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# JPRS Report

## East Europe

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# East Europe

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## ALBANIA

### Intellectuals' Silence in Democratization Debate

91BA0184A Tirana DRITA in Albanian 18 Nov 90 p 5

[Article by Besnik Mustafa: "The Question: Where Is the Voice of the Intelligentsia"]

[Text] Albania at present has a greater intelligentsia than ever before. Although this flowering is mainly quantitative and has resulted from our system of educating all the people, it still remains a fact which gives us reason to rejoice because it creates the conditions and possibilities for a qualitative flowering. This transition, however, is not an easy process.

The first condition for the success of this process is the full realization of democracy. Only democracy, and nothing else, creates an appropriate atmosphere for a powerful intellectual and cultural explosion. I believe that today, with the changes resulting from the decisions of the most recent plenums of the Party Central Committee and of the People's Assembly, certain necessary political and social premises have been created for such a development. On the other hand, as history has taught us, aside from the special role of the political parties or groups, a people's democracy can never be a gift; it must be the work of the people. Intellectuals, who have an irreplaceable influence on the people, also have an irreplaceable influence in the process of a total democratic victory. The attainment of democracy, therefore, is presented as a reciprocal process during which the intelligentsia not only tests its own personality, but also enriches it as in no other historical milieu.

Considering this great command from history, I would say that when we look at current developments in our country the picture to date is one-sided. It is true that in recent months work has proceeded relatively quickly to formulate and legally sanction many changes in the forms of organization and operation of the economy, changes which have greatly helped to revitalize the intellectual life of our country. In judging the public manifestation of the revitalization, however, which is the only manifestation which is advantageous for society, it must be said truthfully that it is mainly the technical intelligentsia which is renowned. It is obvious that after a very long period of apathy the economists in particular but also the technicians and a small group of the intelligentsia who work in the administration are included with a sense of responsibility and an ever increasing degree of competence, in the debate on the intensification and perfecting of these changes which have been codified in the new economic mechanism and which are of utmost importance to the life of the people since they relate to the people's welfare.

In the newspapers and in all other media, however, this debate remains almost entirely restricted solely to these fields. In spite of the good intentions we may have to present it in other dimensions, I think that to date it cannot be considered as anything other than an unusual

stimulus of the technical-scientific revolution. Conceived as a technical-scientific revolution it has its own great value and as it expands rapidly it will fulfill its duties better. If, however, we compare it with the pressing needs and aspirations of our society in her present state of development, I think that a technical-scientific revolution, no matter how well organized, is excessively curtailed and therefore is still insufficient to fulfill these needs and aspirations. Marxist theory itself teaches us that the technical-scientific revolution represents only one nondecisive aspect of the revolution which transforms a society into a true democracy. It is a matter of keeping some fundamental issues of democracy out of the public debate, issues such as freedom of thought, respect for individual rights, etc. Or, to be more specific, to date only politicians have addressed and are addressing these issues. It is not only natural, but also necessary for politicians to give their own views on such issues, to which our public opinion is very sensitive, and we know that without their contribution these problems could not be resolved. This commitment also plays a part in the duties of great responsibility which they have in regard to the people. But I believe that there is no reason why their voice should be the only one; first of all because these problems are themselves always complicated and resolving them depends on many economic, political, and social factors and therefore require more scrutiny, and secondly, because if the politicians take over these problems the views of intellectuals are not heard.

Meanwhile, it is also a fact that the people are asking more and more frequently and with more and more alarm where the voice of the intellectuals is—a question which causes everyone to ask why this phenomenon has occurred. Is it that intellectuals do not wish to express their views about the period in which they live, that they have no views, or that they are unable to express their views to the extent that is necessary?

Let us examine each of these questions. Is it true that intellectuals do not want to express their views? Or, in other words, is it true that our intellectuals are closeted in their offices and departments, disregarding the acute and complex problems facing our society? If this is so, it would certainly be a great misfortune for our people who raised its intellectuals with more sacrifices than any other people in Europe, because of historical reasons that are known and need not be addressed here. Fortunately, however, some things that have occurred this year, even though few, do not allow such an unpleasant conclusion. Among these are a number of articles published here and there in the press, as well as the views expressed in conversations with Comrade Ramiz Alia a while ago. These examples, which relate to some of our most eminent intellectuals, are of particular importance in clarifying the position of our most able intelligentsia. They show that this intelligentsia is concerned about the fate of the people and the country and that they want sincerely and honestly to help the democratic process with all their energies. Therefore, the intelligentsia not

only has opinions, it also does not hesitate to use every opportunity to express them.

The other question therefore remains: Do they have any channel where they can express those views? The press and radio and television remain the main and most desirable channels for intellectuals to communicate quickly with the general public. Fortunately today, because of the party's and government's concern, we have a fairly large number of national and local newspapers and magazines, in relation to the population and the size of our country. On the other hand, we have a press which has every opportunity to avoid being monolithic since only ZERI I POPULLIT is the organ of the Party Central Committee. The other newspapers and magazines are published by the Democratic Front, the Trade Unions, the Union of Working Youth, the Union of Writers and Artists, etc. Nevertheless, this press still has not become the platform for pluralist ideas, which is the only alternative for the optimal resolution within a short period of time of many problems accumulated over the years or caused by new developments. It is the only alternative because only through open debate and free exchange of ideas will there be several possibilities from which we can choose the most appropriate. On the other hand, this is also the only effective way to sensitize and formulate the opinion of the general public toward the reforms and changes begun in all the villages, by making this healthy opinion more and more incompatible with conservative and dogmatic views.

In the latter sense, the opinions and analyses of the intellectuals, even in the instances when they support efforts which are not responsive to the economic and political capabilities of our development, would again serve at least to accompany and radiate those initiatives with historical value for our country which have their source in the decisions of the most recent plenums of the Party Central Committee. I say "at least" because as long as there is an absence of these opinions and analyses we have no right to hope for more. What then is keeping our press and radio and television organs from fulfilling such a mission? This is not the first time that this question has arisen. Frequently the responsibility is left with the editorial board. Without wishing to exonerate at all the newspaper directors, there are voices, however, which have sought to view the situation in wider terms, in the total functioning of our press where the true and deep causes lie. The lack of active participation by the intelligentsia in these debates required by the present situations and supported by the need for dynamic activity in the service of democracy frequently results from a lack of appreciation or even doubtful examination of its positions on the part of the bureaucracy which would not understand how damaging the consequences of ignoring its contribution are for society. To illustrate this idea, we can consider some bitter events which occurred at the beginning of this past summer which were never submitted for public analysis by intellectuals. The intellectual, regardless of a dose of subjectivity that he could not avoid, through his conclusions would still certainly

uncover their true reasons, which would mean that it would help to avoid a repetition in the future. Finally, the people demand this role of the intelligentsia when they ask why their voice is not heard. The intelligentsia, faced with this question which today is more serious than ever before, finds itself in a difficult position because the objective reasons for justifying its silence are totally inadequate.

### Views on Silence of Intelligentsia Refuted

91P20113A Tirana DRITA in Albanian 25 Nov 90 p 13

[Article by Hasan Hoxha: "The Intelligentsia Speaks—in Reference to the Article 'On the Question: Where Is the Voice of the Intelligentsia?'" ]

[Text] Among the recent articles dealing with the further democratization of the economic and social life of the country, the article by B. Mustafaj entitled "On the Question: Where Is the Voice of the Intelligentsia?" (DRITA, 18 Nov 90) attracted my attention. The author should be commended for his initiative in encouraging public discussion in regard to the new economic mechanism, especially in light of the fact that he himself is a writer. In his article there are interesting ideas that are worth discussing.

I felt that it was necessary to write something in the context of this article, although it seems to me that the author is not precise in some of his statements and concepts. Therefore, out of a superficial professional knowledge of a subject which is not essential for his profile, he mixes up some elementary concepts in the economic field. I believe that the continuation of the public debate on these issues makes it essential to ensure their accuracy and clarity. The terms have a meaning for all and no one can escape errors if they are interpreted in a subjective sense.

Expressing his opinion about the content of the new economic mechanism, the author of the article erroneously identifies it with the scientific-technical revolution. He says, "Independent of the good intentions we might have to present it (the new economic mechanism) with other dimensions, I believe that as of now it cannot be considered as anything but an extraordinary stimulus for the technical-scientific revolution." Indeed, such an assertion is shallow, narrow, and, what is even worse, demeaning. The author says this himself when he states that, "a technical-scientific revolution, no matter how well it is organized, is a truncated, and, therefore, an incomplete measure to achieve the current aspirations of the masses."

There is no doubt that there is an objective link between the economic mechanism, whether new or old, and the progress of the technical-scientific revolution. The mechanism of the economy can limit or accelerate this progress. But if you reduce the operation of this mechanism merely to an influence over technical, technological and scientific developments in production, this means that you do not know its basic aim and essence.

The new economic mechanism is not a technocratic concept as it appears to me that B. Mustafaj has understood it to be. It has a broad political, social, and economic content. Like every reform, it will achieve radical transformations of relations in production and, as we know, these are the basis of society and they determine the nature of society. In every case, in every economy, market or planned, the mechanism that puts it in motion is the relationship, while the technical-scientific revolution is the production force. The school textbook on political economy makes this distinction.

In the new economic mechanism, a great qualitative and multilateral change will be brought about. On this basis, as was acknowledged in materials from the recent party plenums, a series of economic concepts, categories, and relations will be redefined, especially those which deal with connections between the plan and the market, between the economic and the social sides of production, etc. Therefore, the main advancements in economic development will be reoriented. All these are not measures of a purely technical nature. They are the economic policy of the country.

I do not think it is necessary for me to analyze and evaluate the article. Every reader has done this for himself. But it seems to me that it is essential to point out and to explain another inaccuracy on the part of the article's author. Presenting, with justification, the issue of the need for a stronger involvement of the intelligentsia in order to face the current concerns of society, he acknowledges that recently the sociopolitical interests of the intelligentsia have increased. But, after he points out that "chiefly our technical intelligentsia have felt this revitalization," he adds, with regret, that "this discussion has been and continues to be almost completely in these fields." And then comes the unexpected question: "Where is the voice of the intelligentsia?" We say unexpected because if we admit that economists, engineers, planners, jurists, etc. have enthusiastically engaged in the discussions, as the author of the article, himself, says, then it is contradictory to deny or to downgrade the contribution of intellectuals in working out the sociopolitical opinion of the country. Aren't these intellectuals just like writers, artists, and people in the field of culture? Is not the doctor, architect, or economist an intellectual? It seems to me that the author is suffering from a dose of underappreciation of what is sometimes called the technical intelligentsia, who live and work alongside the workers and feel the first anxieties of the times. But if we are speaking only about the creative intelligentsia, for the sake of the truth it should be said that the quality of their participation in the debate on the current issues of building our society has increased in a perceptible manner. Writers, publicists, workers in cultural spheres, etc. have published and are constantly publishing good and very good articles in the daily press. They also give good interviews on radio and television. The words of the intelligentsia are finding more and more public expression. Anyone can be convinced of this by a quick look at the main organs of the

press, the press of the mass organizations, and the literary press, as well as the local newspapers.

I agree with B. Mustafaj in regard to the benefit of increasing this involvement and I consider his appeal and invitation directed to colleagues to express themselves more openly, with more intellectual courage and more systematically, to be a completely reasonable request. But I think that such an invitation cannot be extended without a need to acknowledge what has been done so far. If we are not satisfied with the results achieved, we have the duty to esteem and respect the contribution of the creative comrades who have written with anxiety, with civic feeling, and with culture, expressing critical and constructive opinions. The silence of one or of some of the intellectuals is not the silence of the entire intelligentsia.

Debate is essential for a democratic society, but it is not valuable and it even has a disorienting influence if the truth on issues is not presented, or even worse, is presented without competence and responsibility. A person might not be accurate but it is strange that such inaccuracies would be transferred to entire editorial boards. For this very reason, I rejected these opinions, so that we will do our utmost to keep the public from being fed things which are not true, not so much to correct an article published in the press.

## CZECHOSLOVAKIA

### Historical Basis of Sudeten Germans' Expulsion

91CH0238A Prague PRITOMNOST in Czech No 4,  
1990 pp 22-23

[Article by Petr Prihoda: "Our Germans"]

[Text] The subject of the expulsion of the Sudeten Germans has practically disappeared from Czech consciousness. Let us remind ourselves in this connection that in professional literature not only the German residents of our border regions are referred to as Sudeten Germans but all Germans residing in the Czech lands. During the time of old Austria, the Sudetenland was a geographical designation for the Czech lands, derived from the name of the mountain ranges which form our northern borders (Krkonoše, Orlické Mountains, etc.); similarly, the Hungarian lands were designated as Carpathian and the Austrian as Alpine. The term "Sudeten Germans" did not appear, of course, until the turn of the century, and in the press even only during the last years of the first republic. The term generally used here was "Czech Germans" or even simply "our Germans."

The expulsion of these "our Germans" has not been considered a problem until now, but has been treated—and is still being treated—as a complex issue. The younger generation has practically no knowledge of it. Among the members of the older generation it cannot be introduced as a subject for discussion. It still brings out too angry a reaction, including heated discussions which

took place during the "prerevolutionary" dissent and exile in connection with Danub's articles in SVE-DECTVI in 1978, including the "prerevolutionary" events, the hunger strikes and the warning assassination attempt on the Czech premier (the weekly CZECHOSLOVAK TELEVISION, No. 35, p 2)—The expulsion of the Sudeten Germans was at the same time the first, that is, the formative, destructive revolutionary act of the emerging totalitarian power which we now all oppose to a man.

### Strange Beginings of Totalitarianism

The first stage in the history of totalitarian power is the period of mass totalitarian movement which strives to gain power. As soon as this movement gains control of the state in order to make it its instrument, a transformation of the movement itself, of the state mechanism, and the entire society takes place. Totalitarian power destroys the existing structure of the society and on its ruins builds something new: a totalitarian system. That is what the Communists and the Nazis did.

As is well known, in no European country which became a Soviet satellite after the Second World War was there a strong communist movement, the communist totalitarian system was a Soviet importation. It was able to stay in power either thanks to the Soviet military presence (which made possible the construction of a repressive system based on the Soviet model), or by linkage, by "grafting" onto some domestic traditions; possibly both.

The better the amalgam of the Soviet import with the domestic sources succeeded, the better the totalitarian system was able to establish itself, the better consensus it attained. In the Czech lands it received a much broader consensus immediately after the war than was the case, for example, in Slovakia, as well as in Hungary or Poland.

How was it possible when there was no significant communist mass movement here? Yes, there was a group of radical leftist intellectuals here from whom were recruited notorious disinformers such as S.K. Neumann, Olbracht, Nejedly, Fucik, Teige, and others, but not a communist mass movement. We could have perhaps talked about something like that in 1919-20. But following the failure of the December strike the pro-Soviet exaltation gradually began to wane, and the year 1929 (CPCZ [Czech Communist Party] Fifth Congress) had the impact of a cold shower on the remaining admirers of the Soviet Union. The CPCZ at that time had the support of a mere 10 percent of the voters. The reaction to the so-called Moscow trials toward the end of the thirties led to its isolation and to a loss of prestige among the intellectuals. Many communists later perished in Nazi concentration camps, and so numerically it was completely decimated. Nonetheless, already within months following the end of the war the number of new CPCZ members began to increase expotentially. After all, in the 1946 elections Communists in Czech lands received more than 40 percent of the votes.

The postwar huge Communist Party was created by new people. Already in 1945 there were hundreds of thousands of them. None of them had been previously "hardened" by a revolutionary experience of the workers' movement. Something else brought them into the communist fold. To a significant extent it was an eruption of Czech nationalism, in which new cadences appeared during the time of the Nazi occupation; and those, which already existed before that, became more pronounced.

### Totalitarianizing Motifs in Czech National Consciousness

Since the first half of the 19th century, two motifs—one can say: A double motif has been asserting themselves in Czech thinking, culture, and politics.

First, it is the nationalistic motif with a markedly anti-German edge. Second, a motif which for now I shall name, for want a better name, leftist-progressive. It is a complicated syndrome, the meaning of its components changes with time, but one in which can distinguish two determining parallels. The first one is egalitarianism, a sort of plebeian democratism and antiaristocratism, in fact, a distaste for the elite generally. The other is immanentism, therefore a distaste for spiritual overreach, for transcendence, an unwillingness to acknowledge the vertical dimension of being, which can perhaps explain not only the traditional Czech anti-Catholicism, even a certain indifference to Christianity generally, but also an aversion to philosophizing masked by the "legendary Czech practicality."

I called both motifs—anti-German and leftist—totalitarianizing, because they were able to attract gradually the majority of the culturally and politically active members of the nation. The majority which could not suffer opposing views. No proponent of a harmonious Czech-German coexistence ever had any luck here, and we had no solidly well-grounded right.

The common denominator of both motifs is the effort to negate the status quo. This antistatus quo attitude is what conditioned their mutual attractiveness. Similarly, today's nationalism of many Third World countries has leftist features. This is precisely what was exploited by imperialist Soviet policy, which has been adroitly manipulating the national struggles for liberation.

Both motifs and their corresponding attitudes are greatly intertwined. Their ideological redaction was completed by our ancestors when the Czech political scene became dominated by the Young Czechs. Since that time this creation has had considerable vitality which persists to this day.

Sometimes the two components became temporarily disconnected. For example, when the importance of social democracy increased here, the leftist-progressive motif took on socialist features with much of our public. But internationalism did not win the Czech minds and hearts and our social democracy eventually turned into



nationalism. Both motifs obviously are very much attracting each other, like two free atoms trying to form a primal molecule. Even though they are not totally identical they often lead to similar results. Both, for example, induce an almost concordant interpretation of Czech history, particularly of its controversial chapters.

The Nazi occupation deepened Czech nationalism, including the anti-German sentiment. The course of the war then influenced the Czech attitude toward the Soviet Union, a victorious superpower, which was suddenly endowed with the aura of a liberator. The marriage of fervent nationalism, which always had a leftist inclination, with communist ideology was then easy to see.

#### Expulsion of Germans—"Imprinting" Totalitarianism

During the first postwar months in the then German areas of Czech lands, there took place what Germans call *der böhmische Totentanz* [Czech dance of death]. It was an reaction of hatred shared by the majority of the Czech population. To prevent a possible misunderstanding I shall put it more precisely: This hatred, which was felt by the majority, was released by a minority through a blood bath. It was hatred which was building up especially since the Munich crisis that deepened during the years of Nazi occupation (the Heydrich affair in particular), and that failed to be transformed into a successful resistance activity.

This explosion of a mob revengefulness can be compared to what happened recently in Soviet Azerbaijan, for example. It testifies to the then profound demoralization of the nation, and it can be explained retrospectively, that is, by what preceded it, by means of various socio-pathological hypotheses (profound mass traumatization of the psyche, failure of the elite, etc.).

The pogrom on the Germans then appears as an analog of a natural phenomenon, such as a volcanic eruption or an epileptic seizure. But it is also something else. It has many features of the so-called final solution that was introduced into practice by Nazism (and Communism too, as a matter of fact), because it became part of the desire for systemic change. Germans (they were then mostly old people, women, and children, because the majority of men were either in prison or among the war dead) all of a sudden appeared to the Czechs to be a personification of the "bad past"; bad since time immemorial until the present moment. This past must be "overcome", in Hegelian terms *aufheben* [expunged], in the words of Eduard Benes "liquidated", and through revolutionary activity a "bright future" introduced. I believe that the Czech understanding of the Czech-Sudeten German relationship in the immediate postwar time corresponded to the fallen Hegelian-Marxist jargon of communist ideology, whose massive influence by coincidence began just at that time.

The expulsion of the Germans is therefore a dual phenomenon. As a pogrom it is a phenomenon from the

sphere of natural catastrophies. However, as the so-called relocation it is the creation of the cold rationality of totalitarian power.

One can ask how is it possible that a Central European nation with a thousand-years-old Christian tradition could sink within a few weeks to the level of pagan barbarity and at the same time also into a state of depersonalization typical of present-day totalitarian regimes. That is a question which we, Czechs, should be asking ourselves precisely today. And we should not be satisfied with mere scientific explanation.

The active executors of the postwar revenge self-appointed themselves representatives of the newly installed power. Many of them even became apparatchiks. As early as 1945 the interconnection Revolutionary Guards—national committees—CPCZ—trade union movement (in whose leadership communists had the decisive majority) was quietly being put into place. The resolution of the First State-wide Conference of the Central Council of Trade Unions in January 1946 demanded that "....nobody could be prosecuted, for whatever reason, for revolutionary acts and national purification." The perpetrators of the pogroms lost no time to make certain that they will go unpunished—and to ensure themselves positions. And those who in the past looked on or knew and remained silent, became a pliable material of the totalitarian restructuring.

In May 1946 parliamentary elections took place. The overwhelming majority of the new residents in the border districts elected communists. At that time people were referring to the "red zone" of the Czech lands. An interesting study into the causes of this is provided by journalist Michal Mares in Peroutka's DNESEK which had been published until February 1948. They tell us, among other things, how after the war a group of uniformed Czechs arrived in Ceska Kamenice. They brought a reign of terror into the small town, the victims of which were local Germans to begin with, but later also Czechs, even a functionary of the local national committee who did not want to go along with these self-invited people. At that time the communist press was already reacting angrily to these reports and the poor Mares paid for his audacity in the fifties....

I do not insist in the least that the only authors of the so-called relocation were the communists. This idea was born already during the war in Benes' mind and in the minds of some members of the resistance at home. In the weeks and months immediately following the end of the war, various political forces competed in anti-German hatred. Even Prokop Drtina expressed himself on the matter in a repugnant way (SVOBODNE SLOVO, 19 May 1945). But the Communists won: The idea and method of implementation was obviously more in tune with them than with the others.

The expulsion of Germans from Bohemia was the first act of the drama of a number of "final solutions". After the Communist coup d'etat in 1948, others were expelled

from society in succession: non-Communist politicians, so-called owners of the means of production, members of the resistance in the West, farmers, active Christians (mostly Catholics), scouts, members of the Sokol, and then even Communists who were irksome to Moscow, etc.

