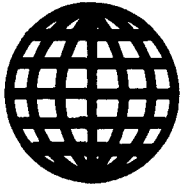


JPRS-EER-90-050  
13 APRIL 1990



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# ***JPRS Report***

# **East Europe**

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# East Europe

JPRS-EER-90-050

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## CZECHOSLOVAKIA

### Daily To Get Copyright for Havel's Speeches

90EC0371B Prague LIDOVE NOVINY in Czech  
17 Feb 90 p 1

[Article by Jiri Ruml: "This Week, This Time"]

[Text] The pace of our life is so amazingly fast that we are not able even to register individual events, let alone think about them in any depth. Only the passage of time indicates whether an event is good or bad.

When on Monday morning president Havel set out with his aides for north Bohemia the press in Melantrich had begun to print the previous edition of this newspaper. This edition made its way into your hands a day or two later, and by the time you read what I am writing here, the president will be on his way to Iceland, Canada, and the United States. In the meantime he has fired two ministers, appointed three new ones, received the Soviet ambassador with a message from Michail Gorbachov, and held a press conference.

Let us remain, however, in North Bohemia, where he was joined shortly by Pithart, the new chairman of the Czech Government. The television camera images were horrifying for probably every viewer: plumes of smoke, torn-up earth, strange pyramids of ash, decrepit homes, destroyed villages, sick forests.... The entire region looks like it is from another world. And in this world entire generations of people live (and unfortunately breathe), and have been hearing until now from the mouths of their leaders that they were building socialism.

True, one visit will not fix anything. Nor can it when the previous leaders consistently refused to see, and branded any criticisms from their people as troublemaking. Where were the television cameras focused before, so they did not see this? Where have the editors of RUDE PRAVO been living until this moment of truth, who now have the gall to suggest publicly that the current situation might lead to social dislocations? All of this is simply the reality of daily life, the culmination of all their actions, while the resolution of these criminal horrors is still in the distant future.

Communists of J. Pelach's ilk (see RUDE PRAVO, 14 Feb) take offense at president Havel's speech. But why did they not protest against the actions that motivate such speeches, which reflect not only the views of the president, but also of those who have lived in this region for many years? The CPCZ [Czechoslovak Communist Party] executive committee complains that members of its party are being fired from positions. But where have these people led our country? Here as well people are confusing effects with causes. When mistakes accumulate for 42 years, when errors and insensitivity to those errors accumulate for 42 years, it is unreasonable to assume that they all can be corrected in 42 days. In normal conditions, such complaints are called social demagoguery. My God, how far the party has degenerated.

I am not defending the president just because he has chosen to give LIDOVE NOVINY the copyrights to his speeches. We are and will continue to be an independent newspaper, but we do not intend to tolerate a situation where someone who previously has been degradingly subservient begins to describe freedom as unbridled overindulgence.

### Agrarian Party Clarifies Its Image

#### Communist Party Link Denied

90EC0362A Prague ZEMEDELSKE NOVINY in Czech  
7 Mar 90 p 7

[Article by T. Smetana: "We Are a Party of Honest People"]

[Text] During its editing, the contents of the article "Are We a Trojan Horse of the Velvet Revolution?" were distorted. With apologies to its author, we reprint here the article in full:

From the very beginning the Czechoslovak Agrarian Party did not have an easy task. After all, the initial impulse for its foundation was triggered by the indignation at the "democratic staging" of the 11th statewide congress of the JZD's [unified agricultural cooperatives]. For that reason, the new party was intended to guarantee that in the future, no such sorry act would ever be repeated. The party's objective was to initiate a renewal and to unify political forces in our countryside, following the traditions of the Republican Party of Smallholders in the first republic.

Its first preliminary steps were inspired by the effort to proceed wisely and as expeditiously as possible. Therefore, it published a rough and largely unfinished proposal of its programmatic declaration in order to begin a broad-based discussion in order to utilize the initiatives gained from that discussion and thereby to set up a first-rate program that would articulate the current needs of our countryside.

However, the response to the proposed programmatic declaration came as something of a surprise and even of a shock. In addition to a whole series of stimulating, albeit often highly critical suggestions, there were efforts to discredit and weaken the party right at its inception. A disservice to us was the unsolicited endorsement by the chief representative of the party which until quite recently had held the monopoly of power. Various people began to suspect us of intentions to turn into some kind of a Trojan horse for the velvet revolution and into a shelter for the discredited members of that party. Our unfinished proposal for the programmatic declaration was characterized as one that resembles the goals of the CPCZ [Czechoslovak Communist Party] program, and we were regarded as potential allies of that party.

However, that is not and never can be true because the Stalinist ideology that survived in our country for many years had always viewed the agrarian class as a petty

bourgeois element, part of which must be eradicated with the remainder completely alienated from the land and from the traditions of the countryside.

We see ourselves as an indivisible part of a magnificent revolutionary social movement which we believe will lead us from the totalitarian system to a democratic and humane society. We will always postulate freedom of thought, confession and enterprise in every form. Those are the basic prerequisites without which we cannot fulfill our program whose aim is to revive the affinity for the land, countryside and nature, to produce wholesome food for our nation, and to remedy numerous damages inflicted by insensitive intrusions into our countryside.

I believe that our political attitudes are explicitly stated in the decision issued by the founding congress which was held in Zadverice. A great number of fundamental changes was made in our programmatic declaration; in it we affirmed in no uncertain terms, among other things, our support for the programmatic declaration of the Civic Forum. In addition, we expressed our disapproval of the CPCZ's policies and clearly demonstrated our attitude towards its former members. The membership is open to all honest people who are not affiliated with other parties. Even former CPCZ members who have not been disgraced may join us. Naturally, those whose membership was terminated after 17 November 1989 cannot serve in the executive for the period of one election term.

Even after the elections efforts to help create and further expand a democratic society will be our first and foremost objective. In the coming period our views on the future development of our countryside will not always coincide with the views of some other political forces. However, our recent past has taught us a very harsh lesson that there can be no social development without a dialogue and without searching for the most advantageous solutions, which is characteristic for democratic pluralism.

It may be presumed that even within the Czechoslovak Agrarian Party opinions will differ. Nevertheless, we are convinced that in its policies our party will adopt and promote only views that have been democratically approved by the majority. If we study the development during the years of our first republic, we can see that also as a rule, diverse trends were present in the party; they were called the left wing, the right wing, and the center.

I think that a voice of rationality and common sense of our country folks may help achieve the desired advancement of our democratic society. Our people in the country are fully entitled to be involved in political activities in their own agrarian party. After all, it was the farmers' class that has paid the highest, truly cruel dues during the period of forced collectivization.

### Prewar Tradition Affirmed

90EC0362B Prague ZEMEDLSKE NOVINY in Czech  
7 Mar 90 p 7

[Article by Antonin Stranak, member of the presidium of the Czechoslovak Agrarian Party: "In the Name of the Legacy of Antonin Svehla"]

[Text] The splintered political movement now courting voters in our countryside does not warrant any great hopes for successful results in the elections. Everybody feels that equal rights for the country people may be guaranteed only if the political forces that stand closest to agricultural workers and to the country get united. If they will not achieve unity promptly, they can do more harm than good to agricultural workers, to the country and to themselves.

Having thoroughly studied every draft of the program of the Free Agrarian Party, the Republican Agrarian Party in Towns and Country, and the Party of the Czech Countryside, I cannot find any fundamental disagreements between them and the Czechoslovak Agrarian Party. Apparent differences stem more from their emphases on certain points of their programs rather than from the contents of those programs.

We all follow without any reservations the political principles of Antonin Svehla and of his agrarian movement, and yet so far, there has been no fundamental progress towards close cooperation, although some discussions have already begun.

If all of us would think within the framework of the objectives of Antonin Svehla's political action and his policies, which were focused on the building of our state during the early years of our first republic, we could see certain analogies with our current political problems—many political parties and movements. Svehla's program emphasized above all unity in the party and in the state. He succeeded in uniting the farmer with the farm laborer in a single agrarian party, and in forming in our state the "red-and-green coalition" with social democrats to the benefit of our whole nation.

Soon thereafter, he became the central political personage in our state and the "conductor" of the so-called Parliamentary Five composed of the chairmen of the five major parties (of both socialist parties, the Republican, the National Democratic, and the Catholic People's Party). Although the Five acted only behind the political scenes, they were able to unify the five major parties and enforce among them discipline in the building of the state.

Svehla played a significant role in the drafting of our first constitution and successfully promoted land reform as compensation for lands confiscated after the battle on the White Mountain [1620]. When the "red-and-green coalition" and Benes' government collapsed, Svehla set up the government of the "nationwide coalition" (of the Socialist, Republican, Catholic People's, and National

Democratic Parties) and for the first time became the prime minister serving, with one minor respite, for a period of six years. As early as in 1924, his government achieved financial and economic consolidation, and our agricultural production for the first time surpassed its pre-war level. In 1927-1928 our state gained such prosperity that it could repay in full its debt to the United States of America.

In those years Antonin Svehla was a truly unique personality of our political and public life. His political talent, diligence, organizational skills and lack of political partisanship directly preordained him for a role in the leadership, which even his political opponents recognized and appreciated.

Under his prudent guidance, the Republican Agrarian and Smallholders' Party became after the 1925 elections the most powerful political party in our state.

I offer this brief profile of Antonin Svehla's political and public accomplishments to remind all of us who follow his legacy and the Republic Party that if we intend to proceed in his footsteps, our path must lead to a single goal—unity.

Therefore, I call all representatives, executive committees and presidia of our parties and of the Union of Cooperative Farmers to take their place at the round or oblong table as soon as possible and thus, all of them to demonstrate their good will and cooperation to the benefit of the agrarians and of our country.

### **Carnogursky on Christian Democratic Prospects**

*90CH0010A Bratislava VEREJNOST  
in Slovak 13 Mar p 6*

[Interview with Ivan Carnogursky by Peter Valo; place and date not given: "If You Were To Win the Elections?"]

[Text] To the inaugural congress of the Christian Democratic Movement in Nitra came delegations of Christian Democratic parties from all over Europe. The French, Spanish, Portuguese, West Germans, Norwegians, Austrians, Italians, Luxembourgers, Estonians, Latvians all were here.... The Lithuanian delegate addressed those present: "Izvinite, sto ja vam gavariju po okupanstkom jizike" ["Excuse me for speaking to you in the language of the occupying power"]. The Russian delegate did not come. The KGB stopped him before he left Moscow. He sent his message by fax.

"Our movement came into existence as a moral renewal of society"—said Ivan Carnogursky, who has been entrusted with the leadership of the Christian Democratic Movement secretariat.—"The past 40 years damaged all of us in some way. I believe that in this situation everyone needs to put his conscience in order. Then he can focus on other activities. At this time, we have more

than 300,000 members registered in the Christian Democratic Movement. The majority are from the countryside, but we have organizations of several thousand members in towns as well. In large cities we already also have organizations with professional orientation. In Bratislava it is the Club of Workers in Science and Education, and a Christian Democratic Movement of Physicians and Health Workers which already has several hundred members."

[VEREJNOST] What does the membership in the Christian Democratic Movement enable them to do?

[Carnogursky] First of all, they can negotiate directly with the Ministry of Health about making hospitals into separate entities. They asked us to solve through the intermediary of the Archbishop the problem of nuns who serve as nurses. The physicians will be able to bring the work and organization of health care, which is in a desperate state, to a higher level. Thus it would be possible to follow in the tradition of the hospital of the Brothers of Mercy where we would like to create an atmosphere of new qualities.

[VEREJNOST] If you were to win the elections, would you need a great number of experts to fill important positions?

[Carnogursky] We are concentrating the experts in the commissions. Until now, we have been able to solve the problem of replacing representatives all the way from the national committees to the Federal Assembly by choosing from among them.

[VEREJNOST] During the past several months we have been living through a small social earthquake. After some time, quality should find its way into the epicenter of social events.

[Carnogursky] For 40 years citizens could not express themselves freely as individuals.... During the three months that we have been working together, we have been getting to know those who are around us. At the beginning few appeared the way they are now. People grow with tasks and duties.

[VEREJNOST] What does the Public Against Violence mean to you?

[Carnogursky] We have a common goal. Totalitarianism must disappear from life. The Communist Party, which symbolizes it, must be in a position such as it holds in every decent democratic society. By that I mean a fringe position which is in direct proportion to the number of its adherents. Under no circumstances can it play the role which even today it usurps through its properties, functions and press. The goals of the Public Against Violence are broader and more liberally formulated than ours. However, because of that they are not able to reach as deeply. Our goals are not as broad. We depend on people who want to push through Christian principles, therefore we are more able to stand on principles. In that respect we and the Public Against Violence complement

each other. Together with the Public Against Violence, the Democratic Party, and the Freedom Party we created a civic bloc that should prevent the communist-oriented faction from gaining power in the elections and thus endangering the development of democracy. Here we certainly shall find many natural allies.

[VEREJNOST] Are you not afraid of the Agrarian Party which is becoming active in the countryside?

[Carnogursky] For the time being we only know that it is a party of functionaries. Not long ago, it had 12,000 members in the entire republic. The agricultural countryside has religious traditions. People, who for 40 years have been trampled down by forced collectivization, have no reason to trust a party which again is representing that kind of thing.

[VEREJNOST] Do you want to abolish the unified agricultural cooperatives?

[Carnogursky] As long as they perform, I see no reason. But what we stand for is that through joint stock companies and financial transactions they should find their way into the hands of those who owned the land and worked on it. The state capital in the cooperatives should be sold off to those who will work in them. We consider that to be an anti-inflationary measure. We have a group of agricultural experts. First, we want to tackle the resumption of private farming in the mountains and the foothills. Tracts of devastated and unused land lie fallow there. We would like to bring that land back to life as early as this year.

[VEREJNOST] During the past several years there has been a decline in local cultural activities. Now room has opened up for the Christian Democratic Movement.

[Carnogursky] In the past the church was limited only to prayers. Cultural activity was denied it. In spite of that, there were singing ensembles and music groups associated with the church. We are beginning to organize new theatre groups of children and adults as well.

[VEREJNOST] The concept of the Christian Democratic Party is supra-denominational. Do you believe that you will succeed in overcoming the old and often ridiculous religious feuds?

[Carnogursky] We are working together with Protestants, Baptists, Calvinists, and the Brethren. Cooperation has become a matter of prestige. Evangelical priests actively work directly in our clubs.

[VEREJNOST] The communist leaders proclaim that they will welcome even people of faith to their councils.

[Carnogursky] It is a naive, tactical ploy, something like notorious alcoholics luring confirmed teetotallers to their club.

[VEREJNOST] According to you, private entrepreneurship should not be only a fringe matter but the center of gravity. Are you aware that it also brings risks?

[Carnogursky] In trade and services we would liquidate the state sector completely. It only fed a useless administration and bureaucracy. They were cumbersome and inflexible. Private agriculture also carries with it negatives in possible negative social phenomena. In Western Europe, however, they have already worked out a theory of social market economy. The market economy is limited by social criteria which must not be broken. That is how the questions of living standards, minimum wages, working conditions, and ecology are resolved. I consider our market to be the most brutally exploitative. Our social economy uses hard labor in cruel conditions for minimal wages. And lastly, what we are talking about now, and what we would like to achieve, has been a reality in advanced countries for a long time.

[VEREJNOST] The economic prospects of Czechoslovakia should be better than those of Hungary and Poland because we have a more valuable economic base. What needs to be done?

[Carnogursky] Some of our economists should realize that our economy is still under the sway of command management. It is a primitive military model, in which self-regulating relations cannot exist. As long as production units in a specialized economy cannot mutually regulate each other, losses follow and the results are minimal. We can see that in our economy. When we succeed with the help of experts to make quick internal organizational changes in the management system of our industry, the economy will be able to accept and effectively utilize foreign investments. A person from the West, who comes to the republic, cannot at first glance see what works here. He can see beautiful buildings, beautiful entrance halls, beautiful secretaries... the inner disarray in the system remains hidden. That we must put in order by ourselves. If we accept investments right away, it could happen that we would only throw the dollars down the drain, as did the Poles and the Hungarians.

[VEREJNOST] What would you do if you were to become the Premier?

[Carnogursky] First of all, I would retire a great number of so-called experts and replace them with younger, capable people who will not be afraid and will introduce new methods into practice.

[VEREJNOST] At this time we can hear the voices of some individuals from the Hungarian circles calling for the abrogation of the Trianon Treaty. Or in other words, they are thinking about revising the Czechoslovak-Hungarian borders.

[Carnogursky] Hungary several times emphasized on the official, diplomatic stage that it wishes to uphold the treaty. Some Hungarians suffer from naive political notions. If somebody thinks that they can move borders in today's Europe, it is merely political shortsightedness. There has been enough of border problems. Whether it concerned French-German, Soviet-Polish, or Polish-German borders. Wise governments realize that border

problems are unacceptable for Europe, because they act as a brake on its development. In an integrating Europe borders are losing their importance as a dividing line. They remain an administrative line only. In the future, a free movement of the work force, capital, and products is expected. The only reason for disputes can be chauvinism, which never brought anything positive. Usually it did damage to those who started it. The Hungarians in Slovakia know that they can develop freely provided we have a consolidated and economically strong state. The conditions for it exist. To that contributes also the agreement which the Christian Democratic Movement concluded on 8 February with the Hungarian Christian Democratic Movement in Senec.

[VEREJNOST] Parochial schools in the past provided a comparatively high level of education. Are you thinking about reviving them?

[Carnogursky] In the Hungarian Pannonhalma there existed a high school run by the Jesuits even during the communist regime. It was among the best in Hungary. Here in the past the high schools in Klastor pod Znievom, in Revuca, and in Malacky had excellent reputations. Nothing is preventing us from satisfying the demands of the public and reviving this tradition or creating new ones elsewhere.

Ivan Carnogusky took part several days ago in a meeting of the European Union of Christian Democratic Parties in Budapest. During the discussions an interesting idea emerged which originated in the West. Christian Democratic parties made a key contribution to the consolidation of political and economic conditions in postwar Western Europe. Now they are faced with a similar task in Eastern Europe. A Regional Union of UCDE for Central and Eastern Europe was formed. Its secretariat will reside in Bratislava together with the economic commission of the UCDE. There was a meeting of the representatives of the parties who were present at the inaugural congress of the Christian Democratic Movement in Nitra. Estonians, Latvians, Ukrainians and Lithuanians were there. Opposite Ivan Carnogursky no longer sat the "mogucij Sovetskij Sajuz" [powerful Soviet Union], but people who are faced with a multitude of calamities and who do not know how to find their way out. That is a task not only for the Christian Democratic Movement, but for contemporary Europe as well. The Russian delegate did not come. He sent his speech by fax.

### Main Provisions of Election Law Explained

90EC0348A Prague LIDOVA DEMOKRACIE in Czech  
8 Mar 90 p 6

[Article by Zdenek Masopust: "We Shall Vote Freely and Democratically"]

[Text] A few days ago our highest legislative body passed a law governing elections to the Federal Assembly. LIDOVA DEMOKRACIE, as well as other newspapers, has already published its text. Anyone who wanted to,

therefore, had the opportunity to get acquainted with its content. That opportunity in itself is not, of course, enough.

Laws never have been, are not, and obviously never will be a particularly popular reading matter for everyone, and even less a reading matter easily understood by everyone. An explanation in more popular terms may simplify things a little here and there, and certainly leaves out a detail or two, but it always does more good than harm. Let us try it, then. And let us begin immediately with what is the most basic for every voter.

### To Vote Means To Choose

Today it probably is not necessary to explain to anyone at great length that for more than 40 years we did not have free elections here. To put it more accurately, we did not vote at all. What we knew was anything but elections. They lacked what is most basic: choice. Choice, which is what makes elections elections, was precisely what the so-called unity ballot eliminated. To be sure, the "voter" (this designation in itself is actually quite inappropriate for the role which we played during the past decades) could—at least in theory—cross out the "candidate of the National Front", but he could not elect anyone else in his place. This practice obviously had nothing in common with the biblical "yea, yea; nay, nay: for whatsoever is more than these cometh from evil"; on the contrary, it meant a total elimination of a free decision by the voter. There was nothing to choose from. And those who did not vote for the "unity" candidate often even came to grief.

Our new election law has radically put an end to such "election" practices. The elections which are facing us will be real, and therefore free, elections. Every voter will be able to choose among the slates of individual political parties, political movements or coalitions, and even among the individuals who will be on the slates. Moreover, each voter will be able to decide whether he will vote or not. Voting will be the right, not the duty of a citizen. It would certainly be good if as many voters as possible took part in the elections (at issue, after all, will be something that should be important to all of us), but not taking part in the elections will be neither a legal offense nor a "blot on the personal dossier". The voter's decision for whom to vote will be his own affair and nobody else's business. Therefore it will not be possible to deprive the voter of the secret ballot—choice "behind the screen"—whether by calling for "manifestation voting" or otherwise.

### In the First Place, We Elect Parties

At the center of the new election law are political parties and political movements (associations); the voter will first of all choose among them.

Even this fact in itself may not be considered particularly welcome by some or perhaps even not very acceptable—to many it will undoubtedly smack of too much of a "narrow party line" approach. But we must realize in



what situation we find ourselves. After decades of forced "political abstinence" it is primarily the various programs that are springing up today like the proverbial mushrooms after a rain. Even though the differences among them are not always dramatic, every one of them tries to present a certain concept of how the development of our country should proceed, what must be done first in the immediate future, what we must guard against, where and how to direct our society. To put into effect these more or less differing orientations can hardly be done other than by first ascertaining how much of the population stands behind each of them. That is not possible without a contest of the political parties and movements.

It will be, therefore, the political parties and political movements (in Bohemia and Moravia the Civic Forum, in Slovakia the Public Against Violence) that will come before the public with their slates of candidates. Not all political parties, of course, will have their own individual slates. Some smaller political parties most likely will find shelter under the wing of the Civic Forum or the Public Against Violence and place their candidates on their ballots, others will perhaps use the possibility of forming an election coalition. The new law makes all that possible. Whatever the case, each voter will receive prior to the elections—at his home, so that he may be able to look everything over, think it through, and most of all so that he can make his decision in peace—a number of slates of candidates (ballots). On each of them will be listed the names of candidates, including the necessary data, which the political party, movement, or coalition is presenting in a given election district. (By the way, the election districts will be identical with the existing administrative districts). He then will place into the ballot box the ballot of the party, association, or coalition which he chose.

