do not think the situation is as grave as many authoritative politicians think. When a country must be reorganized from a one-party planned economy and policy to a multiparty system that follows a market economy, the danger of destabilization always exists, and I do not see anything extraordinary in that. On the other hand, there is something else here that is called a political low tide by some and a political stalemate by others. It is an important political ailment that politics has not been progressing in Hungary between the two elections, at least this is how it was until

now. In a West European democracy, the fact that the election has taken place does not mean that the government has been put together once and for all. It does not mean that there is no more communication between the government and society. The government constantly surveys public opinion to find out whether people are satisfied with the work of the government as a whole or with that of the individual ministers. In West Europe, if a prime minister sees that one of his ministers has lost the trust of the electorate or that one or the other portfolio is not playing the music up to par, then he changes personnel immediately. This is not something that is hard to swallow, or difficult take, like pulling teeth, but it is rather natural. Someone failed, someone made a mistake, therefore that someone must be removed and a new person must be brought in. Ministers come and go, new concepts are adapted to the government's work. I think that in Hungary, our prime minister's idea about this is not fortunate. My impression is that the prime minister thinks that every change of personnel in the government represents a loss of prestige for him. The government feels like a fortress under siege and its head allows himself to use expressions such as: "it was not in the underworld where I learned about politics" or "I will not pay for this mess." This is an entirely misleading approach because people feel that no matter what happens in this country or who makes a mistake, everyone remains in place. These are the roots of the opinion that nothing has changed. Before the elections, every opposition party said: "There was a regime here that was characterized by collective irresponsibility. Now a liberal society will come, a liberal market economy, and we will witness, dear voters, your change from subjects to citizens, and the implementation of the principle of personal responsibility." This is what we said, and what happened? Here is a government in which anyone can make mistakes without any consequences. After collective irresponsibility, the time of personal irresponsibility has come to Hungary. People feel that they are distanced from politics which they cannot influence. The danger of destabilization emerges when society does not believe the opposition's claim that changes in the government can be brought about only through parliamentary means. So people can go out on the street and it is of no use for the opposition to cry "halt" and "constitutional means" and "constitutional state," because it may not be able to contain the anger, and in this sense, the government's function is a threat to itself and to the system.

[Pinter] In what ways can international conditions affect our domestic political processes?

[Orban] They can determine the scope of action for domestic political forces and for endeavors in foreign policy. Contrary to others, I do not see a great "threat of the Little Entente" since a very important precondition for that, for example, a great power standing behind the "Little Entente," is absent. Efforts have been made to improve Hungary's international relations, one example would be Visegrad, but in many cases, government

action has been inept and inappropriate. Visegrad on the one hand, and the arms sale to Croatia on the other, these two together cannot be considered part of a consistent policy. Awakening nationalism is the true danger in the neighboring countries. Our policies toward the neighboring countries also affect how West Europe and America look upon us. If the offensive in foreign affairs, which was launched by the Antall administration, continues, and if our chance to become an associate member of the European Communities does not vanish, then Hungary will be looked upon favorably by the West, and that will also steer our domestic processes in the right direction. Despite the Croatian arms-sale scandal, I think that Hungary is in a good position from the aspect of foreign affairs.

[Pinter] You visited Romania recently. Did you experience anything that could be useful in dealing with all our other neighbors?

[Orban] The first is that we must immediately reckon with the fact that we are engaged in symbolic politics instead of concrete politics. What is important now is not who is right in justifying the past thousand years' history, but rather opening the consulate in Kolozsvár. Another thing, we must be careful in what expressions we use; for instance, the word 'successor state' elicits a different emotional response in Hungary than in Yugoslavia. In other words, we must show empathic willingness, calmness, and an unhesitating rejection of any feeling of superiority in us.

[Pinter] Have you felt any fear recently?

[Orban] Yes, once, but it was not a physical fear but rather a mental anxiety. During the discussion of the Croatian arms-sale affair, I noticed a totally shocking thing in the parliament. Until then, I thought that the government parties' argument that everyone is conspiring against them in an effort to topple "the nation's real representatives" was part of their political chess game. I believed that the reason they were saying this was to dodge the necessity of an objective debate. It became clear to me then that the government representatives sitting in front of me were serious in thinking all this. They think that the opposition, the press, the former bureaucracy, the ex-communists, the Romanians, the Serbs have all conspired against them. I was really frightened then. Good God, Hungary's fate is in the hands of this government majority.

[Pinter] What are your joys?

[Orban] Fortunately, they are many. They include the family, my private life, and politics. Politics is the art of resolving, handling, and accepting the practice of conflicts. This is why a politician or his party cannot be loved by everyone. On the other hand, he can gain recognition from everyone, including his opponents, for his principles, consistency, and readiness. Our growing political popularity is a good thing, but for me it is at least as important to gain the respect of our opponents, and we also are ready for this in the case of those who

oppose us. Since we are talking about joys, perhaps I will have some of it this evening. There will be a small field soccer match and I hope to be able to shoot one or two goals against the government party and the SZDSZ as well.

MDF Liberal Circle Leader Scores Populists

*91CH0450A Budapest MAGYAR HIRLAP
in Hungarian 1 Mar 91 p 4*

[Interview with Endre Kiss, MDF [Hungarian Democratic Forum] Liberal Circle leader, by Janos Bercsi; place and date not given: "Positive Signs, Negative Phenomena"—first paragraph is MAGYAR HIRLAP introduction]

[Text] On the basis of political and economic considerations, a kind of program package was approved and launched at the Fourth National MDF [Hungarian Democratic Forum] Congress to remodel the government's future operation. Last weekend the committee evaluated the program's implementation, but its published announcement proved to be very short on words. But the evaluation is important, and this is why we have interviewed MDF Liberal Circle Leader Endre Kiss, to request that he draw a parallel between the last few months' events and the program.

[Kiss] The December congress was preceded by great anticipation, so much so that many people say that the MDF was given a great last chance to regain lost confidence. I had hoped that a diversified MDF would step in front of the public, in front of society; criticizing, being self-critical, introducing new faces, and representing a tangible direction. Instead, an overconcentrated, defensive congress with a closed mentality took place, during which some steps pointing ahead were taken, of course, but an opening, and a total picture to elicit confidence that could have been the foundation of a renewed MDF were absent. The MDF's repeated declaration of its professional background activity, the mellowing of its internal tone, and its more cultured comportment and manifestation on the political scene could be considered something positive. These are very attractive principles, but practice shows a different picture. A characteristic example would be that not even the material of the committees of experts, covered on the first day, has been made public to date....

[Bercsi] For me, Bethlen's economic proposal was quite stunning. Its essence is to annul our debts, to start with a clean slate, and to demand more and more financial help from the West....

[Kiss] In part, this goes beyond the MDF because Hungarian political life also has a well-defined group which proclaims with increasing emphasis that our debts should be annulled. Thus, in this respect, this distribution of roles is only paralleled in the MDF, and unfortunately, this "solution" will always be a great feat of arms for the populist, or more or less demagogic, party

politicians. Fortunately, Mihaly Kupa's recently published program shows that this is not the government's point of view. An awareness of the gravity of the economic problems was elicited by our national congress, and Mihaly Kupa's inclusion is an admission that the MDF was unable to develop an efficient economic policy from its own ranks.

[Bercsi] The MDF's change of style was also proclaimed at the national congress....

[Kiss] Undeniably, there are positive signs as well, for example, improved relations with the public, more cultured comportment, more careful language, and a more tolerant handling of criticisms. However, these truly positive elements are always swept away by some kind of a negative government or party policy action, such as the arms-sale scandal, which is a much graver matter that has stirred up a lot of dust. I think that one of the congress' greatest flaws was that the organizers did not allow any open debate or open criticism, and consequently, no detailed discussion of the problems took place. Had the congress left room for the cab drivers' blockade, the irreconcilable enemy image probably would not have remained and last Tuesday's sad event in the parliament would not have happened. One more reason why an open debate would have been important is that the blockade rather disunited the MDF members, including both of the representatives and the withering local organizations. Although many people think of the cab driver affair as we heard it in the parliament, that is not the MDF's opinion because our leadership did not ask the membership and thus, the comments made can only be considered the opinion of a group of the exclusive party leadership circle.

[Bercsi] The new leadership is also meant to serve the change of style.

[Kiss] I am saddened by the fact that no committed liberal politician is found in the 21-member national committee. According to the liberal circle's survey, 14 or 15 persons belong to the so-called populist category, thus, the balance of power between Antall's large group and the populists has remained intact. It appears that these two groups found some kind of an antiliberal platform, even though there may have been occasional differences of views and personal conflicts.

[Bercsi] In watching the national congress' deputies, I had the feeling that these people were abandoned and by themselves; they were dispiritedly loitering in the hallway.

[Kiss] This was a result of the absence of an open debate, because many people came from the country to tell about their problems and to get some answers which they could take home! There are towns and cities with growing anti-MDF sentiment. MDF members are almost persecuted in many workplaces, being blamed even when the government makes a mistake. They simply wanted to express their concerns, to listen to the other deputies, and of course, to state their opinions. However, this

endeavor did not meet with the committee's approval and thus, the deputies were given only 60 minutes on Sunday afternoon.... It was just an interesting facet of the day that the election took place in the morning followed by an hour of criticism!

In addition, the MDF also has special psychological problems, real or imagined grievances, being resentful, being uninformed or misinformed in many instances, which are very beneficial for developing a classic and simplified view, for seeing things in "black and white," and for the painting of enemy images. The MDF, as the leading government party, carries the historical responsibility for either changing this mentality or using it for cooking the political meat in a half-cynical, half-demagogic manner! Of course, every party has the responsibility of building the new Hungarian democracy while fighting each other, but neither the SZDSZ nor the FIDESZ carries such burdens because they live in the present and are clear about the essence of liberalism and, therefore, have no such sociopsychological tasks. Those MDF members who are open and think sensibly would like to see the party functioning on par with our modern age, but the populist forces are constantly strengthening the development of the enemy image, and this is a significant reason for the dwindling membership.

[Bercsi] We have been storming backwards in our history during the past weeks. For example, we reinstated the old decorations and brought the Horthy regime into the limelight. Nothing about them was said at the national congress.

[Kiss] These values probably coincide with the opinion of a significant number of MDF leaders. Of course, we cannot know who, and how many people represent these views, but this is not debated either! As long as there is no debate, these orientations have a repressive and authoritative significance, even within the MDF. Presently, it is another matter whether or not these views are correct. In our opinion, it is easy to see why these views are inappropriate today. What is alarming is that these circumstances also show that decisions are not made in public and thus, not only the MDF but also the country is simply confronted with accomplished facts!

Opposition Parties Criticize Compensation Accord

*91CH0450D Budapest MAGYAR HIRLAP
in Hungarian 14 Mar 91 p 3*

[Article by A.SZ. and A.F.: "Compensation: This Is Not the First Agreement"—first paragraph is MAGYAR HIRLAP introduction]

[Text] On Tuesday, the coalition parties suddenly reached a compromise in the main issues of the compensation bill. We asked representatives of the opposition parties to tell us their opinion of this agreement.

Ivan Peto (SZDSZ) [Association of Free Democrats]: "I do not exactly know the details of the agreement, but it seems that the present announcement is more official

than the previous one, because this is not the first announcement proclaiming that the coalition partners have reached a compromise in the compensation bill issue. Another thing that we do not know is the extent to which those who made the agreement represent the opinion of their party's or faction's majority. If it is true that the MDF [Hungarian Democratic Forum], the FKgP [Independent Smallholders' Party], and the KDNP [Christian Democratic People's Party] have agreed on all of the fundamental issues, and that the faction will vote in accordance with this agreement, then the coalition parties have made a clown out of the parliament and the public that is watching the parliament's work. They have discussed a draft for several weeks, needlessly taking time away from other important legislation. Although we do not know the details, I think that they did not solve the problem, because the draft mentions neither compensation for grievances unrelated to loss of property, nor compensation for those who lost their property between 1945 and 1948. Thus, the issue of compensation cannot be closed. Another thing that is unclear is how the bill deals with existing problems, for example, the bill also includes cooperative property that should not be included, something to which my fellow representatives, Gyula Gaal and Ferenc Torok, called attention through their proposal. We do not know to what extent compensation can be incorporated into privatization, and whether a supply of privatization, appropriate for the compensation coupons, can be created. Another thing that we do not know is to what extent the contents of the agreement corresponds to the Constitutional Court's earlier point of view, according to which every item of property must be handled the same way."

Lajos Kosa (FIDESZ) [Association of Democratic Youth]: "The FIDESZ strongly criticized the compensation bill even in its original version, and the party's concept of the compensation affair has remained unchanged. But, according to our information, the original proposal was the "strictest" of all, best representing the principle of degression. If the news is correct, and the coalition partners made further concessions to the FKgP, and the amounts of compensation will increase, that will present further inherent dangers. One thing that I would emphasize would be the danger of increased inflation resulting from the issuance of property coupons in large quantities. The effect of the concept of compensation on the budget, which now has been accepted by the three parties, is also a cause for concern because no calculations have been provided by the parties. Finally, I think it is important to note, as was also explained by Bela Glattfelder at the FIDESZ' Tuesday press conference, that the bill must, by all means, be reviewed by the Constitutional Court prior to its enactment."

Imre Szekeres (MSZP) [Hungarian Socialist Party]: "We do not find the agreement surprising. It was to be expected because the government and the coalition parties must find a common denominator if they want to stay in power. Presently, we do not know how long this

will last, just as we do not know to what extent the compensation bill will be able to survive the parliamentary debate. On Thursday the MSZP presidium will discuss what point of view the faction should represent in the debate. One thing is certain: We do not accept this compromise either because it does not live up to the requirements which we have already elucidated in the parliament. This means that we will not vote for the bill. Beyond that, we will be careful not to undermine the parliament's authority."

Government Outlines Legislation Plans

*91CH0450C Budapest MAGYAR HIRLAP
in Hungarian 11 Mar 91 p 5*

[Article by A.M.: "The Government's Legislation Program Proposal"]

[Text] As a result of the revision and strict classification requested by the house committee, the government's legislation program proposal now includes not 100, but only slightly more than 50 legislations. The parliament's house committee will draft this year's schedule of legislation this week, following the government's recommendation.

In working on classifications, the government's primary concern was to keep the economy running and to deal with social problems. The legislation program proposal includes four subject areas. The first group includes the bills needed for the regulation of ownership; the second group includes the bills related to creating the legal framework for the market economy; the third group includes the bills with a deadline; and the fourth includes the bills that are important for other reasons. However, legislation related to the work of local governments must precede the discussion of any of the above groups.

The government's legislation program proposal also makes recommendations in connection with the parliament's work. Among other things, it states the necessity of opening a special parliamentary session after 15 June. It also recommends an accelerated legislative process, but only in connection with bills related to legislation.

The compensation bill is the first item among the bills connected with the regulation of ownership. It is followed by the bills on local government assets and on the settling of church real estate properties. This group includes the bills dealing with the modification of the land bill, cooperatives, and privatization. In accordance with the program, the government will present all drafts to the parliament by May.

The bills related to creating the legal framework for the market economy include the modification proposals for the bills on concession, gambling, the post office, communications, accountancy, bankruptcy, investment, financial institutions, the Central Bank, the operation of state properties, and associations. A few bills on the reform of the state budget are also listed here, for example, the bill on the state budget, the concept of the

social security reform, the bill on social security's self-management, and the concept of modernizing the tax laws. These will be presented to the parliament by June.

The group of bills that have a deadline, or that are important for any other reason, include several bills that were presented earlier, for example, the bill on the responsibilities and sphere of authority of local government and state officials, the capital city and district governments, the service of medical officers, the frequency moratorium, and the property settlement by social organizations connected with the past regime. The proposal for the modification of the bill on public judicature and its budget has already been presented. In accordance with the program, the proposal for the implementation of the budget for this year's first quarter will be presented to the parliament in April, and the bill on the implementation of last year's budget and the implementation of last year's social security budget will be presented in June.

The program for the second half of the year includes the presentation of the bill on mining, the draft of the new labor code, the land tax bill, the new social security bill, the social bill, the home bill, and the modernization of the tax laws. The third quarter is specified in the program for the modification of the penal code and the legislation on the compensation of persons who had illegally been limited in their personal freedom. This will also be the time when the draft resolution on property management guidelines, the guidelines for next year's budget, and then the budget itself will be presented. The bill on the 1992 social security budget will also be presented to the honorable house at the same time.

Finally, we will list the bills included in the legislation program's fourth group, designated as very important but without deadlines. In this group, too, there are numerous bills that have already been presented, for example, the proposals on the review of individual pensions, the legal status of public servants, and the program of coal mining's change of structure. The press bill and the bill on national ethnic minorities are expected to be presented to the parliament by the government in early summer, and the regulation of international contracts, the president's pay, and legal status and remuneration of the members of the government and state secretaries are expected to be presented in September.

In case this legislation program is more than what the parliament is able to handle, then probably a few of this last group, the ones without deadlines, will be stricken from the parliament's agenda.