Just as in Orwell's novel *1984*, the entire history was rewritten, "unsuitable" books were taken out of circulation, etc. The expression of this planned and then already static total destruction is the state of the Czech country. First it became ravaged in the border regions, then in the interior as well. The differences were equalized.

The expulsion of the Sudeten Germans and their elimination from the Czech historical memory was therefore the beginning of a vast destructive program, the goal of which was the liquidation of the traditional, diversified social structure, its spirit, traditions, memory, and, last but not least, also the destruction of Christianity and its legacy. If such a process were to continue undisturbed, it would lead to a spiritual suicide of the nation. In one discussion by exiles years ago about our national prospects, a resigned voice was heard: "It seems that there is no longer a Czech nation but only a Czech-speaking population."

### Opportunity and Hope

I want to hope that this destructive, or rather self-destructive, process has been arrested and that we have an opportunity for renewal. The need for some renewal is felt by most people but they understand it primarily as the renewal of visible things, structures and mechanisms, as the restoring to health of our politics, economy, and ecology. But unfortunately, so far it has not been clear enough that the nation is facing a task of spiritual renewal. Its integral part is not only the regeneration of historical memory, but also a revision of the current conception of Czech history. Conception, that began to be formed already during the course of the national revival and became fixed at the end of the last century. This conception was adapted by ideologues of the Zdenek Nejdly type for the needs of the totalitarian regime, and it survives in that form to this day in school books, in literature, in the public conscience.

Now we are beginning to look around for our history, for inspiring traditions, and attractive models. And in doing so we behave like a man who is slowly waking up from a deep coma. During this spiritual poverty there are appearing efforts to revive the functioning of ideological stereotypes from times prior to the totalitarian regime. Some of them tended to disorient us in the past, and we should therefore take a critical look at them. This work is still awaiting us. This will be not only a discussion but also polemics; we even have to expect conflicts. The topic "our Germans" will be one of the indicators of the direction this search is taking. To become a topic, it must stop being a complex. I see in this a task for both sides,

Czech and Sudeten German. And it is good that they have already begun this work.

(Petr Prihoda (1939), psychiatrist and psychoanalyst published a number of works about psychotherapy and personality. He also deals extensively with the subject of Czech society and Czech history, and has published many works on this subject in the press in exile, of which his studies on February 1948 and the Sudeten German problem especially attracted attention.)

### Nationalism Rejected; Civil Attitudes Recommended

91CH0249A Prague LIDOVE NOVINY in Czech  
28 Dec 90 p 9

[Article by Petr Uhl: "Once More About Jurisdictions"]

[Text] In recent months, we have heard and read many times that the federation should have only those jurisdictions which are entrusted to it by the republics; we heard that the very essence of the authentic federation which we are creating lies in the delegation of authority by the republics—as basic formations—to organs of the federation. This is the idea upon which the report on the proposal made by the Slovak National Council for a so-called law on jurisdictions is based; in the report on the proposal, submitted by the Czech National Council, the passage on delegating authorities by the republics to the federation was omitted, a step which was decided by delegates of the Czech National Council through their votes. In the final version of the law on jurisdictions, which was adopted by the Federal Assembly, all mentions of entrusting authorities to the federation were gradually adjusted so that it is now clear from the text of the law that these authorities are entrusted to the federation exclusively on the basis of the constitutional laws of the Federal Assembly rather than on the basis of the decisions of both national councils or even on the basis of agreement among the two or the three governments involved.

Two roads exist to facilitate the transition from a unitarian type of state—and Czechoslovakia has undoubtedly been such a state despite the formal federalization which took place toward the end of the 1960's—to a federative type of state. The first of these roads is the one upon which we have embarked: the gradual transfer of authorities from the organs of the federation to the organs of the republics through the medium of legislative amendments, primarily through the constitutional laws passed by the Federal Assembly. The second road is risky: proclaiming the existing unitarian state to be null and void, proclaiming the independence of both republics and the gradual creation of a Czechoslovak state as a duality, irrespective of whether this be in the form of a federation or a confederation.

If we engage in solving the problem with regard to the direction in which authorities are delegated, then we have in mind not only the current status of a transition toward a federative state and the concordances involved



in this transition. We seek to learn a lesson even from the history of federal and confederal states such as the United States, Canada, Germany, Yugoslavia, Austria, the USSR (and within it, the RSFSR), but also from Belgium or modern-day Spain. We also have in mind the new Czechoslovak Constitution and the constitutions of both of our republics because there are many models for a confederative state. According to one of them, the Chamber of People's Deputies of the Federal Assembly was composed of both national councils with an equal number of delegates from each. Both national councils would be issuing laws for their republics separately.

However, in these considerations we should elect to follow a fundamental approach:

It would seem that the dilemma involved in the delegation of authorities from the republics to the federation and vice versa is false to a considerable extent. If we begin from the standpoint of a civil rather than nationalistic or corporate conception of political democracy, then it is obvious that the individual as a citizen is endowed with the basic authority. It is the citizen who should decide as to which portion of this authority he should retain for himself (direct democracy is in its infancy here, but let us hope that it will develop) and which portion he will delegate to the representatives which he has freely elected. The latter are members of local (municipal) representative bodies, or representatives of the region, the republic, the federation, and (again let us hope) of the European parliament, as well as other supranational organs. Elections to all representative bodies are direct, representatives should be controllable and should be controlled, they should be recallable and should also be recalled. Citizens should express themselves directly with regard to the fundamental sharing of jurisdictions among the community, the region, the republic, the federation, and Europe and should do so in public discussions or in the form of referendums. Local representative bodies do not delegate a portion of their authorities to organs of the republic and, given the renaissance of the community as a basic civil rights entity, examination of whether republic-level organs "delegate" the authorities of local representative bodies, modified by republic-level laws, to local jurisdictions appears dubious. A similar situation exists with respect to the relationship between the republic and the federation. Neither the community, nor the republic, nor the federation, nor even Europe have primacy.

Such an approach toward the delegation of power, based on the idea of individual civil rights and on the principle of territorial self-determination, is in harmony with decentralization efforts, with efforts to denationalize the economy, politics, and culture. However, it must necessarily conflict with the nationalistic approach. The latter is based on the fact that the republic is an organized nation. The concept of the nation state, which was re-fused by Stalin's definition of a nation and by the bureaucratic-dictatorial solution of the nationalities question in Soviet Russia and in the Soviet Union, was

revived after the departure of the Germans, following the postwar discrimination against the Hungarians, as a result of the "policy" adopted with respect to the Gypsies, which oscillates between apartheid and forced assimilation in a kind of new Husak Czechoslovakism, which was embarrassed to enunciate its name and which was discredited by the Czechoslovak Republic during the interwar period. This concealed Czechoslovakism was definitively eradicated by the November revolution because it eliminated the system of bureaucratic dictatorship of which it was a part. However, some consequences of it have remained in the nascent civil society: a paternalism affecting a considerable portion of the Czech population and a virulent nationalism which is gnawing away at Slovak society. Traditional nationalistically tuned expressions such as the Czech or Slovak national councils have lived to see their range extended: Currently, there is talk of national governments, national interests, and even of national budgets and national economies. If we reject the false dilemma involved in delegating authorities, if we refuse to consider any kind of representative organ as having primacy, from the standpoint of civil positions, then let us also reject this "national" terminology, which is actually a nationalistic terminology, if we do not wish for the republic (be it Slovak or Czech) to be an actual organized nation, that is to say, a power instrument for those who speak in the name of the nation. This has nothing to do with the relatively high percentage of citizens in the Slovak Republic who are not Slovaks (that is to say, who do not consider themselves as such). What is involved is the fact that the basic entity of our and, understandably, also of the European society is the citizen, without regard to his nationality. At the end of the 20th century and in the process of all-European integration, the nation cannot be such an entity.

#### **Czech Writer Critical of Some Slovak Politicians**

91CH0237A Prague *LITERARNI NOVINY* in Czech  
27 Dec 90 p 2

[Article by Ludvik Vaculik: "Meciar May Leave"]

[Text] And so may I, and my troubles will be over. In some ways one ought to calm down, neatly get hold of oneself, start nothing new but rather sort out what has accumulated. For external contacts I should set only one specific day, receive people only on the recommendation of someone trustworthy and get involved with politics always in a direction backward, before the 1814-15 Congress of Vienna. I sense that questions which life puts before me are above my strength, willingness as well as patience, while questions put by people bore and irritate me. Ask a little more interesting question was my reply the other day when I was again asked about something concerning Slovakia; but it was a very tentative reply.

While I am writing this, "Federation" has already passed through the straits of Powers and before it reaches the Constitution strait I will unload on the shore of Mutuality another bunch of opinions whereby I will be rid of

them, and let no one try afterward to get me stuck with them. While I am writing this, casting an occasional glance at the street where snow is falling, Czech sympathies toward Slovaks have descended to their lowest point ever. Perhaps even lower than during the war, because what some Slovak politicians are doing, they are now doing of their own free will, not under any threat. The resonance it gets among us, watch out, is not mainly political!

I will show it on the case of the oil pipeline. It perturbed us for a few weeks and when it was happily resolved, the damage was already done: In the consciousness on our side it has already been corked up. That reasonable solution found by experts from both sides had been evident right from the beginning to every better-than-average Czechoslovak fox terrier. Who is willing to take the blame for the disgust with this affair? We will live through another similar dispute: What is primary—whether federation or the national republics, or in other words who will derive power from whom. Yet the answer flows logically from the way a federation is established. Suppose that Austria and Hungary decide to join in a federation: Its powers will consist of those entrusted to it by these two states. But if on the other hand federal Austria should reconstitute itself as a federation, the powers of the member units will consist of those which the primary government cedes to them either by reason or under threat, of powers it surrenders. Which is closer to our case?

The means and legal ways to achieve political goals should be in accord with the trend of history and ought to reflect the shape and movement of the present. After all, it involves not only a political act; it also has a psychological dimension. And here we see that in the first case when two independent states join together in a higher unit, it is already a joyful, approved culmination of something that had slowly ripened before in the consciousness of the people. In the second case when the higher unit divides up, people who had invested in it their thoughts and feelings are apt to develop a catastrophic mood, a feeling of decline. It seems that politicians are unaware of this aspect of the act. By emphasizing territorial and national interests—mainly in material terms—they run down a higher consciousness. For us Czechs this feeling of a loss weighs more heavily than the question of what in the dispute between two national governments may be scraped up by our own. If today we are offended by the Slovak policy, we are offended in human and not national terms! Indeed, this was noticed by someone among the Slovaks who said that to us Czech statehood is something we just don't seem to care about. In regard to this issue we are for the most part tired of it, disgusted and wishing it to go away.

Research supposedly shows that 75 percent of Czechs are in favor of a common state with Slovaks. But if the question were whether we should let the Slovaks leave, probably the same majority would say yes. A Slovak politician, I forget his name, feels offended by that and condemns our tolerance in the following way: The

Czechs are so antagonistic to us that they say, if you want to go, then go!—Isn't that ridiculous?

It may happen to them that for prestige and material interests they will lose the legacy founded and nourished by generations of the best people of both nations. We are different, they say. Different from how we have known you, or from what you were when you came to join us? If the game is one of being different, then we are different even more. The Slovak national policy will fight cleverly for a percentage or parity representation or for rotation in office according to nationality, whereas we have reached the position and the view that everywhere there ought to be the best people, even if it should be found later that of seven, five are Slovaks. Do you understand, gentlemen, in what we are different? You have, to be sure, tough politicians facing us but you would get more help from gentle psychologists. We were sorely mistaken for instance about Carnogursky, we deserve it.

When "Federation" was scraping its sides on the shoals I hit upon one new, brilliantly optimistic solution: When Slovakia breaks away, there won't be anyone to hinder us from calling our state Czechoslovakia. It is a good name, expressive, as well as a good commercial trademark. I have told several people: In surprise their mouths widened into a smile. And I, too, got a surprise, as if a breath of a prophet's magic and of enthusiasm when soon after I got the same proposal from two readers.

Unlike those things which cause us discomfort and compel us to exercise vigor we hadn't asked for, this year's winter is beautifully conservative, reasonable and impartial. The snow, which in Prague is getting black and melting as I write this casting occasional glances at the street, blankets the landscape with marker 831 on the border of groundless peace, "where disturbance, if it arose, would be commanded from afar." There, where I do not feel a Czech because I wasn't born with it, "only, naked, out of necessity I put on the garment" (Sneh [Snow], 1983).

### Legal Federal, Local Holidays Announced

91CH0248A Prague PRACE A MZDA in Czech No 12, 1990 p 7

[Unattributed article: "Which State and Other Holidays Shall We Have?"]

[Text] Our state holidays were newly defined by Law of the Federal Assembly of the CSFR No. 167/1990 of the Collection of Laws, which amends Law No. 93/1951 of the Collection on legal holidays, days of rest, memorial days and anniversaries in the version of subsequent regulations.

According to it, the following are legal holidays and thus, days of rest:

—9 May, Day of Liberation from Fascism;

—5 July, Day of the Slavonic Missionaries Cyril and Methodius;

—28 October, Day of the Founding of an Independent Czechoslovak State.

Pursuant to Law of the Czech National Council No. 204/1990 of the Collection, and to Law of the Slovak National Council No. 348/1990 of the Collection, additional legal national holidays are:

—6 July, Anniversary of the Burning of Master Jan Hus (applicable only in the Czech Republic);

—1 November, Day of Reconciliation (applicable only in the Slovak Republic).

In addition to Sundays, other days of rest in both our national republics are:

a) 1 January (New Year's Day);

b) Easter Monday;

c) 1 May (Labor Day);

d) 24 December (Christmas Eve);

e) 25 December (1st day of Christmas);

f) 26 December (2nd day of Christmas).

Article 91 or Article 117 of the Labor Code do not distinguish between legal holidays and other holidays but stipulated days of continuous rest for working people in a week as days of rest (which are as a rule days off on Saturday and Sunday) and holidays. Therefore, for purposes of the Labor Code, both the legal holidays and the above-mentioned six days of rest (three of which are expressly designated as holidays anyway) must be considered holidays.

According to Article 94 of the Labor Code, the Federal Ministry of Labor and Social Affairs may stipulate by an announcement that in conjunction with holidays, the days of rest be interchanged with other days so as to set a succession of one or more days of rest, or as the case may be, the ministry may also interchange other days of work for the same reasons. The purpose of such changes is to offer employees a better opportunity to enjoy their days off and rest. Another factor is an economic consideration from the standpoint of our entire national economy. In this context, decisions used to be made in the past concerning store hours (opening)—and thus in fact concerning work hours of employees in retail stores and services—regardless of the interests of those employees, especially where it affects their free time. When employees' work hours were set, this often directly led to violations of legal regulations concerning employees of commercial enterprises, especially Article 87 paragraph 2 of the Labor Code (stipulating the beginning and end of work time with preceding approval from the competent trade union agency; Article 92 of

Labor Law, and Article 13 of governmental ordinance No. 223/1988 of the Collection on continuous weekly rest).

### Changes in Structure of TV System Detailed

91CH0239A Paris LE MONDE in French 1 Jan 91  
p 16

[Article by Luc Fournier: "Public Television Stations in the Face of Political Pressures and Financial Restrictions"—first paragraph is LE MONDE introduction]

[Text] Prague—Three months after the structural reorganization of the Czechoslovak radio-TV system, the Federal F-1, Czech CTV, and Slovak S-1, stations are still fighting the specter of state socialism. The political authorities are pressing television to act as spokesman in explaining the reforms underway. The economic burden is already hampering a management which has become stricter. Will the professionals' hope to keep two public stations be compromised?

The desire for independence demanded within the confines of the TV studios in Prague and Bratislava are akin to mere pious wishes: What was, until a certain day in November 1989, the stronghold of communist propaganda is today being undermined by political and economic rifts.

"The world I entered in 1990 is much worse than the one I left [in January 1969], even if everyone had decided, after the velvet revolution, to change the customs. Jiri Kanturek, the new director general of Federal F-1 TV, is not alone in summing up the state of television in Czechoslovakia. Since November 1989, many editors have been changed, 60 percent of the administrative officials gave up their position and former stars, who had been compromised, felt obligated to leave the scene: There was, in all, a total of 1,000 persons out of 8,600.

In a large and spartan office where a fluorescent pink CBS cap is enshrined on a shelf, Petr Krul, since 1989 news director for the Czech station, confided, embarrassed: "No hour goes by without a minister or a deputy demanding an interview with a right to reply." In August 1968, within a TV system that was looser, he was the last one to address the viewers. Today, he is the first to feel somewhat discouraged by this practice.

The Federal Parliament is to draw up new legislation in March, defining the distribution of powers over the radio-TV system. A Czech committee is to be created; it will be made up of radio-TV and political personalities and entrusted with monitoring that the media's independence is respected. For the time being, no date has been scheduled on the parliamentary agenda. The assembly of each of the two republics will first have to rule on the thorny issue of whether or not to keep two public stations.

Slovak television, in the image of its Czech cousin, very much intends to keep its prerogatives on national news

and on a national program. The Federation officials offer the argument of a lesser cost. They favor a single station, combining CTV and S-1, broadcasting in a Czech and Slovak version. This argument is opposed by a majority of professionals, especially in Bratislava, the capital of Slovakia, which has remained distrustful of Prague, not to mention hostile. Vojtech Drgon, S-1 financial and commercial director, pointed out: "Technically, there is nothing to prevent reprogramming on F-1 the news of the two capitals." He further added adamantly: "We no longer want centralizing diktats. In this 'war of the airwaves,' the station personnel has the clear support of the Slovak prime minister, Vladimir Meciar, and of the whole Bratislava parliament. Will it also be assisted financially?"

To be sure, production costs shield the will for autonomy. But to overcome all kinds of handicaps (200 employees are scheduled to be laid off in Bratislava, Kosice and Banska-Bystrica), Peter Zeman, the third S-1 director general to be appointed by Parliament in the space of a year, gave the green light for increasing exchanges and coproductions with, among others, Austria. Thus the Austrian station FS-1 sponsors Slovak sports broadcasts and a Slovak team produces a series of children's tales dubbed in German and English. The financial costs of each operation are shared, but "as long as the increase in advertisement revenues will not be settled, we will have to give up our ambitions," stressed Vojtech Drgon.

#### Decreases

Last year, with 1.314 million households registered in the PAL [expansion not given] standard, or less than one fourth of all the Czech viewers, S-1 administered a budget of 500 million crowns (some 85 million francs [Fr]) which, according to station officials, will decrease by 10 percent this year. For its own production, amounting to 70 percent of the expenses of a budget close to 900 million crowns (including programs jointly produced with the federal station), Slovak television is already using 630 million crowns. It will be easy to understand that other resources—license fees supply 44 percent of the revenues and state subsidies, 47 percent—are necessary to the operation of the enterprise.

Jaroslav Bazant, the director general of Telexport, recently remarked: "More changes are needed; there is no local or national advertisement, for there is as yet no market in Czechoslovakia." To clarify his thoughts further, the boss of this company, in the import-export of public television programs, immediately added: "We will never have a market if the government does not let go."

Although news amount for a large share of the programming on the three generalist stations F-1, CTV and S-1, they turn to overseas for production or cohabitation. Does the liberalization of the screens to the East pass by the airwaves of the West? In radio, the only two private

stations, Europe 2 in Prague and Fun Radio in Bratislava, are of Western origin. Likewise OK-3, an odd station not defined as a public service station, is made up entirely of foreign programs. The Czech Government spends 37 million crowns to broadcast them.

Two hundred thousand dish antennae have already been counted on the roofs of Bratislava, Brno, Pizen, and Prague. We must add that 45 percent of the territory is covered by foreign signals. At the presidency of the republic, as within the three parliaments, officials often reiterate that there is no question of selling off sectors of the Czech economy to Western capital. The radio-television public system does not escape this rule. However, politicians will have to make a few concessions to the professionals if they do not want to see their voters desert the public stations in favor of often less rigid programs from the West.

#### HUNGARY

##### Soviet Envoy on Refugee Issue, Bilateral Issues

91CH0270C Budapest TALLOZO in Hungarian No 50,  
14 Dec 90 p 2367

[Interview with Soviet Ambassador to Hungary Ivan Aboimov by NAP TV reporter Laszlo Juszt; from a transcript of a television broadcast on 12 December 1990; place and date of interview not given: "Coming Closer Depends on Two"—first paragraph is TALLOZO introduction]

[Text] This is commonplace, but because of the apparently sagging Soviet relations, it really suffices to take a look at the map and become concerned. Is this related to the systems change or perhaps to the internal crisis of the Soviet Union? This is the topic we analyzed with Soviet Ambassador to Budapest Ivan Aboimov. Laszlo Juszt served as the reporter and Tamas Gyarfaz as editor.

[Juszt] Your Excellency, thank you for accepting our invitation, even though I told you that you will not find yourself in an easy situation. Anything can happen in the course of a live conversation. One cannot apply cosmetics with respect to a live conversation, and we did not discuss the questions in advance.

[Aboimov] And I am concerned indeed.

[Juszt] Are you? Don't be afraid, although there may be some tough questions, they will not be offensive. The other day I travelled in Austria and witnessed—and I believe not only I witnessed this, but many thousands of Hungarians who were in that area saw this—that the Austrian military lined up on this side of the Austrian-Hungarian border. The military; there were no Austrian border guards. They did so to stop the flow of refugees. At this time these refugees are Romanian citizens, but it is likely that beginning on 1 January, Soviet citizens will also be refugees, once the Soviet passport liberalization law goes into effect.

[Aboimov] I would not state so firmly that on 1 January there will exist that certain law [by which people can] leave the country, but it is in the making. I hope that the representatives in parliament will adopt it soon. Frankly, I am not too fond of the word refugees. I would much rather use the term emigrants. There is a great variety of guesses as to the number of emigrants from the Soviet Union once the law takes force, but in my view all these estimates are approximations only. No one can tell how many there will be.

[Juszt] What is your estimate?

[Aboimov] I am unable to make an estimate. I prefer to listen to what the professionals have to say. I would like to state that this year, even in the absence of this certain law, about 400,000 people emigrated to Israel, Germany, the United States, Greece.... It is hard to tell what the future will bring, but it is certain that there will be some number and that one must certainly prepare for that number.

