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Investigation of Companies Laundering BCP Money

91BA1169A Sofia SVOBODEN NAROD in Bulgarian
14 Sep 91 pp 1-2

[Article by Chavdar Tonchev, also published in the newspaper PREDI I SEGA, organ of the Citizens Committee for the Study of Power Abuse: "The Snoopers Are Laundering Money Abroad"]

[Text] There are 395 officially registered companies with Bulgarian capital participation operating in Western countries. The companies belonging to the Ministry of Internal Affairs, which have already reached a total of 58, remain outside any kind of governmental control.

To this day the total amount of capital with which the overt and covert companies operate remains undetermined.

Some of the Bulgarian companies operating abroad were established for intelligence-gathering purposes by the Bulgarian and Soviet Secret Services. Particularly active is the espionage network conducted by such mixed companies operating in the United States, Canada, and West Europe. As a rule, the Bulgarian directors are also State Security officers, officially employed by the foreign trade centers in Sofia and within the apparatus of the former BCP [Bulgarian Communist Party] Central Committee or else the Ministry of Foreign Trade.

Despite the changes which have taken place after 10 November, such businessmen, in accordance with DS [State Security] instructions, are still being sent abroad thanks to the administrative power which the BCP has retained in the areas of foreign trade and diplomacy.

In 1990 and especially in 1991, the creation of companies abroad (most of them covert) was facilitated by the Socialist government of the BSP [Bulgarian Socialist Party] (BCP) as a most convenient form of concealing capital used for subversive purposes. This year, the creation of covert companies abroad and the amount of their capital are not under the control of the new coalition government. Starting with this issue, our newspaper will be naming Bulgarian companies operating abroad which, under the guise of trade, are actually engaged in extraneous activities.

The Interkomers VTO [Foreign Trade Organization] was created especially to serve the needs of the Bulgarian Secret Services.

It is under the direct management of the Ministry of Foreign Economic Relations. It includes the following companies abroad:

Ileks—Buenos Aires, Argentina, founded with state capital. Here Luchezar Popov, a member of the First Main Administration of the MVR [Ministry of Internal Affairs] is at work.

Mareks—Madrid, Spain. It is headed by MVR official Vasil Kirkov, who is the Bulgarian director. The commercial counselor in our embassy is Tsvetan Petkov, former deputy chairman of the Bulgarian Chamber of Commerce.

Ardeks—Bern, Switzerland, is managed by Aleksandur Parushev, formerly with the Ministry of Foreign Trade and MVR agent. Also working here is Krasimir Georgiev, formerly with Interkomers and MVR agent. Assigned as commercial counselor of our embassy currently is Tsoncho Tsonev, a lieutenant colonel in the MVR First Main Administration. In the past he was director general of Maymeks. Currently the prosecutor's office has filed charges against him for speculative operations.

Rodopakomers—Vienna, Austria, is fully owned by the MVR. The official in charge is Dimitur Zlatanov, formerly an employee of Interkomers and an agent of the MVR First Main Administration. Until 1990 our ambassador to Vienna was Atanas Ginev, colonel from the MVR First Main Administration, and Andrey Lukanov's personal envoy. As ambassador in Vienna and Brussels (1989-90), Ginev personally coordinated operations of capital transfers for intelligence purposes.

Interkomers has also registered covert companies in Vaduz: Ikomev, Imekstrakom, and Sokol are engaged in various deals, under Kinteks management. Wherever one hears the name Kinteks, one hears talk of weapons and drugs.

What was the reason for the Ministry of Foreign Economic Relations to award to Ikomev a grant of \$8 million? Actually, this year alone, more than \$16 million has been transferred from accounts in Bulgarian banks to accounts in Western banks without the permission of the Ministry of Finance or the knowledge of the government.

Ivan Deev, an MVR agent, personally recruited by the notorious Mircho Spasov, currently general director of Interkomers, plays the main coordinating role in the intelligence activities of the secret services within these companies.

Mania or Windfall?

The mania of buying in Western countries enterprises which are about to go bankrupt is not simply a case of cynical incompetence. It has its secret objectives.

BISA, the Bulgarian Industrial and Economic Association, participated in buying the Ortman and Herbst Company as part of the idea of acquiring industrial property abroad. That company produces bottling machines. Its shares were quoted at 118 DM per 100 shares, on the basis of which the BISA invested 895,000 DM.

In 1987-88 Ortman and Herbst showed heavy losses and in 1989 the company was on the verge of bankruptcy. At that point, the British APV Concern decided to buy

shares in the company and invested some 25 million DM, to cover the losses. In the course of transferring the shares, however, the decision was made to assess the Bulgarian participation at an initial nominal rate, worth 733,000 DM. These operations, related to the participation of BISA in the company, were conducted personally by Blagoy Ganev. This situation favors the other company which, in this case, is the APV, which bought out the Bulgarian share but at a lower price. In other words, Bulgaria lost 162,000 DM.

An Appetite for Deals

The BISA leadership decided to buy yet another semi-bankrupt enterprise producing propping materials, the NSV—Austria, which became Bulgarian property. The BISA and its associates signed a contract with Mineralbank thus acquiring guarantees for a loan of 35 million Austrian shillings, to be used as turnover capital. After a while, another loan of 10 million Austrian shillings was granted, which was once again guaranteed by the BISA associates, through the signature of Mr. Petur Papazov, BISA's deputy chairman.

The manipulations with loans for turnover capital had their logical end. In 1989 difficulties appeared and, the following year, losses totaled about 8 million Austrian shillings. According to preliminary expert estimates, future losses will total some 10 million shillings annually. Even if a fool could be found to purchase this Bulgarian company abroad for virtually nothing, there is no way for the Bulgarian associates to recoup the funds they invested! BISA will have sunk more than 5.2 million Austrian shillings!

The Case of the Baymaks Company

This case is also quite curious. The company was created by decision of the Council of Ministers Bureau dated 30 July 1987, allowing BISA to participate with no more than... 50,000 pounds sterling! This was no more than 5 percent of the company's capital.

It is interesting to note that in 1990 the company's capital was raised to 2 million pounds. The Agricultural Bank as well became a stockholder! In this case the company shows no loss for the simple reason that... it is not active! The capital has been invested in the bank and is... earning interest! Curiously enough, the only Bulgarian member of the company's administrative council is that same Blagoy Ganev. Occasionally, Ivan Grozev also shows up.

We are left to hold the bag... and be responsible for the debts incurred by our pseudobusinessmen abroad. The latter, having stuffed themselves and their bank accounts, are unlikely to return to their fleeced homeland....

Licensing System for Hard Currency Trade

*91BA1154A Sofia BULGARSKI BIZNES in Bulgarian
26 Aug 91 p 3*

[Article by Veselin Stanchev: "The System of Permits for Hard Currency Trade"]

[Text] A uniform system for payments in Bulgarian leva was enacted in the country as of 1 April 1991. This was based on Resolution No. 15 of 8 February 1991 on changes in the hard currency system. The sale in the country of goods and services purchased with foreign currency was prohibited. Nonetheless, said resolution stipulated one exception to this prohibition: sales in stores located in the customs control areas of airports, border points, and ports, as well as in airplanes, ships and trains engaged in international travel. The exception was broadened with the subsequent Resolution No. 130 of 5 July 1991, which supplemented Resolution No. 15, now including sales in specialized stores for diplomatic personnel and officials in international organizations of equal rank. The advantage of paying in foreign currency was expanded by providing substantial exemptions of customs and other fees, excise fees, and sales tax. The supplement to Resolution No. 15 instituted a system of permits for engaging in hard currency commerce, issued on a competitive basis. On that basis, the Ministry of Finance issued Regulation No. 1 of 24 July 1991 on the conditions and procedures for engaging in customs-free hard currency trade.

It is thus that in a few months the system for such an attractive customs-free hard currency trade was instituted. Following are its basic stipulations:

Advantages: On the one hand, the advantage is that accounts are settled in hard currency; on the other, that the goods are exempt from customs and other fees, excise taxes, and the sales tax.

Who is entitled to this? Such trade may be conducted only by Bulgarian enterprises and companies without foreign participation. The range of individuals entitled to practice customs-free hard currency trade has been reduced to Bulgarian physical and juridical persons involved in commercial activities, registered in accordance with the stipulations of the law.

Where are such activities conducted? Customs-free hard currency trade takes place within the customs control zones: the area between customs and passport control, on the one hand, and the border, on the other, for land points, and similar zones in air and maritime ports, airplanes, ships, and trains engaged in international travel. The specific areas where commercial projects may be organized are defined by the regional directorates of the Ministry of Internal Affairs and the Main Customs Administration. Such trade may also take place in the special stores serving diplomatic personnel.

Neither the regulation nor the instruction name the authorized agency which will determine the specific

areas where such stores can be located. This vacuum offers two possibilities: the locations of such stores to be established by the same two authorities which will determine their areas in the customs control zones, or else directly by the authority which issues the permit: the Ministry of Finance.

Contest, permission, contract: Customs-free hard currency trade is allowed only with a permit issued by the Ministry of Finance, which is granted to the winner of the contest. The chief of the Main Customs Administration is authorized to submit a proposal to the Minister of Finance on the holding of such a contest. Consequently, applicants for customs-free hard currency trade should turn to him with a proposal for holding a contest. On the basis of this proposal, the minister of finance will determine the object and conditions of the contest and appoint the commission in charge of running it. The commission will issue an announcement in a daily newspaper no later than 20 days before the final date for submitting the application documents. The announcement must name the subject of the contest, the necessary participation documents, the place, and the deadline for filing the offers, the place and date of announcement of the decision of the commission, and the place where additional information may be obtained. If any of the elements in the necessary content in the announcement is missing, the questions must be addressed to the Main Customs Administration, for according to the regulation it is in charge of organizing and holding the contests.

Contests will be held for each separate border point or mode of transportation. However, a contest for more than one point "or for the overall organization of a customs-free hard currency trade may be held." This formulation is somewhat puzzling, for this means that a monopoly in such trade could be acquired on a competitive basis. Those who wish to participate in the contest submit an "offer" for participation, i.e., a free-form statement which could be sent also through the mails, accompanied by the necessary documents which would certify to the following:

1. The financial and hard currency situation of the participant, issued by an authorized person or servicing bank;
2. The amount of investments with which the competitor will participate in the development of the infrastructure of the border area;
3. His experience and traditions in the area of trade;
4. The long-term relations established with renowned foreign companies-goods suppliers, with proper references issued by them;
5. The possibility of the participant to provide full-time work and full-time services to the passenger flow and fast adaptation to the infrastructure of the border point;

6. The possibility of the participant to build and maintain modern commercial establishments, backed by blueprints, layouts, and plans.

It is obvious that in some cases these facts could be confirmed immediately with the respective documents, such as extracts of bank accounts, written references or copies of concluded contracts with reputable suppliers, and blueprints, layouts, and plans. In other cases, however, such as experience and traditions in trade, it would be difficult to determine what type of document would be necessary to prove the respective fact. It must be considered that in such cases, if no specific guidelines are included in the contest, the choice of the means used to confirm the respective fact should be that of the participant himself.

The documents listed in the regulation indicate, in the final account, the basic criteria in such contests in determining the winner. The commission will consider the proposals, make a decision and publicize it. The decision must be made with a two-third majority of no less than two-thirds of the commission members present. Minutes are drawn up and signed. The participants have the right to appeal within seven days of the announcement of the decision, both in terms of the procedure on which the decision was based, as well as the decision itself. The minutes, along with the objections, must be submitted by the commission to the minister of finance for his ratification.

The winners of permits will conclude a respective contract with the Main Customs Administration. It is characteristic of this contract that in this case contractual freedom is administratively restricted, for it mandatorily must include clauses which ensure the implementation of the stipulations under which the permit was issued. On the other hand, the permit may be revoked (meaning also that, correspondingly, the contract is annulled) should the stipulations are not met.

As we may see, in the final account, the purpose of Regulation No. 1 of the Ministry of Finance is officially to create equal conditions for the applicants for customs-free hard currency trade. They are given an equal start. This, however, is not all that positive. It may even be negative, for the criteria which the winner must meet mean, in practical terms, that the stronger competitors have also a shorter distance to overcome, not to mention the fact that some of them started quite some time ago.

Statistics on Ethnic Turks, Gypsies

91BA1096A Sofia DUMA in Bulgarian 28 Aug 91 p 4

[Article by Parashkev Popov: "Real Figures Show How Many Turks and Gypsies There Are in Our Country"]

[Text] In recent months a question has been raised repeatedly in our country regarding certain ethnic groups with quite transparent political goals. There has been frequent speculation about their numbers in order to give greater weight to claims of their importance in the

country's social life. Some mass information media have even published figures that are very far from factual. Therefore certain emendations must be made on the basis of objective statistical findings.

I consider a most reliable basis for this the enumeration of the population on 31 December 1946, when every citizen of Bulgaria himself freely specified his own nationality. At this time the problems surrounding the individual nationality groups had not yet become so acute. About 40 nationalities were included. The results were as follows: Out of the total enumerated population of 7,029,349, 86.4 percent, or 6,073,124, were Bulgarians; 675,500, or 9.6 percent, were Turks; 170,011, or 2.4 percent, were Gypsies; 0.6 percent were Jews; and 0.3 percent were Armenians. Registered besides were small groups of Russians, Greeks, Romanians, Albanians, Tatars, etc.

Obviously, the country's principal population is Bulgarian, whereas the Turkish population is under 10 percent and the Gypsy population barely 2.4 percent of the total population—with the result that a clamor was made, raised by certain circles who alleged that the two latter groups each individually exceeded a million. This was perhaps the cherished dream of some political leaders of these groups, who imagined it to be reality.

The mass migrations of the Turks from Bulgaria during the period before the Liberation affected the nationality structure of the population. That is why from 77.1 percent in 1900 the Bulgarian population grew to 87.9 percent of the total population in 1956. During the same time the Turkish population's 145.2-percent share declined to 8.6 percent. In the case of the Gypsy population there were no significant changes. It grew from 2.4 percent to 2.6 percent during the same period. The enumeration in 1965 showed that the Turks represented 9.5 percent of the population and the Gypsies 1.8 percent.

The myth of this population's high birthrate must be debunked. The high birthrate it had as of the beginning of the century began to fall sharply, especially after 1946. In the 1956-65 period alone the Turkish population's birthrate declined by 30 percent. Among the Gypsies the birthrate declined by 24 percent. This decline continued afterwards as well, at least in scattered nationality groups. At the same time, the death rate among them held firm at a comparatively high level, which significantly lowered their natural increase. An influence on these processes was exerted by the higher educational, cultural, healthcare, and economic status of the country in the post-1946 period.

The emigrations of the Turkish population continued after the period under consideration, as well as in our

time. For example, during the period from the end of 1960's, 1970's, and the beginning of the 1980's, over 100,000 Turks emigrated. And beginning in 1989, hundreds of thousands more Bulgarians of Turkish identity made their way to Turkey. although it has declined, the flow of emigrants has not ceased even now. Many of them have remained and settled there, but others have returned. As a rough estimate, more than half of this population has by now migrated to Turkey.

Strange as it sounds, our Turkish population, incited from the outside, simultaneously with the policy of Pan-Turkism, has also pursued assimilationist activity among the Bulgarian population and other nationality groups. Some will wonder how this is possible. It is possible, it has been done, and continues to be done. Every year in our country an average of 500 to 600 marriages between Turkish men and Bulgarian women are entered into. Yet never the other way around—between Bulgarian men and Turkish women. This is taboo for Turkish women. The few cases are great exceptions. The Bulgarian women who marry Turkish men, if not immediately then at the first convenient opportunity, register as Turks. The children they bear are likewise registered as Turks, although it is known that by law they take the nationality of their mothers.

Their approach to the Tatar population is different. In the 1950's and 1960's, when independent Turkish schools existed in our country, little Tatar children were forcibly compelled to learn Turkish. Every year scores of delegations from Dobrudzha, where more Tatars are concentrated, traveled to Sofia to entreat the responsible administrators concerned, pleading that they did not want their children to become Turks, but no one paid any attention to them, and this practice continued until the closing of the Turkish schools.

The procedure was the same with the children of the Bulgarian-Mohammedans. These actions were especially vigorous in the years of enumerations when, through blackmail and threats, Bulgarian-Mohammedans were forced to register as Turks. They coped more easily with the Gypsies in this respect. The latter considered it a special act of bravado to pretend to be Turks, although the Turks held aloof from them. Marriages between the two nationalities were hardly ever entered into. This explains the increase in the proportion of Turks in 1965 and the decline in the Gypsy population. About 50,000 Gypsies were simply shown as Turks in the enumeration. Given these clearly delineated trends, it can confidently be asserted that a new enumeration will show a still lower percentage of Turks and Gypsies.

Such are the facts, and they are the sole realistic basis on which one can speak of the composition of the population in Bulgaria and of the significance of the individual nationality groups in the country's sociopolitical life.

VPN's Election Prospects Assessed by Fedor Gal

92CH0054A Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 30 Sep 91 p 3

[Interview with Fedor Gal, Public Against Violence Presidium Council, by Jan Bauer; place and date not given: "The Outcome Will Be Unambiguous"—first paragraph is CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY introduction]

[Text] Fedor Gal, member of the presidium of the Council of Public Against Violence [VPN], continues to be one of the most prominent personalities on the Slovak political scene. For that reason we took advantage of his recent visit in Prague to ask him a few questions.

[Bauer] What do you think about the referendum?

[Gal] I have never concealed the fact that the referendum is the lever that must be released at the particular moment in the drafting of our constitutions when we find ourselves at a stalemate. I think that we need the referendum, and personally, I have no doubts about its outcome.

[Bauer] How, in your opinion, are the political forces in Slovakia divided at this time?

[Gal] The situation is exceedingly confused, and in the parliaments it does not correspond with the result of the elections. You can clearly see how the interest and political groups that had initiated the post-November development were splintered; unfortunately, at this moment the representation of political forces in the parliaments does not fully reflect the will of the people. Suffice it for me to say that the presence of groups with nationalistic orientation in the Slovak National Council appears far more conspicuous than would be warranted by the actual attitude of the Slovak public to the attempts to break this state apart.

[Bauer] What do you say about Vladimir Meciar's current views?

[Gal] I don't feel like repeating anymore pronouncements voiced on numerous occasions not only by myself but by other politicians as well. I would welcome it if at long last someone would compile the statements made by Vladimir Meciar at various times—about his attitude to the federation, or to the council of the VPN, or his method of dialogue with politicians who represent different views... The result would be unambiguous.

[Bauer] Recently the VPN's popularity has considerably declined. What are you going to do about that?

[Gal] That is not quite accurate. We hit the bottom about two or three months ago when, according to a public opinion poll, our followers amounted to about three percent. However, recent analyses have confirmed that approximately six percent of potential voters would cast their ballot for us, and it still is nine months to the

elections. In my view, what makes our movement attractive is the fact that it does not change colors, and that it has not changed its position on our economic reform and on our constitutional system.

[Bauer] Don't you think that the stance of certain Czech politicians is stirring up the nationalist passions in Slovakia?

[Gal] One side alone does not set off explosions of nationalism. I believe that our friends and partners in Bohemia and Moravia also suffer from problems of comprehension. For instance, we found it very difficult to push through our idea on the building of our federation from the bottom up, which we had postulated in the elections jointly with our coalition partner, the Civic Forum. We found it very difficult to evoke empathy for the search of the Slovak nation's identity and roots; it is very hard to elicit understanding for such issues as powersharing or solutions of specific economic problems. By the same token, however, I must add that a dialogue in this confused period cannot be easy. The important fact is that this dialogue is taking place within the framework of law and that we all are interested in reaching a solution.

[Bauer] Is the Civic Democratic Party your closest political partner in Bohemia?

[Gal] I don't think that it would be appropriate at this moment to say that this one or that one is our coalition partner. It is a fact that the Civic Forum was split into three independent groups. Still, we realize that the goals with which we had jointly entered the elections can be arrived at only with all three groups, and not with just one of them. And if I can tell you my completely private view, I am quite impressed by the Civic Democratic Alliance because it tries to assert its own political model in a very systematic and disciplined way.

Aspects of Moravian National Identity Explored

91CH0936A Prague PRITOMNOST in Czech No 7, 1991 pp 1-2

[Article by Professor Josef Valka, Masaryk University, Brno: "What Nation To 'Choose' in Moravia"—first paragraph is PRITOMNOST introduction]

[Text] The eminent historian Josef Valka (born in 1929) is a professor of Masaryk University in Brno. He has been working at the university's History Department since graduation, except in the period from 1974 through 1989. The field of study to which he has devoted himself is the economic and cultural history of the Moravian region, particularly in the late Middle Ages and the baroque period. His extensive work *Prehled Dejin Moravy* [An Outline of the History of Moravia] is about to appear in book form.

Are the Moravians a nation or not? Many people in Moravia undoubtedly feel that they are a nation. On the other hand, however, if many of us do not consider

ourselves having Moravian nationality, it does not mean that we do not feel being Moravians.

Each one of us carries within him several collective identities: We are Brno, Ostrava, Olomouc, or Prague residents; Hanaks [Hana Plainsmen] or Horaks [Highlanders]; Moravians, Czechs, or Czechoslovaks; Central Europeans or Europeans; Catholics or atheists; and members of various parties. Each one of us is aware of an entire range of collective links, of belonging to various social groups. But for many of us it is not a contradiction that we feel being Moravians, Czechs, and Czechoslovaks all at the same time. Moravians in a territorial sense, Czechs in the sense of nationality, and Czechoslovaks in the sense of citizenship.... The recent shouts of "We Are Not Czechs!" cannot apply to all residents of Moravia, not even in terms of their subjective feelings. Creating a contradiction between being Moravians and being Czechs is leading not only toward splitting up a nation that has existed up to now, but also toward undermining the Moravians' efforts to promote their common provincial interests. While all of us living in Moravia could regard ourselves as Moravians, the way it once was, we are splitting up into Moravian nationals and Moravian Czechs. I personally see no reason why I as a Moravian should rid myself of my Czech nationality, by excluding it from among my identities.

The advocates of Moravian nationality emphasize that nationality is primarily a matter of choice. Consequently, when Moravians give their nationality as Moravian in any statistical enumeration, return or questionnaire, they are creating thereby a Moravian nation! Nationality can indeed be a matter of choice when we wish to, or have to, make such a decision. We usually opt for some other nation, and that is truly a matter of choice. But to create a nation is entirely another matter. Nation is something else than merely an act of choosing or statistical enumeration. There is the question, for instance, whether those who are giving their nationality as Moravian are expressing their consent to what they want to be, in the sense of certain values, or are merely registering their protest against the existing conditions? Agitation for Moravian nationality does not always have a clear conception of nation. I have heard that some census enumerators were convincing citizens that anyone living in Moravia was of Moravian nationality.

The entire unfolding debate on nationality is, I believe, a symptom of a deep crisis not only of our society, but of Czech nationality as well. The old regime's collapse and our immensely complicated situation at present are thrusting themselves also into concepts which are entirely outside this crisis, or at least that is what we have been assuming up to now. For much of what the totalitarian regime did, we here in Moravia tend to attribute blame to Prague, Pragocentrism and the "Czechs" of Bohemia. But Moravia is not the only devastated province. So is Bohemia, parts of it far worse than Moravia. Neither the Czechs of Bohemia nor the officials in Prague abolished the province of Moravia and Silesia.