But let us leave our voter for a moment at the time when he already made this basic decision but has not yet placed the ballot in the ballot box, and let us say something about the central principle of our new election law.

#### **Proportionate Representation and the Five-Percent Clause**

The central principle of the new election law, totally foreign to all the "elections" since 1948, but very well known to a number of Western democracies, is the principle of proportionate representation. According to it, a political party, movement, or coalition will gain as many percent of seats as the percent of voters who supported its ticket. We are talking therefore about a principle which we apply every day in other areas of our life.

It is a principle, to be sure, which is easily understood and simple (moreover highly democratic), but its implementation, of course, is not quite that simple and not so easily understood at first glance. Representatives, after all, cannot be divided into fractions, and in fact a consistent application of the principle of proportionate

representation would inevitably lead to such "divisions". Let us explain it by giving an example. If a party receives 10 percent of the vote, it would "gain" 1.2 of a representative mandate. That, however, as we mentioned is not possible. Therefore, it will gain in the so-called first scrutinium, that is, during the first distribution of seats, one mandate in an electoral district, and the rest of the votes for the party will be transferred to the second distribution, the second scrutinium, in the framework of the Czech or Slovak Republic. There can be hardly any objections to that, that must be, if I may put it that way, simply and merely understood.

It is somewhat different with the five-percent so-called limiting clause. What does it mean? It means that a party which does not receive in either of the republics a minimum five percent of the votes, will not be represented in the appropriate assembly at all.

For some, this is very, very undemocratic. But even this measure has its reasons and a number of democratic countries have been using it routinely for a long time. Our aim is to create a parliament that is representative, that is, one which will reflect in its main features the distribution of political party forces in the society at the time of the elections. However, a representative parliament does not necessarily have to mean, and to my mind should not mean, a parliament that is atomized, in which perhaps 10, 20 or more parties would have one representative each. Such a parliament would perhaps be a good forum for heated discussions, which might for a while hold the interest of, say, television viewers, but it would hardly be an operative parliament. The fact is, of course, that many objections can be made to this measure. During the debate on the draft election law, the representatives of the Federal Assembly almost unanimously decided to include the five percent clause in the election law. Whether rightly or not, time will tell.

#### **And What About Personalities?**

After this necessary detour, let us return to our voter. He has just decided which slate of candidates he will support, which one he will put in the ballot box. If only he would wait a little longer. It so happens, he has not yet exhausted all the possibilities which the election law affords him.

When all the returned votes are counted and mandates allocated according to the results of the voting, decisive above all will be the sequence in which the candidates are listed on the ballot. This sequence, as we will now see, can be influenced to a certain extent by the voter. How? By using the so-called preference vote. The voter can indicate a total of four candidates—listed on the ballot he chose—whom he prefers to the others by drawing a circle around their number in the sequence. The candidates who receive the most of these "preference" votes—I will not complicate things here with details—will then, when mandates are allocated, go ahead of those who received fewer or none at all.

The voter therefore does not have to vote only "party" by any means. Within the framework of its ballot he can also indicate his special support for those people, that is its candidates, who particularly impressed him and who according to his opinion deserve special confidence and support. That the voter can—and in fact should, if he so determines—"ensure the chances" even of a candidate who may be listed in the first place on the ballot, will be clear to everyone who gives it even a little thought.

#### Where is "Our Representative"?

We all know that expression: "our" representative was the representative of the electoral district for whom basically we had to vote, even if perhaps we did not have the least bit of confidence in him. Formally we could "control" him, formally he was "answerable" to us, and formally we were even able to "recall" him, except that all of that was only formal...

That, too, is finished now. Our representatives will be those to whom we gave our vote freely and after a mature consideration, therefore above all representatives of the party whose ticket we chose. They will no longer be representatives of "our" electoral districts (the electoral districts themselves in the former sense are not recognized by the new law); they will be people who offer a program with which we, the voters, can identify, each on his own, and whose implementation we will support by "our" voice. The representatives of voters who voted for the Czechoslovak People's Party will be representatives of the People's Party, representatives of those who gave their vote to the Communists, Communist representatives. And so on.

The new representatives will not be answerable to their voters, they will not be controlled by them, and they will not be recallable by them, at least not in the entirely formal sense in which we used to think. Of course, I would venture to say that in reality they will by much more under the scrutiny of the public eye than the former ones. We shall follow their activities much more often on the radio and television, the newspapers will write about their work much more extensively (and undoubtedly much more critically than in the past), we shall express our views much more freely than before in letters addressed to them or face to face in meetings and assemblies. And the most important thing? If we are not satisfied with them and with the party whose "colors" they wear, then we simply will not vote for them in the next elections. I think that in this sense the bond between the voter and the representatives will not be weaker than in the era of "our representatives", but in fact stronger.

#### Is the New Election Law Democratic?

True, the draft law on elections did not undergo a nation-wide discussion because of the lack of time, nevertheless it cannot be said that our citizens were unable to become acquainted with its principles and express their opinion. Those who wanted to, did get acquainted with them and expressed their views. That is

evidenced not only by the great number of views expressed in the press, radio, and television (as well as in the innumerable diverse political meetings), but also by the extensive discussions on the floor of the parliament itself. The greatest variety of evaluations could be heard there, from unequivocal approval all the way to sharp criticism. One of the representatives even voiced the opinion that we shall have one of the "least democratic election laws in Europe".

That can be answered very briefly: it is not true. The new election law is not only much more democratic than those according to which we have been voting after February 1948 (to put it more accurately, it is democratic whereas the previous ones were undemocratic), but it can also measure up to international standards. We are justified in comparing it without shame even to the laws of advanced and established Western democracies.

One thing must of course be admitted. Not all people have immediately and to the full extent understood the "philosophy" on which it is based, and not all people are willing to accept the consequences which flow from it in the details. It is not surprising, after all. For more than 40 years, let us remind ourselves once more, no real elections existed in Czechoslovakia, and the law which regulated the last free elections, which took place here in 1948, is for most of us history, not too distant, to be sure, but nevertheless already forgotten to a considerable degree. We must yet learn, and will have to for a long time to come, to vote in the real sense of the word.

But not even that is what is the most fundamental at this moment. The most important thing of all, I believe, is something else. The new law is sufficiently democratic to enable us to elect on its basis a truly representative and operative parliament, and thus take another important step toward changing our common homeland into a democratic, and let us hope also prospering, state. Moreover, it is not written "for all time". The Federal Assembly which we shall elect according to it will function for only 24 months (the law, about which we are talking here, does not apply to the elections for the National Councils and national committees). A new election law will obviously be passed for the next elections. Everything which will prove to be good in this law can be retained, everything that will not can be changed.

The task for the next few of months is to calmly, in dignity and a democratic atmosphere plan and carry out the elections. The task for the time that will follow will be, among other things, to evaluate the experiences which the elections provided us and draw the inevitable conclusions from them, this time only after a real, extensive consultation with the people. There will be enough time for that.

**Hegenbart Denies Controlling State Security****StB Under CPCZ Guidance**

90EC0356A Prague SVOBODNE SLOVO in Czech  
17 Feb 90 p 3

[Interview with Jaroslav Prochazka, doctor of laws, by Michal Stepanovsky; place and date not given: "We Can Be Calm"]

[Text] Several months ago I would have given this building a wide berth. But now I was calmly walking into the building housing the Ministry of the Interior. I was there to visit the deputy minister, Jaroslav Prochazka, doctor of laws.

The issue I had brought with me was clear: State Security (StB) and everything connected with it.

[SVOBODNE SLOVO] People ask us frequently whether the StB has actually been disbanded, and how we can find out?

[Prochazka] This reality is difficult to control in public but the fact of the matter is that all former members have been put on leave and are now at home. Only a limited number of employees are maintaining operations and guarding buildings.

[SVOBODNE SLOVO] What about the division chiefs?

[Prochazka] There are new people in these positions, charged with developing a new concept of security units. They are also responsible for those employees who are maintaining building operations.

[SVOBODNE SLOVO] Currently inspection commissions are beginning to operate.

[Prochazka] An inspection commission has been established for this ministry. It is organized vertically down to the regional level. The members of this commission are uncompromised current employees, former employees who were fired from Ministry of Interior divisions for political reasons. One member will be from the civil commissions, which have been set up in a like manner. The ministry commission will check all of the current 6,000 or so employees. The commission will then submit its recommendation to the civil commission which can, but does not have to, accept its findings.

[SVOBODNE SLOVO] How long will the commissions be working?

[Prochazka] Their task is to complete their work by mid-April. The ministry commission now has to begin its work of checking the division chiefs.

[SVOBODNE SLOVO] The people also want to learn a lot about the former StB and its practices.

[Prochazka] Now we need time for the commissions to function. These commissions will certainly uncover various illegalities and these illegalities, as well as other StB practices, will be gradually made public.

[SVOBODNE SLOVO] What about the work of informers?

[Prochazka] In some cases, yes.

[SVOBODNE SLOVO] How many informers did the former StB have?

[Prochazka] That is secret.

[SVOBODNE SLOVO] Are the numbers in the thousands or the tens of thousands?

[Prochazka] I would stay with the thousands.

[SVOBODNE SLOVO] To what extent was the work of the StB connected with the CPCZ [Czechoslovak Communist Party] apparatus, especially its central committee?

[Prochazka] State security was basically managed by division 13 of the CPCZ Central Committee, specifically by Mr. Hegenbart.

[SVOBODNE SLOVO] Can it be stated then that the StB was just an extension of the CPCZ?

[Prochazka] You can make that statement.

[SVOBODNE SLOVO] And what was its relationship to the Soviet KGB?

[Prochazka] There was a relationship and we will continue to work with the KGB, just as we will work with the intelligence services of other countries. We will continue to do this. But not in the way the StB cooperated.

[SVOBODNE SLOVO] The StB in a way had a monopoly on power, but within it there was also the Inspection division of the Ministry, the practices of which are not pleasant to discuss.

[Prochazka] The work of this unit will also be made public in the course of our work on the StB. Unfortunately, however, time is a factor, even though the public does not think so. We want to conduct this work precisely, however, so that we publicize the true facts and not information based on guesswork.

[SVOBODNE SLOVO] In conclusion, the voice of the people. Will we still have to be afraid of Security?

[Prochazka] We want to reach a situation where people feel that our country is secure and public order is secure. Right now the situation is not as it should be. We want to purge security units to the extent that our citizens can stop being afraid that there will be some kind of return to previous practices. I can assure our people that they have nothing to be afraid of. I can say, based on the fact that all units have been disarmed, that the citizens of Czechoslovakia have nothing to fear.

### Hegenbart Responds

90EC0356B Prague RUDE PRAVO  
in Czech 27 Feb 90 p 4

[Article by Rudolf Hegenbart: "I Did Not Run the StB"]

[Text] On 17 January, SVOBODNE SLOVO published the information that I directly ran State Security. I strongly protest this accusation and deny it! It is not true.

I never ran State Security and indeed could not have done so! My job was to see that Division 13 of the Central Committee concern itself with the entire spectrum of legal issues. The necessary resources were made available to do this. I therefore demand that SVOBODNE SLOVO and those responsible retract their assertions.

### Statement Contradicted

90EC0356C Prague SVOBODNE SLOVO  
in Czech 2 Mar 90 p 5

[Unattributed article: "Concerning a Retraction"]

[Text] On 17 February our paper published an interview with the deputy minister of the Federal Ministry of the Interior, J. Prochazka, doctor of laws. The article was entitled "We Can be Calm" and discussed the activities of the StB.

The deputy minister responded as follows to one of our questions: "State Security was basically run by Division 13 of the CPCZ Central Committee, specifically by Mr. Hegenbart."

Mr. Hegenbart then sent J. Prochazka, doctor of laws, and also RUDE PRAVO and our paper an explanation that in part reads: "SVOBODNE SLOVO published information that I directly ran the StB. I strongly protest this accusation and deny it! It is not true!"

Later, R. Hegenbart cites the job given him by M. Jakes "upon entering" the CPCZ CC in the second half of 1988. He was, among other things, to learn about the work of the individual sections of Division 13 and their employees, about the work of security policy, and to draft a program of work for this division in accordance with the restructuring and democratization of society (!).

"I researched the issue of the environment and organized meetings of scientific researchers and experts. At the same time, based on information from the Federal Ministry of the Interior I worked with representatives of this ministry, the army and the colleges on programs for the political resolution of social conflicts that were gradually growing...", asserts Mr. Hegenbart. He further contends that if someone states that he directly ran the StB it is a lie and a crude attack on his person, a forgery created by his opponents.

R. Hegenbart asked our paper to "retract our assertions." Specifically he wrote, "My job was to make sure that Division 13 concerned itself with a broad range of legal issues."

Yesterday we asked J. Prochazka for clarification. He told us the following: "I continue to assert that in addition to its other tasks Division 13 was also responsible for security policy" ([SVOBODNE SLOVO] editor's note: as R. Hegenbart himself writes), and in this sense influenced the activities of the Federal Ministry of the Interior. Insofar as Mr. Hegenbart was the director of Division 13 he undoubtedly took part in the administration of this subordinate unit, and therefore in the management of the StB."

### Ex-Fourth Directorate State Security Colonel Interviewed

90EC0370A Bratislava PRAVDA in Slovak  
27 Feb 90 p 2

[Interview with Colonel Valclav Mencl by Roman Gallo and Jaroslav Kabele; place and date not given: "Surveillance Unit No Longer Operating"]

[Text] Prague (Czechoslovak Press Office [CSTK])— You leave home and begin to feel subconsciously that someone is at your heels... This practice, the responsibility of the Fourth Directorate, the so-called surveillance directorate of State Security [StB], should be a thing of the past now that all its units have been disbanded. Nevertheless, CSTK correspondents Roman Gallo and Jaroslav Kabele wanted a look behind the cloak of secrecy that has surrounded the surveillance unit, so they requested an interview with former fourth directorate colonel Vaclav Mencl.

[PRAVDA] What was the major task of your directorate?

[Mencl] Colonel Mencl, who was opening envelopes from a pile labelled "top secret", answered:

"There is nothing secret about that. The Fourth Directorate uncovered and documented unfriendly activities at the request of units of Czechoslovak intelligence and counterintelligence. In practice this meant receiving an order pertaining to an individual or an area that had been approved by an official with "approval authority".

[PRAVDA] What kind of official had "approval authority"?

[Mencl] Directors of counterintelligence and intelligence (including military counterintelligence, even though this involves a separate organization) up through deputy ministers and ministers.

[PRAVDA] These officials only approved requests, though. Who could initiate a request?

[Mencl] Any employee of intelligence or counterintelligence could initiate a request to document a specific

unfriendly activity. The request, however, had to be approved by that employee's immediate supervisors.

[PRAVDA] Can you tell us how many employees there are in the Fourth Directorate?

[Menc] No, because staff levels are secret under law No 102/71, Laws of the CSSR.

[PRAVDA] Fine, we'll ask another way. Sources close to the StB suggest that there were about 900.

[Menc] There were certainly fewer. We were far from able to carry out surveillance on everyone requested by the Second Directorate (counterintelligence). (CSTK note—What kind of megalomaniacal demands must there have been?!)

[PRAVDA] What happened to the documentation you wrote. Who did you submit your findings to?

[Menc] To the person who requested the information.

[PRAVDA] You did not keep a copy?

[Menc] No, we did not.

[PRAVDA] So you have no archives?

[Menc] We have very detailed working notes. The requestor received only excerpts from these.

[PRAVDA] What is the status of these archives?

[Menc] They have been sealed.

[PRAVDA] Would we find notes there, for instance, on the surveillance of Vaclav Havel?

[Menc] Everything that was produced has been sealed.

[PRAVDA] How, generally, did the surveillance unit operate?

[Menc] You can get a general idea of surveillance methods from Western detective films... Here, as is the case in the West, there was also a second surveillance technique, where the person being watched knew about the presence of our people. This technique was used on dissidents and, on a reciprocal basis, on diplomats.

[PRAVDA] So you chose the technique based on the "importance" of the person being followed?

[Menc] The request itself specified the technique to be used, either normal or disruptive. The latter form, however, could only be approved by the CSSR Ministry of the Interior.

[PRAVDA] What is "disruptive" surveillance?

[Menc] The person following you walks with you everywhere you go, even into your house, or they sit immediately outside your door. Briefly, they make your life permanently unpleasant by their presence.

[PRAVDA] Did either disruptive or "normal" surveillance have a constitutional basis?

[Menc] Indirectly, the legal justification was contained in our departmental regulations (CSTK note: In our opinion in conflict with the constitution).

[PRAVDA] What justification is there for guards wearing StB uniforms to be stationed in front of the embassies of certain Western countries?

[Menc] Be that as it may, the Vienna Accords state that the adopting countries must assure the smooth operation of diplomatic missions...

[PRAVDA] Were these your people, or not?

[Menc] Well... they were ours, because no other unit wanted the job. (CSTK note: ?!...)

[PRAVDA] Is it true that the StB films events in the vicinity of the entrances to certain, mainly Western, embassies?

[Menc] The embassies monitor this space with their own cameras.

[PRAVDA] So your directorate has no cameras there?

[Menc] We have them there, but they are not operating any more.

[PRAVDA] Does this mean that the surveillance unit is really not operating any more?

[Menc] My subordinates are at home, "by the telephone", waiting for their summons before the inspection commission. I can assure you that no employee of the surveillance unit is now carrying out any of the work that was our main activity. I can also tell you that we are capable of immediately activating these employees at the request of the Ministry of the Interior if an exceptional situation arises.

### **Closing of Censorship Office Demanded**

*90EC0313B Prague SVOBODNE SLOVO  
in Czech 13 Feb 90 pp 1, 3*

[Article by (rs): "In Support of the Closing of the Federal Bureau for Press and Information"]

[Text] At its meeting yesterday the Commission for Communications Media, appointed to draft a concept for the state information agency by the chairman of the Federal Bureau for Press and Information on 15 January 1990, approved a memorandum regarding whether the Federal Bureau for Press and Information [FUTI] should continue its operations. The memorandum was addressed to the Federal Assembly of the CSSR, the presidium of the CSSR government, the Syndicate of Czech and Moravian Journalists, and to Czechoslovak Communications Media. The text of that document states:

Under the new political conditions in the CSSR, the continued existence of the FUTI is unwarranted because it contradicts the principles of democracy and freedom of press and information. The FUTI was organized after the occupation in 1968 as a tool of the normalization policy in the area of communications media, and promoted exclusively the power politics of the CPCZ [Czechoslovak Communist Party] Central Committee and of the Federal Ministry of the Interior. This was reflected not only in the structure of the bureau, but also in the composition of its cadres. The whole system of the FUTI served the oppressive state mechanism for the purpose of censorship, restriction and disinformation. At this time it is amazing to see to whom, to what and how this bureau continued to provide service with its capacities, large staff and at considerable economic costs. Just as absurd is the fact that the employees of the FUTI, who for a long time acted as loyal supporters of the totalitarian power, still conduct press conferences and now even appear with our new democratic representatives. Furthermore, it cannot be tolerated that the FUTI remain in charge of analyses and evaluation and endeavors to monopolize the right to organize press programs. The futility and danger of the FUTI's continued existence cannot be changed by the fact that after a considerable delay, some kind of the Civic Forum was established on its premises. Therefore, the Commission of the Communications Media for Drafting a Concept for the State Information Agency proposes that the FUTI be immediately closed and not replaced. The only relatively useful function of the bureau, i.e., registration of new periodicals, may be temporarily transferred to the press department of the Bureau of the Presidium of the CSSR Government. At any rate, the closing of the FUTI must not be postponed until a new information agency is established.

## GERMAN DEMOCRATIC REPUBLIC

### Bohley Criticizes Election Results

90GE0044A Dresden SAECHSISCHE ZEITUNG  
in German 24-25 Mar 90 p 3

[Interview with Baerbel Bohley, cofounder of New Forum, by Thomas Schade, SAECHSISCHE ZEITUNG editor on 22 Mar 90, place not given: "Autumn Revolution in the GDR: Bought for D-Marks After November Ninth"]

[Text] SAECHSISCHE ZEITUNG [SZ]: How were you moved during the night from Sunday to Monday, after the election?

Baerbel Bohley: I was very, very sad. Let out all my frustrations and complained loudly about my fellow man. Not because the New Forum received so few votes, that was predictable. Much more so because so many people voted for the CDU [Christian Democratic Union], one of the old block parties which was basically held in very low regard by the populace.

SZ: Who was actually elected?

Baerbel Bohley: The strong man who promised the most and does not even sit in his own country. To me, that is tragic, because it dashed my hopes that each person here could freely develop here in this country. But apparently many people do not have this need at all or are not aware of it.

SZ: Last Monday you stated that the process of democratization in the GDR has been broken off since 18 March. How is that?

Baerbel Bohley: The elections took place far too soon for the country. It only fit the concept of certain western parties which want to govern here and were represented here the loudest. Further democratization in the GDR would have been a true inspiration for the Federal Republic. Precisely for that reason, there was little interest in that over there. And so they shouted down the democrats over here.

SZ: In your opinion, what role do the election victors have to play now?

Baerbel Bohley: He really has to be someone who represents the citizens' interests here, and so first of all must lead discussions with the parties and groups over here. However, when they make a trip to Bonn first to check on the next step, it is clear that they are apparently more responsive to the concerns of Helmut Kohl than the interests of the GDR citizens.

SZ: We must all to learn to behave as vocal and self-confident citizens, as in the literature by "Alliance '90." The date 18 March was something like an exam. Did the GDR citizenry pass?

Baerbel Bohley: When you consider it, then they could not have passed yet. The inheritance from the past years is too heavy a burden. The people did not have enough time to inquire into the book of life and prepare for this exam. For that reason, we wanted to have the local communal elections first so that democracy could be learned and could grow from beneath. That would have also brought a new security to the GDR.