[Juszt] You say that obviously there will not be many, but units of measure are different from the Soviet Union than here. A number that does not amount to much to you may cause bankruptcy here. In other words, if only a few hundred thousand people emigrate from the Soviet Union—to use your term—and if these people are unable to cross the Austrian border, we will find ourselves bankrupt.

[Aboimov] I did not say that there will not be many. Some say that there will be 1.5 million annually, others mention a larger number, it's hard to give an accurate figure. This depends on the kind of situation there will be in the Soviet Union, the economic situation, above all. In any event, irrespective of the number of people that will emigrate, both we and the Western countries must make preparations. I would not approve if, for example, such stringent measures were taken at the borders. I would say that this would be somewhat immoral, because for many years it was the West that fought to adopt this exit law, and it would not be beneficial to use such drastic means against them if we now adopt this law. I much rather feel that we should jointly prepare ourselves. Above all we must prepare ourselves from an economic point of view, in joint cooperation.

[Juszt] Your Excellency, how would the Soviet Union view a situation in which the Hungarian Government adopted visa requirements in order to avoid a crisis situation?

[Aboimov] I do not believe that such a step could be taken. But just what measures should be taken, should be worked out jointly in advance.

[Juszt] Your Excellency, what is your view of the statement one hears from so many, that the Hungarian leadership, the government, was neglected for a very long time by the Soviet, and that even today it does not really deal with these relations?

[Aboimov] I have heard of, and have read such views, but I do not quite agree with these, because the development of bilateral relations is not a unilateral matter. Such relations actually depend on two countries. As the ambassador, I view this situation as a transitional period, also in the field of bilateral relations, which evolved as a result of introducing new changes and new reform measures, and as a result of the changes that took place both in the Soviet Union and in Hungary. Cooperation exists to a certain extent in the political sphere, it exists in the economic sphere, it declined a bit in the cultural sphere, but in my view there are perspectives of cooperation in every field. Our relations slowed down a bit, but this is natural. In my view, the type of relations within the old system has ceased to exist, and the new system has not yet developed.

[Juszt] A year or two ago, in the course of a 15 March celebration/ demonstration, the television cameras suddenly focused on American Ambassador Palmer near the Petofi monument, in the midst of the crowd. He was not there as a matter of protocol, but in the midst of the crowd. Is it possible that there will be an occasion when you will march and become part of the crowd, and if so, what occasion could that be?

[Aboimov] Thus far, I have not taken part in demonstrations, and I will continue not to take part. As an ambassador I find it better to take part in various functions as a matter of protocol, even if such functions are mass functions. I will take part in those.

[Juszt] Finally, I have a question which seems relatively simple, but to which the answer may be far more revealing: How does a Soviet person feel in Budapest today? How does the Soviet Ambassador feel in Budapest today?

[Aboimov] Very well. I say this sincerely. In the Soviet Union, there evolved a perception to which presumably a Soviet person does not feel too well in Hungary at present, but because the system has changed, the atmosphere has changed. I can openly and firmly state that those of us who work here in Hungary experience no unpleasant manifestations on the part of Hungarians.

[Juszt] Is it not only courtesy that makes you say this?

[Aboimov] This is not courtesy. I am expressing and representing this view of mine openly.

[Juszt] Mr. Ambassador, at the beginning of this conversation you said that you were somewhat concerned about the questions. I now must ask you: Was your concern justified?

[Aboimov] I would rather say that I am afraid of this atmosphere. An ambassador does not appear every day on television.

[Juszt] Your Excellency, thank you for coming to the studio.

[Aboimov] Thank you for your interest.

**Court Upholds Law Abolishing 'Societal Debate'**

91CH0269E Budapest MAGYAR KOZLONY  
in Hungarian No 117, 22 Nov 90 pp 2313-2314

[Constitutional Court Decision No. 28/1990 (22 Nov) AB, concerning the rejection of a petition to declare unconstitutionality]

[Text] In the name of the Hungarian Republic!

The Constitutional Court reached the following decision concerning a petition filed by Kiskunfelegyhaza resident, Illes Retkes, in which he asked the court to declare unconstitutional the law which discontinues societal debate.

The Constitutional Court rejects the petition to declare unconstitutional Paragraph 1 of Law No. 31 of 1990, which amended Law No. 11 of 1987 concerning the legislative [process].

**Argument**

I. The petitioner requested a determination as to whether Paragraph 1 of Law No. 31 of 1990 which repealed Paragraphs 33-36 of Law No. 11 of 1987, and which as a result, discontinued the institution of "societal debate" violates Section (2) Paragraph 2 of the constitution, in view of Section (2) Paragraph 20 and Section (1) Paragraph 19 of the constitution.

II. The Constitutional Court determines that the legal provision complained about does not constitute a violation of the provisions of Section (2) Paragraph 2 of the constitution pertaining to the direct exercise of popular sovereignty. The statement contained in Section (2) Paragraph 2 of the constitution, according to which: "All power shall belong to the people in the Hungarian Republic. They shall exercise popular sovereignty through their elected representatives as well as directly," does not suggest that the abolition of societal debate violates the principle of the direct exercise of power. This is so, because the constitution does not specify detailed rules concerning the ways in which direct power may be exercised. The framer of this law did not define this concept, i.e., it did not even provide examples for alternative ways in which power may be exercised directly. Societal debate is not necessarily an element of the direct exercise of power. The lack of societal debate is not tantamount to the lack of the direct exercise of power.

According to our laws in force, the most important legal institutions for the direct exercise of power are as follows: Popular referendum and popular initiative provided for in Law No. 17 of 1989 at the national level, and the popular referendum institutionalized in the law governing autonomous local governmental bodies, at the local level. These correspond with the above mentioned provisions of the constitution, and are consistent with

relevant provisions that exist in modern, civil democracies. It is a necessary element of the concept of direct democracy that the interested person, i.e., the citizens (or a certain number of citizens) bear influence over the institution which serves the purposes of direct democracy. But according to the repealed Paragraph 34 of the law governing the legislative process, the authority to initiate societal debate rests not directly with the interested person, but with the Council of Ministers, the minister and state secretary, or with social organs, or organs which represent interests.

Implicit in the direct exercise of power is the fact that the resultant decision is binding with respect to the legislature. But the results of societal debate did not bind any framer of laws. To the contrary, the persons debating had neither an opportunity, nor a legally secured right to become fully aware of the outcome of debate. Section (4), Paragraph 35 of the law established only an obligation to provide simple notice. In addition, there was no way to force the holding of societal debate, because failure to hold societal debate was not sanctioned by law. This is so because Paragraph 33 of the law mandated societal debate only relative to "legislative proposals" which affected a broad group of persons in society, and this wording was unsuitable to permit the rendering of an appropriately accurate legal interpretation. Consequently, even the choice of legislative proposals which should have been made the subjects of societal debate was questionable. Based on all the above, one may determine that societal debate which was made into an institution by virtue of Law No. 11 of 1987, may not be regarded as an institution of direct democracy, but as a supplement to direct democracy. This legal institution acquired a meaning in the framework of the power mechanism of the state party, its elimination took place consistent with the development of parliamentarism and of constitutional statehood. Restoration of the real function of parliament, popular referendums, popular initiatives, and constitutional adjudication serve the purpose of realizing the democratic institutional system whose lack they tried to supplement with the institution of societal debate.

The Constitutional Court determines that a relationship between Section (1) Paragraph 19, Section (2) Paragraph 20, and Section (2) Paragraph 2 of the constitution as indicated by the petitioner, does not exist.

III. The Constitutional Court notes that the repeal of the institution of societal debate did not affect the validity of Paragraphs 19 and 20 of Law No. 11 of 1987 concerning the legislative process. Pursuant to these provisions, citizens take part directly, or through organs which represent their interests in the preparation and creation of legal provisions which affect their living conditions. Further, organs preparing legal provisions are obligated to involve in the preparation of legal provisions the enforcement authorities, social organizations, and interest groups which are represented and protected by these organs, or of legal provisions which bear on social conditions.



Consistent with Paragraph 41 of Law No. 32 of 1989 the Constitutional Court publishes this determination in **MAGYAR KOZLONY**.

[Signed] Dr. Laszlo Solyom, chairman of the Constitutional Court; Dr. Antal Adam, Dr. Geza Herczegh, Dr. Geza Kilenyi, Dr. Tamas Labady, Dr. Peter Schmidt, Dr. Andras Szabo, Dr. Odon Tersztyanszky, Dr. Imre Voros, Dr. Janos Zlinszky Constitutional Court judges.

Constitutional Court case number: 753/B/1990

**New President of MTI News Agency Interviewed**  
*91CH0270A Budapest HETI VILAGGAZDASAG*  
*in Hungarian 8 Dec 90 p 95*

[Interview with Otto Oltvanyi, the newly appointed president of the Hungarian news agency MTI, by Andras Lindner and Zoltan Horvath under the rubric "Portrait;" place and date not given—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] Otto Oltvanyi, the new chief of the official Hungarian news agency, son of a Debrecen tailor, had tumultuous beginnings. At first, he studied at the Piarist fathers, then attended a business school, and ultimately graduated from a "classical" gymnasium after taking some tests to make up for missed classes. He immediately started out as a journalist. "I worked for the privately owned, democratic newspaper, DEBRECZEN, which had a civil outlook, until that newspaper was banned in May 1944." Oltvanyi continued at the same place when publishing began again, this time as the Independent Smallholders' Party newspaper. Meanwhile, Oltvanyi registered at the Debrecen University law school; he graduated from that school in 1949. "Based on regulations in force in those days, however, I was unable to use the title of doctor of law," he says. "I fell in love with ice hockey, and pursued that endeavor for almost two decades. At the time I had an American teddy bear coat. I was told that I was wearing that coat in order to express my political inclination," Oltvanyi recalls the hard times. "Jozsef Palfy served as one of my models. He taught me the tricks of journalism, among other matters, and the way one should make a good telephone call." DEBRECZEN ceased to exist in 1951. Oltvanyi succeeded in becoming a member of the staff at the Hungarian Telegraph Agency [MTI] Debrecen staff. He reported from the county and from the city for twenty years. "I taught myself how to develop my own memory. I stopped in front of a shop window and memorized the price tags. I repeated this exercise many times," Oltvanyi recalls his years as county reporter. Oltvanyi's career took a turn in 1971. He was dispatched to Vienna as the MTI reporter. After a six-year official stay in Austria, he literally travelled across the country: He was transferred to Bucharest. He spent five years in the Ceausescu Empire. In 1982, he was appointed deputy head of the domestic policy desk at the MTI. In November 1987, he once again packed his suitcase, and once again journeyed to Bucharest, that's where he

witnessed the "events" about which he and his son Tamas—also a journalist—wrote a book. Last summer he applied for the position of president of MTI, and was awarded that position. The new leader of MTI, throughout his life a party outsider, is an active tennis player. "I finished second in the Bucharest diplomats' club championship games last September among those fifty years or older."

[HETI VILAGGAZDASAG] You reached the peak after 40 years of MTI service, at the age of 65. For how long do you plan to stay?

[Oltvanyi] My appointment calls for two years of service, but I have also developed a short-term program. Within the shortest possible time period I plan to visit the users, our news reports and information services, to assess their needs. I will introduce the night shift as far as our foreign affairs desk is concerned. I would like to take out a bridge loan amounting to between 50 million and 70 million forints. In the longer term I want to enter into some more serious business activity.

[HETI VILAGGAZDASAG] Let us return to the past. You began your career with the frequently used stars of an earlier period in Debrecen, such as Jozsef Palfi, from MAGYARORSZAG, and Pal Gedeon, from NEPSZAVA. These people succeeded shortly after they came to Budapest in those days. You remained in Debrecen. Wasn't the capital calling you, or is it simply that they did not invite you?

[Oltvanyi] I fell behind, there is no denial. In 1951 I tried with NEPSPORT, but I did not succeed in getting in there. I was never pushy. I never sought favoritism.

[HETI VILAGGAZDASAG] On the other hand, you joined the MTI, which—even not too long ago—was a kind of closed intellectual institution. How did a young party outsider get in there?

[Oltvanyi] Luck is also needed in life. One day I ran into Lajos Szucs, a former classmate of mine. He was the head of the two person Debrecen staff of MTI. Szucs contacted the then MTI President Barcs, and I was hired.

[HETI VILAGGAZDASAG] As a reporter in the countryside, you then survived several generations of communist leadership. How were you able to stay in the same post so steadily?

[Oltvanyi] I was in an advantageous position. The MTI was a good hiding place. I was not obligated to write political articles. On top, in my case, with respect to a former Smallholders Party newspaper journalist, the question of reporting from let's say a party conference could not have even come into question.

[HETI VILAGGAZDASAG] You mentioned the name of Sandor Barcs, the one to whom you owe many thanks for your hiding place of two decades. How did you come to know him?

[Oltvanyi] I knew him from NEPSPORT, I contributed to that newspaper virtually ever since its foundation. Barcs was a member of the editorial committee of that newspaper.

[HETI VILAGGAZDASAG] From a reporter in the countryside you became a foreign correspondent. Then, after Vienna came Bucharest. Why?

[Oltvanyi] An upper level decision was made to the effect that the MTI must reinforce its Moscow, Peking, and Bucharest reporting posts.

[HETI VILAGGAZDASAG] Did you succeed in seeing the depths of the Ceausescu dictatorship?

[Oltvanyi] So much so that I am still proud of the fact that I was never cautioned by the Romanian Foreign Ministry.

[HETI VILAGGAZDASAG] Don't you think that your undisturbed life in Romania was due to the fact that in those days reports filed from Bucharest were so "well ironed"?

[Oltvanyi] I think I found a way in which to present articles so that they have nothing to argue about, while still conveying information in the writing. In my view, a journalist must also be a diplomat. I worked on the basis of including reports from Romanian newspapers in my articles. In other words, I wasn't the one who wrote that. See, you yourselves said it.

[HETI VILAGGAZDASAG] Well, you could not learn much from the Romanian newspapers even in those days. In addition to reports prepared for public consumption, did you also provide confidential material for the Hungarian leadership?

[Oltvanyi] I informed the MTI leadership by providing summary "internal" material. I told them, for instance, how negotiations with the Romanians should be conducted, because I knew them well.

[HETI VILAGGAZDASAG] Did you maintain contact with Hungarians in Transylvania? Or did the diplomatic sense work in you also in this regard?

[Oltvanyi] During the dictatorship I met with Hungarian leaders and members of the Hungarian intelligentsia in Romania on an informational basis. But I did not meet with them so often that such meetings became unpleasant for them.

[HETI VILAGGAZDASAG] You applied for the position of president from Bucharest. How come they chose you?

[Oltvanyi] Perhaps the past forty years counted, as well as the fact that I know everyone very well in this building, from chauffeurs to editors in chief, and the fact that I have no enemies. I am accepted.

[HETI VILAGGAZDASAG] Who from the government might have supported you?

[Oltvanyi] I have known Lajos Fur well for a long time. He was the chairman of the 1956 revolutionary committee in Debrecen, when I was involved in press affairs. In earlier days, Fur was the administrator of the DEAC [University Athletic Club of Debrecen] soccer team, later he worked as a docent at the university. We once again met last April in Nagyvarad [Oradea] at the congress of the Democratic Association of Hungarians in Romania [RMDSZ].

[HETI VILAGGAZDASAG] Denes Csegey believes that the press of the past years should apologize for the role it played. Did you apologize to anyone?

[Oltvanyi] I did not have to apologize to anyone. After all, public opinion was not managed from the MTI. But as far as the substance of Csegey's remark is concerned, I do agree with it. Those who glorified the system should indeed apologize. But only they should apologize.

### **Situation of Local Governmental Bodies Discussed**

*91CH0270E Budapest MAGYARORSZAG  
in Hungarian No 51-52, 21 Dec 90 p 5*

[Article by Zoltan Hegyes: "Budget Versus Local Government; Report From Parliament"]

[Excerpts] [passage omitted] A rather lively "legislative work" is taking place in the corridors of the parliament. Groups of representatives converse, exchange ideas regarding their remarks, and comment on what has transpired. Late in the afternoon SZDSZ [Association of Free Democrats] representatives Gyula Szoor and Miklos Haraszti discussed their view that the parliament has fallen victim to the cabinet's slightly underhanded tactical maneuvering. They based this view on the fact that the cabinet asked the parliament to adopt the law on autonomous local government, a law whose specific, implementing provisions were not developed. Along with this law, the cabinet submitted a budget which transfers a substantial part of the government's burden to local governmental bodies. Since a substantial part of local governmental bodies consists of members of opposing parties, or of independent persons, the government rendered unpopular the bodies which were elected through democratic processes, by transferring the burden of the expenditures. I asked (Association of Young Democrats—FIDESZ faction leader) Viktor Orban to express his view on whether this was indeed the intent of the government.

### **We Overextended Ourselves**

"I do not believe that we are dealing with a tactical step by the government that was prepared in advance in this instance, although this cannot be entirely ruled out. I believe that it was a huge mistake to create a totally new law concerning autonomous governmental bodies, and to force the parliament to enact such a law. This law eliminated the old structure, and replaced it with virtually nothing. The cabinet placed the National Assembly in a situation in which we must enact certain laws in a

matter of weeks, which under normal circumstances would require months as far as the budget law is concerned, and two years, as far as the autonomous government law is concerned. The cabinet makes no secret of its intent that it wants to split the cost of maintaining and operating settlements between itself and the autonomous governmental bodies, and this is appropriate. The trouble is that the government forces the autonomous governmental bodies to assess local taxes at a time when the country has no budget. I am convinced that we will not be able to deal with anything else but the budget this year. Consequently, providing some real content to the law concerning autonomous governmental bodies will be delayed."

The general feelings of citizens can be truly measured through their wallets. This long recognized truth hovers over the heads of legislators in the parliamentary chamber like the sword of Damocles. Changes in the tax system did not favor either the taxpayer in the countryside or the entrepreneurs. Autonomous governmental bodies may count on central subsidies to a lesser extent, therefore, they will be forced to assess local taxes. Despite the purest of intentions, a situation of conflicts will evolve. In this regard, the Association of Free Democrats expert on autonomous governmental bodies, Maria Korody, had this to say:

#### Common Sense Instead of the Law

"I feel that the fundamental flaw which created the present situation stems from the fact that at the very beginning, the cabinet placed before the parliament a legislative proposal concerning autonomous governmental bodies which did not regard the then future autonomous local governmental bodies as adults. According to the original proposal, only a fraction of the state administrative authorities would have been transferred to the local governmental bodies, and the government would have continued to retain great opportunities to interfere with local affairs. The cabinet's endeavors to centralize are well characterized by the system of delegates of the republic. This system continues the previous system of state management in a new cloak. They are appointed by the president of the republic, with the concurrence of the interior minister. What could be more natural than the fact that these delegates of the republic will endeavor to implement ideas promoted by the government. If we view the present situation that was forced upon autonomous governmental bodies, we see an even darker picture. There exists an organic law devoid of content, one which, within certain limits, may be interpreted freely by everyone. There are no implementing rules. The cabinet fell into its own trap, because autonomous governmental bodies which are uncertain and which lack the appropriate information—mainly in regard to financial matters, and the assessment of local taxes—will rely on their common sense rather than on the appropriately drafted laws, and thereby, even unwillingly, they will preserve the old council management system. This situation is very unpleasant, and it will

boomerang later. Unfortunately, as far as I am concerned, I cannot see how these matters can be settled appropriately even within two or three months, because the cabinet consistently promotes laws which serve its own short-term objectives." [passage omitted]

#### In Traveling the Country

I am sad to see the helplessness of local autonomous governmental bodies which have taken the place of the councils. They do not know what resources to use and what rules to apply in managing their affairs in the new year. This situation is even more tragic, because while in March and April voters cast their ballots mainly for parties, they provided mandates within autonomous governing bodies to people who earned respect in their environment, and these voters expect to see an improvement of their situation from these people.

In the Western Borsod County village of Szomolya, where a few Gypsy families reside in hillside caves to this day, Mrs. Tibor Csuhay, the town clerk, presented an entire bouquet of her doubts and uncertainties. In the course of three years, the village built a very nice school, financed partly from savings accumulated by the local council, and partly from subsidies received from the county council. One wonders, will the autonomous governmental body have an opportunity to save money, and what financial rules will govern in the future? In general, what funds will be available to the new local power? Should they assess taxes? This is hardly feasible. Citizens of the village still pay the 'teho,' they cannot be burdened further. This is not the only reason why an additional burden cannot be placed upon them. Presently, and virtually without exception, those individuals in their thirties built their nice houses by using low interest loans with no small help from their parents. Since their wages do not increase even to the extent of keeping in step with the inflation rate, an even more certain cycle of impoverishment has begun with respect to these people. Virtually every couple has two children. They must have clothing and they must be educated, yet their declining income will not suffice even to preserve their standard of living.

The mandatory teaching of the Russian language has been discontinued, English should be taught instead, Mrs. Csuhay says. Did it not occur to those who wrote this law that Szomolya, with its 2,000 inhabitants, could obtain an English teacher only in lieu of a salary of 30,000 forints and official quarters? This is so, even though we should not have to search for the financial foundations of the new system, because they existed at one time. The village had a forest with quite a large grazing land attached to it and it was managed under common ownership. It would truly take a special man to figure out from the land records to whom that forest and grazing land belongs, who manages it, and who draws financial benefits. There is a distillery in the village. It is managed by the county distillery industry enterprise, even though the farmers from the village contributed to the cost of its construction half a century ago. Why could

this distillery not be returned to the residents of Szomolya with a single stroke of the pen, the same way it was taken away? At one time they were searching for oil and gas near the village. Still today, two hotwater wells stand there shut down, in a beautiful natural surrounding. Some less than courageous attempts to utilize these have been made already, but the stranglehold of bureaucracy has also choked off this matter. Since ownership rights to these wells are unclear, one is concerned that an economic work collective or a limited liability corporation will be formed one or two hundred kilometers away from Szomolya, and that this organization will make use of the hot water. It will pay 10,000 forints annually to the autonomous government—sort of like token payments.

These are issues and matters that were not clarified, and which were left unanswered. The implementing of rules to the law on autonomous governmental bodies is being delayed, confidence in small cities and villages, in people who agreed to lead settlements based on their own decency, is on the decline. I do not believe that we wanted this to happen. This is not why we changed the system.