That was done by the communist regime, introduced and maintained by Czechs, Moravians, and Slovaks.

Various social sciences—history, philosophy and sociology in particular—have been and are devoting constant attention to the concept of nation. Today nation and nationality are the most frequent topics at conferences, and in journals and publications. No effort is being made to come up with some universal scientific definition of nation, like the one Stalin dictated in his time, but we are striving nonetheless to define somehow the concept of nation and to describe that phenomenon. We have arrived at indentifying the different types of nation and have reached the conclusion that nation is a historical category which changes over time, especially socially and culturally. Nation cannot be defined unambiguously, but we are able to describe individual nations historically, from their birth to their present form or perhaps demise. Nation is a specific social formation, a macrostructure, an identifiable polity, but determined also—and perhaps primarily—by national awareness that is associated with certain values. We are born into a nation but are not condemned to remain in it until we die. Emigrants are the ones who have to, or want to, "choose" a nation, but in most cases they also have to be accepted by the chosen nation as its citizens. In the 19th century certain Czech intellectuals were pondering whether to choose Czech or German nationality when the "provincial" version of nation was abandoned. Czech intellectuals were entirely bilingual, and many of them came from mixed families or mixed linguistic regions. They were not just pondering for reasons related to their livelihood, but were also considering whether it made sense to retain their Czech nationality in the environment of a nation with a more advanced civilization and culture. But the Czech nation existed and developed independently of such considerations and choices. In the second half of the past century the Slavic or Czech intellectuals of Moravia also decided that their nationality was Czech, but retained their Moravian provincial identity. They chose the linguistic or cultural version of nation, as was then customary in Central Europe, in contrast to the Western European version of state-forming nation that never established itself in the Habsburg empire. National liberty was regarded as a part of civil rights. It started out from the fact that the residents of Bohemia and Moravia have a common history—a common state, language, culture, etc.

The Slavs of Moravia chose Czech nationality not only for linguistic and historical reasons, but also for their own survival at a time when the fraternity of the "spring of nations" changed into irreconcilable conflicts. The union of Czechs and Moravians as one nation made modern Czech politics, statehood and culture possible. Whether our ancestors' decision to unite was a fortunate or dubious one is open to debate. But they were educated, honest and free people, and their choice was not a bad one. It cannot be said that the Czechs have subjected the Moravians to national oppression. It is undeniable that the Czech nation of Bohemia and Moravia, living

together with the Germans, did achieve real political, economic and cultural successes and did not vanish among the nations of Central Europe. European culture is also the aggregate of national cultures.

If a Moravian nation were now constituted (a possibility that cannot be excluded amidst the present crisis), it would be a new nation splitting off the Czech one, and it would be a political nation. The advocates of Moravian nationality ought to outline their objectives clearly, with special attention to the present and the future. Is sovereignty the objective of national policy, as in the case of the Slovak nationalists? For Moravia is able to achieve everything else, without invoking national rights. Moravian nationalists are combining two tendencies of the current social changes: the revival of nationalism, and the revival of local patriotism, of local sentiment. Evidently Moravian nationalism is a part of the wholesome rebirth of territories, but why combine that natural process with the creation of a nation? Just to keep step with Slovakia? Unlike the Moravians, of course, the Slovaks already are a nation. I am unable to decide whether Slovak nationalism's sympathy for Moravian nationalism stems from a noble endeavor to help the newborn, or rather from a desire to weaken the stronger brother.

It is typical that those who claim that nation is an act of free choice are seeking the criteria of their nationality. In addition to territory and sovereignty, which would be required in the case of [Moravian] nationality, most often the sought criteria are a Moravian language and Moravian historical traditions. The problems of a language are discussed frequently, but I know of no serious linguist who would be able to distinguish literary Moravian from literary Czech, and who would define the "Moravian language" on the basis of the Czech dialects in Moravia. Historical awareness is a more complex problem. We receive from the past a heritage that we preserve as memory, and then we create historical traditions for ourselves. In all that we ought to consider what is common to Bohemia and Moravia, and what is different. Finding that out in each structured historical formation and over a longer time span depends to a considerable extent on what observation post the historian occupies: the lower we are above ground level, the more pronounced are the specifics and the differences between villages, houses and trees. Whereas from a supersonic aircraft it is hardly possible to distinguish even large cities. The historian may settle down in the hollow of his village or observe the countryside from a mountain top, but occasionally he must board a plane to reach in endless historical time some point other than his village. There are many differences between Bohemia and Moravia, and each has its own peculiarities. But if we climb higher than Rip or the Palavske peaks, the essentials for the birth and life of a nation—state, language, culture or historical destiny—remain common.

Moravians advocating "choice" choose also their historical periods in which, they believe, Moravia had been

free, strong and sovereign, earlier than Bohemia; in other words, a time frame whose direct continuation could be the creation of a Moravian nation. In most cases, of course, that is the period of Great Moravia. But do the Great Moravian kingdom and its Old Church Slavonic culture really belong to Moravia alone? And, on the other hand, have they left behind here a permanent heritage that could be continued?

I do not share at all the doubts about the existence of a Great Moravian and Old Church Slavonic civilization on our territory, and I value highly the research work of the archeologists, linguists and historians who, in the true sense of the word, discovered and described that civilization. But specifically here it is necessary to recognize heritage and tradition, continuity and discontinuity, the original purpose of that stage in the history of Moravia. To distinguish historical facts from the myths that keep popping up about Great Moravia.

It is undeniable that the Mojmir dynasty, which established the Great Moravian kingdom, originated from the territory of geographic Moravia. The dynasty soon annexed to its kingdom the western regions of Slovakia, which retained all along their autonomous status. During Svatopluk's reign the Mojmir dynasty integrated Moravia, Slovakia, Bohemia and parts of present-day Hungary, Austria and Poland into a single kingdom, a political formation ruled by the dynasty, its clansmen and allies or vassals. That was actually the first, but short-lived, political union in Central Europe. After Great Moravia's disintegration and the Mojmir dynasty's fall at the beginning of the 10th century, however, that political formation disappeared completely from the political map of Europe, and its territory was divided among the Premyslide, Arpad and Piast dynasties which respectively laid the foundations for the permanent and continual development of the Czech, Hungarian and Polish states. But none of these dynasties was a direct continuation of Great Moravian institutions and of the Mojmir dynasty.

The Great Moravian state's destruction had evidently been very devastating, because it did not spare even a solid institution such as the church at that time. We must not forget that Christianity had come to us through Germany, and conversion to Christianity had been accomplished by the Frank and Bavarian bishoprics before the arrival of the Byzantine missionaries. With all respect for the epochal work of Saints Cyril and Methodius, whose feastday we will be observing this month, their mission to Moravia, albeit their direct destination, was merely an immensely dramatic episode. Here the missionaries encountered resistance not only from the Frank and Bavarian clergy, but from the domestic magnates as well, perhaps because of their rigorous morality. Moravia was on the borderline of Byzantine and Roman influence, but the missionaries soon realized that Rome was closer. Of course, Christianity at that time had not yet been divided into an eastern and a western church. However, when that division arrived, the western Roman version established itself not only in Moravia but

in all Central European states as well. The mission's cultural heritage, the Old Church Slavonic language and the liturgy, remained in effect in Moravia for a much shorter time than in Bohemia, Hungary and Poland. The disciples of Methodius were driven out of the country after his death, and the revival of the Moravian church at the end of the 9th century was already Latin. The heritage of Old Church Slavonic culture was preserved permanently in southern and eastern Slovakia; there are not many traces of it in Moravia. In Moravia during the Middle Ages, the traditions of Great Moravia were noticeably weak and were revived with great difficulty. Even baroque Moravia chose the Virgin Mary for the province's patroness. The traditions of Saints Cyril and Methodius and of Great Moravia blossomed fully only in modern times. Today the great European personalities, Constantine and Methodius, are symbols of the unity of Christianity, rather than of Moravia's conversion to Christianity.

The traditions of Great Moravia, in a historical sense, are the traditions of the unity of the Czechs, Moravians and Slovaks; not of the apotheosis of one over the others. In the Middle Ages there emerged the concept of *translatio regni*, the transfer of royal rank from Moravia to Bohemia, as one of the late reminders of the two countries' political union. Dusan Trestik, who otherwise is a great demolisher of modern myths, has completed a thorough study of Svatopluk's influence on the political destiny of Bohemia, and of a certain possibility of real continuity between the Great Moravian and the Bohemian states or, more accurately, between the Mojmir and Premyslide dynasties. He pointed out that the baptism in Moravia of the Premyslide prince Borivoj, by Methodius with Svatopluk standing as godfather, strengthened the position of the Premyslides and supported the political unification of Bohemia. A series of archeological finds supports Great Moravia's cultural influence upon Bohemia at the end of the 9th century. Evidently there had been stonger ties than the relatively brief subordination of Bohemia to Svatopluk's kingdom.

It is wrong to interpret Czech history as the history of a Bohemia that swallowed Moravia. Moravia is an inseparable part of the history of the Czech state and Czech nation. Moravia is their gateway to Central Europe. Although Moravia has retained many features of its uniqueness, it has contributed significantly toward Czech statehood and Czech culture. Just as it is practically impossible to imagine the existence of the Moravians without the Czechs, it is difficult to imagine the existence of Bohemia without Moravia and the Moravians. Retrospection reveals unity, rather than separation. Even the heritage of the recent past can be overcome more easily together than separately. In conjunction with the efforts to constitute a Moravian nation, the following question must be raised: Have two viable nations emerged in the heart of Europe (the Czechs, too, would be a new nation), or just two ailing provinces?

Rapid Privatization Need Viewed by German

91CH0025A Prague HOSPODARSKE NOVINY
in Czech 26 Sep 91 p 7

[Article by Johann Vielbert, Regensburg businessman: "Is Rapid Privatization Necessary?"]

[Text] This article presents a view on the transformation of the Czechoslovak economy that is notable mainly because the author is not a theoretician, but a successful West German entrepreneur, the owner of a firm involved in the construction and management of large business and administrative centers. Clearly we do not have to agree with every aspect of this view from the outside, influenced probably by the secondhand nature of his information on the Czechoslovak economy. We do consider the opinions valuable, especially in light of our attitudes to foreign investment.

There is no country in the world with an economy regulated solely by market mechanisms. There is always some combination of free economics and government management. In some economic sectors of those countries that we call market democracies elements of planned management are even evident. But in the course of recent decades it has become progressively clearer that private initiative is more efficient in these sectors. Practically all Western governments, therefore, are now attempting to limit the role of the government in the national economy.

This implies that the government sector, with elements of a planned economy, and a market economy can exist side by side. This is now the case in the former socialist countries, where the government sector continues to account for a significant percentage of national product. It is true in these countries too, however, that the smaller the government share in the economy, the more effective the economy.

Conditions of a Market Economy

In my opinion, however, it is not possible to ordain a market economy, it must develop. At the same time a market system is not the outcome of unmanaged laissez-faire, laissez-passer, but requires a codified framework for allowing economic development according to specific regulations essential for a market economy. These basic regulations for the development of a market economy include:

- Freedom of enterprise.
- A free labor market, meaning that each person can look for any job he desires, and employers are free to hire the employees they need.
- Price freedom, which generally applies also to wages. For social reasons, however, the price of labor is usually regulated by agreements between employers and unions.

- Contractual freedom, meaning freedom of consumer-supplier relationships, without any pressure when signing contracts.
- Private ownership of land and capital, with rights of inheritance.
- Freedom of earnings and sale of capital assets.
- Freedom of decision making for individuals and companies, meaning the material right to fully utilize these freedoms.
- A stable monetary system based on an independent issuing bank.
- A developed banking system offering all types of credit.
- A convertible currency.
- Free capital markets integrated into international markets.
- A developed legal system that clearly defines the legal rights of all legal entities in a national economy, including contractual rights, enterprise rights, livelihood or labor rights. This is essential so that citizens living in a prosperous economy can enjoy basic protections.
- Social laws providing a necessary safety net for the weaker members of a competitive, basically mercilessly functioning economy.
- Consumer laws protecting the consumer against health and material losses.

The basic conditions of a market economy intentionally include socially motivated laws because individual health and social peace are important factors in the long-term performance of a market economy.

Also important is the financial management of the government, based on solidarity. Government administration must function efficiently and honestly. The government must be modest in its expenditures, which requires a solid financial policy. Financing government expenditures from taxes alone should be a basic financial priority. Capital market resources, namely debt, should be used only in extreme cases for investment.

What path should be taken, then, by a government that wants to transform a socialist planned economy to a market economy? Is it really necessary to pass through a vale of tears (as this path is frequently presented today) with the complete dismantling and failure of all the existing structures, and then to arise from the ashes like the proverbial phoenix to reach a market economy? Or are there less painful alternatives?

It is necessary to introduce market economic principles as quickly and in as pure a form as possible. This means creating the conditions for implementing market relations throughout the economy. Laws and ordinances

necessary to accomplish this must be drafted and passed without delay. This will allow a market economy to develop in parallel with the government sector. The creation of a framework for the operation of market mechanisms will also impact the government sector. This sector as well will have to adapt to market relationships and parameters.

In a transitional phase two measures are necessary.

1. Laws must be passed that provide for the complete cessation of government subventions to government enterprises after a precisely defined period of time.

2. Because a majority of socialist enterprises are not capable of competing on world markets, the country's economy has to be protected for a period of time. This protection will also help new private enterprises. This protection should be based on two mechanisms: customs regulations and the adaptation of the exchange rate for the domestic currency to world market currencies. When establishing the customs barriers provisions also must be made for their eventual elimination.

This legal program for eliminating subventions and tariff barriers will force individual enterprises to adapt their productivity to world market standards. This pressure will definitely cause some of them to fail. But a structural purge is necessary on the path to a market economy.

The Long-Term Nature of Privatization

Government enterprise privatization is also essential over the long term. Because the population has not had the opportunity to accumulate property in recent decades, the public will not be able to buy stocks. In order not to squander national property, the only alternative is to privatize over the long term. In my opinion, enterprises should not be broken up. The possibility does exist to achieve a significant mass distribution of capital to the public using so-called popular stocks, namely coupons sold at especially advantageous prices.

The approval for the privatization of an enterprise should be in the hands of an independent commission (the formation of which will be very difficult). Privatization should take place only when this commission can be sure that the company will be transferred into competent ownership—either managers or a group of domestic or foreign investors.

The international relationships of the Czechoslovak economy are very important and well grounded. In the current situation an influx of foreign capital would speed up the transformation and healing of the economy, and it is therefore essential to create favorable conditions for its entry into the economy. On the other hand one must be aware that the worldwide capital market is not capable of supplying, on short notice, the amount of resources that Czechoslovakia would need, nor does it have any interest in doing so.

The German Experience

The German experience shows that ongoing symbiosis of the government and private sectors is possible, with the development of the private sector automatically meaning a decline of the share of the government sector in gross national product. In Germany a planned economy was introduced back in the 1930's and lasted until the end of the war. During this time numerous government industrial complexes were formed. After 1945 these enterprises on the territory of the FRG continued under government management but were adapted to a dynamically developing market economy. Their privatization began in the early 1950's, and this process has still not been completed. An example is the automobile firm Volkswagen which was gradually privatized by issuing so called popular stocks. The same is true for numerous other firms.

Allowing a longer time frame for the privatization of government enterprises is also supported by the results of the rapid integration of the economy of the former GDR into a market economy. The currency union with the FRG in mid-1990 and the government integration in early October 1990 immediately uncovered serious weaknesses in East German firms. Not allowing the economy of the former GDR a period of time to adapt has wasted, and continues to waste, large amounts of national property and know-how in these enterprises. This in turn is causing problems for the West German economy and West German tax payers.

The German way of transforming the economy of the former GDR, however economically costly and inappropriate, was the only possible policy from the political viewpoint of unification. Czechoslovakia, however, unfortunately does not have a prayer of receiving the same level of capital assistance, and should therefore choose the gradual, less risky path.

'Mafia' Dealings in Privatization Examined

92CH0027A Prague HOSPODARSKE NOVINY
in Czech 25 Sep 91 p 3

[Article by Alena Drabova: "Who Is Holding Back Small Privatization?"]

[Text] Roughly 20 percent of the businesses auctioned off in Prague 1 have not yet been paid for even after the expiration of the established 30-day payment period. Most of these businesses, at the same time, were those that sold for prices far above their asking price.

In July we interviewed Eng. Bohuslav Dvorak, director of Small Goods, about this topic. He pointed mainly to the economic damage caused by repeated auctions (HOSPODARSKE NOVINY 30 July 1991). Now we want to examine the problem from another viewpoint, through the eyes of four employees of the Prague Privatization Commission.

[Drabova] What in your opinion is the most frequent reason for a buyer to lose interest in a business they have purchased at auction?

"One of the reasons here in Prague 1 are the high rents, which the owner of the facility intentionally does not disclose beforehand. The management of some enterprises, you see, thinks that it can fire the staff and live off the high rents without having to do anything. This is not true of the Prague 1 Housing Enterprise, which charges reasonable rents—a maximum of 1,000 Czechoslovak korunas [Kcs] per square meter," stated Ruzena Kolarikova.

As proof she showed us a letter from Frantisek Vacek, who owns a fast food outlet at 10 Na Mustku, in the Business Machines Building, which he bought at auction for Kcs8.35 million. We quote from the letter:

"During the 30-day period allotted to an owner to pay for a property purchased at auction I made four requests to the director of Business Machines for a meeting to discuss my rent. The director never had the time and his representative stated that he was not authorized to make a decision in this matter. The second day after making payment I received a draft contract the conditions of which are unacceptable—a rent of Kcs30,000 per square meter annually."

The total annual revenue from the rental of this single store was calculated by Business Machines to be Kcs5.285 million annually.

R. Kolarikova continues. "I think a second reason is a certain euphoria on the part of the purchaser. Some people want to acquire a store in Prague 1 at any price and bid up the purchase price without regard for whether they can procure the necessary funds. Solid bidders with a clear conception of business have calculated everything beforehand, know how much they can afford to bid, then drop out of the auction. Another story are bidders who intentionally drive up the price and then do not pay because they want to postpone as long as possible the privatization of the business."

[Drabova] After eight months of experience, can you tell which bidders have a real interest in business?

Jan Holub replies: "They are the ones who ask specific questions immediately after viewing the property. They are interested in electrical service, the condition of the boiler, the last time the bannisters were fixed, how long potential customers usually stay in the store, current relative prices, etc. The problem is that the store managers often intentionally provide confusing information, both to them and to us. The bidders who are not serious do not even come to the inspection. We know that there is a mafia, but we cannot prove it. People complain to us, but they are afraid to serve as witnesses or sign anything. The mafia find registered bidders and offer them say Kcs100,000. During the auctions we notice how groups of people shift to the person who is raising a number."

[Drabova] Why? Who has such a vital interest in complicating auctions this way? Who finds it to their advantage to lose the certainty of the auction, and on top of that pay such huge bribes?

Jan Holub explains: "When you are talking about seven figure prices, 10,000 of capital plays no role. When someone gives each of 10 people Kcs100,000 to back out of an auction and the asking price is Kcs50,000, then that person gets the business for Kcs1 million plus Kcs50,000. In competitive bidding, however, the same property might bring Kcs8 million. On the other hand it is attractive for the bidder as well. By registering for 10 auctions and allowing himself to be bribed he can make a quick million. The games are strange, but they are going on. Postponing auctions and showing that businesses cannot be sold in small privatization is also in the interest of certain enterprise directorates that would no longer have a reason to exist if their businesses were privatized. They see their best opportunity as making it to large privatization, were they can find themselves a foreign partner and make them an offer. They provide the potential partner with all the information for drafting a privatization plan, but do not provide it to us, so that we have a hard time writing a competitive plan. For such an offer the foreign firms is clearly willing to pay the current directors well, right through to retirement. They even do not want him at the firm, so he won't get in the way."

[Drabova] Can this be prevented in some way?

Karel Prochazka enters the conversation: "If the ministry could determine who participates frequently in auctions but does not buy anything, they would have a

potential person who takes bribes, but it would be difficult to prove anything. Government enterprise managers, clearly, frequently make deals with bidders beforehand. So far Mototechna is the only enterprise that has decided to sue a bidder for failure to pay for a store on Republic Square, and that is because the store cost Mototechna Kcs750,000 this month. On the other hand the Fancy Metal Goods store on Na Prikope was first auctioned for Kcs6 million, then returned (the bidder claimed to have made poor calculations), then auctioned again for Kcs10 million. In this case no one is suing for any damages."

[Drabova] There are also rumors that some businesses are removed from the auction list after the fact. Is this a legal maneuver?

Jan Holub registers a complaint for all present: "The law allows for no exceptions, but exceptions are still made. Either the entry is no good and an exception needs to be granted, or it is good and the rules are not the same for everyone, again giving someone a privilege. Sometimes we hang up a privatization card and then receive a directive from some ministry to take it down. The complaints fall on our head, but how are we to explain it to people? Take for example the fruit and vegetable store in the Czech Government Building. Privatization is a government program, but the government, by exempting this store, creates the conditions for the retention of a government enterprise. What will come of this? People get angry and accuse us of being worse than the communists. On the other hand our ministry is pushing us to auction stores in the Melantrich of CKD Building. These companies, logically, are resisting, pointing to the exceptions granted elsewhere."

MDF's Csurka Scores Lag in Political Change

*91CH0943A Budapest NEPSZABADSAG in Hungarian
3 Sep 91 p 4*

[Interview with Istvan Csurka, deputy chairman of the Hungarian Democratic Forum, by Jozsef Bartha Szabo in Szolnok; date not given: "Let Us Put an End to Helplessness," Says Istvan Csurka"—first two paragraphs are NEPSZABADSAG introduction]

[Text] The MDF [Hungarian Democratic Forum] is proposing that the Justitia Plan be rethought and a citizens' committee be created to uncover the crimes and make them public. Who committed what offense during the change of regimes in the past 18 months will also be examined, said Istvan Csurka last weekend, at the meeting of the Szolnok County Council.

The package plan for the administration of justice, the absence of which has long been sorely missed, should finally be opened, according to the deputy chairman of the MDF.

[Szabo] How do they intend to establish who has committed what offense, and when during the past 18 months, against the success of the change of regimes? Will every party, politician, newspaper, writer, scientist, or public figure who has "dared" to criticize the MDF, the government, or its members be included among the "guilty"?

[Csurka] The basic question is whether there are people who have been able to exploit the change of regimes to their own advantage, and to unlawfully gain power and wealth. Furthermore, a certain group of careerists has been spreading all kinds of slander and libel throughout entire society, claiming that the change of regimes has not been deep enough, nor sufficiently comprehensive and resolute. It is intolerable that the search for a way out and our work are being hampered by such bluffs and lies.... We must put an end to the period of helplessness. The coup in Moscow has led me to wonder: Why had Gorbachev fallen into the situation in which he found himself? And my answer is: Because the cadres had sabotaged perestrojka.

[Szabo] Is perestrojka being sabotaged also in our country?

