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CZECHOSLOVAKIA

Ambassador Slansky on Relations With Soviet Union

90CH0189A Prague RUDE PRAVO in Czech 18 May 90 pp 1, 5

[Interview with Rudolf Slansky by Zdenek Zuntych, Moscow correspondent for RUDE PRAVO; in Moscow, date not given: "On an Equal Footing"]

[Text] On 23 February of this year, Rudolf Slansky submitted his delegation papers to the Chairman of the Supreme Soviet of the USSR. At that moment, the new Czechoslovak ambassador to the Soviet Union began to represent our interests in a country with which, since President Havel's visit, we are forging relations on a new, equal footing.

I am now sitting in the ambassador's office, listening to what he is saying. He is speaking slowly, weighing every word. From time to time he falls silent in order to phrase a thought meaningfully.

[Zuntych] Mr. Ambassador, was it difficult to become a diplomat overnight?

[Slansky] Of course, because I had to decide for myself whether I would be able to fulfill what—and I'm not afraid to use the word—the Republic expects of me.

[Zuntych] How long did it take you to decide?

[Slansky] I have been dealing with the Soviet Union, its politics, history, and literature all my life, I also know quite a lot about Czechoslovak politics, so it did not take long to decide.

[Zuntych] Have you already learned the diplomatic vocabulary?

[Slansky] Perhaps, to a certain extent. But I believe that diplomatic vocabulary is no longer as important nowadays. It is much more important to express an idea in precise terms, so your partner knows what you mean.

[Zuntych] Are the Soviets ready to accept such a dialogue?

[Slansky] I believe so. In all discussions so far both sides have spoken openly and succinctly.

[Zuntych] Czechoslovak-Soviet relations used to be structured as if they were interparty relations, between the CPCZ and the CPSU. How will they be developed now, after the November Revolution?

[Slansky] Former relations were not relations between two sovereign, equal parties. Our country did not have full sovereignty after 1968. Therefore, from this point of view, mutual relations were not relations between two independent countries. Rather, they were relations that expressed a certain degree of superiority and inferiority. After 17 November, and particularly after President Havel's visit, there was a fundamental change in the nature of our relations. The declaration that was accepted clearly says this. And, without using any diplomatic vocabulary, I must say that our relations are those of equal, sovereign, and independent countries. So far I have seen nothing to prove otherwise.

[Zuntych] What significance do you yourself place on Czechoslovak-Soviet relations?

[Slansky] Good relations with the USSR are very much in our national interest. Up till now, the Soviet Union has been our major business partner. To a large extent, the stability of our economy also depends on remaining on the Soviet market. We are very interested in good political relations, because it is impossible to imagine the future, or the security, of the new Europe without the USSR. Therefore we must strive to make Czechoslovak-Soviet relations the best they can be.

[Zuntych] You mentioned the economy where basic changes are being prepared in the method of payment, and obviously this will have an effect on economic relations. Are we prepared for it?

[Slansky] Both sides are psychologically prepared. They know and agree that the transition to world prices, and to settling accounts in freely convertible currencies is in their interest. However, the transition itself is complex. Many technical problems must be solved, and groups of experts are working on them. By the end of May a basis for concluding appropriate Czechoslovak-Soviet agreements should have been prepared. It is obvious that it will be very difficult for the Czechoslovak economy, particularly during the first years. But the introduction of order and normal commercial relations is necessary, if for no other reason then because of the proposed transition to a market economy.

[Zuntych] How will reciprocal accounting be executed?

[Slansky] Negotiations are now underway on the specific forms it will take. So let us wait for the next meeting of the foreign trade ministers of both countries at the end of May.

[Zuntych] Are the Czechoslovak trade missions in the USSR capable of fulfilling their new tasks?

[Slansky] At this time, yes. As the situation changes, they, too, will have to change. As far as I know, they have a good overview of the suppliers from the CSSR to the USSR, but not such a good one of possible Soviet buyers.

[Zuntych] Why?

[Slansky] So far, the Soviet market has generally not been open to direct trade with our enterprises. Up till now they have sold their products through our foreign trade enterprises to analogous Soviet organizations. Now they will frequently have to look for buyers themselves. If the trade will be transacted in freely convertible currencies, they will have to find buyers who have the currencies and will be willing to use them to purchase

our goods. This is also why the employees of our trade missions will be going out into the field more frequently. It will therefore be necessary to open new branches of our missions. In Baku and Tashkent we are preparing to open them, and an application has been submitted for Riga; so far Vladivostok and two locations in Siberia have not yet been processed.

[Zuntych] Do you share the opinion on the critical moments of the economic reconstruction in the USSR?

[Slansky] Everyone who visits the Soviet Union must share it. It is quite obvious that the economic situation is not good. And that its deterioration is undermining the people's trust in those who are reforming the political system. But a part of the complexity of the problem lies in the fact that only the reform of the political system can create an environment in which it will truly be possible to carry out fundamental economic changes.

[Zuntych] Have you any faith that the reconstruction can succeed?

[Slansky] I do not believe in faith. However, it is clear that the Soviet Union needs both economic and political reforms and that, sooner or later, it must implement them on the basis of public consensus.

[Zuntych] Thank you for the interview.

Youth Daily Prefers Independence

90CH0350A Prague LIDOVE NOVINY in Czech 28 Jul 90 p 2

[Article by Vaclav Mlady: "MLADA FRONTA's Cause Today"]

[Text] When a few combative-looking Czech striplings occupied the PRAGER TAGBLATT building in Prague they could hardly foresee that their rebellious episode would grow into a half-million daily circulation. To the paper's first issue published on 9 May 1945 with the portraits of Benes and Stalin in its masthead, they gave a name which, while sounding revolutionary, was not really very pretty: MLADA FRONTA [Youth Front]. It was supposed to be a newspaper for young people.

MLADA FRONTA became the national administrator of two historical and stately buildings in Panska Street; later it was converted into a national publication in addition to publishing books and various daily journals for young people. Even though the editorial offices of the daily, the journals, and the publishing house were not officially subordinated to the Czechoslovak Youth League, in reality they had to implement its policies directed—how could it be otherwise?—by the all-powerful CPCZ. And what the daily's pages carried always more or less reflected the given state of society, and when the ice was thawing, MLADA FRONTA could print even a critical piece; but when on the contrary a freeze set in, it became a "little RUDE PRAVO." Only in September 1964 was the entire MLADA FRONTA attached to the Czechoslovak Youth League's Central Committee administratively as well.

But toward the end of the 1950's the property relationships became complicated. The then leadership of MLADA FRONTA transfered property rights to both buildings in Panska to the Mir printing enterprise, part of the newly emerging polygraphic industry mammoth. Of course property rights at that time of total "nationalization" were losing every significance and became only a source of irritation.