## POLAND

**French Financial Support for Independent Weekly**  
*91EP0182A Warsaw ZYCIE WARSZAWY in Polish*  
*No 21, Dec 90 p 2*

[Interview with Maciej Iłowiecki, editor in chief of SPOTKANIA, by Anna Baczevska; place and date not given: "Window on the World"]

[Text] [Baczevska] You began your piece in issue number zero of SPOTKANIA with the words "There has never yet been such a publication in Poland." That's a strong statement.

[Iłowiecki] Please tell me what publication we have had that was printed like this, with pictures like this, on paper like this, in a format like this, and a news weekly to boot. SWIAT and PERSPEKTYWY tried to be that sort of publication. In technical terms, however, these were also completely different publications. They were political publications, moreover, especially PERSPEKTYWY.

[Baczevska] SPOTKANIA aims to be a world publication. What is that supposed to mean?

[Iłowiecki] We would like very much to be a sort of window on the world. We intend to view everything through the prism of Poland. Perhaps that is beautiful and patriotic, but it is also a little provincial. Sometimes it is good to look at various matters, Polish ones too, in a broader perspective. That is very difficult, but we have to try.

It is a question of making it possible for a person living a long way from the central areas to follow what is going on in the world. We want to enable the person to do this.

In our publication the reader will find basic information and analyses of what is going on in politics, in science, and in culture too. It is our dream for the Pole to have the sense of participating in what is happening in the world, in order to get rid of any provincial complexes.

[Baczevska] Do you see this as a way of building a readership? The competition is a great believer in the captivating power of naked ladies to win over readers.

[Iłowiecki] I have got nothing against naked ladies. Just the opposite. But on the other hand, I am against the depravity and gutter press that have begun to appear in our country.

[Baczevska] Since readers buy these publications, there is obviously a demand for them.

[Iłowiecki] We have no intention of fighting them. It is just that we are not going down that road. We think that readers are also waiting for a decent news publication that does not prey on their baser cravings. We want to "prey on"—to use the same term—their noble cravings.

[Baczevska] Do you think there will be a market for such a publication?

[Iłowiecki] Yes. I hold it against my friends in the political elite that they are incessantly telling us that we are an abnormal nation, that we do not deserve democracy. We are an absolutely normal nation. It is just that we have had very harsh experiences, and these experiences have a bearing on our attitudes. A normal nation should have a normal news publication. A shortcoming of the Polish press, of Polish news reporting, is the fact that we comment primarily on reality, but we rarely manage to describe it objectively or well.

[Baczevska] You said that the publication should avoid politicizing. Is this realistic? Politics takes up a good deal of space in SPOTKANIA.

[Iłowiecki] We will be devoting the most space to matters of a political nature, but that has nothing to do with politicization. You can talk about politicization when a publication is devoted to a certain party or group or affiliated with one. We are not. This does not mean that we do not have any sympathies or antipathies. I would like to allow readers to develop their own views, based on the information and facts we provide, as well as commentaries. I would like for us to try to draw a clear line between this information and our own inclinations and aversions.

[Baczevska] Politics cannot be avoided, although people are clearly tired of it all.

[Iłowiecki] The reason it cannot be avoided is that we are living through times in which everything is dominated by politics. Whatever anyone does is taken as a political gesture. It's just the times. We are living through a tremendous speedup. More has happened in our country this year than during several decades at another time in

our history. It would be a good thing for us to find the golden mean, so that politics would not dominate everything anymore.

[Baczewska] Let's hope that SPOTKANIA will find that golden mean.

[Ilowiecki] This will be difficult. We foresee a larger publication. We will have more space for what goes by the general name of the art of living, because you have to know how to enjoy life even under the difficult conditions which we are living. There is no room for this now. I would like there to be, but unfortunately there are costs attached to this.

[Baczewska] The Paris emigre office of Editions Spotkania and the L'EXPRESS press firm are supporters of the monthly. It might seem easy to produce a publication with the help of Western capital, but you are worrying.

[Ilowiecki] Both easy and difficult. It is easier, if only because we ourselves would not have the money, for example, for the technical equipment. They are providing the money and are not asking for profits. For them the issue is to open the door to the future. French capital wants to get into Poland. They are asking for at least one thing, that there be no additional investment. We have to maintain a tremendous editorial office, all the greater in that the entire technical process occurs there.

[Baczewska] You used the term "independent publication." Today this term is as fashionable as it is broad.

[Ilowiecki] You have to look at it from both sides. You can say that nothing is independent. Even if we handle something according to our own will, everything limits us, all our life. On the other hand, you cannot say that all publications are either dependent or independent in the same way. From a formal standpoint, we really are independent. We are not the organ of any party or group. I think that independence means internal freedom and honesty.

I would like there not to be hate or malice, for there to be distance between these terrible disputes, for a sense of humor never to be lacking. We will be equally critical of every government, critical in the sense that the press ought to be. After all, that is a form of government oversight.

**POLITYKA Weekly News Roundup: 16-22 Dec**  
91EP0179A Warsaw *POLITYKA* in Polish No 51,  
22 Dec 90 p 2

[Excerpts]

#### National News

The dismissal of the government of Tadeusz Mazowiecki proposed in consultation with the president of the Republic of Poland was accepted. There were 224 votes

for, 16 against, and 122 abstained. The Sejm asked the outgoing government to perform its duties until a new government is formed. The deputies had previously received a lengthy report (about 200 pages) on the work of the government, and a short debate (comments by representatives of the deputy clubs) preceded the comments of Premier Tadeusz Mazowiecki. He emphasized that his government leaves "midway on the road toward what it had intended to accomplish." He also emphasized that "democracy is built only with democratic methods. Law can only be created on the basis of a respect for law, even if at times it appears to be a hindrance, to be an obstacle, to delay efforts."

A survey by the Public Opinion Research Center conducted after the government announced its dismissal showed that 39 percent of the respondents received the announcement with indifference; 26 percent with dissatisfaction; 16 percent with sorrow. Only 13 percent expressed satisfaction; four percent, joy. In the opinion of nearly half of the respondents, the government has as many successes as defeats on its record; 27 percent think more defeats; 20 percent, more successes. The survey showed a fall in approval for public institutions: for the Sejm to 21 percent from 85 percent over the course of a year; for the Senate to 14 percent from 82 percent; for Solidarity to 21 percent from 77 percent; for the church to 42 percent from 82 percent; for the government to 26 percent from 82 percent.

Wojciech Jaruzelski, the outgoing president of the Republic of Poland, appeared on television and radio with congratulations and best wishes for the president-elect; Jaruzelski also said farewell to his countrymen at the end of his service. In judging his actions, W. Jaruzelski said, among other things: "As a soldier I know that the commander, and thus each superior is responsible for everyone and everything. The phrase "I am sorry" can sound trite. I, however, cannot find another. I want then to ask for one thing: if time has not extinguished anger or hate in someone, let them be sent to me first of all. Let them not touch those who—in the previous concrete situation, honestly and in the best faith—did not spare effort to rebuild and build our homeland."

Lech Walesa, the president-elect, pledged in front of the altar of the Czestochowa Mother of God on Jasna Gora: "Queen of Poland, at this historic moment, I stand in front of you at the source of my trust. Taking by the will of the people, the office of president of the most honorable Republic of Poland, aware of my responsibilities to God, the nation, history, and my conscience, I promise steadfastly to guard the honor of the people and the sovereignty and security of the state, to conduct myself with justice and love toward all of the citizens of our homeland, to preserve faithfully the laws of the Republic, to devote myself undividedly to the service of the people and the country. I pledge! So help me God." [passage omitted]

The National Commission of NSZZ Solidarity met in Jelitkowo to discuss the political situation in Poland. L. Walesa in conjunction with his election to the presidency resigned from the chairmanship of Solidarity which he has held for more than nine years. He nominated Bogdan Borusewicz to replace him. ("It is Walesa's moral obligations to name [the man] who made him into Walesa, trained him, created him, and made important decisions in August 1990.") The recommendation was symbolic. (Borusewicz had previously rejected the offer.) The joint chairmen of the union are the previous deputy chairmen: Stefan Jurczak and Lech Kaczynski. [passage omitted]

Polish Television has broadcast an interview with Prof Z. Brzezinski, former advisor to President Carter for national security. He spoke about the invasion by Warsaw Pact forces that did not occur in December 1980. The Americans knew about the plans for the invasion by 18 Soviet divisions, helped by the armies of Czechoslovakia and the GDR, because Col. Ryszard Kuklinski and CIA agents gave them reports. Carter's intervention with Brezhnev was supposed to lead to the abandonment of the invasion. Brzezinski thinks that the new president should give Kuklinski "a high military award for courage in defense of the homeland." He adds that Kuklinski was not an agent of American intelligence "although he cooperated with the American military as an ally."

Religious instruction in schools, as a survey by the Public Opinion Research Center shows, is accepted by a majority of the respondents: 26 percent support requiring instruction; 44 percent support nonobligatory religious instruction; 27 percent oppose religious instruction.

Gen. Franciszek Puchala, first deputy head of the general staff of the Polish Army, in a comment for POLSKA ZBROJNA: "In conjunction with other factors, the level of basic armament included for us in the Vienna 1 Treaty (1,730 tanks, 460 fighter aircraft, 130 helicopters, 2,150 armored personnel carriers, 1,610 artillery pieces larger than 100 mm caliber) allows us to have a numerically smaller army, but a more modern, more maneuverable one. It would be good for at least 50 percent of this to consist of professional soldiers."

The Ministry of Finance expects the balance of foreign trade to be negative in 1991, about \$1.12 billion. The deficit with the CEMA countries should be \$2.33 billion and the surplus with the capitalist countries should be \$1.21 billion. Our foreign debt will increase to nearly \$50 billion. [passage omitted]

TRYBUNA writes of the benefits of the members of the outgoing government. For six months after they leave office they are paid their wages at the previous level unless they take up other work (if it pays less, they receive the difference). Four weeks after the dismissal of the government, they lose their official cars and the right to protection by the Personal Security Unit (only the prime minister can use the personnel of the Personal

Security Unit if he asks the head of the Unit in advance). The prime minister retains the right to medical treatment in the government clinic without limitations; others must complete treatment within six months. The prime minister and ministers must leave their official apartments within six months, unless they do not have their own.

The Movement of Working People (RLP) has been formed. The founding congress has adopted a charter stating that "the Movement of Working People (RLP)...is a forum for political action by the working people." Its goal "is to act upon the policy of the state according to the social and economic interests of the working people." A National Council was elected. It includes, among others, OPZZ [All-Polish Trade Unions Agreement] Chairman Alfred Miodowicz and OPZZ Deputy Chairman Ewa Spychalska.

The Council of the Democratic Union at its first meeting elected a nine-member presidium: chairman, Tadeusz Mazowiecki; secretary, Piotr Nowina-Konopka. Wladyslaw Frasyniuk and Henryk Wujec were designated by Citizens Movement—Democratic Action (ROAD); two individuals will be selected by the Forum of the Democratic Right (FPD) at its first congress. Jan Rokita was chosen chairman of the program commission; Jacek Taylor, of the charter commission. [passage omitted]

Fees for radio or television will increase. Beginning 1 January 1991, the quarterly fee will be 7,500 zloty for radio and 35,000 zloty for television.

A postage stamp with the image of Lech Walesa has appeared in the series of Polish Nobel Prize winners. The value, 1,700 zloty.

Prof. W. Baka, president of the National Bank of Poland, presented the main goals of monetary policy in Poland in 1991: the extinguishing of inflation by the end of the year, solidifying the convertibility of the zloty, and strengthening its position in relation to other currencies. The principles for the operation of private and business convertible currency accounts will not change.

Five miners died in an accident at the Bobrek mine.

Beginning on 1 January 1991, the minimum wage will be 550,000 zloty. The travel per diem will increase by 2,000 zloty to 14,000 zloty. The lowest supplement for the unemployed (95 percent of the minimum wage) will be 523,000 zloty.

The press market. SPOTKANIA, a Polish NEWSWEEK, which is sponsored by French capital, is now being published. The editor in chief is Maciej Ilowiecki, the president of the Association of Polish Journalists. In an editorial, the magazine describes itself as independent, serving the values "that are important for a Christian and European." [passage omitted]



### Opinions

*Doc. Jadwiga Staniszkis, sociologist:*

(From a comment for WYBRZEZE-CZAS 16-29 December 1990)

"The behavior of the voters shows that the policy has been exhausted. Solidarity as a mobilizing symbol has been used up. It is necessary to begin playing the game differently—to present society an economic program in which the factor of work and wages for work is given due regard. It is necessary to show that in Poland one can earn money without abuses. I do not think that Walesa, surrounding himself with politicians and closing the Solidarity ranks in a way that blurs substantive differences, is the best solution in this situation. The voters just might not buy it."

*Father Prof. Jacek Salij, Abbot, of the Academy of Catholic Theology in Warsaw:*

(From comments for SPOTKANIA, sample issue, 16 December 1990)

"I would not overestimate the threat deriving from the serious quarrel we had in conjunction with the elections. It seems to me that these disputes were quite openly superficial, that at most a little personal animosity will remain behind them, and perhaps even these will disperse. I would be much more concerned about the large part of society that still regards our state as a kind of "they," which is not trusted and which is suspected of various foul things. A significant part of our society does not feel any obligation toward the state (with the exception of those obligations the state can enforce), and at the same time these people are making pointed claims against the state."

## YUGOSLAVIA

### Cardinal Kuharic on Church, State Links

91BA0188A Zagreb DANAS in Serbo-Croatian  
18 Dec 90 pp 20-23

[Interview with Dr. Franjo Kuharic, archbishop of Zagreb and chairman of the Conference of Yugoslav Bishops, by Marinko Culic; place and date not given: "We Are Not in the Government's Embrace"]

[Text] When we did an interview with Dr. Franjo Kuharic, archbishop of Zagreb and chairman of the Conference of Yugoslav Bishops, we decided to "waste" the first question to the cardinal on his biographical background, the way it is done when the subjects of an interview are less well-known. Why, when it is known that the cardinal is among those who "need no special introduction"; what is more, there are many people who know more about him than we published at that time? We considered a biographical introduction necessary because this was the first interview which Kuharic had given to a nonchurch paper in Croatia during the six years since he had become a cardinal, and because the only published interview with him since he had been named archbishop of Zagreb appeared all of some 20

years ago, on the occasion of his taking up that position. Thus, in the interview's introduction we said that it paradoxically concerned a subject who was both very well-known and very little-known, which seemed to us a good illustration both of his personal position and the position of the church in general in the previous system. But now, a year and a half later, none of this applies any longer: The cardinal is today one of the figures with the greatest media exposure, a person given opportunities on every hand to address the public, but now under the new circumstances there are fewer public objections to the altered relation between the new state and the church, which in certain matters is extremely cordial. That is why we told the cardinal in our request for an interview that we want to "rescue from anonymity" that critical aspect of church activity, because we believe that in this way possible new-old paradoxes can be avoided.

[Culic] A year and a half ago you were very critical of the previous authorities because of their attitude toward the church, but also more broadly. What can you say today about that 45-year period which has now come to an end?

[Kuharic] During those four and a half decades of communist power, the church went through various trials. Bishops, priests, monastic communities, and congregations experienced many difficulties: With rare exception, they could not find in the media objective information about religion and the church, and in the educational sector young people were offered negative information about religion as something superfluous in the structure of the new society, which was referred to as "progressive." In that kind of situation, many individuals quite often had very difficult experiences. To be sure, over the last year or two there has been a liberalization of the attitude toward the church—one sign was the celebration of Christmas last year—and we can speak about the first steps of democratization in this area. All in all, the 45-year period behind us will require scholarly analysis and study from objective and disinterested historians. Nevertheless, we can only hope that this experience will not be repeated because a high price was paid for it in many areas.

[Culic] People are familiar with the statement you made after the change in Romania to the effect that "God had cast his eye" on that country. If I understand it rightly, this statement was quite symbolic because the Romanian Church did not behave particularly "rebelliously" in those events. In the Catholic segment of the East European countries, however, the church was much more active. How much did it contribute to the fall of communism, and is it valid to say that that fall would not even have been possible without it?

[Kuharic] The statement you mention is not mine, but rather I heard it when I was watching a program on Romanian television. As far as I remember, it was a Romanian writer who said that God had cast his eye on them. You say that the Romanian Orthodox Church was not especially "rebellious" in those changes. The

Orthodox Church is a national church and as such was pretty much dependent on the regime, which perhaps had been giving it certain advantages over the other religious communities. That could be the reason why the leadership of that church felt threatened itself when the authorities were menaced by the revolutionary process.

At the same time, the Catholic Church in the socialist countries was more exposed to pressures, precisely because of its universality. The head of the church is outside the reach of the government authority in question and therefore has full freedom to advocate and defend the rights of man and the freedom of the church. The Catholic Church has under those circumstances maintained people's hope and the dignity of the human person, and it has nurtured in people an outlook and moral principles which have made them stronger in their desire for freedom and equality, which have indeed been achieved in democracy. The church did not call for barricades, but for prayer, and that is why the candles that were lit became a symbol of bloodless revolution in those countries. Nevertheless, even that was enough for the church to influence the historical process which has changed the face of those countries: From totalitarianism, which drew its strength from a strong police and the army, the passage was made, through the spiritual resistance of the multitude, to democracy and a multi-party political system. So, the church was actively present at those events, although the events followed a course that did not depend decisively on subjective wishes. It was simply that the failure of communist ideology in the economic and political areas had reached a point where the system had to retreat because it was no longer offering authentic solutions. People could not tolerate the oppression and the trampling on personal human dignity forever.

[Culic] The European situation is in many respects reproduced in our country. In the eastern part of the country, a portion of the church has bound itself up with the old, although transformed, power and "is cementing" the changes. In the two northwestern republics, on the other hand, it has been one of the flywheels of the changes, and there are those who think that in Slovenia the church directly influenced the outcome of the election, and much the same can be said of Croatia, except to a somewhat lesser degree. How much can be said about the linkage between the church and DEMOS in Slovenia and between the church and the HDZ [Croatian Democratic Community] in Croatia?

[Kuharic] As for the relation of DEMOS and the church or the church and the HDZ, I must clarify certain terms. The church has its own leadership, the bishops. In their public statements, they have backed the process of democratization, consistent with the principles in the Gospel and the teaching of the Second Vatican Council. Indeed, they explained to congregations their civic duty to evaluate the programs of the parties conscientiously and choose that one which they feel consistent with their Christian beliefs. The bishops, then, did not order the congregations to vote for any particular party. After all,

believers are a part of the church, but they are also free citizens and make their decisions independently in politics. That is their right, and there is no question here of any linkage with particular parties.

[Culic] The bishops in Croatia—let us stay with them—actually did maintain a neutral position in principle concerning the political decisions of believers. It is a different matter, however, with the priests who are subordinate to them, many of whom have established the bad practice of incorporating their own political affinities, which are not at issue, into their pastoral activities, which is very much at issue. Those who went furthest in this were Father Tomislav Duka, vice minister in the Croatian government, and the Reverend Ante Bakovic. Why did those two not submit to the code of Canon Law which forbids political commitment of priests, admittedly with certain exceptions?

[Kuharic] It is true that the Canon prohibits active political involvement of priests. But, as you yourself say, it allows exceptions if the superior of the particular priest believes that such an exception should be made. That is precisely the case, as far as I am aware, with the two priests you mention, who made statements that their superiors were allowing them to act in accordance with their conscience. Accordingly, up to now there have been no reasons to invoke any canon penalties against the two of them.

[Culic] Yes, but things are extremely spotty when it comes to those exceptions. Why are Duka and Bakovic the only "exceptions," while toward the priests of all other political persuasions or only affinities, a different approach is taken? Can one believe in the disinterested position of the church when the pope himself a few years ago penalized a Jesuit priest before the eyes of the world public for participating in the "red" Nicaraguan government, and now today, as though nothing had happened, priests who are ministers in the government are left "to their own conscience?"

[Kuharic] It is true, they were left to their own conscience, but one must see the difference between them and the Nicaraguan priest you mention. Here in Croatia, the government has not come out against religion and the church, so that if some priest does take part in it, he cannot be accused of standing on the side of an ideology which is antireligious and which denies the church's mission. That was not the case with the Nicaraguan priest, that was an antireligious regime, and that is why the papal intervention ensued. If you follow the subsequent course of events in that country, where later there were negotiations and an agreement between the communist regime and the Contra opposition, you will see that there was both a great deal of political farsightedness and wisdom in that move by the pope because the Nicaraguan Church acted as intermediary in those negotiations. And it could be an intermediary only if it preserved political neutrality, and that is precisely the purpose of the papal "penalty" which you mention.

[Culic] Here in Croatia, the church has been very much in evidence when the new government celebrated the election victory and it is a rather widespread opinion that this went too far, that the church has "rushed into the embrace" of the new powers-that-be without discretion. How would you comment on the criticism of you, personally, for having taken part in the ceremonies on the former Republic Square on 30 May, or recently in Jastrebarsko?

[Kuharic] It is interesting the way at this point some people are so critical in judging the presence of church representatives at those ceremonies. This is immediately interpreted, as you put it, as "rushing into the embrace" of the new government. The communist government wanted ever so much, in spite of the proclaimed separation of church and state, to have the church in "its embrace," but in such a way that it could not even breathe. We did not give ourselves up to that embrace, although sometimes we did participate in certain meetings to which the government of the time invited us. The church at that time was measuring the borderline of decency and the measure of its freedom, and there is no reason to doubt that we will know how to do the same even today. But at the same time we are not departing from the assessment of the historical changes which have occurred. What has occurred in Eastern Europe, including Croatia and Slovenia, has great importance to people, to nations, and indeed to the church. If changes of this dimension heralded freedom for man, the nation, and the church, it is quite understandable that we rejoiced. And it is quite understandable that we also expressed that joy in gratitude to God. So, when I was asked to celebrate Mass on the day the new Croatian Assembly took office, I gladly agreed and headed the concelebration in the cathedral. Likewise, if I was invited to the ceremonies to install the freely elected Assembly, which down through the centuries has been attended by my predecessors as bishop of Zagreb, this was not only an act of courtesy, but also a greeting to the freedom which we have expected. And if again I joined the other bishops on Republic Square, as it was still called at the time, that was not on the invitation of a political party, but the new government. As for Jastrebarsko, that is where I come from. The opstina assembly decided to proclaim me an honorary citizen. I accepted solely out of love for my own native region, and I do not see how that conflicts with my position, especially because I also blessed the new auditorium for religious instruction in Jastrebarsko. If later the opstina decided to make President Tudjman an honorary citizen as well, it had the right to do so. I do not see why this simple meeting should immediately be given intentions which it lacks and a meaning insinuated in it which it does not contain. Unless it is thought that we again must live in fear?!