[Csurka] I would not use that expression when referring to the conditions in Hungary, because the two societies have not been and are not identical. But it would be foolish to deny the existence of similar phenomena in our country. Consequently, there is sabotage and there are saboteurs as well. And here I have in mind not only the political forces who became alert and pricked up their ears during the coup.

[Szabo] Who should be alarmed, and who should not be afraid?

[Csurka] Let the liars be alarmed. The ones in the mass media, most certainly. Yes, let those be filled with fear

who are constantly spreading false rumors, making demagogic speeches in parliament and branding as bloodthirsty and vengeful any outspoken member of the ruling party. But honest journalists have no reason to be afraid. Nor do those persons whose only sin is that they once were party members. Also in their interest it is necessary to clearly establish who are the guilty and who are not. So that the accusations through generalization may stop against those who were involved in the processes but committed no crime, or who were not at all in a position where they could have committed a crime. Those who are attempting to discredit the change of regimes are criminals. They merely have to be pointed out.

[Szabo] Will the opposition parties inside and outside parliament also be investigated, or just the MSZMP?

[Csurka] I do not think along such undemocratic lines. If we are investigating, let us investigate everyone. The SZDSZ [Alliance of Free Democrats], FIDESZ [Federation of Young Democrats], MSZP [Hungarian Socialist Party], and everybody else.

[Szabo] Including the MDF?

[Csurka] Naturally. For who can guarantee that there are no obstructionist elements within the MDF? We sorely need justice. Without justice there is no democracy or national unity.

Daily's Deputy Editor Denies Government Ties

*91CH0943B Budapest NEPSZABADSAG in Hungarian
11 Sep 91 p 5*

[Interview with Peter Kertesz, senior journalist at the daily MAGYAR NEMZET, and with Zoltan Krasznai, the paper's deputy editor in chief, by Jozsef Bartha Szabo; place and date not given: "Opposition at MAGYAR NEMZET"]

[Text] As we have already reported, eight journalists were fired recently at MAGYAR NEMZET. We interviewed Peter Kertesz, a senior journalist and the secretary of the trade-union group at the paper, and Zoltan Krasznai, the paper's new deputy editor in chief who was installed on Monday. We learned from Peter Kertesz that the talks on reinstating the dismissed journalists have become stalled, and the trade union is now considering counteraction.

[Kertesz] The board of directors—including Hersant, the largest shareholder—is unwilling to make any concessions. Instead, Zoltan Krasznai has been co-opted from the MDF [Hungarian Democratic Forum] to be the paper's deputy editor in chief. The paper's journalists consider that step irreconcilable with the charter guaranteeing MAGYAR NEMZET's independence, and they fear there is a real danger that MAGYAR NEMZET might become the government's uncritical mouthpiece.

If the newspaper office's staff did decide to go on strike after 18 months of being kicked around, intimidated,

and pauperized, it would not mean that the paper could stop publication the next day. The earliest that publication could be stopped would be the seventh day after calling the strike. But all that is only supposition. It is readily conceivable that they might bring in 50 journalists from the outside. Or they might have the remaining five or 10 intimidated pencil pushers get the paper out. That is something we would be unable to prevent.

[Szabo] Zoltan Krasznai, what is your opinion of the concerns voiced in conjunction with your person?

[Krasznai] I have not had time to gather information. To give a meaningful answer to your question, I first have to get an overview of the situation. I am unable to say anything more today, or anything more sensible, than what I wrote in my article in yesterday's issue of *MAGYAR NEMZET*, about improving the climate in the newspaper's office. Aside from that, I feel that the conflicts should be solved here in this newspaper's office, rather than by corresponding and debating through other media. Naturally, I am holding talks with the trade union. Seeking a consensus presupposes talks. But a strike—this, incidentally, is the first time I have heard of plans for one so far—would not reflect a search for a consensus. I will try to act as mediator and find opportunity for a successful settlement. I would hate to see the chances for a settlement ruined by any tendentious rumors. I realize that a settlement requires creating a climate in which infighting does not absorb the staff's energy and they are able to communicate with one another without any mental reservations. I do not know as yet how successful I will be in this voluntarily assumed mediating role, but I will give it a try anyhow.

I am a charter member of the MDF, having been there in Lakitelek. Perhaps it is also common knowledge that I belong to the liberal wing of the MDF. Our standpoint has always been that dissenters should be given a hearing, instead of being anathematized. That, I believe, is the right thing to do. Only someone who has not read my writings could claim that I am an agent of the government. And who has read me will know that I am not a commissar of the MDF. The title of my cited article yesterday was "To Modernize Without Fear." I do not wish to create a progovernment newspaper, nor an opposition one. I am working to create a liberal *MAGYAR NEMZET* with an independent editorial policy, and that objective is in accord with *MAGYAR NEMZET*'s journalistic charter.

Small Arms Booming in Austrian Border Town

91CH00944A Budapest REFORM in Hungarian No 36, 29 Aug 91 p 15

[Article by Agnes Vago: "Semiautomatic Handguns To Go With Your Green Balloon"—first paragraph is *REFORM* introduction]

[Text] Get your weapons now, Hungarians! Automatic weapons on sale for only 8,700 forints; just a hop across the border is all it takes. "They are going like hot cakes," says the Austrian owner.

The Gorenje [Yugoslav brand name of unspecified kitchen appliance] is long sitting at home, and is working well. The family is often just staring at the microwave, as they have no idea when, how, and especially why they should be using it when they have their trusted stove. But in any case they can say that they now have one of those, too. Then there is the color TV, the VCR, and the CD player, which the lady of the house dusts once a week. Lined up on the shelf are cosmetics, a myriad of sprays, mysterious creams, and other odds and ends; God only knows what they are for, who should be putting them on, and where.

So does this mean that they have everything now? You bet! Except for one thing that is still missing from Hungarian households, and even that not for long, thank goodness. And that is a gun.

Not far past the Hegyeshalom border checkpoint, in the second Austrian village, there is a sharp turn, which you should feel lucky if you make without breaking your neck. For if you do not make it you might end up flying straight into the local gun shop. Posted in front of it is the following sign: "Inexpensive Semiautomatic Handguns for Sale; 10-20 Percent Discount on All Weapons." It is after business hours, but there is still a big crowd inside. For the clock has already struck six, and they close at five. Still Hungarians come flooding in to get their daily "requirement" of semiautomatic handguns, cap-guns, bows, ammunition, you name it.

A man with one leg in a cast but hand intact assumes the firing position (his thoughts are heavy, his arm is steady); luckily the weapon in his hand is secured. Although if he were to press it against my kidneys on a dark street corner, I certainly would not be trying to figure out whether it was secured or not; I would immediately hand over everything he wanted.

Over there an athletic-looking compatriot in a shiny jogging outfit and sandals is placing an order for a Smith & Wesson, prepaying with a combination of schillings and forints.

Some more people come knocking. They are looking at the ammunition selection in awe. A gentleman with a stack of Suchard chocolate bars in one hand and searching for ammunition with the other is paying with cash, all in schillings.

A respectable-looking, office-type woman walks in. One would think that she has just gotten up from behind a typewriter, leaving behind her filing folders and urgent telephone calls; having just bought three chocolate eggs somewhere, to be on the safe side she has stopped by to purchase a few rounds of ammunition.

I am watching all this, dazzled by the selection. You can get a "sale-priced" automatic weapon here for as low as 800 to 1,800 schillings, and even some colorful Chinese fireworks for 200 schillings. This latter I was barely able to resist buying, but somehow I got hold of myself.

In comes an "all-Hungarian" lad, clad in a Western-style shirt and jeans; he does not fool around with the small stuff: a semiautomatic pistol and a cap-gun is what he wants, and he is willing to pay for it handsomely.

"How will he get it across the border?" I wonder to myself as I watch this modern-day hussar, but noticing the distrustful look in his eyes I decide to put the question to the proprietor, Mr. Gerhard Nagy.

"I don't know," he replies with noble simplicity, "but the fact is that this is not a problem any more. One thing is for sure, no one has ever returned anything here. We have only been open a month and you can see the volume of our traffic. Even though we used to sell weapons before, too, in our store next door."

So we walk over to see that one right away, too. I just stand and stare with amazement. From the outside, one would think that it is a mere shack, but inside, it turns out, it is a "super" well-stocked, huge department store. Everything your heart desires—especially the Hungarian heart—you can find there. Coffee, chocolate, laundry detergent, camping chairs—these are the hottest items today. Not long ago, Mr. Nagy—the above-mentioned Zumdorf merchant—was selling about 500 Gorenjes a week in this store and in the gun shop next door; now he is lucky if he sells five a month.

Of course, he now has his gun sales making up the difference.

"Well," the Austrian owner explains, "in this country you must be at least 18 years old to buy and own a semiautomatic weapon or a cap gun. I hear that in your country, too, the situation is about to change. I know that until now Hungarians have had to travel all the way to Germany to buy a weapon; now just hop across the border is all it takes. A hundred meters from us, a local entrepreneur has just opened another similar store. Incidentally, we get many people from your country offering to go into business with us, but for now at least we do not need any partners."

Meanwhile four Hungarian hunters walk into the shop; they start sizing up the selection with expert eyes. Smacking their lips and nodding with appreciation, they proceed to buy some ammunition. The owner hands them some hunting and gun brochures, along with a few pointers about what to drop in for the next time they are in the neighborhood. He also mentions discounts, which the "Nimrods" acknowledge with delight. As they do the green balloons they each receive to take home for the kids.

Incidentally, I also got one of those—perhaps to keep silent at home about the Chinese fire crackers and other assorted goods.

Self-Dissolution of Agricultural Co-Op a Success

91CH0920A Budapest TALLOZO in Hungarian No 36, 5 Sep 91 pp 1,706-1,707

[Article by Orban Sari reprinted from 28 August MAGYAR MEZOGAZDASAG: "Divorce Co-Op Style"]

[Text] One could say that they were divorced on the basis of mutual agreement. This is not rare either in our social or our economic life. There was a time that was characterized by the unification of cooperatives; nowadays we hear more about breaking up and everyone going their own way. This is what happened recently at the "Egyenloseg" [Equality] Cooperative in the Veszprem county community of Kup.

The 860 members of the cooperative that extended to eight villages and cultivated about 6,900 hectares worked "together" since 1986. In other words, that was the date of the most recent partnership. Early this year, they decided that it will be better to disband, and at the membership's request they called a general meeting.

The Equality Cooperative of Kup, which received about 70 percent of its earnings from industrial activities, was presided over by Karoly Farkas. He was one of the few who have already been elected president a few times this year. At the beginning of our conversation he emphasized that this transformation took the form of disbanding, which is important because this way there were no legal debates. At the moment, he heads one of the successor cooperatives, which is called "Forrasfo" [Source].

Without Legal Contentions

"I was not surprised by the disbanding," Karoly Farkas began our conversation. "As long as I lived and worked in this area, there was eternal conflict between certain communities. There were many ideas on how to make the first move. At first we thought we put a rational reorganization into effect, and retain the core of the cooperative to work as a holding company. The rest would form smaller units and continue to operate, managing their own resources. For example, the industrial units would operate with 100-percent individual incentives. Among these were the stone quarry or the foundry; however, the membership did not approve of this. They demanded a general meeting. At the meeting we first decided to disband, and create a working committee to implement the legal and practical aspects of that decision.

"According to the original concept, the cooperative was to break into four units. In the course of the series of village meetings we agreed that the wealth should be distributed so that each of the units should retain a

certain percent of industrial activities in addition to the basic activities. After all, given the poor, stony soil of the region, the basic [agricultural] activities alone could not support any enterprise. The initial idea of breaking into four units was not feasible: Distribution strictly according to land would have meant that certain units would have no industrial activities, so the notion was judged impractical. There was the idea that the dividing line should be drawn along the former village boundaries, which would have meant a break-down into three units. Then we started discussing who will belong to which of the units. We decided that each individual will become a member of that successor cooperative in which he performed his work.

"This was easily settled in the case of active workers; however, we also had to decide the fate of some 360 pensioners. In addition to their place of work, they could choose on the basis of their residential address. In deciding who belongs where, there were a few 'shaky' moments, because certain people were not welcome by any of the cooperatives. So we formed a five-men committee, and started 'trading people.' After we settled who will work where, the wealth had to be appraised. To do this, we formed specialized committees, made up of representatives from the 'new' cooperatives. There were committees evaluating the agricultural, industrial and consumer resources, the entire wealth of our construction company and our power equipment, machinery, and vehicles. The distribution of property was to be based on the principle that everyone should be able to perform smoothly in the existing and future spheres of work. After distributing the combines and tractors, we appraised the other items of equipment and distributed them in a fair manner.

"After everyone learned where he will work and what equipment he will use, and members used the first opinion survey to call for the disbanding of the cooperative as of 30 June, a new general meeting had to be called. This took place on 29 June, and by that time the people had no questions to be answered. In the morning they voted to disband the Equality Cooperative of Kup, and in the afternoon they started organizing the new cooperatives."

Operative Readiness Is the Primary Consideration

"In May and June we had some harsh debates, but we strived to settle every issue so that they would not be repeated after 30 June, the day of disbanding," said Mrs. Klara Acs Biber, who presides over one of the successors of the Equality Cooperative of Kup.

At the membership's initiative, they called a general meeting on 4 May, where participants decided in favor of disbanding. Subsequent events are recounted by Madam President, who was the cooperative's chief accountant for 13 years.

"The way I have heard, when other cooperatives disbanded, first they calculated the per capita amount of wealth, and then tried to match their resources to that. In

my view, that is a very cruel approach. If I have no idea what I will have in my hands, how can I organize the management?"

"This is why we did not calculate the per capita worth of our resources; instead, we strived to see to it that each of the successor organizations would remain equally feasible. We divided the land the way the parcels were registered to each village at the land registry office. Thus, for example, the community of Papa-Tapolcafo received 4,100 hectares, including 2,400 hectares of [number omitted, as published] and 1,700 hectares of plow-land, along with all real estate properties on the land.

"It was proposed that our cooperative be broken into three parts, excluding from it the TOVAL, the constructive company we operate. However, in view of uneven development after the new cooperatives are formed, we rejected this idea. There were no feasible industrial units in the Ganna and Dobrente sectors, as a consequence of which their future would have been quite uncertain.

"The two successor cooperatives that also pursue agricultural activities are in fact organized around two large industrial sectors. At Kup it is the foundry, and at Tapolcafo the limestone quarry and grinding plant are decisive factors.

"We had to distribute our other resources, too, such as our deposits, the money that we invested externally or is owed us, the credits and other sources of income. Some of the credits were distributed according to certain defined guidelines, the rest we simply divided.

"Members did not have great problems with the disbanding; after all, most of them joined the successor cooperatives according to their residence or their previous place of work, and the pensioners were also able to choose along similar lines. The choice of the latter may have been influenced by the sector from which they retired. As for members and employees residing in Papa, who usually are better educated, they were distributed proportionately among the new cooperatives.

"There was another factor that influenced the members' decision: In distributing large pieces of equipment, we considered operational requirements, and there were some conscientious tractor-operators who went along with their machines; in other words, they did not choose the new cooperatives nearer to their residences, but more distant ones.

"Recited in this manner, the whole process of disbanding appears simple, but I must tell the readers who are contemplating similar moves that now there are much simpler and quicker methods for leaving cooperatives. When a number of members leave, the cooperative does not cease to exist. In the case of disbanding, it does, and new ones are formed.

"According to current regulations, all issues related to disbanding (settling accounts, distributing properties, opening new accounts, registering) must be completed

within 30 days. We feel, however, that at least 60 days should be granted to take care of these things.

"A major question now is: How do we see the future? Well, small cooperatives (just like the former Equality or the other successors) must consider industrial activities as decisive; after all, 75 percent of our earnings come from that. Our basic activities are relatively simple: In point of fact, all we do is grow enough produce to take care of our members' annual allotments, and enough fodder for our 700 cattle and their young.

"It follows from the above that we are not directly touched by the recent developments on the cereal market; after all, we are not forced to sell our products immediately. Unfortunately, and we realize this, there has never been a time when the purchasing and reselling organizations were in such monopolistic position as now, in spite of the many changes. As a consequence, we are not selling our products now, because it would be February before we would see our money.

"To get back to our disbanding, and to summarize its meaning, I feel that the maintenance of operability is the most important matter, and that should be the primary consideration everywhere. Other coops may use our method, but we cannot provide a prescription. Better solutions may be developed and implemented by being familiar with the local conditions."

Without Land

Perhaps even its name went out of usage; after all, one hears about construction cooperatives quite infrequently.

"At the time we disbanded, our situation was probably the most promising," said Imre Domonkos, president of the third successor cooperative.

"This construction unit operated for years as a subsidiary. As of now we have 71 members, and a total of 100 workers. Since we have on-going projects, everything was

operating smoothly during the period of 'transformation.' By the end of August, however, most of the jobs with deadlines will be completed. At that time everyone will go on vacation, because we have no new orders. Of course, the situation may change by then, we may receive new orders.

"If we had continuous orders, this cooperative has the capacity to produce earnings in the amount of 40-50 million forints. At the moment, however, it has 2.5 million forints in long-range external assets. We could gradually collect these; of course, this involves a vicious circle, because many clients do not pay because other firms owe them money. Obviously, projects have not stopped; there are still many hotels, colleges, etc. being built. But this is the time of bids; there may be many applicants for any given project, and decisions are not always made on the basis of cost suitability.

"This transformation did not bring major changes to our enterprise. Perhaps in the future it will be possible to specialize the construction industry, and that will change the situation: We will be able to adjust our labor force to the projects on hand, instead of the other way around.

"Another thing that might help our efficiency is eliminating warehouses and our stockpiles which are valued at about 6 million forints. After the disbanding of the cooperative, we have only 14 employees not performing physical labor. Of course, our enterprise was never devoted to a multistage management style."

* * *

No doubt, the case at Kup is but one among the many, and its circumstances make it a peculiar one. Still, the swift and relatively peaceful disbanding may provide lessons to many others. If there were, and are, some negative aspects, most of them have their roots in the period of forced consensus. The passage of time may do away with those roots. As for how to proceed, that will be decided by future developments. It is hard to tell what may have been good for something!

Soviets Cross Border Seeking Employment

Economic Implications

91EP0719A Krakow TYGODNIK MALOPOLSKA
in Polish No 36, 8 Sep 91 p 9

[Article by Ewa Barret: "To Poland for Seasonal Work—
Who Is Going, in What Numbers, and How?"]

[Text]

A Gold Mine for the Russians

It is easy for dealers from the East to make money in our country because in most large Polish cities there is a "Russian market" at which everything can be bought, from a pencil to a television set. For example, in Russia a housedress costs about five rubles, while in Poland it is sold for 25,000-30,000 zlotys [Z]. For this sum of money the Russians can buy over \$2. In the USSR, although not in Moscow itself, \$1 costs 40-50 rubles. One "buying-and-selling" trip to Poland enables a Russian to earn at least \$120 to \$150 (\$100 clear, i.e., about 3,000-4,000 rubles). That is a fortune and it is why thousands of Russians dream of traveling to Poland for just this purpose. And because our foreign-exchange reserves shrunk half a billion dollars in the first half of 1991, our experts are considering what part the Russians are playing in this. The Ministry of Internal Affairs is cautioning that the Russians may this year take out almost one billion dollars, and this can constitute a serious threat to our economy.

Meanwhile, the Russians are a "hard nut" for our government to crack. They would like to sign a new agreement as soon as possible with the USSR on the movement of its citizens, and change certain internal regulations. Until that happens, the Poles and the Russians are doing a good business: The Poles are buying large quantities of all kinds of goods from the USSR (often, for example, this is canned ground meat with a shelf date of up to 1994, and French perfumes), buying them at one-third less than they would cost in our own shops. Both sides want the "Russian markets" to go on in Poland as long as possible.

But few people know that soon Poland can expect a wave of Russian emigrants. If an emigration law goes into effect in the USSR, the arrivals from the East will pour into our country in a wide stream. And all of them will want jobs in Poland. Our voivodship labor offices already know this. Every day already many firms are applying to these offices with requests for permission to employ Soviet citizens. In most cases, the permission is granted, although the policy for issuing permits is strictly prescribed.

A Pole Has Priority

For example, if there are jobs for which Poles have been waiting for a long time, permission to employ foreigners is denied. But these cases are rare, because although the

number of unemployed in Poland is steadily growing, there are occupations—especially in the construction field—in which it does not pay for a Pole to work. A bricklayer, tile-setter, or concrete placer would rather collect unemployment benefits and work on the sly. But for a Russian, a job like that is a dream come true. A Russian is happy to get a hard job and works willingly. For him, even Z650,000 a month is a dizzying sum—that is almost \$60, or approximately 2,400 rubles.

But the voivodship labor offices have a rule: A Russian employed legally in Poland cannot earn less than Pole. That is why they require the workplace to specify, in detail, the financial conditions on which they want to employ citizens of the USSR, and the anticipated employment period (a year, six months). In issuing a permit for employment for a specified period, the office protects the foreign workers from unpleasant surprises at the workplace.

Russian 'Invasion'

The Poles, for whom unemployment is still a new phenomenon, are already afraid of the size of this invasion. Although in the USSR it is expected that approximately two million citizens will want to leave the Soviet Union in the immediate future, our Ministry of Labor and Social Policy hopefully will be able to solve the problem. New restrictions will have to be applied in the issuance of permits for employment of foreigners.

To date, the voivodship labor office in Krakow issued permits for the employment of 150 Russians. The situation in other voivodships varies. In the first six months of 1991, over 1,300 foreigners worked legally in Poland. Among them were 610 Russians. The rest are Chinese (the new Chinese restaurants that they operate are doing beautifully), Turks, Germans, and Swedes. Not all of them are doing heavy manual work. Among the foreigners employed in Poland are many brilliant Western business consultants, lecturers, and, above all, distinguished musicians from... the Soviet Union. This has aroused controversy among people who believe that there is no lack of individuality among our Polish instrumentalists or vocalists. That is true. But these superb artists go to the Western chamber orchestras and symphonies. When our orchestras announce that they have openings, it turns out that there is no one to choose from. That is the reason, for example, why Stanislaw Galonski, composer and director of the famous Capella Cracoviensis, decided to employ three musicians from the Soviet Union.

Social Implications

91EP0719B Warsaw GAZETA WYBORCZA in Polish
9 Sep 91 p 13

[Article by Janusz Mlynarski: "Cousin With Trowel and Hammer"]

[Text] In Poland, for 30 zlotys [Z], you can buy a box of matches, a domestically produced condom, or one ruble.

In the Soviet Union, for one ruble, you can buy two loaves of bread, half a liter of gasoline, 10 condoms, 20 boxes of matches (if you can find them), or 20 postcards bearing a picture of the leader of the revolution.

Przemysl, the largest city on the Eastern border (almost 100,000 population), is the first to see the many citizens from the USSR looking for work in Poland.

From the standpoint of unemployment, it is in the top 10 in the country, therefore it would seem not to be desirable.

In Przemysl there is no large state industry, but there are many small private factories and crafts shops. Nor is there a shortage of private investors who will happily employ cheap, undemanding, workers.

Polish Hospitality

According to Mieczyslawa Swietlicka, assistant director of the voivodship labor office in Przemysl, any controls in private workplaces, shops, or construction sites, are doomed to failure from the start, because every Pole has the right to invite any number of foreigners. A Russian, nabbed at a construction site, most often explains that he was invited to Poland by his cousin. The cousin is building himself a house, he cannot afford to hire workers, so he is helping him—free, of course.