The publishing house handed over its profits not to the state but to the youth organization which was gradually losing its "revolutionary elan" until in 1968 it quite naturally fell apart. For a brief period the paper's independence was restored. The people working for MLADA FRONTA in the editorial offices as well as in the printing shop after the invasion by the five Warsaw Pact countries contributed a great deal to the nation's honorable resistance.

As the society's opposition to the advancing Husak normalization became progressively exhausted, it led naturally to a weakening of the journalists' resistance. Youth League normalizers schooled in Moscow came to the fore, viewed as "more responsible" than the previous official censors. Then came the checkups, those fired were replaced by others, many in good faith: After all, someone has got to put out the paper!

But in 1975 MLADA FRONTA was again officially placed in the custody of "the Party's most faithful fellow combatant"—the Socialist Union of Youth [SSM], formally as a "politically oriented economic establishment of the SSM Central Committee."

But even this arrangement lacks a sufficient legal foundation from today's point of view.

The enterprise's profits were used by the Union's bosses to feast at expensive conferences, build luxurious recreational facilities for themselves and travel the world over to "inspire young people for the Communist revolution." It was not exactly peanuts what MLADA FRONTA handed over to the Union's chieftains. When added up for the years 1964-89, it amounted exactly to Kcs392,655,660. And because in 1978 there was a price increase in the polygraphic industry and the union functionaries were not to be "cheated," MLADA FRONTA received a so-called special-purpose subsidy to its receipts—meaning simply that in this generous fashion the state again subsidized the SSM apparatus. Between 1978 and 1989 this amounted to more than 154 million korunas. In fairness let it be noted that at the turn of the 1970's and 1980's the union's functionaries reined themselves in a bit and granted MLADA FRONTA—naturally from funds they had received from the state—allocations to modernize some of the editorial offices of the paper and other journals (some of which were for years working out of basement premises which no one else wanted), and for the reconstruction of a recreational center.

In content, the situation began to change during the 1980's. The editorial collective gradually wrested a certain, albeit extremely limited independence, attempted to circumvent proscriptions and directives, and provide an account of what goes on between the lines, sometimes even openly. There were increasingly frequent sharp conflicts with the union's leadership as well as with the Politburo.

Within a week of last year's 17 November the daily managed to free itself completely from the influence of Vasil Mohorita then the SSM Central Committee chairman, who until the last moment sought to present himself as an enlightened and progressive representative of all Czechoslovak youth. Yet in his last gasp he still managed to liquidate an entire edition of the daily carrying information on the demands of the hundreds of thousands of Wenceslas Square. At the same time, perhaps throughout the November revolution, copies of MLADA FRONTA were stolen from trains by special commandos of the State Security, even as students were ferrying it for distribution in the countryside.

In the third week of November 1989 the union leadership of the daily, installed in the past by apparatchiks from the SSM Central Committee and confirmed by the all-powerful CC CPCZ secretariat, was compelled to step down. It had to step down not just for professional incompetence. For the second time in history (the first was in 1968) editors freely elected a new leadership. The journalists got rid of the prisoner's irons rather quickly and MLADA FRONTA gained popularity thanks to its comprehensive and impartial reporting. Circulation soared and the readers' demand far exceeded the limit of state allocation of newsprint and the capacity of antediluvian printing machines.

Meanwhile the Socialist Union of Youth also fell apart and was replaced by the Youth League [Svaz Mladych] to which the former top functionaries bequeathed "ideological neutrality" even though many of them remained CPCZ members. A high-minded organization presumably, but with properties on the order of three billion left after the former union leaders. Its chief, Martin Ulcak, did not particularly exert himself to restrict the newly acquired freedom of MLADA FRONTA editors, but insisted on property "rights"—after all, this did and still does involve tens of millions korunas. For the first quarter of the year alone MLADA FRONTA had to turn over a "tithe" of several million in profits to the Youth League which played absolutely no rule in generating these funds, presumably because it is so required by regulations still in effect. And so one feels in the back the threat of again crippling the paper by the narrow interests of youth functionaries.

Then began the attack. MLADA FRONTA's new leadership asked Marti Ulcak to arrange for a voluntary surrender of MLADA FRONTA by the youth organization. After all, it was an official act which gave it to them. But Ulcak, who today "commands" a couple of hundred functionaries and possibly several thousand rank-and-file members, would obviously act against his own interest were he to surrender such a financial resource. The same is true of the journals put out by MLADA FRONTA [MF] and the MF publishing house. So the MF editors tried to persuade the state bodies that just as they previously had assigned MLADA FRONTA to functionaries of the youth monopoly, they should now take it away from its successors in sheep's clothing and create a state enterprise. Many high officials in the new government as well as the parliament personally assured the editorial management and the entire enterprise of their support and sympathies. But the request kept getting lost in the bureaucracy of the "intermediate level," or put off as something of lesser importance. Ultimately there came a moratorium on the assets of the former SSM which include also MLADA FRONTA.

Meanwhile the new youth leaguers cobbled together a Property Rights Union of Youth Organizations [Majetkopravni unie mladeznickych organizaci] which lays claim to the publishing house, even as it professes willingness to negotiate. Yet the demand pops up again and again: influence on the paper's content and transfer of profits! It is a demand that journalists today find wholly and fundamentally unacceptable, according to the wisdom that "if you give the devil an inch..."

Following the recent elections the MLADA FRONT publishing house again addressed its request to the Czech Government and Czech National Council. So far there has been no response. So printing goes on of newspapers and journals which hundreds of thousands of readers perceive as appealing, and additional tens of thousands vainly expect an increase in the print run.

But MLADA FRONTA is entangled in a web of bureaucratic regulations, disputed property rights, and even sheer laziness and incompetence. The editorial managements are considering a variety of peaceable means to defend the journals' independence. But the profits they earn are still going to the Youth League or possibly to the Property Rights Union of Childrens' and Youth Organizations which represent only a small segment of the young people. Will there finally emerge someone who will help resolve the uncertainty bedeviling MLADA FRONTA for more than half a year? Today one can hardly bet on the arrival of a few young men with pistols.

HUNGARY

Prime Minister Antall Shows Commitment, Guarded Optimism

90CH0259A Budapest MAGYAR NEMZET in Hungarian 6 Jun 90 p 5

[Interview with Prime Minister Jozsef Antall by Attila Kristof, at the Parliament on 1 June: "With Faith, Accepting Even the Risk of Failure"]

[Excerpt] [passage omitted]

[Kristof] Did you want to go through this trial? Did you desire power?

[Antall] The evening after the election I was not happy at all, because I knew what was waiting for me.