The government's legislation program proposal, now narrowed down, will be reviewed by the parliament's house committee at its meeting this week. However, proposals that were presented some time in the past and are awaiting discussion, as well as independent recommendations of representatives, must also be considered in planning the work schedule of the honorable house.

Parliamentary Investigation of Former Informers

91CH0450B Budapest MAGYAR HIRLAP
in Hungarian 8 Mar 91 p 3

[Article by Katalin Ujhegyi: "Ferenc Koszeg: Being Called to Account for the Past Is Possible"]

[Text] The report in which Zoltan Szokolay and Ferenc Koszeg, two members of the parliament's National Security Committee, sum up the work which took several months to complete, and in which former and present Ministry of Interior staff members were questioned regarding former agents, may be completed by the end of the month. Ferenc Koszeg made statements about this to the MAGYAR HIRLAP.

He told us that the questioning has indeed come to an end and, thus, it can be said that the data that came to light is rather contradictory. So, it is conceivable that the committee's point of view will not be unified because the representatives already disagree on certain issues. This is why those statements (here Koszeg mentioned the interview of Andras Galszecszy, the minister without portfolio, given to the NEPSZABADSAG) which suggest that former agents cannot be identified because the statements of enlistment are unavailable are incorrect because they are not the only documents. However, what is certain is that it is impossible to identify the entire circle. But this is neither necessary nor possible because we are talking about a minimum of 20,000 cases. Koszeg did not know of any appropriate authority that pressed for this, and no related bill was presented to the parliament. The Hack and Demszky proposal concerns a well-defined circle that includes high-ranking people: the parliamentary representatives, mayors, judges, prosecutors. In case there are sufficient grounds on which it can be safely concluded that such people were agents, the president of the Republic notifies the person about the kinds of data that are available. Of course, Koszeg described that in this phase, he does this in a strictly confidential manner. This gives every involved person an opportunity to quietly withdraw. If he does not wish to take this opportunity, then he must face the publication of information. According to Koszeg, in the case of persons holding responsible political posts, being called to account for the past is possible to a certain degree. Of course, all involved persons have the option of steering the matter into the domain of courts, and they may even bring legal action against the president of the Republic. Koszeg stressed that this is a means by which to put limitations on the state at the same time. Koszeg's reply to our inquiry of whether there might be a danger that the files would also be accessible to people who might take advantage of them was that the law should provide only very limited access to the files. That is, only the Ministry of Interior, the National Security Office, the minister, and the president of the parliament should have access to them. They would be the ones to put the list together which would then be put at the disposal of the president of the Republic. According to the Ferenc Koszeg, such a bill would not elicit a witch hunt, as we

warned in yesterday's issue, although there is a certain chance of error in this also, just as in anything else.

When will this affair, which has elicited much guessing, finally come to an end? The only answer that Koszeg could provide was: not in the near future, since earlier the representatives rejected the urgency proposal.

POLAND

Labor Minister on Ministry Tasks, Policies

91EP0337A Warsaw POLITYKA in Polish No 7,
16 Feb 91 p 5

[Interview with Dr. Michal Boni, minister of labor and social policy, by Ewa Nowakowska; place and date not given: "In the Language of Reason Rather Than Emotions"]

[Text] [Nowakowska] The clientele of social welfare called your predecessor "St. Jack of Benefits." By the same token, I would wish you the name of "St. Michael of Wages" in my own interest and that of all employees. In a more serious vein, however, an individual who would restore a logical and healthy dependence of wages on work would be an ideal minister of labor as far as I am concerned. Does this ideal tempt you?

[Boni] I would like to be an ideal minister of labor! However, everything that guarantees correct relations between work and wages is rooted in the economy at large, and a reform of the latter has bogged down. We are going through a difficult period of transition during which a multitude of unresolved issues have piled up, and still more emotions have accumulated. This makes us forget what exactly the reform is supposed to accomplish. Meanwhile, the issue is precisely to ensure that the work of a person results in wages which do not only give him an opportunity to survive (in this case, we should be talking about a subsistence minimum) but represent remuneration for skills, involvement, efficiency, and dynamics—in a word, everything that is a yardstick for wages throughout the world.

[Nowakowska] This is the objective, but how close to it are we?

[Boni] I am afraid that we were but several millimeters away from a condition where virtually nothing was based on healthy economic relations. There are, however, certain changes indicating that we have taken the right path towards making these relations healthy.

[Nowakowska] For example?

[Boni] For example, an increase in the significance of wages in areas financed from the budget; as a rule, the wages of teachers, health care employees, and other "nonproduction" personnel were degraded in Poland. I am not saying that they are already at a proper level, but they must attain such a level. This is a requirement from

the standpoint of civilization. Some people fail to understand this; there is resistance.

[Nowakowska] You have moved from the bench of trade unionists to the box of the authorities while saying that you have "the soul of a trade unionist." In the world of market economies, there is a discernible division between employers and employees, and the minister of labor plays the role of a mediator for them. In our common consciousness, the division between the government and the governed lingers, which causes your declarations concerning "the soul of a trade unionist," or emotional bonds with the employee side, to be taken with skepticism....

[Boni] Politics is public service, or thinking about who should be helped and how. It follows from this that I will go on defending the interests of employees. However, I would not like to resort to cheap promises; I would like to build reality on facts rather than words. After all, we are not discussing an ideal model but rather a state in a period of transition, at the stage of loosening various values. Social differentiation is tremendous, many communities have been degraded, the significance and prestige of various groups has changed; the economic system has disintegrated, and the selection [as published] of enterprises is in progress. All of this is generating a framework—I repeat, a framework!—for a new way of thinking about the economy and a new system.

[Nowakowska] You have outlined a diagnosis of chaos. I understand that you are convinced that this chaos has a creative aspect.

[Boni] Had I believed that we have plunged into hopeless chaos I would not have undertaken this role. The condition of creative chaos requires that we tell ourselves that there are things which we would like to do and should do, but at this point we cannot yet do them. This is why I would like to talk, and actually, I have carried on a dialogue with the representatives of various communities, not just trade unions, on a daily basis for three weeks now with a view to reaching a certain social consensus concerning the hierarchy of needs which can be met.

[Nowakowska] What is your view of this hierarchy? Will you first of all extinguish tensions in the enterprises and keep the discontented from taking to the streets, so that Balcerowicz will be able to do his work?

[Boni] Indeed, some colleagues call me a firefighter and a sudden defender of Balcerowicz, but this is not true. Of course, I extinguish tensions; however, for me it is very important from the point of view of social communication, which I will return to in a minute. As far as the significance of issues to be resolved is concerned, I think that we should accomplish a certain transformation of the feeling of social security. We need to help first of all those who are in the most difficult situation. A system of recipient-specific aid is emerging which was expanded more than ever under the notorious welfare state. We would like to create a certain protective zone, but not for

everyone and not in every instance, because otherwise we will never get to where we want to be. At issue is the institutional framework for aid to the people living under the worst conditions and those who temporarily find themselves in a difficult situation.

[Nowakowska] This sounds fine, however, it actually brings about perpetuating old deformations and undermining further the sense, value, and prestige of work. Your predecessor took to creating social defenses for the Balcerowicz plan with such zeal that he went too far in the direction of aggressive philanthropy. The standard of living of benefit recipients came close to that of employees, and the employees lost their feeling of social security. Once again, it makes sense not to work in Poland! The fear of unemployment which was visible a year ago is subsiding. Instead of looking for work, school graduates reason as follows: unemployment gives us an alibi plus spending money and insurance!

[Boni] Indeed, this deviation does exist. We are aware of localities where the people become unemployed with relief and joy because they cannot make as much as they get in benefits. About 60 percent of the registered unemployed work "on the side," engage in trade, and so on, getting from the state what you have mentioned, an alibi, spending money, and insurance. This is why certain rigors are necessary in this matter, which we are already introducing. People who temporarily find themselves in a difficult situation, without employment, should not develop the notion that the state will relieve them of their concern for their own future. I interpret this widespread expectation as a tragic misunderstanding.

[Nowakowska] Could this be just the power of a stereotype?

[Boni] The people still view the state as a separate institution, as an alien body isolated from society. Why? After all, a complete freedom of information exists. There is every opportunity for parties and groups to be set up. Free parliamentary elections are drawing closer. The state comes from society; it is an emanation of society. If this is our state we should be aware of the limitations to our potential.

The state may provide a certain framework for social policy and, within this framework, facilitate contacts between those in need and those who provide aid, i.e., also nonstate charitable organizations. Of course, we cannot eliminate the social fund from the enterprises overnight and leave a gap. We should build up institutions which will take over the old social functions of the employer as far as the organization of recreation, health care, and housing are concerned. Let the enterprises mind production and profits so that the employees will be able to afford recreation and everything else. In turn, this brings the minister of labor to the ideal which you, as well as others, desire. Unfortunately, we only see small pieces of the reform, and they do not form a whole. This is why we are distressed. The reform has overcome us.

[Nowakowska] To some degree, this is due to a shortage of information. Dozens of new notions are in circulation, but nobody explains them. Inflation, PPWW [tax on excess wage growth], recession, stagnation.... The people still feel like a herd of sheep which is being taken care of by "the wiser ones," the ones "who know better." This situation brings about mistrust.

[Boni] We do not have a politician with a clear vision and charisma who can inspire the society to follow him. You cannot tell the people: Things are bad, they will become worse yet, so don't make trouble. Social changes cannot be based on a negative vision because this robs the people of energy and their will to act. It would be more effective to explain: All of us are looking for [a better] way, and we are naturally different as far as this is concerned. Some will advance rapidly, others will be able to do it at a considerably slower pace, and still others will merely mark time, and they need to be helped. I believe that a certain kind of state intervention is necessary, at least with regard to our industrial strategy. It does not have to amount to subsidies; it may be represented by, for example, preferential credit facilities for the spheres of manufacturing which are necessary. Showing realistic prospects to employee groups, regions, and industries would open up prospects for our society at large.

[Nowakowska] What you have said is extremely important in order to enhance the feeling of well-being and to foster faith in our ability to still do something. However, are you not afraid of being accused of excessive optimism?

[Boni] This is not about utopian fantasies but rather about a realistic description of searching for our way, and a program of education on a market economy. All of us need such a program; it should have been developed as early as about a year ago. In the Western world, a market economy is part of human nature; the people simply live in it. In our country, it is still a question of knowledge and culture. Actually, not one of us knows what such an economy means—what kind of reality, what rules, and what prospects. All media could contribute to such an educational program. One more point, this program should be depoliticized. Politization and ideologization obscure the real problem. This is precisely what happened with the PPWW, as we put it, "the unfortunate PPWW," which became a scapegoat for Polish frustrations. If we loosen up on the PPWW, inflation will be the next scapegoat. We should discuss it, we should point out to the enterprises opportunities which the law provides rather than politicize this!

[Nowakowska] At the hearing in the Sejm before taking office, you said that conflicts in society on social grounds can be avoided by creating "early warning mechanisms," first of all, contacts between the government and trade unions and a dialogue at the level of reason rather than emotion. Do you subscribe to this view after the experience of recent weeks, especially after negotiations with trade unionists on 7-8 February?

[Boni] Yes, I do. I believe that negotiations with various groups and at different levels amount to a very significant element of attaining social equilibrium. This government is facing a special situation; it is yet to gain credibility, it must work toward it. However, prior to this we must learn to analyze all manifestations of social situations, both visible and hidden. On the other hand, leaders of social groups, such as trade union chiefs, also have a lot to learn—for example, to articulate their reasoning, their positions, and their postulates plainly. When I said in the Sejm that a dialogue in the language of reason is needed I did not do this because I consider the language of emotion to be worse (as our colleagues from TYGODNIK SOLIDARNOSC viewed it), but because this is not a language of political negotiations. It appears to me that the other side in the latest negotiations also came to feel that such a common language of arguments is needed. We cannot speak the language of emotion because in this case all that the government would be able to do would be to cry and repeat: We cannot do that, we cannot....

Social conflicts are natural and unavoidable in a pluralistic society. We should be aware of them and look for practical solutions. We should not shift this to the level of ideology, politics, or a nationwide threat.

[Nowakowska] Let us go back to unemployment Polish style which we know very little about. It is certainly not the result of modernizing enterprises or structural changes in the economy; it is rather due to economic stagnation. Who are the unemployed, and how do they actually support themselves? This is mainly in the sphere of conjecture and speculation. You have promised to study this phenomenon and to "civilize" unemployment. Is anybody already working on this?

[Boni] We are reorganizing the Department of Employment, adapting it to such tasks. We expect the academic community to bring appropriate research techniques to our attention. We have the results of promising preliminary negotiations with the World Bank and the Organization for Economic Cooperation and Development (OECD).

It is already known that the unemployed are a varied population, therefore, different means and instruments should be used with regard to different groups. We also want to push through the Sejm as soon as possible special treatment for local job placement services because these services are definitely too few in comparison to their tasks.

[Nowakowska] The sphere of social policy is the domain of several departments, but yours plays the leading role. Do you see a need for something in the nature of a social pact between the health, education, construction, and labor departments? I do not mean a pact of demands but a pact stating your agreement as to the hierarchy of the significance of issues to be resolved.

[Boni] This is a good idea. We have already embarked on cooperation with the minister of education. Integration with others would certainly help to build a rational social policy.

[Nowakowska] How much difference is there between telling the authorities what their duties are, from the point of view of a trade unionist, and doing this duty from the standpoint of the authorities?

[Boni] It is easier to talk about duties from the point of view of a trade unionist. This gives you greater freedom and makes identifying your role easier. Your role is clearer. The position in which I ended up now calls for taking into account a greater number of prerequisites. I must not only reckon with my personal views and way of thinking about social policy, but first of all the economic and social program of the government. I would like to make the government's social program more dynamic and modify it, but I cannot reject it because this would be tantamount to resigning.

I cannot think in statistical-financial-macroeconomic categories only. I understand them, but I add to them my entire sensibility which brings about great inner stress. On occasion, I must make within three minutes, without an opportunity to seek consultation, decisions which will make the front pages of the press. This is a tremendous psychological burden.

[Nowakowska] Your profound familiarity with the subject matter should rob those who doubt whether a doctor of humanities may be a competent minister of labor of their arguments.

[Boni] I am not your typical Polish studies specialist. I studied the sociology of culture. I wrote my Ph.D. dissertation about a stereotypical worker in Polish propaganda in the late 1940's and early 1950's, and I taught the sociology of communication at the University of Warsaw.

[Nowakowska] Thank you for the interview.

Editorial Calls for Sejm Voting by Roll Call

91EP0338B Warsaw POLITYKA in Polish No 7, 16 Feb 91 p 5

[Editorial by Marian Turski: "To Always Vote by Roll Call"]

[Text] Recently, all members of the legislative chamber [Sejm] for the sixth time had to publicly take a stand on a controversial issue. They did this for the first time when Wojciech Jaruzelski was elected president, and then [again] recently on account of the law on the protection of conceived life. The deputies themselves have to decide when the deputies will vote by roll call and thus make their views public. It is a public secret that they would most often like to avoid such public confession. By all indications, many deputies of the center and the so-called left would have voted against the

draft law on abortion, which brings us closer to the Vatican but further away from Europe, if they could have hidden behind a screen of secrecy. This is what is provided by instantly lifting one's hand and pushing a button on the deputy's console, which instantly turns into the law of large numbers in the electronic computer of the Sejm. It is unpleasant to state this, but it is a fact that many deputies feared public pressure and the influence of voters who are frequently fanatical, pressure from the [Catholic] Church, the threat of excommunication, and were apprehensive about losing the support of the current ruling class. The result was not what I would have liked, but I nonetheless believe that in the future voting by roll call should apply in the Sejm universally, regardless of the whims of the deputies.

To be sure, this mode of voting is not used in a majority of the world's parliaments; however, it is obviously beneficial where it is used. In the United States, members of the House of Representatives (senators [as published]) running for reelection submit to their voters a record of their positions—which laws they voted for and which they voted against.

If we agree to the new mode we should at the same time be aware of some of the consequences, the first one being a greater dependence of the deputies on the voters. Some political scientists voice apprehensions that in this case the deputies will have to adjust their views to those of the least educated, least sophisticated, and least politically committed voters. Yet, experience indicates that strong-willed deputies with independent views do not lose and come out on top in subsequent elections. The second consequence is a greater independence from the decisions of the parliamentary party factions and leading party organs than was usually the case in Poland (after 1918) or in Europe. I believe that at this stage this may only be beneficial for the development of a political culture in Poland.

The third consequence is of a technical nature. A system for roll-call voting requires that the electronic voting system be retooled. Since we go along with considerable budgets for the Sejm, the Senate, and the Presidential Chancellery, this particular expenditure should not present an obstacle.

POLITYKA Editor on Paper's New Status

91EP0338A Warsaw POLITYKA in Polish No 7, 16 Feb 91 p 3

[Article by Jan Bijak, POLITYKA editor in chief: "On Our Own"]

[Text] I have what I believe to be good news for our readers. The weekly which is our joint accomplishment has become the property of a cooperative established by employees of the editorial staff. The POLITYKA Cooperative is the autonomous publisher of the weekly, independent from all political parties, public organizations,

government and parliamentary agencies, and, for now, from financial institutions. We want to be independent and manage ourselves.