Wife or Pub Variant

In hiring natives to help him build a house, a Pole must expect to incur the following expenses:

—A master bricklayer will demand Z150,000 for a 12-hour shift.

—A helper will demand Z100,000 (you have to have two or three helpers).

Twenty-six days multiplied by 150,000 gives us Z3.9 million, which is the master bricklayer's share. Add to this the wages of the helpers and you get 9.1 million.

That is not all. You have to buy them at least three bottles of beer per head, a bottle of vodka for lunch, and two bottles for dinner.

If you have a wife, the cost of feeding them is cheaper because she will do the cooking. If not, there is the pub.

The wife variant costs you Z30,000 a day per worker, the pub variant costs 100,000. Plus beer and vodka, 50,000. The figures show that you must spend Z7.8 million per month for a master, and 6.5 million for a helper.

They Do Not Eat, but They Work

All you have to do is go to the station and conduct a short poll among the passengers getting off the train which just came from Kiev, Lvov, Czernowicz, or

Odessa. You take their addresses and send them invitations. After a few days, the "cousins" arrive and "help" you in the construction, or in gathering fruit, or any other kind of work.

The first and foremost advantage of the "cousin" is the size of the daily wage to which he agrees. A master gets the equivalent of 150 rubles (Z1.5 million a month, for which he buys dollars—and a dollar in the USSR is 30-35 rubles). Helpers get 100 rubles, i.e., a million zlotys a month.

The second advantage: The "cousins" do not have to be fed, unless we consider the food to be a trivial two loaves of bread a day (Z10,000). The guests bring their own canned goods, smoked bacon, tenderloins, lard, and vodka. In a word, they do not eat, they do not drink, but they work and live.

Anyone Can Mix Mortar

According to my information, in Przemysl and the voivodship about a thousand people from beyond the Eastern border are working "off the books." In most cases they come from Lvov, not quite 90 km away, or from border towns.

I talked with at least 40 "cousins" working on construction sites in Przemysl and nearby villages. In general, they are satisfied. They complain a little about how expensive things are in our shops, but after all, they will not stay here forever. They will make some money and return home.

Yura, Igor, and Mykhailo came at the beginning of August from Drohobycz. Yura and Igor never worked on construction before. Yura is an automobile mechanic and Igor is a warehouseman. Anyway, anyone can mix mortar. Mykhailo knows bricklaying and carpentry and in the last three years he got some on-the-job experience on church jobs. All three work in Przemysl. They will now stay another month because their employer arranged sick leave for them.

Baryshnikov's Niece

Zaneta has been living in Przemysl for a year. She and her mother came from Truskawiec. Before they left they sold everything they owned. The mother is a Pole and the father, now deceased, was Russian. Zaneta has the name Baryshnikov and says that the famous dancer who has been living abroad for years is her uncle.

Zaneta wants to get on her feet in Poland and then become a well-known dancer, like her uncle. Right now she is working sporadically at the vegetable market and in the afternoons she dances with a ballet group. According to her instructor, Piotr H., she has a lot of talent. Zaneta says that in a couple of days she will get a residence permit and then move to Przeworsk.

Saved by Marriage

Irina is from Lvov, is 28 years old, and has six gold teeth. This is not all she has. She also has Z300 million. She does not want to say where she got it from. She is a bookkeeper by trade and wanted to get a job in the Garment Plants in Przemysl (formerly "Red Dawn"). She was not accepted because she does not have the necessary documents and permits.

She lives with friends and works at the bazaar. Everyday she buys up vodka from her fellow Poles and sells it at roadside stands. Obviously, she does this very discreetly. Irina's return date to the USSR expired a month ago and the police are already on her heels. A fictitious marriage may save her. She will pay her "betrothed" Z100 million.

Not Just the Head

Lesia and Maria are both 21. The first is a divorcee, the second is married. They came to Poland because some girlfriends who returned from a pilgrimage to Jasna Gora brought back a load of dollars and presents. Lesia and Maria say, meaningfully, that it doesn't just take the head and hands to make money.

They sleep in a waiting room, and bathe in the San River, where they also wash out their things. They have

already made half a million zlotys. When they accumulate more they will go to Katowice and Kedzierzyn. Lesia worries a little about the three-year-old son she left with her parents in a small village under Czernowiec.

"I'll earn a little money, maybe get married, and then I can bring little Paul here," she says.

A Banquet of a Lifetime

The owner of a hollow brick factory employs 10 Russians.

"I pay them the same as I pay Poles. I want to do the right thing, so I took them on a referral contract. At least the state treasury suffers no loss because it receives a 20-percent wage tax. I do not pay insurance because I don't even know how to do so. They are reliable workers, don't drink, don't steal, and don't cheat. When their work period ends I will take them to the best pub for a banquet that they'll remember for the rest of their lives."

Sadly, I determined that out of 10 employers using workers from the USSR, only the owner of the hollow brick factory treats them with dignity. The remaining nine are unfeeling clods who mercilessly exploit their employees.

Our countrymen have quickly forgotten that not too long ago a Pole was ready to do anything to earn a few marks.

Banning of Communist, Extremist Parties Discussed

*92BA0032B Bucharest ROMANIA LIBERA
in Romanian 20 Sep 91 pp 1-2*

[Interview with jurist Igon Dima by Petre Mihai Bacanu; place and date not given: "Legal Grounds"]

[Text] [Bacanu] Esteemed Mr. Dima, you are a jurist and a member of the group of initiative for the establishment of the Civic Alliance Party. Our questions will touch only on putting communism on trial. Recently, especially after the failed putsch of the Kremlin ultraconservatives, there have been increasingly insistent demands in this country to ban the PCR [Romanian Communist Party] and the extremist parties and to put communism on trial—the latter has been formally endorsed by the prime minister. In your view, what are the legal grounds for such demands?

[Dima] The grounds are primarily moral and they rest on the principle of reparations for the damages suffered by the Romanian people, subjected as they were to a forcibly imposed social experiment—communism—for 45 years. The moral and material damages stemmed from legal actions dictated by ideological and political considerations, so that they can only be rectified by the same means, i.e., by legal acts.

[Bacanu] In that case, since there is also a political element, how can the trial of communism be opened and unfold?

[Dima] Exactly as a function of the two elements, the political and the strictly legal elements. In the first instance we can turn to history, the unpublished history of the PCR, and reveal the list of names of the party leaders, their nationality and citizenship, the manner in which they represented the country's interests in the Comintern and Cominform, the resolutions adopted at party conferences and congresses, and the party's position at crucial moments for the Romanian nation. In fact, a full disclosure of the documents existing in the PCR archives is one of the primary obligations of the current regime which claims to have turned its back on the communist past. That can serve as proof of good faith. On the other hand, in view of the fact that the PCR was a single party and the leading force in the state, its archive belongs to the country's historical background and we cannot write the history of the Romanian people, the true history, without disclosing these documents. We can use the statistical data recorded on diskettes, microfilm, and in the archives of the former State Security Directorate, the Interior Ministry, the General Directorate of Prisons, the Prosecutor's Office, and the Ministry of Justice, all of which deal with the political trials and the repressive measures taken in the 1945-89 period. And of course there are the archives that did not end up in Berevoiesti and other places.

[Bacanu] All right, but in a penal trial you have defendants, not statistics.

[Dima] No, in a judicial process you have first the deeds brought before the court and the guilt or innocence of the person involved is established in conjunction with the evidence of those deeds. In the trial of communism, because that's what we're talking about, the statistical data I mentioned can serve to establish the deeds that we charge with being unjust or as being acts of political repression.

[Bacanu] Under the present laws?

[Dima] The material penal laws did not change much after the revolution. I claim that according to the laws in effect, at that time many were unjustly sentenced for deeds that had nothing to do with the social-political regime and even less with the interests of the country and the people or with the legal order. For example, let's publish the statistics on the number of people sentenced to long years of imprisonment for having dared to state that Soviet technology was not the most advanced in the world.

[Bacanu] Were there really such cases?

[Dima] There were even worse than that. Thousands of Romanians were sentenced for singing—not even in public—"Wake Up, Romanian" and other patriotic songs honoring the nation's heroes, or simply for their keen Romanian awareness. I want to point out that such sentences were passed into the 1960's. I can also cite people sentenced for saying that the sausage and meat were expensive, that Bessarabia was a Romanian region, or that previously they didn't need coupons to buy bread. Actually, the publication of such statistical data will clearly show that the cutting edge of the class struggle and of proletarian internationalism claimed more victims among peasants, workers, and youth than among the former "exploiters." The intellectuals were particularly repressed.

[Bacanu] So what will this kind of statistical reporting be like?

[Dima] It will be pretty complex. First it must show all those sentenced for crimes against state security according to the major points of law on which they were charged, which are included in the respective chapter of the previous penal code and in special laws (up to 1969). At the same time, those sentenced should be classified according to occupation, age, sex, and possibly nationality. Then, the sentences must be shown according to their nature—death or imprisonment—and length of term, and in the case of death sentences, show the occupation, age, and crime charged. Of course, the statistics must not omit those sent into administrative internment at the Danube-Black Sea Canal and other colonies, as well as those deported to the Baragan or placed under forced residence. And finally, concerning the number of those sentences, the reports should show the number of those who died at the places of detention for whatever cause.

[Bacanu] I realize the effect that the publication of such statistics will create, but where are those responsible for those horrors?

[Dima] They're also to be found in statistical data and in the memory of the survivors. We know from cadre rosters the real names of all the Interior Ministry leaders, the county, region, district, and city Securitate leaders, and of those who were responsible for the activities of the Securitate, Interior, and Justice Ministries on behalf of the PMR [Romanian Workers Party] and the PCR between 1945 and 1989. The repression was primarily a political action overseen by the party and conducted in stages; one telling example of that is the 1957-59 campaign. That campaign began after the events in Hungary and the withdrawal of Soviet troops from Romanian territory in 1958, which had awakened hope for change. The outcome was a deluge of political trials that may have equaled in number the previous trials, and that ended only in 1962, followed by an extensive amnesty in 1964. Sentences were pronounced after that date, too, but fewer; note that they did not target social classes or categories, but especially opponents of the dictatorial regime and economic actions wrongly classified as crimes of undermining the national economy, or treason, when in fact they were common law offenses.

[Bacanu] How can those responsible for the policy of reprisals or for material or legal acts of repression be punished?

[Dima] They can be punished in compliance with the unanimously established principles of justice and, of course, with the texts of law in force at the time the deeds were committed....

[Bacanu] What do you think about the penal charge addressed by the AFDPR [Association of Former Political Detainees of Romania] to the Prosecutor General?

[Dima] The charge was founded on the reality of the criminal actions to which political detainees and their families were subjected in the course of penal investigation and while serving their sentences. It would be enough to publicize the sentences pronounced in the case of the torturer Eugen Turcanu, who was in charge of the reeducation process at Pitesti and Gherla [prisons], or in the case of Stanciugel, who at the Danube-Black Sea Canal tossed people into the lime kiln alive, or those of the Salcia Interior Ministry colony, to lend complete credibility to the charge. But the charge also refers to actions that are not criminalized under the present Penal Code, which is a more lenient law than its predecessor, and that is an impediment that cannot be overcome because that would place us outside the legal principles of the civilized world, even if it benefits persons who have no place in such a world.

[Bacanu] Forgive me, but would you claim the same thing in the case of the authors of the criminal political act to which your grandparents and uncles fell victims in 1940 in Bessarabia?

[Dima] Had you asked me that at the beginning of the interview, I would have been in a position to decline to answer. I will, however, answer and I will say that the facts of the matter do not change. The fact that my family members were shot by the Soviet NKVD without trial, while others were executed by the Securitate must be attributed to the same reason: the communist regime. Which makes the trial of communism even more necessary at present. However, within limits and by legal means....

[Bacanu] A last question: Is it legal to ban the PCR, the PSM [Socialist Labor Party], or other parties?

[Dima] Let all the data I talked about be publicized, let everyone learn and internalize them, and then we'll see who will still want to join such parties. I think that would take care of the entire problem.

[Bacanu] Thank you.

Questions About Ultrationalist Tudor's Trial

92BA0032C Bucharest ROMANIA LIBERA
in Romanian 20 Sep 91 p 2

[Article by Simion Buia, Jr.: "Legitimate Curiosity"]

[Text] On Wednesday at 1400 another act was played out at the Justice Palace in Ploiesti in the grand "court epic" that has entered its 10th term. Since November 1990, when we started visiting the Sector 1 Court and the Ploiesti Courthouse, we have had enough time to find out what was contained in the penal files in which C.V. Tudor figures as defendant. If we ever had any doubts about the charges against the defendant, he himself dispelled them at his court hearing. We thus learned what the so-called "sources of information" were. Moreover, we learned the facts and the "proof" on which he relied: anonymous letters, conversations with former militia men and members of the Securitate, the body of repression, and "a group of reserve generals," scared up by the reporter's flair of which C.V.T. seems very proud. We also found out that the motive that impelled him to slander was his unwavering love for the communist regime, whose ranking representatives (members of the Political Executive Committee) were put on trial by the Prosecutor's Office. And now C.V.T. is stalling, hoping against hope that something may crop up, such as some small "original" miracle apt to exonerate him. And if no miracles are forthcoming, a lucky break may have to do; such as the absence of Attorney Viorel Dumitrescu, "busy" on other trials.... That's how it happened that at the Wednesday session C.V.T. obtained a new postponement to 1400 on 16 October 1991. After all, why should he show up for the hearing when he can be absent? All the more so as the court is not making any trouble for him. And thus, C.V.T. continues to enjoy the right to slander. Consequently, we know with certitude what the truth is and who C.V.T. is. Nevertheless, on Wednesday we noted that the defendant has changed his strategy. One witness was questioned, Maria Udrea, a codefendant in the penal case against Elena Barbulescu (Nicolae

Ceausescu's sister), which is on the docket of the Slatina County Court. On the other hand, the witness's husband was absent, albeit for a legitimate reason: he is in detention. The best society.... Those are the witnesses cited by C.V.T. in his defense, who on top of everything else are also liars. For example, Maria Udrea, after much stammering and stuttering, told us that the Robu couple and First Deputy Prosecutor General Nicolae Cochinescu in 1987-88 attended several "protocol" dinners in Scornicesti. Asked by Mrs. Constanta Robu if she had ever seen her, the witness categorically denied it. The fact is that she didn't recognize Mr. Gheorghe Robu either, until her eyes fell on the rescuing hand of the compromised former prosecutor Dan Ioan Mirescu, who was pointing to Mr. Robu from the back. Hard to believe one's own eyes! There was also a point at which the Court, seemingly recalling its role in the trial room, interrupted the debate and asked that the courtroom be emptied, evidently because the fanatical extremists who had invaded the court didn't like how the trial was going and were continually vociferating. That gave us an opportunity to see what courtroom bailiffs look like. They look good. Moreover, when the evidence was being deposed, C.V.T.'s attorney Toma Dragomir asked that the witness Elena Safta be cited, but he gave the court an obviously wrong address, something that could have resulted in another postponement. Evidently, this was another move in the strategy adopted by the defendant in his effort to delay the adjudication of the case at any cost.

Nevertheless, we continue to attend the courthouse because our curiosity touches on much more important areas that predicate the very idea of a state of law and the democratic situation that the Regime doesn't hesitate to throw in our faces by all the means at its disposal. Among other things, this is what we would like to find out:

- Why does C.V.T. claim that this is a political trial, when in reality he was brought to court for slander and contempt of the authorities (If a deputy causes a fatal traffic accident, is his trial also political? If a minister has his home painted at the expense of the state, is that also a political trial? When are we going to have some common law trials in Romania?)
- Why did the Supreme Court of Justice move the penal case from Bucharest to Ploiesti precisely at the time that C.V.T. claimed that "all the Bucharest judges were venal and corrupt?"
- Why does the Ploiesti Court not observe the Supreme Court decision whereby the evidence gathered up to the time of the move was valid and, contrary to that decision, ruled to hear witnesses who had already been questioned? (Was that lack of professionalism or fear?)
- Why is C.V.T. allowed to name one witness today, another one tomorrow, and so forth? Is the defendant enjoying more rights than any other Romanian citizen?

—Why does the Justice Ministry allow a court to be besieged by a band of fanatics? Is that the "remedy" that an original democracy proposes for the rescue of people put on trial?

—Does the Regime think that it can achieve a state of law with a Judiciary that lets itself be intimidated by defendants?

P.S. For security reasons, upon leaving the Ploiesti Courthouse the Robu couple were escorted out of town by a police team.

Queen Anne Notes Advantages of Monarchy

92BA0032A Bucharest "22" in Romanian 4 Oct 91 p 7

[Interview with Queen Anne by Gabriela Adamesteanu in Paris on 14 September: "The Visit to France Is Not the First and Won't Be the Last"]

[Text] [Adamesteanu] Please give our readers a few biographical data about Your Majesty.

[Queen Anne] I was born in Paris, were I was educated and where I went to a regular school. I lived in a regular apartment with my parents and my three brothers until 1939, when we were all forced to leave France because my father (Rene Bourbon-Parma) was threatened with internment in a camp. We went by ship from Lisbon to New York, where my parents worked, my father for a gas company and my mother in a millinery shop. We lived in New York in a three-room apartment which we got with the help of friends. My two younger brothers went to school in Canada, after which they returned to New York, and both worked: The youngest, who for a while sold newspapers, volunteered for the French Army at the age of 16 and became a paratrooper. I worked as a salesgirl for a large department store, Macy's. Later, together with other French refugees in New York, we worked for the French Army, for the military ambulance service. I went with the French Army to Morocco (Second Armored Division) and I took part in the French campaign. For us the war ended in Stuttgart two and one-half years later; I was decorated with the War Cross (La Croix de Guerre). Like the other troops, I was demobilized in 1945 and resumed my studies in Paris. I met King Michael in England in 1947 at the wedding of the queen of England. I had known Queen Mother Elena before, as she used to sometimes visit my mother. Our wedding was celebrated in Athens on 10 June 1948. After that all I did was care for my (ever-growing) family, in other words, took care of the household and the children's education. Like any other woman.

[Adamesteanu] Do you think that the events in the Soviet Union will have an impact on the situation in Romania?

[Queen Anne] I think they will, because at present the radio, television, and press of neighboring countries have influenced and are influencing Romanian thinking.

[Adamesteanu] Do you think it will influence the political interactions, too?

[Queen Anne] Possibly, because it seems to me that we are now in a kind of political "vacuum." Everyone is searching (even in France), is apologetic, and is trying to regroup. I think it will be a while before the world settles down. The West is also seeking its identity. And the same thing is valid for Romania, too, located as it is so close to the disintegrating Soviet Union. There will be unrest and I think that the unrest will also touch Romania. Look at Bessarabia. And we will have our former borders, because our frontier had shrunk, had been reduced.

[Adamesteanu] Does Your Majesty also think that we'll be waiting for a while until that happens?

[Queen Anne] The events are exceedingly rapid. But we must be cautious, must carefully view and weigh the situation. It's not a good idea to rush to one side or the other, because mistakes disperse and divide us, while we need reunification.

[Adamesteanu] What does Your Majesty think about the minorities issue? Because, once the unification with Bessarabia takes place, Romania will incorporate other minorities, too.

[Queen Anne] The minorities situation is currently being used to create diversions. I think that the minorities are being used for the purpose of disinformation. But anyone has a right to live where they wish to live, and I think that the minorities issue will in the future disappear. We must all of us be tolerant, because without tolerance we won't be able to make progress. We are like a family: There may be disputes or quarrels, but that doesn't mean that the family is not united.

[Adamesteanu] At this time the monarchy is growing in popularity in Romania. You must, of course, be aware of that.

[Queen Anne] Yes. Because there is a need for stability and stability can only come from a person who is trusted, a person who displayed an exemplary behavior throughout his life, and who never took a wrong step. I think this is the key that explains King Michael's growing popularity in Romania. Just as the king so often told his compatriots, he can be trusted. And the Romanians do have faith, but they also need help for this faith to strengthen.

[Adamesteanu] What kind of help do the Romanians need? Western help? Help from outside political forces?

[Queen Anne] We will be helped once we have stability. But I think that we Romanians will find this stability in the country through our own forces.

[Adamesteanu] What can be the concrete means of restoring the monarchy system, especially now, when we are so close to having a new Constitution passed?

[Queen Anne] This country has always had a monarchy. The country's past was glorious and so will be its future. The 1923 Constitution is still valid. It features greater rights and freedoms even than the constitutions of other Western countries. The Romanian Constitution was patterned on the liberal Belgian Constitution. Of course, some amendments are necessary regarding women's rights or electoral rights; it must be updated, because countries progress and so do their constitutions. There are several areas in which the king can help. As far as I am concerned, I am interested only in humanitarian aid; I can help, but I'm not a politician. I wholeheartedly believe that the youth will give Romania a good future. Because those who suffered so much, those whose souls and minds were so badly hurt, can only dream of Romania's good future. But the youth in today's Romania will have the future they will build. I am thinking of the youth in every environment: working youth, students, and even elementary school children. For them Romania will once again become Greater Romania. I have hope and courage for them and they will be the ones to build the future, much more so than anyone else. We have seen the enthusiasm of young people who want to know and to learn; that is why cultural exchanges among countries are of a primary importance. Those who want to leave should come see and study—but not abandon their country for good, because we need the youth. Emigrating youth is of course a phenomenon in the East, as well as throughout the world. The ones who are leaving now are leaving because they had been locked in a system in which they could work but not think. By getting out of the country they find the freedom to speak, to choose their own identity, and to see. And the youth need to see, to compare, and to understand that there are efforts underway to make the situation in Romania the same as it is here. But that requires work, no one will hand it to you for free. Work is required to achieve the well-being existing here, with all its flaws—because there are enough flaws in the West.

[Adamesteanu] What are these flaws of the West?

[Queen Anne] Well, our world thinks too much about money and fun, it thinks too independently....

[Adamesteanu] Independent of what?

[Queen Anne] Independent of oneself and of one's parents. But one can learn how to live by making comparisons; one cannot live with only one idea in one's head. One needs to have every idea and to try them all out. But that will take some time, because we, in Romania, are lagging behind. Here, in the streets, you can see many jaded people, jaded because they are no longer thinking of the future. But how can you go forward if all you think about is yourself? Stability can be a ladder one can use to climb out of the morass.

[Adamesteanu] What can you tell us about this visit to Paris?

[Queen Anne] This is neither the first nor the last visit to Paris. As we know, France has always been very close to

Romania and I think that it can play a very important cultural role. Young people should once again come here to study, as they used to. France was interested in the events in Romania; the French were very surprised to find how well the Romanians speak their language. I think that it's a very good thing that France is currently sending people over to help, it seems to me that this initiative should be continued. At the same time, however, they must go to Romania to help, not exploit. This word, "exploit," is very harsh, but I don't want us to be selfish, to think only about this economic balance—important as it may be—and not to think of a foundation of justice. Because there, in Romania, everyone must be able to benefit by it, not only those at the top.

[Adamesteanu] What can you tell us about the contacts King Michael has had and will have in the coming few days with the press and politicians?