[Kristof] This is a case of sour grapes, only in reverse.... Those who fail to achieve it probably consider it truly sweet....

[Antall] Perhaps.

[Kristof] I still feel that it is simpler to face heroic failure than torture oneself silently in solving the problem.

[Antall] The only thing I am interested in is a solution. After they elected me prime minister and I accepted the post, I tried to muster all my knowledge to build a coalition which would be able to take over the reins of government as a centrist body. I did not see any merit in a grand coalition (although that would have been more comfortable from the governing point of view) because I feel that it would be better if we Hungarians succeeded in developing a correct parliamentary system in the framework of a bipolar political life, complete with a responsible and constructive opposition. That, in fact, was what I was trying to achieve; forging a coalition and creating a functioning National Assembly together with the opposition. After making pacts with the other parties of the coalition, our compromise with the SZDSZ also served this purpose.

[Kristof] On that account, both the press and the two parties' most ardent followers harshly criticized both parties. Do you feel that this compromise served Hungary's interests?

[Antall] Yes. And this time chances are good that those interests will be realized... We can rely on the assistance of the West, and the Soviet Union will tolerate a political "modus vivendi" that suits us. Of course, Western support and Soviet tolerance both have their precise limits, which will represent the basic consideration for Hungary's foreign and economic policies. It is my opinion that if the preconditions of governing materialize, then we will be able to guide Hungary out of this crisis once and for all. I have so much faith in this that I even accept the risk of failure.

A Precise Schedule

[Kristof] It is being said that the Soviet Union will tolerate Hungary's striving for independence up to a certain point. Where is the limit?

[Antall] The Soviet Union's political behavior is determined by its domestic situation, by the personal political influence of Gorbachov and by the success or failure of the entire reform process. I feel that if the Soviet Union proceeds along the present course of development, it will recognize that the people of Central and Eastern Europe are becoming independent, and Soviet influence in the region will be reduced. What it would not accept, however, is the creation of a hostile zone along its borders. Obviously, the Soviet Union is thinking within a certain system of security. Hungary must conduct its political affairs in such a way that it becomes possible for it to leave the Warsaw Pact Organization. This is a basic desire among the Hungarian people. However, this must be done through negotiations, within a European system of security, and with consideration for those factors that generally apply to the European and global balance of power. Nor can we ignore those fundamental contacts that still tie Hungary to the Soviet economy, energy reserves, raw materials and markets.

[Kristof] Has the Soviet Union shown any gestures toward you and your new government?

[Antall] Through Ambassador Stukhalin, the Soviet leaders repeatedly expressed their good will. We were also very politely treated by the soldiers, the commander of the South Army Group and others; conveying similar messages of good will. And now that we have been invited to the meeting of the Warsaw Pact's political leaders, obviously we will meet Gorbachov in person. I feel that it is our national interest to keep negotiating with the Soviet Union in a friendly manner, even while we unequivocally set forth our fundamental interests, including those that relate to the precisely scheduled withdrawal of Soviet troops from Hungary, and the country's preparation for exit from the Warsaw Treaty Organization. We are compelled to proceed with this by the unified will of our people.

[Kristof] Earlier you said: "We could guide the country out of this crisis if the preconditions for governing materialize." What do you mean by this?

[Antall] This time we are not witnessing a simple change of government, but rather a political transformation of such dimensions that alters the structure of the government and the style of governing. A multiparty National Assembly has come into being. Add to this the fact that the participants in today's political life, including even ministers or political secretaries of state, were all outside political parties during recent decades. Aside from a few exceptions, the deputies were not members of the legislature during the previous parliamentary cycle. In other countries, when the opposition comes to power, even if its members have no governing experience, at least they have parliamentary routine. But here we are witnessing a change of system in the course of which deputies entered the National Assembly without having had any previous political or civil service function, and no opposition traditions in the parliament. This, in itself, represents a tremendous change and a huge problem. Right now, even deputies who represent the governing party in the National Assembly have certain oppositionist reflexes. What they would prefer doing is constantly attack the government; not because they consider it a bad government, but because they wish to stand up to authority. A centuries-old belief prevails in Hungary, according to which it is a glorious thing to stand up to governments and offices of any kind, while it is shameful to be serving established authority of any kind.

[Kristof] Such a belief and behavior are obviously the remnants of a sad past. That past reaches into the future, does it not...

[Antall] Indeed, it is impossible to put an end to the past.... In any event, the only way this kind of a thorough transformation can be imagined is by ensuring the continuity of state administration. The principle of ministerial responsibility was in fact missing during recent years. After the period of party instructions, we should reestablish real ministerial governing in Hungary. When we were discussing the modification of the constitution, I favored eliminating the post of deputy prime minister, because it conflicts with the principle of ministerial accountability. In addition to this, we now have to establish new local administration; we are also facing the task of transforming local self-government, and preparing local elections. If we had nothing else to do but create a new administration and conduct the elections for local government, that would be a huge task in itself. Add to this the numerous problems of our economy. When a dictatorship falls and its place is taken by a parliamentary system, it is a great transformation, even if there is a well-developed economic life in the private sphere.

We are also finding ourselves in an entirely new relationship with our neighbors. In other words, the dimensions of change are so great in Hungary that they can hardly be measured. If someone thought about all this too deeply, he would either feel a tremendous sense of responsibility, or else he would say that he is not crazy enough to become involved in such a game. On the other hand, someone has to take on these tasks, because it is unlikely that Hungary will once again have a similar historical chance. I can honestly say that this is not simply a change of political systems; it is more like a transformation similar to what Saint Stephen [first Hungarian king] implemented [in about AD 1000].

Who Is Responsible?

[Kristof] Fortunately, this transformation occurred peacefully, with no one having lead poured into their ears or being quartered....

[Antall] There are great advantages to a peaceful transformation: There is no blood bath, and neither individuals nor material values are destroyed. At the same time, it has some psychological disadvantages, too. When a revolution takes place, certain people have to be losers and are likely to suffer their losses with dignity, while maintaining a sense of new beginning. In our case, people resist having to lose anything. Having acquired something, no one wants to give up anything at all....

[Kristof] Evidently, people form their judgments on the bases of how their individual fate develops. Only a communist government could seriously hope that workers will "voluntarily" act against their own interests....