Such is the outcome of liquidation proceedings which lasted for almost a year. They were started by a law on the liquidation of the Prasa-Ksiazka-Ruch Workers' Cooperative Publishing House adopted by the Sejm and by the establishment of a government commission which was to decide which publications would become the property of editorial cooperatives and which would be auctioned off to the public.

The criteria used to decide the fate of publications differed. Some are inclined to link the favorable decision for the POLITYKA group to my participation in the work of the Liquidation Commission. Really, this was not the most vital point. We may even reverse this statement and say that my nomination to the commission by the prime minister amounted to recognizing the social role of our periodical. The decisive factors were, first, the good financial standing of POLITYKA—because the ability to operate in the market independently was one of the conditions for authorizing cooperatives. The readership of the periodical was decisive. We owe a debt of gratitude to our readers for reading and buying our publication, for putting up patiently with the drawbacks of sluggish distribution and the decay of the subscription system, and for going along with the measures which we took in order to break even.

To a considerable extent, we owe the decision of the commission to the fact that the editorial team of POLITYKA has remained what it is, all natural differences notwithstanding. Generational divisions, differing tints of political options, the fact that some of us believe in God and others do not, and the fact that one segment of the group belongs to one organization of journalists and another segment belongs to the other organization have failed to make us quarrel.

Our editorial team has traveled a long and stormy road. We do not want to obliterate from the history of our periodical what burdens us together with the entire historical system—supporting a monopolistic party, submitting to censorship, and saying half-truths. However, we do not want either, in keeping with the quite disgusting fashion, to renounce the years of the past, to falsify our own identity, and sling mud at everything we did, or engage in self-flagellation for sins which we were not the ones to commit. POLITYKA was not an opposition periodical, despite the fact that it was repeatedly accused of being so by the political center. While remaining within the establishment, POLITYKA supported the reform-minded and inquisitive strain within it and strove to maintain professional honesty and decency. Let me only recall the year 1968 when POLITYKA was the only publication among those associated with the system to avoid intoxication and resist the anti-Semitic campaign, and Rakowski put his entire political career at risk.

We were children of our time; both some of the sins and some of the credit are ours. I recall the year 1980, the presence of Solidarity functionaries among the editorial staff, and subsequently the parting of the ways, martial law, which will only be fully evaluated in the future, and the presence of POLITYKA at the time of preparing a great change. We did not become Social Democrats, Christian Democrats, or the people of the center or the citizens' movement overnight. We are looking for a niche in a difficult contemporary reality, as is all of Poland. We know which common values are close to us: democracy, pluralism, a secular state, respect for different views, respect for national culture but without nationalistic idiosyncrasies, and opening up to what is worthwhile in foreign culture. We advocate a market economy, an environment which favors initiative and enterprise, differentiation in wealth, differing standards of living, and strict rules of the game. After all, it was for such leanings that we caught it in the coarse years of Gomulka. However, we do not wish to go along with disproportions which are too brutal and to accept poverty as a normal condition and unemployment as a systemic inevitability. We want a rule of law state. We consider honesty and truthfulness to be the foremost duty in our profession of journalism.

It is through the prism of these values, which are very hard to quantify, that we try to view current parties, movements, and political orientations. We will try to retain in the process common sense and a sober approach which have always accounted for the strength of POLITYKA.

When the balance sheet of POLITYKA for last year is completed, and the financial standing of the publication becomes clearer, we will provide pertinent information for our readers, as well as [outline] our intentions which depend on the financial standing. Unfortunately, a price increase is still necessary at present. Therefore, POLITYKA costs 2,500 zlotys. The movement of prices we have been registering is explanation enough for this measure (printing has become 30 percent more expensive).

[Box, p 3]

The POLITYKA Labor Cooperative elected its management. The following board was elected by a secret vote in which 40 members of the cooperative participated: Jan Bijak became chairman (38 votes in favor, two abstentions); other members of the board—Piotr Adamczewski, Jerzy Baczynski, Jacek Poprzeczko, and Wieslaw Wladyka. The following were elected to the Board of Trustees: Jerzy Kleer, chairman; Andrzej Garlicki; Elzbieta Jozwicka; Ewa Nowakowska; and Stanislaw Podemski. In a separate vote, the members of the cooperative elected the editor in chief and his deputies: Editor in Chief—Jan Bijak (38 votes in favor, two abstentions), Jerzy Baczynski (36 votes in favor, four abstentions), and Jacek Poprzeczko (35 votes in favor, five abstentions).

Status, Future Prospects of OPZZ Trade Union

91EP0340A Warsaw POLITYKA in Polish No 9,
2 Mar 91 p 7

[Article by Mariusz Janicki: "The OPZZ [All-Polish Trade Union Agreement] on the Offensive: All Too Often We Do Not Like Ourselves"]

[Text] Were the findings of public opinion polls to be taken quite literally, it would have to be assumed that a sizable segment of the membership of the OPZZ [All-Polish Trade Union Agreement] does not like its own organization and its leader, Alfred Miodowicz. Like the postcommunist parties, the OPZZ lacks a good reputation, but while the latter have a membership of at most 12,000 to 20,000 each, the OPZZ's membership exceeds 4.5 million, compared with the nearly 2.5 million for the much more respected Solidarity. This is not the only example of Polish irrationality—all too often we do not like ourselves.

The signal for the OPZZ's offensive, increasingly obvious in recent weeks, was, somewhat paradoxically, the secession of the federation of miners led by R. Moric, although formally it only is a suspension of membership and negotiations are to follow soon. That, however, has triggered an avalanche of criticism of the leadership by the OPZZ's factory organizations and branches. The leadership was criticized for politicking—the OPZZ was the substratum for the emergence of the Movement of Working People led by Miodowicz and Spychalska and registered last January—and for the absence of effective negotiations at the central level, a hostile or at least inconsistent attitude of the leadership toward Solidarity, and the lack of a cohesive organization and a long-range program.

It also is a fact that OPZZ membership is declining, having fallen from about 6 million during last year's congress (in June) to 4.5 million at present. This is a huge decline, and the resigning members as a rule did not join Solidarity and, instead, represent a potential "third force" that is organizing wildcat strikes.

Even before the miners, the foresters definitively quit the OPZZ (in 1988) as did a segment of the Federation of Higher Schools (in 1989). As for the ZNP [Association of Polish Teachers], it vacillated for awhile but ultimately it remained within the bosom of the OPZZ. The atmosphere within the OPZZ has been poor. "The pressure from the grassroots was very strong, spontaneous, and, on the other hand, our present offensive is admittedly also a result of our rethinking and assessments," declared Wit Majewski, an OPZZ deputy chairman.

Two main trends can be distinguished in OPZZ attitudes. On the one hand, there is the markedly pro-Solidarity trend, with the desire to establish cooperation with the predominant "trade union brother," even if only in words, not deeds. This reflects the psychological complexes felt toward Solidarity despite the fact that in many factories OPZZ membership is several times larger

than, or even tenfold, the Solidarity membership. This is linked to the political prestige of Solidarity. Hopes for such cooperation are being engendered by Solidarity's shift in the direction of purely unionist activities. At the same time, however, the growth in the number of Solidarity's deputies [in the future parliamentary elections] will be unfavorable to the OPZZ, because this will politicize and exacerbate the old conflict between the OPZZ and Solidarity.

On the other hand, there is a trend toward radicalizing the anti-Solidarity opposition, [which is] linked to the SdRP [Social Democracy of the Polish Republic], Cimoszewicz [head of the PKLD [Parliamentary Club of the Democratic Left]], and all those elements to whom Solidarity has basically always been a politically and mentally alien factor. This trend manifested itself with special strength during the demonstration in front of the Belweder [presidential palace] on 15 February, when epithets vilifying Walesa were voiced and the head of the PKLD W. Cimoszewicz was greeted very warmly.

Troubles With Origins

These conflicting trends must be reconciled at the OPZZ headquarters in Warsaw on Kopernik Street. It seems, however, that this schism, this specific schizophrenia of the OPZZ, is irremediable, because it is directly linked to its origins.

In a situation in which the prevailing doctrine is that postwar Poland began at best on 4 June 1989 [relatively free elections to the Sejm], an organization established in 1983 on the ruins of the delegalized Solidarity, which took over its assets (and those of the contemporary subsector trade unions) lacks any political or even moral chances unless there happens some shock, some earthquake, in Polish attitudes and views. The public is capable of accepting Walesa, Bielecki, and even Balcerowicz, and at the same time basically rejecting capitalism. A fundamental contradiction exists here: even if the current policy of the OPZZ genuinely reflects the interests of large segments of workers, it will be publicly rejected in view of the odium associated with the past of the OPZZ. This is that "worse Poland" which cannot be accepted psychologically, because that would mean belonging to it, hence the idea of establishing a new headquarters that would adroitly attract most of the OPZZ's membership while at the same time avoiding the acceptance of responsibility for the years past. Such an initiative may come from the grassroots, but not necessarily. It is not precluded that this would be a kind of controlled spontaneity, because at the current OPZZ headquarters itself mention is made of some mysterious "multiple variants" of organizational solutions if the situation so requires.

Hence, the situation is ripe for a decisive movement on the part of Miodowicz's unions. The successive rounds of negotiations with the government concerning the excess wage tax have ended in failure. Prime Minister Bielecki accused OPZZ activists of communism, and the

atmosphere was hostile and at times even explosive. Lastly there was the demonstration by 20,000 marchers on the route from the Office of the Council of Ministers via the Belweder to the Sejm. The threat of a general strike arose. It seems that Miodowicz has made a choice and desires to go farther than Solidarity, which is restrained by Walesa's presence in the Belweder; he wants to turn the weakness and political alienation of the OPZZ into an element of strength. This does not prevent him from courting Gdansk [workers]. The ambivalence of the situation is growing.

The OPZZ places great reliance on its branch structure (some 150 or so federations), which has at least in theory proved itself to be more effective in terms of strikes than the horizontal, territorial organizational structure of Solidarity which, despite efforts by advocates of a branch structure, is hard to eradicate. The OPZZ relies on the hostility of workers toward the excess wage tax and toward the privatization drive as well as toward the new joint-stock companies established by the former nomenclatura. Miodowicz even speaks plainly of the claimant, class-oriented nature of his trade union.

Against this background there appears the fundamental problem of the functioning of trade unions in general. In the year 1981 Solidarity felt no restraints about making demands and its "constructive attitude" was a political ploy entirely intended to break up the old system. During the martial law era and subsequently, the OPZZ had to be constructive, because that was why it was established. Its only destructive move, the vote of no confidence in the government of Z. Messner, was, as it rather seems certain nowadays, only part of the process of distancing itself from the rule of a politician who had mishandled the reform. That was a decision of the contemporary party establishment, not of A. Miodowicz.

At present Solidarity must be constructive again, if only owing to the fact of its essentially absolute and strong support of Walesa during the presidential campaign. This shall continue, if not at the factories, then at Union headquarters, because an open conflict between Walesa and Solidarity would greatly hurt both. The sharp reprimand of Miners' Solidarity by the National Solidarity Commission is worth recalling.

The OPZZ, which nowadays feels itself to be free of any such restraints, desires to exploit this complicated situation of Solidarity. To its thinking, there should be no illusions. Since the current political alignment excludes the OPZZ, this alignment must be changed. To be sure, cooperation with Solidarity can exist solely so far as making demands is concerned, but not in terms of ideology; the size of the OPZZ's membership is not unimportant to Solidarity.

All the assurances of OPZZ leaders that the good of the country is their chief ambition are dictated chiefly by the rules of politics. The paramount and longterm goal of the OPZZ, the Movement of Working People, and the SdRP is, at the very least, to share actual power with Solidarity

and hence also to weaken its myth and its influence on the society. As for the rest, that is diplomacy. But as for interpreting such actions as desiring a coup d'etat, if not as treason, which requires vigilance by the "healthy" majority of the society, that is another matter.

The OPZZ has one major asset nowadays. It does not have to apologize for the current situation of the economy and the country, whereas Solidarity, if it wants to be honest, has to. What exists has arisen independently of, and even contrary to, the OPZZ. And although communism was bad and can nowadays be ridiculed with impunity, as is being done even by TRYBUNA, people were not bad, the state as a mentor was not bad, and neither were subsidies, full employment, equal wages, trade with the USSR, and other similar attributes. This is not being said outright, but it is sensed. At least in every second issue of the weekly TYGODNIK POPULARNY, formerly ZWIAZKOWIEC, published by the OPZZ, there appear satirical articles of the "Does Democracy Preclude Sausage?" kind along with images of austerity, beggary, workers who complain about communism for having persuaded them that they are human beings, and many other such derisive depictions of the reality. Destitute democracy is being pictured as an antihero. The vision being created is that of man deprived of his rightful, collective ownership, continually deceived and manipulated, with a narrow political and intellectual horizon, who is interested solely in moneygrubbing, nurseries, the health service, cheap factory-sponsored vacations, and trips to harvest cherries. And, although it contains some truthful aspects, the whole produces the impression of something false and insincere. The excess wage tax was not evil when the store shelves used to be empty, but now [according to TYGODNIK POPULARNY] it has become a symbol of the enslavement of working people. When [the Communists] used to fire people for political reasons, the OPZZ had been silent, but now it sharply protests against any economically dictated cuts in employment. Many more similar instances could be cited. This reminder in itself is ineffective, of course, but it is an element of social awareness, a continuation of the OPZZ's problems due to its origins. The only chance OPZZ has for survival is its ongoing apoliticization.

The Mysterious Leftist Front

In particular the political options of the OPZZ, expressed in [terms of] alliances, are unclear. Miodowicz clearly is avoiding permanent linkage to any post-PZPR [Polish United Workers Party] party and prefers to retain freedom of movement in establishing eventual contacts. He has his own people with both Fiszbach [PUS—Polish Social Democratic Union] and Kwasniewski [SdRP]. In this connection, the OPZZ's friendship with the SdRP is of an on-again, off-again nature, with yet another cooling of relations having set in recently. There still remains the Movement of Working People, an organization with several thousand supporters which, to be sure, by now maintains branches in

every voivodship, but is for the time being a relative unknown in the political arena.

Miodowicz's comments refer to some mysterious leftist front—that of social democracy and the “leftist segment” of Solidarity and the PPS [Polish Socialist Party] inclusively, and even including Sila-Nowicki's Labor Party. It is precisely through mediation with several political parties that the OPZZ intends to put forward its own candidates for the parliamentary elections. This seems, however, to be a totally unrealistic idea, because all the “Left”—even if this is no longer how it calls itself—which is not derived from the PZPR shuns its heirs like lepers. The similarity of some of the OPZZ's program planks to those of, say, Solidarity or the PPS changes nothing here. Besides, despite its attempts at rapprochement with other leftist orientations, the OPZZ in practice adopts a most extreme position. It basically rejects capitalism in all its aspects, advocates the state-owned sector “en bloc,” and supports the traditional inefficient instruments for providing social services. It defends what exists against what may, but does not have to, happen. And, although it makes declarations in favor of compromise, its everyday activities, its thousands of disputes and conflicts, blur the overall picture. And, inasmuch as the trends of the Polish economy are, even if inconsistently translated into reality, the converse of those supported by the OPZZ, fruitful dialogue is difficult if not impossible in theory.

These exactly opposite trends seem to be clearly perceived by Balcerowicz, and even more so by the liberal Bielecki.

What then is the forecast for the OPZZ's future? The OPZZ is incapable of successfully engaging in “official” politics. It has to “nurture” supporters by promoting claimant attitudes and turning people into radical leftists, even against their will. But that will be probably a kind of uncivilized Left which is violently opposed to changes and at the same time demands immediate positive effects. If the OPZZ adopts in advance the stance of a defender of the proletariat in an early capitalist formation, to which the bourgeois state is something fundamentally alien and hostile, then only extreme solutions are possible: either a revolution (a counterrevolution?) or total defeat. It is not true that trade unions cannot lose: after a year-long strike, Scargill, the leader of English miners, suffered a defeat. Yet nowhere it is laid down that a trade union must by nature be leftist; after all, what about the syndicates based on the social teachings of the Catholic Church? Incidentally, Solidarity is orienting itself in the direction of such syndicates. Thus, an uncompromisingly leftist attitude on the part of a trade union is not necessarily an asset, especially considering that several major Solidarity activists admit the possibility of cooperation with the OPZZ—to be sure, after the question of the assets transferred to the OPZZ is settled. “That is an explosive question,” commented W. Majewski incidentally, “and not so much at the central level, at which clearing

accounts with the State Budget is concerned. The peril for the greatest conflicts exists at the factories.”