[Queen Anne] The press has been very favorable to us and it greatly helped us at difficult moments. Currently the press' interest in the king is due to (I have to reiterate it) the stability and honesty it sees embodied in him. Because politicians come and go, they change, but with a democratic king the country remains on track. He represents the people's conscience. If you look at the structure of Europe, all the countries that have kings or queens are quiet, work well, and experience no abrupt changes.

[Adamesteanu] What can you tell us about the Romanian community in exile?

[Queen Anne] I was in the United States and England, where there are very many Romanians who feel nostalgic about their country, and I think that they will come back some day, with their heads down, because they know how much their brethren in the country have suffered. Although they suffered too, although in a different way. They suffered because it is very difficult to adjust to a new country, one always looks back to one's own country. I have every respect for anyone who was able to live in a country not his.

[Adamesteanu] Have you met exiled cultural personalities, former dissidents, people who made disinterested efforts to help Romania during the Ceausescu regime?

[Queen Anne] Yes, I always met such personalities, because they give the country its charm.

[Adamesteanu] Do you plan to meet with the representatives of Romanian political parties?

[Queen Anne] I think that plan is already long behind us. I met Romanians of all categories, because one must never discriminate between their ways of thinking, between what they are, and the strengths of each one of them.

[Adamesteanu] What do you think about the past?

[Queen Anne] The past is always passed. One must forget and forgive. You had to live and in order to live you had to defend yourselves. What's the past? A bad moment. Now you have to look to the future. As the king says, there must be no witch hunt. It's not our affair, it's the affair of the judiciary.

[Adamesteanu] Did you ever think we would be living such times?

[Queen Anne] It was a dream and a hope. I often discussed Romania's future with the king and what we could do to help. When the Berlin Wall fell, we said that soon Romania will be free, too. Except that we thought it was going to happen somewhat later, in February. We didn't know it was going to be exactly at Christmas.

[Adamesteanu] Why didn't you come back to Romania sooner?

[Queen Anne] We would have come right away, but we were asked to wait a bit longer. Because our youth gave their lives in order to destroy a system and after the revolution the system was still in place; different faces, but the same ideas.

[Adamesteanu] Is Your Majesty optimistic about our chances for the future?

[Queen Anne] God, yes! I am very optimistic.

[Adamesteanu] Is the king, too?

[Queen Anne] Of course, every day we talk about this, about Romania, about what we can do for the young people, the old people, the poor, and to restore hope. Because that is our duty.

[Adamesteanu] Were you able to see anything of the country when you came back in December? How long did it last?

[Queen Anne] It lasted 11 hours. Romania, about whom I had been hearing for so many years, ever since we were married, had become my country. Although it was nighttime, I wanted to see it. I remember that I went to a window, I wanted to open it (we were being held in one room while our passports were being arranged) and a young soldier on the other side tried to open it and said: "I cannot," and smiled. On that young face I saw Romania's smile. Then we left for Pitesti and those who surrounded us were no longer Romanians. You see what I mean? That was not Romania. It was like they were made of ice.

[Adamesteanu] Didn't you think that it was dangerous?

[Queen Anne] Not for a moment, although naturally, with all those machine guns and all the rest, it could have been dangerous. But that's in the past, too, and we need to look ahead. I think there's something else I'd like to say: The family is very important, it is the strength of each one of us. That is how I and my brothers were raised.

International Implications of 'Helicopter War'

92BA0021A Zagreb DANAS in Serbo-Croatian
17 Sep 91 p 13

[Article by Ante Barisic: "Helicopter War"—first paragraph is DANAS introduction]

[Text] According to Boris Yeltsin, a new alliance of states is emerging from the Urals to the Adriatic, and it can only be linked by weapons and Orthodoxy

The information that the Yugoslav Army has received 50 large combat helicopters from the Soviets as a debt payment, which we published in the last issue of DANAS, aroused enormous public interest. Nevertheless, with the exception of superficial analyses of the combat quality of those aircraft (as well as the fact that they are all intended exclusively for crushing Croatia), no one has yet noted the international implications of this fact, nor its significance for military strategy, especially in the Balkan region.

The Yugoslav Army, through its Air Force and Navy, controls the air and sea space with the motive of "defending the sovereignty and territorial integrity of the SFRY," and so any change has to be interpreted in light of the regional implications.

Helicopter for the Czar

The experiences of the shameful Soviet war in Afghanistan show that air forces, especially helicopter units, played the main role in the battles. In addition to paratroopers, it was the pilots of the MI-24 helicopters that received most of the old Czarist "praporshchik" [ensign] decorations, which were introduced in the Soviet Army in 1972.

According to some reports, the Yugoslav Army's Air Force was already intending to use the above-mentioned helicopters of Soviet origin during the military intervention in Slovenia, in the area of Slovenia's Kras, directly adjacent to the border with Italy.

This is a weapon that is significantly changing the Yugoslav Army's approach to waging war. The Yugoslav Army's Air Force is using two types of helicopters, neither of which was originally intended for combat tasks. The first is the MI-8 transport helicopter of Soviet origin, with the NATO designator HIP, which first appeared in public at an exhibition in 1961. Its task is to transport weapons, equipment, and personnel over medium distances to the front line, and perform antitank combat by means of missiles. The other is the Gazelle light helicopter, which is produced by Soko in Mostar under French license, and is intended for transporting wounded and food, or even for antitank combat and reconnaissance activities.

Base Near Valjevo

The military intervention in Slovenia clearly demonstrated once again the weaknesses of helicopter units

thus equipped. It has been heard that pilots and mechanics have already been trained for the allegedly newly delivered helicopters, and that they are based near Valjevo. It is assumed that these are Soviet combat helicopters of the MIL type MI-24, which was first seen in public in 1974, and has been produced in three versions.

It has a rotor diameter of 17 meters, a length of 18.5 meters (not counting the rear propeller and the gun barrel), a height of 6.5 meters, and a maximum flight weight of 11 tons. Its speed is 320 km, and its range is 160 km. The helicopter has a mixed task of reconnaissance, transport, and attack, and is capable of carrying out tactical air attacks, providing close air support, and conducting antiarmor and antihelicopter operations. In expert circles, it is called the Soviet "flying tank," and it was the most hated and feared weapon in Afghanistan. Today, more than 1,200 have been manufactured.

The possible basing of those helicopters on the island of Vis, and the possibility of their operating near the Slovene coast and the continental parts of the Adriatic front, should by no means be underestimated.

Since the time of the MI-8 transport helicopters has obviously passed, their replacement has been found in the new MIL type MI-26 heavy helicopter. That helicopter, with the NATO designator HALO, was first shown at an exhibition in Paris in 1981, although its existence had been known since 1978. It entered operational use in 1982. Its maximum speed is 297 km per hour, and its range is 800 km with a load of 20 tons. It can carry 100 soldiers at once, with weapons, or two light BMD-type armored transports, or one armored transport. In the Afghanistan war, it supplied troops in the surrounding area.

Key to the Adriatic

These two helicopters can fundamentally improve the Air Force's capabilities. The fact that weaponry can have a strong influence at the regional level is also demonstrated by the redeployment of Navy ships to the Boka Kotorska bay and their approach to the Otranto Straits. Since Albania holds this "key to the Adriatic" in its hands, and the Albanians in Kosovo and Macedonia are demonstrating the political ambition of tearing down the last "Berlin Wall" in Europe, we could say that the Navy is being redeployed toward Otranto, not just because of the events in Croatia, but also because of the latest changes in strategic emphases.

Specifically, if the border markers between the SFRY and Albania are destroyed and there is a threat of the emergence of a Greater-Albanian state, Belgrade would interpret this as aggression and would certainly respond by retaliating, i.e., by missile attacks against the more important targets in Albania, both from the sea and from the air. It is not necessary to use infantry and armored-mechanized forces, because the Air Force and the Navy can inflict a destructive blow and play the role of intimidating a technically inferior opponent.

The Navy, which frequently claims to be the strongest in the Mediterranean after France (if one excludes the U.S. Sixth Fleet and the Soviet Mediterranean squadron), can use ship-borne missiles against Albania. It is thus possible to attempt to immobilize completely the political movements of Albanians in Kosovo, or even to blockade Albania itself, at least as long as there is a threat of any wave of refugees and economic migrants from it, which would be so dangerous for the closest Western neighbor, Italy. If one takes into account the love between official Belgrade and certain political circles in Rome, one should not reject the hypothesis of possible cooperation in this regard.

The "Maksim Gorky" Has Arrived

If one adds to this the meeting of the Bulgarian prime minister and the Serbian president with Greek leaders in Athens, which has been scheduled for 19 September, one can surmise that the Albanian problem in Macedonia would be a means of pacifying the current Macedonian attempts to gain independence and sovereignty.

This year's arrival of the command ship of the Soviet Mediterranean squadron, the "Maksim Gorky," in the Boka Kotorska bay, symbolizes in a certain way the words of Boris Yeltsin about a new alliance of states from the Urals to the Adriatic. That newly emergent alliance can hardly be linked by anything but weapons and Orthodoxy, except possibly the idea of defense against the Islamic world. In the latter case, one should not forget the ambitions of the new democratic Bosnian and Macedonian authorities to establish ties with Turkey, and through it, with Europe, in view of Turkey's associate status in the EC. Their ties by land are threatened precisely by one of the participants in the talks—Bulgaria.

Data on Casualties, Economic Damage in Croatia

*92BA0011C Zagreb VJESNIK in Serbo-Croatian
15 Sep 91 p 13*

[Article by Sasa Stern: "A Bloody 393 Days of Warfare"]

[Text] From the first day of the "log revolution," 17 August 1990, 393 days have passed, a year and 28 days. Many things have happened on the soil of Croatia during that period which even the best forecasters and analysts could not have predicted. From the first conflicts with the terrorists, the escalation of the war on the soil of Croatia grew into a merciless defensive war against the terrorists, against Serbia and the Yugoslav Army [JA].

In that undeclared war, Croatia and its defense forces have suffered immense losses in personnel and materiel, because it seems the attackers wanted at any price to realize Hitler's conception of "scorched earth" on the soil of Croatia, while Serbia carries out a quiet, creeping occupation of Croatia.

About 2,100 dead and wounded, that is the number of losses in personnel so far between the defense forces and

civilians on the side of Croatia, but this is only a part of the balance sheet of total losses in this war. Some comparisons with Slovenia and the war in the Gulf are interesting in this regard. In the June war between Slovenia and the JA, 402 persons were killed and wounded, and that was on both military sides and among civilians, among whom there were 70 dead and 332 wounded. The number killed in the Gulf war on the side of the Americans and allies was about 380, while about 450 were wounded!

The war in Croatia has been continually flaring up in spite of the actions of the European peacemakers, who seem to look on this bloody encounter between Croatia and Serbia and the JA as they would on an ethnic conflict between two tribes. The losses, casualties, and property loss, are steadily increasing, and so the figures on losses are rising rapidly. Unfortunately, they will be greater tomorrow. How long? No one knows at this point.

On the basis of data that have been carefully gathered and analyzed we will attempt to quantify the losses in personnel and materiel on the side of the Croatian defense forces. We will also present certain figures on refugees (the erroneous term we give to people who have been persecuted, people who have been driven from their homes), and then some figures on the attrition to the JA and on the losses of the attackers. The figures on losses certainly cannot be taken as definitive even for the period up to 15 September of this year. Especially because the present losses, especially material losses, cause new losses in turn by the very fact that the part of the economy that has been destroyed is not creating new values.

Dead and Wounded

According to the reports of the news media and figures of the Croatian MUP [Ministry of Internal Affairs], the number of dead and wounded from 17 August 1990 up through 15 September 1991 was 1,602 in the ranks of the defense forces and civilians on the Croatian side. This number is somewhat higher than the figures made public by the MUP, which is understandable, because the MUP records human losses mainly on the basis of figures from hospitals and Red Cross services.

The other day, the president of the republic presented the datum that the number of killed and wounded from August of last year to 8 September of this year was "more than 2,200." That is much closer to the real situation than the figures of the MUP, according to which there were a total of 1,432 dead and wounded up to 5 September 1991, 355 deaths (228 among the forces of the MUP and ZNG [National Guard Corps] and 129 civilians), while there were 1,077 wounded (755 + 322).

According to our figures, the number of dead and wounded up to 15 September 1991 is 1,602: 435 deaths (256 in the ranks of the defense forces and 179 civilians) and 1,167 wounded (815 + 352). About 80 percent of those casualties were killed or wounded by mortar and tank shells, but recently also by rockets and cannon fire!

How many casualties have there been on the attackers' side? There are no precise figures, because they conceal their losses in personnel and materiel. It is a realistic assumption that the number of losses in personnel and materiel on that side is somewhat less, because the Croatian forces, whenever possible, take care to protect the civilian population. What is more, the defense forces of Croatia have not had heavy weapons until quite recently (mortars, cannons, and rockets), and even today they have fewer of them than the attackers, who, using the arsenal of weapons and ammunition of the JA, simply squander the shells and rockets.

Driven From Their Homes

In the Refugee Office of the Ministry of Labor and Social Welfare of the Republic of Croatia, a total of 22,142 refugee families was recorded up to 10 September of this year, representing 64,689 people. Of those, 17,227 are in Zagreb alone, and 13,168 in Osijek.

However, that number of refugees is by no means complete, because many refugees have not been recorded at all in the competent ministry of Croatia because they have hidden in nearby villages, settlements, and towns, in households with relatives, friends, and acquaintances. What is more, about 30,000 people driven out of Croatia have gone to Hungary, where they are located mainly around the cities of Mohacs and Pecs.

It is calculated that the total number of refugees from the ranks of the Croatian population who have fled from the terror of the terrorists and the forces of the JA is about 150,000!

In Croatia, about 1 million German marks [DM] are spent daily on the refugees in spite of the strong aid from Caritas and our people who all over the world have been organizing numerous humanitarian projects. The Hungarians have announced that they are spending daily 16 million forints on refugees from Croatia, which is about DM380,000. Expenditures on the refugees, however, also go higher because these people are not creating new goods, and aside from that, most of these people have lost not only their houses, livestock, and farm implements, but all their personal equipment, which has to be obtained for them.

Immense Losses in the Economy

Total losses in the Croatian economy from last August to this September amount to at least about \$15 billion. This includes the principal damage from destroyed industrial and other production plants, but also the financial and material losses because of partial or complete shutdown of numerous plants in the economy. But those losses need to be broken down into several main sectors.

Industry—Total damage because of destruction at industrial facilities and because of partially or completely halted production amounts to about \$3 billion. The amount of that damage is growing with every passing day. To illustrate, production in Zagreb has fallen to 65

percent of what it was last year, and the drop is increasing all the time because of new difficulties.

Tourism—Instead of about \$3.5 billion, which has recently been the total revenues from tourism into the socialized and private sectors of Croatia, this year the expected income is about \$500 million. So, a loss of \$3 billion!

Agriculture—The total loss amounts to about \$2 billion! Wheat was sown on 317,000 hectares in Croatia, but harvested on 68 percent of that area, which yielded 1.002 million tons of wheat. Fortunately, even that is enough to feed Croatia and even leaves a surplus of about 250,000 tons.

The wheat could not be harvested on about 100,000 hectares, and the grain was ruined, and the terrorists harvested it and took the grain off to Serbia. What is more, large agricultural combines were plowed up and destroyed, such as "Belja," and the combines of Vukovar, Vinkovci, and Osijek, and part of the combine "Jasinje" in Slavonski Brod, which includes losses not only of farm crops and vineyards, but also losses because of the killing and wounding of thousands of head of livestock, especially dairy cows and pigs. About 500,000 tons of fruit and vegetables were lost to spoilage because they could not be taken to their main markets. Much the same is true of salt-water and river fish.

Rail and Highway Traffic, the Electric Power Industry, Seaports—About \$3 billion is the amount of damage resulting from partial or complete interruption of rail, highway, and air traffic, destruction of long-distance power transmission lines, and power facilities which have gone off line because of the idleness of all the Croatian seaports (the port of Ploce was the last to virtually cease operation). Immense damage has been inflicted by tanks and heavy armored vehicles traveling on the highways, three important bridges over the Sava and several smaller ones had to be demolished or rendered unusable because of the war.

Confiscated Facilities and Goods—Croatia has suffered about \$530 million of damage because of stores and service centers taken over in Serbia, Vojvodina, and Montenegro, and to some extent in Bosnia-Herzegovina as well (in Bosanska Krajina). In all, about 350 stores were taken along with their goods from the Croatian enterprises INA, Varteks, Borovo, Bagat, Jugoplastika, and so on.

Unpaid Claims—About \$1.3 billion in claims of the Croatian economy have gone uncollected from Serbia, Vojvodina, Kosovo, and Montenegro and from Bosanska Krajina. There is little prospect that they will ever be collected through normal channels.

Other Losses—There have also been numerous miscellaneous losses because the war has disrupted all economic life in Croatia. For example, the number of unemployed has increased, and the expenditures for aid to these people have increased tenfold. About 1.5 million

tons of Croatian cargo space, practically all Croatian vessels, have passed under foreign flags (because the world is losing confidence in Yugoslav ships), which certainly signifies a significant loss of a portion of foreign exchange earnings. In the media warfare, the enemy has taken five Croatian radio and TV transmitters and imposed Belgrade's programming. The radio and TV network is suffering immense losses, because it is unable to collect subscription money in half of Croatia (although it is being recorded for later), and the daily and weekly press are also in a difficult situation, because distribution and sale of newspapers has been frustrated in half of the territory of Croatia and in other republics. And so on. It has been calculated that "miscellaneous losses" represent a total of about \$1.5 billion.

Destroyed Churches and Cultural Monuments—From last August to today, according to figures made public by Cardinal Dr. Franjo Kuharic, archbishop of Zagreb, about 50 churches have been damaged or destroyed. A majority of these shrines are monuments or have historical value, and the church of Sts. Peter and Paul (cathedral) in Osijek, the church of St. Ivan Kapistrano in Ilok, the church of St. Antun in Cuntic, and then a number of churches in Knin and Benkovac and then Slavonia and Banija stand out among them.

The behavior of the terrorists has been particularly drastic toward the Franciscan monastery and the Blessed Virgin Mary Church in Karin (near Obrovac), which was built in 1429 on the foundations of a former Benedictine chapel. The church and monastery, in which a library with 5,000 books (including 12 in Kunabula) were first severely damaged by rifle grenades, and then the rebels broke into the structures and searched everything "looking for weapons" (of course, there were none), and then they drove out the two monks and one housekeeper, the only inhabitants of the monastery, even taking away their automobile. During the last war, the Chetniks of Vojvoda Djujic were in control of this region, but no one bothered the monastery and the church in Karin or the monks.

The terrorists, judging by many things, are not destroying the churches by accident, but intentionally, and in particular they are aiming heavy weapons at them. Thus, for example, on 26 August of this year the basilica of St. Michael in Kijevo was destroyed by tank and other shells before the eyes of the parish priest, Father Mate Gveric. The same was the case of the St. John the Baptist Church in Sarvas, where the terrorists competed with the Yugoslav soldiers in destroying the church tower and demolishing the church. Shells were also fired intentionally and hit churches in Vaganac, Croatian Kostajnica, Divusa, Glina, Krusevo, and elsewhere.

Nor have Croatian cultural monuments in the zero category been spared terrorist devastation even though they are marked with international symbols. Thus, in Stara Gradiska the 16th-century fortress was destroyed although there was no Croatian army in it, nor was any resistance offered. The medieval 15th-century fortress in

Erduť was also destroyed, and the Eltz Castle in Vukovar suffered the same fate. In all, some 30 cultural monuments in Croatia have been destroyed or badly damaged. The shells are not hitting only the churches and cultural monuments, but also schools, kindergartens, and hospitals. In short, nothing is exempt, not even structures which were respected by the Hitlerites in the last war.

Erosion of the Yugoslav Army—The Croatian Ministry of Labor and Social Welfare, using figures of opstina employment security bureaus, has made public that between 25 June and 7 September, 589 officers were recorded who had left military service in the JA. Most were lieutenants and captains, but 25 lieutenant colonels and one colonel were also recorded. Of these, all those who did not volunteer to serve in the ranks of the defense forces of Croatia are receiving a special monthly compensation and health care.

Over the same period, 238 civilians employed in the JA were also recorded leaving that service. They are receiving assistance in employment security bureaus and enjoy legal treatment as persons who lost employment for reasons beyond their control. And most of them have reported to the ranks of Croatia's defense forces.

Those numbers, however, do not show the actual state of erosion of the JA, because the actual number of officers who have left military service in the JA is much greater. About 550 officers in all categories have left the ranks of the Split Naval District, and about 650 have left the area of the 5th and 1st Military Districts. Some have reported to employment security bureaus, others have not done so, and some have gone to live outside Croatia after leaving the JA. Among the officers leaving the JA, there are few "deserters," because most leave after officially requesting termination of their service, and it seems that the top leadership of the Yugoarmy does not try to prevent this, so that the Army will become ethnically pure as soon as possible. Lieutenant Colonel Anton Racki, commander of the military garrison in Delnice, applied to be discharged from his post, and this was immediately granted.

There are considerably more soldiers deserting the JA, often risking their lives, because most of the garrisons are surrounded by a chain of land mines, and quite often the fleeing soldiers are a target for military police and other soldiers whom the officers reward with leave if they prevent their fellows from deserting. We do not have precise figures on the number of soldiers who have deserted, because these figures are not as a rule published in the reports of the competent Croatian ministries. In any case, the soldiers who have fled can go home if they wish or enter the ranks of the defense forces of Croatia. Their numbers are increasing day after day.

Destroyed Tanks, Armored Cars, and Aircraft—According to official figures of the Croatian Ministry of Internal Affairs, Croatia's defense forces had by 10 September destroyed a total of 30 tanks and three armored vehicles. Over that same period, five military

aircraft were destroyed and on 5 September one crashed into the sea near the island of Vir, close to Zadar, because in a low-flight maneuver it touched the water with its wing tip.

Some of the tanks were destroyed by incendiaries or the tracks were damaged with armor-piercing shells. Some of those tanks were later towed away for repair. The military aircraft were destroyed as a rule by light-caliber anti-aircraft guns during low flight over their targets.

So, this is approximately what the balance sheet of the war looks like one year later between the defense forces of Croatia, which do not have an abundance of weapons and ammunition, and the terrorists, that is, the forces of Serbia and the Yugoarmy, which are armed to the teeth with the most up-to-date weapons and inexhaustible stores of ammunition purchased mostly with money from Croatia and Slovenia.

It is certain that precise figures are impossible in the course of a war, and so the figures given should be taken as approximations on the assumption of a certain upward or downward deviation. We will have more detailed knowledge about those losses and also of the people ordering the killing and destruction and those who are doing the killing and destruction only when the figures are processed by the Commission for War Crimes and War Damage of the government of the Republic of Croatia, because that commission is working day and night and is waiting for the day to present the bill.

Speculations on Federal Administration Dissolution

*92BA0027A Belgrade BORBA in Serbo-Croatian
25 Sep 91 p 13*

[Article by Milica Dapcevic: "While There Is a State, There Will Also Be Clerks"—first paragraph is BORBA introduction]

[Text] Will the federal administration really be eliminated. The fate of more than 13,000 employees in the federal administration is most directly tied to the survival of Yugoslavia.