SZ: You are up in arms as if being up in arms were still punished with imprisonment. You were a beacon of light in Autumn 1989. Why was it so quiet around you during February and March when the parliamentary installation of the newly won freedom was at stake?

Baerbel Bohley: I have an understanding for democracy which could not be held by many. I can live with anyone with a completely different opinion than mine. It is only important to me that he seriously considers the minorities and unconventional thinkers at all times. I am not noncontroversial in New Forum (NF) for that reason. There were also people in NF which hunted after the hoped-for majority, just like the parties in the election. Several positions were not supposed to be stated too loudly because of that. By the way, Prof. Jens Reich is such a radical democrat that I have great faith in him.

SZ: Is that the reason you did not run yourself?

Baerbel Bohley: Yes. I see my place less as being in the People's Chamber that being where injustice seems to weigh down pretty heavily on someone.

SZ: If the artist Baerbel Bohley were to paint a picture of the events since October, which symbols would you use?

Baerbel Bohley: If I had to do that now, I wouldn't create much more than a large black space.

SZ: And how would you explain to your nephews in 10 years that what began with so much hope in October took a completely different direction?

Baerbel Bohley: I would say that the revolution in October was the rising of the people who knew what they were against. But it was not the rising of the people who knew what they were for. Because the loud droning call of the D-Mark, which many paralyzed many, cannot be a reason for life. It was our fate that the contents of what people went out into the street after could not be discussed enough. There was no comprehensive dialogue between our old opposition and the people. There were too few of us, who were partially forced out of the country, and, there was no forum for this dialogue outside of the churches for a long time. And—the people were actually rather well off. They were not on the street because of bread, but because of their numb resignation which was so great and in which the SED [Socialist Unity Party of Germany] domination had pushed them. Yes, it was a numb revolution, not an enlightened one.

SZ: So was this revolution betrayed?

Baerbel Bohley: I would say it was purchased after 9 November, when the old masters played their last card in the hope that they could remain in power. That was obviously a mistake.

SZ: But certainly it is not only understandable but a right of the people to want to live better and thus call out for the D-mark!

Baerbel Bohley: There is nothing to say against that except that there are other important things, too.

When the people from the West asked me who they should support here, I always told them, the entire democratic movement. But he who only supports his own little sister party is not dedicated to real democracy. He is primarily concerned with gaining his own power, and money is not spared when it comes to that. What chance did democratization have here with us when the election was run with Coca-Cola cans and bananas, with things that the people have not had for 40 years? Bananas carried the victory from there.

SZ: Apparently 9 November 1989 is an important breaking point to you?

Baerbel Bohley: Of course. Obviously we all want to be able to travel freely and to freely exchange money, but

we do not want to be rolled over by the Federal Republic. There was no protection for us when the border opened, and the government was not in the situation to place roadblocks. It was like a shock, and everyone fell silent, even the churches and the intellectuals.

SZ: The New Forum was the torch of the revolution in October. Even before the election, there was the feeling that it had burned out in the Autumn storms.

Baerbel Bohley: The NF was the storage tank for all of the opposition in September. But we had no political direction. With the formation of new political parties and the reformation of the old ones, many left. No tears are needed for that reason. After 18 March, when the social conflicts increase along the road to German unity, then the popular movement will take on a larger significance again, because the political parties will not be able to solve the problems which arise. They almost always avoid the unpleasant consequences of their policies so that there cannot be any realistic discussion about them. To constantly criticize and investigate underlying questions is an enduring task for the popular movement.

SZ: So you do not believe, then, that internal peace will be restored to the country?

Baerbel Bohley: I think that there is a sort of cease-fire at this particular moment. But the political forces will become polarized between those who are for annexation under Article 23 of the Federal Republic's Basic Law, and those who do not want that. These forces are approximately equal right now. I just have the wish that this polarization remains as peaceful as the past half year was, even though it was obviously not without conflict.

SZ: Will it become dangerous to have independent opinions again?

Baerbel Bohley: This danger was never really removed, when I consider the events on the periphery of large demonstrations. One sign that true democracy was not represented. But we must work at it, because otherwise we have no future.

SZ: We will only rescue the country together, according to the platform of "Alliance '90." What should be rescued after 18 March?

Baerbel Bohley: What does rescue mean? I am for a united Germany, too, but you cannot just throw out the child with the bath water and simply throw out your own identity. Our country will not survive a jump into the cold water of a market economy without a minimum of advance reinforcement. I believe the more we are directed that way, the more clearly everyone will see that they have already come very far.

SZ: So the train must be slowed down somewhat. Who can do that?

Baerbel Bohley: The SPD [Social Democratic Party], as long as they remain true and in the opposition.

SZ: What could GDR unity contribute?

Baerbel Bohley: Along with all the bad experience of the past, which is indeed valuable, because it warns of the repetition of mistakes, the right to work, for example, is very important. Our country has been so uneconomic for so long and supported a huge security establishment, chased away many of its good people, and despite all that everyone here had work. Why should that not be kept along with freedom? To me, unemployment is self-realization at the expense of others.

SZ: How do you see the role of the New Forum representatives in the People's Chamber?

Baerbel Bohley: They will on the political stage often like criers in the desert. Jens Reich formulated it somewhat more harsh: they will be like a small swarm of bees on the back end of the People's Chamber.

SZ: What do you think of having all People's Chamber representatives checked for possible collaboration with the State Security Service?

Baerbel Bohley: I am definitely for that. The Schnur affair showed how blackmailed a politician can be in this situation. From the Federal Republic, too, because Mr. Kohl knew about it longer than the Alliance people here.

SZ: There will be another election on 6 May. Does the New Forum stand a better chance then?

Baerbel Bohley: I very much hope so, because our main work was done on this basis. Certainly, no one can predict that for certain.

SZ: What can you see as being hopeful, despite the bitterness of the past days?

Baerbel Bohley (after a pause): That it will be spring again soon. Of course, we do not need to gain victory out of our defeat. But we will find a new beginning.

SZ: Thank you very much for the interview.

## HUNGARY

### Proposed 'Duty To Accept Responsibility' Evokes Controversy

#### Independent Lawyers' Proposal

25000683 Budapest *MAGYAR HIRLAP*  
in Hungarian 7 Mar 90 p 3

[National Press Service report: "Independent Lawyers' Forum: A Popular Verdict Is Not the Goal"]

[Text] The Independent Lawyers' Forum [FJF] has released to the National Press Service recommendations to uncover the personal causes of the crisis situation that has evolved in Hungary.

In the Forum's view, broad strata of Hungarian society want to know who those persons are who created the

present situation, and they want the responsibility of these persons to be established within a legal framework consistent with the requirements of a constitutional state, by an appropriate organization. It is neither in the interest of, nor the goal of a society striving to establish a constitutional state to take satisfaction for its perceived or actual injuries in the form of a popular verdict, according to the statement. The timeliness of such a law is beyond doubt; this, however, must not provide an occasion to create uncertainty in society as a result of hasty proceedings.

#### Justice Ministry Official Comments

25000683 Budapest *NEPSZABADSAG*  
in Hungarian 8 Mar 90 p 5

[Interview with Dr. Jozsef Kajdi, deputy chief of the Ministry of Justice public law division, by Lajos Bodnar, place and date not given: "Are the Bourbons Coming? Holding to Account Will Take Place With Circumspection"—first paragraph is *NEPSZABADSAG* introduction]

[Excerpt] [passage omitted] [Kajdi] The press presented the proposal at issue in a rather scanty fashion, nevertheless one may express an opinion even on that basis. In very general terms I can say that the proposal itself should be welcome from the standpoint of persons charged with the function of drafting of legislation, if for no other reason because it constitutes the first expression in a legal form of an issue which vividly interests the public today. I also include here the National Assembly, which recently adopted a law regarding accounting for property. In reality, this proposal elevates Representative Erno Raffay's proposal to the level of a standard. It defines the group of persons involved relatively well, although the reference to the leaders of business organizations having national significance is debatable. The proposal also deals with the process, just how this matter should be administered. At the same time it also provides a sketch of the sanctioning system.

[*NEPSZABADSAG*] But by all means, the proposal follows a different track from the latest decision rendered by Parliament. At the same time, it may also mean the resurrection of verification committees which conjure up bad memories....

[Kajdi] Undeniably, the FJF [Independent Lawyers' Forum] proposal has such overtones, but one should not be amazed about that, considering the present political conditions. And if we consider the proposals suggested recently at election rallies, we may regard this proposal as almost understandable. It is a direct consequence of all that is in the air today. And the fact that the FJF made this proposal is not surprising because the problem already has some legislative antecedents. Representative Raffay wanted to make into law the same perception that is contained in this proposal.



[NEPSZABADSAG] Is the statement contained in the proposal, according to which laws presently in force are not suitable to satisfy this need, and therefore a separate law is needed, correct?

[Kajdi] From a practical standpoint, not one of our legal provisions provides an opportunity to hold a person politically responsible. Holding high level officials who served during the past 40 years politically accountable is not possible in the framework of our present legal system.

[NEPSZABADSAG] The proposal treats the statute of limitations issue in a cavalier fashion. As perceived by the proposal prior to the 20 May 1988 party conference, the examination of issues was a matter that could not have been raised, therefore the statute of limitations will count from that day on.

[Kajdi] This is the most crucial point in the proposal. Establishing responsibility with a retroactive effect cannot be reconciled with our present legal principles.

[NEPSZABADSAG] If we consider the legal disadvantages that may be applied, it seems that the proposal is driving toward establishing criminal responsibility. Rendering a person's property as public property is one of the possible sanctions. It is closely related to the confiscation of property. The reduction of compensation also involves fundamental rights. Only a court can deprive a person in a constitutional state of these rights.

[Kajdi] The press statement does not clearly indicate who will impose the sanctions. From the standpoint of political responsibility, a statement of condemnation could of course be made by a committee of the National Assembly or by a committee of a local autonomous government. On the other hand, if a decision of this nature carries legal consequences, it is obvious that the issue of the jurisdiction of courts cannot be avoided. Disadvantageous legal consequences can be pronounced only by a court.

[NEPSZABADSAG] Is it realistically possible that this proposal will become part of the parliamentary agenda this month?

[Kajdi] No, one cannot count on that; this topic may appear on the agenda of the parliamentary session that convenes after the elections, at best. But even then it may be placed on the agenda with the constraint that past actions must be judged pursuant to the laws in force at the time the activities took place.

### FJF Official Explains Proposal

25000683 Budapest NEPSZABADSAG  
in Hungarian 8 Mar 90 p 5

[Interview with FJF Deputy Chairman Dr. Pal Bartfay, place and date not given—first paragraph is NEPSZABADSAG introduction]

[Text] The FJF [Independent Lawyers' Forum] justified its position publicized by the National Press Service by claiming that a "lynching mood" prevails in the country. It is the duty of the FJF, a professional organization, to formulate legal provisions for a recognized societal phenomenon in order to calm passions. We learned all of this from Dr. Pal Bartfay, the deputy chairman of the Forum, with whom we conversed about the future legislative proposal.

[NEPSZABADSAG] On what basis did the Lawyers' Forum initiate a legislative proposal? After all, there is an established legal framework for the development of such proposals. Based on this, you have no authority to write legislative proposals.

[Bartfay] This is not a legislative proposal, these are basic principles drafted for a legislative proposal. But since the forum is a professional organization, it may frame legislative proposals, which it may also present to Parliament through a person having appropriate authority to do so, such as a representative.

[NEPSZABADSAG] The proposal treats the statute of limitations issue in a cavalier fashion....

[Bartfay] According to our concept, a person who in a given situation does not demonstrate sufficient circumspection, or, in some cases, circumspection which could be generally expected from a person, carries political responsibility. The consequence of this is a person's duty to accept responsibility, prescribed as part of the structure of principles for persons involved, without the possibility or compulsion to apply the accountability system and sanctions provided by any given branch of law (e.g. criminal law). Consequently, the issue of the statute of limitations does not even come into play.

If we were to think in terms of a specific branch of law, the possibility for applying the institution of the statute of limitations would exist. This means that the statute of limitations is not in force as long as a concerned person is in no position to enforce his claim.

[NEPSZABADSAG] There is not a single law today that provides an opportunity for holding a person politically accountable. Determination of responsibility retroactively cannot be reconciled with our present legal principles.

[Bartfay] In our position statement we are not talking about holding anyone to account. Our premise was that the country has fallen into a bad situation, and that this can be traced to reasons that can be tied to persons. In this connection we recognize three kinds of claims: firstly, a general claim, invoked to some extent by external events, which may lead to holding a person to account, and which may translate into the arrest and imprisonment of leaders. Secondly, the above-mentioned claim to be articulated by the parties. This could take place in as many forms as there are parties today in Hungary. And finally the third, the uncertainty and loss of direction of the persons involved may create

a claim in which, in the event that the duty to accept responsibility arises, these persons will want to know who is affected, and what each individual may expect.

[NEPSZABADSAG] The press statement does not clearly reveal who will implement the sanctions.

[Bartfay] In certain well defined cases—for example with regard to matters of national significance—a given committee of the National Assembly could render a decision, with the involvement of experts. Regarding local matters, autonomous representative bodies could act through similar committees.

[NEPSZABADSAG] What sanctions do you have in mind if responsibility is established?

[Bartfay] I would emphasize once again: Our position statement does not deal with holding a person accountable; on the other hand, it deals with a person's duty to accept responsibility. The decision must be publicized if this obligation is determined. The affected person's pension or salary should be reduced, he should be removed from office, and the property he has acquired should be restricted.

[NEPSZABADSAG] Which Parliament should sanction the legislative proposal, the basic principles that is, which you drafted?

[Bartfay] I regard this as a poetic question, because the present Parliament is in no position to create another law having the force of the constitution.

### **Communist Official Fears White Terror**

25000683 Budapest NEPSZABADSAG  
in Hungarian 8 Mar 90 p 5

[Statement by Hungarian Socialist Party [MSZP] Presidium Member Bela Fabry first paragraph is NEPSZABADSAG introduction]

[Text] We asked MSZP Presidium Member Bela Fabry how he views the FJF [Independent Lawyers' Forum] initiative. The following is his response.

"First of all, let me remind you that the FJF provided a cracking response to the communique that was adopted by the parties at Monday's summit. As is commonly known, in that communique the parties running national slates called upon every political force to refrain from taking steps which could endanger peaceful transition. The coincidence of MAGYAR HIRLAP's printing of the FJF's "legislative proposal" concerning the acceptance of responsibility by those who caused the crisis, which struck the country on the same day the communique was issued, reveals a lot about those who prepared the proposal.

"This coincidence, like the contents of the documents, suggests that we draw several conclusions. The reasoning of the proposal cannot be debated. It states that it is not in the interest and the goal of a society striving to establish a constitutional state to take satisfaction for the

perceived or real injuries it has suffered in the form of a popular verdict. It seems to us, however, that the proposal has this in mind.

"The proposal reveals much of the FJF's independence and of its perceptions of a constitutional state. The question is from whom and from what the Forum is independent, unless we recognize as the criterion of independence the fact that, making itself fully independent from an agreement reached by competent political forces, the FJF submitted a proposal which endangers peaceful transition, one that places both office holders and pensioners in total uncertainty. Or could it be that this Forum is not fully independent? After all, it played a decisive role in forging the Opposition Roundtable.

"As far as the Forum's views concerning law and constitutional statehood are concerned, they are well demonstrated by a call for ex post facto legislation, which is unusual in legal history, and by the complete neglect of the protection of the innocent. The fact that no criminal act (in our case the duty to accept responsibility) can take place unless it is prohibited by law is undoubtedly one of the basic principles of constitutional statehood, and equally, it is commonplace in a constitutional state that the burden of proof is on the accuser, not on the accused. Accordingly, the political intent becomes apparent when we take a step from the apparently firm ground of constitutional statehood toward the shifty swamp of "revolutionary legality."

"This phenomenon is not unknown to history. Upon returning from the shadow of alien weapons, the Bourbons invoked legality and order when they pronounced severe judgments with retroactive force for actions taken 20 or 25 years earlier. Since that time political parlance has referred to this act of the Bourbons, quite independent from the white lilies on the banner, as white terror. One wonders whether the new prophets of constitutional statehood, whose innocence is surrounded by lilies, will commit the same crime."

### **List of Printed Media, Comparative Circulation Figures Published**

90EC0364A Budapest HETI VILAGGAZDASAG  
in Hungarian 10 Feb 90 p 75

[Unattributed article: "Domestic Newspaper Panorama: Are They Eating Up the Paper?"]

[Text] Below is a list we have compiled on the basis of data received from the Hungarian Postal Service regarding the restructuring of the Hungarian newspaper market.

With the price of printed materials raised twice in one year, readers are buying fewer and fewer of them (while new publications have mushroomed, 116 have gone under.) The data obtained from the Postal Service do not provide a complete picture, as its rapidly deteriorating

distribution system has forced several papers and publishers to explore other avenues of marketing. Today the number of unsold copies is considered privileged

business information by every publisher, which is one of the reasons why our table is suited mainly for determining press market trends.

Name of Paper	Selling Price (forints)	Number of Copies Published			Change Between June 1989 and January 1990 (percent)	Number of Subscribers			Change Between June 1989 and January 1990
		Jan 1989	June 1989	Jan 1990		Jan 1989	June 1989	Jan 1990	
<b>Dailies</b>									
NEPSZABADSAG	6.50	467,591	423,024	374,159	- 11.6	352,543	328,312	284,996	- 13.2
NEPSZAVA	5.60	210,892	220,257	207,217	- 5.9	144,382	147,661	142,044	- 3.8
MAGYAR NEMZET	6.50	128,156	156,280	157,995	+ 1.1	76,228	90,146	94,844	+ 5.2
MAGYAR HIRLAP	6.50	100,301	96,301	95,688	- 0.7	46,863	50,978	53,132	+ 4.2
NEPSPORT	6.30	210,269	205,013	183,130	- 10.7	85,110	79,660	75,156	- 5.7
DATUM	8.10	not published	3,591	10,738	+ 199	not published	28	718	+ 2,464.3
ESTI HIRLAP	4.70	163,561	103,043	99,783	- 3.2	2,332	2,621	1,878	- 28.3
MAI NAP	8.50	not published	71,704	81,040	+ 17.2	not published	1,329	4,059	+ 205.4
VILAGGAZ-DASAG	—	11,277	11,687	11,501	- 1.6	11,214	11,678	11,416	- 2.2
BEKES MEGYEI NEPUJSAG	4.30	50,400	50,039	52,624	+ 5.2	42,976	43,313	44,436	+ 2.6
CSONGRAD MEGYEI HIRLAP	4.30	38,939	38,851	40,303	+ 3.7	35,806	36,040	47,345	+ 3.6
DELI HIRLAP	4.30	14,100	12,538	12,041	- 4	1,057	995	713	- 28.3
DEL-MAGYARORSZAG	4.30	55,796	56,066	57,401	+ 2.4	48,261	49,192	50,136	+ 1.9
DOLGOZOK LAPJA	4.30	45,737	56,066	44,033	- 0.6	37,901	37,604	37,767	+ 0.4
DUNANTULI NAPLO	4.30	90,606	89,754	90,858	+ 1.2	80,813	79,586	80,397	+ 1
ESZAK-MAGYARORSZAG	4.30	77,500	76,702	78,208	+ 2	66,357	67,107	67,992	+ 1.3
FEJER MEGYEI HIRLAP	4.30	53,472	51,747	52,120	+ 0.7	42,805	42,890	43,351	+ 1.1
HAJDU-BIHARI NAPLO	4.30	70,660	70,353	74,346	+ 5.7	61,231	61,090	63,391	+ 3.8
KELET-MAGYARORSZAG	4.30	81,003	83,738	87,124	+ 4	72,298	76,039	78,786	+ 3.6
KISALFOLD	4.30	93,000	92,753	92,985	+ 0.3	79,710	79,029	79,505	+ 0.6
NAPLO	4.30	56,380	57,246	58,249	+ 1.8	47,372	45,331	45,904	+ 1.9
NEPUJSAG	4.30	29,539	29,440	30,458	+ 3.5	25,237	24,776	25,121	+ 1.4
NOGRAD	4.30	21,306	20,867	21,867	+ 4.8	18,113	18,285	18,522	+ 1.3
PEST MEGYEI HIRLAP	5.80	48,000	46,302	46,178	- 0.3	39,379	39,889	40,382	+ 1.2
PETOFI NEPE	4.30	56,508	55,836	57,144	+ 2.3	44,308	43,733	44,112	+ 0.9
SOMOGYI NEPLAP	4.30	55,600	56,554	57,164	+ 1.1	50,953	51,319	52,430	+ 2.2