On the other hand, it would be good if the ruling camp would finally realize the fact that in this country there live millions of people—and not just ex-Communists—who have not been infected by the bacillus of Solidarity and who are resistant to the symbolism and legend of that movement. This is still very difficult to understand, so that insults and accusations are heaped and the heaviest arguments are rolled out. Warmer contacts with the OPZZ would of a certainty alleviate to some extent the radicalism of demands and would make the OPZZ feel that it belongs in normal political life and does not bear the label of “renegade.” This is demanded by national interests, irrespective of ideological and personal animosities.

ROMANIA

RMDSZ Board Outlines Concerns, Plans

91BA0424B Bucharest ROMANIAI MAGYAR SZO
in Hungarian 7 Mar 91 p 1

[Text]

ANNOUNCEMENT

The National Steering Committee of the Democratic Association of Hungarians in Romania [RMDSZ] held its regular meeting on 1-2 March at Szatmarnemeti. In addition to members of the steering committee, the chairmen of RMDSZ county organizations, delegates of associated organizations, collective members (MISZSZ [Union of Szcklers?], the Hungarian Christian Democratic Party of Romania, the Hungarian Smallholders Party of Romania) of the Independent Hungarian Party, as well as a group of RMDSZ parliamentary representatives were present.

After Chairman Geza Domokos and Executive Secretary Geza Szocs reported on the activities of their respective offices, the National Steering Committee dealt with the second agenda item and examined issues related to preparations for the Second RMDSZ Congress.

Thereafter, in the framework of two reports and 40 comments, the National Steering Committee discussed the most urgent concerns of the association and of Hungarians in Romania. These included practical issues related to the implementation of the land law; ways in which Hungarians of Romania could gain economic strength; the parliamentary delegation's strategy in debating the various theses of the constitution, in particular, matters directly affecting minority interests (the collective rights of minorities, use of the native language, teaching in the native language, the right to organize along the lines of ethnic belonging, etc.); steps to be taken against the arbitrary and unwarranted curtailment of Hungarian language broadcasts by the Romanian Television; the strategies and political alternatives available to the RMDSZ in the present situation (its relations with

the ruling party and with opposition parties and participation or nonparticipation in a unified government that may be formed); and proposed improvements in organizing the association's activities.

Bishop Laszlo Tokes of the Reformed Church District near Kiralyhago and honorary chairman of the RMDSZ, also took part in the debate.

The National Steering Committee adopted the following resolutions:

The RMDSZ will hold its Second Congress at Marosvasarhely on 24-26 May 1991. The National Steering Committee adopted the Congress' program and designated committees to amend the organizational rules. Proposals for modifying amendments shall be collected by the association's county organizations and shall be forwarded to the Executive Secretariat by 15 April. The membership shall receive timely information from the county organizations concerning representative ratios applicable to various county delegations.

Until the opening of the congress, decisionmaking authority concerning political issues is to be delegated to the Presidium, and concerning constitutional theses, to both the presidium and to the parliamentary delegation.

The Presidium's position taken on 9 January 1991 supportive of democratic endeavors in Temesvar has hereby been approved.

Joint community action needs to be developed regarding the broadcast policies of the Romanian Television with respect to the opposition and to nationalities. The RMDSZ shall play an active role in this.

The membership is requested to celebrate 15 March everywhere in a manner consistent with local circumstances, with appropriate dignity and consideration, and without showing off. Such celebrations shall also be based on the support of members of the respective churches.

Consideration shall be given to the peculiar concerns of dispersed Hungarians, and committee shall be established to deal with areas where dispersed Hungarians live.

In response to the Independent Hungarian Party's declaration of intent to join the RMDSZ, that party shall be granted collective membership.

The RMDSZ shall welcome the emergence of independent political trends and [illegible words] in the spirit of pluralism, and the RMDSZ shall be prepared to cooperate within the association's framework and to act on a consensual basis relative to the fatal issues of our community.

Szatmarnemeti, 2 March 1991
RMDSZ National Steering Committee

Statement by Romanian-Hungarian Friendship Society

91BA0424D Bucharest ROMANIAI MAGYAR SZO
in Hungarian 9-10 Mar 91 p 8

[Letter from the Friendship Society: "Open Letter to the Parliament of Romania"]

[Text] The Romanian-Hungarian Friendship Society of Szatmar recognizes that deliberate attempts to artificially create tension between the Romanian populace and the national, mainly Hungarian, minorities are made with increasing frequency in the political and social arena. Therefore, our society requests the parliament of Romania make new efforts to relieve tensions which are so harmful to society as a whole.

Nothing less than a further deterioration of the nationalities situation of a year ago is taking place because of the aggravated tone of remarks made by certain parliamentary representatives is tolerated. Unfortunately, these remarks have been, and continue to be so willingly reported by the Romanian Television.

Defensive speeches delivered by government representatives, and in particular by representatives of the RNEP [Romanian National Unity Party], are not devoid of malice and nationalism. Primarily, these constitute heavy propaganda in preparation for the coming elections. At the same time however, these speeches also constitute a disloyal method by which the attention of the populace is diverted from the regretful and unusually grave social and economic concerns which burden our country.

Similarly, we regard as harmful the exaggerated statements made by certain RMDSZ [Democratic Federation of Hungarians in Romania] parliamentary representatives concerning the "oppression" of the Hungarian populace in Transylvania. These statements provoke suspicious reactions and are not at all favorable from the standpoint of reviving an atmosphere of peaceful coexistence in the spirit of tolerance and mutual respect.

Some new conflicts with grave consequences may arise unless urgent action is taken to normalize the relationship between the nationalities, and as long as it remains permissible, to provide support to "traditional" propaganda.

We wish to underscore that certain parliamentary representatives, mainly the RNEP representatives from Transylvania, make unwarranted declarations of representing all Romanians instead of limiting themselves to the mandates received from their respective electorates. In doing so, they air certain pseudo news reports, like the one which claims that Romanians in Transylvania "experience an unusually difficult situation."

No, Gentlemen! Romanians in Transylvania "do not live under Hungarian occupation," and Hungarians are not "oppressed" either, the way you think they are. We coexist here, and we wish to continue to coexist, sharing

our rights and duties in equal proportions, all of us as Romanian citizens in a Romania which is the homeland for us all. In the spirit of this ideal we request the parliament of Romania to take heed in preparing an accurate, realistic, and consistent draft of the constitution. After all, the proposed draft of the constitution has already been the source of much confusion.

Our high regard for all Romanian people obliges us to request that you, in dealing with the use of the official language, use the term "Romanian people" rather than "we, Romanians," whenever you refer to the entire nation. This should be done in consideration of the fact that in this country Romanian citizens of other nationalities also exists along with Romanians.

Representatives!

In certain places, human history has been written in blood, tarnished with the blood of innocent beings. Crazy people in whose eyes human life had no value have always existed. Hitler, Horthy, Stalin, Ceausescu, and more recently, Saddam Husayn are the chief examples in this century. Could it be true that the German, Hungarian, Russian, Romanian, and moreover, the Iraqi people were all at fault for the criminal acts committed by these irresponsible people? Is there anyone who could properly state that people alive today should be responsible, even if only in a moral sense, for the actions of their ancestors? No one should say such a thing! Let us mourn those who died innocently. Let us place flowers on their graves on every occasion, and let us pray, gentlemen.... But primarily, let us guard against the repetition of these crimes. So help us God!....

Respected Representatives!

We are convinced that by requesting you to direct all of your actions for the benefit of the entire nation, you will regard this as an intent to make a humanitarian appeal.

Respected Gentlemen, may we assure you of our full support.

Respectfully,
The Friendship Romanian-Hungarian Society of Szatmar

Szatmarnemeti, 28 February 1991

(Cochairmen: Ion Sasu, Tibor Lapka. Coordinating Secretary: Rodica Kovacs. Managing Director in Charge of Organizing: Alexandru Panea.)

Szocs Addresses Parliament on 15 March Holiday

91BA0424A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 15 Mar 91 pp 1, 3

[Speech delivered in the parliament by Geza Szocs, senator of the Democratic Association of Hungarians in Romania (RMDSZ)]

[Text] Above all, let us clarify the issue that surrounds Hungary's national holiday. Until most recently, holidays like 4 April, the day when Hungary was liberated as well as occupied, have been forced upon Hungary. Most recently the Budapest parliament made a final decision according to which 20 August would be the country's national holiday, the state holiday.

What do we celebrate, and what do we mourn on 15 March?

We celebrate the fact that 144 years ago the European spring which stirred and shocked the oppressive empires also put the Hungarian people back on their feet.

We celebrate the moment, when, for the first time in the history of this continent, the French, Polish, German, Austrian, Italian, Romanian, and Hungarian people found common grounds in the ideals of liberty and fraternity, and we mourn the fact that these ideals were unable to prevail over counterrevolution, oppression, and violence.

We celebrate the fact that in more than one instance, the leaders of these revolutions were able to set aside their narrow interests and join together for the sake of these ideals. And we mourn because this unity has been realized only in certain periods of these revolutions.

We regret that these great achievements of principle were adversely influenced by certain inconsistencies and by criminal failures to act, but we rejoice because this revolution, and the most radical land distribution that has taken place in Europe in these days also put a permanent end to serfdom in Transylvania. Romanian historians are very well aware that Romanians who constitute an ethnic majority in Transylvania have received more land than the Hungarian peasants, both in absolute and relative terms. The Szekely people who found themselves in a peculiar situation from the standpoint of public law, enjoyed virtually none of the advantages gained as a result of the emancipation of the serfs. About 80 percent of the more than 1 million hectares of land was given to Romanian serfs. They were regarded as the most deprived persons under the feudal imperial rule. We must not disregard the fact that land given to numerous Romanian agricultural worker families in 1848 was taken away by communism a hundred years later. Another 50 years had to pass before the Romanian parliament, including RMDSZ [Democratic Association of Hungarians in Romania] representatives, restored the sanctity of land ownership to those who cultivated the land.

The backward political conditions of Transylvania in those days did not permit the achievement of a significant breakthrough in the direction of social justice. This is why we can say that the much condemned 12th point of the demands established by the revolution in Pest did not call for the annexation of Transylvania, but for Transylvania's ratification of the revolutionary ideals. This then established the conditions for the aforementioned changes, and this is why Transylvania did not

form a union with Hungary, as they did 20 years later in 1867, but instead formed a union with the revolution itself. Many Romanians, such as George Baritiu, Greek Catholic Bishop E. Murgu of [illegible word], recognized this fact. When people from Transylvania celebrate on this day, they celebrate this unparalleled revolution which transcended all borders, and the victory of the ideals of equality, fraternity, and liberty over the police state.

We celebrate because that era produced the most democratic nationalities law of that age, and that this law was welcomed and received with satisfaction by Romanians. This was Bertalan Szemere's law, and we infinitely regret that this law was enacted just before the revolution failed. This delay caused tragic consequences.

We celebrate because on 15 March the revolutionary masses freed not only Mihaly Tancsics, but also Eftimie Murgu; and we celebrate and appreciate even today that 19 Romanian representatives endured until the end on the side of the Hungarian revolutionary government. Some of these were Eftimie Murgu, Aloisiu Vlad, Sigismund Pop, and Alexandru Buda.

We mourn because shortsightedness, a limited outlook, and great power intrigue were able to make enemies out of those who once stood on the same side, and we mourn because in the end, they were able to extinguish this revolution in blood. At that point the revolution was confronted by certain forces, the largest of which was Russian imperialism. It caused immeasurable suffering during the century and a half since, both to itself and to the Russian people, as well as to many others, including the Romanian and the Hungarian people. When we celebrate on 15 March, we celebrate the idea of standing up against, and struggling with these dark forces. This means that we regard today's oppressed people in the dying Soviet empire as our brothers.

It would have been impossible to divide Hungarians and Romanians in December 1989, and this is the kind of unity that we need today. History offered us a unique opportunity in 1989. We owe it to ourselves, to each other, and to our descendants to give an account of how we managed this historical opportunity, and to state whether we succeeded in taking advantage of this chance. Last year's remembrance might not have been as open and as transparently clear as we would like it to be this year. This is why we invite representatives of local authorities and political parties, and all supporters of the revolution to join us.

Ladies and Gentlemen, Transylvania's 'belonging' is not at stake. What is at issue is Romania's belonging. This is why we request every Romanian brother to join in the remembrance on 15 March, most of all to recall with reverence each and every innocent victim.

Report on Visit to Satu Mare by Bishop Tokes

91BA0424C Bucharest ROMANIAI MAGYAR SZO
in Hungarian 6 Mar 91 p 1

[Article by Lajos Sike: "Others Are Able To Sell Lies More Easily Than We Are Able To Sell the Truth!"]

[Text] To the pleasure of tens of thousands of local members and nonmembers of the Reformed Church, Reformed Church Bishop Laszlo Tokes visited Szatmarnemeti for three days. This was the third time that he had come in his capacity as a bishop, despite the fact that less than a year has passed since his appointment, and that his well-known accident kept him away for four months. During the three days, he delivered three sermons in crowded churches (including an ecumenical sermon at the Szatmarnemeti church). He also took part in a conference of protestant ministers and paid a visit at RMDSZ headquarters. He addressed the meeting of that interest group's national steering committee and met with his highly esteemed fellow bishop, Pal Reizer, the bishop of Roman Catholic County. In addition, Tokes provided good advice, faith, self-confidence, and hope to those who stopped him on the street or at the entrance of the church to exchange a few words.

Characteristic of Bishop Tokes' openness is the fact that he invited the press to the Szatmarnemeti church for a several hours long conference held by the ministers. Responding to our question, Tokes said that he had spoken about the importance of the openness of the church a number of times before because openness could only exert a beneficial effect on the church. It was then revealed that closer ties with all of the churches were very important from the standpoint of our existence as a nationality, because in this way we could become familiar with the concerns of churches, our concerns, concerns which preoccupied all of us. Why shouldn't church concerns be our concerns? It hurts us all when they break into a church, when they ravage the presbyter's home for no particular reason, when funds are insufficient to renew a church regarded as an art treasure, when the construction of a long missing church experiences a difficult start, whenever a church bell falls silent....

The truth is that all of the bells should toll at once! Just as this is taking place every Monday afternoon at 1600 hours to protest the debasement of Hungarian television broadcast. This is because hearing the bells toll may still be of help in places where they do not want to listen to the sober words of our representatives!

With reference to the experience that he gained abroad, the bishop said that others were able to sell lies easier than we were able to sell the truth! Related to this was the fact that abroad, they were still not sufficiently familiar with our concerns as a nationality, with the real situation that we have experienced. For example: Not too long ago Tokes visited Austria and the meeting of churches from throughout the world. Representatives of the World

Council of Churches [WCC], who previously gave credence to what Ceausescu had done to us only in the last moment, still by far did not want to believe that everything was not in order in our neck of the woods. For this reason, we gathered signatures just to call attention to ourselves. As a result of these signatures, the WCC will dispatch an investigative committee to make an on the scene examination of the situation of churches in Transylvania.

We will celebrate 15 March, because there has to be a celebration! Every nation has a concept of liberty and a national holiday, we must not be the only one that does not have such a concept of a national holiday! We must return to our people their faith and their self-respect, as well as their self-confidence, which has been ravaged by clubs and pitch forks! We will perish unless we put our feet down now and fight for our rights. Not even Europe will be able to help unless we hold on to what we have and unless we make demands and fight for our rights, which are part of the universal human rights!

A festive sermon should be delivered in every church, and each church should organize a memorial program. The church, and Christ himself, will be our sponsors. The message of freedom and brotherhood must not offend anyone. Thereafter, Tokes once again underscored that the church must deal with all of the problems and concerns of its flock and of the people, and particularly with those which relate to the survival of the flock and of the people! This presumes a lively, living relationship between the church and its ministers on the one hand, and the people on the other. The church and its ministers must be aware of all the troubles experienced by the people!

At our request the bishop met separately with the press. Concerning the attacks on his person and accusations, Tokes said that his statements are being distorted and falsely interpreted at will, not only in Romania but also abroad. Counterinformation has also been at work. An increasing number of indications showed that for example, in Italy, Ceausescu's close friend, I.C. Dragan, was pulling the strings in the background. Tokes did not have enough time to read and verify everything. The dispute provoked by David Porter's book related to his lack of time. Tokes was unable to respond to each and every provocation, but he did respond to the Gabriel Gafila article published in ROMANIA LIBERA.

Vatra's Political Maneuvers, Effects Examined

NSF-Vatra Ties Suggested

*91CH0420A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 2-3 Mar 91 p 1*

[Commentary by Janos Gyarmath: "We Cannot Let It Pass Without Comment; The Moor Can Go?"]

[Text] While the country's leaders, the senators and deputies, have been flirting with Europe and probing the abducted country to find out what they would have to do

(preferably, as little as possible) to win its favor, those who have declared loudly and repeatedly that they want nothing to do with Europe are quarrelling. They are arguing over something other than Europe; after all, they would prefer to enter there without minorities. Appropriately, to the regret of many people, such as the one-time poet laureate Adrian Paunescu, thick smoke is billowing from the domestic hearth. Which indicates either that there is something wrong with the fuel or that the chimney sweep has not stopped by for some time. In either case, as an automatic reflex, one might immediately suspect the ethnic Hungarians of having tripped up the "cultural" organization. (They may have supplied damp firewood, or perhaps the chimney sweep's great-grandmother had been named Rozsika!?) But such notions always lead to a dead end when one is obsessed.