[Antall] I expect nothing like that. In any event, hope is not a political category. Analyzing the entire situation is extremely difficult. Let us add to this that as recently as two years ago a significant portion of Hungary's population (as they used to say, "the broad masses of society"), including even the intellectuals, viewed the activities of the opposition with a certain amount of indifference. Therefore, the power of the opposition movement was far from great. And now everyone is critical and skeptical, wondering why we do not have better experts, why are not we better prepared, and why is not there a larger staff at the disposal of the opposition parties, which now make up the government? It is difficult to determine if this is the fault of the opposition, or if society did not accept the wave of renewal. What this means, however, is that today there is a government at the country's helm which (similarly to its parliamentary opposition) is not supported by professionals and political parties with well-developed infrastructures in the Western European sense. On the other hand, private alliances are still operating.

In Hungary it makes eminently good sense to talk about a peculiar, provincial version of the Eisenhower concept of a military-industrial complex, which can easily resist the efforts of the government. Major economic power is in the hands of interest groups that are not in favor of changes. In fact, during the process of privatizing state property these either acted as retrograde forces or pushed developments in the direction of uncontrollable privatization. In addition, another factor required for the normal operation of a society, a three-way relationship between the employees, the employers and the state, is completely distorted in Hungary.... Missing are the professional politicians of a multiparty democracy, as well as the managerial layer of an functioning market economy. It appears (and many of our Western negotiating partners refer to this) that financial proposals are not welcome. This is why one of the government's decisions concerned the establishment of an information office that would act as an intermediary between Hungarian and foreign partners in promoting investments and projects. Regrettably, the government must become directly involved in this; we cannot say what they like to repeat in a number of Western countries, that the economy is operating quite well, because the state does not interfere....

The Power of the Press

[Kristof] There is not much of substance the MAGYAR NEMZET's journalist can add to all this; so we will try to be humorous. Here goes: On top of everything else, there is the skeptical press....

[Antall] I consider it the greatest shortcoming of the roundtable discussions (and a fault shared by the entire opposition of the times) that we have not been able to include among the fundamental laws one that applies to public information and the press. We have similarly failed to come up with regulations concerning television or radio. And now, since we have no modern press- and

media-regulations suitable for a political democracy, we are witnessing the rise of tensions on issues where no tension should exist. We must develop a relationship in which political authority and government have a better sense concerning the function of the press, and where the press also finds its own role. For the press to really become the fourth center of power, it must perform certain public service functions. This has nothing to do with any of the parties or with state authority; on the contrary, its special appeal is that the press should fulfill a role that applies to the entire society. I feel that it would be a cliche for me to say that I am entirely committed to the principle of the freedom of the press. Of course I am, as long as this freedom is used without endangering the freedom and rights of others, and as long as it does not encroach on individual privacy and human dignity. I consider it a very important part of our transformation for the press to progress beyond its present role, at times resisting the reflexlike temptation to oppose. As for the partisan press, I do not feel that it will survive; and I hope that we can find opportunities for a certain nonpartisan attitude at the television and at the radio. It would also be important to have good newspapers, as well as good journalists, because only good quality journalism (in collaboration with communication and information) will be able to create public opinion that befits democracy.

[Kristof] Perhaps as an attempt to relax the tension after talking about the problems of domestic politics and economy, the MAGYAR NEMZET would like to hear about the government's foreign policy concepts.

[Antall] Our fundamental aim is to join a unified Europe. This has become somewhat of a cliche. This includes, as our first goal, gaining membership in the Council of Europe, to be followed by a bilateral association with the European Common Market (for which we have very good chances), after which in 1992 we would begin substantive negotiations about our joining the Common Market, which could take place during this decade. Closer to home, even though the Warsaw Pact's internal bases are upset and the CMEA is disbanding, a collaboration among the nations of the region remains very important. One can visualize a coordination of Polish, Czechoslovakian, and Hungarian interests and the formulation of shared positions. Of course, that would not be an easy task.

From the Danube to the Adriatic

[Antall] When President Havel was in Budapest, I told him that we have already tried this once in 1335, at the meeting at Visegrad; then we waited some 600 years, and here it is, the task has not become easier. One hopeful fact is that the cultural traditions of these three countries are close to each other. Another opportunity can be found in the idea of an Adriatic-Alpine regional cooperation, which in fact implies expanded, free cultural and economic exchanges within the border zones of Austria, Italy, Yugoslavia and Hungary. There is merit in the concept of a Danube-Adriatic program, too, which could also create cooperation among Austrians, Italians, Yugoslavs and Hungarians. This concept will be discussed by government heads in Venice this coming August. Reviving an idea that flourished during the Anjou [Angevine] period, Italy shows considerable interest in our region, and in this regard it is inspired by the vision of German unity. What all this implies is that we need a multifaceted foreign policy, and it will be useful for us to maintain diverse contacts. In unequivocally striving for European unity, we can rely on the support of Germany, France, England and Italy. I would like to emphasize that our integrating concepts cannot conflict with the idea of Atlantic unity, which is not a NATO invention, but a part of European thinking since the 16th century.

When it comes to our system of economic contacts, we cannot exclude any country, least of all Japan; after all, 40 percent of our indebtedness is to that country. We must take advantage of Japanese interest in Europe. In general, we should think in terms of a world with several political centers. The coming decades will probably point in that direction; the era of a bipolar world is nearly over. I feel that for Hungary this is a positive development. Of course, we wish to maintain our contacts with the Soviet Union, and our calls for the withdrawal of Soviet troops and our intention to leave the Warsaw Pact do not imply hostility, only a desire to achieve equality based on mutual interests; that is, the development of a relationship which would make it even easier to cooperate in the spheres of economy and politics. Political trends are impossible to copy, but the maintenance of good-neighborly relationships is illustrated by the case of Finland and the Soviet Union: Their good-neighborly relationship contributed to the fact that today Finland is one of Europe's most dynamically developing countries.

Soviet Ambassador on Relations, Troop Removal, Border Issues

25000771A Budapest NEPSZABADSAG in Hungarian 28 Jul 90 pp 1, 3

[Interview with new Soviet Ambassador to Budapest Ivan Aboimov, by Peter Vajda and Istvan Zalai; place and date not given: "Our Differences Are Temporary"]

[Text] [NEPSZABADSAG] Mr. Ambassador, this is not the first time that you serve in a diplomatic post in Hungary. What changes do you regard as most deserving of attention here?

[Aboimov] As a result of my duties I was able to spend many years in Hungary during the past decade, in various capacities at the Soviet embassy. In those days it appeared to me that by the mid-1970's Hungary achieved definite results in democratizing society, in production and in the field of sciences. Hungary was first in the region to embark on the path of political and economic reform. Agriculture showed significant development; consumer needs were satisfied at a relatively high level. The country's prestige has not grown both in the East and in the West by coincidence. But in the

following period the increasing effects of economic difficulties made themselves felt. The system whose development had been stunted proved to be incapable, under new conditions, to provide substantive resolution of the emerging new problems. To put it bluntly: The crisis situation in which Hungary, and of course other East European countries, found themselves necessitated deep-rooted changes. The pluralist transformation of Hungarian society, the fact that new political forces were linked to this process, provided forceful dynamics to the country's life and lead to substantive changes. Hungarian society is actively seeking the path of transforming political and economic structures and economic activities. Only life will show the results of all of this, of course. Considering the fact that large-scale transformation is also taking place in our country, any positive experience may be of interest to us.