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SZOLNOK MEGYEI NEPLAP	4.30	55,000	48,858	46,661	- 4.5	44,424	43,479	43,209	- 0.6
TOLNA MEGYEI NEPUJSAG	4.30	27,880	30,903	31,903	+ 3.2	27,881	27,980	28,841	+ 3.1
VAS NEPE	4.30	65,275	66,183	71,272	+ 7.7	58,979	59,328	59,614	+ 0.5
ZALAI HIRLAP	4.30	70,793	72,614	73,730	+ 1.5	72,614	66,761	67,932	+ 2.4
Weeklies and Periodicals									
AUTO EXTRA	89.00	not published	94,435	57,744	- 38.9	not published	no subscription	—	—
AUTO MAGAZIN	98.00	not published	65,980	48,075	- 27.1	not published	no subscription	2,609	—
AUTO-MOTOR	29.00	143,102	124,450	88,467	- 28.9	41,239	39,005	32,619	- 14.2
AUTOPIAC	30.50	not published	77,300	53,715	- 30.5	not published	241	938	+ 289.2
BESZELO	18.50	not published	not published	18,652	—	not published	not published	39	—
CSALADI LAP	9.00	737,141	652,350	580,951	- 10.9	76,639	71,102	64,441	- 9.4
ELET ES IRODALOM	13.50	57,216	58,093	47,881	- 17.6	43,531	39,385	29,570	- 24.9
ELET ES TUDOMANY	14.50	59,196	51,456	44,507	- 13.5	38,139	26,545	21,745	- 18.1
FIGYELO	16.00	31,259	29,448	26,748	- 9.2	26,200	26,545	21,745	- 18.1
FILM SZINHAZ MUZSIKA	19.50	50,111	42,262	21,367	- 49.4	15,163	11,802	9,306	- 21.1
FOCI	9.40	62,850	52,440	41,385	- 21.1	4,971	4,760	4,077	- 14.3
FULES	7.50	436,249	400,480	369,099	- 7.8	125,670	118,004	107,099	- 9.2
HELYZET	17.50	not published	not published	14,904	—	not published	not published	25	—
HETI HIRHOZO	11.00	not published	not published	38,285	—	not published	not published	15,414	—
HETI VILAGGAZDASAG	14.50	161,828	151,575	130,492	- 13.9	90,901	89,750	75,978	- 15.3
HIANY	29.00	not published	not published	8,029	—	not published	not published	75	—
HITEL	39.00	59,000	57,325	32,032	- 44.1	12,111	23,375	18,891	- 19.2
HOCIPO	21.00	not published	not published	74,075	—	not published	not published	118	—
INTERPRESS MAGAZIN	79.00	127,982	111,941	94,894	- 15.2	22,860	21,001	17,366	- 17.3
KACSA	29.00	not published	113,781	193,768	+ 70.2	not published	12	1,510	+ 1,258.3
KAPU	48.00	35,058	64,950	41,185	- 36.6	1,944	2,056	5,775	+ 180.2
KEPES 7	45.00	52,207	49,350	39,401	- 20.2	21,115	18,445	15,042	- 18.9
KEPES SPORT	19.50	54,409	46,717	31,961	- 31.6	8,829	8,352	6,604	- 20.9

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		Jan 1989	June 1989	Jan 1990		Jan 1989	June 1989	Jan 1990	
KEPES UJSAG	13.50	442,768	407,520	364,723	- 10.5	312,850	289,210	261,637	- 9.5
2000	29.00	not published	12,670	9,723	- 23.3	not published	18	121	+ 572.2
KIS UJSAG	13.50	not published	47,379	26,681	- 47.9	not published	no subscription	2,921	—
LUDAS MATYI	5.80	238,459	209,050	163,560	- 21.8	61,366	55,355	48,006	- 13.3
MAGYARORSZAG	10.50	167,517	175,806	119,840	- 31.8	81,214	73,272	56,839	- 22.4
MAGYAR NOK LAPJA*	13.50	777,591	642,400	536,506	- 16.5	522,967	445,695	371,866	- 16.6
MAI MAGAZIN	29.00	61,021	53,613	41,377	- 22.8	21,609	19,219	7,444	- 61.3
MAGYAR FORUM	9.60	not published	not published	15,104	—	not published	not published	39	—
MAGYAR NAPLO	11.50	not published	not published	13,626	—	not published	not published	139	—
MAGYAR NARANCS	15.50	not published	not published	15,784	—	not published	not published	1	—
MOZGO VILAG	38.00	15,290	15,620	13,202	- 15.5	6,176	6,375	4,761	- 25.3
ORSZAG VILAG	14.50	131,972	102,920	76,682	- 25.5	39,030	28,242	23,058	- 18.4
OTLET	18.00	19,285	18,360	15,822	- 13.8	12,932	12,722	8,862	- 30.3
RAKETA REG-ENYUJSAG	14.50	132,141	117,525	103,022	- 12.3	46,246	42,375	36,497	- 13.9
RADIO ES TELEVIZIUISAG	9.00	1,183,091	1,237,240	1,156,052	- 6.6	667,214	684,325	642,938	- 6
REFORM	29.00	255,997	349,440	388,292	+ 11.1	71,434	181,824	171,718	- 5.9
SPORTPLUSZ	13.50	not published	59,009	50,269	- 14.8	not published	903	3,338	+ 269.7
SZABAD FOLD	7.50	691,436	739,566	756,522	0.9	449,102	514,091	516,566	+ 0.5
SZABAD SZO	19.50	not published	27,000	12,540	- 53.6	not published	—	161	—
168 ORA	25.00	not published	104,000	97,544	- 6.2	not published	1,948	10,801	+ 454.5
SZOVJETUNIO	14.50	117,600	83,896	50,000	- 40.4	38,273	35,179	11,172	- 68.2
TALLOZO	29.00	not published	20,295	27,413	+ 35.1	not published	at newsstand only	3,917	—
TELEHOLD	13.50	72,064	52,966	38,054	- 28.2	298	10,599	7,436	- 69.8
TVR-HET	9.00	not published	not published	249,981	—	not published	not published	39,845	—
UJ ELET	6.00	5,420	5,304	5,493	+ 3.6	2,463	2,337	2,641	+ 13
UJ EMBER	10.00	24,721	24,881	24,360	- 2.1	10,882	10,684	10,326	- 3.4
UJ SZABAD SZAJ	5.80	not published	not published	57,300	-	not published	not published	178	—
VALOSAG	40.00	21,240	20,520	16,865	- 17.9	12,909	12,735	11,162	- 12.4

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		Jan 1989	June 1989	Jan 1990		Jan 1989	June 1989	Jan 1990	
VASARNAPI HIREK	7.50	270,595	273,397	279,904	+ 2.4	4,654	4,456	3,719	- 16.5
VIGILIA	40.00	4,538	4,185	3,838	- 8.3	1,304	1,077	2,101	+ 95.1
VILAG	19.00	not published	42,191	31,268	- 25.9	not published	8	1,287	+ 1,608.9
VILAG IFJUSAGA	17.00	236,793	183,700	161,887	- 11.9	4,893	4,640	4,157	- 10.4

\*former title: NOK LAPJA

## POLAND

### Political Parties Issue Statements on Government's Reform Program

#### Roundup of Various Party Views

90EP0399A Warsaw RZECZPOSPOLITA in Polish 16 Jan 90 p 2

[Article by Jerzy Wysocki: "Without Sentimentality"]

[Excerpts] (A). The parliament adopted the government program for economic reform with no major reservations. Deputies coming from different schools of economic thought voted for it in unison. Perhaps urgent necessity was decisive here. Groups not represented in the government, some of which are completely outside the parliament, had no part in this determination. How did they react?

Groups that are definitely liberal were most favorably disposed toward the government program.

The National Congress of Liberals, as Witold Gadomski, press spokesperson of this party has stated, "decidedly supports the direction of the economic changes initiated by Balcerowicz's program. Deputies and senators with connections to the Congress made a great contribution to the legislative work on the packet of economic statutes."

This support, however, is not uncritical. The Congress speaks for "removing all wage restrictions, believing that only in this way can a normal labor market be formed in Poland." The Congress also had reservations with respect to the tempo of the work on principles of privatization, which is a necessary condition if the economy is to "realize" Balcerowicz's reforms.

The Democratic Center (CD) also supports the shape of the reforms; its program speaks for economic liberalism. Adam Strug conveyed a commentary of the chairman of the Warsaw Division of CD: "We believe that this is a correct version of the road to a free market as a basis for a normal economy. We are convinced that it will be effective even if the time periods of the effects are longer and the effects themselves smaller."

With such broad approval, CD accepts a fiscal policy "which might prevent an increase in productivity and block initiatives of small enterprises and trades" only if this is necessary for controlling inflation.

The Polish Peasant Party "Solidarity," (PSL "S") which, as Jacek Szymanderski, its press spokesperson said, is a liberal, pro-government, parliamentary group (several dozen deputies and senators belong to this group), also decidedly supports the program for reorganizing the economy. The position of PSL "S": "We are aware that it requires sacrifices and if we voted for the government statutes, it is because, to our way of thinking, these sacrifices make real sense, they will be an effective and indispensable means to reaching our goal."

Like the Congress of Liberals, PSL "S" believes that the wage freeze will prevent the development of a normal labor market. It also criticizes the Ministry of Domestic Trade for passiveness in organizational preparation of trade and small manufacturing. Concerning the situation in the villages, PSL "S" laconically admits that it is "especially dangerous" and capable of leading to a decrease in agricultural production. [passage omitted]

The time period for the proposed economic reforms decidedly displeased the conservative liberals belonging to the Union of Real Politics (UPR) directed by Janusz Korwin-Mikk. Besides finding fault with Balcerowicz's program for freezing wages and slowing the process of privatization, they also complain about increasing taxes and tariffs, supporting monopolies, compulsory insurance, and arbitrary setting of the dollar exchange rate; they wish to maintain it at the specified ceiling.

In a published statement, UPR maintains: "We will continue to defend the government from attacks from the left and we do not demand its resignation since we consider the parliament to be more socialized than the government. ... If a definite liberalization does not occur within two months, we will petition the president to dissolve the parliament and announce new elections."

The Christian National Union (ZChN) supports the government program "in the direction it is taking toward reorganizing the Polish economy into a free market

economy with predominantly private ownership of production facilities." But as distinct from the liberal groups, it expresses concern about actions "which transfer the bulk of the battle with inflation and the crisis to the poorest segment of society by lowering wages and services, by drastic, repeated depreciation of savings, and future unemployment."

In this statement, ZChN warns specifically against possible consequences of the penetration of foreign capital, which may, if Poland does not take appropriate action, lead to a dirt-cheap sell-out of national assets and a loss of our sovereignty."

Fears of this kind in a substantially stronger form are also expressed by parties that go directly back to the prewar National Camp: The Polish National Party and the National Party.

The Political Council of the Confederation for an Independent Poland (KPN) made the most comprehensive statement, saying in conclusion: "The economic policy being implemented at present is economically threatening since it may lead to a catastrophic drop in production and political irresponsibility by causing massive social unrest and undermining the sense and purpose of the whole program of political reorganization. In view of this, the Confederation for an Independent Poland cannot support it." [passage omitted]

The Polish Socialist Party—Democratic Revolution, which advocates self-government and socialization of means of production as a matter of policy, challenges the whole direction of the economic changes, remaining in opposition to Jaruzelski's Mazowiecki's government, as they describe it.

#### **Polish Socialist Party Position**

*90EP0399B Warsaw ZYCIE WARSZAWY  
in Polish 17 Jan 90 p 2*

[Article: "Criticism of the Government Economic Program"]

[Text] (W) The Provisional National Committee of the Polish Socialist Party (PPS) informed the Polish Press Agency (PAP) of the PPS position which expresses a firm protest against the realization of the economic program and the social policy that follows from it.

The task of Premier Mazowiecki's government, we read among other things, is to lead the country out of the collapse to which it was driven by the communist system of order-distribution autarchy.

Premier Mazowiecki's government faced a difficult choice. But the fact is that the road which he chose leads to endless renunciation and debilitation of the vital strength of the people who are already paying for this choice by a dramatic drop in their standard of living. This engenders social opposition that continues to grow and threatens confidence in the present government, which may be followed by an incalculable political crisis.

PPS maintains that the packet of economic statutes adopted by the Sejm, specifically the statutes pertaining to credits and the tax system, will lead to limiting production potentials in all types of enterprises (except for partnerships with foreign capital). The high interest rates on credits will discourage new economic initiatives and the high taxes on enterprises and wage funds will naturally lead to their bankruptcy regardless of production results. The program of Premier Balcerowicz, who assumes a drop of approximately 30 percent in number of enterprises in the national sector and an unknown percentage of private enterprises for this year alone, threatens complete dependence of the Polish economy on IMF and other foreign capital.

Taxing agriculture excessively and the high prices of energy and agricultural equipment while monopolistic mechanisms are maintained in purchasing and manufacturing equipment and supplies for agriculture result in a constant decrease in agricultural profitability and this is followed by the elimination of any possibility of Polish agriculture feeding the population. Vice premier Balcerowicz has lost sight of the development of Polish agriculture as is attested by the lack of tax and credit priority that would make it possible to invest more in farms and reserves for their owners.

PPS is also critical of the government's dictating ever higher prices for energy and fuels, which causes a great increase in other prices.

The conclusion states that realizing the government program may lead to a collapse of the national economy and its being bought out by foreign capital. This would cause a drastic decline in the standard of living. (PAP)

#### **Polish Peasant Party Resolution**

*90EP0399C Warsaw RZECZPOSPOLITA  
in Polish 23 Jan 90 p 3*

[Article: "Members of the Peasant Party in Lublin: Let's Defer It"]

[Text] (C). In Lublin, delegates of PSL [Polish Peasant Party] conferred with Hanna Chorazyna, chairperson of the PSL Chief Council. They elected the municipal administration of the party, whose president is Professor Eugeniusz Gasior of Marie Curie-Sklodowska University, and adopted a resolution specifying the course which activities of Lublin members of the party are to take (the voivodship administration has been in place since November). The resolution states:

"We support the economic program of Tadeusz Mazowiecki's government despite the fact that the people will have to make substantial sacrifices in realizing it. We will make an effort to improve understanding among broad circles of the population of the principles of this program, acceptance of it as their own and a will to work for its realization. We understand that without setting up a market economy and stabilizing currency, we will not get rid of the system into which we were harnessed by

communism. We accept with satisfaction the prediction of the premier in the Sejm that in the immediate future, the agriculture question will find its rightful place in the national economic program of the government. For this reason we view negatively the criticism of the principles of the government program by those who want to make political capital by defending the old order and bandying populist slogans. Let us take Wincenty Witos as an example; in 1920 when Poland was threatened by the Bolshevik offensive, he called on the peasants to defend the country's independence, deferring the struggle for agricultural reform.

We recognize the unity of the people's movement as necessary, but in the present situation, union is not the primary task for our party. We are an organizationally young group rebuilding our structures, and simultaneously gaining the confidence of the people. A mature political group may move toward union. If it is not mature, then any union implies relinquishing its own identity."

#### Labor Party Declaration

90EP0399D Warsaw TRYBUNA LUDU  
in Polish 13-14 Jan 90 p 3

[Article: "Labor Party Disturbed by Government Economic Policy"]

[Text] In a statement and appeal made on 12 January, the Provisional Main Administration (TZG) of the Labor Party expresses concern about the social and economic policy of the government and the fear that "the somewhat high cost of social reforms of the Polish economy may be a threat to the achievements made thus far by the people."

The authors of the documents express disapproval of the actions taken by the Sejm, which has "accepted in the last few days several basic legal acts whose content was not known in advance; it disregarded the responsibility of straightforward discussion of the propositions contained in this packet and did not apprise the people of the content of the proposals."

The TZG of the Labor Party demands early modification of the program adopted by the government and considers as indispensable the immediate introduction of price control for basic food stuffs and a decrease in those prices.

In concluding the appeal, its authors stress that their postulates are not an expression of opposition to the government. (PAP)

## YUGOSLAVIA

### Controversial Hungarian Newspaper Under Attack

90EC0312A Szekszard DATUM  
in Hungarian 13 Jan 90 p 3

[Article by Yugoslavian correspondent Karoly Rozenthal: "This Is the Kind of Newspaper We Want! Novi Sad's MAGYAR SZO Defended By Its Readers"]

[Text] It has been only a few weeks since MAGYAR SZO, Yugoslavia's only Hungarian-language daily, published in Novi Sad (Ujvidek), became available at newsstands in Hungary. The few hundred readers who purchase the paper in Hungary could not know that the publication has never been as popular among its readers as now; it is even less likely that they are aware of the editors' serious struggles, the outcome of which is still quite uncertain.

This past Christmas the paper celebrated the forty-fifth anniversary of its foundation. On that occasion a commemorative gathering was organized in Subotica (Szabadka) which, however, was attended neither by the city's official leaders nor by Dr. Attila Szam, a resident of Subotica, who is the president of the paper's publishing board. The absence of the city's leaders may be explained by the fact that right now it is difficult to determine who are members of the leadership. It was during the days of celebration that Radoman Bozovic, the powerful local party chief, was appointed president of the district's governing body. As for the city council's president, Jozsef Kasza, nowadays he has enough trouble with the very same Bozovic, because the politically omnipotent Bozovic is using traditional, though compromised, partisan methods in his attempts to trip up the recently elected Kasza. One of the party chief's allies in these machinations is the above-mentioned Attila Szam, who was the first to raise his voice against MAGYAR SZO's editorial policies.

The affair began when MAGYAR SZO reprinted an already published article. No, not from a hostile foreign publication, but from another Yugoslavian paper. What the little article in question did was to reveal how the above-mentioned Bozovic uses Stalinist methods to revenge any personal affront. Following the article's appearance, Dr. Attila Szam convened an extraordinary meeting of the paper's publishing committee, and demanded that they issue a criticism of the editorial policies. What the reader should know is that the publishing committee is a sort of an organ for social control. During that meeting there was only one member of the committee who agreed with the president, while the others firmly opposed him.

Since that time newer attacks have been leveled at MAGYAR SZO, in part by Radoman Bozovic and in part by other political power factors. Interestingly, however, many people have come to the defense of the paper.



For example, the editorial board composed of nationalities has attracted the sympathy of the national publication BORBA of Belgrade, which by now has become the only daily paper published in the capital that cannot be called partial: It reports on events taking place in the country, along with opinions, even if these may not be favored by the leaders of Belgrade Serbian politics.

The latest attack on MAGYAR SZO, originating directly from the circle of the Serbian head of state, Slobodan Milosevic, occurred in the legislative chamber of the Voivodina region, of all places, and it was voiced by none other than that certain Mihaly Kertesz, who might as well write his name as Mihalj Kertes, seeing as how he lacks the ability, as well as the desire, to either speak or think like a Hungarian. (According to some of his critics, he simply cannot think in any language.) When the legislature discussed how Bozovic, the recently appointed president of the district's governing body, was recently sued by two lawyers and the above-mentioned president of the Subotica council, this Kertes or Kertesz announced that Bozovic might as well boycott the trial,

because if the court were to fine him, he would personally pay the fine. He then added that the editorial staff of MAGYAR SZO should be subjected to a purging. Characteristically, he would extend the purging to the Novi Sad television station, too; and if such a cleansing does not take place, he would urge the subscribers not to pay their fees. The reader should also know that Kertes is a member of the Serbian national presidium.

Nevertheless, the sharper the attacks levelled at MAGYAR SZO, the more decisively it is defended by its readers. There is probably a very understandable reason for this: During its 45 years of existence, the paper has never represented and defended the interests of its readers as decisively as it does nowadays. And readers, forgetting how its previous editors ruined Yugoslavia's only Hungarian-language paper, are now rising resolutely in its defense.

As for the outcome of all this, we will have to wait. After all, there are a number of politicians who say that the readers should be reeducated.

## GERMAN DEMOCRATIC REPUBLIC

### More Reported on SS-23 Dismantling

90GE0051A East Berlin VOLKSARMEE  
in German No 12, Mar 90 p 2

[Article by Lieutenant Colonel Wolfgang Weising: "End of the OKA Quartet"]

[Text] Although the venerable farming community of Demen is coming up on its 725th anniversary, and although the landscape there has its charm, none of that has so far been able to attract film and press people to any extent. But on this 15 March 1990, media representatives from East and West have made a rendezvous with the little village. More precisely, in a part of the community which was not created until 1977 and did not enlarge it particularly, consisting of an NVA [National People's Army] duty station as well as housing, a department store, club house, restaurant....

Disarmament in action was the word. Once again in the GDR. What had been announced internationally as an objective had now, by decision of the defense minister and in various military "action plans," been planned in every detail and well organized. Of course, it could no longer become a sensation because of the images which in the past weeks and months have spread all over the world: disassembled tanks, blow torches on aircraft... Even so, visiting the local scene in Demen had a special attraction. These were tactical-operational NVA missiles. Missiles of the type which at one time made headlines under the (American) name of SS-23. OKA—from the Russian for moment, with lighting speed—is the name of the missile system in the Soviet manufacturer's official description, which was also used by the NVA.

This and other information was handed out at the place of action by Colonel Gerhard Pfuetzner, commander of the 5th missile brigade. To the universally known political magnitude of dismantling of these weapons he added the modest military one. Because the NVA had as many as four of these in missile division strength, one was told. This division, formed only five years ago with the introduction of modern OKA rockets, was disbanded on 31 January of this year. By 30 April they have to complete the task of destroying the ground equipment, consisting of transportation and loading equipment with transporter and launcher and hand it over to the scrap metal industry in "convenient" parts.

After a brief speech Col. Pfuetzner invited the journalists to see for themselves the destruction of the technical equipment. Soldier's hands, otherwise entrusted with precise care and maintenance of their technical equipment, were at work here with cutting torches and sledge hammers. For example, Sergeant Ronny Siedow and his group have nothing but this disarmament task until their discharge. For the last time NCO Michel Heise from his crew had driven to the scrapyards that transporter, which in the eyes of the media representatives already looks

like a steel skeleton. Private Gerd Kristen, a welder by profession as well, and soldier Jan Krebs pulled one-meter-square pieces out of it. The four-axle colossus, 11 meters long and about 3.20 meters high and wide, originally weighed about 30 tons. The pieces are going by Tatra 145 to the Schwerin Metal Company VEB [state enterprise]. And the missiles? They cannot be destroyed quite that easily, it is explained. This takes place under the responsibility of the missile-technical service of the military district, to which the missiles have been turned over. The date for their destruction has not yet been determined. First, suitable and, above all, environmentally safe methods and technologies have to be found. For this purpose cooperation has been established with the Environment Ministry.

In addition to dismantling the transport-loader vehicle and launch pad, the guests were finally—and this was anticipated with excitement—also able to observe an undismantled launch pad including a dummy missile (full-weight mock-up) of an OKA. This one is to be kept for the Dresden Museum of Military History and will begin its journey there shortly. As the commander revealed to me, from this very pad a missile was once fired in the Soviet Union during an exercise—with a very good result, of course. Moreover, it was the first and last shot ever fired by the quartet of missiles now being disarmed. And the statement that this is a good thing met with undivided agreement from the military people as well as from the journalists. However, as is usually the case, the latter asked more than the hosts were able and allowed to answer. For example, regarding the tactical and technical data and details of the OKA missile system as a "short-range" system, the commander was forced to answer like a soldier and refer to the manufacturer in the USSR. That's where they could ask. After all, in Demen undoubtedly the most modern military technology was being destroyed. And that, as everyone knows, does not find too many counterparts in this world.