[Culic] Nevertheless, people are saying in the church corridors that even in the Vatican they do not take a favorable view of all the manifestations of closeness between the church and the new government in Croatia.

[Kuharic] We have not received a single signal to the effect that the Vatican has such objections. They know in the Vatican that the church here has abided by its principles and has not exceeded the measure called for in this respect. You have already mentioned a "linkage" with the new government, and I repeat that there is none. There is perhaps a favorable attitude toward a new social reality, which I would say is making relations in society more humane, but that is something quite different. The church is prepared for a dialogue with any government, it had it even with the previous regime, even though that regime was against the church, and it is clear without my saying so that that dialogue will go more easily with the present government, which has nothing against religion nor the church.

[Culic] In Jastrebarsko, you expressed confidence in the good intentions of the new Croatian government, but you also pointed to the separate mission which the church has. Does this mean that nevertheless your assessment is that after the first "enthusiasm" with the changes, as it was put by one Catholic weekly, the church should now turn more inward upon itself and be less "engaged in politics?"

[Kuharic] You remember well that during the communist power newsmen and politicians would sharply criticize us bishops and me personally for engaging in politics when we emphasized religious freedom and spoke out against any discrimination. I told one high-level political official with whom I talked that we are not involved in politics, but in ethics, because we are defending moral principles and values without which there can be no human politics. In no system can the church renounce that "policy" because ethical principles are included in the Gospel message. This is a part of its 2,000-year mission which it was given by Jesus Christ himself. The new Croatian Government guarantees the church freedom to perform its mission, and it accepts it, by contrast with the former government, as a favorable reality in personal life, family life, and the life of the nation. And the church rightly anticipates that the government will respect that, and so far it has no reasons to doubt it.

[Culic] Recently, GLAS KONCILA has published several articles pleading for a clear line to be drawn between the state and the church. The newspaper recently announced that the editor in chief was leaving his post to take up a new position. Is there a connection between the first piece of news and the second, or is this a "normal" replacement?

[Kuharic] Always, even in democracy, the church must abide by the principles clearly stated by the Second Vatican Council. It is short, and I will quote it to you: "The church, which because of its service and jurisdiction never coincides with the political community, nor ties itself to any political system, is a sign and at the same time a custodian of the transcendence of the human being." The church will preserve its autonomy and respect the autonomy of the government in its area.

Caesaropapism can no longer recur. However, all this does not mean that the church cannot become involved in certain, primarily spiritual and moral, areas of the life of society and in that context even take up a critical position toward the public authority when that is necessary. Certainly, when the church resorts to such criticism, it always does it with good intentions and constructively.

As for the departure of the editor in chief of GLAS KONCILA, that was his personal decision.

[Culic] That Catholic weekly recently expressed disagreement with the renaming of certain Zagreb streets and squares, above all with the renaming of the Square of the Victims of Fascism. To what extent does that express the official position of the church? It is well-known that you personally also had objections to those name changes, and you did not agree to the change from Kaptol to Stepinac Square. Why?

[Kuharic] The church has no official position on the question of renaming streets and squares following the political changes. That is not its responsibility, although the religious newspapers are free and have taken their position on this. But as for naming a portion of Kaptol, Cardinal Alojzija Stepinac Square, in this case we feel affected and had our objections. The people who made that decision are surely well-intentioned people, but before any decision was taken, they still should have consulted with the office of the archiepiscopate because this is an important figure in the church. There is no doubt that Cardinal Stepinac deserves to have the injustice done him corrected, but this must be done by agreement, in order to avoid debate and misunderstandings. The small piece of Kaptol in front of the cathedral, enclosed by cement pots, is certainly not a suitable place to bear the name of Stepinac. What is more, Kaptol has been the name for the seat of the church in Zagreb for a century, and there is no good reason to take from it a little piece that would have only one address: the archbishop's palace. I hope that a more suitable and dignified solution will be found for this. I also hope that some square or street will be found whose name would express respect for all the innocent victims during and after the war.

[Culic] Now that we are talking about disagreements over names, let us also mention the disagreement over the "promotion" of Christmas to be a Croatian state holiday. Let us not talk now about the timing of that decision, although adoption of religious holidays as state holidays certainly cries out for a critical judgment. I am more interested in the circumstances under which it was first proposed that Christmas be a two-day holiday, and then, with the explanation that the archiepiscopate had objections, the Croatian Assembly decided in urgent procedure in favor of the "thrifter" decision of a one-day Christmas. The decision is quite suitable, but it sounds almost incredible that the archiepiscopate has such direct influence on specific decisions of the Croatian Parliament.

[Kuharic] I am afraid that you are hasty in your conclusions because the facts do not stand as they have been presented to the public. No official question was put to us, nor did we offer any official response. That is why no one has the right to refer to the official position of the bishop or the church. The church has no ambition of imposing its solution on anyone, least of all the Assembly, and it has held to that. The church does not, of course, make it a secret that it is interested in a decent celebration of Christmas, which means that it is given the importance of a holiday which all religious people can celebrate in dignity as a religious day, and other people as a day of peace and love for one's fellowman. I repeat, officially the church was not asked about that, but only through personal contacts were solutions sought that in the opinion of church people, as being the best-informed, would be more suitable and better. Because it is of interest to you, our opinion was that if by some chance there were to be a two-day Christmas, then it would be better for the second day of the holiday to be Christmas Eve rather than 26 December, as had been proposed. We are now hearing objections that the church was interested in "shortening" Christmas so as to win the fight more easily to "nationalize" certain other church holidays. I must say that this is not accurate. It is true that we are interested in the holiday of All Saints, but generally speaking it can be said that the church is more interested in restriction than in a further spread of religious holidays. Incidentally, it is well-known that quite a few holidays have been dropped from the church calendar which religious people previously were required to celebrate, but today they are no longer considered "mandatory."

[Culic] Debates about religious instruction are continuing. The belief prevails in a segment of the church public and religious public that it should not be introduced into the regular school curriculum, but the bishops whom you head think differently. Is not the top church leadership opting here for decisions which are a step backward from the achievements of civilization here and in the world?

[Kuharic] During the official reception when the new government was inaugurated, one member of the government told me that they intend to open the door to religious instruction because a moral restoration of society is necessary. And I actually do not see any reason why religious instruction would not be possible in the schools, especially where there is no other suitable place for it. We, of course, do not think that religious instruction can be imposed on those pupils and parents who do not wish it, but it is certain that a majority of citizens who are believers want it. Incidentally, they are paying the tax to cover the costs of education, so they have a right for the space of the school to be used for both religious and moral upbringing of their children. And democracy respects the wish of the majority, does it not?

It seems to me that the fear of religious instruction is a remnant of the mentality created by the materialistic

world outlook, which excluded from upbringing everything that was religious or had any connection to religion. That is why the sentence in your question that this might be a step "backward from the achievements of civilization in Croatia" sounds a bit strange to me. That observation would be valid, and religious instruction would in fact be a step backward, only under the condition that religion is still considered retrograde, and its militant ejection from the schools progressive. But that, of course, is not the case because it is precisely under the Communists that the decline of civilization occurred in the spiritual and moral areas. At the same time, highly civilized countries in the West which recognize religious schools or have religious instruction in the public schools, do not consider this incompatible with the progress of civilization. On the contrary.

[Culic] In the debate concerning the new Croatian Constitution, some people have been proposing—so far unsuccessfully—that Croatia explicitly define itself as a secular state. Probably the aim here is to get the better of precisely the idea which you and the top church leadership advocate, but also the ever increasing "crowding" of the media with church events and topics, etc. What is your attitude toward the secular state?

[Kuharic] Negative. The idea of the secular state is a thing of the past, and it is no longer emphasized today. A number of democratic states skirt the issue, just as they skirt the issue of religion. In the pluralistic system of the present-day societies, the state no longer defines itself either by its religious commitment or its secular commitment because this is a question of personal world outlook. What is more, the secular idea might be very easily equated with the idea of the materialistic, and this discriminates against believers, who still constitute a majority of the population.

As for the alleged "crowding" of the media with church topics, I do not see that. I think it is fair for the media to give pious citizens objective information about the events which interest them. That is in fact why they pay for the media. We therefore expect that regular religious programming will be arranged on television and radio in proportion to the justified needs and expectations of religious people. This certainly would not signify "exclusiveness" of the media, just as I do not see that the media have been "crowded" by the statements which church people have made in political life. Which church people? In what political life? Will there not be someone who will be critical of this interview? Surely, men of goodwill will not be angered by that.

[Culic] You probably see no reason either for a segment of the public to be afraid that the church will demand legislation to establish the rule of so-called refined behavior in marital life, family planning, public morality, and so on?

[Kuharic] We see no reason for fear. The church has never "demanded" anything, and thus it will not demand that the rules of Catholic morality be accepted

as standards binding on all of society. We will merely join the debate, on an equal footing with others, concerning the new constitutional system of Croatia, and just as others will propose their solutions, so the church will also advocate its own. I do not see how this contradicts the democracy which we are building in Croatia.

[Culic] Fine, but every democracy also defines certain ultimate goals, and from that standpoint even what people want to achieve in an acceptable and democratic manner may be unacceptable. Let us take the example of the Western countries, which you say allow religious instruction in the public schools and that no one considers this "contrary to civilization," and this, you say, ought to be our guide. But these are countries which long ago separated church from state, and this is not such a burning issue for them as it is for us. What is more, they also have a simpler ethnic composition, and there is no danger of "taking sides," which here cannot be excluded.

[Kuharic] First of all, I do not recommend any copying of foreign models because the countries I mention take differing approaches to religious instruction, some allow it, some do not, but the majority allow religious schools with the rights of public entities. This indicates a quite different conception of the separation between church and state than in the communist regimes that prevailed until recently, which drastically excluded any influence of the church in public upbringing. Now that that ideology has experienced its collapse, we should look through different spectacles at the relation between the church and the school and seek solutions along the line of world standards. You mention the danger of taking sides, but even that is not something that cannot be overcome. We did, of course, have religious instruction in the schools before the war, so that we have some experience, and if we agree that religious instruction can be brought back to the schools even today, no one prevents us from seeking solutions that will from the outset take into account the danger which you mention and frustrate it.

Because you put this question in the context of public morality which the church is advocating, let me clarify that as well. The issues of public morality are arising out of the public immorality which has been making its way through the so-called "modern way of life." I must say, then, that without morality in personal and public life, there can be no wholesome society, there can be no healthy politics, economy, nor culture. If we alter or substitute the concepts of good and evil, the foundation of all human relations is destroyed, and that is why we must recognize the limits between good and evil, just as we must recognize the limits between love and hatred, between truth and falsehood. If that boundary is erased, then only interests, profit, the selfish fight for power, wealth, and enjoyment become the principles of life, and then such a society hurls itself into the abyss. By contrast with that, the church preaches God's Ten Commandments, and it may not alter those principles to suit the taste of the world, however rigid they may seem to some people. Those are tried and true moral values, and they

are the best defense against the moral nihilism in which present-day civilization has fallen with its materialism.

[Culic] In the speech at Jastrebarsko, you condemned the disturbance of the religious people in the Orthodox Church in Zagreb and called for the Croato-Serb tension to be resolved through dialogue. I do not know whether there is any connection, but not long afterward there was a joint peaceful declaration by a Catholic priest and a Orthodox priest in Pakrac. What is to be done so that there are more such examples?

[Kuharic] I have declared publicly on several occasions that patriotism is a love of one's people, but that is because love also includes respect for other peoples. Love which is shot through with hatred toward someone else is not love. That is precluded. So, if someone, supposedly in the interest of his own nationality is spreading hatred against someone else, he does not love his own people either. The Pakrac declaration of the two priests, Catholic and Orthodox, is profoundly Christian. Unfortunately, before that another declaration was signed in Pakrac by Orthodox priests at a high level, a declaration which saddened us and is continuing to deepen interethnic mistrust, of which there is too much already.

[Culic] The last issue of AKSA published correspondence previously unknown between you and the Serbian patriarch from which it is evident that back in 1982 you initiated establishment of a joint commission with the Serbian Orthodox Church to resolve outstanding issues between the two churches, an initiative that never was carried out because of hindrances on the Serbian Orthodox side. Will you undertake a similar initiative now with the new Patriarch Pavle and perhaps seek contacts with him such as you had with his predecessor?

[Kuharic] We are always open for meetings and dialogue. I have already sent sincere congratulations to the new Patriarch Pavle, and as I read the first information about him, I hope there is no obstacle to dialogue. It has been my opinion even up to now that there are no obstacles to ecumenical dialogue that cannot be overcome, provided it is not burdened with day-to-day politics and is turned toward the future. And that the two churches are turned toward what they have in common, and what we have in common are Jesus Christ and the Gospel. From what I hear, the new patriarch is a spiritual man, and I expect that the highest Christian values will take first place with him. Patriarch German, who held that office until recently, had that spiritual trait, but there were also influences present in the Serbian Orthodox Church which stood in the way of open and relaxed dialogue. I hope that those influences will now disappear.

If you have no more questions, I would take this occasion to conclude by wishing your readers and all men of goodwill a merry Christmas!

### Group of Belgrade Terrorists Captured in Croatia

91BA0188B Zagreb DANAS in Serbo-Croatian

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[Article by Zoran Daskalovic: "Terrorists Wearing the Cockade"]

[Text] Violence and terrorism have been a part of Croatian everyday life for a long time now, but also a reality counted on by policies which are still in the end valid in these parts. From the one in power to all the others. Nurtured in the end game of the collapse of what until recently was the Yugoslav system, which was played under the prevailing influence of mutually opposed ethnic policies, violence and terrorism have almost been becoming a constant in Croato-Serbian relations in Croatia, but it seems also of relations between the Croatian and Serbian states, which these days are rounding themselves off to form independent and sovereign states. At a time when terrorism as an instrument of political struggle has been verbally announced on both the Croatian and Serbian sides, and indeed has even occurred several times, attempts have been made in public to penetrate the causes producing it. But since this summer, when it took on the form which is most concisely and frequently termed the log-revolution, attention is being directed toward those who might be the inspiration and toward the actual participants in terrorist activity.

And as usually happens, opposite assessment surged to the forefront. Explained and justified on the Serbian side in terms of the premeditated terror of the state following election of the Croatian government that has been installed, which was proclaimed Ustasha-oriented, the log-revolution is often attributed in the ranks of Croatian politics to the Serbian Democratic Party [SDS], or at least to its radical wing, but at the same time it is also treated as a part of a scenario originated by current Serbian policy, that is, the policy of Milosevic. However, responsibility for terrorist activity has been publicly taken upon itself only by the "Council of Popular Resistance to Violence Against Serbs," and no one has as yet proven that others were directly involved in all this.

### The Arrest Was Prepared

The Council of Popular Resistance, which is said to have its headquarters in the former brigadier settlement at Golubic near Knin, has taken responsibility for all the violence and terrorism that has occurred in Croatia from August to the present day. In its public communications, the council is unambiguous. In one of them, for example, it states: "...The Ustasha police investigating authorities stand warned that the Council of Popular Resistance does not recognize and never will recognize the legitimacy of the new Croatian Government in these parts and will prevent every measure which that government attempts to carry out against Serbs just because they are Serbs." Or, in another one: "Ill-intentioned citizens, drivers, and passengers in vehicles stand warned that in the future every obstacle will be defended with gunfire."



The Ustasha authorities are specifically warned that they will be exposed to murderous fire without the usual warnings in every future attempt to track the Serbs who have been charged and are being pursued. Investigatory proceedings will be instituted for high treason against police spies and provocateurs." All cases of violence, in particular the recent wounding of travelers who passed the barricades, and the attack on the police patrol in which one of the policemen was killed, have intensified the pressure of an outraged, but also frightened public on the authorities, demanding that they detect and frustrate the activity of the organizers of the terrorist acts and those carrying them out. The response was the announcement of publication of the so-called "White Paper on Terrorism in Croatia," but so far it has not seen the light of day.

And then last week six suspects were associated with the log-revolution, and for the first time terrorism in Croatia took the form of specific individuals on the basis of persuasive evidence. When the public was informed about the arrest and opening of investigatory proceedings in the Sisak District Court against three men from Belgrade and three from Banija suspected of preparing terrorist acts to destabilize and bring down the Croatian government, it was like opening the first pages of the announced "White Paper on Terrorism in Croatia." To be sure, this occurred only after various stories had spread rather widely in Banija about another arrest of a group of Serbs and after the Belgrade newspaper VECERNJE NOVOSTI, and following it other newspapers, had started a series of articles on that arrest, following the trail of those stories and information obtained from the defense counsel of those who had been charged.

Press conferences in Sisak and Zagreb held that same day followed by way of a reaction. In Sisak, Franjo Jerkovic, acting public prosecutor, passed out a brief press release giving the names of those arrested and the reasons for conducting investigatory proceedings. In the new district prison in Zagreb, where the suspects were transferred and in which they are under the intensified watch of the guards, Zeljko Mlinaric, investigating judge of the Sisak District Court, in addition to photographs and videotapes of the suspects, presented some more information, remarking that it was not possible to make other details public in the interest of the ongoing investigation.

During the night, at about 0200 hours on 29 November, Dusan Bandic, Zeljko "Arkan" Raznjatovic, and Zoran Stevanovic, all of Belgrade, and Dusan Caric of the village Uncani near Dvor na Uni were arrested in the village Hrtic near Dvor na Uni. And on 2 December Milos Knezevic and Ljuban Dragosavljevic were detained in Kostajnica; both of them come from that Banija opstina. Investigatory proceedings were instituted against the first four arrested on 2 December, and on 6 December against the other two. Temporary custody during investigations lasting one month was ordered against all of them. Zeljko Mlinaric did not speak at length about the arrest itself, except to say that

at that moment Raznjatovic and Stevanovic were carrying firearms ready for use. When asked how it is that they did not use them, Mlinaric answered briefly that such a reaction on their part at the place where they were arrested could only have resulted in casualties and a bloody outcome, which fortunately did not occur. At the same time, in Mlinaric's opinion, this is also an indication that the police action was well-prepared.

#### The Belgrade Underground

Firearms and other articles which simply do not fit into the story of a harmless visit to Croatia were found on Raznjatovic and Stevanovic and in the Mitsubishi terrain vehicle from Belgrade Rent-a-Car, in which they were arrested together with Bandic and Caric. The articles confiscated from them included two Heckler automatic pistols, one pistol and one revolver, two hand grenades, more than 300 rounds for those weapons, a can of Mace, a tear gas canister, forged papers, camouflage gear, Chetnik insignia, dinars, and foreign currency. According to the investigating judge, on the basis of the physical evidence confirmed by criminological processing in the Croatian Ministry of Internal Affairs and the investigatory operations conducted, the six suspects were arrested as they returned from Knin, near which, probably in Golubic, together with other persons of which there is also a record, they attended a meeting of the so-called war council in the evening hours of 28 November. In addition to the Chetnik insignia displayed and use of Chetnik terminology, during the early evening in Knin an analysis was made of activities to date, and agreement was reached on setting up new barricades on transportation routes and on other forms of violence which for several months now have been making life in Croatia ever more dangerous every day. Opportunities were also examined for obtaining weapons and other supplies for terrorist purposes.

In response to the question of whether the persons charged had confessed to this activity, Mlinaric, the investigating judge, replied that possession of the confiscated weapons and other articles and participation in the proceedings of the so-called war council would not be contested. As to the identity of the other participants in the meeting in Knin, Mlinaric did not want to speak in the interest of the investigation, except to say that there was a record of them, mentioning that everything he had said was based on the course of the investigatory proceedings up to that point, which does not mean that the investigation will not extend to other persons nor that investigatory proceedings against some of the present suspects will not be halted.

The videotape shown to newsmen in the Zagreb District Prison showed Bandic, Raznjatovic, Stevanovic, and Caric during the process of establishing which of the confiscated weapons and other articles belonged to whom and how they were dressed and armed at the moment they were arrested. On the tape, which was played without sound, in the interest of the investigation, so it was said, Raznjatovic and Stevanovic did not

make an impression that was in the least harmless with the weapons they had. Dusan Bandic, the oldest of them and also the person in charge of the three from Belgrade, also aroused interest. During discussion of this 62-year-old pensioner born in Gracac, a question was put about what was his occupation before he retired? Mlinaric, the investigating judge, however, said only with a laugh that he had a large pension, without specifying whether he had been in the military, in the police, or some other sector. After the press conference, DANAS asked him to answer the question whether there was a connection between the present six suspects and Precanica, Kalambura, and Loncarevic, against whom investigatory proceedings were also conducted because of suspicion that they had organized the uprising in Petrinja and the attack on the police station? Zeljko Mlinaric replied that so far the investigation had not established a link between them, although the activity of the six under arrest was closely related to the disturbances in Banija.

Nevertheless, among all the suspects the greatest attention of the public was paid to Zeljko "Arkan" Raznjatovic. The 38-year-old leader of "Delije," a Crvena Zvezda fan club, the owner of the enterprise and pastry shop "Ara" in Belgrade, has for several years now turned up from time to time as one of the leading figures in newspaper reports on the underworld.

He belonged to the group around "Ljuba from Zemun," the legend of the Belgrade underworld killed in Germany. Because there are also various stories circulating about "Arkan" which he himself and the Belgrade underground have initiated, it is difficult to completely distinguish the truth from the rumors and tall tales. According to what has been written by VECERNJE NOVOSTI, the Serbian Republic Secretariat for Internal Affairs, upon a request from its counterparts in Croatia, ascertained that "only Raznjatovic" had a police record and had been convicted of several crimes. The controversial Belgrade newspaperman Milovan Brkic also wrote frequently about "Arkan," intrigued by the connection between one of the leaders of the Belgrade underground and the Yugoslav secret police. Recently, in NASI DANI of Sarajevo, Brkic used Raznjatovic as an example in "pointing out the unscrupulousness with which the Yugoslav secret police operates." Writing about the Third Administration of the State Security Service of the Federal Secretariat for Internal Affairs, which is responsible for the "emigre community," Brkic said that it relied mainly on people from the underground. And he documented this precisely with the example of "Arkan," of whom he says that he went astray as a juvenile, when the court sentenced him to three years of reform school. "He drew notice as a boy who was quick with a revolver, and our service made him their man. He goes abroad to work 'a bit for himself,' and a bit also for the 'good of the country.'"