The difficulties, which by now have come to light, have been caused not by the minorities who are being called Huns and advised to return to Asia, and whom, incidentally, the Vatra is supposed to be "protecting," but by Big Brother or the Big Fish, to use the aforementioned "martyr" poet's designation for the National Salvation Front. The latter, perhaps bearing in mind the mutually rendered services, the tacit alliance with the Vatra, as well as the undeniable and undenied fact that the Front had helped numerous VR [Vatra Romaneasca] members win parliamentary seats on its list, made a bold decision and invited several Vatra leaders to Marosvasarhely for what was, incidentally, a Transylvanian convention. They included: Silviu Petru Oraru, the Vatra's honorary president; Gheorghe Rosca, the local organization's chairman; and Radu Ceontea, the Vatra's executive president and leader. Some people, including Radu Ceontea in particular, did not appreciate this gesture at all. They suspected sinister designs (perhaps amalgamation or annexation?) behind it. That required an appropriate response. And the first statement was a bombshell: Radu Ceontea, the senator who lives on cold snacks in Bucharest (he is afraid that, in the Bucuresti Hotel, the ethnic Hungarians might poison him), resigned as president, to avoid blemishing his soul that was pure as the driven snow.

From here on out the pace of events has accelerated, and smoke from the chimney (merely puffs up to now) is becoming increasingly thicker and blacker. According to the first announcement, a meeting of the leadership has been requested for tomorrow and is to be held in Ploiesti. Then another announcement, issued presumably by another interest group, has scheduled the meeting of the leadership for the same day and hour, but in Brassó. This second announcement also notes in advance that any other announcements to the contrary are null and void. It would be difficult to predict who or what lies behind these conflicting and mutually exclusive intentions, but it is obvious that the Front is by no means as ignorant of these events as it pretends to be. Let us not forget that the party in power has a wing whose ideology is entirely the same as that of the VR, and the latter can be identified with that wing. And what have Prime Minister Petre

Roman and the leaders of the VR discussed during or after the Marosvasarhely convention? Have they talked of just the coordination of tactics and strategy, or something more? (As also the Front's communique points out, the public and journalists were barred from the proceedings, in accordance with the Vatra's traditions.) But this is not the essential thing now, nor is whether the VR and its political wing, the Romanian Unity Alliance, retain their independence. The Vatra has long ceased to be just an organization, it is also an attitude, a mentality that outside of the Vatra proper, is also present in the Front as well as in Romanian public life and public awareness. It has long been having trouble not just with ethnic Hungarians but also with those Romanians who want real democracy, rather than the original kind; who want to, or at least would like to break with the past, with the totalitarian regime and state security's control of society. In this encounter, the VR is merely a forward bastion, albeit a crumbling one. And even if it were to fall, that would not affect the balance of power much. Regarding Ceuntea himself, there is every indication that he has played his role. Perhaps he has even overplayed it. Therefore, he could prove an embarrassment for those who are flirting with Europe. In other words, the Moor has done his duty. The Moor can go?

The question that remains is merely whether the contract of the painter-politician who started out from Marosvasarhely will be cancelled in Brasso or in Ploiesti?

Vatra's Influence Increasing

*91CH0420B Bucharest ROMANIAI MAGYAR SZO
in Hungarian 5 Mar 91 p 1*

[Commentary by Janos Gyarmath: "We Cannot Let It Pass Without Comment; The Moor Stays"]

[Text] The Vatra's mentality, which recalls sad times long past and radically differs from the aspirations at the end of this millenium, is exerting its influence and thriving in certain strata of Romanian society. It is not the journalist's task to uncover the causes and motives behind this phenomenon. The task he must leave to the political scientists and sociologists, but he cannot ignore the phenomenon, especially not when he sees and feels that the outmoded mentality is causing confusion, creating storms within society, hampering the development of democracy at every step, poisoning minds with its demagoguery, and pitting individuals and groups against one another. Not just members of the majority against members of the minorities, but even Romanians against Romanians. This is primarily done through distortions and libel, often through barefaced lies and, obviously, by striving to gain acceptance of its ideas and of itself. As happened also last week, when the clamor and publicity surrounding the Vatra and the chauvinistic nationalist aspirations intensified, television again assumed a leading role in this, hastening to report, ahead of news items of greater importance, the staged row that erupted and then subsided "within the social and cultural organization."

For the time being, the only thing of interest to us and worth noting from among these events is that to the delight and satisfaction of Carolina Ilica and most certainly of Adrian Paunescu, Radu Ceuntea, the resigned president, has not only been persuaded to stay on, but has even had his position reinforced. As of Saturday, he is the president of not only the Vatra, but of the Romanian Unity Alliance as well. Admittedly, several "dissident" founding members, including the organization's honorary president, have had to be sacrificed to that end. What does this mean, especially from the viewpoint of social reconciliation? Not much. Everything essentially remains the same as before because it is a mistake to believe that in itself, the Vatra's crisis or even its disintegration would cause a turnaround and change the balance of political power. The Vatra is merely the tip of the iceberg. Perhaps the legal, visible cover of a conspiracy or secret organization whose existence and power are revealed only to the extent necessary at any given time. The Vatra is much more than Vatra proper, the several thousand or, say, ten thousand persons who profess to be its members. This organization is a contagion that infects, spreads, proliferates, and infiltrates ever-newer organs in our ailing society's body. The Vatra is also ROMANIA MARE and TOTUSI IUBIRE-AGIS, as well as the Nagyvarad PHOENIX and the Temesvar RENASTEREA BANATEANA. More recently, PATRIA that claims to be a "Romanian weekly," but also concerns itself with the ethnic Hungarians who are "undermining" Romanian statehood, rather than with Romanians.

The VR thus has at its disposal a wide range of propaganda tools with which to generate and spread its mentality, ideology, Hungarophobic anger, its intolerance of minorities and intellectuals. Each of these propaganda tools exists, independently of the Vatra, of the Vatra's fortune, leaders, and leadership crises. They are proliferating, selling sufficient numbers of copies, and prospering financially. Today it is good business to peddle the so-called robot image of Romanians and ethnic Hungarians. It pays to depict the Romanians as a patient and meek people, and to say that the ethnic Hungarians are barbarians, impertinent, demanding, and murderous. It also pays to warn the ethnic Hungarians, as Mihai Teodoru, the editor in chief of the newly launched PATRIA has done in an editorial, and also in several places inside his weekly, that they have no business being here and should be glad that the kindhearted Romanians have welcomed them "with bread and salt" as guests, but only as long as they do not present demands, because then.... But Teodoru offers also other "attractive" ideas, for instance, a population exchange between Romania and Hungary, which would solve everything (!). Moreover, Budapest could even get the better bargain because it would be receiving more ethnic Hungarians than the number of Romanians it could offer. So let us trade and make a good deal: ten ethnic Hungarians for one Romanian; but even that is negotiable. If ten are not enough,

then let us reduce the price and offer 15 or more for a unit of merchandise to be delivered. Let the neighbor make a profit!

For the time being, however, the merchandise is the periodical or periodicals, rather than ethnic Hungarians, and the buyer is not the neighbor, but mass ignorance, on which it is possible to make money. Under these conditions it is hardly of any interest who or what stands behind the VR and its like-minded accomplices. And who heads the VR, Ceontea or someone else? The boil that has formed on society's body can really be cured only if we make society resistant to the infectious micro-organism. And that is primarily the task of the Romanian democratic forces.

YUGOSLAVIA

Foreign Secretary Previews Bessmertnykh Visit

*LD0404163391 Belgrade TANJUG in English
1520 GMT 4 Apr 91*

[Text] Moscow, April 4 (TANJUG)—The Yugoslav-Soviet relations, which are free of ideologizing, mutual mistrust and other restraining factors, were never better than they are today, as Yugoslav Foreign Secretary Budimir Loncar has stated in an interview given to the Soviet news agency TASS in connection with Soviet Foreign Minister Aleksandr Bessmertnykh's upcoming visit to Belgrade.

Loncar said that the Yugoslav-Soviet relations had always developed positively and successfully when they were in line with certain principles, and that there were always complications when the respective principles were forgotten for one reason or another.

Yugoslav Foreign Secretary Loncar said that it was hard to find two countries in the world whose views on international issues were absolutely concurrent, and set out, in that context, that the area of accord which existed between Yugoslavia and the Soviet Union was very broad. Loncar specified that the two countries' assessments of key international problems were closer today than ever before.

Loncar said that the convocation of a Mediterranean conference on the basis of the same principles as those of the CSCE, the solution of the situation in the Middle East after the Gulf war, and the further strengthening of the role of the United Nations could be among the topics of his Belgrade talks with Soviet Foreign Minister Bessmertnykh.

Speaking about the prospects of Soviet-Yugoslav relations, Loncar set out that, although there were no more serious problems in relations between the two countries at the political level, the maneuvering space in the economic area was limited. Loncar set out, in that context, that the Soviet Union had always been among Yugoslavia's leading economic partners.

Yugoslav foreign secretary said that Yugoslavia and the Soviet Union were each at a transitional stage, and that much effort would have to be invested to create conditions for a qualitative leap forward, not only in the mutual cooperation, but also in the creation of conditions for the two countries to take a proper place on the world market.

Loncar expressed the opinion that the two countries were also at a decisive transitional stage in terms of the bilateral economic cooperation, and that their headway in the economic area would serve as an incentive to their mutual friendship.

Federal, Republican Governments To Hold Talks

*LD0404150491 Belgrade TANJUG in English
1427 GMT 4 Apr 91*

[Text] Belgrade, April 4 (TANJUG)—Representatives of the Yugoslav federal and the six republican governments will meet in the middle of next week for talks on measures for a more effective functioning of the federal state until an accord on the country's future is reached, as Federal Secretary for Justice and Organization of Federal Administration Dr Vlado Kambovski told newsmen today.

The federal government will inform the federal state presidency about the results of the talks, and will prepare a programme of measures for the functioning of the federation in the transitional period.

"If our programme for the functioning of the federation in the transitional period is approved by the Federal Assembly, I believe it could be the core of the accord on the future order of the (Yugoslav) state," Kambovski said.

Federal Secretary for Justice and Organization of Federal Administration Kambovski expressed the conviction that a greater degree of agreement would be achieved in the upcoming talks of representatives of the federal and the six republican governments. He said that the federal government would insist that the state leadership and the federal parliament take a clear stand on all open issues and ensure the implementation of the reached agreement.

Kombovski recalled that the federal Constitution and federal regulations were practically completely blocked by Yugoslav republics last and this year, and that the powers of the federation were violated and the implementation of the economic reform concept rendered impossible.

The Yugoslav federal government will therefore propose that the macroeconomic policies of individual Yugoslav republics be adjusted to the new agreement, as Kambovski specified.

Presidency To Discuss Future With Parliament

LD0404112291 Belgrade TANJUG in English
1033 GMT 4 Apr 91

[Text] Belgrade, April 4 (TANJUG)—The Belgrade daily BORBA learns unofficially that the Yugoslav State Presidency will inform the Federal Parliament in mid-April about progress to date of the talks on the country's future.

This was one of the four "working conclusions" reached at yesterday's session of the collective State Presidency, the daily writes in its regular column entitled "BORBA Learns".

The daily lists the other three conclusions and writes that the Presidency pointed out the necessity of securing peaceful conditions for resolving all political disputes in the country, in order that the country's future should be discussed in peace.

The Presidency asked for an urgent adoption of one of the proposed alternatives for the country's future system and the securing of the functioning of the federal state in the transitional period, until agreement on Yugoslavia's future order has been reached, BORBA learns.

Two options have been put forth for the country's future—one, a loose confederation of sovereign states and the other, the existing federation.

In BORBA's view, the conclusions which emerged after seven hours of debate show that "reason and the conviction that difficulties can be overcome only through dialogue prevailed in the Yugoslav Presidency despite the extremely delicate political situation in the country".

BORBA learns also that, at the previous session of the Presidency on April 2, there was a proposal that the Army take over from the police in the Serbian Autonomous Region of Krajina in the Republic of Croatia.

Two people died and 12 were injured in recent fierce inter-ethnic clashes in this predominately Serb populated region.

Serbs have unilaterally declared autonomy in Krajina, which the Croatian authorities have refused to recognize.

BORBA Learns unofficially that one-half of the Presidency membership considered the Army's engagement in Krajina as the only way to guarantee peace in the region, while the others took the stand that this would pave the way for a military rule in Croatia.

The daily's information indicates that this ratio of forces prevailed also when the motion was put to the vote, so that no practical decision was reached on settling the situation in the Serb populated areas in Croatia by political means.

Presidency Statement Issued at 2-3 April Session

LD0404142491 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1357 GMT 4 Apr 91

[Text] Belgrade, 4 Apr (TANJUG)—An SFRY Presidency session held in the evening of 2 April, and continued in the morning of 3 April, chaired by President Borisav Jovic, considered the process for implementing its 31 March decisions and stands regarding the normalization of the situation in Plitvice national park.

In connection with this, the SFRY Presidency notes:

1. All police forces brought from outside have been withdrawn, and peace and order have been established.
2. Of all police forces, only one police station remains in the area.
3. Yugoslav People's Army units will remain in the area for as long as necessary and will have the task of securing the full normalization of the situation.

Mesic on Serb Policy of Disinformation

91BA0431A Zagreb VECERNJI LIST
in Serbo-Croatian 21 Mar 91 p 2

[Interview with Stjepan Mesic, vice president of the SFRY Presidency, by Branko Tudjen; place and date not given: "The Collapse of the Policy Based on a Trick"]

[Text] Stjepan Mesic, vice president of the SFRY Presidency, has been one of the busiest persons at the center of events during the last 10 days of the grave Yugoslav crisis, so that he is certainly in a position to explain the background.

[Tudjen] How do you interpret events over the last 10 days or so? Why did the Army seek emergency measures?

Why did Jovic withdraw, why did Milosevic say that he did not recognize the president, and now all of that seems to be changing and calming down and going in the other direction?

[Mesic] The last 10 days cannot be taken in isolation. These things have to be looked at in the entire context. First the attempt was made by militant groups of Serbs in Croatia to create hotbeds of crisis so that political points would be gained from this in Serbia. And then something happened which the scenario writers had not foreseen, the propaganda apparatus in Serbia broke down, and people suddenly realized that they had been given utterly wrong information. All of a sudden they began to react differently, and no one any longer believed such propaganda. That made the situation red hot, and certain forces felt that the Army should be brought in to clear up the political situation. Nevertheless, the Army did not do that. After the three-day meeting of the SFRY Presidency, it became evident that it did not even accept the role which others intended for it.

I think that now the situation is much better and that talks about the future organization of Yugoslavia will continue in a calmer tone. But Jovic's resignation was also a trick that was supposed to speed up the unraveling of the situation, in such a way that there would be no agreement, but a solution would be imposed by force.

[Tudjen] Is this not a bit unusual for Westerners' ideas? It all strikingly resembles a Byzantine pattern of politics.

[Mestic] It is a foolish business, but nevertheless a fact.

Serbs in Favor of a Peaceful Outcome

[Tudjen] It seems that Milosevic's support from the people in Serbia itself was overestimated. They seem to be more devoted to him outside the republic.

[Mestic] The citizens of Serbia have a better grasp of their situation because they see that life is getting more and more difficult because of the heightening of ethnic and political tensions. The Serbs favor a peaceful outcome.

[Tudjen] How do you personally view the resistance of a portion of the military leadership to resolving the situation through a confederation, and why is the Army against such a solution? Why are they so against depoliticization, which if nothing else would free them from various political meetings, which are often sterile?

[Mestic] The confederation has been portrayed to them as a complete collapse of the system, as though the Army, certain republics, and certain nationalities would be the losers. If we look at the alliance of sovereign states which from their sovereignty or from their original sovereignty would conclude that historical agreement on joint functions, it is evident that the Army and all the Yugoslav factors actually become the winners. We should leave to history the model which has survived, that is where it belongs, and now we need to create a new model with which we will all be satisfied. There is no reason for them not to accept it because it also suits them.

[Tudjen] Why was the Army against the policy of settling accounts in the economy?

[Mestic] Why indeed, it also suits them to reduce political tensions, to invest more over the entire space of Yugoslavia, to live better, to establish our links with Europe because in that context the officers would also live better.

[Tudjen] Very interesting processes are obviously taking place in Serbia. In that context, how do you view the conciliatory and anti-Bolshevik statements of Vuk Draskovic?

Terror Through the News Media

[Mestic] You must realize that Vuk Draskovic and many others in Serbia were also receiving distorted information about what actually is happening in Croatia. When a propaganda machine smothers and terrorizes you with false information and false data, then you draw erroneous conclusions. That is exactly what has happened;

the reporters from POLITIKA EKSPRES and POLITIKA were foremost in this. They so satanized Croatia that a normal person would truly have to find it hateful.