Captions [photos not reproduced]:

The mobile launch pad for the OKA system with the full weight mock-up for the missile—soon to be seen at the Dresden Museum of Military History.

Dismantling the launch rails, which weigh several tons, from the launcher.

## HUNGARY

### Technology, Arms Joint Venture With Soviets Questioned

25000682 Budapest HETI VILAGGAZDASAG  
in Hungarian 10 Mar 90 pp 21-22

[Interview with Tamas Rac, associate of the Aircraft Development and Trading Company, Limited, by Akos Tomory, place and date not given: "A Dealer in 'Technology' Responds: Whether the Commission Was Legal Is an Internal Affair of the Soviet Union"]

[Text] After so many years of conspiratory attempts, which almost prompt us to smile, today we hear more and more of the fact that a Hungarian defense industry and arms trade exists. But when we tried to interview someone in regard to this matter it turned out that Hungarian arms dealers do not exist. Tamas Rac (age 43), an associate at the Aircraft Development and Trading Company, Limited, also quickly denies that he would have anything to do with the buying and selling of arms and military technology. The most he will admit to is that in many respects the aircraft industry is judged from a military standpoint....

[HVG] The Aircraft Development and Trading Company, Limited is not one of the best known ventures in Hungary, and as far as I know it does not even want to become one of the best known ventures. Even more so because allegedly this good sounding Hungarian name is actually "cover" for a Soviet firm. Is this true?

[Rac] This 50-percent Soviet owned, 50-percent Hungarian owned limited liability corporation joint enterprise was established last October. Its founders are the subsidiary of one of the largest Soviet aircraft manufacturers, the Soviet Aviation Ministry, the Komsomol, as well as MAI, the Soviet Technical University for Aviation.

[HVG] Forgive me for asking this, but what is it we can tell the Russians about aviation engineering?

[Rac] Our goal is to make the Soviet Union able to develop civilian airplanes, such as light helicopters, which have been missing thus far, and to assist in organizing the Soviet assembly manufacturing, sale, and modification of Western aircraft, as for example the Bell and Rogerson helicopters, to mention only the best known. As a result of reduced military production, manufacturing capacity is being freed in the Soviet aircraft factory. Due to our earlier international relations in the field of aviation, and because of Hungary's geographical opportunities, we can assist in utilizing these capacities.

[HVG] I would never have thought that geography could be a factor in this regard. Accordingly, aside from geographical considerations, should I understand that you are conveying "peak technology" to the Soviet Union, and that you sell the products that utilize such peak technology elsewhere?

[Rac] Not at all. The Soviet aircraft industry does not require imported technology. We would like to make use of our accumulated knowledge of the market; we are defining new efficiency requirements and points of view to the Soviets, or you could say we are "translating" the Western planning system "into Russian." This, however, is only one aspect of our activities. This venture is useful to the Hungarian party only if we succeed in becoming involved in the manufacture of state-of-the-art products, at least to a modest extent, as well as the production of the instrumentation and navigation system, the comfort aspects, and the gear for the air taxi, all of which

represent peak technology. In addition to all this, the limited liability corporation sells old aircraft, "old timers," within a Hungarian-Soviet-Austrian structure.

[HVG] I have also heard about some truly life-threatening old timers....

[Rac] "Old timer" does not, of course, mean aircraft dating back to the heroic age of aviation. The MIG-23 and MIG-27 fighter planes are also slowly coming to be regarded as antiquities.

[HVG] Unofficially, many were aware of the fact that arms were being manufactured in Hungary, and also that not all of this was for the purpose of satisfying exclusively domestic needs. Nevertheless, thus far we have not heard about cooperation in the aircraft industry. Is this how well we can keep secrets?

[Rac] Based on earlier, in my view mistaken, decisions, we were left out of this field of CEMA cooperation, even though Hungarian foreign trade could have found aircraft industry products to be sold to foreign aircraft manufacturers and consumers without making any particular investment. True, for example, Technika Foreign Trade Enterprise produced rather large export revenues in a specialized field years ago by selling Hungarian manufactured, though not expressly modern, merchandise and equipment abroad. Now, however, under more free trading conditions, it has soon become apparent that Hungary's disadvantage in this field has become so great that it is virtually impossible for us to catch up with state-of-the-art manufacturing. Our corporation is trying to somewhat mitigate this situation by sustaining and engaging itself in development projects using money it receives from its activities as a commercial middleman.

[HVG] What merchandise are you brokering, after all?

[Rac] We are engaged in the brokering of all kinds of aviation technology.

[HVG] This category also accommodates combat technology....

[Rac] In general, aviation technology is regarded as military technology. In this regard, however, there is very stringent state control from the standpoint of both the selling and the recipient country. Arms trade is a monopoly of the state everywhere, even if it is broken down into private firms, and since everyone knows everyone else within the trade, one can tell who is reliable and to what extent. And sellers are cautious, because the always required end-user certification would be in vain if the destination country resells the shipment. The shipper is responsible from a political standpoint. But reverting to your question, the corporation is engaged in civilian aviation technology.

[HVG] Sometimes, however, the state, the political interest, and perhaps the military situation dictate something different. On the other hand, business opportunities in this field are rather tempting, so they say. As part of clandestine sales, however, an independent agent may

serve a good purpose, one who makes the traces disappear, with whose help a deal may be struck between two countries which officially would not even be on speaking terms, and with whose intervention one may cover up direct intervention in any local skirmish.

[Rac] Look, as they say: The independent agents are the hyenas of this trade. A majority of the countries do not even strike deals with these agents because of the risks involved, and because an agent may establish unrealistically high prices because a shortage market is involved. For this reason, most sellers try to avoid taking a risk and maintain their own agents, through whom deals may be administered more securely and in a simple fashion. Incidentally, this business is not as mysterious as it appears to be, because the international division of labor is of such a large scope that in individual instances it is difficult to determine in which country a given technological solution was developed.

[HVG] From what you have said, it appears as if the buying and selling of the most highly developed technology would be free of risk, as if it were an everyday event. This is not supported, however, by the scandals that blow up from time to time.

[Rac] The real risk has a political character. Sudden changes, when friends become enemies, touch upon very sensitive points in all trade relationships of this kind. It is no coincidence that, for example, the Americans do their best to return their technical materiel from Vietnam, even though most of that equipment constitutes useless wreckage by now.

[HVG] Present day Hungary is not exactly famous for its political stability. How is Hungary viewed by international dealers in technology?

[Rac] Theoretically, Hungary is a pleasant place to transact business because it is not strictly controlled by foreigners. The business temptation is huge, but it appears that Hungary cannot be seduced easily, even though it has had the opportunity for a few years now to further convey some more sensitive technologies. I am not necessarily mentioning this "firmness in principle" as a matter of praise. I believe that Hungarians are a bit too closed, and thus they do not receive their share of the direct profits to be gained from technology trade. This also influences the present industrial standard.

[HVG] Quite naturally, you, as a businessman, necessarily invoke honesty. How would the proper conduct of Hungarians be seen in light of the fact that the name of Hungary emerged among the agents involved in the arms sale scandal recently revealed in the Soviet Union?

[Rac] I have no information about this specific case; I can only guess. In theory it is conceivable that the Soviet firms requested Hungarian enterprises to transact these deals. They may have done so because of the greater trading practice of their Hungarian partners. On the other hand, I find it hard to imagine that this request was based on the private action of one or two persons. And

whether or not such a commission was legal is an internal affair of the Soviet Union. This case, however, serves as a good example for the dilemma which the great powers, and not only the Soviet Union, must face, notably: To find the point beyond which the sale of certain products constitutes a greater political disadvantage than the commercial advantage.

## POLAND

### General Views Intelligence Threat From FRG, Recruitment Ploys

90EP0391A Gdynia PRZEGLAD MORSKI in Polish  
No 1, Jan 1990 pp 10-15

[Article by Brigadier General Edmund Bula, chief, Military Security Service: "Intelligence Implications of Today's Relations Between Poland and the FRG"]

[Text] The new dimensions of Poland's relations with the Federal Republic of Germany give rise—in addition to questions of a political, economic, or social nature—to questions that are essential from the defense and security point of view. Also, the different, but as yet undefined situation in FRG-GDR relations is inspiring many politicians, economists, and military strategists in the East and the West, as well as people professionally connected to them—advisors, businessmen, journalists, etc.—to formulate estimates and prognoses of the development of events. The search for answers regarding the many implications of these processes for our country is of more than trifling significance. These answers touch on the following: what Poles, who have suffered tragically at the hands of the Germans more than once in their history, should above all perceive in them; what values to accept and what to reject; how to react without emotion, all the time with a view to the Polish *raison d'état* and the fundamental national interest, which is expressed in secure existence within the existing borders. Without a doubt, the evaluation of the current and predicted state of the intelligence threat to our armed forces and, more broadly, to national defense is a part of all the considerations related to the German problem. Let's analyze, therefore, a few of the factors that are essential in the substantive as well as the methodological sense.

German intelligence has always played a crucial role in reconnaissance operations against Poland and the Polish army, especially during the interwar period. It actively prepared the ground for the realization of the expansionist goals of its government. After the war, because of the Federal Republic of Germany's membership in NATO, it conducted intensive reconnaissance in the East. This is confirmed by the fact that a significant number of people who at that time were revealed to have been conducting spying activities in the Warsaw Pact countries (in Poland as well) were under the direction of West German intelligence. Even today, there are still insufficient grounds to believe that the situation has undergone radical change. We continue to encounter

maneuvers of the FRG special services that have an offensive, aggressive character. This is due to the activities of one side only, because not one of our institutions constitutes a real threat to the interests of the German nation.

Moreover, it is not only in our country that the historical traditions of German statehood are currently giving rise to serious fears. Of course, one should not mechanically transfer tendencies from the past to the present, but one can not forget them either—all the more so because disturbing symptoms of these same phenomena are manifesting themselves. Above all, however, international society (especially the neighboring nations) perceives the possibility of the formation of a new German state that is economically and militarily strong and that has disciplined social groups united around expansionist goals, thereby posing a threat even to the other great powers. Even now in the FRG, political forces are appearing that aspire to achieve wide-ranging national interests. In particular, I have in mind retaliatory groups who do not want to reconcile themselves to the status quo. With respect to Central Europe, which is becoming more and more differentiated, and the revival of conflicts there that have not been completely resolved, the German temptation to take advantage of these phenomena to strengthen its own position (and not only in this part of the world) is being reborn. Activities of the special services also include research into the possibilities of influencing the transformation processes. In reference to the traditional functioning of the German state, one has to remember that the special services have always been one of its chief instruments.

People with origins in anti-Polish circles have in recent years determined (and continue to determine) the form of the actions of these services. Thus, there is no rational basis to suppose that their activity, which is indissolubly linked, after all, to realizing the interests of that state's military-industrial complex, has radically changed direction. What is more, as experience teaches, the factors at work today—the rapid processes of political transformation in the Warsaw Pact countries (especially in the GDR) as well as the vagueness of the situation and the lack of a complete basis for relaxation—stimulate greater activity in intelligence operations. This activity satisfies the informational needs that grow under such conditions and is indispensable in making circumspect governmental and political decisions—particularly as regards those countries toward which there are definite designs. Such an evaluation is confirmed by the systematic growth of expenditures on this activity: according to Western sources nearly 290 million marks, that is, over 10 percent more than in 1989, are allocated for the Federal Intelligence Service (BND) in the 1990 budget. One should remember, moreover, that in spite of the high level of integration and coordination of activities among all the Western intelligence organizations, the services of the FRG have a special role with respect to Poland.

The Polish-German rapprochement, achieved as a result of Chancellor Kohl's visit among other things, will increase the range of contacts of various sorts between institutions and societies. After all, the movement of persons in recent years between Poland and West Germany was in any case the largest with respect to capitalist countries; the overwhelming majority of Poles going abroad for temporary stays or for good went to the FRG. Of secondary importance, the decided liberalization of passport policy and the freedom to travel abroad also affects soldiers and employees of the Army; this should be considered unequivocal proof of the confidence the leadership of the MON [Ministry of National Defense] has in the cadres. In characterizing the threats, one should first of all state that intelligence is for the most part interested in those persons coming from Poland who intend to stay for good. Most of them are put in camps for refugees or branches of the camps. These are unusually numerous in West Germany and West Berlin (about 400 of the 500 installations of this type in Western Europe operate there). According to West German sources, approximately 140,000 Polish citizens reported to those camps in 1988, and 250,000 the following year.

Moreover, the problem of Polish citizens going to the FRG, especially those who go for good, is complicated. It obviously has a series of negative conditions and internal consequences. But in its external dimension, it also has socio-political content, aside from the economic aspect. In this regard, one must credit to the positive the fact that it is a sign of our society's dynamism and openness. Unfortunately, this phenomenon is exploited by governmental instruments in the FRG. Mechanisms have plainly been set in motion that stimulate the influx of intelligence information and draw Polish citizens (both those who have newly arrived in the FRG as well as those who are staying in the country) into spying activities. The procedure involved in legalizing residence contains elements that take the needs of the intelligence services into consideration to a large degree, and with respect to all Poles who agree to stay, a procedure rather like that involved in competing for political asylum is applied. Thus, it demands giving detailed explanations on many matters concerning one's previous personal situation in Poland (including military service and the sort of work performed by family members) which have direct connections only with the conditions required for favorable decisions. In essence, these data can only serve to bring to light those among the newly arrived who have access to important (from the intelligence point of view) information and also to collect characterizations of their relatives—including especially professional soldiers or persons connected in some other way to national defense. As a result of these activities, a serious stock of information has been gathered in the archives of West German intelligence and counterintelligence. Western sources say that the FRG's information banks already contain approximately 100 million items of personal information concerning nearly 10 million foreigners

(both those who come to the FRG as well as other persons who have been described by interrogated refugees and emigrants).

The emigrants' family ties are regularly exploited to entangle them in a net of dependence on intelligence. The collection of information is often only the first, introductory stage of the work done by intelligence upon candidates it wants to win over; the next stage is inducing established relatives or acquaintances who have access to important information to travel to the FRG or West Berlin.

If direct contact is successfully organized, next, pressures are applied which aim not only at extracting single bits of information, but at drawing them into cooperation. The fundamental goal is gaining a supply of firsthand information concerning specific objectives, institutions, and circles located within Poland. In connection with this, Polish citizens in the transit camps who agree to cooperate are sometimes given assignments of going to Poland to win over a targeted person who possesses access to important information or who has a good chance of occupying a responsible position in the future. Obviously, professional soldiers are also among the candidates.

The functioning of such "treatment" of Poles in the transit camps situated on West German soil confirms the numerous warnings of our citizens. They emphasize that they had to become involved in humiliating situations that were very difficult indeed to reconcile with Polish traditions—and were especially in conflict with the ties one feels toward the fatherland while staying in a foreign country as well as with civic dignity. Many facts in this regard are also supplied by the materials from espionage cases that were brought to light by military counterintelligence. In one of these cases, sentence was passed in the Military Chamber of the Supreme Court on 26 Oct 1989 against a man who left for good to go the FRG in the latter half of 1980 and obtained German citizenship. In the transit camps in Friedland and Unna Massen he was interrogated about, among other things, an officer he knew well. As a result of this, West German intelligence believed that by getting at the soldier, it would be able to obtain important information about our armed forces. The emigrant was formally induced to cooperate and placed in a well paid post. There was also a type of testing, most frequently through performing specific reconnaissance assignments in regard to refugees from Poland. First of all, however, he was prepared in a systematic way to present the proposals for cooperation to the officer mentioned. It should be added that in spite of the promise of a one-time reward amounting to tens of thousands of marks and guaranteed relocation—after a few years—along with his family to the FRG, the proposal was rejected.

It is not a meaningless fact that frequently in the goal of inducing Poles who have come to the FRG to impart

information, their living situation, which is often complicated, is ruthlessly exploited; undoubtedly, a favorable decision as to the possibility of finding housing and employment depends on the range and importance of the information given to the "representatives of the camp administration." What is more, in many cases, pressure is applied in the form of veiled threats of deportation, and in extreme cases plain blackmail based on causing problems for family living in the FRG. Thus, it is no surprise that under such circumstances a portion of the people consciously decide to give more detailed information as well—realizing that they are sent to unknown persons high up in the intelligence services (quartered in tens of cities in the FRG).

Let the following example, which depicts the behavior of officials of West German intelligence with respect to a former officer cadet of the WOSL [Higher Air Force Officers School], serve to illustrate just the type of mechanism used to draw people into cooperation. In 1988 after being dismissed at his own request from school, the former cadet left the country for a temporary stay in the FRG, and then refused to return to Poland. As the corroborating materials from the criminal proceedings show (legally binding sentence was passed on 8 Dec 1989 in the Military Chamber of the Supreme Court), while living in a transit camp for refugees in Friedland and settling the matters of establishing permanent residence and declaring German citizenship, he was interrogated in detail by employees of the special services. He turned over secret information, which he had come across during military service; the agreement to cooperate with intelligence resulted from aroused expectations of a favorable settlement of personal and family matters in his new environment. The promise of support in realizing his plans of becoming a professional pilot in West Germany was of decisive significance. During further interrogations, which took place in a hidden intelligence installation in Giessen, he revealed data concerning the educational program of WOSL cadets as well as characteristics of the cadre and of the cadet school; he pointed out the location of military airfields, where specific types of airplanes were stationed, and also made accessible a notebook containing notes on the training of military pilots as well as a military handbook that had been taken out of the country illegally. It can be supposed that the acceptance of such data had to be only the introduction to broader cooperation—because during the first of the meetings it was already being suggested that he draw other persons living in the country who had military connections into spying activity.

The prospect of wider personal contacts initiated by a new stage in the relations of Poland and the FRG undoubtedly fills one with optimism; however, it also commands us to remember the still unequal situation in which citizens of our country find themselves when they decide to go abroad. Their status abroad creates many situations that have an ambiguous character and that harshly present the question of choosing between personal and family matters on the one hand and the duties

of citizens with respect to their homeland on the other. This is at the same time a symptom of a much wider problem connected not only to the qualitatively new intelligence threats that Poland's wide opening to West German capital may bring. These threats find corroboration in the past as well as in facts concerning the present. And these facts indicate in a particularly unequivocal way that West German intelligence can take advantage of many state and private institutions to achieve goals that diverge from the principles established by statute for cooperating with various foreign organizations and that are, moreover, opposed to the vital interests (national, state, and defense) of the other side. At the same time, it ruthlessly profits from its position as the stronger partner.

The current reorientation of the Polish economy toward the West, with the greatest expectations directed toward the Federal Republic of Germany (and vice versa), is for its intelligence service an unusually profitable situation, even in the sense of plainly enabling the creation of a wide base for the organization and conduct of its activities directly on Polish territory. This does not concern only the expansion—on the basis of some joint ventures as well as institutions and associations that are to safeguard the interests of capital and West German society—of its network of outposts, but also the creation of definite bridgeheads in connection with the opportunistic awakening of the interests of the so-called German minority in Poland. Moreover, the preliminary decisions about the location of certain firms indicates that circumstances such as convenience for planned intelligence activities as well as the significance of various buildings in a given area (locality) to our defense can be considered along with enterprise.

Anxieties of this sort also result from broader reflections on the shape of future Polish-German relations. After all, fears about the possibility of our side being treated unequally are already at work in public opinion—as many politicians and journalists with realistic outlooks are emphasizing. These fears concern Poland's being exploited as a source of raw materials and a skilled but cheaper labor force, the advantageous dumping of outdated technology and products, and investments that are harmful to the natural environment. These anxieties, which arise from certain tendencies showing up in today's contacts, have even lead people to estimate the possibilities of new, open economic aggression replacing military means in regaining the lands lost as a result of World War II and in seizing Polish national holdings, which were rebuilt with such great difficulty after the devastation of the war. There is undoubtedly a considerable emotional load resulting from paying attention above all to the injustice arising from the initial processes, which are still rather limited in range. But one should also see that such judgements arise in a natural way in connection with very sad historical experiences.

As with these phenomena, there are also certain intelligence threats associated with the training of Polish specialists that is being planned by various West German

institutions. Analogies arise here to the phenomenon that has already taken place in connection with foreign scholarships and contracts. Thus, one can not exclude that in some cases, treated in economic-psychological categories, it can take the classic form of "brain drain"—even if just by working on intensive and complex jobs for rewards that are much smaller than those obtained by the country's native citizens; or by ruthless exploitation of the qualifications and expertise gained in Poland and of individual motivation (as is shown by the desire to gain a better reputation or profitable employment opportunities and by the commitment and the willingness to perform tasks reliably, which results from a sense of national dignity, etc.). Next, the threat, seen in political-social categories, can also take the form of the so-called "winning over of elites"—forming a positive relationship to another system of values which is incorporated in mechanisms that actively propagate them among one's fellow citizens.

The circumstances around foreign training also have their relation to intelligence activities. This is one of the classic opportunities to pick out candidates for recruitment as valuable informers, to administer tests, to execute the substantive and psychological preparation for establishing intelligence contacts. This activity is associated with entanglement in a net of material and moral dependence—so that the possibility of refusing proposed cooperation becomes limited. The fact that the program as well as the selection of candidates is only to a small degree dependent on the Polish side is not without significance; yet some university graduates have the prospect of obtaining positions of significance to the future Polish economy and state administration, and even influence on the course of political processes. In actual practice, the people whom the special services have bet on, are approached with proposals about active cooperation or the performance of specific tasks only when they occupy a suitable political, professional, or social position.

The phenomena presented above should not of course be generalized, least of all as a pretext for painting our relations with the FRG solely in dark colors. The expansion of international contacts is a natural process, which in its proper, egalitarian form creates great opportunities for each country's development and, thus, enables the fulfillment of important national interests—including the safeguarding of external security. More and more broad cooperation of specialists, scientists, and at last normal citizens of various countries is indispensable. But the military community can not fail to perceive in the overall shape of modern political, economic, and military relations with the FRG that which may constitute a threat to our statehood and the security of our borders. I have strived to draw attention to this problem by using examples of real facts and occurrences that indicate the possibility of West German intelligence exploiting our openness. Undoubtedly, this is a considerably broader question demanding—from the point of view of the country's defense and security—many more reflections.