[NEPSZABADSAG] What is your evaluation of political and economic relations between our countries? How can the stability of political relations be maintained, and the decline of economic relations be prevented?

[Aboimov] The question seems to suggest that political and economic relations are not evolving quite successfully. But I would not share such a hastily drawn conclusion. One cannot deny of course that there are more than just a few problems in our commercial and economic cooperation. In my view these are related primarily to the difficulties resulting from the fact that the old forms of economic management which survived longer than their useful life have become impossible, and from the fact that fundamental economic reform will take place in both countries in the framework of an evolving new mechanism. But at the same time, building on this, there may come about a new, healthy foundation for the qualitative change of the entire bilateral system of economic relations. Certain definite effects accompany the fact that as of 1 January 1991 we are changing over to trade based on world market prices, and to the settlement of accounts in convertible currencies. Pricing will be consistent with internationally accepted economic relations; demand for quality and for levels of technology will increase; direct cooperation between enterprises, between cooperatives and firms will get the green light, and scientific and technical relations will also be activated. The most important thing is that the entire system of economic relations function efficiently, in the absence of regrettable hurdles which it is still possible to encounter today, and unfortunately, this kind of thing affects the atmosphere of our cooperation in a negative fashion.

Insofar as the stabilization of political relations is concerned, I must say that the basic foreign policy principles of the Soviet leadership define a consistent policy in regard to Hungary. Our endeavor to build relations as good neighbors, on the basis of equality and mutual respect, follows from this policy, taking into consideration geographic factors, as well as the lessons learned from history. We are interested in appropriate and mutually advantageous cooperation in every field; we want to activate our interstate relations as well as our relations in the humanitarian sphere. New perspectives are opening up on the path of constructive Soviet-Hungarian cooperation in foreign policy, particularly in the context of Europe.

[NEPSZABADSAG] Are differences in positions regarding some issues endanger the whole of Hungarian-Soviet relations?

[Aboimov] In my view, differences in our views need not endanger the fundamental principles of cooperation. This is even more true because the differences turn out to be of a temporary character if we consider long-term interests. A solution which satisfies both sides can be found even in regard to the most complex issues, provided that a mutual intent to this effect exists. This is our firm position. But of course the relations between our states cannot be perceived as a one-way street, and in the final analysis a great deal depends on the efforts both sides make in order to have a favorable atmosphere for our relations as a whole. Regular contact between the two parliaments would contribute to the development and strengthening of relations; similarly, development of cultural and scientific exchanges may play a part in this. Information flow will not play just any role in this. They will greatly contribute to the molding of public opinion.

[NEPSZABADSAG] Insofar as the future of our relations is concerned, a need has surfaced to place the bilateral relationship on new contractual foundations. What is the position of the Soviet side in this regard?

[Aboimov] Fundamentally we view this endeavor positively. I believe that this is an objective requirement: Let us renew the legal foundations for our bilateral relations. This does not mean of course that the contracts and agreements which exist between our countries are so bad that they would be in need of urgent change. Simply put, consistent with the changes that took place in our countries we must also perfect the legal foundations of international relations. We believe that the basic agreement, which essentially withstood the test of time, also needs to be renewed. So, since we aware of the fact that this is also the intent of the Hungarian side, we are prepared to do so.

[NEPSZABADSAG] Understandably, in recent times the withdrawal of Soviet troops from Hungary has come to the forefront, particularly in regard to the deadline of such withdrawal. Disputes concerning financial issues are known. How do you view this issue?

[Aboimov] I would like to respond briefly so that I do not influence in any way the ongoing negotiations between the delegations. All I would say is that I am somewhat concerned about the atmosphere which evolved around the negotiations pertaining to property law and financial issues. I stress that the atmosphere is at issue. The heart of the matter is that according to the agreement signed there are two kinds of duties. One is the time-proportionate [as published] schedule of troop

withdrawals, the other is the resolution of issues pertaining to property law and financial matters. Insofar as the schedule is concerned, the Soviet side is strictly abiding by that schedule, and we have no intention to reexamine the deadlines in any way. I must add that the command of the Southern Army plays a great role in accurately abiding by these deadlines, they are the ones who directly organize this work. Insofar as the other group of questions is concerned, there are still many undecided issues; I do not wish to go into details concerning the reasons for these. All I want to say is that settlement of these can be accomplished only through a mutual approach. I feel that an effort should be made to relax passions which evolved around these issues and which reached the pages of the press. And the experts must seek mutually satisfactory solutions at the negotiating table.

[NEPSZABADSAG] In speaking of the press, Mr. Ambassador, do you have in mind the press in both countries?

[Aboimov] Yes, these passions have reached the press in both countries.

[NEPSZABADSAG] You were in the Soviet Union recently. Was your visit related to the withdrawal of troops?

[Aboimov] I was at home for a short time regarding a specific matter. A committee of the Supreme Council discussed issues pertaining to troop withdrawals from Hungary and Czechoslovakia. Once again I became convinced that the tense pace of troop withdrawals leads to many economic and social problems relative to the placement of these units, and primarily in the framework of housing for officers and the professional staff, and resolving the school and nursery concerns of their children. To a certain extent these problems explain the desire of the Soviet side for the earliest possible settlement of issues relating to Soviet military property that stays within the territory of Hungary.

[NEPSZABADSAG] In your experience, how does your country judge the changes that have taken place in Central-East Europe?

[Aboimov] Whenever changes of a historical scope and particularly of such intensity are at issue it is fully understandable that these changes register in the people's minds in different ways. True, objective developmental necessities must not be judged on the basis of moods and emotions. But in everyday life, including in politics, one cannot disregard problems which excite people. I would not be fully candid if I were to state that in our country the changes in Central-East Europe were received with a uniformly positive outlook. It is no secret, and you may know this also from what was published in the press, that in this regard there are differences of opinion. But the most important thing is that in our country a majority of the people approve of the Soviet leadership's foreign policy, the new way of political thinking. The principle which holds that countries choose their own road is broadly recognized. And as the Soviet leadership expressed more than once, this point of view prevails in our relations with the states of Central-East Europe. Correspondingly we count on the fact that they will respect the choice made by our people. Let me repeat: Our countries have their common economic and political interests. These will guide us also in our bilateral relations and on the common path which leads to a peaceful Europe. The Soviet people well understand that relations built on good intentions, mutuality, mutual respect and cooperation, are the only solid relations.