That is what happened both to Vuk and many others in Serbia. But now that that media warfare is over, when it is evident that no one is being persecuted in Croatia, there is no reason why even Vuk, who is an intelligent man, should not change certain opinions.

[Tudjen] What do you think, would it be easier to negotiate with Vuk than with Milosevic, especially since Milosevic does not seem to have his feet altogether on the ground?

[Mestic] Croatia certainly will not influence in any way the question of who should represent the Serb people. That is something the Serb people, the citizens of Serbia, must decide themselves. Croatia, Slovenia, Bosnia-Herzegovina, and Macedonia will negotiate with the legitimate representatives, those whom the citizens of Serbia decide on to speak in their name. Let them decide whether that will be Milosevic and whether he will have an unlimited mandate.

[Tudjen] What is your comment on Milosevic's very unusual concern for the Serbs in Croatia?

[Mestic] This is actually a trick meant to persuade the Serbs in Croatia that he is their protector. But he does not realize that according to that same logic Bosnia-Herzegovina must be concerned about the Muslims in the Sandzak, who number 400,000, that Croatia must be concerned about all Croats because, according to Milosevic's logic, all Croats should go wherever Croatia goes. This means that if Knin becomes a part of Serbia, then Janjevo becomes a part of Croatia, and that also applies to Subotica and a part of Zemun. That is all an utter absurdity.

Differing Criteria Are Not Sensible

[Tudjen] Milosevic has never spoken about any principles, but he has said: Wherever there are 50- or 60-percent Serbs, they belong with us, and wherever there are 50- or 60-percent Croats, that goes to you.

[Mestic] When politics are being discussed seriously, then the same criteria are necessary, but in this politics of ours they frequently differ. When the criteria differ, the results cannot be reasonable. Specifically: Let us say that Kosovo is Serb because sometime in the Middle Ages it was Serb, and then it was under the Turks for 500 years, and somewhere at the beginning of the century it again came under Serbia. So, because at some time in history it was Serb, then it is Serb, regardless of the fact that another nationality is in the majority there now. Let us turn to Vojvodina. It was never under Serbia until the state of Slovenia, Croatia, and Serbia, but always shared the destiny of Croatia. Here, the previous historical principle does not apply. The principle here is the majority nationality. But that cannot be valid in a serious politics. When we speak about principles, we

must agree on which principle is valid. In a politics that is not serious, the valid principle is the one that suits only me, and that is no longer a principle.

[Tudjen] Is it now clear to a segment of the military leadership that the Jovic-Milosevic tandem wanted to deceive them? This must be clear to anyone with good sense.

[Mesic] It is hard to say who deceived whom here. The Army is a big machine. It has its own rules and its own philosophy, and that philosophy is that it is an integrating factor. This country cannot be integrated by any love, by any brotherhood and unity, but only by interests. But the Army has been brought up in such a way as to convince itself that it is an integrating factor and that it is its obligation to preserve Yugoslavia intact. But no one spoke to them about our examining interests in order to save Yugoslavia. What are the interests of those republics, those nationalities, those ethnic minorities? That is why it takes time for people in the Army to realize that a future community can survive only on the basis of interests. And that will include the interests of the people professionally employed in the Army.

Every Dialogue Is Welcome

[Tudjen] What is your comment on Dragoljub Miconovic's statement concerning the conversations of the parliaments?

[Mesic] Everything that opens up dialogue, everything that opens up an opportunity for people to communicate, is a good thing. And that would include at the level of the parliaments, the governments, and the presidents of the republics and cultural institutions. This should be welcomed because even that is yet another opportunity to get to know each other better. The unfortunate thing is that we have been together for so many years and do not know each other very well.

[Tudjen] And how in all of this do you assess the role of Ante Markovic, the federal prime minister?

[Mesic] Markovic's premise is that the program which he has offered is acceptable to the world and on this basis we must open up the "tentacles" of world capital. He knows quite well that only a peaceful settlement of the dispute can stimulate faster development of all the republics and provinces. Along those lines, he is seeking support both in the world and from the domestic public. And this has a calming effect. Markovic is also aware that all of us have had one system. And if we were all to go our separate ways, still we would have to have a similar system.

After all, Markovic did not arrive at that system-program solely by his own reflection, sitting in his office. He consulted various world institutions, the world's great brains, people who have affirmed themselves in resolving crises in other countries. Which means that we would all apply that program, perhaps modified, even if we were separate. Now we have to adopt from that

program what suits everyone in order to guarantee the functioning of the system until such time as the republics reach agreement.

Difficult for Milosevic To Come to Zagreb?

[Tudjen] Will the meeting of the SFRY Presidency be held today, or will this be the Yugoslav summit?

[Mesic] Much of this is unclear even to me. At one point, we had agreed that a discussion among members of the Presidium and republic presidents should be organized today, but we did not say where. At the last summit meeting, we said that we would organize the next one on Thursday.

In the meantime, we have arrived at this state of crisis. Resignations were coming in, and as a practical matter no one sent out a notice to anyone about where this meeting would be held. In such a situation, when everyone has an interest in reaching agreement, we in Croatia realize that we should not break off the dialogue. Tudjman and Kucan sent out an invitation to all the republics and provinces for a meeting in Zagreb or anywhere else. The majority replied that it accepted. The members of the Presidency who have not resigned also agree to attend that meeting. The situation concerning Jovic is unclear as we speak. He obviously is not taking a position because his resignation is pending. At this point, he probably calculates that if his resignation is not accepted, he will resume work as though nothing had happened.

[Tudjen] It is probably difficult for Milosevic to come to Zagreb, perhaps he is afraid that some of the Serbs would not understand him?

[Mesic] He himself took part in increasing these political tensions, and only the greatest political innocent could believe that Jovic, Kostic, and Bucin submitted their resignations without his knowledge. Because he himself participated in creating this political situation, he must also bear certain consequences.

[Tudjen] Bulatovic says that he perhaps would come on Saturday, to the meeting of the SFRY Presidency, but you did not invite him.

The Balkan Powder Keg

[Mesic] Everyone was invited. Probably someone there did not inform him at that time. The staff of the Presidency says that all were invited.

[Tudjen] How do you interpret the strong international support for a peaceful outcome?

[Mesic] It is evident now that the world does not want a Balkan powder keg, that it wants a peaceful discussion to resolve our crisis and that it will support all solutions reached by agreement.

[Tudjen] Are you a greater optimist now?

[Mesic] Certainly, I have always been an optimist. I said on Saturday that I am less an optimist because it was difficult to talk when many people did not wish it. Now that we have seen what the world and the domestic public think, I am a greater optimist that we can arrive at the right decisions through agreement.

[Tudjen] Why does a confederation not suit Serbia?

[Mesic] It actually suits them best. If we drew up an agreement on our life together, that is how we would

enter Europe. Borders would be opened; all the nationalities and all the sovereign republics would communicate normally, and all the Serbs would normally communicate with their parent country without restriction, in peace, and precisely because the Serbs are the largest nationality outside their parent republic, this is the solution that also suits them best.

If the talks were serious, if the media did not present distorted and erroneous premises, but the facts, all those who up to now have offered resistance to that kind of settlement would be in favor of it. That is why I believe that we will soon live in considerably more peaceful times.

BULGARIA

Interior Minister's 1st Meeting With Troops

*AU0504194291 Sofia DEMOKRATSIYA in Bulgarian
30 Mar 91 p 2*

[Report by Emil Ivanov: "Khristo Danov Meets Commanding Staff of Ministry of Internal Affairs Troops"]

[Text] Minister of Internal Affairs Khristo Danov replied to the official report of Major General Stefan Angelov, commander of the Ministry of Internal Affairs troops, with a civilian greeting by simply saying: "I wish you a good day." This is how, for better or for worse, the first meeting ever held between a minister of internal affairs and the rank-and-file members of his troops began. He heard questions that had accumulated over the years concerning the protection of borders, important public buildings, and special installations, but also questions about low wages and housing shortages.

Minister Danov announced the future structure of the troops: They will again be divided into internal security

forces and border guards. Despite his personal opinion that the troops should be integrated with the Bulgarian People's Army, the troops will remain with the Ministry of Internal Affairs because of the limited number of Army personnel, despite the numerous disadvantages that this involves for the personnel of the Internal Affairs Ministry's troops.

Wage increases should not be expected in the near future, irrespective of the fact that the expenditures for the equipment of an honor guard, for example, the imported feather on his cap included, are much higher than for ordinary soldiers. As soon as the discussion touched on the housing problem, Minister Danov mentioned a recent remark of the Greek ambassador in Sofia, who pointed out that, despite the harsh measures of the economic reform, the Bulgarian people are showing exceptional understanding and common sense. The troops are part of the people, Minister Danov added. The most comforting thought expressed by the minister, also on behalf of his future successor, was his reassurance that there will be no personnel cuts.

BULGARIA**Korekom Foreign Currency Stores To Close**

*AU0404142491 Sofia DUMA in Bulgarian 30 Mar 91
p 2*

[Report by Dima Dimitrova]

[Text] Bulgarian National Bank Chairman Prof. Todor Vulchev announced on 29 March that on Monday, 1 April, the government decree that prohibits the sale of goods and services for foreign currency will come into force.

Only stores at airports, seaports, and border-crossing points will continue to trade in goods for foreign currency.

Professor Vulchev stated that penalties are provided for those who contravene the decree in Article 37 of the Law on Foreign Currency Deals and Foreign Exchange Control and in Article 250 of the Penal Code. These laws specify fines for offenders, confiscation of goods by the state, and even terms of imprisonment.

The Ministry of Finance exercises control over observance of the foreign currency legislation. We have already spoken to Minister Ivan Kostov. The financial inspectors are ready to take strong measures if offenses come to light, Professor Vulchev said.

Korekom has issued an announcement that its stores will be open on Saturday and Sunday [30 and 31 March].

CZECHOSLOVAKIA**Milovice as International Airport Discussed**

*91CH0398C Prague OBRANA LIDU in Czech
9 Feb 91 p 3*

[Interview with Dr. Ladislav Venys, director of the Center for Democracy and Private Enterprise, by Andrej Surnak; place and date not given: "Five Billion Dollars for Milovice..."—first three paragraphs are OBRANA LIDU introduction]

[Text] A supermodern Boeing is rising majestically toward receding gray clouds through the splendid gate of a multicolored rainbow. On a sun-drenched terrace of a nearby luxury hotel at one of the tables a dark-eyed blonde is feasting on an ice cream cup topped with pineapple and strawberries, all the while carrying on a leisurely conversation with a white-jacketed American businessman. Nearby the glass-panelled doors of a software company open and through them with nearly identical step exits a trio of contented-looking Japanese. A somewhat busier scene can be observed in a nearby hall housing the terminal of a high-speed rail line bringing in short intervals masses of Prague citizens and perhaps as many tourists. Some of them head for the richly stocked store complex to make their Saturday

purchases. Meanwhile in the conference center there is flustered stillness interrupted by some scientist speaking in English. An international conference is under way here, one of many and one of the first such large ones in the heart of Europe. Before Prague lights up in its nightly glory, runways of the Central European International Airport will become crowded with dozens of landing aircraft arriving from New York, Melbourne, Djakarta, Tokyo, and other world metropolises.

This is roughly the picture of a dream whose reality might of course look even much more beautiful and which, however incredible it may sound, could become reality for our country and especially its capital within three to seven years. But so far everything seems to be working out very differently...

When I first asked Dr. Ladislav Venys, director of the Center for Democracy and Private Enterprise in Prague, for an interview, we agreed to wait until the whole matter is reviewed by the economic council of the Czech Republic's Government. Now we can reveal the entire secret.

[Venys] It never really was a secret. The main reason why we did not want to talk about the project for a Central European International Airport (SEML) prior to a review by the economic council was that we did not wish to influence its members' decision by involving public opinion. It was our belief that they are capable on their own of judging impartially and expertly all aspects of the proposed solution.

The Czech Government's economic council on 21 Jan decided to expand the existing Prague airport at Ruzyn by constructing an additional passenger terminal. So at present there is no plan to commission a preparatory study for the new project of a Central European International Airport to any consortium of foreign companies until such time when "the situation clears and we see what happens with the Ruzyn airport." Thus in effect the economic council has blocked the project's realization in the future as well. For from the point of view of investment and prestige this project is realistic and attractive only right now. Alas, it will be neither attractive nor realistic after the existing "field" airport at Ruzyn is completed.

[Surnak] There never was a bed of roses awaiting new and especially radical ideas and their authors. This was doubly true in our country during the past 40 years. Since the beginning of the velvet revolution we have been hopefully mouthing the slogan of a return to Europe. And here suddenly someone comes up with a truly foxy idea of how to make a concrete step from Prague to Europe—how to entice Europe and the whole world so that they too make the step to Prague....

It may be that the beginning of this article smacks a little of the advertising well known to us from Western prospectuses and catalogs. So let's discuss the whole matter more seriously.... What is the main idea of the project?

[Venys] It is to build a modern, truly representative "central" ("hub") airport in the middle of Europe which could become the terminus for long-distance flights by various American, Australian, Japanese, and other airlines and provide connecting service to them primarily to Central and East Europe.

[Surnak] But why has its name nothing in common with Prague?

[Venys] Because it would not be located there. Our proposal rests on utilizing the area of the former Soviet military airport at Milovice, 40 kilometers northwest of the capital. But this is not by any means the only optional location for such an airport.

[Surnak] Would it in this case become another competing "Ruzyn"?

[Venys] Not at all. The Ruzyn airport would continue to provide local and regional civilian service, whereas SEML would concentrate primarily on long-distance passenger and cargo traffic.

[Surnak] What would be the capacity of the new airport?

[Venys] This is hard to foretell. The annual capacity of the existing Ruzyn airport hovers around 2,300,000 passengers and has been insufficient since at least the end of 1973. It is anticipated that within 10 or possibly 15 years it could be doubled and thus exceed the level of five million passengers annually.

But we have looked a little farther beyond. Our airport would most likely become not just a terminal for passengers coming to Czechoslovakia for a short stay and in 80 percent merely to see Prague. Approximately one-third of all passengers would come here in order to transfer to another plane which would bring them to Warsaw, Belgrade, Budapest, Riga, Kiev, or some other place.... Hence we had in mind a capacity of some 7 to 8 million passengers.

[Surnak] As yet no airport in the world has made a living solely from passenger traffic....

[Venys] True, and this is precisely why our project is conceived as a "hub" including cargo traffic in an anticipated annual volume of 200 to 250 thousand tons, which could be profitable business. Not to mention the fact that such an airport requires a necessary infrastructure and a whole array of buildings providing facilities. Our project foresees the construction of 10 to 15 facilities of hotel rank. At present Prague has around 300 offers to build them. A number of hotel companies are interested in building in the vicinity of such an airport hotels serving not only airline passengers but also accommodating other visitors to the capital. Furthermore, the project foresees construction of a large modern shopping center. Interest in such an opportunity was shown by the Barnyard company of California—provided that the center is not too distant from the city and not entirely dependent on airline passengers.

[Surnak] But 40 kilometers is 40 kilometers....

[Venys] This too has been considered in the project. It proposes construction of an entirely new rapid transit system—a classic rail or modern high-speed suspension type, cutting the time for a trip from Prague to 10-15 minutes. Also, linking the new airport to the D 11 highway and the H 10 expressway leading to Prague would not present a fundamental technical or investment problem within the scope of the proposed complex.

That high-speed transit system could link up with the [Prague] metro or extend as far as Ruzyn, thus connecting the northern part of the city with its western sections by an audacious bridging of the notorious big Vltava valley.

[Surnak] The infrastructure would have to be built up at least synchronously with the airport itself....

[Venys] Of course. The basic infrastructure would be built simultaneously with the airport. The next stage foresees construction of a congress center reachable by air to participants of mammoth conferences. This is a highly attractive aspect. Also, a commercial center would be established here, making it possible for businessmen from various countries to meet, conclude contracts and hold business conferences, and where in an area of a permanent exhibition hall they could present a variety of products. Another idea we considered is what is abroad called a "technology park," or premises for research and development companies. These could flourish with support of foreign capital participation—primarily software firms and the various research centers which we now have scattered all over the country, which would be able to begin concentrating on a new modern level precisely in this area, as is customary in the world.

[Surnak] Why exactly software?

[Venys] That's one of the possibilities. Not the main possibility but it could become one. It is that the authors of this project believe that it is precisely in the development of software and certain computer programs that Czechoslovakia has a chance to excel within a relatively short time. For this our people have excellent brains and so there is no need to try to catch up with Europe or the whole world by building components or entire computers when we can create their "brain power"—give them life, so to speak.

[Surnak] It would obviously be a mistake to consider the economic advantages of this project solely within its own dimension. It is difficult to estimate today the benefits we would gain for our economy which is now turning toward the market from direct transportation links with the American, Australian, and other continents. It is difficult to forecast the development of tourist traffic, the transportation network expansion, or make any estimate of what foreign investment may be attracted as a consequence of this project. Not to mention the fact that there are other aspects apart from the economic ones. Supporting investments is a hallmark of a modern

economy and governments thinking in modern ways; it is what brings new job opportunities....