**General on Percentages of Military Expenditures, Additional Reductions**

90EP0392A Warsaw ZOLNIERZ WOLNOSCI  
in Polish 23-25 Feb 90 pp 1, 2

[Interview with Brigadier General Marian Daniluk, chief of administration, Polish General Staff, member of the Polish Delegation at the Vienna Seminar by Lt Col Jerzy Markowski; place and date not given: "Military Doctrines and Concepts of Strategy"]

[ZOLNIERZ WOLNOSCI] Your talk in Vienna on our military expenditures was received with much interest. How did this come about?

[Marian Daniluk] In reality, based on the discussions I had, in which the detailed figures of the Polish military budget we presented at the Vienna seminar were received very positively, one could say that the degree of interest was high, especially among the American, Soviet, and French delegations. The very subject of military expenditures discussed at an international forum among a group of specialists and people involved in shaping military expenditures and determining budgets was of interest not only to the participants but also to the representatives of the press.

[ZOLNIERZ WOLNOSCI] That is not surprising in as much as not too long ago we treated sums and percentages specifically concerning the Armed Forces of the Warsaw Pact as a military secret.

[Daniluk] That is not completely so. We, of course, published overall sums, which were adequate for inclusion in statistical yearbooks. The rules for developing a military budget, its structure and so forth are another matter. Now that we want to join the process—and in practice have done so—to expand the means for building trust and security, including matters concerning military expenditures, greater sincerity and openness than practiced heretofore are essential. The detailed data provided to others represent the best argument in this regard. It is said that gentlemen do not talk about money, but I personally believe that in the military sphere this rule should not be applied in practice.

[ZOLNIERZ WOLNOSCI] I share that opinion. Now I would like to question you about the structure of our military expenditures in as much as more than one officer of Poland's Armed Forces would have difficulty in this area.

[Daniluk] You have brought up a very extensive problem. Of necessity, I must be brief. The current structure of our budget (1989 data), according to type of armed service, is as follows:

Ground Forces	56 percent
Air Force and National Air Defense (OPK)	30 percent (10.7 OPK)
Navy	9 percent
Military Training and Administration	5 percent

In discussing the structure of expenditures, how much was spent in 1989 in particular areas should also be provided:

Personnel Maintenance	58 percent (including 36 percent for wages)
Equipment Training and Operation	18 percent
Arms Purchases, Research, and Development	23 percent
Military Construction	1 percent*

\* Beginning in 1990, this will increase because the budget will include Ministry of Defense housing construction funds.

To conclude the indexes, in 1986 Ministry of Defense's [MON] share of expenditures in the net national production was 2.9 percent (according to United Nation's methodology). In 1989, this decreased to about 2.4 percent. However, these expenditures as a share of the national budget decreased even more: 8.3 percent in 1986 and only 6.3 percent in 1989.

All these aggregate data indicate unequivocally that Poland's military expenditures are being cut radically, reducing the nation's military burden. This process will continue. Regarding money spent for the military, Poland ranks 19th in Europe, even though Poland ranks seventh in population.

[ZOLNIERZ WOLNOSCI] Alas, the amounts decreased quite a bit, but what will happen this year?

[Daniluk] I also discussed that at the seminar. Military expenditures will decrease further this year as a result of action taken by the Polish Government, in particular, because of: —the deep cuts in budget expenditures to alleviate high inflation;

—the ongoing implementation of the policy [designed] to build European trust and the creation of realistic prerequisites for reducing military potential in Europe;

—the accepted plans to reduce further the number of military personnel, military arms, and equipment.

As is known, because it was written up in the press, the defense budget for 1990 in the draft of the government budget is 11.121 trillion zlotys (in current prices discounted for inflation). After all, the country's difficult economic situation also affects us. We believe that with the ongoing restructuring of our Armed Forces and the reduction of personnel (this year there will be 10,000 fewer Armed Forces personnel), as well as the limitations on purchases of armaments and military equipment will also provide savings for us and, to a small degree, contribute to the lowest budget in our history.

[ZOLNIERZ WOLNOSCI] However, this does not change the fact that the military's funds will remain modest. Thanks for the interview.



## CZECHOSLOVAKIA

### Drop in Industrial Production Cause for Concern

90EC0336C Prague RUDE PRAVO in Czech 16 Feb 90  
pp 1, 3

[Unattributed article: "Concern Over Decline in Production—M. Calfa Speaks on Economic and Social Questions"]

[Text] Representatives of the newly constituted independent trade union associations and other trade union organs met on Thursday morning in Prague with Premier Marian Calfa. Following his speech, of which we are reproducing a substantial portion, there followed a discussion. During the course of this discussion, other members of the government who were present responded to questions—Valtr Komarek, Vaclav Klaus, and Petr Miller. Among other things, they warned against the accumulation of unfulfilled demands in the area of wages and social security, the formation of illusions regarding the ease with which a transition to a market economy can be accomplished, and used specific examples to illustrate not only the necessity for but the complexity of the preparations for dismantling the existing price subsidies.

At the beginning of his speech, M. Calfa stressed that the federal government is counting on the cooperation of the trade unions, which have an irreplaceable role to be played in society, albeit a different one than in the past. On the other hand, the federal government cannot solve the problems of the trade unions. If we wish to fulfill international obligations having to do with human rights, then we must—and we wish to—respect the principle that workers have the right to establish trade union organizations of their own choice without any kinds of differences and without prior approval.

The state will deal with one or several trade union organizations, he said, and will do so according to how many of them will exist. It is naturally clear that, for the government—and most likely also for the trade unionists—it is more advantageous during such discussions to have one trade union center. Of course, only the workers themselves and not the government can decide on the number of such organizations. In a modern democratic society, the trade unions form one of the peaks of the triangle, with the other peaks being formed by the government and by entrepreneurs. We are living through times during which a new relationship between the government, entrepreneurs, and trade unions is coming into being. The balance within this triangle is extremely fragile.

The government has a mandate with a deadline. Its principal function is to contribute to make sure free elections are held and to start the transition toward a market economy. Calfa noted that we have failed in the listing of economically mature nations to such an extent that we have actually ceased being of economic interest to anyone. The per-kilogram prices for which we are able

to sell machinery or consumer goods in world markets are, on average, only one-third or one-fourth of the prices at which the competition sells. We are among the largest producers of steel on a per capita basis, yet automobiles and nails are lacking in our market.

The solution of existing problems is not a matter of the government's goodwill, but primarily a matter of renewing the high pace of growth of the economy, Calfa said. During the preelection period, he considers the fundamental task to be the stabilization of the current situation for making the transition toward a market economy. As he further stated, we will not be capable of raising our common standard of living immediately or of making a radical change toward improving the quality of the environment, but there is no reason to believe it will deteriorate further.

There is general agreement regarding the fact that the transition toward a market economy requires demonopolization, competition, the freeing up of prices, the removal of subsidies, and convertibility of the koruna—if we only speak of the most important things. However, we must choose the strategy, the speed of this transition with consideration. Several government officials have already repeatedly stressed that we are not counting on any immediate results such as might be, for example, elimination of all subsidies or the freeing up of prices. Undoubtedly, the consequences of these actions would be great unemployment and an increase in prices, which would create retaliatory pressures upon the growth of wages and social expenditures. In other words, such a procedure is accompanied by the risk of rapid and uncontrollable inflation and considerable social unrest in society in general. On the other hand, however, the government is not wasting any time and not postponing measures which denote a move toward a market economy in the distant future, he proclaimed.

Personally, I see the establishment of a nationwide competitive environment, in which the demonopolization of suppliers is accomplished and in which they are rendered equal with formerly powerless consumers as the only feasible way. The principal criterion for the success of enterprises will be the ability to sell, at a profit, in mature markets. Anyone who does not prove capable of accomplishing this is a threat to his own existence and, let's admit it, together with it to his work collective or a portion of his employees. If he is not successful in coming to terms with the situation on a timely basis and changing himself into a prospering enterprise, then he must "leave the circle." It is impossible to exclude the likelihood that he might even go bankrupt and go out of business.

The government has pledged that by 31 March 1990 it will present a new proposal of the state budget. One of its key tasks in the immediate future is to adopt measures which would bring about an anti-inflationary situation in the economy. In first place, we wish to significantly restrict expenditures for defense, for state administration, and for social organizations involved in the

National Front. Nevertheless, we must make decisive statements even as far as other subsidies are concerned.

Above all, in the various enterprises, a certain degree of unrest is growing, brought about by political or economic causes. Naturally, this has begun to manifest itself negatively from the economic standpoint. This can be seen in the poor economic results over the past two months. In December of last year, industrial production declined significantly in comparison to the same period of the previous year and this year, in January, it declined approximately another 4 percent. To a considerable extent, the reasons are also based in the problems besetting the conversion of the armaments industry and in the well-known reduction of oil deliveries to our petrochemical industry. Even despite good climatic conditions, construction output also declined, primarily the construction of housing (in December, by approximately 7 percent). There was even a decline in freight car loadings and in the output of railroad transportation, the railroads became insolvent.

We must fully support the authority of the best professional managers in enterprises, he stressed, we must not permit shortsighted social demagoguery which could threaten the future of all of society under the guise of the immediate gains achieved by individuals or groups. Let us not permit the economy to disintegrate in our hands into a maelstrom of political passions or even into a settlement of personal accounts.

In every society, there exists only a limited number of specialists, he noted, which are capable of managing economic units at the appropriate level, be it in industry, agriculture, or service industries. Inappropriate demands for the replacement of these specialists at any price, and even calls for such changes several times in succession, can destroy that which is most valuable for our people today—the determination of managers and of the intelligentsia to consistently carry out the new democratic policies under market economy conditions. A permanent orientational uncertainty, the constant threat of being recalled from a function without the opportunity to defend oneself cannot lead to anything other than a destabilization of the economy which, in its consequences, will be felt primarily by the working collectives and, in the final analysis, even by all of us in terms of lower wages, a shortage of industrial goods, and a lower harvest. We must give people with high moral values and specialized competence their confidence and let them make decisions on their own—without regard to their political or religious affiliations.

Much is being said regarding so-called privatization, he noted. I can promise you that there will not be any kind of general return of property to its former owners or that there will be a sale of the national wealth to foreign capital. We all know that we have a certain degree of inflation here, he stated, which, including the so-called hidden increase in prices, we estimate at 3 to 4 percent per year. It is likely that we will not succeed now in reducing it, but we will resist its growth.

The task involved in eliminating price subsidies will become unavoidable, he said; these include current subsidies for basic foodstuffs, rents in state housing units, railroad and municipal passenger transportation, as well as for some building materials, coal, and deliveries of heat. For this 6-month period, he stated, the government is not preparing and will not announce any program calling for an increase in or fundamental adjustment of retail prices.

At one time, as he said, the principal goal of the trade unions was the fight for the most advantageous sale of manpower and the assurance of employment. Today, it would be desirable for the trade unions not to defend every fictitious plan position at any price. Along with economic modernization, the trade unions should also assist in developing a system of requalification with initiative, as well as a system of special funds for social support, and, last but not least, they should seek out available jobs in the new economic structures.

In conclusion, he noted the danger which threatens should the government today yield to pressure tactics by some individuals and groups which demand the immediate fulfillment of their claims without contributing more themselves to common tasks. Inflation would reignite. We would lose credibility as a solid partner for foreign entrepreneurs along with other advantages for starting the transition toward a modern market economy which we have over some of our neighbors. In the interest of us all, the government must not give in to any ultimatum-type demands, he proclaimed, and he asked for support and understanding.

## GERMAN DEMOCRATIC REPUBLIC

### Research Scientists Questions Close Ties to State Industries

90EG0205A Duesseldorf VDI NACHRICHTEN  
in German 2 Feb 90 p 12

[Article by Manfred Ronzheimer: "Concreted Over and Cossetted to Death"]

[Text] Berlin, 2 Feb 1990—The reversal in the GDR has reached the East Berlin Academy of Sciences. A reform group is demanding science that is independent of the state.

Years of isolation and being coopted politically by the state and party leadership have put GDR scientists at a disadvantage in many areas when they are compared at the international level. Self-criticism and the search for a new beginning characterize the current situation at the research institutes.

At the present time, there is not much to brag about concerning science in the GDR, at least openly. The state's abuse of the concept by virtue of its power has been too great in the past. "Everything that happened was scientific: scientific planning, scientific organization

of the economy, and so on," says Reinhard Miller of the East Berlin Central Institute for Organic Chemistry at the GDR Academy of Sciences. "The failure of our society was, as it were, scientifically based."

Following the democratic upheaval in the GDR, the scientists at the universities and research institutes are also looking for a new direction for their work which, until now, has been nothing but "a science of legitimization" for the SED [Socialist Unity Party of Germany] state or has served as a research tool for a misguided planned economy, according to East Berlin sociologist Manfred Loetsch.

Among the groups that are pushing the reform process within science, is the "Science Initiative Group," which was founded by Reinhold Miller inside the GDR Academy of Science. With about 25,000 members at 70 institutes and a budget of DDM [GDR mark] 1.36 billion in 1989, the Academy is the largest research institution in the GDR not affiliated with a university.

A position paper from the initiative group states: "Our goal is to bring about an ethically based science that is free and independent of parties and political opinions. Without it, a modern industrial state, into which the GDR has to develop based on the economic opportunities open to it, cannot survive." In mid-January, the reformers at the Academy organized a nationwide congress on the subject of the "GDR's Strategy for Science." It included the introduction of grass roots democratic codetermination as well as the relationship between basic research and applied research in the GDR, which now has to be redefined.

The paper went on to say that with the argument of economic constrictions requiring a "concentration on what is feasible," research in natural science, as elementary particle physicist Max Klein at the Institute for High Energy Physics in Zeuthen confirms, has been turned "recently into the servant of an industry that had only a limited interest in innovation." Long-term research was not a topic for discussion, the period for cooperative work with industry seldom exceeded two years.

It is precisely this liaison with industry through state-ordained third-party research that will create serious budget problems for the Academy of Sciences (AdW) this year. In 1989, according to figures from AdW vice president Ulrich Hofmann, DDM 442 billion were registered as income from cooperative research with the combines, DDM 7 billion under plan at the time. Almost insignificantly small, at 25 billion exchange marks, is the sale of research work abroad. Hofmann concedes: "With 70 institutions that is not very much."

So for 1990 the "key question" is, according to the Academy's vice president, "how much research work the combines take away from us." The prospects are not very optimistic, since the rotten economy of the GDR will meet its most urgent need for innovation immediately "by adopting technology from the West," in the opinion of Manfred Peschel from the Academy's Institute for

Information and Computer Technology. "The need for industrial research will decline in the near future."

In the words of deputy minister Gerhard Montagis, the Ministry for Science and Technology, from whose DDM 3.4 billion budget the Academy's research was paid last year with DDM 410 million, is moving in the direction of eliminating indirect financing: "The state funds invested should be given directly to the Academy."

Of course the Budig ministry does not want to give up the potential of science completely in order to eliminate the GDR's deficiencies in technology. At a cost of DDM 2.5 billion, 13 national research and development projects are being planned as a technological task force. Their purpose is to alleviate serious technological shortcomings in the areas of energy, transportation, and communications.

At this point, many researchers openly express scepticism that the ministry will continue to regard science "only as the pimp for technology." What was needed, as was voiced by the rank-and-file researchers at the congress in East Berlin, was to give science the opportunity to develop a stronger internal organization. For example, through an independent research council, which will also promote supposedly useless basic research.

"Up to this point our research resembles a modern garden," was the view of one female scientist from the Central Institute for Electron Physics. "One part of it is concreted over, the other part is tended to death."

### Old, New Credit Need Projections Reported

#### Secret Document Published

90GE0054A West Berlin DIE TAGESZEITUNG  
in German 26 Mar 90 p 7

[Unattributed article: "Text of a 'secret' GDR paper on the economic situation as of September 1989"; introduction signed by Holger Eckermann: "...Dependent on Capitalist Creditors""]

[Text] Ten days prior to the 40th anniversary celebration of the republic, five economic experts of Honecker's GDR authored a "Secret Directive Matter" and affixed their signatures to it on the 28th of the same month. Contents of the explosive document: the foreign indebtedness of the GDR and its future financing. The author's conclusions: "the GDR is currently already largely dependent on capitalist creditors." In order to be able to incur more debts, a "considerably higher production of saleable export goods" is required. The necessary "redistribution processes" would "have to be dealt with after 1989/90." The five experts proposed an impoverishment concept: reduction of societal consumption and—if this does not suffice—also of individual consumption. Holger Eckermann

We document the "Secret Directive Matter" of the GDR economic experts below.

Secret Directive Matter b5—1111/89 Berlin, 28 Sep 1989

Pursuant to the order issued, comrades Schuerer, Beil, Schalck, Koenig, and Polze have conferred about to what extent the amount the development of the "foundation" can be considered financially manageable for the period through 1995. They reached the following conformed evaluation as a result of this consultation:

1. The current payment situation of the GDR in commerce with the nonsocialist economic domain is characterized by the fact that we are currently already most extensively dependent on capitalist creditors to meet our payment obligations from credit and interest as well as to conduct annual imports.

Annual borrowing of the GDR amounts to 8-10 billion VM (foreign currency marks, ed.). That is an extraordinarily high amount for a country like the GDR that has to be obtained from about 400 banks, respectively.

Capitalist banks have established country limits for their expansion of credit to Socialist countries as well as to developing countries. These banks are not willing to essentially increase these limits for the GDR based on the already high borrowing now.

Additional procurement of credit for the years through 1995 is decidedly dependent on:

- the effect of political factors on the willingness of capitalist banks to grant credit and the position of the governments of such countries as Japan and the FRG which are among the most important creditors of the GDR;
- the economic development of the GDR, especially foreign trade development, cost development, accumulation power, monetary stability, development of the work force, etc., and

- keeping relatively high investments in foreign banks that materialize as assets of the GDR, even if deposits and credit already procured but not yet utilized are involved.

Protecting the secrecy of the actual character of these "assets" essentially contributes to the stature of the GDR as a substantial and dependable borrower.

A determination of annually financeable credit through 1995 is not possible with absolute certainty and security in consideration of all factors represented by us and partially not influenceable by us. We currently believe it is possible that the expenditure surplus to be financed can amount to a maximum of 140-145 billion valuta marks under the condition that annual borrowing at the rate of 8-10 billion valuta marks is continued through 1991; this is coupled with extraordinarily high expense and interest pressure.

However, it is supposed that all assumed but not yet fully utilized credit is used, thus reducing assets currently held in foreign countries.

2. Current exports used as a basis for the previous concept will not suffice in view of these maximum financing possibilities and in consideration of the import surplus of 0.2 billion valuta marks anticipated for 1989.

The exports inevitably required to maintain the solvency of the GDR through 1995 amount to (in billions of valuta marks):

Exports, 1989: 12.2; 1990: 14.1; 1991: 17.0; 1992: 19.5; 1993: 22.0; 1994: 23.0; 1995: 24.0. A basically stabilized import volume of 12.5-12.8 billion valuta marks starting in 1991 is being assumed.

In spite of these high export surpluses, the "basis" and the expenditure surpluses will develop as follows:

1989	1990	1991	1992	1993	1994	1995
Expenditure surplus (intermediate financing):						
20.7	27.0	34.9	39.8	42.9	44.7	45.2
Basis:						
-41.8	-47.6	-54.7	-56.6	-56.2	-55.1	-52.6.

That is because costs and interest for credit exceed the planned high export surplus and increase as follows based on the high level of indebtedness:

5.6, 7.0, 8.2, 7.8, 8.4, 8.6, 8.7

It must be expressly emphasized that required exports must be materially supported and realized under all conditions. Every nonappropriation of annually planned exports must directly result in corresponding import curtailments. At the currently achieved level of our indebtedness, falling below the required export goals would inevitably mean insolvency.

3. This requirement means that fundamental decisions regarding material reduction of the actual appropriation of saleable export funds must be made for continued work on the 1990 Plan and the 1991-95 concept. According to the current status of plan consultations with the ministers, export funds in the amount of 1.2 billion valuta marks compared to the 1990 STAG [expansion unknown] are needed, and more imports in the amount of 1.3 billion valuta marks are required.

That means that a decision must be made for approximately M 12 billion of the national economy's final products in favor of nonsocialist economy export and/or to the detriment of the import balance.

Even the current work status of the State Planning Commission with an export surplus of 0.5 billion valuta marks does not yet comply with the requirements for guaranteeing solvency.

It must be assumed that the consultations with all ministers were conducted with intense partiality, discipline and great intensity. Additional consultations with ministers—without previously made decisions for modifying distribution proportions in favor of nonsocialist economy exports—will not solve the problem.

4. Nonappropriation of the required non Socialist economy exports would lead to insolvency.

The unconditional guarantee of solvency of the republic is the decisive requirement for the political stability of the GDR and its continued economic development.

Nonpayment of accepted repayment obligations from credit or an unscheduled payment of interest would lead to the cessation of all credit approvals by capitalist banks. Thus, no more credit would be available for GDR imports either.

The example of Poland proves this. Prudently, the People's Republic of Poland was not granted any new credit by capitalist banks since discontinuation of payments in 1951. Imports can only be carried out when they can be paid for in cash from export revenues or currency revenues.

Conversion agreements as they were typical in the past no longer exist. For years, conversion agreements by capitalist banks have only been made with participation of the International Monetary Fund.

The observance of conditions issued by the International Monetary Fund is a requirement for a possible conversion.

These conditions are based on International Monetary Fund surveys in the respective countries regarding issues of cost development, company profitability, investment activity, monetary stability, and similar points and refer, e.g., to:

- the refusal of the banks to influence the economy (example of Poland);
- the limitation of subsidies with the goal of eliminating them (Poland, Yugoslavia, Hungary);
- the release of imports from western countries, i.e., the refusal of the State to determine import policy.

Therefore, the issue of guaranteeing solvency of the republic under political and economic aspects must be given supreme priority.