Not even after the latest statement of Vlada Kambovski, federal minister of justice, in connection with BORBA's article on the imminent dismissal of almost the entire federal administration, has this been officially confirmed, still less denied. Because, based on everything that BORBA has succeeded in finding out, it can be said that dismissals in the federal administration are a question of days.

This does not stem solely from the minister's reaction, given, by the way, according to the principle "if there are governments there will also be clerks" and "so much money in the budget means that much music, i.e., employees," but also because it has been learned that the government has designated a team that is preparing a radical trimming of the federal administration. And this

according to the scenario that Yugoslavia will not fall apart, which, incidentally, the Federal Executive Council [FEC] clings to under all circumstances, although at the same time it also has this other solution in sight (the breakup of the country), in that it officially does not want to recognize this in any of its resolutions.

Dilemmas in the FEC

This is probably also the reason that the government has not passed an official resolution about the dismissal of almost the whole federal administration, but the empty federal treasury and the unwanted political trends in the country could force it to do this. Regarding such a possibility, BORBA turned for an explanation to Dr. Bogoljub Milosavljevic, deputy director of the Federal Bureau for Administration, who says that the FEC intended to reduce the administration over a long period of time, but that circumstances in the country have changed, so that a plan now exists for the rigorous trimming of workplaces.

In this regard there were, by the way, according to Milosavljevic, a dilemma and confrontations between two main factions. One maintains that the federal administration should only compile results and prepare separations. The second, which Kambovski represents, claims that the federal administration is essential under current conditions, since it is necessary for carrying out state affairs and assuring some sort of functioning of the system—from customs to the Secretariat for Internal Affairs and flight control....

I personally consider, remarks Milosavljevic, that the federal administration represents an organ of the Federal State, so that ending its operations (and this would happen if 13,000 people were dismissed) would practically mean the end of Yugoslavia. When federal organs disappear, the aims of secessionists would be achieved, and at that moment Yugoslavia would practically not exist as a country or as an international legal entity. Milosavljevic remarks that the population, territory and government constitute a state, so elimination of the federal organs would represent the elimination of the state (dissolution). The disappearance of the administration would mean the elimination of these organs, and that is the factual elimination of Yugoslavia.

Gradual or Radical Trimming

In Milosavljevic's opinion, the Yugoslav federal administration has been too bulky, although a lot of effort was devoted to reducing it. Thus, for example, the number of employees was reduced last year by 11.1 percent, but most of them actually went into administrative retirement. As of 30 June 1991 about 13,000 people (without the Federal Secretariat for National Defense) worked in the federal administration, but at least 1,000 of them returned to their republics after the July events in Slovenia and then in Croatia. At the moment, the federal administration is estimated to include between 11,500 and 12,000 people. Most of them are highly educated.

According to figures for June of this year, there were 4,370 of these highly educated people, 1,800 with advanced school education, 5,000 with secondary school education, and 450 with elementary school education. Most of the employees in the federal administration "belong" to Serbia, while the fewest come from Kosovo.

Events that have unfolded at such a dizzying speed in the last month or two have placed the FEC itself in a dilemma: whether to undertake a gradual or radical reduction of the number of people employed in the Federation. Because of the interruption in republic connections and the halting of reforms—or the abnormal situation—the federal administration, in Milosavljevic's opinion, could indeed survive a general loss of workplaces. The fact is, moreover, that work in the Federation has decreased significantly and that increasingly fewer services are working at full capacity. On the other hand, elimination of the entire federal administration would be counterproductive, because if the breakup of the country takes place, someone has to work on the matters of legal succession, which is a long-term project. Following this logic, not all should have to lose their positions.

Constitutional Court President on Chaos

92BA0027B *Belgrade POLITIKA in Serbo-Croatian*
27 Sep 91 p 5

[Article by S. Ristic: "Weak Custodians of Legal Order"—first paragraph is POLITIKA introduction]

[Text] Meeting of the Constitutional Court of Yugoslavia. No one is respecting the decisions of the Court, but judges cannot submit their resignations, as this would violate the Constitution of the SFRY. Of 176 priority cases, laws were violated 93 times. Chaos and war in the country can be avoided only through the establishment of legal order.

The Constitutional Court of Yugoslavia will continue to work until further notice, in the same way that it has been working, despite the fact that Yugoslav legal order has been shattered. The way out for this country is not to set aside the Court, but it must be sought through the Constitution, which should be changed as soon as possible. This, among other things, was said at yesterday's press conference of the Constitutional Court of Yugoslavia, held in Belgrade.

In the words of its president, Milovan Buzadzic, the Constitutional Court has found itself in a delicate if not absurd position. The Court is working and making decisions that no one is respecting or putting into effect, but in spite of this, judges cannot submit their resignations, since in doing so they would violate the Constitution of the SFRY.

"Back in February of this year, the Constitutional Court of Yugoslavia informed the Assembly of the SFRY about

a blockade, or more accurately, a breakup of the constitutional system. However, we have still not received a reply to our letter," Buzadzic laments.

To a reporter's question of who is most guilty for the blockade of the constitutional system and the failure to carry out the decisions of the Court, Buzadzic answered that it is the republics, which accept constitutional decisions only when it suits them, but also the Federal Executive Council, which is charged under the Constitution with implementing the decisions of the Court.

Worst of all, considers Buzadzic, is the fact that the legal system has completely fallen apart. Chaos has developed in the country. A person's basic rights and freedoms are threatened—from the right to freedom of movement and freedom of the press to the most sacred, the right to life.

"What will become of the Constitutional Court of Yugoslavia after 7 October, when the moratorium expires?" was a question that was heard.

"I can't tell you anything for sure. For now, judges from Slovenia and judges from Croatia are coming to meetings of the court, even if irregularly. However, we will see whether they will submit their resignations after 7 October," Buzadzic replied.

To what extent legal or constitutional order has been destroyed is illustrated by the fact that 176 priority cases have come before the court since November of last year. Of these, laws have been violated in 93 cases. According to files at the Constitutional Court of Yugoslavia, 53 of the total cases came from Croatia, 46 from Serbia, 36 from Slovenia, 11 each from Macedonia and Montenegro, and nine from Bosnia-Herzegovina. In addition, the court issued 78 temporary measures in this period.

The opinion of president Buzadzic on the status of the Federal Government is interesting. According to him, the country cannot be without a government, but it can be without an assembly. The government that was elected should operate until it is replaced. However, the Assembly of the SFRY is responsible for the number of members in the government, as well as for the representation of federal units in the government and for the restructuring of the government. According to Buzadzic, the Presidency of the SFRY can appoint the government only under war conditions. Under normal conditions, the Presidency cannot assume the functions of the Federal Assembly and the government, or vice versa.

To the statement of a reporter that it seems that in this country only the judges of the Constitutional Court of Yugoslavia are honoring the Constitution, Buzadzic said that war and chaos in the country can be avoided only if legal order is established. He recalled that the Constitutional Court has said, among its first statements, that the people in Yugoslavia have a right to self-determination, but that it cannot be realized by force, or accomplished fact, or to the detriment of other peoples. All acts relating to secession or the separation of Slovenia and Croatia are

being dealt with in a procedural manner by the Constitutional Court of Yugoslavia and, according to Buzadzic, everyone in Yugoslavia, as well as in Europe—which has been trying to help us get out of the crisis—should take this fact into account. In addition, the Constitutional Court of Yugoslavia is thinking about turning to the constitutional courts of Europe for help.

Buzadzic repeated once again that the judges of this Court consider the Decision on the Withdrawal of the Yugoslav National Army from Slovenia to be unconstitutional. However, they have not been able to initiate a procedure for determining the constitutionality of this decision, since the Presidency of the SFRY has not published it, as regulations prescribe.

Ideas, Goals of Croatian Foreign Minister

92BA0035B Zagreb DANAS in Serbo-Croatian
24 Sep 91 pp 48-49

[Article by Drazen Vukov Colic: "A Real Pro"]

[Text] The rule of law has never existed in this region. The force of the mace has prevailed. Yet we would like to join Europe, Dr. Zvonimir Separovic bitterly concluded two years ago in one of his prophetic newspaper articles. "Although we were not shut up behind ramparts as in Dubrovnik," he added, "we could not grow up. Wars were always on the other side of the door, in the yard, but yet we contributed a great deal to humanity's legacy. We are a part of Europe, and we must demand formal recognition."

These bloody days, which have now returned, when in the Croatian courtyard yet another war is spreading ever more unstoppably and when all the promises of immediate European recognition (this word has in the meantime taken on its full meaning in international law) are still unfulfilled, this former journalist, judge, theoretician, and university professor last week in the Hague, in the role of now Croatia's fourth foreign minister (second place in the Greguric cabinet), had to painfully explain for the umpteenth time how mercilessly—after yet another unsuccessful truce—Sibenik and Split and Zagreb had been attacked, while Europe once again listened to all that nervously, indecisively, and disunitedly, so that even Hans-Dietrich Genscher had to conclude disappointedly that even on this occasion the European Twelve were unable to adopt a policy decision on the sending of peace units to the Croatian battlefields.

For Zvonimir Separovic that was surely yet another great personal disappointment, although as a matter of diplomatic tactics he found grounds for a politically encouraging statement even after this meeting. The momentary—or irreversible—interruption of the Hague Conference on Yugoslavia has confirmed the Croatian viewpoint that it is not possible to negotiate while the weapons are speaking, although even foreigners who would have to oversee the peace that is so much desired are carrying in their pockets a rejected request for arms (at least token arms). That is a small tactical victory, but

still far from what Croatian policy would like: A permanent truce and negotiations in good faith that must necessarily culminate in a recognition that Yugoslavia, as an "artificial, misshapen, unnatural, and unfair creation—is dead" (the Croatian points of departure for the conference in the Hague), so that after the Brioni moratorium expired (1 October), Croatia had no reason to postpone even for a moment its decision in the referendum concerning a sovereign and independent state.

Zvonimir Separovic first became acquainted with that great outside world as a young university teaching assistant—back in those leaden years of the 1960's when he met certain of the best-known professors in some American seminar. "They opened the door of the West to me at that time," he said delightedly. Since that time he has been knocking on that door constantly, but in the meantime he has opened it so wide that on the occasion of his choice to be foreign minister—which is nevertheless surprising—many experts offered as the first justification that enviable number of foreign "business, professional, and personal ties such as few could boast of."

There is no doubt that Zvonimir Separovic likes to travel and knows superbly how to use friends and the domestic and world public—immediately after his installation, in one day he appeared on television all of three times with rather lengthy statements. In that big world, this is seen as a valuable advantage in any public figure—while in our country, where glum and incommunicative people are in power—that could even be a despised shortcoming. And it is true: Separovic "loves to have his picture taken" and "knows how to talk," and this makes it possible for him to achieve a decisive public sensation even in those cases "when he is the last one to get on the train" of political and professional topics.

Thus, he surely was not the first who back in 1982 dared to assert right here in DANAS, when he was a professor of criminal law, that "our criminal law is typical revolutionary law," (today we would say bolshevik) which ever since the war has primarily been distinguished "only by expansion of repression," but that interview had a response that surpassed everything said by all those who had gone before him. He is not an icebreaker, but he is often a tugboat pulling an entire string of barges behind him, and this is always bringing froth to the mouth of those most orthodox people who cannot stand the "dissidents who are always in power": sometimes on the "left," sometimes on the "right," and not infrequently on both sides at the same time or in short intervals. His election to be university rector—the first in which there were four excellent candidates competing—was first condemned by the city's Communists (in Belgrade they were dissatisfied with that "Croat nationalist"), and then "the most Croat segment of Croat students" (the Croat Student Union) called him an ineffective and irresponsible rector, who at the same time "is still living immorally." This latter charge was also supposed to be the worst and most poisonous: A rector who boasted of his Catholic roots should not have allowed Ciccolina to

speak in the Student Center and discover a late-blooming love for a well-known TV commentator, whom he in fact married.

Those other charges were based on the political idealism of tried and true martyrs. As a judge, Separovic honored that "repressive revolutionary law" in several cases long ago. As a party official in the middleweight category at the university he cosigned the shameful one-year suspension of Ivan Gabelica; as the father of victimology (the science of victims), he was not primarily concerned with political prisoners. As far back as April 1988, he asserted that "he had never anywhere advocated the multiparty system," but at the same time he said "that it is unnecessary and unusual for a party to raise itself to the level of a constitutional category." In these several tumultuous and watershed years, people have completely forgotten how dangerous and brave it was—at least in officialdom—to make even such statements at a time "when all of Croatia was silent in an undisturbed sleep."

In an environment of the policy of "remember and pay back," Zvonimir Separovic has had rather hard going even as foreign minister, even though it has been known for a long time that people who have connections in those places of true influence are decisive—not just those who can boast of their numerous relatives or small-scale business in the world. So that someone immediately—in fact even publicly—launched the news that "Separovic had to join the HDZ [Croatian Democratic Community] overnight so that the democratic unity government would not turn into too motley a company." He later denied that, but the train had left the station, and Separovic immediately made a trip to Germany and Austria to be received by the most friendly of all Croatia's friends.

One of his numerous predecessors (only the defense ministers have changed more frequently than the foreign ministers) recently asserted in an article: "Croatia has excessively emphasized the historical aspect of the crisis in Yugoslavia and has done little to stress the mutual interest of Croatia and the main political factors in the Balkans." Zdravko Mrcic is equally dissatisfied with the fact that "Croatia has sought almost exclusively from the West recognition of its sovereignty and independence, yet it has not been oriented toward seeking allies." The former minister did not say so, but he most probably was thinking of the Yugoslav and Slavic part of the world, while Separovic immediately took it for granted that they could not be confined to just Bonn and Vienna, with the distant blessing of Washington.

He favors close relations with the great powers, but also with the European Community, with the EFTA [European Free Trade Association] countries, with neutral countries, with Catholic countries, with neighbors, and with countries of the great Croatian diaspora. And he adds in this connection: "We must have an interest both in Great Britain and, say, Israel. We must not build our

policy solely on our friends, but also on those who are still cautious, and convince them of what we intend to do."

Yet even personally—at least partially—he has succumbed to another shortcoming of Croatian foreign policy: exaggerated words based on premature promises. Especially in relations with Austria (and then Hungary as well), when the public was almost persuaded that the very next day they would learn the addresses of full-fledged Croatian embassies. Many things are much more complicated, so that when something grows to become a general continental task—as in the Conference on Security and Cooperation in Europe—the highest degree of agreement does not as a rule come down to the least common denominator. Thus, even Separovic was disappointed early on, but later he did realize that in the Austrian case (and in the Slovene case on our threshold) we should not immediately find fault with tried and true friends. "Nothing would change overnight," he frankly said when they asked him what would happen if Vienna recognized Zagreb immediately. "But that would be the beginning of a process of recognition by other countries as well. Many countries are ready to recognize us, but they cannot be the first to do so."

That charmed circle has still not been broken, and there is ironic consolation in Genscher's assessment that "Croatia is closer to recognition" with every army bullet that is fired. The commencement of the Hague conference was for many people a welcome pretext in the constant game of the international test of the power of allies. Even for the urbane Zvonimir Separovic, in the second edition of the Hague conference this was directed too much toward rescuing Yugoslavia rather than renewing the peace, so that Europe was behaving inappropriately, irrelevantly, and counterproductively. At that moment, the vocal victimologist (the science of victims—from individuals to minorities and nations) mostly came bursting from him, while the newly hatched diplomat retreated in the face of all the horrors Croatia is experiencing.

And this is that tragic paradox that marks Separovic's statements: They have chosen him—as they say on his native Korcula—as a "man of the world," but now he can be extremely useful as a world renowned expert—in tribulations, pain, and suffering. The Croatian courtyard is once again overflowing with blood.

Poll Indicates Croatians Eager for New Leaders

*92BA0035A Zagreb DANAS in Serbo-Croatian
24 Sep 91 pp 38-39*

[Unattributed article: "Croatia Wants New Faces"]

[Text] To Zagrebians who in the first days of September took part in DANAS's public opinion poll, Drazen Budisa, president of the Croatian Social Liberal Party [HSLP], is the best Croatian politician. He also took first place in the grades he was given by respondents from

Dalmatia (opstinias with a Serbian majority were omitted). This was the most important new thing that cropped up in the poll, which because of the state of war in Croatia could not be organized over the area of the entire republic this month. Because the DANAS survey team strictly respects professional criteria concerning the representativeness of the sample, for the first time since the election we are publishing only figures from three large Croatian regions: Zagreb, Dalmatia (not including opstinias with a Serbian majority), and Istria.

Budisa the Most Popular

The results of the poll in those regions show that Croatia's public opinion experienced an authentic "shock" in August and the first days of September. Drazen Budisa's taking first place in Zagreb and in the Dalmatian sample, and second place in Istria, is certainly a sign that the political homogenization of Croats now no longer revolves solely around the Tudjman-Mesic team, which up until now has always been "victorious." This certainly is no accident: It was in August, with the formation of the democratic unity government, that such a possibility opened up in political terms. Public opinion, as a rule inert and conservative, also took that signal to mean "rehabilitation" of Drazen Budisa, a person who since back in January (the Spegeļ affair) has been clearly criticizing the "marginalization of the Croatian Assembly in favor of levers of power outside institutions. Thus, Budisa's exit from the inter-party council was a good political investment not only in opposition circles and the Assembly, but also in public opinion. But his party—although it is at the very top of the ladder in the number of those who gave it good marks, is fourth in Zagreb, and even second in Istria and Dalmatia—is still far from new votes. But that is the "big party" syndrome: People may have a liking for small parties, but most voters nevertheless decide to cast their vote for the strong ones so that their vote would not be "wasted."

That the formation of the democratic unity government actually strengthened the position of those politicians whom the public recognized as its main spokesman is shown by two figures in the poll: Almost nine-tenths of the respondents in Zagreb and Dalmatia and about three-fourths in Istria supported the new government's establishment, and the prime minister, Dr. Franjo Greguric, received the highest support in Istria, and he was among the first five politicians in the other two regions as well.

The president of the republic, then, surely lost ground in the overall rating which he had in the earlier polls, especially if it is true that the "crisis areas," which were not accessible to the pollsters, are not excessively inclined toward him. Dr. Franjo Tudjman took second place in Zagreb, while in Dalmatia he placed fifth and in Istria sixth. Nevertheless, judging by the results of this poll, it cannot be said that the president's reputation is in drastic decline: He continues to be given favorable

marks (somewhat fewer "very favorable") by a significant majority of the respondents. His relative slippage can be explained more in terms of the emergence of other politicians, who—very probably—would not at present be superior in a direct test of strength in elections. This is also shown by the position which the HDZ [Croatian Democratic Community] has in those three regions. Today, the party in power would have an absolute majority of the votes in Zagreb, where it also triumphed most convincingly in the last elections. In Zagreb, it does not for the present have any serious threat from the others, not even from the Croatian People's Party [HNS], which has clearly distinguished itself as Croatia's second party. Even in Dalmatia the HDZ is strongest, but it no longer has an absolute majority, but only a relative majority of potential voters. Savka's HNS is also stronger than in Zagreb; today, one out of every three Dalmatians would vote for it. Only in Istria is the situation different: There, not a single party would get 30 percent, because almost one-third of the voters said they did not know who they would vote for. The HDZ and HNS are almost even in Istria, and the SDP [Democratic Reform Party], with one-tenth of all the votes, would achieve a far greater success than in the other two regions polled.

The positions which the various distinguished politicians achieved on the ladder of popularity in those regions are also indicative of this test of strength on the Croatian political scene. Savka Dabcevic-Kucar achieved a very high percentage of favorable opinions in Zagreb and Dalmatia, but somewhat less in Istria. But because support of all politicians is about 20 percent less in Istria than elsewhere, her third-place showing indicates real prospects which the HNS could have at polling places in Istria. And the relation between the places taken in the rankings by Dr. Tudjman and Dr. Dabcevic-Kucar shows that the president of the republic has the advantage in Zagreb, but that his rival is "playing on her home court" in Istria.

They Like the Others, They Elect the HDZ

It is interesting that the respondents assessed the parties independently of the individuals who led them and indeed even independently of their answer to the question of who they would vote for in the elections. Asked to evaluate Croatia's 13 most important political parties with marks from - 2 ("very negative") to + 2 ("very favorable"), they gave a different ranking from that established on the basis of the question of who they would vote for. Thus, the HDZ would get most of the votes everywhere, but on the basis of the number of passing grades it would be second in Zagreb (after the Croatian People's Party), it would be fourth in Istria, and in Dalmatia only fifth. In both of the latter samples, however, the Croatian People's Party has the most "pluses" (85 percent in Dalmatia, and 71 percent in Istria). The absence of a direct correlation between the opinion of the parties and the number of votes is also demonstrated by the fact that in the Dalmatian sample

the Croatian Social Liberal Party, with 72 percent favorable grades, and Marko Veselica's Croatian Democratic Party [HDS], with 70 percent, were also ahead of the HDZ in the number of passing grades. However, while the HDS did manage to take third place among the Dalmatian parties (with about 5 percent of potential voters), and so was the strongest there, the Liberals did quite poorly. An example of a small party seen favorably, but not potentially a strong vote-getter, is Ivan Cesar's Croatian Christian Democratic Party [HKDS]. Although not even an entire 1 percent of the total sample would vote for it, it was given favorable marks by all of 65 percent of the respondents, while a large majority of the rest had no attitude toward it. This party, then, is in fourth place on the ranking of parties in Dalmatia, but in all three regions its president, Dr. Ivan Cesar, is somewhere in the middle of the ranking. The attitude toward Dr. Marko Veselica is more highly differentiated as a function of the regions from which the respondents come: In Zagreb, he is in 11th place, in Dalmatia 14th, but in Istria only 17th.

Zagreb	Percent
Budisa	93
Tudjman	93
Tomac	93
Dabcevic-Kucar	92
Greguric	91
Mesic	89
Kramaric	88
Racan	84
Separovic	83
Vekic	83

Istria	Percent
Greguric	84
Budisa	78
Dabcevic-Kucar	77
Kramaric	77
Mesic	76
Tudjman	76
Tomac	74
Racan	68
Cesar	65
Separovic	64

Dalmatia	Percent
Budisa	92
Greguric	91
Dabcevic-Kucar	91
Tomac	90
Tudjman	89

Kramaric	89
Mesic	86
Separovic	81
Racan	80
Vekic	78

In Istria, on the basis of the share of favorable marks for the parties, the Democratic Reform Party also surpassed the HDZ, taking third place (after the HNS and HSLs). However, a bit paradoxically, the positions of the two leaders of the SDP in Istria are not quite as good as in Zagreb and Dalmatia. In Zagreb, for example, Dr. Zdravko Tomac received the same number of passing grades as the two who placed first (Budisa and Tudjman), and first place was decided by only tenths of a percentage point. In Istria, where the SDP is stronger than in the other two regions, Tomac is seventh and Racan eighth. Here, however, we are dealing with the now "classic" attitude toward politicians of the SDP, whom some of the respondents perceive as "traitors to our cause." Even if they remain tied to the party, they are not always inclined to give good marks to its leaders. In addition to the positions of Budisa, Greguric, and Tomac, as well as Savka Dabcevic-Kucar, there is also evidence of a certain need for new faces in the status acquired by the mayor of Osijek, Dr. Zlatko Kramaric. His daily exposure, and the poise he shows in the media, have brought him high positions: fourth in Istria, sixth in Dalmatia, and seventh in Zagreb. This ranking is not accidental, Kramaric is perceived as a moderate and as a sophisticated negotiator, so that he is best understood by those less inclined to the "hard line."