#### Drawing in the Serbs

Brkic asserts that "Arkan," because of the services he rendered the Yugoslav secret police abroad, and this had

to do with settling accounts with "ideological opponents" of what until now was the Yugoslav system, enjoys its protection within the country. Because of that protection, he escapes prison sentences for crimes for which other individuals serve many years.

Brkic gives as an example the time when Raznjatovic wounded two policemen of the Palilula Opstina Secretariat for Internal Affairs who had come to arrest him by order of their superior, but he escaped both conviction and prison because of the protection given him by the Yugoslav secret police. Only when he beat up Predrag Djajic of Belgrade did he end up in the First Opstina Court in Belgrade, where he was sentenced to nine months in prison. On that occasion, the federal Secretariat for Internal Affairs, according to what was written in EKSPRES POLITIKA, informed the court that Raznjatovic had never been an employee of the federal Secretariat for Internal Affairs, although the papers of the case included as evidence the credentials issued to "Arkan" as a chief in the Third Administration of the State Security Service.

It is often mentioned, incidentally, that Stane Dolanc, who among other things was a former head of the Yugoslav police, brought pressure to bear for Raznjatovic to become a collaborator and hit man of the secret police. He supposedly did this at the request of Raznjatovic's father, with whom he had formed a friendship when the latter was an officer of the Yugoslav People's Army employed in Slovenia. "Arkan" was in fact born at Brezice in Slovenia. He often showed to his acquaintances a Colt with an engraved dedication testifying that Dolanc had given it to him. Even those who have seen the Colt say that that dedication does not prove that the Colt was a present from Dolanc and that it is possible that this is one of the ways in which "Arkan" guaranteed his untouchability and strengthened his position in the Belgrade underground.

Brkic goes on to write about Raznjatovic's role in Crvena Zvezda, linking him indirectly to Radmilo Bogdanovic, head of the Serbian police who is a member of the Crvena Zvezda management. However, in Brkic's article in the Sarajevo NASI DANI the Serbian police minister denies any connection with Raznjatovic, either for his part or that of the service he heads. In spite of that, Brkic says that Bogdanovic counts on "Arkan's" services. He cites as evidence that on 13 June of this year Zeljko Raznjatovic was among the police who dispersed members of the Democratic Party who were demonstrating in front of the building of Television Belgrade, demanding removal of Dusan Mitevic. Brkic also quotes the assertion of Radmilo Bogdanovic concerning this: "Raznjatovic called up because of that (the demonstrations) and offered his help, but I advised him to do his own job, and the police would do theirs." In spite of this assertion by Bogdanovic, according to Brkic, "it remains unclear why Raznjatovic was included in the police detachment." He goes on to say that Raznjatovic's targets

include opposition leaders in Serbia, whom "Arkan" allegedly is threatening by order of the Serbian police minister.

Probably in mind of everything that is associated with Zeljko Raznjatovic, although he does not say so, the defense counsel of the suspects, the Belgrade lawyer Toma Fila, stresses in VECERNJE NOVOSTI that the whole case has a political background: "The objective is obviously to draw Serbia into everything, but I am certain that in the end it will all turn out to be 'much ado about nothing.'" But Zeljko Raznjatovic, judging by what VECERNJE NOVOSTI has written, probably on the basis of information they learned from the suspect's defender, is defending himself in the investigatory proceeding with silence.

The scenario of the six individuals of Serbian nationality suspected of preparing terrorist acts in Croatia, that is, "of preparing commission of generally dangerous actions and other acts of violence, all toward the objective of creating greater insecurity and destroying the government in the republic established in democratic elections," is accessible to the public only in rough outline.

Nevertheless, because of a number of details and facts which fit into the known picture of political events in

Croatia and Yugoslavia, it indicates that for some time, even apart from the Kosovo drama which seemed to be an isolated zone in the twilight of peaceful politics, violence and terrorism have been increasingly a feature of political relations within Yugoslavia.

The easiest thing is to attribute terrorism exclusively to the ethnic interests which for several years have been dominant in Yugoslav politics. But that does not account for it all: The ideological interests, economic interests, and indeed even prestige of certain strata of those previously or still in power have had their fingers in the preparation and spread of terrorist politics.

And while Europe is hurriedly moving away and is already forgetting the years of the Cold War and all forms of violence in relations between its west and east, Yugoslavia seems to be sowing the seeds of terrorism within the boundaries of what remains the federal state community. At this point, it is still difficult to make a precise estimate of the extent to which all those policies have become stuck in the terrorist mud, regardless of who might have been involved in preparing it.

Successful conclusion of the investigatory proceedings against the six suspected of preparing a terrorist cache in Croatia can only help.

## POLAND

**Education Officer To Pioneer Reform in Ranks**

91EP0144A Warsaw PRZEGLAD WOJSK  
 LOTNICZYCH in Polish No 11, Nov 90 pp 3-5

[Article by Brig. Gen. pilot Zenon Kulaga, chief of the Air Force and Air Defense [WLiOP] Education Department and Sejm deputy: "The WLiOP Education Department: Its Tasks and Issues"]

[Text] It has been only a few months since the WLiOP [Air Force and Air Defense] Education Department has been in service. This is too brief a period to make general statements about the modest number of experiences which have occurred to date. It is still easier to project what sort of service this department should be than to determine how it is to implement the expectations of the military and of society.

Those of us who have embarked upon the implementation of tasks according to the new formula constitute a very small group; meanwhile, the scope of powers of the Education Department has been considerably restricted with regard to the former political department. We are also aware that these are not the only obstacles, there are others which may be more difficult to surmount. Society's lingering dim view of the military harks back to the years in which a part of society regarded the military as a sort of guarantor of party ideology. Former political officers had their special place in this picture. It is pointless now to consider the validity and fairness of this assessment of the military by society. What is important above all is how to convince society that today we are different and, although we have no regrets about our autobiographies, we are prepared to fulfill society's expectations.

I am convinced that the time which has passed has not created a void in the hearts and minds of education officers. I believe that these officers have amassed some bitter experiences which have made them stronger, more cautious, and certainly more experienced both professionally and in terms of life experience. I also think that today's education department officers are aware that a portion of the military community has a limited acceptance of the former political department. These very important truths lay at the foundations of the building of a new plane of understanding between today's education officers and the military community and society. Alongside a feeling of bitterness, the extensive restructuring of the Education Department has ushered in an opportunity for qualitative changes. Let us try to make wiser use of this opportunity, proceeding so as to retain in the department only those officers who meet the new requirements and the challenges of the time. Many of us are still unable to find an answer to the question: What sort of person should the education officer be? I believe that we must find this answer primarily in the expectations and needs of military communities, at the same

time implementing the tasks which the superior authorities place before us. At one of the MON [Ministry of National Defense] military councils devoted to education issues, Deputy Minister of National Defense Bronislaw Komorowski said: "The education officer must be above all a pioneer of the reform of military life. He must also be the soldier's guardian and the organizer of cultural-educational work and of suitable recreation. He is to perform the role of spokesman for the rights and interests of military personnel, to aid the commander in formulating discipline, and to avert and moderate conflicts within the military community. The education officer is likewise the teacher of the history of the homeland and of civic education."

These are varied and difficult tasks, but tasks which the military community is anxious to see completed on time. I am aware that only an officer who has broad intellectual horizons, sincere and pure intentions, and an in-depth knowledge of history and society, and who is supported by his commander and is accepted by the military community can and should carry out these tasks.

We must work together to develop a concept—even a strategy—for education throughout the military, and especially in the WLiOP. The central idea of this concept should be whatever was honest, just, noble, and patriotic in our history, based on a universal ethics, on the best traditions of Polish arms. We would like to structure the entire philosophy of building the ideological attitudes and morale of the military on such premises. We shall steer clear of any hint of ideology and politics in our actions.

We would like to base the process of putting our army under state control on a clear and legible formula of cooperation with communities of all options and political orientations, without discriminating against or favoring any of them. The Polish Army should stand apart from political divisions and it should not yield to polarization. The primary task of the Polish Army is to guarantee the Polish state security and an independent existence. I think that the full acceptance of the Polish Army by all of society is contingent upon the degree to which these important goals are implemented and the way they are attained. Education officers play a special role in this dialog between the army and society. We would like education officers to function as a sort of conveyor belt, transmitting to society accurate information about the army, its needs and its concerns, alerting the army leadership to the expectations of society, and ensuring that this two-way dialog is highly ethical and very honest and sincere.

There is no denying that a considerable part of Polish society is still critical of the military today, even though the wave of criticism seems to have subsided. For this reason the task of education officers is to convey the truth about the military to society, in order to shield the military against unjust criticism. We are aware that some of the criticism is borne out in the realities of military

life. We are well aware that righteousness and integrity are still greatly lacking in interpersonal relations. We see examples of stupidity in military life. We still encounter frequent examples of formalism, apathy, and common boorishness. We would like to treat these maladies and eliminate them from our military life by working closely with the commanding officers and organizers of military life at all levels of the WLiOP command.

At the same time we must inform society that the soldier has special tasks to perform which emanate from the functions and goals of the army and that every soldier must have a specific physical and mental makeup. This makeup is created and strengthened during military service.

The commercialization and openness of civilian life which are sweeping over our country cannot be carried over uncritically and unchanged into military life. We must keep this in mind in our daily work. Today both our soldiers and our cadre know that we are living under different conditions; the rules of the democratic system have also encompassed the military. We are neither a taboo subject nor are we immune. Criticism of the military in the mass media, in many cases justified, forces us to offer decisive resistance to divisions among soldiers who entered the military in different years. Eliminating negative phenomena in this sphere is a priority task. Every success on this plane of action is very important for us, regardless of how small a success it is because it establishes our credibility as educators, it enriches military life, and it increases the ranks of allies of the military. Undoubtedly, the parents of present and future soldiers are our major allies. Along with their sons, who will enter the reserves, these parents will reinforce a positive image of the military in the eyes of society.

In developing and refining a new philosophy of education in the military, we are making use of the experiences of other armies and we are analyzing the forms of education in the army of the Second Republic. It is not possible, however, to adapt everything that we would like to use to current socioeconomic realities. We are much less attractive than the pre-September army was for many reasons (and these are generally well known). This situation forces us to increase our efforts to find and implement improved and, thereby, more effective educational methods. Let us try to ensure that elements emanating from the overall need of society are reflected in the educational process and especially in the course of civic education classes. Our state is in need of the formation of proper civic attitudes. The sphere of economic life, broadly understood, awaits the creation of a properly conceived work ethic. These civilian expectations are in line with expectations in the context of military realities and we would like to give them major consideration in our educational formula.

Our Education Department is small. Consequently, we need allies in our work as well as auxiliary mechanisms to expand our scope of operations. We also would like to

be the cocreators of these mechanisms, systematically increasing the body of allies which is drawn primarily from the military elite. I should add that I am in favor of creating a military elite. This elite is a cadre which has considerable intellectual potential and is made up of avid hobbyists in culture formative areas. It is able to seize hold of authority quickly and to dictate more refined conditions of military living. This group of people should be of help to us. We would like to be the cocreator of this elite, winning its sympathy and support.

Recently we obtained a new ally and partner, the military pastorate and the Catholic Church. The church, with its whole wealth in the field of education and its social prestige, is for us an important partner and ally. It has expressed through its representatives the will to cooperate and to help mold patriotic and socially acceptable character traits in the young generation of Poles. For our part, we are preserving the formula of religious tolerance and of respecting the right of individuals to freely choose religious convictions. We shall use neither pressure nor restrictions in faith matters. We expect the church to become involved in those areas of soldiers' problems which we presume shall never become part of the domain of commanding officers, and we have adequate proof that this will happen. Likewise we are pleased that the church is ever bolder in aiding us in the area of the formation of military discipline.

I would now like to discuss the humanization of military life. This process, which has been given a controversial assessment by the military community, is a significant step on the road to modernizing our army. However, it is in need of continued solid assistance in the fields of both education and economics. This process has yielded both positive results and disenchantment. The number of accidents and crimes outside the barracks has increased. Not all soldiers have understood that both sides must participate actively and creatively in the humanizing process. The humanizing process cannot be identified only with the pass, the leave, and a poster of a nude girl in the soldier's quarters. Nor should it mean that a soldier may behave badly when he is on pass and leave. We would like to attain to a totally new quality. As it becomes possible, we shall improve living conditions, for the military with its standard barracks is several years behind society. This must change. More refined attitudes in all relations must exist in subunits. We must get to know one another better, understand one another better, and respect one another more. We anticipate closer cooperation with society, and especially with the families of our soldiers who help their own sons by helping us. If they prevent drunkenness and tragic car accidents during passes and leaves, they thereby help us develop a sense of discipline and responsibility.

I realize that I have only scratched the surface of our educational work. Having noted only several of the directions of action to be taken, I hope for a dialog with the military community, for an understanding of our needs and problems.

**Recruitment Problems for Officer Schools Voiced**

91EP0177A Warsaw POLSKA ZBROJNA in Polish  
10 Dec 90 p 3

[Article by Stanislaw Lukaszewski in the column "Army Without Secrets": "Recruitment"]

[Text] It was said in the not-so-remote past that the flower of our youth should go to officer schools. I heard these words from many of our generals. However, this was wishful thinking because the flower of our youth, with a few exceptions, did not recently go to the WSO's [Higher Officer Schools]. They opted for civilian higher schools. What is the situation at present?

The quality of the training of cadres for the armed forces in the WKO's is becoming particularly apparent against the background of difficulties with the so-called acquisition of candidate cadets which have exacerbated in recent years. At present, officer cadets are selected from a numerically smaller pool of candidates. Therefore, they naturally do not necessarily have the best predispositions for the officer trade. At the same time, they are representatives of the present-day younger generation, with all of its favorable and unfavorable traits. Unfortunately, young people have increasingly many of the latter. However, more about this below.

The developed system of recruiting candidates to military vocational schools, which operated until last year, was based on the assumption that it is not an internal affair only of the army, but rather a problem for the entire state. This was expressed in the formal approach to these issues by the supreme state authorities. Certain documents were issued to this end which were signed by, among others, the chairman of the Council of Ministers. These documents caused the recruitment of volunteers for professional military education to far exceed in scope the framework of professional activities by military organs specializing in this. Therefore, recruitment was based on two-tier, parallel professional activities by military and public institutions—organizations operating in the army and in civilian communities.

To get through to the young people with requisite information, the military organs needed the creation of an appropriate environment for professional military service in the student community, as well as among the body of instructors in educational establishments. In theory, this task was to be accomplished by the public element, i.e., civilian organizations and institutions belonging to coordinating commissions for recruitment. These commissions were set up at the central level, in military districts, and in voivodships. Along with army representatives, they included representatives of political, youth, and social organizations, educational institutions, and the mass media.

The basic task accomplished by the commissions was to coordinate all information and program undertakings in the field of "recruitment-minded" influence on young

people, which was frequently exerted by both the military and civilian organs. Voivodship coordinating commissions were entrusted with a special role to play, especially after the secretaries of voivodship PZPR [Polish United Workers Party] committees (who imposed their role) assumed formal leadership of the work of these commissions in 1978. An optimal opportunity emerged in the voivodships to influence individual educational establishments and enterprises where young people, who represented a potential base of recruitment, were employed.

Simultaneous to the operation of coordinating commissions, the issues of recruitment were included in the scope of operations of voivodship defense committees (WKO's). This was supposed to be another path for social impact and the creation of a favorable environment for professional military training.

Representatives of the local organs of military administration, teachers of military science, and, to a lesser degree, the management and employees of local educational and professional advisory facilities were supposed to engage in finding volunteers directly. In military units, commanders of all levels carried out direct recruitment among soldiers.

With the benefit of hindsight, we may make the assessment that a system of recruitment operating in this format existed only in a technical sense.

In most cases, nonmilitary institutions and organizations never took their involvement in recruitment issues seriously. Frequently they did not even designate their representatives to the meetings of coordinating commissions or voivodship defense committees devoted to these issues.

Therefore, it should be noted that not only direct recruitment but also creating conditions for carrying it out—which was supposed to be the task of coordinating commissions—devolved on the local organs of military administration. In addition, the technical and organizational aspect of preparing the meetings of coordinating commissions and the WKO's devoted to the discussion of recruitment issues amounted to a considerable extra burden for the WSzW [Voivodship Military Staff Headquarters] and WKU [Military Recruiting Stations]. It should also be mentioned that the cadres of the military recruiting stations had the duty to prepare, from the technical point of view, the already "convinced" candidates, that is, put together necessary documents, refer volunteers to examinations, draft them for service, and so on.

Students of the last grades of schools above the elementary level were and are the main source of candidates. Previous graduates of these schools are also recruited, both those gainfully employed and those in basic military service. The recruitment of candidates among soldiers in basic service is performed in all military units. The involvement of the cadres of military units was and continues to be considerable, but incommensurate with



the results obtained. In recent years, the number of soldiers who express a desire to study in higher military schools has been symbolic. In 1981, 399 soldiers sought admission to academies and WSO's, whereas last year only 75 (this amounts to 0.1 percent of the total number of soldiers with a secondary education). Thus, this number has declined by a factor of four in 10 years.

Among the causes of this phenomenon, we should mention, among other things, the fact that draftees end up in the basic service who have been "picked over" for most of the potential candidates.

A negligible recruitment activity on the part of professional military schools is an essential reason as well. In principle, the participation of these schools boils down to simply assigning their officer cadets, many of whom do not make too good a "showing" talking about their school, to information and propaganda actions. As is known, one can talk about the army colorfully, especially when one has just put on the uniform and has absolutely fresh—and not necessarily balanced—impressions.

However, when I asked several commandants about the promotion of WSO's by officer cadets, they were very critical of any kind of information and propaganda actions by their charges. They said that these visits only make military schools look bad. The WSO's should promote themselves by means of a high standard of instruction (learning) and good performance of their graduates. All visits by officer cadets in schools make the attitude of the students altogether unfavorable.

In addition, the WSO commandants are reluctant to accept soldiers in basic service as cadets. As they see it, this reduces the efficiency of instruction.

In an effort to become partially independent of the fluctuating results of recruitment in civilian and military schools, the Ministry of National Defense set up and developed its own recruitment base in the form of aviation and general education military secondary schools. Military secondary schools operating under the aegis of the Ministry of National Defense met 12.5 percent of the needs of military education on the average.

Have they made the grade after fitting into the educational landscape? The maintenance of military secondary schools is very costly. I polled several WSO commandants on this. It turned out that they do not want to see the graduates of military secondary schools as officer cadets in their schools. The commandants said that they do not prove themselves. Their ambitions are high, and their attitude is exacting, but they give little of themselves. The standard of knowledge of the graduates of military secondary schools also causes serious reservations....

This may be at variance with propaganda to date, and with the way the military secondary schools were presented. However, such were the requirements of the controllers of the mass media at the time.

The truth is outing just now....

Various methods and forms of agitation were used in the course of implementing the general outline of a functional recruitment system intended to secure a number of candidates which ensured the possibility of required selection by the qualifying commissions of professional military schools. Information meetings of officers and officer cadets with students, individual conversations held both in the course of the draft and at any opportunity at the military recruitment stations, days of open barracks, "the green phone," and so on, were the most significant forms.

These undertakings made it possible to secure generally gratifying results in the years 1977 through 1980. The number of candidates for military professional schools in principle ensured that their needs were met, and even made it possible to conduct some selection. Unfortunately, in subsequent years the situation began to change, despite the stepped-up efforts of the local organs of military administration.

Between 1981 and 1983, the process of recruitment collapsed. From 1983, the number of WSO candidates was too small to meet the needs, even in the absence of selection in the course of qualifying proceedings. Therefore, the WSO's experienced a continuous shortage of those admitted for the first year of study. In the years 1984 through 1988, the number of those taking [admission] exams was lower than the number of slots.

This retrogression did not affect to such a degree military academies and WSO's of the quartermaster's, motor vehicle, and aviation services. Therefore, the reasons for the unpopularity of a considerable segment of the WSO's are not found in the essence of the system or its shortcomings. They are found elsewhere, namely, in the system of military education itself. After all, it is easy to notice that, for the most part, military schools are popular among young people, the graduates of which are prepared for civilian life as well.

This value, obvious and commonly known as it is, was not taken into account in the past decade, and appropriate conclusions were not drawn from it. They could have been useful in making changes...

A change in the sociopolitical situation, including a change in the political system, caused the issues of recruitment to somehow become an internal matter of the army. As a result, last year the operation of coordinating commissions was discontinued because they were an echelon which not only failed to support but even hampered work in the system of recruitment.

Therefore, these activities at the end of 1989 and in early 1990, as well as this year, are marked by an organizational scope reduced to a minimum. It was virtually reduced to information and propaganda meetings in schools above the elementary level (inasmuch as the directors of these schools are inclined "to perform services of this kind" for the armed forces), agitation in the

course of the draft, and the stay of potential candidates at military recruitment stations.

It should also be mentioned that the General Staff of the Polish Armed Forces approached Minister of National Education Mrs. Anna Radziwill with a request to ensure that the management of schools above the elementary level treat the issues of recruitment favorably.

Unfortunately, the environment for the work of WKU representatives with young people in schools has been less and less favorable.

This situation is, to a considerable degree, the result of the improperly interpreted interests of the defense of the country. In addition, the formal and informal organizations and groups of an anarchist persuasion, frequently with [merely] a dozen or so members, but noisy, which do not recognize supreme values, influence a substantial proportion of the young people, fostering antimilitary attitudes on the crest of emotions.

This is also an essential factor which causes the young people to be less interested in military service in general, and professional military education in particular.