5. Taking this as a basis, the following premises are considered imperative for the ongoing work on the 1991-95 plan:

a) Raw material supplies from the USSR are a decisive material basis of our production and thus also the production of non Socialist economy export goods.

Guaranteeing these imports requires the consistent continuation of stable foreign trade relations with the USSR and the appropriation of exports necessary to pay imports in the requirement amount and arrangement.

b) Achieving the export level into the nonsocialist economic realm required to guarantee the solvency of the GDR requires a considerably higher production of saleable export goods if the necessary requirements are to be created. No export plan that is not completely and materially supported may be confirmed in any year. Increases in nonsocialist export of more than 2-3 billion valuta marks annually cannot be realized with nonappropriated export funds and require a long-term appropriation of tangibly saleable goods.

c) Basically, economic policy decisions regarding the appropriation of export funds in such dimensions are to be made with respect to:

- a consistent modification of the basic relationships between accumulation and consumption to strengthen accumulation in the productive areas as a requirement for mobile and high production development,
- a reduction of societal consumption and—if this does not suffice—individual consumption while maintaining a guaranteed determination of appropriate prices,
- the development of export structure in the industry, redistribution of societal labor assets in favor of industry and within the industry to export determinative branches.

Thus, it is estimated that these redistribution processes must be initiated even in 1989/90 to guarantee the necessary 1991 purchasing curve.

The signatures of those people listed below follow: Osrarn Schuerer; Alexander Schalck; Werner Polze; Gerhard Rolf, Noris Koenig.

#### Institute's New Projections

90GE0054B Munich SUEDEDEUTSCHE ZEITUNG  
in German 31 Mar 90 p 33

[Article by "Hz": "The GDR Economy Needs DM45 Billion"—first paragraph is SUEDEDEUTSCHE ZEITUNG introduction]

[Text] Berlin/GDR The East Berlin Institute for International Policy and Economy (IPW) supports the cause of a relatively uniform approach on the way to an economic, currency, and social union of both German States. Economists of the Institute have now presented the first comprehensive expert report regarding economic and social unification to appear in the GDR. The document that is now going to be presented to the new

People's Chamber mentions the necessity of an investment boost with capital imports in the amount of DM45 billion.

When the Deutsche Mark is introduced as national currency in the GDR, not only wages and salaries, cash and savings up to DM5,000 per inhabitant but also insurance payments should be exchanged at the ratio of 1:1. According to an estimate of the Institute, the amount in question is DM70 billion.

The IPW Expert Report does not contain an overall cost paradigm such as the one last presented by the Deutsche Bank in the Federal Republic. Nonetheless, even this Institute sees the requirement of financing the economic and social costs of unification to a considerable extent from the Federal Budget of the Federal Republic.

Basically, the Institute assumes that even the productivity and affluence gap between the Federal Republic and the GDR will only be able to eliminate in part the effectiveness disparity of investment capital, the energy supply systems that differ from each other and the different price systems by way of the currency union. On the other hand, they would have to be equalized step by step subsequently. The GDR does, in fact, have reserves to increase productivity, to decrease energy consumption and to stimulate economic growth at its disposal; however, the inevitable structure changes will also lead to factory closures and unemployment.

In addition to the 1:1 currency, income and insurance payments conversion recommended as a stabilizing factor, the Institute envisions the absorption of inflationary surplus money of probably DM50 billion in such a way that national and employee stock as well as all types of national bond certificates will be issued. Additionally, incentives for longer term savings investments as well as opportunities for saving for housing construction and property acquisition would be considered for this purpose.

With regard to the Economic Union, the Institute of the GDR People's Chamber initially recommends adopting an economic constitution law with framework conditions for the market economy. It is supposed to contain the fundamentals for creation of competitive prices, the creation of competitive equality, a differentiated and production oriented tax system, the conversion of national property and the creation of more private property and finally for the formation of a capital market and a business banking system.

The IPW is of the opinion that the predominant part of industry and consumer price subsidies in the GDR must be eliminated. However, prices for rent, energy, water, and refuse and sewage disposal as well as prices for certain repairs and services must be subsidized for a while. Redistribution payments from the state budget for retirees and for small and medium wage earners must be planned. Companies should provide wage and salary increases for partial redistribution of price adjustments.

The Federal Budget would have to be called upon for a possible maximum redistribution that could not be financed in the GDR.

In addition, the expert report states that future business taxation should be modelled after West German law. Indirect taxes should also be expanded, primarily a general value-added tax should be levied according to the guidelines of the EC. A uniform tax structure for wage and income taxes must be introduced which may not be equivalent to the West German rates because of the lower income level.

The Institute would consider the application of a market economy trade and company law to convert the nationally owned economy. Nationally owned companies and collectives that generally must be reevaluated should be transformed into joint stock companies.

The Institute also approves of the creation of unemployment insurance, the initial financial variance of which would have to be financed by the Federal budget, to socially safeguard the economic and currency union. Sufficient retraining and continued education opportunities as well as protecting GDR citizens from a rent and habitation law standpoint and social protection of working mothers are necessary. Old age pensions should be increased to at least DM800 and then adapted to productivity changes.

Finally, the IPW sees financial demands on the Federal Republic and the Federal budget in payment readjustment complications of the GDR State budget as well as in administering GDR State debts into convertible currency, the latter of which is placed at DM31 billion.

## HUNGARY

### **Videoton Sells Stock to Soviets, Frustrates Halt in Ruble Exports**

*25000681 Budapest FIGYELO in Hungarian 8 Mar 90  
p 5*

[Commentary and interview with Videoton President Janos Kazsmer, by Arpad Hajnoczy, place and date not given: "Structural Transformation Out of Rubles: There You Have It, Government"]

[Text] The fact that structural transformation is possible only in joint action with international firms has been learned earlier by Videoton. In recent months foreign partners have contributed \$67 million capital to the SEL and Bull enterprises, and the large Szekesfehervar-based enterprise hopes to receive an additional \$100 million, including foreign credit at preferential terms, to renew its telecommunications and informatics profile. (Incidentally, the French computer maker announced a record loss of 260 million French francs in 1989.)

Videoton provides the founding capital for joint enterprises mainly in the form of in kind contributions, nevertheless they also need 1 billion forints in cash.

As planned, Videoton wanted to produce the needed cash by selling stock in the enterprises that were to be transformed into stock corporations. To accomplish that, the company instructed the French CCF [Credit Commercial de France] bank to sell 3 billion forints worth of stock in Western Europe. Simultaneously, the enterprise was looking for potential partners in the Soviet Union. Late last year CCF informed Videoton that it would be hopeless to sell Videoton stock in Western Europe before Videoton renewed itself. Based on this, Videoton decided to sell 50 million rubles worth of stock to the Soviet Kamaz Association.

That is how far the story goes, and at present the Hungarian National Bank [MNB] is not exchanging the rubles into forints, in due regard to the Hungarian-Soviet balance of payment situation.

The Ministry of Industry recommends that the amount be paid, because 50 million rubles serve as a catalyst for the establishment of a \$100 million external resource. At the same time, expert opinions are divided on the issue of whether the MNB has an obligation to exchange the 50 million rubles that were not generated in the course of commercial trade. One matter is certain however: It was a "clever move" to appear in the East with stocks which for the time being could not be sold in the West.

Videoton's sale of stocks in the Soviet Union is entirely contrary to government endeavors. Such endeavors were frustrated in an exemplary manner, even if within the law, and even though they could not have expected an export stop to be instituted in January. The enterprise president wrote to the workers, and in an open letter published in the Videoton newspaper commented on the export restriction: They are destroying the economic foundations this nation still has available, in a sadistic manner and with glee. Well, Videoton received what was coming to it: According to government officials, the stock action is shifty and indecent, and on top of that, the enterprise is perpetrating extortion. There will be no dollars if there are no rubles. Even the fact that the industry ministry is supportive of the enterprise is incomprehensible to some. The industry minister should instead initiate relieving the enterprise president of his duties.

But the Hungarian balance of payments surplus is not declining as a result of this, or as a result of the adjectives that are attached to the transaction, and it is bad to think that, in the fever of establishing corporations, enterprises that are more or less interested in ruble exports could appear in a similar manner at the central bank and ask for the payment in forints of the amount they have received for selling stock for rubles.

\* \* \*

Videoton survived the reduction in military production, and for the time being the halt in ruble exports does not represent a life-threatening danger, thanks to the barter transactions; nevertheless, the company is experiencing its most difficult days in four decades. The enterprise's

crisis situation is made more difficult by the fact that the MNB has refused to exchange 50 million rubles, the amount Videoton received for stock sold in the Soviet Union. Videoton President Janos Kazsmer replied to our questions.

[FIGYELO] Does Videoton have an export license?

[Kazsmer] It does not. However, production is undisturbed. We began on the assumption that it will be possible to export the minimum contingent publicized by the Ministry of Commerce. We would have to pay wages and overhead even if we stopped production, and we would not be able to get rid of our inventory. The rational solution is to complete production, and to sell our finished goods when the government resolves this impossible situation.

Contingent trade is on the decline; it is receding. This is successfully offset by Videoton through barter transactions. Last year we consummated 130 million rubles worth of barter transactions; this year the expected amount is 207 million rubles, while contingents are reduced by 170 million rubles.

[FIGYELO] One hears that barter transactions cannot be repeated and therefore carry a risk, because, figuratively speaking, one cannot tell when the ground will shift from under the enterprise's feet.

[Kazsmer] This risk exists in barter trade, and one must accept that risk.

[FIGYELO] Videoton is struggling with solvency problems....

[Kazsmer] ...This, however, was not caused by the halt in ruble exports.

[FIGYELO] Why? You would have sales revenues if there were no halt in ruble exports.

[Kazsmer] Videoton's solvency problems started with the introduction of the new tax system, and continued with the restrictive monetary measures implemented by the central bank. The halt in Soviet exports serves only to aggravate this situation. At present we have 600 million forints worth of finished goods in our warehouses. Payment difficulties would be reduced if the money could be turned around, if we could effect deliveries.

The enterprise's 1987 gross profits amounted to 3.5 billion forints. We were able to utilize this in part to finance current production. In addition, banks granted us credit in the amount of between 2.6 and 2.8 billion forints. Using this credit our production value amounted to 16 billion forints. Since then the production value has increased to 26 billion forints, while the gross profits have declined. Banks provide us a maximum of 800 million forints in credits. There is no financial stunt by which this situation can be resolved. Last year's profits amounted to about 1 billion forints; we are standing in

line with about 3-5 billion forints, and our accounts receivable are about the same size.

[FIGYELO] The fact that you sold 50 million rubles worth of Videoton stock in the Soviet Union appears to be a stunt. What consideration guided you in doing this?

[Kazsmer] We accomplished this primarily to establish the resources needed for structural change.

[FIGYELO] Did it occur to you that your action is contrary to the government's endeavor to reduce the ruble surplus?

[Kazsmer] We initiated the issuance of stock last year, and there would be no problem today had Kamaz Association, the buyer of the stock, paid us in October.

[FIGYELO] Not for Videoton...

[Kazsmer] This action was consistent with requirements in force. The government has reservations only because of the ruble surplus. We do not regard the fact that there are problems with exchanging these funds to be decent, once again because of that oft-mentioned predictability [as published]. We cannot simultaneously take into consideration enterprise interests and people's economy interests. We follow the people's economic correlations, but they are paying us primarily to enforce enterprise interests.

[FIGYELO] You sold stock worth 50 million rubles, and Kamaz has already transferred 20 million rubles to the MNB. They expect the remainder by the end of March, while Videoton wants to have access to the forint equivalent of the amount.

[Kazsmer] That is correct. At the current exchange rate it amounts to 1.3 billion forints, but the MNB does not pay on grounds of the ruble surplus.

[FIGYELO] It must pay if this is within the law.

[Kazsmer] How many laws have been violated already?

[FIGYELO] According to information I have, the MNB is not obligated to make payments relative to the commercial items of the balance of payments.

[Kazsmer] Hungary has a separate agreement with the Soviet Union according to which this amount must be paid.

[FIGYELO] What does the MNB recommend?

[Kazsmer] MNB President Mr. Bartha suggests that we use the 50 million rubles to finance imports. This recommendation is in between being lawful and unlawful, because the MNB did not accept the rubles but does not want to make payment in forints. Despite this situation, this route is passable, because barter transactions must be financed by rubles. But in this way it may take 6 months before we receive any money, and it could happen that we are unable to pay the 500-million-forint founding capital for the Bull-Videoton Informatics Joint

Enterprise. This would be regrettable because last year we attracted \$67 million, and this year we expect to draw \$100 million in foreign capital, primarily as a result of the SEL and Bull cooperative ventures.

[FIGYELO] Did it occur to you to sell this money on the ruble exchange?

[Kazsmer] It did not. We would receive less money for the rubles on the exchange and this would devalue the stock.

**Videoton Exports Subject to Settlement in Rubles  
(in millions of rubles)**

	1988	1989	1990
Based on contingent	393	348	178
Military technology	223	184	80*
Civilian	170	164	98*
Based on barter	26	130	207
Total socialist exports	479	478	385

Source: Videoton

\* Expected on the basis of intergovernmental negotiations

[FIGYELO] A different subject. Videoton, an enterprise which presently operates several stock corporations and limited liability corporations, is planning to transform into a stock corporation. Plans call for the Videoton Self-Help Association to subscribe to 1.8 billion forints worth of stock on credit. But it has not been clarified how the Association can be the owner of 3 billion forints worth of enterprise property.

[Kazsmer] This is a problem of principle related to the ownership issue. We believe that the collective is entitled to receive part of the enterprise property. Of Videoton's 15 billion forints worth of assets, we segregated 3 billion worth. There are legal means by which this can be accomplished. Based on the law on associations one can establish a self-help association to whom the president of an enterprise may donate property. No one would have said a word had this amount been 100 million forints. But they do say something about 3 billion forints. A great battle is being waged with the Finance Ministry as to whether this action is within the law. It is possible that the ministry will file a protest in this regard and will force the self-help association to return the 3 billion forints. Incidentally, we got in touch with the Vancouver exchange in order to appear with Videoton stock there, because we thought transformation would go faster that way. We raised the question of whether the Self-Help Association would deteriorate the chances of our appearance on the exchange. It turned out that the Self-Help Association represented an enhancement. Incidentally, by now Videoton's foreign ownership ratio amounts to 22 percent, while state ownership has declined to 47 percent.



[FIGYELO] You are going to Moscow. What do you expect from that trip?

[Kazsmer] I will negotiate barter transactions. We would like to trade oil derivatives worth 300,000 tons of crude oil, and we have a good chance of doing so.

The socialist market, and within that the Soviet market, are large and must not be surrendered. The days of contingent trade are numbered. Passable alternatives are barter trade in the short term, and dollar based settlement in the long term. We are aware of the fact that once the Soviet buyer pays in dollars, his demand for quality will be higher, and he will ask to be paid world market prices. Although Videoton will sweat blood in order to fulfill the conditions, this does not bother us. There will be no structural change without constraint.

[FIGYELO] Don't you think that the economy which is about to collapse may bury the enterprise under it?

[Kazsmer] Yes, I am. But it will not be barter trade or dollar based settlement that will bury us, but the fact that oil and gas are flowing only from one direction. Regardless of what takes place in the Soviet Union, it is a market composed of 250 million people, where life goes on.

### Wage Liberalization Pros, Cons Discussed

90EC0342A Budapest FIGYELO in Hungarian  
1 Feb 90 p 4

[Interview with Csaba Halmos, State Wage and Labor Affairs Office chairman, by Zoltan Meixner, place and date not given: "Liberalization of Wages Did Not Cause Tension"—first paragraph is FIGYELO introduction]

[Text] During recent weeks the debate concerning the liberalization of the wage mechanism has gained new intensity. We asked Csaba Halmos, the chairman of the State Wage and Labor Affairs Office, to summarize the pros and cons of the argument and to state his own views.

[FIGYELO] In the course of the debate over the liberalization of the wage mechanism you and the State Wage and Labor Affairs Office were subjected to thorough questioning. The National Assembly came quite close to voting in a comprehensive wage liberalization. It was primarily due to the determined rear-guard action staged by your office that last year's regulations remained in effect.

[Halmos] The government accepted the idea of wage liberalization as part of a package, included in which were measures to liberalize prices and imports. Many people tend to forget this. Part of this trend was the liberalization of the wage mechanism, too; after all, we have tried to implement new regulatory techniques practically every year in the recent past, only to see them fail one after another. But the introduction of wage liberalization pre-supposed that there would be growth in enterprise autonomy, proprietary incentives, and the

role of interest reconciliation. In the end, our 1989 experiences by and large vindicated our theories, according to which it is not true that introducing wage liberalization would have been a hasty and irresponsible step. The year 1989 did not bring any new developments that would justify the ringing of alarm bells, which is what many people are doing.

[FIGYELO] The GDP [gross domestic product] may have grown last year, compared to 1988, but the level of industrial production has certainly declined. Therefore, if I am weighing whether wage increases are high in comparison to the rate of inflation, then I must say no. If, on the other hand, I examine our economy's performance, then I must say that the rate of wage outflow was decidedly rapid. For, after all, the decrease in real wages was smaller than the decline in the performance of our industry or economy.

[Halmos] I expected much worse, because, due to the mistaken economic regulations, the enterprises have been holding back performance for decades. In the eyes of both employers and proprietors, there were no economic limits to wage increases. In addition, it was foreseeable that trade unions would become increasingly demanding. I felt, and I still do, that there are fewer risks associated with liberalization than with a return to central regulation.

Many people speak of "runaway wages." If we take as our starting point the content of the plans, or the upper limits established in agreements designed to reconcile the various interests, then they are correct. However, I did not then, and do not now, consider their plan seriously, because the money outflow it designates is connected to a paper equilibrium that ignores real situations. Planners had only one goal: to create some kind of balance among the various earning processes. When they established prices at 15 percent at most, it was irresponsible to plan on an eight percent wage outflow. The National Council for Reconciling Interests arrived at an agreement concerning the upper wage limits in the event of 12 to 13 percent inflation. Yet, we know how prices, as well as wages, have developed since that time. In the end, wages were reduced by zero to two percent, instead of the planned three percent decrease. Is this the calamity that should cause us to become alarmed? On the contrary, it turned out that wage liberalization, I wish to emphasize once more, did not create the kind of tensions that would have increased the chances for either the breakdown of domestic equilibrium or inflation.

[FIGYELO] Allow me to further pursue this subject and ask you: Should we measure the degree of wage outflow by economic performance or by the changing of prices?

[Halmos] If we were to measure wage outflow by economic performance, then indeed, based on various synthetic indicators, last year we did not have good coordination. On the other hand, coordination was also missing when wages were centrally regulated. This has

not been proven, but it would be interesting to examine whether or not the modest increase in GDP which we experienced in 1989 was attributable to the liberalization of wages. In any event, the processes cannot be examined in a one-sided manner, only from the aspect of wages and performance, especially when impoverishment has assumed the dimensions it has in today's Hungary.

[FIGYELO] The trade unions are saying more or less the same thing. As a matter of fact, I do not see what the root of argument is between you. After all, if I understand you correctly, you, too, are a proponent of complete liberalization.

[Halmos] There are arguments both for and against liberalization; after all, it has advantages and dangers. Today's debate is between two extreme points of view. According to one, there is a need for central wage regulations, especially at the state-owned enterprises, because that is where the danger of unregulated and unreciprocated wage outflow is the greatest, because that is where there is no real proprietor and where the manager takes advantage of his position and the process of liberalization.... The other extreme, represented by the trade unions, promotes wholesale liberalization, and, in a peculiar sort of way, this is even supported by the Hungarian Economic Chamber.

[FIGYELO] I do not understand. Just now you were arguing on behalf of liberalization, and now you sound as if...

[Halmos] ...Now I am saying that we should not initiate wholesale liberalization before next year. Wholesale liberalization has its advantages. For example, we will eliminate the mistaken belief that fails to distinguish between such terms as liberalization, wage reform, wage increase, and the automatic reimbursement of the costs of reproducing the labor force. But it also becomes clear that eliminating the system of 40 percent linear taxation introduced last year and further decreasing this year cannot relieve the employees' troubles, when compared to central control in which those who break regulations are subject to penalty taxes of several hundred or even a thousand percent. The reason for this is that profitability is so weak in places where tensions are the highest (such as in public service, merchandising, and agriculture) that after the elimination of taxes the enterprises could not even pay the wages that are represented as pure costs. From here the logical next step would be for the state to finance the enterprises' ability to pay and increase wages in the competitive sphere, because such wages cannot be produced. And this is a real absurdity.

In the meantime, the enterprises have done practically nothing with their autonomy. Most of them have not even thought of seeking profitable profiles or laying off excess personnel, even though nearly all of the burdens associated with such measures, from retraining to unemployment compensation, have been assumed by the state. In response to this, the firms continue to stockpile labor forces, look to the center for help, and complain

that the government prevents them from realizing their wage increase efforts. Moreover, enterprise leaders frequently use wage-related demands as a way to acquire additional state resources.

[FIGYELO] I completely agree with you. What is more, I believe that this tax is not capable of regulating wage outflow. Market prices are soft, and the tax cannot fulfill their role....

[Halmos] The government is aware of this. A two-digit linear tax, which also makes provisions for concessions, is hardly likely to prevent anyone from doing anything, especially in view of the fact that, having the profits of ruble-export guaranteed and being allowed to use various shortcuts, enterprises have been able to preserve their liquidity, in spite of strict monetary regulations. This year, it will be the loans available for paying wages that will represent the shortcuts. It is conceivable that even enterprises that produce losses (on account of soft market limitations) will be able to obtain loans from which to pay wages. However, that only means that they will be able to pay wages, not increase them. It is illusory to imagine that liberalization will solve anything. The issue of wage increases will always remain a financial one.