The rather good showing of Dr. Zvonimir Separovic is also a sign of the need for new people. This is also shown in a different way by Stipe Mesic's "dissolving" into the group of politicians who up to now have been his entourage. Mesic's fifth, sixth, and seventh position can best be explained by the figures obtained in an analysis of responses to the question—Do you support the participation of Croat representatives in federal bodies? Between 32 and 36 percent of the respondents in these regions answered affirmatively, and between 44 and 48 percent negatively. A similar division of public opinion is visible this month only in assessments of two other "controversial" events: Franjo Tudjman's negotiations with Veljko Kadujevic on Brioni and the reproaches which the president of the republic has been receiving from the opposition to the effect that he is "lax and not decisive enough." The regional differences are not great here: About 40 percent of the respondents in all three regions supported President Tudjman's negotiations with the top Army leadership, about 33 percent were against, while others had no opinion. In response to the question of whether the opposition's reproaches of indecisiveness are justified, between 33 percent (in Istria) and 38 percent (in Zagreb) said that they are, while 39 percent of those in Zagreb, 40 percent in Dalmatia, and 46 percent in Istria said that they are not.

All the other political events in Croatia have been an element of homogenization, and have not divided public opinion. In Zagreb, that is, 62 percent of the respondents favored the stands of the European Community concerning events in Yugoslavia, and 95 percent favored the "Fortress of Love." In Dalmatia, there was a similar degree of consensus: from 64 percent favoring the views of the European Community to 95 percent favoring the "Fortress of Love," while Istrians here again differ in their lower percentages of agreement. The Istrian respondents, that is, gave support at the level of 54 percent (for the propaganda activities of the Croatian government) up to 77 percent (in favor of the activity of the government of the Republic of Croatia to care for refugees).

The People Are in Favor of This Government

Certainly, this means as well that the support for various events varies: establishment of the democratic unity government was supported from 76 percent (Istria) to 92 percent (Zagreb), Franjo Tudjman's 31 August ultimatum to the SFRY Presidency by 87 percent in Zagreb and 65 percent in Istria. The agreement to stop the war signed on 1 September with the participation of Hans van den Brock was seen favorably by 72 percent of Istrians and 84 percent of Dalmatians, and the broadcasting of the special program "War for Freedom" was seen favorably by between 72 and 94 percent of the respondents; support for the "Fortress of Love" ranged from 76 percent (Istria) to 95 percent (Zagreb), and support for Croatia's new defense strategy ranged from 62 percent (Istria) to 79 percent (Dalmatia). Establishment of the Croatian soccer league was supported by 57 percent of the Istrians and 82 percent of the Zagrebbers, and establishment of the Croatian Officer Corps by 65 percent of the Istrians, 79 percent of the Dalmatians, and 81 percent of the Zagrebbers.

Nevertheless, the men in the camouflage uniform did not reach the very top of the ladder of politicians this month. Ivan Vekic, the new minister of internal affairs, was the one seen most favorably; he took 10th place in Zagreb and Dalmatia and 14th place in Istria. Luka Bebic placed at the bottom of the ladder, although in Zagreb 63 percent gave him passing marks. Branimir Glavas, who is very much present, was in about 11th place and received favorable grades from more than half of the respondents in all three regions.

The showing of Dobroslav Paraga, president of the Croatian Law Party [HSP], who is seen favorably by 49 percent of Zagrebbers, 44 percent of Dalmatians, and 20 percent of Istrians, is of interest. His party received favorable marks from 57 percent in Zagreb, 49 percent in Dalmatia, and 30 percent in Istria, but the percentage of those who do not have an opinion on either the HSP or Paraga is high. Slavko Degoricija, deputy police minister and new chairman of the Executive Board of the HDZ, is slowly becoming the "man in the shadows," and his place in the bottom part of the ladder can also be explained by his increasingly infrequent public appearances. Dr. Sime Djodan, former defense minister, was in

20th place in Zagreb and Dalmatia and 23d place in Istria; Vladimir Seks was in 13th, 14th, and 15th places, respectively.

Antun Vujic, by contrast, who took 11th place in Istria, 12th in Dalmatia, and 15th in Zagreb, is right on the verge of placing among the first 10. His Social Democratic Party of Croatia [SDSH] was seen favorably by between 40 and 44 percent, but most of the other respondents had no opinion on it. Much the same happened with the Socialist Party of Croatia [SSH]: about 40 percent of the respondents viewed it favorably, about 13 percent unfavorably. Its president, Zeljko Mazar, was seen favorably by between 51 and 63 percent of the respondents, and he took 13th place (in Istria) and 21st in Zagreb. Ivan Zvonimir Cicak achieved his best showing in Istria, although even there he was in 20th place. This distinguished oppositionist is now viewed favorably by about 45 percent of those polled.

Three politicians lost a great deal last month: Dr. Zarko Domljan moved into the bottom half of the ranking, because his best showing was 17th place in Zagreb. Josip Manolic is in 22d place in all three regions, and he is viewed favorably by between 40 percent (Istria) and 55 percent (Zagreb). Finally, Ante Markovic, federal prime minister, is now in next to last place, just ahead of Milan Babic.

If we just compare this datum with the third place Ante Markovic held right up until the war began in Slovenia, it is clear that nothing is any longer the same in Croatia. Can anyone today imagine what August 1992 is going to be like?

'Drama' of Macedonian Parliament Examined

92BA0027C Belgrade BORBA in Serbo-Croatian
26 Sep 91 p 14

[Article by D. Nikolic: "Pistol Wielders Against the General"—first paragraph is BORBA introduction]

[Text] It is thought that the future of Macedonia will depend on which of two dominant trends prevails: national-totalitarian or social-democratic. The illusion about a flood of "patriotic dollars" which will soak this republic as soon as it gains independence has been dispelled. The most serious candidate for minister of defense is Lt. Gen. Todor Atanasovski.

The drama of the Macedonian Parliament is nevertheless only an attempt at "turning oneself around," when all ambitious national projects have been nearly completed. Two resolutions on sovereignty have been passed, the referendum has succeeded, and the new constitution on an independent Macedonia is about to be approved.

Energy on plans for national parties has also been expended. Thus, for example, the idea of Dragan

Bogdanovski, founder of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian Unity (VMRO-DPMNE), from his first program speeches on terrorism in "all three Macedonias," or the unsigned idea about the "Pirinska state," should not "inflame" anyone any more. Nor should the idea of the leader of this party, Ljubac Georgijevski, that the hour has sounded for the Balkan "Berlin walls" to be torn down and that Solun is the principal city in Macedonia. The overwhelming majority of Macedonians voted in the referendum for a peaceful and democratic resolution to the Yugoslav crisis, but the hard stances of Greece and Bulgaria on the Macedonian question show that the time for tearing down the "Berlin walls" is not yet in sight. The illusion about a flood of "patriotic dollars" that will soak this republic as soon as it proclaims itself an independent and sovereign state has also been dispelled.

Danger Lurks Within

According to a statement by Lt. Gen. Todor Atanasovski (according to the local press, the most serious candidate for Macedonian minister of defense), Macedonia is not threatened by direct aggression from a single neighbor. According to him, the danger lurks within Macedonia itself, which was not a "Balkan factor" 80 years ago when the Balkans were divided. However, Gligorov emphasized several times that Macedonia, despite the fact that it has been divided, does not now have, as a factor in the Balkans, territorial pretensions toward a single neighbor. Human rights are all that it seeks and gives by itself.

The truth is that there are certain fears of a possible "general Albanian referendum" as the first step in the creation of an "integral Albania," so that Macedonia in the final outcome loses one-third of its current territory. There are also actions by individual parties in Macedonia (for example, that of the Agricultural Party, in which there is not even a single farmer, that on the eve of 11 October, the Day of the Uprising in Macedonia, Satorov, who as a disciplined Communist and Cominternist was against that uprising, should be rehabilitated). This rehabilitation is associated with the "Pirinska state" of Bogdanovski. Moreover, student classmates in secondary schools know how to give whole lectures to professors on the division of Macedonia east and west of Vardar. Nevertheless, these are all the unrealistic ambitions of the "plot" of nation-building national parties, as has been shown even where there was an unrealistic danger of a "generals' putsch," which has been announced several times in Macedonia. Once the government even ordered that for preventive reasons police vehicles go out on the street and that special forces secure buildings from a special interest. This only alarmed parties of businessmen who happened to be in Skopje.

There is pressure for Macedonia to secede unilaterally, but with an increasingly weaker reverberation, since it has become obvious that this leads to chaos and since Macedonians declared themselves in favor of a democratic route to independence.

Therefore, everything indicates that circumstances have been reached for "turning oneself around" which has been regarded by some as a "darkly premature scenario," in order to inflict harm on the sovereign state that is just being created. According to others, that is only an inevitability, since the hour has struck for further impoverishment of the people to stop and for a democratic and not a police state to be built. In other words, Macedonia should do everything to remain "apart from national homogenization and national ideologies." The VMRO-DPMNE is of another opinion—everything that happens in the Macedonian Parliament is only "Seselj's plan" for destroying the legal Macedonian government. The courage of the leader of the Social-Democratic Union, Branko Crvenkovski, who said that he would not like just any type of Macedonia but only a democratic Macedonia, must be recognized, as should that of Petar Gosevo, who said that Macedonia cannot be defended by "pistol wielders," unbuttoned chests who have tattooed themselves as "the most Macedonian Macedonians," but by democracy and the preservation of human rights. However, their courage also bears witness to the seriousness of the Macedonian moment, which—as is claimed—is between two trends: national-totalitarian and social-democratic. It is expected that these two trends will mark the future of Macedonia. It is not for this reason, nor is it accidental that here the Macedonian minister of police, Jordan Mijalkov, was made to bear the brunt.

Fear of What Has Already Been Seen

The whole wave of Macedonian democratization, which was carried out by "reformed communists" (now the Social-Democratic Union), was aimed at destroying the system in which the police served individuals in the party and the state, and with the assistance of which the ruling party monopoly was assured. Now Social-Democrats think that the restoration of this system is in progress, only not under the sign of "worn-out real socialism" but under "bright national colors." This is argued with the selectivity of oppression on the basis of national-party criteria. Those who bomb the seats of "unsuitable" parties with a "molotov cocktail" are not pursued, while the seizure of the usual leaflets of "unsuitable" parties is permitted. When an Albanian is killed while in detention on the eve of the referendum, the Ministries of Information and Internal Affairs said nothing in a joint statement to the effect that the law would be applied to the perpetrators of the crime, but said instead that the law would be applied to "infuriated citizens." It was announced that the leader of the Social-Democrats, Branko Crvenkovski, will have to prove in court the accuracy of the charges that he cited in Parliament about the Ministry of Internal Affairs. The very fact that the minister did not reply to a single charge, but decided on the Court (which allegedly was and remained under police control, as well as under the control of the minister of justice, who is a relative of the minister of police) in Macedonia, arouses doubt that restoration is

really in sight, and that the concern of Social-Democrats, because of the possibility of a revival of what has already been seen, is justified.

The government of Dr. Nikola Kljusev, which is allegedly building too costly a state (administrative payments have secretly risen and taxes are increasing), is indirectly bearing the brunt. They charge that he is not doing anything to stop the impoverishment of the people (he supposedly busies himself more with politics than with economics). The Macedonian press is reporting that some sort of "VMRO-phalanx" (partisan army) has appeared which is seeking fabulous sums in a "revolutionary tax" from small businessmen where the taxpayer must remain as quiet as a mouse about it. It seems that in the "most national parties" the minister and government are defended, and thereby both the minister and government are done a disservice. In a multiparty parliament, where no party has a majority, the government cannot maintain itself if it is a single-party government and not a supraparty one.

Nevertheless, Kiro Gligorov is pulling the decisive strings this time too, so it is difficult to expect that he could repeat the errors of his predecessor—to put an equal sign between any minister and the uncertain situation in Macedonia. That seemed so in the era of the "police-party monopoly," but Gligorov has said, more than once, that Macedonia can be stable only if it is democratic. Therefore, it will be necessary to write off Mijalkov, judging from everything.

Interview With Ambassador to Libya

92BA0002A Ljubljana NEODVISNI DNEVNIK
in Slovene 14 Sep 91 p 13

[Interview with Drage Mirosic, ambassador to Libya, by Marjana Voncina; place and date not given: "Jamahiriyah"]

[Text] The truth about Yugoslav-Libyan relations has never completely come to light: For many years they proceeded under the slogan of friendship and cooperation between two socialist, nonaligned states—and that was actually all that we knew. One of the characteristics of this cooperation, in fact, has also been a strange, mysterious silence: Little has been said by politicians and businessmen, and by the workers, about 6,000 of whom are now there, according to the latest data. Finally, we also know little about the internal system and life of this country, one of the largest and richest in Northern Africa, the Jamahiriyah or people's rule, as it was named by its leader, Colonel Muammar al-Qadhafi, who also outlined its path with a third universal theory in the famous "Green Book." Somewhat better known is Libya's foreign policy activity, even more so "thanks to" Colonel Qadhafi, who "does not keep quiet and does not let the world keep quiet about him," as one French journalist has written.

The interview with the Yugoslav ambassador in Tripoli, Drage Mirosic (a Slovene who has been in that position somewhat less than one year, and who will remain there

until the expiration of the three-month Brioni moratorium, in accordance with the Slovene Foreign Ministry's agreement with the federal diplomatic service) was intended to touch upon primarily the economic aspects of cooperation with Libya at a time when we have lost several Arab markets following the war in the Gulf, and cooperation is that much more important.

[Voncina] Mr. Mirosic, there are currently several Yugoslav enterprises, representations of certain banks, and commercial enterprises operating in Libya. How do you assess this cooperation?

[Mirosic] Libya is a very important economic partner for us, especially since the war. The value of the contracts that have been concluded by enterprises from Yugoslavia exceeds \$2 billion. These involve primarily capital investment work, housing construction, the infrastructure, port construction, the electrification of the country, etc., in which Yugoslavs have already proven themselves in the past.

[Voncina] You speak of Yugoslavia... Yugoslavia is breaking up, however, and a short time ago, Colonel Qadhafi clearly stated his position in connection with this. What sort of consequences will the break-up of Yugoslavia have for the development of further cooperation with Libya, and for individual Yugoslav enterprises in the Jamahiriyah?

[Mirosic] Libya will cooperate with individual enterprises regardless of developments and political processes in Yugoslavia, even in the case of its breaking up. The country has big plans for the development of industry, agriculture, transportation, tourism, small business, and trade. The income from oil will allow it new investments. The competition is increasingly greater in Libya as well, however, and our enterprises should not forget this. One cannot build just on friendship; professionalism and expertise come to the fore.

[Voncina] In this regard, the Slovene enterprises Smelt, Hidromontaza, Slovenijaceste, and Rudis, which have been operating in Libya for a long time now, have also proven themselves. Do you see any possibility of Slovenia's taking over even more of this market?

[Mirosic] Undoubtedly, both with consumer goods and with science and technology. I have proposed, for example, that they sell our products through one of the local trading firms in Tripoli; I have not encountered any interest at all from our merchants, however. They say that because of high prices they are not competitive. I think that this is more of a cheap excuse. We lack resourcefulness and aggressiveness, and this works in favor of the Western countries, which are successfully selling their goods here. Trade is currently one of the weakest points in cooperation with Libya, but there are great possibilities, especially since private trade has been set free.

As far as knowledge is concerned, Libya needs specialized and highly trained personnel. Recently Prof. Peter

Novak was here along with colleagues from the Engineering School in Ljubljana, and Prof. Sker, the rector of Ljubljana University, asked me for assistance in cooperation with Libyan biologists—in short, I see great possibilities for establishing closer contacts with universities and scientific institutions.

[Voncina] Libya has oil...

[Mirošić] ...Which is among the best and most sought-after in the world. Currently, they are extracting 1.5 million barrels per day, which puts Libya midway on the scale of oil-producing countries. The reserves are estimated to be at least 40 billion barrels. That means that for a long time to come, oil will be the basis for all Libyan economic and social development. In pumping and refining oil, the country is still dependent upon foreign oil companies. Our country also has an important share in this: The construction of the second phase of the petrochemical complex at Ras Lanuf was entrusted to a Yugoslav consortium, and our enterprises obtained this technologically extremely demanding job against sharp competition from foreign oil companies. Yugoslav enterprises are also involved in seeking new sources of natural gas. They are talking about a possible gas pipeline between Libya and Sicily, i.e., Libya will have a large income from selling gas.

[Voncina] With all of this, however, let me make a comment about payment for work that has been done: Slovene enterprises also frequently complain that the Libyans are bad at paying. What is happening?

[Mirošić] Libya is sometimes late in making payments, that is true, but this applies primarily to those enterprises which have arranged for payment of the equivalent value in oil, but the delivery of it is late. In spite of this, Libya is among the countries that do not permit debts. These issues are settled by a special intergovernmental commission. It should also be stated that our country itself creates some problems: Currently, in this regard, the primary problems are the guarantees that our banks have to give for current and new jobs.

At any rate, Libya is a country with great natural resources and possibilities for development. Slovenia could make better use of this for penetrating the Libyan market.

Problems With Exchange Rates, Federal Regulations

*92BA0020D Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 16 Sep 91 pp 31-33*

[Article by Vladimir Grlickov: "Dinar Exchange Rate: Republican Exchange Rate Policies"—first paragraph is EKONOMSKA POLITIKA introduction]

[Text] Why is the devaluation of the dinar not simply a formal act of adjusting to the current situation? In Slovenia, attempts to effect a market-based fixing of a higher exchange rate for the dinar in relations with all

bearers, while Serbia turns to the fixing of a higher rate by decree. Is it possible for the republics, in whatever form, to divide up part of the remaining federal foreign-exchange reserves? These days, it is not possible to pursue stabilization policy simply on the basis of exchange-rate policy.

At first glance, the question of whether to officially devalue the dinar seems completely irrelevant, because the impression is that this has been achieved in practice through the tacit "rubber stamp" given by the Federal Government to the arrangement whereby transactions at banks and between them are carried out at a free, substantially higher exchange rate. And the fact that the dinar has already been devalued is "indicated" by the special republican exchange-rate policies which, based on regulations, allow for an "adjusted" rate, either for the purpose of accumulating ("buying back") fresh foreign exchange to protect the "most necessary" imports, or in order to "create" republican foreign-exchange reserves—or rather divide up the existing federal reserves currently in bank accounts, totalling around \$400 to \$500 million.

The greater share of the federal foreign-exchange reserves, amounting to approximately \$3.8 billion, including gold and securities, is still in the hands of the "surviving" Federal National Bank and Board of Governors, which are still resisting pressure to divide this "treasure" as well, despite demands that they too be made republican functions (for example, Slovenia is "claiming" a share of \$1.1 billion as part of its efforts to mend relations with foreign-exchange savings depositors). Nevertheless, an official devaluation is also important, at least for depositors who are fleeing to the dinar.

The question of who first began to transact in foreign exchange at a—conditionally speaking—freely established, substantially higher rate is not at all of critical importance in the present situation. Even if one were to seek an answer to that question, it is probable that all indications would be that it first happened in relations among citizens. But an answer to the question of who first "broached" the exchange rate, when the matter is examined on the level of relations among the republics and the Federal State (government) would probably reveal that this was first done by the first ones, judging at least in terms of economic (as well as political) ascendancy, to exist as sovereign subjects today. Naturally, the federal institutions simply adjusted to the actual situation (and to the inflation that is a result of unfavorable general circumstances), which left them with only one alternative, especially after suspension of all intervention on the official foreign-exchange market, through which foreign exchange could be secured simply for foreign debt payments guaranteed by the Federation, or rather by the National Bank of Yugoslavia [NBJ] as the direct payer (involved is a guaranteed sum of around \$450 million this year).

What Are the Republics Doing?

Regardless of how much one might contend that the republics made the first move in the free establishment of an exchange rate for the dinar higher than the official rate, contrary to current federal legislation and the unified currency system, there are obvious, essential differences in the way in which the exchange rate is being established in individual cases. In Slovenia—and its lead is now being followed by other republics as well— attempts are being made to apply the market principle, where buying and selling is engaged in not only by banks, but also by all other subjects who have fresh foreign exchange (all types of economic organizations, including citizens). We assume here that all of these subjects are acting more as sellers of foreign exchange than as buyers. In fact, it is obvious that attempts are being made to introduce genuine market principles for dealing in foreign exchange under conditions where structures (production, ownership) of the social economy have yet to change, which of course, in a reflexive sense, could fail to further the market principles of free trade and in the end compromise them.

Of course, true foreign-exchange markets do not necessarily mean engaging in transactions at a prefixed rate, because in that case the rate is established depending on the supply of and demand for foreign exchange, which is, moreover, one of the fundamental principles of the current, basically liberal federal foreign-exchange law. Incidentally, the law stipulates that the exchange rate should be established on the basis of not only supply and demand, but also inflation, as well as the country's balance-of-payment needs.

The existence of several, in our case, national markets could mean the beginning of the definitive collapse of the country's foreign-exchange system. But those who view the matter less pessimistically think that this will not be the end, because it will turn out that the national markets are too narrow for the sale and/or purchase of foreign exchange, which will in turn presuppose the transfer of the authority and right to form a common foreign-exchange market. Under such circumstances, of course, one should not worry too much about the fact that on national markets it is impossible to establish identical foreign-exchange rates. Because the entire market system presupposes that the contemporary "supranational" institution, in the form of a central bank, intervenes through the sale (supply) or purchase (demand) of foreign exchange on markets, in order to bring the exchange rate within desired limits, or into the established scope (upward or downward from some mean value).

Unfortunately, this is not currently a possibility in our situation, and not only in Slovenia. There are no conditions for any sort of intervention by the National Bank of Yugoslavia (except for the aforementioned foreign obligations), nor for intervention by the republican national banks, which do not have their own reserves for a market approach. A completely different question is what would

happen if in some case, under better conditions, the National Bank were to intervene in the situation and in some way, through its supply, saturate the market. The dilemma arises of whether it is even possible to have true market relations with the National Bank today, in which a partnership develops, resulting in confrontation between the supply of and demand for foreign exchange, amidst free ("spontaneous") fixing of the level of prices (exchange rates) when agreeing on transactions—or whether it will continue to be a market where the National Bank literally "gives out" money or "takes it away."

In any event, the free establishment of the dinar exchange rate could generate a number of questions connected primarily with "desertion," meaning secession and the improper attitude of individual republics that, in taking the initiative in the conduct of their national (and) foreign-exchange policy and pursuing a higher exchange-rate policy, have put themselves into a privileged position to attract foreign exchange and elicit additional inter-republican, inter-branch, inter-citizen, and inter-bank spillover (this involves the "flight" of citizens' foreign exchange, the accounts of exporters, and so on). Naturally, because the general inability to have federal intervention (among other things, the NBJ insists on not spending the remaining foreign-exchange reserves), the other republics, or rather their banks, have no choice but to adjust their policy. Moreover, there have been examples, say, in Macedonia, where smaller adjustments in the exchange rate have been necessary (30 to 40 percent) than in other republics (more than 70 percent), whose example has been followed in order to effectively prevent an outflow from foreign-exchange accounts and keep foreign exchange with foreign partners beyond all permissible time limits.