The results of surveys of young people in schools above the elementary level taken last year indicate that, for an overwhelming majority of those polled, the profession of an officer or, in general, a serviceman does not have sufficient "advantages" which would prompt them to take up studies in military schools. A considerable disproportion was stressed between the lifestyle of a civilian and the requirements of military service. After all, most of the young people look at military service from the point of view of financial and housing conditions and broadly interpreted personal liberties.

A decline in the prestige of the military profession in public opinion is also a factor. At present, the restructuring of the armed forces which is in progress is a considerable additional influence on the declining interest in the military profession. It has caused a 16.5-percent drop in so-called recruitment results this year.

Primarily, [this has been the case] because fears have appeared about ensuring employment opportunities in the army after graduating from a military school.

One would like to treat the still operating remainders of the previous recruitment system as a transitional form on the foundation of which a new system for recruiting volunteers will be created. It will be adapted to the sociopolitical system which has emerged, as well as a new system of professional military education.

The Ministry of National Defense will endeavor to solve several basic problems in order to create the foundations of such a forward-looking system of recruitment which will be efficient and independent of changing sociopolitical conditions. First of all, care will be taken to boost the prestige of the military profession. This is a way to create elitism in the positive sense of the word. How should this be done? Financial conditions should be radically improved. However, is that possible, given the difficult situation of the country's budget? Guaranteed housing for officers and their families in all places of service would be a condition. This is also closely related to responsiveness, which is an integral attribute of the military profession.

These are the first two problems, prompt solutions of which are hardly realistic.

The situation would be the best if recruitment were not necessary at all. Therefore, if we cannot solve the two basic problems, all that is left for us is...recruitment. However, will the results of recruitment be favorable? There is less and less faith in its effectiveness.

## CZECHOSLOVAKIA

### Klaus Announces 1991 Financial Policy

91CH0216A Prague HOSPODARSKE NOVINY  
in Czech 19 Dec 90 pp 1, 4

[Article by Eng. Vaclav Klaus, candidate of sciences, CSFR minister of finance: "Goals and Procedures Involved in Financial Policy for 1991"]

[Text] Forty years of central planning with a specifically deformed and suppressed functioning of the market has led to a gradual accumulation of imbalance and inflationary pressures in the economy. The degree of economic imbalance was reduced over time by the movement of prices—be they overt or covert—but nevertheless imbalance is the greatest threat to economic development in the upcoming period.

Toward the end of the 1980's, it began to become increasingly clear that all possibilities for maintaining the existing degree of macroeconomic balance had become exhausted and that, while retaining the old system of economic functioning it was possible to seek a short-term way out only through the growth of foreign indebtedness or as a result of inflationary developments. However, a long-term solution required a fundamental change in the entire economic system.

The dramatic political changes in our country in November 1989 made possible the adoption of a strategy of deep economic reform, with the goal of replacing the centrally planned economy with an economy functioning fully along the lines of market principles. The strategy of this economic transformation is made up of three principal circuits:

1. a restrictive macroeconomic policy;
2. transformation of the ownership structure—privatization;
3. a set of microeconomic measures aimed at liberalizing prices, liberalizing foreign trade, introducing domestic convertibility of the koruna, and creating an economically favorable, efficiently functioning market structure.

The individual reform measures are mutually dependent on each other to such an extent that it is not possible to identify which one would be of a higher priority. Each measure is unique in that without the accomplishment of one, the other measures would lack a sufficient positive effect and could, in fact, result in the deterioration of the entire economic situation. This is particularly true of the importance of the macroeconomic restrictions. It is precisely for this reason that I shall deal primarily with the first circuit of measures of the economic reform, that is to say, of the macroeconomic regulation and the generally macroeconomic aspects of the entire transformation process. I shall attempt a preliminary evaluation

of the economic developments which have been accomplished thus far in 1990 and I shall indicate the principal goals and procedures of financial policy for the year 1991.

### Developments in 1990: Preliminary Evaluation

In formulating the goals of macroeconomic policy for the year 1990, the starting point was primarily the fact that it was necessary to prevent financial destabilization and the rapid growth of price levels—in addition to limiting nonproductive expenditures. In many markets for merchandise, services, and production factors, there existed a predominance of demand over supply and it was, therefore, necessary to initiate a process of restricting aggregate demand, or of blocking its growth. In view of the fact that, in the short term, it is not possible—despite the greatest effort to initiate institutional and structural changes—to achieve a palpable increase in aggregate supply levels, this becomes the solely possible macroeconomic strategy. Other alternatives would involve allowing rapid inflation or a return to full administrative price controls, which were substantially weakened in 1988-89—a factor which has been forgotten.

In concrete terms, the strategy of restricting aggregate demand was expressed by the adoption of the following goals:

1. In contrast to the proposals of the pre-November government to deal with the deficit in the state budget, we set ourselves the goal of overturning this trend and of achieving the anti-inflationary effects of financial policy through the medium of a planned state budget surplus at a level of 5.4 billion korunas [Kcs].
2. We intended to have a restrictive financial policy support even the anti-inflationary currency policy, the goal of which was to maintain the growth of the overall volume of domestic credits within a range of - 2 to + 1 percent. (During the fall months of 1990, this goal was "modified" to up to + 2.6 percent.)
3. We were striving to make the foreign exchange rate more realistic, a rate which should more truly reflect the real conditions of the supply and demand relationship in foreign exchange markets.
4. Prior to a radical change of the economic system, we wished to prevent the further growth of indebtedness in free currencies and to achieve a balanced balance of payments, both in the ruble area and also in the area of freely convertible currencies. We did not want to permit "reform-neutral" money from abroad to enter our economy.

At this time, we only have preliminary estimates available as to how these goals might be fulfilled by the end of the year. Data for the first 10 months of the year 1990 nevertheless permit the recognition of some fundamental macroeconomic tendencies and, thus, permit the evaluation of the existing fulfillment of the goals of macroeconomic restriction.

In conjunction with the state budget, it must be emphasized that, in 1990, the following were initiated:

a) a process for reducing the share of the state budget in the national income, a share which had reached the unmaintainable level of 70 percent in the previous period;

b) a process of transforming the structure of the expenditure and revenue side of the state budget—reduction of subsidies of the most varied kinds on the one hand and the strengthening of some social transfers on the other hand.

Attainment of a budget surplus in this and in subsequent years is complicated primarily by increased pressure upon the growth of socially oriented expenditures and losses of budgetary revenues which result from declines in economic activities. Lower production levels mean lower profits and, thus, lower tax revenues based on profits; lower production levels simultaneously lead to restricting employment and, thus, even lead to higher demands for payment of support during unemployment. During the first 10 months of 1990, it was possible to achieve a surplus in the state budget of revenues over expenditures at a level of Kcs5.1 billion.

The principal factor sharing in the successful achievement of a budgetary surplus is the growth of tax revenues based on the sales tax, thanks to a growth of approximately Kcs27 billion. On the other hand, unfavorable developments are showing up—even following adjustment for seasonal variations—with respect to revenues derived by the state budget as a result of the operation of state enterprises (lower profits). The annual shortfall of these revenues by the state budget could be as high as Kcs10 billion more than forecast.

On the spending side, despite a mammoth effort, it was not possible to achieve the anticipated lowering of subsidies paid to economic organizations because the changing economic conditions caused significant complications in the situations of a number of enterprises. The overall development of the balance of payments and subsidies is quite unfavorable and for the period of January through October (Kcs104.7 billion) is even worse than for the same period of last year (Kcs108.3 billion).

Even though the growth of average wages has hitherto been relatively slow, the mutual ratio between the growth of productivity and the average wage was not favorable. In industry, labor productivity declined by 1.3 percent, but average monthly wages increased by 2.1 percent; in the construction industry, productivity declined by 2.7 percent and average wages rose by 2.4 percent. In the enterprise sphere, this disparity, as well as other expenditure pressures, are showing up in terms of declining profits. Currently, there is a specific increase in inventories (from the beginning of the year, this amounts to an increase of Kcs32 billion) and a rise in insolvency, which reached a level of Kcs35.9 billion in October. Financial instability has also been contributed to in recent times by

the conduct of the population—conduct which in and of itself contains clear indications of inflationary expectations. This is manifested primarily in the decline of savings and in increased purchases of commodities which could, in the event of declining purchasing power of the currency, serve as preservable values.

In the area of monetary policy, credit expansion was successfully restricted, but, nevertheless, the original intentions of credit restriction will not be achieved. As of 31 September, the overall volume of domestically granted credits had risen by 2.7 percent in comparison to 1 January 1990, which means a slight increase, not only over the originally planned levels, but also over the softened pace of growth. However, liquidity in the economy is indirectly increased by insolvency.

Similarly, it has also not been possible to adhere to the original intentions in the area of the balance of payments. With respect to freely convertible currencies, the negative balance this year increased to Kcs16.4 billion and in terms of nonconvertible currencies, the increase was to a level of Kcs11.9 billion. This unfavorable development occurred even despite two devaluations, particularly as a result of the change in the conduct of domestic entities in the term of invoices and payments for goods and services. Despite this development, it has proven possible to maintain foreign indebtedness at approximately the same level—a level which was at Kcs7.3 billion as of 31 August 1990.

In a period of such express discontinuities, as were seen in 1990, the economy is affected by a significant quantity of external and internal influences, which it was not possible to take into account adequately and which threaten the ability to adhere to the anticipated development of the macroeconomic aggregates. However, this year's developments clearly confirm the correctness of the selection of a macroeconomic restrictive policy because without it there would be a far greater degree of oscillation affecting the development of prices, production, employment, and the payment balance.

#### The Goals of Financial Policy for the Year 1991

The main goal of economic policy at the macrolevel in 1991 will be to assure the maximum degree of stability for the economy, to prevent the development of an inflationary spiral, not to exceed a tolerable level of indebtedness, not to exceed an acceptable level of unemployment, even under conditions of a restrictive policy, and to assure the necessary social budgetary expenditures which would assist those who stand to lose the most in all of these changes.

In formulating the intentions of a restrictive financial policy (as well as a monetary policy) for 1990, it was assumed that room for this policy will be very narrow because our economy will be impacted by the following external and internal influences, impulses, and factors:

#### A. External Influences

- The crisis in the Persian Gulf, which expressly influences primarily the world price of oil. In addition to direct consequences of this crisis, which involve price increases for petroleum which we import, this crisis will influence our economy even indirectly, since it leads to a slowdown in worldwide economic growth and thus, among others, also leads to a decline in the potential demand for our products.
- The impact of the petroleum crisis on our economy will be heightened by making the transition toward payment for petroleum imported from the USSR in world prices and in freely convertible currencies. The high degree of dependence of our production upon the consumption of petroleum and the limited possibilities, for tactical reasons, for using substitute energy sources will lead to the following developments in the short term: a) There will be a specific increase in the price of energy inputs into our economy; b) It can be anticipated that a substantial deficit in the balance of trade will occur which it will be possible to cover only partially through a surplus in the capital account of the balance of payments and, for the most part, it will have to be covered through a growth in foreign indebtedness.
- The impact of the changes in accounting conditions involving the USSR and the other countries of (formerly) CEMA, which will be heightened by the anticipated specific instability in the majority of countries of this territory, will lead to anticipated, but also unanticipated fluctuations in the demand for our export products and to fluctuations in the supply of goods offered for import. We must anticipate a drastic reduction in our exports to those countries; we must anticipate an extensive sales crisis which will affect a substantial portion of our industry. A specific problem are the economic results of the unification of Germany, which will be reflected in a decline of foreign trade sales involving the territory of the former GDR of up to 70 percent.
- The development of the world economy is characterized by an overall weakening of competition. Problems involving the acquisition of liquid resources in world money markets and capital markets are growing and are accompanied by a growth in real interest rates. It turns out that there is virtually no single factor among the external factors which is favorable with respect to the Czechoslovak economy.

#### B. Internal Influences

In 1991, the systems area, but also the economic-political area, will be impacted by the following:

- A liberalization of prices and foreign trade.
- A significant portion of the process of privatization.
- The introduction of limited convertibility of the Czechoslovak koruna for domestic residents.

These systems changes will bring about the following developments: Even without regard to the macroeconomic regulation policy, a simultaneous decline in aggregate supply, a growth in price levels as well as a deficit in the balance of trade and balance of payments will occur. In this situation, it is clear that attempts to slow down the decline in aggregate supply (production and employment) through macroeconomic regulations could lead to nothing other than to acceleration of the growth of prices, to increasing imports and, thus, to promoting an imbalance in the balance of payments and developing pressures for more and more devaluation. Fiscal (as well as monetary) policy cannot afford and will not afford this development. The restrictive policy must strive to move along the cutting edge of a knife—restriction (augmented by price and wage regulation) must not be greater than is absolutely necessary; regulation of aggregate financial demand (budgetary requirements) and monetary policy must strive to select the optimum level of both economic evils—inflation and unemployment.

This is why we are striving to achieve a budgetary surplus of around 3 percent of the sum total of all three budgets and to sustain the pace of growth of the overall volume of credits granted (as a fundamental criterion of monetary policy) at approximately the level of inflation, that is to say, approximately 20 percent. It is only a matter of whether we shall be able to do so for the following reasons:

- social pressures;
- jurisdictional problems;
- and technical difficulties involving the utilization of indirect regulatory instruments.

It is a question whether we shall be able to realize these intentions in practice and whether aggregate demand will not increase excessively. It will most likely be possible to regulate newly arising flow magnitudes; it will be worse with respect to existing magnitudes, particularly with respect to the accumulated savings of the population, which it will be necessary to stabilize to the maximum extent through various methods.

To the extent to which the central bank will be capable of maintaining the growth of the overall volume of credits granted next year at the anticipated level (below the pace of inflation during the course of the year) and to the extent that the surplus state budget, which is being prepared today, will be adhered to (Kcs12 billion), there will undoubtedly be a short-term acceleration of inflation, but it will not be possible for the Czechoslovak economy to be exposed to such a high level of inflation as was the case in the first period. Although an indirectly controlled acceleration of money in circulation could occur in the economy, this development has its own natural limitations in the absence of the precipitous introduction of financial innovations which would facilitate payments contacts. In other words, it is true that despite all fears that price liberalization and devaluation of the koruna could lead to high inflation, the long-term growth of price levels must be determined primarily by

the pace of growth of the money supply in the economy (in addition to domestic credits, this includes foreign liabilities) and, furthermore, by the possible changes in the speed of money in circulation and by the pace of growth involving real production.

We are naturally left to face unresolved technical problems involving the effectiveness of limiting the growth of credits granted by the banking system. The previously mentioned insolvency can also act as a specific type of money—insolvency which is currently at a level of around Kcs35 billion, but which can significantly increase given tough restrictions. Here, the privatization of enterprises, which is the best weapon against mutual credits given inadequate liquidity, should play a principal role; however, today's state enterprises or enterprises which are assumed to be commercialized must tighten up their mutual relationships.

All of this has its risks in the sphere of the real economy, in a decline in production and a decline in employment. The express restriction of subsidies to certain enterprises by the state budget, the elimination of redistribution processes at lower levels, the growth of interest rates, and the not yet excessively express influx of foreign capital

can all lead to a specific decline in production, so that the above estimate of the decline for 1991, at a level of 5 percent, need not represent the upper limit.

As has already been said in judging the necessity and significance of macroeconomic restrictions, it is essential to strictly differentiate between short-term and long-term effects, which are significantly different. That which appears to be advantageous in the short term normally turns out to be unfavorable in the long term, and vice versa. If the specifically implemented macroeconomic restrictions appear to be risky to some in the sense that they can, in an effort to secure financial stability, lead to negative reactions in the short term in the form of a specific decline in production and a growth in unemployment, its positive character lies in the fact that it contributes to an accelerated freeing up of rare resources from those locations of their utilization which are the least efficient. The policy makes a contribution to seeing to it that these resources are utilized wherever this is most efficient—primarily in the private sector. This creates the prerequisites for economic growth and for improving the standard of living in the long term. Efforts to prevent a short-term economic decline at any price would lead to financial instability and to strangulation of economic growth in the future.

**Savings by Individual Households in the Years 1986-89 (International Comparison)**

Item	1986	1987	1988	1989
Value in constant prices (1980 = 100) <sup>a</sup>				
CSFR	137.1	147.2	155.0	159.7
Hungary	130.1	128.9	123.1	116.7
Poland	88.6	83.8	78.4	49.6
Level of savings in percent <sup>b</sup>				
CSFR	3.7	3.8	3.0	2.5
Hungary	5.9	3.3	4.2	4.0
Poland	6.1	4.4	7.5	7.7
Marginal level of savings in percent <sup>c</sup>				
CSFR	5.2	6.4	- 16.7	- 11.4
Hungary	21.3	- 27.8	11.2	3.1
Poland	- 0.5	- 1.8	11.2	7.8

<sup>a</sup> Normal value of savings divided by the consumer price index.

<sup>b</sup> Level of savings growth in relation to monetary incomes of the population.

<sup>c</sup> Level of annual savings growth in relation to the annual growth of monetary income.

#### [Box, p 4]

The article by CSFR Minister of Finance Vaclav Klaus, which is presented on this page, was read at the international seminar devoted to problems of transformation of command economies to market economies, which was organized by the Institute of Economic Sciences of Charles University.

#### Attitudes Toward Economic Reform Explored

91CH0248B Prague LIDOVE NOVINY in Czech  
28 Dec 90 p 2

[Article by Marek Bogusza: "What Will the Reform Bring?"]

[Text] In the days of courageous New Year's resolutions and promises it is almost tasteless to say that this is

neither with breathless anticipation of changes nor with impatience for the time when we at long last shall clean up our Augean stable. Nothing doing, most of us value its intimately familiar warmth more than the uncertainty of a fresh breath of air, not to mention a good strong draft.

And thus, only 12 percent of the people (15 percent in the Czech Republic, 5 percent in the Slovak Republic) answered the question about their attitude toward the reform that it was good and that they would support it, while 8 percent (10 percent in the CR and 4 percent in the SR) rated it as not radical enough; 46 percent (40 percent in the CR, 58 percent in the SR) were of the opinion that it could be good but that it should focus above all on not letting our living standard decline; another 17 percent (20 percent in the CR and 13 percent in the SR) admitted that it was good but in their view, it should pay more attention to social issues. The remaining 17 percent (15 percent in the CR and 20 percent in the SR) stated that they were not familiar with it or that they could not make any judgment about it.

Hardly anybody would doubt that the reform will not only provide opportunities for entrepreneurship, which most of our citizens (95 percent) rate quite positively, but that it also will markedly increase differences in ownership, which—in the spirit of our traditions—a great majority of our citizens (94 percent) regard at least as something improper and immoral. After all, of all aspects from which the reform may be viewed, precisely social aspects differentiate our population most distinctly. By the same token, the majority of our public takes a negative look at it. Three-quarters of our citizens (70 percent in the CR, 80 percent in the SR) believe that the reform will cause exceedingly high weakening of our social welfare; nearly three-fifth (53 percent in the CR and 71 percent in the SR) think that great social injustice will follow; two-third (65 percent in the CR and 74 percent in the SR) expect that morality and interhuman relations will deteriorate.

The powerful social egalitarianism in our country has tenacious roots going deep down in history. Most of us will rather focus all our skills and efforts on "fair" division of a piece of bread, no matter how small, (no one should have more than the others), than to compete with others to produce substantially more (for himself, but in the final analysis, for others as well). The characteristics of this deviation border on absurdity and demonstrate symptoms of a serious disease of our social organism. The fear that the economic reform may enable some people to attain enormous wealth (61 percent; 57 percent in the CR, 67 percent in the SR) is considerably higher than the fear of unemployment (43 percent; 41 percent in the CR, 47 percent in the SR).

Naturally, when assessing the economic aspects of the reform, the majority of our public realizes that the reform is imperative and inevitable. Nearly 70 percent (75 percent in the CR, 57 percent in the SR) think that the reform will prevent a total economic collapse; only less than one-third (23 percent in the CR and 48 percent

in the SR) regard the beginning of the reform as the start of a erroneous economic development. Most of our citizens (56 percent in the CR, 46 percent in the SR) are also confident about the success of our economic reform and believe that once the initial difficulties are overcome, a rapid economic growth will follow.

In other words, most of our public regards the economic reform as a necessity of life, which naturally it accepts reluctantly and whose consequences it fears. If at all possible, it would personally rather avoid it and just read with interest about its hectic progress on the back page of daily papers. Therefore, especially few months hence, a considerable part of the citizens will be tempted above all by voices maintaining that although the economic reform may be necessary, and yet ...

Let us make no mistake. Alchemists' formulas to create prosperity without repaying sky-high debts that we managed to run up over the past scores of years, without individual efforts that are common in advanced civilized countries, and without changing attitudes and strategies of our life will not work. There is no perpetuum mobile, and we cannot continue going on the beaten track. The sooner we realize that it is now up to us, that the government does not hold us back anymore, and that nobody will do it for us, and the sooner we start to act accordingly, the sooner will the reform bring us what we wish.

## POLAND

### Effect of Dollar's Fall on Zloty, Economy

91EP0180A Warsaw POLITYKA-EKSPORT-IMPORT  
in Polish No 12, Dec 90 p 17

[Article by Jerzy Baczynski: "The Catastrophe of the Dollar"]

[Text] Something unheard-of has happened: In one year, the purchasing power of the dollar on the domestic market dropped seven fold. In Poland, today's dollar is worth what 12-13 cents was worth last autumn. In no country has American currency taken such a beating. The cult of the dollar, which we built up during the decades of the Polish People's Republic, still has its stubborn disciples, but the facts are brutal. Anyone holding dollars is losing money, month after month. This has never happened before. We still do not fully realize how tragic the economic, social, psychological, and even cultural, consequences of this phenomenon are.

Let us recall 1989. At that time, on an average, we were earning more or less the equivalent of \$30 a month. Even the worst-paid job in the West meant a fortune in Poland. Let us recall the hot fall of last year, when inflation was several dozen percent a year, and the large quantities of hot zlotys were stripping the marketplace. Anyone who could not invest money in goods bought currency. In 1989, the free market price of the dollar rose 12-fold. What happened, as described in economics textbooks, was the dollarization of the economy. The U.S.



dollar became the second, and then the first, means of payment in Poland, and almost all transactions between citizens (purchases of dwellings, automobiles, loans between individuals, etc.) were conducted in hard currencies. The enterprises, also, insisted on the notorious foreign exchange allowances, which were a hidden form of dollarization of sales. The result was a rarely encountered phenomenon: The value of foreign currency savings exceeded the total of deposits made in the national currency. Balcerowicz promised to return respectability to the zloty and today the dismissed government believes the strengthening of the zloty and the "dedollarization" of the economy to be one of its greatest successes. Furthermore, I want to remind you, not even in the boldest plans was it envisaged that the rate of the dollar to the zloty, fixed in January, could be maintained for the whole year.