[NEPSZABADSAG] In the recent past attention was drawn to Soviet measures restricting border traffic. The reasons for this action are not quite clear us.

[Aboimov] This is an important question, I am glad you asked. These are unusual measures, because in recent years crossing the border became easier for citizens of both countries. Still, at this time the Soviet government was forced to take some temporary restrictive steps. These were warranted exclusively by economic considerations, and there are no political considerations whatsoever behind this matter. I must add immediately that these measures apply not only to the Soviet-Hungarian border, but also to the entire Western border region, also to the border zones neighboring Czechoslovakia and Poland. Incidentally, the restriction does not apply to Hungarian citizens as much as it does to the citizens of our country. And as long as we are dealing with this topic I would add another matter that emerged as a problem in recent times: the matter of oil deliveries. This is also caused by none other than economic constraint, the difficult situation that evolved in this regard in our country. Accordingly, there are no political considerations or discrimination behind this matter, and this also applies equally to the other CEMA countries, just as it does to Hungary.

[NEPSZABADSAG] Finally, a personal question: What could we learn about the weekdays of the Soviet ambassador?

[Aboimov] As is usual in such situations, at the beginning of the activities of ambassadors, it is understandable that at present much time is spent on obligations, visits dictated by protocol. But naturally I set aside time for myself to become familiar with the country, with ongoing processes. This term, "getting acquainted" may sound odd, because I had worked here before; I had already been able to get acquainted with the country, but I believe that a diplomat must sense the atmosphere which surrounds him. I devote much time also to the Hungarian press....

[NEPSZABADSAG] And do you find it enjoyable?

[Aboimov] Sometimes. In any event, the newspapers are always interesting to me; they are the mirrors of ongoing developments. Also in these days I am a daily reader of

your newspaper, just as in Moscow, where I subscribed to NEPSZABADSAG, so that I not lose touch with the country.

Patriotic People's Front Not To Disband

90CH0207B Budapest NEPSZABADSAG in Hungarian 14 May 90 p 5

[Article by Zoltan Hegyes and Karoly Rimoczi: "The Script Was Upturned"]

[Text] The Patriotic People's Front (HNF) will not disband, it was decided on Sunday after a long and heated debate by those present at the Tenth Extraordinary Congress of the HNF. The People's Front constitution was subsequently suspended and, because the People's Front executive committee resigned at the start of the congress, a 13-member caretaker committee was chosen and entrusted with the task of convening the next congress—one of similar composition—by 30 June and nominating candidates for the future executive committee.

The congress was extraordinary not only in its designation but also in its circumstances. It was convened by the executive committee, not by the national council, and those who sat down in the rows of seats were guests, not delegates. Three hundred and twenty-five of the 400 invitees showed up and at the start of the congress declared themselves delegates. It is owing to this that later on several speakers questioned the legitimacy of the congress, saying that pseudodelegates cannot make the decision on disbandment.

The resignation of the national executive committee and the irregularities surrounding the birth of the executive committee proposal—the congress pronounced disbandment of the HNF without a legal successor—became known when Sandor Gyori, head of the ethics committee, said: "At the meeting where the decision was made, only about 15 of the 25 members of the executive committee were present. Seven of them opposed and seven favored the resignation and the proposal, and the chairman's vote was ultimately decisive."

After losing the vote, those who favored the HNF's self-disbandment argued that the HNF's financial resources were adequate for operation only until 30 June. On the other hand, the ethics committee head said after the decision that according to the parliamentary decree now in effect the HNF received 125 million forints for 1990 and so far 62.5 million have been transferred to the HNF's account, so the same amount remains for the second half of the year. According to others, this amount is just enough for liquidation.

After the proposal, the most frequently perused document at the congress was the constitution, and the busiest official was the control committee head. The debate was characterized by petty squabbles, provincial viewpoints, and the frequently intense rural/urban conflict. After passionate speeches accompanied by rumblings, the congress decided that only the issue of "existence" would be determined by secret ballot, not whether there would be a legal successor in the case of disbandment. Of the 312 votes, 186 (57.2 percent) were cast in favor of disbandment and 120 (36.9 percent) against. Six votes were invalid.

Several persons claimed that the congress was manipulated, that the whole thing followed a script worked out in advance. There were those, including Kalman Kulcsar, who charged the executive committee with deliberately destroying the HNF. And even though there were some who rejected these charges, it was not surprising that when the caretaker committee was chosen, the national council members who were present relinquished their posts one after the other, arguing that the decision by the congress was leading the people's front movement down a blind alley. Others did not accept their nominations because they felt it was more important to discuss how the affiliated organizations could survive.

Some "nameless" activists won seats on the 13-member caretaker committee that was elected after a lengthy nomination procedure; among the executive committee members, only secretary Imre Meszaros won a nomination and received a vote of confidence.

The to-be-or-not-to-be issue will again dominate the congress to be convened by 30 June. According to some, the present decision only postponed the moment of death of the People's Front. Others essentially advocated an open break when they argued that those who vote in favor of continuing should establish their own alliance—the name suggested earlier was "National Alliance of Societies"—which as the legal successor could also lay claim to the HNF's financial resources.

A decision was not forthcoming in a case eagerly awaited by the Independent Smallholders' Party (FKGP), namely, whether the HNF will abandon the Belgrade wharf office and transfer it to the FKGP.

Social Democrats Reclaim NEPSZAVA

90CH0207A Budapest NEPSZABADSAG in Hungarian 17 May 90 p 6

[Interview with Social Democratic Party Vice Chairman Endre Borbely Jr. and NEPSZAVA editor in chief Andras Deak by Jozsef Bartha Szabo; place and date not given: "The Petrasovitses Also Lay Claim to NEPSZAVA"]

[Text] The revived MSZMP [Hungarian Socialist Workers' Party] is bringing suit against the government and the MSZP [Hungarian Socialist Party] because it believes it was cheated out of property it had lawfully inherited, we recently reported. Well, another claimant to the deceased MSZMP's real and personal property has come forward: the Hungarian Social Democratic Party

(MSZDP). Dr. Endre Borbely, Jr., the party's vice chairman, answered our newspaper's questions.

[Borbely] Our first task is to expose the facts. The property of the SZDP [Socialist Democratic Party] consisted of newspapers, companies, printing presses, real estate, foreign currency, and cash on hand. In 1948, however, it lost everything when it was forced to disband, or rather was illegally merged with the Hungarian Communist Party, the legal predecessor of the MSZP and MSZMP. But our situation is fairly difficult because the documents necessary to shed light on the facts of the case are in the Institute of Party History, in the hands of the MSZP, in the archives, and who knows where else. In order to unearth and unravel all this, we asked the MSZP and MSZMP in writing for their help, and we have faith in their constructive cooperation.