[Venys] Construction of the SEML investment complex would create at a minimum 15, but more likely 20, thousand jobs. After completion there would be job opportunities for 40 to 50 thousand people. This is not a negligible matter, especially at a time when we reckon with hundreds of thousands of the unemployed, when new job opportunities will be scarce.

According to the proposal construction of the airport should begin early in 1992 with completion anticipated by 1994. Full completion of the entire investment complex should follow by 1997.

[Surnak] The idea, even after it was turned down by the economic council, remains extremely interesting. But what would it cost to carry it out?

[Venys] The investment outlay cannot be estimated precisely at this time. If we talk only about the airport alone, it may amount to between one and two billion U.S. dollars. Of course by itself this would not be particularly attractive to foreign investors as long as the other investments I mentioned earlier are not involved. Then the investment volume would reach the magnitude of five billion U.S. dollars.

The most important thing of course is that for the moment the cost to Czechoslovakia would be virtually nil. The whole investment input would come from foreign investors....

[Surnak] This begs the question of conditions under which this could be accomplished?

[Venys] Financing the project one would utilize the well-known BOT (Build, Operate, and Transfer) concept, according to which the investors would build the entire investment project at their own expense and subsequently operate it for a certain agreed period (the length of which depends on success in managing the entire huge investment so that the investors are returned solid profit on their outlays); ultimately the project is turned over to Czechoslovak shareholders. The CSFR's input would be the land and part of the cost of building materials and Czechoslovak labor in the construction. In my estimation this would represent 20 to 30 percent of the total cost as Czechoslovakia's share. On the board of directors composed primarily of representatives of the investors CSFR should consequently hold a number of seats corresponding to its capital participation. Moreover, Czechoslovakia would have to become a sort of an investment guarantor and also provide assurances that at this airport business will be what it is supposed to be and that it will not be used for purposes other than intended.... Such rules can of course be guaranteed only by a government, not by private companies.

[Surnak] After reading these lines some people will say that this is another step in the selling out of national assets....

[Venys] This is a highly sensitive issue and so I want to emphasize: What would be involved is not a sellout but a long-term lease which from the start would yield certain profits commensurate with our share. Not to mention the fact that here we could offer jobs to a number of people and teach them how to run such an airport to make it profitable. Not to mention a number of other positive effects on the economy. But we would never lose this area and never sell Milovice, as it may seem to some people at first glance.

[Surnak] It might be a good idea to say a few words on the subject of investors....

[Venys] As regards the first stage in which we should see preparation of a sort of preinvestment "almost-project" study comparing the advantages and disadvantages of the existing Ruzyn airport including its proposed expansion with a new project for a Central European International Airport, we sought to engage a number of companies. At this stage we were interested only in European firms. This because the plan is not for an airport in the United States or Australia where airports do have a somewhat different function and parameters. They are simply different.... For preparation of the study we selected companies from the Netherlands, France, and one representative from Switzerland. The latter is one of the best functioning airlines in the world—Swissair. Thus we selected eight companies out of 24 which had applied, companies focusing on construction, design, architectural style, organizing financial operations, and the like. These firms together form a certain consortium providing for all that is necessary. Moreover they are well teamed up, having worked together previously, so that it is likely they will not haggle over details and will turn out a coordinated job which they would complete within four months or five at the maximum.

As for investors, we have a good many offers. And this from both the American continent—the United States and Canada, and Australia or Europe, specifically France and the Netherlands. At this moment however we are not making any selection, nor do we want to. Should it be decided to build the airport, which can be done only after that study is completed, then we would ask for presentation of offers from the investors. A normal competitive bidding procedure would be employed, and the competition would surely be tough. Hence it would be essential to set up a board of experts which would judge what is the most advantageous and best for us. The board would of course have international membership and we would be significantly represented on it, so as to have a strong say in the final choice of investors. Chance would be given only to renowned firms offering fully satisfactory guarantees of a high professional level.

[Surnak] We must not forget what used to be forgotten in our country very readily and very often: the ecological side of a project. Here we can compare with Ruzyn....

[Venys] Here we have essentially one argument against another. At the Ministry of Environment the view is that

reducing noise in the Ruzyn area would be welcome and salutary. It is evident that the Ruzyn airport would continue operating, but as one without landings by very heavy aircraft. Also, the frequency of flights would be lower and thus in any case the noise levels would be reduced.

As for Milovice, experts tell me that from the point of view of managing air traffic this area is without any major problem. The existing takeoff and landing corridors do not impact on any larger residential area because for many years this area was for ostensibly military reasons restricted for major housing construction.

We do not know what the situation is with regard to Milovice's pollution by Soviet troops. Considering that the expectation is not of an extreme pollution, especially with regard to underground waters, a cleanup of the area may not be exceedingly expensive or time consuming. Moreover certain funds are already being set up. In the United States specifically it is a multimillion fund established by an American government agency, the U.S. Trade Development Program, with the purpose of starting a cleanup of the land here right after departure of the Soviet troops. Of course investors will not go into an ecologically damaged area because their investment would thereby lose in value. This question too should be addressed by the preinvestment study mentioned earlier.

[Surnak] When actually was the idea born of building a Central European International Airport?

[Venys] It was in the middle of last year, more precisely in September just before I left for one of my trips to the United States. During a month-long stay in the United States I confirmed the impression that from an investment point of view this project is very beneficial, timely, and relatively easy to accomplish. I talked for instance with several influential members of the International Finance Corporation (IFC) which is part of the World Bank. All agreed that there may be more problems in the CSFR approval process and the speed of decisionmaking of Czechoslovak authorities than in the prospects for finding investment funds abroad for carrying out the airport construction project. Alas, their prediction has now been fulfilled....

[Surnak] Thank you for the conversation.

Banker Views Assistance to Small Enterprises

91CH0432B Prague HOSPODARSKE NOVINY
in Czech 21 Feb 91 p 3

[Interview with Dr. Jiri V. Kotas, president of Bohemia Bank, by Jan Urban and Libuse Bautzova; place and date not given: "Small Enterprises Are the Economy's Backbone"—first paragraph is HOSPODARSKE NOVINY introduction]

[Text] An interview with Dr. Jiri V. Kotas does not require a lengthy introduction. He has been a familiar public figure, first as spokesman for the Free Bloc, and

then as an adviser to Vaclav Klaus, the federal minister of finance. Below you can read about how Dr. Kotas is preparing for his new role—that of bank president—as well as about many other things seemingly not related to banking.

[HOSPODARSKE NOVINY] We have learned that you have left the ministry and are planning to devote yourself to banking.

[Kotas] Yes, I had to leave the Ministry of Finance because I have been elected president of Bohemia Bank. Otherwise a problem might have arisen that is known as conflict of interest. In other words, I might have been able to use information in banking that is not freely available to others. When I was explaining this problem to people, some of them did not understand what this was all about.

They said to me: "After all, you are at the ministry, and now you will be managing a bank. That is an ideal combination." To which I replied: "Try telling that to anyone in Washington. He would regard me as someone who failed to learn anything there." Therefore I handed in my resignation and requested termination of my employment effective immediately. Minister Klaus and I have parted company without any complications. All that, of course, does not remove me from politics. Quite the contrary.

[HOSPODARSKE NOVINY] How did the founding of your bank come about?

[Kotas] That actually has been a direct result of dismantling the monopoly of banking. We wish to demonstrate also in practice that we are able to do what we are maintaining in theory. Today anyone who meets certain essential requirements, raises the necessary capital, etc., can obtain a license to conduct banking operations. But a license is not awarded immediately. If someone raises 50 or 100 million korunas of capital today, that does not mean that the president of the state bank will grant him a license tomorrow. The applicant must provide proof of his own professional competence, of having in place qualified personnel, the necessary technology, and safeguards for conducting banking operations, etc.

Admittedly, I have been warned that we might fail. But that, I said, is inherent in the market economy itself. From you we no longer need any guarantees against failure. That would be antimarket in the strictest sense of the word.

[HOSPODARSKE NOVINY] How long has the matter of licensing your bank been pending? Have there been any problems?

[Kotas] It can be said that a tense situation has existed between us and the licensing authority—i.e., the Czechoslovak State Bank—since September 1990. To wit, the Free Bloc's business establishment is one of the bank's promoters. According to the laws now in force, that is entirely in order—any legal entity can be a promoter. But

many people suspect a political background behind this step. At the same time, we are recruiting shareholders from practically every social stratum.

[HOSPODARSKE NOVINY] And when has your bank begun to function?

[Kotas] Our bank has been a legal entity since 29 January of this year. Officially we should begin banking operations in March. In the present phase we are still clarifying certain matters concerning the scope of our operations, especially of our foreign exchange operations, etc.

[HOSPODARSKE NOVINY] Could you name your largest shareholders? Are there any foreigners among them?

[Kotas] Our shareholders at present are essentially Czechoslovaks. Naturally, we do not expect that situation to continue long, because our bank will begin to collaborate with various established banking houses in the West. A series of negotiations to that end has already been launched.

Of course, we first have to finish developing the bank as an institution and in terms of its personnel, and to complete the formulation of the bank's philosophy. We are not ruling out even the formation of subsidiaries in the future, jointly with Western banks.

[HOSPODARSKE NOVINY] You mentioned the philosophy of your bank. On what is it based?

[Kotas] Our slogan is: "Banking with us is banking in the West." By which we mean that we intend to conduct our banking operations with the same speed, accuracy, and flexibility as they are conducted in the West. So as to avoid situations like the one we experienced recently: We wanted to open a foreign-currency account with one of the banks. They told us in effect not to bother them; they already had enough foreign-currency accounts; such accounts involved too much paperwork; and there was another bank two blocks down the street! Imagine how shocking it was to be sent to the competition by a bank you approached as a potential customer!

Czechoslovak banking's lack of flexibility reduces the volume of capital that could have been already here. Therefore we intend, among other things, to create a safe haven for Western capital.

Our philosophy is directed toward supporting not phantasmagoric gigaprojects, but the small and medium-size businesses that are the backbone of the economy everywhere in the world. That backbone is still lacking in Czechoslovakia, and therefore we clearly want to stimulate its growth. Let me give you an example. Instead of lending someone 300 million to build another Cortina d'Ampezzo in Vrchlabi, which could go bust if there were no snow [during a skiing season], we would prefer to lend 1,000 tradesmen 0.5 million each, to open a bakery, a shoe repair shop, a bicycle repair shop, a clothing store, a shop for the small-scale production of leather goods or something similar.

Our credit policy will be oriented unambiguously in that direction. Social and political stability depends to a large extent on one's ability to obtain at any time whatever he needs in his everyday life; such things as services, articles produced on a small scale, food products, etc. That is our basic philosophy. That is what we want to support and make money on, enabling us to invest even more.

[HOSPODARSKE NOVINY] What sort of staff will you be relying on?

[Kotas] If you talk with the public here about banking, you find that the public's understanding of this concept, if it is at all familiar, is worse than just vague. Simply stated, the public knows perhaps just as much about banking as I do about rocket fuels. Of course, if I were founding this bank in Toronto, I would have a somewhat different pool to choose from. One of the most prominent Swiss banks has offered to train a specified number of our employees at its training center, free of charge. Instruction could even be in Czech or Slovak, because worldwide that bank has 120 employees of Czech or Slovak origin. Understandably, we will be taking advantage of this offer. It will not be any altruism on the part of the Swiss bank. The offer will be useful to both parties and will make us partners.

Naturally, we have to be very careful in selecting our staff. After all, our employees must be able to prove to people that the banker is not their enemy, but their ally in business. The banker cannot do anything without customers, and they in turn cannot do anything without the banker. Here when you mention banks, everyone imagines something built of marble, from where the ordinary mortal is barred. We simply must start out from the given situation and bring our employees up to Western standards as soon as possible.

[HOSPODARSKE NOVINY] How many people will your bank be employing?

[Kotas] In the first phase, there will be about 25 people working in the main office.

[HOSPODARSKE NOVINY] Can you reveal how much is Bohemia Bank's capital stock?

[Kotas] According to the 1990 requirements, the minimal capital a bank must have is 50 million korunas [Kcs]. We have raised Kcs70 million. That is the capital subscribed by our present shareholders. All that is clean money. We are not laundering Communist money.

[HOSPODARSKE NOVINY] Could you identify your principal shareholders?

[Kotas] Our shareholders include individuals who have pooled their savings, and also legal entities. The latter include, for instance, the Union of Czech Book Publishers, Newspaper Publishers and Booksellers, the Skoda Works of Prague, and a private trading and consultancy corporation. But our biggest shareholders are seven trade unions which, among themselves, have subscribed about 52 percent of the capital stock.

We have given them ample proof that in our hands their money can actually multiply and will not be misused.

[HOSPODARSKE NOVINY] So far as lending by your bank is concerned, it will be reflecting the political standpoint of the Free Bloc?

[Kotas] Look, every banker will tell you that he shuns political criteria like lepers. But if, say, a Trotskyite leftist group were to come to us to borrow money for starting a periodical called ROZBUSKA, we would refuse their loan application. Every bank has that right.

Or we would tell them: "We are supporting small-scale production and services, but your business objective will not help to repair a single pair of shoes in need of new soles, to launder a single dirty shirt, or to supply a single crisp roll. Therefore go to some other bank."

[HOSPODARSKE NOVINY] Are there as yet any projects for which you are planning to provide loans?

[Kotas] A number of businesses that have been employing persons whose capacity for work is diminished are now folding. We have been acquainted with a project, very well prepared, that should provide work for between 60 and 100 disabled persons. At this stage the project requires about Kcs1 million. The rate of return on invested capital seems entirely acceptable to us, and it appears that we will give them a loan. That will probably be one of the first loan applications that we will be approving.

[HOSPODARSKE NOVINY] Where will the main office of your bank be located?

[Kotas] For the time being our main office will be located in Prague, in Husinecka Street. This year we will also be opening 10 branches throughout Czechoslovakia.

[HOSPODARSKE NOVINY] In your work at the bank, will you be using the contacts you made abroad?

[Kotas] Let me begin in a slightly roundabout way. To the Americans it is quite clear that, without a credit policy, the market mechanism can neither develop nor continue. In the service sector there is never enough capital accumulation to finance dramatic innovations. All of America is living on credit. In our country there is no accumulated capital whatsoever, with the exception of some savings that are of marginal significance. It could happen that a number of starting entrepreneurs, with good ideas and well researched markets, might not have anything to put up as collateral for their bank loans. You have probably heard of the American venture-capital fund for Czechoslovakia that has \$60 million to invest. This fund will be used to underwrite the first loans to the private sector, and why not at our bank as well? Not even our bank could afford to lend a million to someone who could offer only his bicycle as collateral. If the borrower does not go bankrupt, the money will stay where it is. If the borrower does go bankrupt, our bank will recover its money from that fund.

[HOSPODARSKE NOVINY] Do you have any idea of how successful small businesses will be in our country?

[Kotas] Understandably, there will be bankruptcies in our country as well. That will be a healthy thing. It will force people to realize that not everything is given once and for all. People here have become accustomed to thinking that anything which exists will continue to do so forever, until the okres secretary puts an end to it. But now it will be demonstrated that everything depends on ability or the lack of it. But I think the market in our country is so empty that very many entrepreneurs will be able to prosper in it. Even the entrepreneur who would be less likely to succeed in a developed market economy.

And another thing, the Czechs and Slovaks in the West. Most of them are very capable businessmen. They entered the traditional business environment late, but with both feet. I think it will work. Do you know when it might not work? If certain philosophers and intellectuals continue endlessly to complicate legislation and to blur the public's understanding of things.

[HOSPODARSKE NOVINY] Do you have anything specific in mind?

[Kotas] In my opinion, the draft law on land is completely off course. After all, we cannot dictate to anyone from above what he should do with his agricultural cooperative. Let him decide what to do on the basis of the local conditions. Pragmatically, the state should be interested only in an adequate supply of food, rather than in whether or not the agricultural cooperatives have already disintegrated everywhere. Let them transform the agricultural cooperatives locally, into agricultural combines, farms or whatever. At the same time, a tax law is lacking, title to property has not been clarified, etc. Frankly speaking, it is one thing to organize afternoons for reading poetry in the 1980's, and quite another thing to manage the economy or to floor-manage legislation through the National Assembly. Under a market system, everyone must demonstrate his ability to do what the times expect of him. If someone once played in the underground theater, that is a good recommendation for the stage, but not for the market economy.

[HOSPODARSKE NOVINY] This has brought us from your bank to somewhat broader interrelations. But now that we are discussing them, what is your opinion of current economic events in our country?