### By Instinct

The skyrocketing devaluation of the zloty began in September 1989. From 1,054 zlotys for one "Washington" in August, we reached 6,500 zlotys in December, so as to finally, as of 1 January, accept (by instinct) an exchange rate equivalent to the highest previous year's free market price, i.e., 9,500 zlotys. Along with this drastic devaluation came the so-called internal convertibility of the zloty, i.e., the right of economic organizations to freely purchase foreign currency in Polish banks to finance their import obligations. By so doing, the government ceased the distribution of foreign currency, practiced in all countries of real socialism. This was an extremely risky operation. It was feared, and rightly so, that foreign currency-starved enterprises will begin to buy dollars in huge quantities. Sure, Western governments and banks gave us a billion dollars of stabilization credit to maintain the exchange rate, but there was no certainty that this billion would not dwindle away in a couple of months. Many experts believed that the rate of 9,500 zlotys to the dollar is definitely too low, that it should be 12,000, maybe 15,000 zlotys, so that, with the anticipated high inflation, it could be maintained for some time in the role of a nominal anchor, or anti-inflationary stabilizer of the economy. (Prof. Jeffrey Sachs believed that this was the key condition for success in the struggle with hyperinflation.)

L. Balcerowicz and his advisers decided, therefore, to erect numerous barriers to defend this ("surprisingly low") exchange rate. A requirement was instituted that 10 percent of the foreign currency obtained must be deposited into noninterest-bearing accounts; a sales tax on imports was imposed; customs tariffs were raised; and at the same time, by applying a strict monetary, budget and credit policy, the flow of money to enterprises was slowed down. And most important of all, a requirement was instituted that the foreign currency obtained must be resold, i.e., it would be automatically exchanged for zlotys.

We now know that the government showed undue caution and the rate of 9,500 zlotys turned out to be much

too high. The high cost of import, due to the strong devaluation of the zloty and additional fiscal burdens, caused a 35-percent drop in foreign procurement during the first half-year. The enterprises, encountering a demand barrier on the domestic market (the consequence of wage restrictions and expensive credits), drastically reduced production and, first of all, stopped producing those goods which required costly import "input." In addition, in order to immediately repair their financial situation, the enterprises began to sell their foreign currency reserves, increasing the supply of dollars in the banking system. At the same time, difficulties in selling on the domestic market and the attractive rate of the dollar for exporters, meant that everyone alive tried to sell abroad whatever he could.

Unexpectedly our trade balance surplus began to grow, amounting to \$3.5 billion in a couple of months. Nothing like this had ever happened to us before. As a result, we not only did not have to make use of the stabilization fund, but any further devaluation of the zloty made no sense. A change in the January rate could only deepen the observed tendencies. It would slow down import even more, thereby deepening the recession; it would further strengthen the tendency to sell our production for a pittance; in addition, it would increase our foreign currency reserves, weakening our positions in our talks with creditors, etc. That is why the exchange rate remained unchanged, and furthermore, in the middle of the year there was talk about a possible revaluation of the zloty to the dollar.

Let us look at what happened with the zloty at the time when the dollar was still worth its 9,500 zlotys, despite the efforts of the money changers to cause a little unrest on the currency market. In 10 months of 1990, prices of consumer goods and services more than tripled. In other words, the same goods which cost a dollar (9,500 zlotys) in January, cost about 30,000 zlotys, or over three dollars, in October. This, precisely, reflects the at least sevenfold drop in the purchasing power of the U.S. dollar, measured from September 1989. Before we talk about the many consequences of this depreciation of the dollar, a few words on the different interpretations of this phenomenon.

### Three Interpretations

According to the government, the fact that the exchange rate of the dollar has remained steady shows that the stabilization operation has been a hugely unexpected success. It appears that the exchange rate was fixed correctly, despite the universal pressure for deeper devaluation. We stimulated export and have a comfortable foreign currency reserve amounting to over \$5 billion. All that remains to be done now is to bring about a growth in imports, thereby revitalizing the economy, by removing import restrictions (actually, they have already been removed).

A second interpretation, from the moderate opposition among the economists, says that the government clearly

did more than was necessary in constructing its anti-inflationary program. The screw was overtightened, and the exchange rate of the dollar was established—it turned out—at too high a level. As a result, all basic economic parameters are exceeded in relation to the plan's assumptions. Inflation is too high, the recession is too deep, unemployment is too high, import is too low, export is too large, and the trade surplus is unnecessarily high. The fact that to date (despite a 300-percent inflation) the 9,500 zlotys to a dollar rate is adequate shows that Balcerowicz's plan was much too rigorous, producing surpluses and choking the economy.

There is also a third interpretation (contained in a report authored by Jan Glowczyk, former PZPR [Polish United Workers Party] CC [Central Committee] secretary, but also shared by many of Balcerowicz's critics from other political camps). Glowczyk writes: "The cause of the drop in the purchasing power of the dollar is its excess supply on the domestic market in relation to the demand for this and other convertible currencies. In other words, this is a side effect of economic recession.... The dollar surplus is the result of a decline in imports, the decline in imports is the result of a decline in production.... This surplus is of an artificial character, constrained by the recession, and it should be included in the accounting of the costs of the recession rather than in the total economic funds of the program being implemented. That, too, is the essence of the surplus in the State Treasury, the surplus of food, coal, energy, sugar, and grain. All types of surpluses now appearing in our economy have one common feature: these are surpluses in relation to effective demand." Summing up this viewpoint, Balcerowicz stifled demand so much that now we have too much of everything, because we are dealing with the shutting down of the economy. A deep recession is accompanied by a still deeper drop in demand.

Without going into a detailed analysis, each of these interpretations is justified to a certain degree. Which one of them is correct will be determined only by future events. If there is a distinct revitalization in the economy, Balcerowicz was right. If the economy remains stagnant, we have to lean towards the thesis that the economy was overstifled. A deepening recession will confirm the opinion expressed by the radical opposition.

#### **'Dedollarization'**

But let us return to the facts.... What are the effects of the drop in the purchasing power of the dollar? The first effect: The growth of our earnings in terms of the dollar. Over the course of a year, our wages (in dollars) increased almost fivefold. This is still scarcely a hundred plus dollars a month, but the "beggary gap" between us and the West has narrowed slightly. We have in our country more and more people who are earning several hundred dollars a month, therefore in the West they can feel like, e.g., citizens of Portugal, an EEC country. The attractiveness of work in the West has fallen to the same degree as the drop in the dollar's purchasing power. Although there is still a great advantage, it is not as

absurd as it was a year ago, when a person, after a couple of months' stay abroad, could consider himself financially fixed for many years. But if the depreciation of the dollar continues, fewer Poles will look towards emigration and perhaps some potential emigrants will even begin to look for ways to make money in Poland.

A certain side effect of this situation is the distinct change in the behavior of many Poles abroad. Spending a dollar for a beer or a subway token will not be as traumatic as it has been in the past. Furthermore, we find more and more that the prices of many articles in the West are not glaringly different from our domestic prices, and some goods are even much cheaper. This, of course, is the result of the liberalization of domestic prices and the opening up of our borders to imports. Naturally, foreign goods are still murderously expensive (compared with Polish earnings), but they are becoming relatively cheaper as the dollar depreciates. Recognizing that our structure of household expenditures is different from theirs, imported foods, for example, are now within the reach of the family with average earnings.

Here we come to another important phenomenon: Making and keeping the zloty internally convertible has resulted in Polish shops filled with imported articles, thereby giving the impression of abundance and market balance. I say "impression" because most of the imported goods can only be looked at. Nevertheless, thanks to the importation of consumer goods, our shops are finally fully stocked, which gives our neighbors cause for envy. Imports make up for shortfalls in domestic production (recession), and often actually replace some production (it has been revealed how expensively we produce). The fact that we have world prices and our earnings are several times lower is nothing—fully stocked shops create the motivation to work, and that is enormously important.

Another important phenomenon is the return of the zloty as a means of payment in Poland, and even as something to hoard. Zloty savings are growing much faster than foreign currency savings, although they continue to be lower. Anyone who believed Balcerowicz's pronouncements, and at the beginning of the year changed dollars into zlotys, and then put them into an interest-bearing bank account, even if he earned nothing (until March, the interest rate was lower than the inflation rate), at least will not lose much. The bank interest on dollar deposits does not make up for the drop in the purchasing power of hard currencies. Zloty savings are some kind of defense against inflation, and the dollar, with its steady rate, loses. Therefore, all those who have foreign currency accounts (we have 5.73 million foreign currency accounts with deposits totaling \$5.2 billion), are losing—that is, people having foreign income or who return from abroad. But if, which logic would dictate, they do not change from the dollar to the zloty, it shows their ingrained distrust of changing economic policies, and their lack of faith that the economy will be stabilized

and the reduction in inflation is permanent. Zloty savings are more advantageous, but they are also more risky. The political disarray in Poland, and uncertainty as to the further fate of Balcerowicz's plan, undermines faith in the national currency.

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What will happen to the exchange rate of the dollar? Will it remain at its present 9,500 zlotys? As long as we have a large foreign trade surplus there is no reason (no macroeconomic reason) to change this rate. But we know that soon this surplus will begin to shrink—for such reasons as the growth of expenditures for the import of petroleum, the change to foreign currency settlement of trade accounts with the Soviet Union, the rising imports (because, after all, the dollar is really becoming cheaper). No one can say today, with any responsibility, when it will become necessary to devalue the zloty. But I believe that we should not expect some kind of superdevaluation, but instead, some minor adjustments. On condition, obviously, that there will be no departure from the general principles of Balcerowicz's plan, which would be inadvisable.

Letting air out of the balloon, which is what the ridiculous free market exchange rate of the dollar was for years, is good (even if many of us are losing on this). If the convertibility of the zloty were to be threatened and Polish money again fall victim to extreme inflation, we would lose that which, with all reservations, was the greatest achievement of 1990: Fully stocked shops, return to our national currency, and the feeling that even in some small way, including psychologically, we have become a little like the West. The dollar, gradually, is losing its supernatural, mythological properties; the division of citizens into foreign currency natives [those with] and those that remain [those without] is disappearing, and the freak called "domestic export" has fallen. Paraphrasing the inscription on the pedestal of the shattered Dzierzynski monument, it should be said: "Do not weep, Washington, it was inevitable."

## ROMANIA

### Automotive Cooperation With Romania Unproductive

91ES0354X Paris LIBERATION in French 27 Dec 90  
p 5

[Article by Nathalie Dubois: "Renault and Peugeot Toil Away in Romania"—first paragraph is LIBERATION introduction]

[Text] They still had one hope for penetrating the Eastern front: Romania. But even there, the two French carmakers do not seem close to signing the smallest contract.

What are Renault and Peugeot doing in the East? While Volkswagen, Fiat, Ford, and Suzuki have already locked

up the Czech, Polish, and Hungarian markets by allying themselves with local partners, the two French auto manufacturers still have nothing to show. A look at the map of central Europe shows Romania as the only front still vacant. On paper, it is a windfall to be grabbed without delay: Not only do Romanians own the fewest cars among ex-Comecon residents, but they love France, and French manufacturers enjoy an infinitely stronger historical position in that country than in all the other former USSR satellites. Despite this combination of favorable factors, Jacques Calvet of PSA [Peugeot] and Raymond Levy of Renault are not about to sign the smallest contract in Bucharest for a long time to come.

For the PSA group, things even look extremely bad. Citroen, which formed a joint venture there in 1976 to produce small cars under license, is today mired in an insoluble legal dispute with its local partner. The Oltcit factory near Craiova, which began production in 1984, cost 4 billion French francs [Fr] in investment capital and is apparently in every way equal to the Rennes and Aulnay plants. It has an annual productive capacity of 150,000 Axels, an economical version of the Visa, a portion of which is intended for export to the West. But things have gone badly: Instead of the 150,000 cars, Oltcit has never succeeded in bringing out more than 20,000 vehicles a year. Citroen, which holds a 36-percent stake, halted all cooperation two years ago. In five years, then, the automaker has only managed to recover, with great difficulty, 60,184 Axels from Romania.

More serious, the car made by the Romanians will soon look nothing at all like the Citroen-designed model. Due to cost-cutting measures, Bucharest has stopped importing the parts authorized by the French manufacturer: rejects and defects are stacking up. So much so that Citroen ceased buying the Axels, which no longer met its quality and safety standards, at the end of 1988.

As a result, it is tough for Calvet to make any big plans for Romania before settling the dispute. The Oltcit factory accumulated some Fr6 billion in losses, of which Citroen absolutely refuses to pay its share. "There has been no perceptible progress in [resolving] the misunderstanding," is the restrained comment of the French Embassy in Romania. For the last 11 months, "no one has wanted budge" is the observation in Paris, where Calvet's intransigence is sometimes put down to a healthy defense of his private industrial interests (the accountant's view of the Ministry of Industry) and sometimes to insane bullheadedness (the diplomatic-strategic view of the Quai d'Orsay.)

The fact is, the Romanians, who are reputed to be merciless negotiators, are making generous use of the worst sorts of blackmail. They are cleverly spreading such rumors as: If Citroen does not pay, Oltcit is prepared to join up with the Japanese maker Mitsubishi or the Korean Hyundai. Perhaps to titillate Calvet a bit more, Bucharest has even let on that it might do business with Renault...

Nonetheless, despite the size of the market and strong Romanian demand, there is no stampede. "There is no question of Renault picking up Olcit or Dacia," the nationalized manufacturer firmly denies. Yet Renault "was contacted by Dacia, as early as the Romanian revolution in December 1989, to study the opportunities for cooperation." The company is well known to the Romanian maker, which worked under a Renault license between 1969 and 1979. Dacia, which is still making a "restyled" sort of R12 in its Pitesti factory, would be delighted to produce a more modern model.

After VW snatched Skoda out from under its nose in Czechoslovakia, Renault, according to the French minister of industry's entourage, "has a card to play in Romania." Renault's management has definitely given notice of its intention to rebound elsewhere—in Yugoslavia, Turkey, or a "third base." But there is no hurry. "In Romania," the automaker insists, "we are only at the exploratory stage." Despite the historical links between the French automobile industry and Romania, then, wariness is the order of the day.

## YUGOSLAVIA

### Problems in Coal Mining Industry Discussed

91BA0178A Belgrade EKONOMSKA POLITIKA  
in Serbo-Croatian 10 Dec 90 pp 29-30

[Article by Dragan Nedeljkovic: "Mines Facing Bankruptcy"—first paragraph is EKONOMSKA POLITIKA introduction]

[Text] In the history of the coal mines, never has more been produced and never has the situation been more difficult. Losses, illiquidity, and strikes are paralyzing the mines. No thought is being given to development. Without a strategy for energy development and an energy policy in the country.

With 1 percent higher production for 10 months of this year and the realization of the yearly plan of 75.4 million tons, coal mines are among three industrial branches that have an increase in production this year. When one considers that overall industrial production is dropping considerably, by over 10 percent, and that the consumption of energy under normal circumstances follows industrial production, a simple comparison of these two facts creates a puzzle. This is even more true in view of the fact that the overall production of coal achieved has been sold and consumed—there are no reserves. An explanation is not hard to find: Drought has prevailed almost the entire year, particularly unfavorable for the electric power industry, so coal-fueled thermal electric power plants worked at higher capacity and consumed more coal. And the electric power industry consumes over 80 percent of the coal.

Regardless of how much reforms, transformations, restructuring, and changes in concepts are talked about, everyone is still conscious of the old measurements of

success, elements of comparison, and reasons for pride. Miners are proud of the record level of production in a year where almost nothing is succeeding in the economy as a whole. Or they at least think that such production is worthy of notice, especially since two mines have been closed, and a major mine accident occurred in Kreka. Obviously, a long time will pass while we accustom ourselves to financial indicators as measurements of success, income, earnings, and profit, instead of tons and units. And according to these measurements, this year will be one of the most difficult ever for mines. Compared to last year, losses are greater by almost 800 percent, have exceeded total accumulation, and have brought the whole economic branch to the brink of bankruptcy. Illiquidity and chaos in financing (suppliers of fuel, explosives, shoring, and other materials are seeking advances, while purchasers are not paying for deliveries) have forced management to devote everything to the acquisition of funds, and the threatened payment of personal incomes has brought about a strike by employees almost every day. It is difficult to speak about work discipline and safety; no one is even thinking about development.

What else? According to the normal sequence, the end of the year is the time for preparing plans for the following year, since mines in any economic system cannot operate without a plan for production and consumption. On this basis, an annual plan is merely the adjustment of many years of development plans and coordinating with measures of economic policy in the country. Up to now, mines have fit into the energy balance as one of the instruments of economic policy, and relied upon announced goals. For the coming year, however, they have remained without support, like a fish on dry land. The Federal Secretariat for Energy and Industry has already prepared three versions of the energy balance for 1991, but this document still does not exist, nor does anyone know when it will be produced at all. They began with the assumption that the social product and industrial production next year would grow at a rate of 3 percent, then the increase was predicted to be 1.7 percent, and in the end they figured on a drop in the social product and industrial production. Understandably, needs for energy vary with various assumptions of economic movements, but the problem is how to arrive at them.

Actually, coal mines have their version of the plan for production and consumption of coal for next year, based on the capacities possessed by and the average needs of consumers. According to this version, coal production in 1991 would reach 77.4 million tons, which would be 2.5 percent higher than this year. How realistic the plan is no one is in a position to say, especially since it contains numerous unknowns. An important sector of these unknowns lies in economic policy measures, which up to now have been adopted along with the energy balance, and which have a direct effect on the financial status and employment of miners. The area of prices should be mentioned only as an example. Analyses of coal mines

show that coal has already been in a very unfavorable situation in primary distribution for several years, especially in the past two to three years; this has been the greatest cause of losses. Even taxes are a no less important factor—in a tax system where the basic burden is the number of employed, miners pay much higher taxes than other industrial branches. And it is known that mines have been semisocial institutions for decades and that they have too many employees, especially invalids and those unfit for work, which they cannot dismiss. More accurately, they cannot dismiss them by themselves.

It is as if economic reform and legalities have not yet knocked on the door of mines. Beginning with the transfer of ownership: in some republics they have been nationalized, but without adequate financial changes and consequences, in others they exist as social property, and with all of them substantive problems have not been addressed. Take Europe as a model: There, restructuring of coal mines has been brought about. With steel and similar "dirty" industries, the transformation has taken years, involved the government, mines, foreign capital, other industry, and private initiative, and yielded results. Similar actions are also being prepared in the nations of Eastern Europe, while domestic mines are increasingly sinking.

At this point it is worthwhile mentioning just a few figures from Great Britain. The restructuring of British mines began in 1983; the coal mines employed 219,000 workers then and produced something over 90 million tons of coal yearly. Seven years later the number of employees had been reduced to 73,400 and production to 75.5 million tons, but productivity per employee had increased from 470 tons to 1,080 tons annually. All unprofitable operations have been shut down—there are now 73 instead of 170—and about 160,000 miners have since found another livelihood. Some have retired, having been paid off for their length of service, others have been granted generous compensation for opening small private businesses, still others have gone to work in other industries. Understandably, the government has carried out the whole program, financing 60 percent of the opening of new industrial operations (often utilizing the already existing infrastructure next to the mines) and implementing stimulative measures in fiscal and social policy.

Whose program is it?—There is no doubt that domestic mines need restructuring programs, but the basic condition for whatever kind of longer-range planning coal production is to possess, is a strategy for the development of energy, a program for the development of individual energy sources, and a consistent energy policy. But Yugoslavia does not have any of that and is probably the only European country in this respect. All attempts to arrive at any kind of a program for energy development have been failing for several years already, and the current republic closing and isolation only

distance the government from the necessary basic documents. Several mines have reported their development programs to the International Bank for Reconstruction and Development in order to get credits; readiness exists there to finance energy programs, but there are also two substantive comments—the bank is prepared to grant credits for Yugoslav projects, but not republic projects, under the condition that enterprises make themselves financially able to repay credits. As the bankers are unable to come up with any kind of projection for the development of energy in Yugoslavia, they recently decided to work it out themselves, if for no other reason than to be able to evaluate the demands submitted in the context of the overall supply and consumption of energy.

There are no programs for the development of coal mines even in the republics, although there has often been talk that, absent a Yugoslav program, at least a republic program must be formulated. Much ill will in the mines has been created precisely because of that. For example, Kreka formulated its program for opening mines based on forecasts by the republic electric power industry of the construction of new thermal electric power plants. When credits had already been granted, when equipment had been obtained, and some mines had been readied for production, it was established that the thermal electric power plants would not be built.

The Kreka mine is perhaps the typical example of the position of coal mines, and not only because of the summer mine catastrophe in Dobrnja. An initiative has been undertaken to pass a special law on Kreka to prepare the mines—from a production and financial standpoint—for market operations. But the procedure is so long and complicated that it can easily happen that no type of program helps any more.

There are 68,000 workers employed in Yugoslav coal mines; pit mines account for 41,300 of these jobs and surface mines 13,000 (about 10,000 are employed in administration). Under current conditions, the yearly output of the pit mines is about 320 tons per worker (over 1,000 tons in Western Europe), while surface mines have an annual output of 2,612 tons (about 5,000 for the mines in Western Europe). In order to render themselves capable of operating under market conditions, the mines will be forced to undergo thorough restructuring, dismissal of surplus labor, financial consolidation, and a series of other actions. They are obviously not capable of this themselves; the assistance of the government is necessary. But which one? The republic governments seemingly have no power, while some don't even have the interest, and the federal government doesn't have the authority. The mines are preparing a conference for the beginning of next year at which specific proposals will be made as to what should be done for each mine and how to do it, and what should be done for the sector as a whole. How has so much time passed without any activity; when were the years lost? Yet another attempt can be awaited. Especially if benefit comes of it.

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