On the other hand, it is true that the upper market limits, so frequently mentioned by the Hungarian Chamber of Economics (MGK) and the National Council of Trade Unions (SZOT), do not exist anywhere. Of course, it is true, that we must eradicate the remnant of any tax that is connected to wages. In such instances, an interest-reconciling process determines a bottom limitation, which appears as pure cost, while, I repeat, there are still no upper limits. Consequently, nothing special will happen to real wages if complete liberalization takes effect next year, together with the advent of full proprietary reforms. The great issue is that of inflation; thus, the Ministry of Finances argues correctly on behalf of maintaining last year's regulations, saying that it produces a 10-billion-forint tax income, and no one has yet come up with an idea to replace that amount.

[FIGYELO] If SZOT realizes what you have just said, then can we say that its talk on behalf of liberalization is nothing but propaganda?

[Halmos] SZOT's experts probably have a clear view of this matter. However, I do not think that they would participate in propagandistic trickery. They consider the threat of wage inflation to be minimal, and the experiences of 1989 have provided them with some justification. They emphasize that the enterprises' leaders, even though they are not proprietors, do not manage wages in a wasteful manner.

[FIGYELO] And what is your opinion?

[Halmos] Obviously, the wage side is not the only source of inflation. At the same time, we have recently examined the wage-related behavior of a thousand enterprises, and have been saddened by the results. Their behavior

was guided mainly not by their enterprises' market position, their profitability, or their productivity, but primarily by inflationary expectations and secondarily by the wage competition. The danger of a price-wage or wage-price inflation in fact exists in our economy, and if we combine this with a wage-price spiral, then it is questionable whether we can maintain the planned 20 percent price increase, or whether the government can control the process of earnings, or even that of the economy in general.

[FIGYELO] What you are saying sounds realistic, but it also appears to absolve the government in advance. At the same time, there are voices saying that the government, in fact, stimulates inflation, just so that it will be able to manage the 800-billion-forint internal debt. Or, to put it more directly, it aims at allowing inflation to eat away at that debt.

[Halmos] Even though I cannot voice an opinion on that topic, I do not doubt that there are those within the government who have such intentions. However, when the government ratified its 1990 program, it did not base its actions on that premise. The action you described is irresponsible and risky. The government would prefer,

instead, to complete the thorough dismantling of subsidies, which, of course, will further strengthen inflationary pressure.

[FIGYELO] As long as we are talking about inflation, we must mention minimum wages, too, which the enterprises, but especially the cooperatives, would like to keep as low as possible. I can understand this, to a certain degree, but I cannot understand why the government does not take a firmer stand on this issue.

[Halmos] My definite opinion is that minimum wages should be considered a governmental instrument that increases the pressure on enterprises; that is, it stimulates them to alter their structures and develop new enterprise and market policies. The radical hike of the minimum wage, or even its compulsory introduction or strict maintenance, would not frighten me. Naturally, we could not cease providing certain service functions, so that certain (temporary) exceptions could (and should) be granted. In general, however, those enterprises that are unable to produce profits to cover their wages and their public obligations should either change the profile of their activities or cease operation.

**Table 1a: Average Wages and Earnings in Industrial Occupations (January-September 1989)**

Industry	Net Average Earnings		Gross Average Earnings		Gross Wages	
	Forints/Capita	Percent*	Forints/Capita	Percent*	Millions of Forints	Percent*
Mining	10,987	115.6	15,564	113.7	15,984	102.3
Electrical energy	9,013	116.3	12,128	121.9	5,165	115.8
Metallurgy	9,388	121.3	12,604	123	10,332	116.7
Machinery	7,865	117.7	10,150	119.5	45,575	113
Building materials	7,681	118.9	9,813	121	6,283	115.5
Chemical industry	9,874	119.7	13,462	121.5	14,802	119.8
Light manufacturing	6,827	116.8	8,585	119.2	26,773	113
Miscellaneous	6,994	116	8,871	119.6	2,520	107.7
Food processing	8,127	117	10,538	120.2	22,666	123.7
Industry total	8,186	117.6	10,725	119.4	150,100	113.9

\* Compared to the identical period of the previous year

Source: Central Statistical Office

**Table 1b: Average Employment and Wages in Industrial Occupations (January-September 1989)**

Industry	Employment		Net Average Wages		Gross Average Wages	
	1,000 Persons	Percent*	Forints/Capita	Percent*	Forints/Capita	Percent*
Mining	94.6	90.8	10,846	114	15,360	112.7
Electrical energy	42.2	99.1	8,335	115.3	11,127	116.9
Metallurgy	76.1	96.2	9,204	119.9	12,343	121.3
Machinery	422.3	95.3	7,612	117.6	9,811	118.6
Building materials	59.9	96.7	7,478	117.7	9,536	119.4
Chemical industry	107.1	101.6	9,263	117.6	12,564	117.9
Light manufacturing	298.6	94.8	6,509	115.1	8,151	119.2

**Table 1b: Average Employment and Wages in Industrial Occupations (January-September 1989) (Continued)**

Industry	Employment		Net Average Wages		Gross Average Wages	
	1,000 Persons	Percent*	Forints/Capita	Percent*	Forints/Capita	Percent*
Miscellaneous	29.2	93.2	6,259	113.8	7,847	115.6
Food processing	201.7	99.7	7,902	122	10,216	124.1
Industry total	1,331.7	96.2	7,887	117.5	10,306	118.4

\* Compared to the identical period of the previous year

Source: Central Statistical Office

**Table 2: Effects Expected in 1990 of Raising Minimum Wage to 4,800 Forints**

Designation	Population		Wage Mass	
	Thousands of Persons	Percent of Total Employed	Millions of Forints	Percent of Annual Wage Fund for National Economy or Branches
Enterprise sphere	293	16.3	1,858	1.1
Agriculture	173	35	1,337	3.5
Budgetary sphere	82	13.9	627	1.1
Total for National Economy	548	19.1	3,822	1.5
Specific branches				
Line and hemp processing	1	21.7	6	1.6
Silk processing	1	25.5	5	1.9
Knitting	5	32.5	31	2.7
Textiles	10	26.9	60	2.2
Home arts and crafts	5	42.6	37	4.2
Laundry and cleaning	1	36.2	9	3.2
Mineral/soft drinks	0	29.5	3	2.6
Truck transport	13	30.1	94	2.7
Bus transport	6	26.6	38	2.3
Taxi transport	2	41.8	15	4.1
Food retail				
Miscellaneous coops (AFESZ)	32	45.7	243	4.9
Commercial catering	12	56.4	99	7
Jobsite catering	5	45.5	38	4.9
Beauty, hairdressing	6	75.3	48	10.4
Janitorial	1	57.1	4	6.7
Health care	46	25.3	369	2.5

1. When figuring compulsory wage hikes, 4,000 forints were considered to be the lowest wage.

2. Calculations are based on base wages.

3. Data are applicable to the circle that has been included in the inflow of tariffs; when considering absolute values (per capita, millions of forints), actual effects may be 30 percent higher.

4. In agriculture, the effects are based on estimates.

5. Those branches were selected in which the effect of compulsory wage hikes significantly exceeds the average.

Source: National Wage and Labor Office.

## POLAND

**'Johnson and Johnson' Opens Office; Plans for Joint Venture Raised**

90EP0414B Warsaw ZYCIE WARSZAWY  
in Polish 1 Feb 90 p 2

[Text] Six months ago Johnson and Johnson began to set up a permanent office in Warsaw. On 31 January 1990, the official opening took place. Johnson and Johnson Poland Corp. has its headquarters in Wilanow, however the ceremony took place at the Marriott Hotel.

This international concern, one of the largest in the world, has been in existence for 110 years and began its operations on a very small scale, beginning with the manufacture of surgical dressings. Today, when modern medicine can be divided into 23 separate fields, Johnson and Johnson has a great share in meeting the needs of 22 of them. This is possible because it is made up of 165 specialty companies. They are located in 56 countries, employ 77,000 people, and sell their products in 153 countries.

Johnson and Johnson Poland Corp. will first sell on our market medical equipment, children's personal-care products, and then pharmaceutical items. All of the companies comprising Johnson and Johnson will be represented in Poland. Work is now being done on establishing a joint venture company with Polish partners.

Because for some time now our people have been associating this concern with Barbara Piasecka-Johnson, its representatives delicately explained that the Johnson and Johnson firm is not connected with Mrs Johnson's endeavors.

**Bank Competition in Loans, Interest Rates Noted**

90EP0414A Warsaw RZECZPOSPOLITA in Polish  
27-28 Jan 90 p 2

[Article by Anna Sielanko: "Bank Competition"]

[Text] The change in interest rates on bank loans, which went into effect on 1 January, caused a stir among the enterprises which take advantage of these loans. For many firms, the high interest rate offered by commercial banks—40-45 percent, was upsetting. This year the banks also changed the interest rate on personal savings deposits, making it dependent upon the period that the deposits remain in the bank.

What is the banking picture several weeks after the new rates went into effect? Were the fears of those who predicted a lessening interest in obtaining loans realized? Do the banks now have more customers entrusting them with their savings?

"We see no drop in interest in loans," says Brigida Banasiak, director of the loans and savings department of Silesian Bank in Katowice. "On the contrary, the

amount of the loans granted in the first half of January is over 20 percent higher than a year ago. We have proposed a competitive interest rate—38 percent, compared to those of many other banks, and so we are even gaining customers. The new customers, or those who are increasing their loan requirements, are mainly the production and construction-assembly enterprises. However, some business firms are no longer using our services. For example, dealers in Bielsko-Biala paid off, ahead of schedule, the loans they had previously drawn, or decreased them by half, saying that the margins are not sufficient to cover the costs they entail. Right now they are not making any new purchases of goods and are waiting for the better credit terms which are expected to come in February."

The gmina cooperatives are leaving Silesian Bank and going to the Food Economy Bank because it is giving them loans on much better terms (the interest rate there is 35 percent). The Food Economy Bank can afford this, because its operations are based mainly on its own financial resources and not on the refinancing credit of the National Bank of Poland [NBP] (a 36-percent rate).

The bank in Katowice now really grants short-term loans, mostly up to three months, in view of the fact that all of the conditions under which the enterprises will have to function this year are not yet known.

Personal savings deposits have increased greatly this year, by almost 50 percent. People are selling dollars and bringing zlotys to the bank; most often for 6 months or a year.

The bankers at the Commercial Trade Bank in Krakow feel the same way: "Very differing enterprises are collaborating with us: steel mills, construction firms, cooperatives," the director of the loans and savings department, Michalina Galka, reports. "Some are asking for larger loans, others are reducing them, e.g., trade".

The Krakow bank varied the interest rate from 38 to 52 percent. Those who are less creditworthy and those who borrow for longer periods are charged more. Private customers are reacting the same as those in Katowice. They are changing all or part of their dollar savings into zlotys and bringing them to the bank. The Krakow bank offered a higher interest rate on three-month and six-month deposits than PKO, therefore the interest in this type of account rose.

What terms do these banks propose for their customers in February? This is hard to predict right now. It will depend mainly on what the interest rate will be on the refinancing loans granted to commercial banks by NBP. But it appears from preliminary announcements that the rate will be lower than in January.

## CZECHOSLOVAKIA

### Minister on Quality of Health Care

90EC0371A Prague LIDOVE NOVINY  
in Czech 17 Feb 90 p 2

[Interview with CSSR Minister of Health Care Pavel Klener by Alena Cechova; place and date not given: "Health Care: A Sensitive Post"]

[Text] The reception room is full of bustling secretaries. There are carpets, a large, shining conference table and a large desk. In short, everything that there should be for a minister. However, the minister walks around in his shirt-sleeves and only pulls on his jacket when it is time for the photographs. He takes just a half hour from his work, and this is proper, because this is a working interview and his time is strictly limited.

[LIDOVE NOVINY] Your sector has two halves, and both have problems that need to be corrected. There is too much for one interview, so I would like to focus on health care today. What are the financial needs facing this half of your responsibilities?

[Klener] They are very large. We do not have an exact number, and it would require an immense amount of work to find out how much is lacking where. It is not a question, you see, only of salaries, buildings, equipment and instruments. It is also a question of medicines and these needs change every day. CEMA countries are cancelling contracts with us, so we are having to import for hard currency, and this is causing a huge deficit. In addition we are receiving many offers from the West, but many of these seek to take advantage of the situation, in my view, and others are only samples, and this does not solve anything. But the worst of it is that we cannot take advantage of offers for licensed production. Spofa, you see, has terribly outdated equipment. When interested foreigners see this they usually give up. This means that we have to make immediate investments in pharmaceutical production. This is the base.

[LIDOVE NOVINY] What about the shortage of people?

[Klener] There is not that great a shortage of doctors. Many doctors, you see, are engaged in administrative, bureaucratic tasks. These will certainly decrease, allowing many of these to get back to their vocation. The same is true of nurses, who are doing auxiliary work and do not have time for their own tasks. Once we have enough employees many problems will be solved. Perhaps we can attract some young men from reserve military service. Ward nurses will also return to the hospitals.

[LIDOVE NOVINY] What about the shortage of beds?

[Klener] This is paradoxical, but we are in fifth place in Europe in terms of hospital beds per capita. At the same time it is sometimes almost impossible to get a sick

person admitted to a hospital. This is largely due to poor health care organization, and we want to correct this situation.

[LIDOVE NOVINY] Isn't it also true that our hospitals are in some cases right out of the Middle Ages? Shortages of hygienic equipment, beds in corridors, no visits permitted, impossible even to call home...

[Klener] The situation is very uneven. We made an unannounced visit to a hospital in Jihlava, and it turned out to be a fine one. The surroundings were worthy of the patients; it was clean and even homey. We also visited a pediatric ward in Brno that was completely unacceptable. The worst examples are probably in Prague and in the Central Bohemian region. The situation in Prague will improve. Modern clinics are being built in Motol, and we are negotiating for the use of the hospital for the Ministry of the Interior, and for partial use of military hospitals. Gradually, we will certainly eliminate the isolation of the patient from family and friends. This is a stressful situation that is not good for the ill person. But right now we have no one to clean up after visits, so we cannot permit, for instance, constant vigils over a patient who is dying in a room with six occupied beds, because this disturbs the other patients. I experienced this at my own clinic and it was not a pleasant experience.

[LIDOVE NOVINY] The prestige of doctors has also declined, and this harms the patients.

[Klener] Doctors and nurses have been put on the level of providers of a service. This suppresses initiative and motivation, and places greater importance on administrative work. The media has also carried at times erroneous reports about doctors and nurses. Look at the affairs that have been cooked up from isolated bribes!

[LIDOVE NOVINY] Hasn't the fact that amateurs often supervise experts, and bureaucrats doctors also caused much damage?

[Klener] National health institutes are subordinate to national committees. Originally we wanted to limit this dependence, but we will probably do away with it completely. Health care questions in a given district or region should be resolved by a council of experts. This includes financial questions, because national committee officials decide to allocate money, for instance, either to hospital construction or to the building of a new cultural center. It is his decision. The ministry itself wants to be able to bring its moral authority to bear on only the most fundamental decisions, and delegate the resolution of most other questions to local experts. They are the ones who know their own needs the best. For example: We intended to purchase two machines to crush kidney stones that would cost a total of about 50 million foreign currency korunas. These would have been useful but we have more pressing problems. I therefore decided to allocate this amount, on a per capita basis, to all the regions in Bohemia and Moravia, and allow them to purchase what they needed the most. This turned out to be the most intelligent decision. In

Chrudim they were ready to open a dialysis unit but were lacking a water purification machine costing 700,000 foreign currency korunas. They were able to buy this machine and open their dialysis unit. This was a great help, because many citizens suffer from liver problems, but we are not able to offer dialysis, an "artificial kidney", to them all. The ones we cannot help? They have no options...

[LIDOVE NOVINY] In this regard, if someone were able to pay for dialysis treatment, he or she probably would do so under these circumstances, and might be given priority. Will this be a possibility?

[Klener] Definitely not, in the sense that if you have money you will not die, but if you don't have money you are out of luck. There is no way this will be permitted. Every treatment and every procedure must remain accessible to everyone. This, however, does not rule out the possibility that there will be things in health care for which payment will be made. The key concept is the one of access.

[LIDOVE NOVINY] Good research is a part of good medicine. How are we doing in this area?

[Klener] Our research is closely tied to our clinics, where the demands of society are immediate and very great. Of course we will not stop doing research that does not have an immediate application. Good research will continue, and we are doing some good research in a number of institutes. But this research is fragmented and highly bureaucratic. I remember too well the completely useless work involved in preliminary declarations, planning, and reports, awful stuff. We set up a Scientific Council at the ministry that is charged with drafting a strategic plan. We will discuss this plan with the Academy and with colleges. The objective will be to coordinate the financing of science with the science itself. This is vitally important for medicine.

[LIDOVE NOVINY] In questions of health care (just as in questions of social security) people are willing to help, but they are also impatient and want immediate results.

[Klener] They have to be more patient. We are doing all we can and searching for the best solutions to the situation that we inherited. And it is not the best of situations.

[LIDOVE NOVINY] Thank you for the interview.

## GERMAN DEMOCRATIC REPUBLIC

### Increased Drug Abuse, Alcohol Problem Cited

90GE0007A East Berlin NEUE ZEIT  
in German 22 Mar 90 p 3

[Article by Helga Lindner: "GDR Plans to Stem Approaching Drug Wave With National Drug Policy to Protect Those Most in Danger: Children and Teenagers."]

[Text] Until recently, one of the GDR's positive aspects was the absence of Western type "drug scenes." However, recent political changes, the opening of borders, and the increasing influx of hard currency has changed this.

These past few months, customs services recorded six times as many attempts to import illegal drugs as before. Quantities were small, except for 3,380 grams of cocaine confiscated at the Schoenefeld airport. Of those convicted of illegal drug smuggling, 70 percent were citizens of West Berlin, 25 percent of the FRG, the rest consisted of citizens of the GDR and other nations.

The Ministry of Health recently held a press conference on the drug problem. Chief Inspector J. Pfeiffer of the GDR Customs Service said that drug smugglers prefer discotheques and pubs to peddle their hot merchandise. He added that no deaths or emergencies from drug use have been reported from the intra-German border and that customs has reason to believe that the GDR does not have a serious drug problem. He did say though, that drugs are posing a clear and present danger.

Pfeiffer added that to meet this danger effectively, the customs service has already initiated several measures, such as training customs personnel on how to fight today's drug war. A highly mobile drug enforcement team already exists, and efforts are underway to learn from the experiences of other nations and to cooperate closely with the FRG.

Frau Dr. E.M. Schneidewind, director of the Central Narcotics Office of the GDR, said that no drug treatment or drug counseling facility has as of yet encountered serious drug related incidents.

Even though there have been no drug victims, she acknowledged a few isolated cases of drug abuse. She cautioned; however, against becoming too comfortable, because medically speaking, a "dependency" evolves over a certain amount of time. Drug dependency with all its signs of physical and emotional decay is usually preceded by several months—or sometimes by one or two years—of drug abuse. According to international experts, it is only then, that drug users start looking for help.

When asked about the current situation in hospitals, Dr. Schneider acknowledged some drug dependent patients as well as heroin addicts. She said that they had come from the FRG already drug dependent and were being treated for drug abuse. All others registered and under medical care are "classic" morphine addicts, in most cases former health care professionals. Once they are released, they will be placed in other employment sectors, said Dr. Schneider.

Such reports can easily lead to the conclusion that things aren't too serious, that there is no reason why a country such as the GDR cannot take a variety of measures to protect its citizens from the approaching drug wave. But we can't afford to close our eyes to this new menace

because it is more than just an outgrowth of recent political changes, of open borders, and the ever growing availability of hard currency.

Over the past few years, the misuse of alcohol by every fifth citizen of the GDR has created a seed-bed for a drug scene involving international syndicates.

Alcohol consumption in the GDR has increased at a frightening pace, the same is true for abuse of pharmaceuticals. With an average consumption of 10 liters pure alcohol per person per year, the GDR has the questionable honor of leading other nations in alcohol consumption.

Studies show that children come into contact with the legal drug alcohol at an earlier and earlier age. It is not unusual for children as young as 12 to become exposed to alcohol by older children or grownups. More and more women take to drink; also, hard liquor seems to have become the preferred choice of those who drink. There is a visible trend towards multiple drug abuse and dependency, and to use alcohol in combination with other narcotics. That is one problem we need to keep in mind; another is that citizens of the GDR are poorly prepared for managing and resolving conflict. In critical times such as ours this is a special disadvantage because the insecure and those in need of help often look for a way out in drugs and alcohol...

Dr. Bodo Schoenheit, deputy minister for health and welfare, also participated in the press conference. The same facts and considerations provided the basis for his comment on the drug problem. He stressed that as long prevention of drug use is the most important weapon in the war against drugs, methods must be interdisciplinary because drug dependency has social as well as personal reasons. Medicine and psychology cannot handle the problem alone.

A strategy of comprehensive drug use prevention has to be planned and enacted in ways that not only involve

other professions but society as a whole. He said that a central task force composed of experts from government, social and church organizations, and of representatives from citizen initiatives is currently preparing a complex, national strategy for the government, so it can fight alcohol and drug abuse. He stressed that the task force will also draw on experiences other nations have gained in fighting drugs.

Prof. Schoenhof stressed the immediate need to alert the population to the approaching threat of illegal drug abuse which brings in its wake drug peddling, prostitution, and an increased risk of contracting AIDS. What is needed, he said, is a popular awareness that even casual contact with drugs can lead to addiction.

He continued that it is especially important for parents and teachers to keep an eye on children and teenagers—age groups particularly vulnerable because of their defenselessness and age-related instability of character. Young people need to be shown how to lead meaningful lives free of drugs through examples taken from real life rather than through criticising their attitudes and lifestyles.

This requires the recruitment and training of new allies, especially in the social service sector and in education. Schoenhof said that doctors, psychologists, and other experts must receive training in how to deal with drug abuse.

He also mentioned the necessity of expanding all kinds of counseling services, to analyse, redirect, and expand already existing diagnostic and therapeutic capabilities to meet the new demand.

The minister further stressed the need for quick changes in the GDR's narcotics laws because they categorically criminalize illegal drug use and thus most likely preclude the open conversation that could bring help to drug users and those close to them. Such laws are not compatible with the new strategy of preventing drug abuse, the minister concluded.



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