[Kotas] I would say that economic events generally are following their right course. Nobody in this country is attempting to defend state dirigisme, centralism or planning. Literally, we all agree on that. The question is merely what approach are the individual forces within the parliament and the government adopting? Practical realization of everything is very slow, due more to a lack of experience than to malicious intentions. Many people still fail to realize that certain things are interrelated. It is definitely a mistake to assume, for instance, that the tax system's revision can wait until 1993. If the tax system is to function the way it should, we must first introduce a

tax reform. It is necessary to let people retain far more of their money, so as to enable them to invest in their own development. Under the new conditions the state, too, must change. But there is no sign of that as yet. Instead of tightening its own belt, the state is tightening the belts of the people.

[HOSPODARSKE NOVINY] In conclusion, tell us something about your personal history. How have you gained experience of banking?

[Kotas] Life itself is the best teacher. When I went to the West, I too thought that the bank was an institution with which I would have nothing in common. After all, I was not a millionaire. The next day they told me in Canada to go to a bank and open an account, so that I would be able to cash my checks. I asked how I could open an account when I had nothing to deposit. But they told me that, by depositing two dollars, I would have an account and thereby would become a customer, the same as any millionaire. Because I, too, might become a millionaire.

I left the republic in 1979. Prior to that I had studied archeology and history, in Brno and at Charles University. Then I began working for the Academy of Sciences as a specialist in American studies. Two years later I was in exile. I went to the West because, as I said to myself, there was no doubt that the regime would collapse. But until it did collapse, all of us here would be spending a very long time getting to know the free world. Therefore I left to get to know the free world at first hand, but with the intention of returning when things here had changed. I would return with experience that I myself would be able to use and to pass on to others. That took 11 years and was the equivalent of two university degrees. When television convinced me that the Communist Politburo had really resigned, I knew that I no longer had any business to be in Canada. It was always clear to me that I would return. The only thing I feared was that I might have to return within 14 days. That would have been too short a time to learn anything.

[HOSPODARSKE NOVINY] What else did you do during those 11 years?

[Kotas] I began to support myself as an archeologist and a restorer of archeological remains. For a time I also worked for the Canadian Government as an archeologist researching historical centers. That lasted about four months. Then I began to earn my living as a consultant on East European and Soviet problems. At the same time I began my long-term collaboration with various American, British, and other research institutes, economic and political ones, and also to lecture at several universities in Canada, the United States, and Europe. I was also elected several times chairman of the Conservative Party in Ottawa-Centre riding.

I learned that everything depends on the extent to which a person is economically free and able to provide for his own well-being, by using his abilities. Since the general welfare is the sum total of the well-being of individuals, it cannot be directed from above. I began to study

economics intensively. Today I think I understand the market economy. My published works and lectures in English in America were all economic studies. Nothing historical, with one exception: an article on Roman medieval Prague. I wrote it because it irritated me that none of the historians of Roman art knew of medieval Prague, because none of us had ever written about it in English. It took me two days to write that article. And soon thereafter came the November revolution.

HUNGARY

State Accounting Office Budget Rejected

91CH0433H Budapest NEPSZABADSAG in Hungarian
7 Mar 91 p 4

[Report by K.A.K.: "The State Accounting Office's Budget Has Been Rejected"—first paragraph is NEPSZABADSAG introduction]

[Text] The parliament's Budget, Tax, and Finance Committee began its work yesterday with the discussion of the 1990 budget report of the State Accounting Office [ASZ] and with questions about this year's finances.

The representatives who spoke said that they cannot approve the ASZ report. They repeatedly pointed out the contradictions in its operation, and the fact that it still has not replenished its staff. This is why the unused portion of wages remained in its hands last year. The ASZ is responsible for paying back that amount. According to the representatives, there were irregularities in bonus payments. The ASZ spent 22,577,000 forints for such payments even though it had only 12 million forints for that purpose. The committee did not find any justification for approving the ASZ's final budget proposal for this year.

On the other hand, this was precisely what ASZ representatives who were present were fighting for. ASZ Chairman Istvan Hagelmayer complained about the mistrust in the ASZ, which caused many staff members to leave. Because of the departure of the best experts, it is conceivable that the ASZ will be unable to carry out certain tasks. In his opinion, the ASZ has too many responsibilities, and there are also problems with the laws regulating the ASZ.

Promises were made that the ASZ's internal management problems would be solved within one or two weeks. ASZ Financial Manager Pal Csapodi said of the extra bonus money given to the members of the committee that these sums were paid from the unused portion of the wage fund.

At the end of the debate, the committee made the decision to approve only the second quarter portion of the ASZ budget instead of its entire annual budget. Accordingly, for that time period, the ASZ will receive 97.2 million forints with the limitation that it will be paid in monthly installments.

The committee continued its work with a discussion of the state budget and the submitted modification of the draft bill dealing with the 1991 regulations regarding the debts of the state.

Ministers Kupa, Kadar Said To Disagree

91CH0433I Budapest NEPSZABADSAG in Hungarian
7 Mar 91 p 4

[Article by Karoly Csabai: "Kupa's Program Is Being Discussed Today"]

[Text] The government will discuss the finance minister's four-year economic policy program today. As is known, last Saturday the economic portfolio charged the Ministry of Finance with finalizing the text of the program in accordance with the proposals that were heard at the meeting.

According to information received from the cabinet office, the work is complete, and in principle, the government now has no obstacle in approving the four-year economic program at its meeting today and subsequently submitting it to parliament. As we learned, this week's modifications left the original structural elements of the program untouched.

The economic cabinet made the decision at its last meeting that the change in the economy must be facilitated by market operations, as Mihaly Kupa strongly recommended. It is common knowledge that the minister of foreign trade, Bela Kadar, had instead pushed for state measures. After the issue's clarification, the requests of industrial sectors submitted by the various portfolios were carefully edited in the Ministry of Finance this week. Among other things, it was suggested, for instance, that the development of the infrastructure is a task of the state.

We were told at the cabinet office in response to our inquiry that the changes will not affect this year's budget allocations that had been approved earlier. Since the interested parties have clarified all of the issues, the government is expected to approve the economic program without debate. Subsequently, the various portfolios must work out the detailed programs for each sector.

New Approach to Privatization Considered

91CH0433F Budapest NEPSZABADSAG in Hungarian
4 Mar 91 p 6

[Interview with Deputy State Secretary Balazs Botos by Katalin Bossanyi; place and date not given: "New Concepts in Privatization: Holding Companies To Replace the Property Agency"—first paragraph is NEPSZABADSAG introduction]

[Text] Until now, the greatest controversy was about industrial and commercial privatization. Does the special supervisory portfolio have a strategy of privatization, and if it does, is it able to implement its endeavors?

This is what I discussed with Deputy State Secretary Balazs Botos who oversees the industrial and commercial portfolio in the State Property Agency's [SPA] Board of Directors.

[Bossanyi] You oversee state properties worth almost 900 billion forints, 700 billion of which are in industry. What are your ideas about privatizing this huge property?

[Botos] We do have a strategy for privatization, and I believe that we are ahead of the other special portfolios. According to our assessments, within three to five years the state can leave commerce, the catering industry, and the construction industry. Eighty percent of the processing industry can also be privatized without any further limitations; both foreign and Hungarian private or bank capital may be used to acquire majority ownership in that area. Because of national economic considerations, keeping the dominance of state ownership in the remaining 20 percent is justified. Such areas are, for instance, energy and the so-called national industrial sectors, such as the aluminum industry. But we differentiate between firms, if only because of different factors, such as cultural traditions. This is the reason why we do not want to turn the Herend China Factory into private hands.

[Bossanyi] Do you also disapprove of the privatization of management, and support the state's exclusive initiative?

[Botos] I have had many bad experiences in spontaneous privatization, but I still think that it is necessary to include the enterprise management in the privatization process, because going against them is very difficult. In each case, we consult with the enterprise management; it is another matter that our selection of the method and pace of privatization is not based exclusively on local opinions.

[Bossanyi] One reason why I ask this is that the list of the 20 enterprises included in the first SPA program of privatization is rather mixed.

[Botos] The criterion for selection was to offer well-running, easily and rapidly saleable enterprises. In retrospect, it indeed seems that not all firms met this requirement. Presently, I still cannot assess the program, because it is only at the stage of evaluating the bids.

The next privatization package will include enterprises with vacated headquarters, and then we will propose that an area from the construction industry be privatized. We would be happy if we were able to better implement professional principles of organization within a package, and if we did not have to deal with more than 25 to 30 enterprises at the same time. In my opinion, this is the volume that the SPA can still handle.

[Bossanyi] What are your relations with the SPA?

[Botos] Our cooperation with them is professionally correct, but is, of course, not without problems. Until

now, we have been able to come to terms regarding debated issues. For instance, we have recently exchanged ideas on the possibilities of dividing our roles.

[Bossanyi] Is this in connection with the standpoint of experts, including that of your minister, that the SPA's functions of ownership and operation should be separated?

[Botos] The present division of labor is indeed not the best, and this is why the SPA is greatly overburdened. The tasks should be separated, but not for the purpose of assigning the functions of ownership or operation to our portfolio. Presently, we have worked out a concept of state property management which is going through an interportfolio settlement. We think that it would be good to set up a property center that would operate under the joint supervision of the parliament and the government, and which would delegate the handling of entrepreneurs' property to professionally organized joint stock companies.

[Bossanyi] The other day, the government approved your proposal to organize a privatization holding company. What would be its purpose, how would it operate, and what resources would it use?

[Botos] We proposed two kinds of holding companies. The one that has been approved is an organization for restructuring and improvement, dealing primarily with the privatization of rather immobile enterprises. Its capital would be pooled by foreign investors, domestic banks, entrepreneurs, and the state, but the latter's share would not come from the budget, but from the support of the European Community's Phare Program, for instance. We are now working on the holding company's business operation, and the World Bank is helping us. According to our plan, it could start operating in the fall with assets of five to six billion forints. This would be a competitive property management organization. The other holding company would take over the functions of operation from the SPA.

[Bossanyi] You mentioned the World Bank's help. How can the international finance system be drawn into broader areas of industrial privatization?

[Botos] In connection with the earlier programs of changing the industrial structure, we are presently negotiating with the World Bank about another credit package. They have scrutinized 17 enterprises in the first round, and from these, selected the ones which they agreed to restructure in accordance with a new credit agreement. These are: Hajdu-Bihar County Construction Enterprise, Agrikon Agromachine, Dunasilk, Csepel Iron and Metal Foundry, Eger Light Structures, and Raba. The next round may include Iklad Industrial Instruments Factory and the Hungarian Cable Works, and then BHG [Beloianisz Telecommunications Factory] and BEAG [Budapest Electroacoustics Factory]. I cannot yet state the amount of money which we can expect. That is closely connected to the use made of earlier credits for changing structure, and the results that were achieved, or

more precisely, the lack of results. It is my conviction that privatization must be controlled. On the other hand, what needs to be changed is improvisation. Even within our own premises, the greatest tension was caused by the fact that we did not have long-range perspectives in industrial policy, in what, why, and how we wanted to privatize. However, we now have such a concept which, I believe, will facilitate the use of foreign capital.

Government Seeks Compromise on Uranium Mines

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6 Mar 91 p 8

[Report by Judit Kozma: "The Lesser Evil"]

[Text] The uranium mine has been saved. A recent government decision put an end to an affair which really had no good solution. Attempts to make the mine profitable had been unsuccessful, and we can only hope that we have chosen the lesser of two evils. Let it suffice to say that regarding the events leading up to this decision, it was still the Nemeth administration that decided to close the uranium mine, claiming that the 2 to 2.5 billion forints needed for subsidizing production could not come from the budget. Then the enterprise embarked upon reorganizing its activity in the hope that the decision could be reversed if its overhead could be reduced to an amount below the world market price. As a result of the measures taken, 2,500 of the once earlier 7,000 workers remained, the overhead was brought down by about one-third, and even a partner, Glencar of Ireland, was found with whom a syndicate agreement was signed last fall. But why did they have to wait until the decision to shut down the mine? Further agreements stalled. It was no use lowering the price of the processed ore, the so-called yellow powder, first to between \$70 and \$80, and then to \$60 per kilo because the user, Paks Nuclear Plant, was even getting better offers than that.

There were two possible solutions in this situation. One solution was to shut down the mine after all, but there was no money for that, and it would have cost something like 10 billion forints. It also would have created a hopeless situation in a region where the coal mine, the other big employer of thousands of people, was also in a critical situation, and where there were, in essence, no other employment opportunities. On the other hand, a frequently declared but seldom realized principle would have been implemented, namely, that there is no justification for any unprofitable business activity.

The other solution would have been to keep the mine running with a subsidy. There are arguments, other than employment considerations, to support this. Energy supply is a strategic issue. The objective in this area is to decrease Hungary's dependence, and the domestic production of nuclear energy serves precisely this purpose. It is hardly debatable that, in the case of strategic issues, considerations of profitability are of a lower priority.

The government chose yet a third solution: It will not shut down the mine, but neither will it subsidize. The decision was made that Paks Nuclear Plant should buy, in accordance with a long-term agreement, the more expensive uranium from Mecsek Ore Mine, at the expense of its profits, and of course, in the long run, of energy prices.

This, in itself, does not necessarily contradict the principles of market economy. Rather, the problem is that the guiding principle behind the decision is not apparent. The concept of the industrial policy that determines the most important strategic issues is only presently in the making, there is still no definitive energy policy, and the state budget, which would determine the areas from which the state must leave, as well as those narrow strategic points where it must continue playing a decisive role, is still in an embryonic stage. But this way, without any limitation, there is the danger of spreading this procedure. Presently, the issue is uranium, but a similar conflict seems to be in the works in the coal mining industry as well. Will energy production, preceded by a profit-oriented activity, and then we, the consumers, pay for the extra costs of running the unprofitable coal mines?

Of course, it might even be worth it to us this way, but unlike in the developed market economies, no one is asking us about this. The price of electricity is what it is, and in it we pay for everything that some people somewhere have "included in it." Of course, because of the given technologies, the production of electricity enjoys a monopoly throughout the world, but its price is generally strictly controlled. Government agencies, as well as representatives of industrial and private consumers, play a role in setting its price. They discuss the individual factors of energy prices on a regular basis and set them through tough bargaining.

Such a tough bargaining process, with the direct participation of all interested parties, could even result in the consumers' acceptance of a certain amount of sacrifice for the benefit of long-term security. Thus, the end result would be the same, but at least they could be absolutely certain that we have chosen the lesser evil indeed.

Istvan Kakuszi on Poverty in Nation

*AU3032114 Budapest NEPSZABADSAG in Hungarian
27 Mar 91 pp 1, 9*

[Interview with Istvan Kakuszi, deputy state secretary at the Ministry of People's Welfare, by Sandor Rege; place and date not given: "Pension, Welfare Check, Aid; We Should Manage on Our Pay"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Almost 1 million people can be considered poor in Hungary today. Therefore, the benefits system, and generally the welfare policy, will have to be reformed. This was the topic of our conversation with Istvan Kakuszi.

[Rege] How much money is at the disposal of welfare policy?

[Kakuszi] The amount of monetary welfare provision is slightly more than 400 billion forints, about 40 percent of our population's overall income. This is supplemented by grants, the greater portion of which are distributed to the public through the social security system. Our ministry has relatively little money at its disposal. The parliament has allocated 3.8 billion forints to supplement the educational grant. In addition, we have half a billion forints to finance welfare programs and tenders. Furthermore, we need 400-500 million forints to subsidize nongovernmental institutions that perform governmental duties. Five hundred million forints has also been allocated to develop social institutions, although this is not in our ministry's budget. We can spend 100 million on welfare training and financing and research. The largest amount is in the hands of the local governments with 3,000 forints per dependent.

[Rege] Judging from this list, comparatively speaking, we are not talking about a small sum of money. At the same time, the World Bank criticizes us, because sometimes we distribute the money wastefully and target it incorrectly. How does your ministry view the future of the welfare policy?

[Kakuszi] The reform of the social security system is forthcoming. The primary task is to separate pension and health insurance schemes, and in the second phase, to reform these provision systems. It depends on the preparatory work whether both stages will be completed in January. Time is very short. In my view, the changes can also be introduced step by step, as long as we keep the target in mind. Thus, we can begin the new pension scheme, but we will only introduce certain elements of it starting in January. I see it as a realistic possibility that a more flexible system of age limits will be in operation beginning in 1992. The demographic situation and unemployment do not make it feasible to raise the age limit in one sweep, because there are 2.5 million elderly people, and about an equal number of children. That is, one half of the country provides for the other half. Health care will be in a similar situation. [passage omitted]

[Rege] In your view, how great is poverty in Hungary?

[Kakuszi] Obviously, a poor person is not just the one who is dying of hunger on the streets. We won't be too far off if we consider one-tenth of the population, roughly one million people, including people with small pensions, some handicapped people, and lately, those families in which one or the other provider is without work for a long period. High school graduates who do not intend to continue their studies and who cannot find work are also part of the concern of the welfare system. Unemployment in itself is a big problem, but it is especially dangerous for those at the start of their careers, because generations could grow up without any work experience.

[Rege] It would be good to get to a point where at least those who work would not need any subsidy.

[Kakuszi] Families should be able to manage on their pay. If this was true, a far smaller portion of the population would need to rely on the benefits of the welfare system.

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