[Szabo] Did your inquiry meet with a favorable response?

[Borbely] Still nothing yet, but in a previous conversation Rezso Nyers recognized our party's legal claim to the documents.

[Szabo] Is it conceivable that an agreement will be reached with the MSZP and MSZMP?

[Borbely] Not when it comes down to the issue of property. I fear they will bring lawsuits against each other. After all, they want to share what is only partially theirs, because they came by the rest illegally.

[Szabo] And yet an understanding of some kind will be necessary, won't it?

[Borbely] It is in their interest to wipe clean the blemishes of the past. We promise them the opportunity to do so. They could clear their conscience if they would confess that the forced merger was illegal. In this area we will cooperate with them, but not in any peaceful sharing.

[Szabo] What is it that you lay claim to, anyway?

[Borbely] As we wrote to Prime Minister Miklos Nemeth: The current party center on Dohany Street and the right to ownership of NEPSZAVA and Vilagossag Press must be returned at once. We requested special priority for the latter.

[Szabo] Do the readers of NEPSZAVA know about this?

[Borbely] NEPSZAVA has traditionally been a Social Democratic newspaper. So no one can dispute the legality of our claim. Nor do we wish to renounce the claim. Now that our party has been driven out of Parliament, we particularly need a national organ to make our voice heard.

[Szabo] Have you conferred with the National Federation of Trade Unions, or rather its chairman, Sandor Nagy?

[Borbely] It is the viewpoint of Social Democrats that relations with functionaries of the bygone period are undesirable. So we do not associate with either the successor of SZOT [National Council of Trade Unions] or leader Sandor Nagy and his ilk.

[Szabo] What do you hope for?

[Borbely] Only in a pinch would we consider a lawsuit. We are convinced that a genuine change of regime is conceivable only if we honestly bring to light the errors and injustices of the past, and correct them. For this very reason we hope that the enactment of parliamentary laws will redress the dubious and unlawful cases of the past.

We asked Andras Deak, editor in chief of NEPSZAVA, if he knew whether the Social Democratic Party had registered a claim for his newspaper.

[Deak] Which one?

[Szabo] The MSZDP, which is stamped with the name of Anna Petrasovits.

[Deak] On what basis?

[Szabo] The fact that it is a traditional Social Democratic newspaper.

[Deak] It is hard for me to express an opinion offhand. So far we editors have made a serious effort—an unsuccessful one, it seems—to free ourselves of dependency of any kind. It is our firm view that in the future we do not want to serve any party, master, or political organization.

We do not deny that NEPSZAVA has been a newspaper Social Democratic in spirit, and from now on we honestly intend to serve the interests of workers. But without being told how to do it! NEPSZAVA is a national political newspaper with a circulation of 200,000. Under no circumstances must it be allowed to become a party journal again. We would be cheating and shortchanging our readers if we did not strive to develop a politically independent position.

Justice Minister on State Enterprises

25000773B Budapest MAGYAR HIRLAP in Hungarian 28 Jul 90 pp 1, 3

[Report on government spokesman Laszlo Balazs's press conference of 27 July 1990]

[Excerpt] [passage omitted]

Justice Minister Istvan Balsai was the guest at yesterday's briefing. He reported on the most recent changes made in the government decree on state enterprises. According to his statement, enterprise councils will have to be reelected everywhere by 15 September 1990. The justice minister supported this requirement by saying that only new, legitimate enterprise councils will be able to elect legitimate, new enterprise managers accepted by everyone. Balsai also reported that in the interest of

restoring ownership, the cabinet decided to recommend discontinuation of management rights with respect to social organizations. The decisive majority of these organizations will obtain use rights instead of management rights until such time that the parliament renders a decision on how to proceed. The cabinet will submit its proposal to the National Assembly prior to 31 October. There are three alternative solutions for social organizations, according to Balsai. Real property managed by these organizations thus far will be either transferred into the ownership of these organizations, or will be given to them for use; alternatively they may lease such property. Incidentally, social organizations may expend the revenues they receive from the use of real property for their own purposes. The exceptions to this rule are the Hungarian Socialist Party [MSZP]; the Hungarian Socialist Workers Party [MSZMP]; the Democratic Hungarian Youth Organization—Communist Youth Organization—Pioneer Association [DEMISZ—KISZ—Pioneers]; the Patriotic People's Front [PPF]; the National Peace Council; the Hungarian Women's Association; the Hungarian-Soviet Friendship Society; the Association of Hungarian Resistance Workers and Anti-Fascists; and the Hungarian National Defense Association. These organizations will have to pass on to the state coffers the amounts collected from the use of property. The organizations mentioned above must also give account of their fixed assets, and they must submit a report to the State Accounting Office by the end of September. [passage omitted]

Scholarship Students in USSR Despair; Romanians To Fill Empty Quota

25000766A Budapest HETI VILAGGAZDASAG in Hungarian 19 May 90 pp 17-18

[Article by HVG Moscow reporter Gabor Lambert: "Scholarship Students in the Soviet Union: Reverse the Whole Thing?"]

[Text] The five-year Hungarian-Soviet public education agreement will expire this year. As of this time only preparatory negotiations are taking place concerning a new agreement. It is certain that this new agreement will regard entirely different numbers of students than the present agreement, and that it will be for only a three year, not a five years term. Indeed, who knows what [the situation] will be in 1993?

Interest in Soviet educational scholarships has declined virtually year after year. As Moscow Hungarian Embassy education group leader Peter Holodnyak says, at present only 430 Hungarian scholarship students are left to study in Soviet institutions of higher education, even though in the mid-1970's they numbered about 1,400, and in the early 1980's almost a thousand Hungarians studied in the Soviet Union. In contrast, in recent years it became a general phenomenon that more students graduate than the number of first year students who enter. As matters stand today, this coming September only 30 Hungarian scholarship students will begin their higher education in the Soviet Union, even though the number of openings available for such students is twice as large.

As a result of Hungarian political and social changes there is increasing uncertainty among those studying here. The 48 Hungarian students trained to be Russian language teachers in Voronezh find themselves perhaps in the most hopeless situation. Namely, there is no apparent reason to warrant their stay since mandatory Russian language training has been discontinued in Hungary. And yet, when early this year the Ministry of Culture wanted to recall the third year students because for the past two years no Hungarian students had been enrolled at the university in Voronezh, the students almost revolted.