The example of Serbia also shows that the establishment of exchange rates higher than the official one has occurred. It should be noted that here, however, there has been greater emphasis on regulations, and through them, the establishment of dinar exchange rates higher than the official one. Here there are regulations on the mandatory earmarking of foreign exchange (30 percent of foreign-exchange income) that differ completely from the liberal concept of the federal foreign-exchange law, which takes the convertibility of the dinar (and a free import regime) as the basis for foreign-exchange transactions, which, when all is said and done, clearly does not function today as a system. The purpose of establishing republican foreign-exchange reserves is not clearly indicated, because it is generally said that they will be used for the most necessary payments for imports (perhaps one is thinking here of imports of petroleum, medicine, and so on), whereby one could (perhaps) include imports of intermediate goods, without which it is not possible to engage in normal trade. This applies especially to enterprises that, through their business dealings, are not able to export directly and "generate" foreign-exchange income.

It is interesting that this regulation on the mandatory earmarking of part of foreign-exchange income is applied exclusively to banks, which from the viewpoint of the federal foreign-exchange law would be somewhat appropriate, because enterprises and other subjects (with certain exceptions) do not have a right to foreign-exchange income, or rather to their own foreign-exchange account (the system is based on the convertibility of the dinar). At the same time, with regard to the significant lack of foreign-exchange income, the possibility of applying this republican regulation to that part of the federal foreign-exchange reserves located in bank accounts is not ruled out.

But it appears that in Serbia the main controversy surrounding the character of this regulation does not relate to the earmarking of foreign exchange. The controversy surrounds the question of at what rate exporters will be paid in dinars for earmarked ("sold") foreign exchange (initially, earmarked foreign exchange would remain in bank accounts, and later the National Bank of Serbia would open its own foreign-exchange account). The basic problem is the collision between republican regulations. On the one hand, the republic "tolerates" a realistic exchange rate when buying up fresh negotiables from citizens (official NBJ rate plus 70 percent stimulation), while on the other hand, it forces all banks and enterprises to earmark 30 percent of the income at the unrealistic official NBJ rate. One possible bad consequence is that this unrealistic exchange rate will mean that foreign-exchange income will not be brought into the country very quickly (it will stay longer than the 90 days permitted by the federal regulation), or that it will in turn flee to banks in other republics where this type of detrimental regulation is not in force, which today is nevertheless the less likely variant, due to the general uncertainty in the flow of payments that is emerging, especially towards clients and creditors from outside territories.

It is a mistake to think that the federal foreign-exchange regime is being destroyed simply by republican regulations and the emergence of manifold exchange rates based on them. Also involved in this process are federal regulations that are destroying their own liberal system based on the convertibility of the dinar. For example, there is a regulation that blocks the import of intermediate goods (it is possible to collect only imports that are at customs). Then, there are also regulations being announced from the federal level in order to permit the sale of foreign goods only for foreign exchange in order to "stimulate" free shops (while Serbia is already preparing a response to this whereby domestically produced goods would also be sold for foreign exchange). Naturally, there is no need for special proof of the fact that these regulations as well will mean additional variegation in the general chaos of establishing manifold exchange rates. The question is at what rate, albeit formally, goods will be converted into dinars of "foreign-exchange" origin, what will be the level of customs and tax exemption for imported goods and goods of domestic origin....

It is also clear that in this case, the regulations in principle are in contradiction to the current federal foreign-exchange system and the convertibility of the dinar. To be sure, this does not mean that the principle of the convertibility of the dinar can be regarded as possible under the present-day, extremely unfavorable political and wartime conditions, as a result of which we have an abundance of dinars and a monetary policy that is unable to ensure the stability of the currency. In this context, it seems illusory to raise the question of whether the establishment of a more realistic exchange rate, higher than the official one, affects the stabilization policy. Quite simply, under such circumstances, a stabilization policy is not even possible, and it is an illusion to imagine that any sort of results can be achieved only through a policy of a lower exchange rate. On the contrary, the free establishment of the exchange rate is the only solution left, at least in order to alleviate the foreign-exchange difficulties. All of this does not signify an abandonment of attempts to defend the dinar exchange rate through corresponding, consistent economic, monetary, and foreign-exchange policy, because it is notorious to claim that this is the only way to provide a safeguard against the senseless race between inflation and the exchange rate. But even without that, a free rate remains as a solution that yields concrete effects.

Naturally, it must be noted that the foundations of a future system depend on what sort of exchange-rate policy is present today and how it is implemented, and like it or not, these foundations are being established even today, under difficult general circumstances. In any event, today, when the NBJ is unable to saturate the foreign-exchange market through its policy, it is unfair and improper to demand that the banking industry maintain a fixed exchange rate in foreign-exchange transactions. Nor is a fixed rate appropriate for payments in dinars of "old" foreign-exchange savings, regardless of the fact that these savings have long since been spent and that they do not have the same meaning as new, fresh savings and foreign-exchange income.

Embargo, Confiscation of Property Abroad Viewed

*92BA0011D Belgrade POLITIKA in Serbo-Croatian
22 Sep 91 p 11*

[Article by Rodoljub Garic: "Embargo for Yugoslavia?"]

[Text] Will Yugoslavia, or what is left of it, soon be subjected to an economic blockade of the so-called world community? If a conclusion can be drawn on the basis of the recent meeting of the FEC [Federal Executive Council] and certain statements made at it, which, it is true, were overshadowed by the attempt of Federal Prime Minister Markovic to proclaim his defense minister a technological redundancy, an embargo on economic cooperation of foreign countries with the territories here has all but been set in place. That is at least what those who were there could gather from the speech of Budimir Loncar, federal secretary for foreign affairs,

who, we have learned from "well-informed sources," announced the possibility of our property being seized all over the world, as well as the immense difficulties not only in connection with obtaining the necessary money from abroad, but also with respect to supplying the country with certain vital products, among them petroleum.

Some of the news reports published in recent days, it is true, could be entirely in keeping with that version. Here it is not a question just of frequent statements by important European leaders that economic sanctions will be taken against "those who do not comply," but also of the real fact that the loan for reconstruction of the railroad from Jesenice to Djevdjelija (\$121 million) or the one to repair the highway network, in the amount of \$292 million, have been postponed, for example, for better times. At the same time, we have been able to learn that foreigners have canceled a number of contracts with us, and figures which are not yet accessible to the public will also show that in July and August there was a fearful drop in foreign investments in Yugoslavia.

Strong Ties With the World

It is self-evident that this country—which is only a drop in the sea of international business—should the world in actuality turn its back on it, would inevitably have to face a still blacker future than the one at present, however much it might seem that it never could be blacker than it is now. By contrast with the East European countries, which have suddenly become capitalist, Yugoslavia, that is, has for a number of years been reinforcing its position in international economic relations and has already reached the point where it was almost inextricably bound to the rest of the world by numerous economic ties. Those connections were particularly strong with the advanced countries, as indicated by the datum that nearly 60 percent of our exports go there (46.6 percent to the EC alone), and approximately the same proportion applies to imports. At the moment, Yugoslavia is connected technologically and financially to the Western states to such an extent that it is difficult to see how it could detach itself to any serious extent.

At the same time, however, the fact is that for a long time now, not just since yesterday, we have actually been subjected already to extremely unpleasant world isolation, at least when it comes to money. At the time when one could still find an optimist here, it was believed that at least \$4.5 billion would arrive here from foreign financial institutions, if not all the \$6 billion talked about by certain persons whose judgment was befuddled. So far, as far as we know, barely \$500 million have arrived, which naturally has to be set against the eight-fold larger amount which is to be repaid to world creditors.

Indeed, that datum itself, along with the erosion of foreign exchange reserves, the zero earnings from tourism, and all the other troubles, ought to be sufficient indicator of our future isolation from the world market.

In any case, the figures contain a warning that recently exports and imports have been dropping and the minuses in foreign trade have up to now been held at a relatively decent level only by what is called finishing work, or, in other words, the sale of our sweat and energy for a song. A much more realistic indicator can be seen in the datum that in April of this year we imported \$446.2 million worth of consumer goods, and yet during the first 20 days of August barely \$75 million.

Croatian Ships From Malta

Every citizen whose savings have been seized by the banks and the state knows that there is less and less foreign exchange. But this is obviously also known by enterprises here and abroad. It is a logical premise that no one any longer takes the word of our firms nor honors "good business relations over several years," but prefers to take money in cash. At the same time, world financial institutions are awaiting the moment when the state that no longer exists ceases to be able to repay its debt so that then they will obtain from their government what is envisaged by international usages, although, to tell the truth, it is rarely invoked—and that is the seizure of property, including that property which is in the form of foreign exchange reserves in foreign banks, and then houses, ships, airplanes....

Aware of that melancholy fact, the Slovenes have already reregistered their entire merchant fleet and are officially left without ships of their own. And "Jugolinija" of Rijeka has entered all its ships, 51 of them, in foreign registers of shipping, and they are now sailing under the flags of Malta and Caribbean states. "Losinjska Plovidba" is now operating for a country called St. Vincent, and other maritime shipping companies in Croatia have done similarly. It is also interesting that several ships of "Jugoceanija" of Kotor and "Prekookeanska Plovidba" of Bar are also operating for allegedly foreign masters—"Kubu Corporation" of Liberia and "Montenegro Shipping Company" from Panama.

Of course, foreign countries, especially those that have invested the most capital in Yugoslavia, before they resort to a blockade, would have to think twice how much money they would get back if everything that belongs to us abroad were to be seized. At the moment, our debt to them amounts to about \$16 billion, but that is a modest amount compared to the amount that might be used in the calculation if all the rescheduling and interest on that were included.

Incidentally, recollection of the effects of similar moves made earlier can only confirm that they have only been harmful to everyone, but they have not yielded any recognizable final results.

A Blockade Without Effect

We do not need to go far into the past to prove this. The freshest example is that of the recent war in the Gulf and the still more recent attempt at a coup d'etat in the Soviet Union. It is true that Iraq (even before the war)

was simply knocked out by the blockade of exports of petroleum, which is almost the only thing which that country exports, but it is still a fact that it was only the bombs and multilateral troops that were able to defeat Saddam Husayn, and then not altogether. The reason should certainly be sought in the fact that the "firm" blockade was actually penetrated continuously from various sides, because, as is well known, both Europe and the world are simply alive with various lobbyists who are exceedingly concerned about whether East European raspberry producers, say, will reach the Western market without obstacle and how this will affect growers in Scotland.

In the case of the Soviet Union, we were witnesses of the incredibly speedy response of "the 12" whose ministers agreed to withhold economic aid just 36 hours after the news of the coup. It probably helped them to know that such a large country has received insignificant amounts of that aid so far and also the fact that the entire matter lasted only a few days and ended with a victory of the forces which did not believe that a time of economic disintegration of the USSR was suitable to remind the West of a nuclear potential sufficient to altogether flatten the entire globe. And that several times over.

In spite of everything, will the international community try to discipline Yugoslavia with economic sanctions? At present, we only know that several peace agreements have been signed, but the war is still going on. It is also well known that Europe has decided to halt delivery of weapons to the belligerents. The result is that the rockets and machine guns are continuing to arrive, as far as we can tell, mainly to the troops of the military junta in Croatia.

Yugoslavia is obviously an unusually difficult case.

Croatian Merchant Vessels Registered Abroad

*92BA0011B Zagreb VJESNIK in Serbo-Croatian
15 Sep 91 p 14*

[Interview with Jugolinija Director Milivoj Brozina by Gradimir Radivojevic; place and date not given: "Shipping Protected by Foreign Flags"]

[Text] The transfer of the fleet of Croatian shipping lines to the flags of other countries is nearing completion, and soon over 90 percent of the former Yugoslav Merchant Marine will be entered in the registers of several countries representing flags of convenience, mainly Malta and the small Caribbean state St. Vincent and the Grenadines. Why has Croatian shipping, following Slovene shipping, also changed the flag under which it has sailed since the end of World War II? Is there a danger of our "foreigners" becoming uncontrollably involved in the illegal transport of arms? What would happen to the fleet if the war should spread to the Adriatic? What are the conditions now for navigation in the Adriatic? we asked Milivoj Brozina, director of Jugolinija [Yugoslav Line] of Rijeka, which the other day also transferred its fleet of 51 ships, with a total carrying

capacity of nearly 1 million tons, to the registers of Malta and St. Vincent and the Grenadines.

The Danger of Seizure

"The shipping industry has commercial problems on the world market even because of the flag under which the ships sail. Our trading partners have become uncertain about the Yugoslav flag because what Yugoslavia is has become unclear. That is, there is an increasing distrust of ships flying the Yugoslav flag, which are therefore losing cargo, and this decision, not only in 'Jugolinija,' had to be made to protect the commercial interests of the shipping lines. Even in the past there have been cases when a foreign creditor, when new ships were being built through our foreign companies, required that they be entered in the registers of other countries. To tell the truth, we managed somehow to find a common language and to convince them that those ships are also safe under the Yugoslav flag and that their interests will be protected. Those foreign creditors of ours became very disturbed as soon as the war broke out in Slovenia, and this process had to follow in the Croatian shipping industry."

[Radivojevic] Did it begin on time?

[Brozina] In my opinion, we should have done it a few months earlier, but it is good that it has been done now.

[Radivojevic] How much can this improve the situation in the shipping industry, which is not at all enviable?

[Brozina] The passage of the fleet under a foreign flag will improve the situation only with respect to its safety. However, we cannot expect more traffic. Along with other things, we can perhaps anticipate foreign credits to overcome the fleet's problems.

[Radivojevic] Will the flight from what has been the Yugoslav flag reduce the danger of seizure of Croatian ships in foreign ports because the debts of the Yugoslav economy have not been met?

[Brozina] That is another of the reasons. A sizable portion of the merchant fleet, as was also the case with the fleet of aircraft, has been mortgaged, and Yugoslav debts have not been paid.

Return to the Croatian Register

[Radivojevic] Might the Croatian shipping industry, in view of all the circumstances, operate at a profit even under these wartime conditions?

[Brozina] It might, but it has to be offered a certain amount of aid to overcome the difficulties that date back to the earlier system and relations. These are the problems of the exchange rate differences from past years, which is why almost all the shipping lines in Croatia, including Jugolinija, have losses, and then the absence of incentives, and so on. Line shipping is in an especially specific position. Within the shipping industry we are doing what we can. For example, we have made great

inroads on the foreign market, we have made the lines more efficient, and we are studying the real needs of the Croatian market in its foreign trade with the world. What once was a 45-percent share in carrying the imports and exports of the Yugoslav market has now been reduced to only 15 percent. The large system fell apart still earlier, we lost the American market, and all of that resulted in a deterioration of the situation in the shipping industry even before what is happening today.

[Radiojevic] Why did Jugolinija and the other Croatian shipping lines decide on the ships' registers in Malta and St. Vincent and the Grenadines when there are other better-known countries with flags of convenience?

[Brozina] These are the cheapest registers at the moment, they require the smallest costs. Aside from that, they recognize our seamen's certificates, the registers "Plovput" and "Jugoregistar," and other facts, and changing the flag is not just mere paper-shuffling. It involves many costs for any shipping line. Our foreign creditors also agreed with these decisions of ours, and we had to request their consent.

[Radiojevic] Yet is the foreign register not a temporary solution for establishing the Croatian register?

[Brozina] Yes. When the Croatian Register of Ships is established, we will come back.

[Radiojevic] What are the conditions for that?

[Brozina] First of all, recognition of the sovereignty of the Republic of Croatia and the enforcement of its laws as a modern state. The Croatian Register of Ships, when it is established, will be equal to other registers in the world.

Like the Shipowners of Old Yugoslavia

[Radiojevic] It is said that one reason why the Croatian fleet is abandoning the Yugoslav fleet and taking foreign flags is because of possible dangers from the hazards of war.

[Brozina] Some of the truth lies there. A firm bridge with the world must be found for the future, one that will make it possible for the shipping industry to be able to operate even under the worsened conditions of wartime in the Republic of Croatia, which after all no one wants, because it is of immense interest to the economy of the republic and to its more reliable inflow of foreign exchange.

[Radiojevic] This move on the part of the Croatian shipping industry is reminiscent of the experience of shipowners in the old Yugoslavia, more than 90 percent of whom were Croats. On the eve of World War II, they managed to leave the Adriatic and Mediterranean region with the bulk of their fleet and looked for salvation under the command of American and British wartime transport, sailing on behalf of the allies. Later, that part of the fleet that was rescued constituted the core of Yugoslavia's Merchant Marine.

[Brozina] That is valuable experience. No one should be surprised that such measures are being taken to protect the merchant fleet given the conditions in which the Republic of Croatia finds itself.

[Radiojevic] Croatia is de facto at war with the JNA [Yugoslav People's Army] as well. What dangers threaten Croatian ships if the war should also spread to the Adriatic region?

[Brozina] It is hard to say. No one could have supposed even what is happening now in Croatia. But now everything is possible. Even from that standpoint, Croatian ships under a foreign flag are protected just like all other foreign vessels.

[Radiojevic] When this impossible state of war ceases, Croatia will inevitably disassociate itself from the other parts of Yugoslavia from the economic standpoint as in other aspects. Has the shipping industry protected its vessels from the possible idea that the fleet should also be "divided up"?

[Brozina] One of the reasons for the transfer to foreign flags lies there. The time will have to come when accounts begin to be settled in peacetime. The Croatian merchant fleet will come back when everything is settled and clear. That is, the shipping industry is the mainly Croatian, but who knows whether it will not occur to someone to present a demand for "dividing up" the fleet, because in part it was in fact built with the resources of JUBMES [Yugoslav Bank for International Economic Cooperation], although it is well known that their construction was actually financed by the coastal, that is, Adriatic banks.

Arms Just Like Other Cargo

[Radiojevic] Let us also mention the speculation that ships under a foreign flag could not be checked for the cargo they are carrying. In other words, they could supposedly also carry arms and the shipping line would not know about it.

[Brozina] There is no question of that.

[Radiojevic] Have Yugoslav ships carried arms being imported and exported? Have they carried arms only legally, or also illegally?

[Brozina] Arms have been carried just like other cargo, but as far as I know, everything was done legally, with the required permits, inspections, and so on. However, when it comes to the illegal transport of arms, as a rule the shipping line can never know. None of the "owners" of that kind of cargo will declare its true content. The accompanying documents usually say that porcelain, crystal, or some other fragile cargo is being carried so that it is handled more carefully, but the shipping company never learns what it is. Regardless of the flag under which the ship sails, its route is well known, as are the places where the content of the cargo is inspected.

[Radivojevic] Given the present situation in Croatia, are shipping companies, especially "Jugolinija," which has experience in two Gulf wars, taking internal steps for increased caution while sailing in the Adriatic and during their stay in ports?

[Brozina] Customary measures of additional caution have been taken, reinforced watches, night watches, observation, checking the presence of persons other than seamen on ships in port, and so on. So far there has not been a single case when our merchant vessels have been stopped or inspected by military units at sea, but cautionary measures are being taken.

[Radivojevic] There once existed a "military delegation" which in a way had "insight" into the records of shipping companies. That "office" of the naval district was in Rijeka. What has happened to it?

[Brozina] Contacts between the shipping companies and the military delegation ceased when Slovenia was attacked. I do not know what happened with that office after that.

Serbian Trade Union Assistance to Workers

*92BA0011A Belgrade POLITIKA in Serbo-Croatian
19 Sep 91 p 13*

[Article by Bogdan Trbojevic: "Credits on Favorable Terms for 250,000 Workers"]

[Text] There are many workers in Serbia who are barely making ends meet or are almost unable to do so. The lives of unemployed or semiemployed families has come to a halt on the edge of survival.

According to Serbian Trade Union figures, the republic has an employed labor force of 2,373,400, or 7 percent less than the same time last year. Then let us add to this figure the datum that 437,000 people are seeking work for the first time.

About 1 million workers in that employed labor force are receiving their pay regularly. The rest are receiving the guaranteed portion or receiving their earnings in several installments or even in scrip. Between 90,000 and 100,000 workers are receiving guaranteed personal incomes from the Reserve Fund of the Republic of Serbia, which must be repaid in three months. Most of these workers are in the textile and shoe industries. Although this fund does have money, the number of applications is dropping, because many work organizations cannot repay that money and often they use their own reserve funds.

Who Qualifies for Welfare

Between 300,000 and 350,000 people are living on the edge of survival, according to the same source of information supplied us by Nemanja Jankovic, a member of

the Presidium of the Serbian Trade Union. According to other lists, 22,199 families receive total monthly income of less than 3,000 dinars, and 17,458 earn between 3,000 and 4,000 dinars. These 39,657 families, then, are entitled to welfare and should be receiving it. At an approximate estimate, this represents about 150,000 people living below the social security level and qualifying for financial support from the Serbian welfare fund.

An unemployed single person qualifies for 50 percent of the average personal income over the last three months. (In Serbia, that average for April-May-June was 6,473 dinars.) A family with two members qualifies for 70 percent of the average three-month personal income, three members 90 percent, and four members 95 percent of those 6,473 dinars, or, if we include the July average, of 7,739 dinars. Incidentally, that average in July was 7,208 for the economy and 10,213 dinars for noneconomic activities. Even here, the differences have increased.

Nemanja Jankovic also told us how the Serbian Trade Union is helping the families living on the edge of survival.

Everything is based on the principle of solidarity and mutual aid. The trade union is conducting its aid program through trade union solidarity funds in opstinas and cities and through the social standard of living of work organizations.

Trade Union Banks

In many opstinas and cities, such as Belgrade, Krusevac, Bor, Novi Sad, Kragujevac...so-called trade union banks have been formed and are extending credits on favorable terms for the purchase of fuel and food for the winter and certain other articles. The borrowers are workers of the enterprises which have established the banks. The credits are extended with priority given to the most desperate families on the basis of lists supplied by the trade union organizations. The credits are granted for a lengthy term and at minimal interest rates.

Through the SIPRO [Trade Union Sales], the trade union obtains and sells consumer goods between 20 and 30 percent cheaper. These stores are open in Belgrade, Pancevo, Kragujevac, Svetozarevo, Pozarevac, Paracin, Novi Sad, Leskovac, Uzice, and certain other cities.

"The most recent program organized by the Serbian Trade Union is to pool some of the money with the trade unions in opstinas and cities to provide funds for the credit financing of winter food supplies. The Serbian Trade Union has applied to the republic government for an interest-free loan, and if this initiative is brought to a successful conclusion, less expensive winter food will be furnished to between 200,000 and 250,000 workers through producers of the food and the trade union sales

organization. Credits for coal and winter food at minimum interest are being granted for a term of six months," we were told by Nemanja Jankovic, member of the Presidium of the Serbian Trade Union.

The winter food package, we might also mention, containing potatoes, flour, onions, dried beans, fresh meat,

smoked meat, vegetable oil, sugar, and apples...will cost about 7,500 dinars.

The trade union "firefighters" are extinguishing the fire of poverty wherever they can. This is in fact one of the ways of doing their real job, which is to help the workers.

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