Not everyone wants to stay, of course. Each year about 30 students interrupt their studies and return home prematurely. Interestingly, this takes place only on the rarest occasions, and mostly because these students are unable to adapt to new circumstances. The Voronezh "insurrectionists" argued that they would like to acquire a diploma since they have already spent two and one half years there. In the end they received permission to complete their five year course. But officials stressed that contrary to past practice, the Ministry will be unable to ensure job placement for them. For this reason the university showed understanding and also began teaching another foreign language to the third year students, in groups of four or five, for 10 hours a week. Many aspire to complement their future diploma with a specialized course in foreign trade, and there are some who hope that after a receding tide of political antipathy there will be a need for Russian language teachers in Austria, in the Federal Republic of Germany and elsewhere in West Europe, if nowhere else.

Those who studied engineering sciences in fields where [manpower] shortages exist may be more confident insofar as their future is concerned. At present they number 130. In reality, however, even those specializing in nuclear energey do not envision an unclouded future. Another phenomenon which accompanies the changing Hungarian-Soviet relations is the fact that for the next several years civilian pilots will not be trained in the Soviet Union. At present the subject of whether it is worthwhile continuing education in the field of economics in the Soviet Union is subject to debate. Eighty-five Hungarian students are affected by this matter at present. An unquestionable argument supportive of staying, is the fact that interenterprise negotiations may play an ever increasing role in economic relations, and in this regard familiarity with Soviet regulators and an extended knowledge of the business outlook may prove to be valuable. However different Hungarian economic thought may be, cooperation brought down to a realistic level is likely to provide work to economists well acquainted with the Soviet market for a long time to come.

The 93 future (?) Hungarian diplomats and journalists studying at the legendary IMO (Institute of International

Relations), and those who pursue their studies in the field of international economic relations are restless. Candidates for a diplomatic career in particular are helpless because the Foreign Ministry dispatched its scholarship students beginning this year with a statement: they are unable to guarantee their job placement. Quite naturally, it is equally a fact that foreign service training of this kind, specializing in countries, is not being conducted in Hungary for now. IMO students acquire rather high levels of knowledge of two, or rather three languages, as well as knowledge of the target country. Thus, based on rational considerations, it is conceivable also in the longer term that the Foreign Ministry will not abandon the graduates of Moscow. Incidentally, they no longer learn about scientific communism, and the history of the Soviet Communist Party is being taught jointly with the histories of other parties, such as the Social Democrats, Christian Democrats, etc.

Incidentally, the reduced number of scholarship students studying in the Soviet Union is not an expressly Hungarian phenomenon. As of recently, the number of students artificially inflated on grounds of political considerations in the past, is being reduced also in other East European countries. In Czechoslovakia, for example, the number of students entering school [in the Soviet Union] has been reduced to about one-third of the earlier number. For the time being no one knows what will be the fate of East German students. The monetary union which occurred this summer with the speed of a storm created a fundamentally new situation. This affects not only their scholarship students, but also the whole of bilateral economic relations. But since in the future the expenses [incurred by] Soviet students studying in the German Democratic Republic will have to be paid in West German marks, the only question that may arise in the framework of mutuality is the price level they regard as a basis in determining college and tuition fees.

But as they say, there are aspirants already for the unfilled scholarship quotas. Rumors are that the Chinese are coming, and, beginning in September—after a long pause and, as may be anticipated, in rather large numbers—Romanian students will also appear in Soviet institutions of higher education. In Romania it seems that the worth of the "red" diploma has not depreciated.

Inadequate Diplomas

"Enough Hungarian students to fill a university are studying abroad on state scholarships," persons in authority loved to stress in earlier years. If this was true, in the near future a much smaller number of matriculated students will commence their higher level studies. In other words, the "socialist" scholarship system as a whole has virtually collapsed, and for the time being there is no replacement for it.

Thus far only 174 students applied for the 338 places announced to be available this year in East European countries, and 143 of the 174 were admitted. The situation is even more varied if viewed on the basis of individual countries. In the suddenly popular GDR all of the 60 announced slots were filled. In Yugoslavia, too, the quota has been filled—mainly by members of nationalities. At the same time there were only 70 applicants for 250 possible slots allotted in an earlier period in the Soviet Union, and one may expect that only 30 of the 70 will actually depart. Three Hungarian students will begin their studies this fall in Poland, while two will travel to Bulgaria. Accordingly, a demand exists only for the GDR; in this case, however the "supply" is uncertain. The Finance Ministry division having jurisdiction of such matters is momentarily conducting negotiations regarding the conditions under which new recipients of scholarships would be dispatched, and about the future financing of students who are already studying abroad.

Not only the number of scholarship students has changed, but their "legal capacity" has also changed. Contrary to previous years, this year not a single student aspiring to [study] abroad will be automatically assured of job placement. This would be all right, but actually, in cases involving other than freshmen, this lack of assurance actually constitutes a unilateral breach of contract. As it turned out, the "right" which appeared as a virtual privilege was actually a duty. In other words, up until now the various ministries and those who newly acquired their diplomas agreed that the graduates would receive a job commensurate with their education, jobs which the contracting professionals must accept. If they did not accept such jobs, they were obligated to repay the scholarship funds paid to them over a five year period. There were examples for such incidents, but Ministry of Culture division director Pal Soos, in charge of foreign scholarships, finds nothing objectionable about the fact that at present, ministries simply decline to secure employment positions. "The piece of paper signed by the students is not a contract, it is a statement," he says. After saying that he counsels students who find themselves in East Europe, Soos said that from now on the Ministry will not invoke any sanctions if they interrupt their studies because of future or presently existing problems. Soos says that no sanctions will be invoked even in regard to those who "interrupted their foreign studies as a matter of negligence." In the experience of persons who graduated abroad, those who "only" got fed up with not having enough food, or with the Stalinist university atmosphere also fell into this category, and so did those who simply wanted to continue their studies at home. Accordingly, at present any excuse may be given, but conditions for continuing education in Hungary will be established by the appropriate Hungarian university. It seems then that in this regard, the change will also have its victims in Hungary. Thus, while one should welcome the fact that the fate of scholarship students studying abroad will be similar to that of their fellow students studying in Hungary and will take shape consistent with demand and [existing] needs, the method by which all this is taking place—one that regretfully may be regarded almost as typical by now—may be questioned. And what is perhaps even more important: There is no word thus far about Hungarian universities

accepting a few hundred more students to replace the number of students who dropped out, or about Hungarian students having an opportunity to receive an education in Western Europe on state or some other scholarship.

Communist Infiltration Halts County Police Reorganization

Communist Efforts Frustrate Officers

25000764A Budapest MAGYAR HIRLAP in Hungarian 14 Jul 90 p 3

[Unattributed article: "Police Officers Protest: Former MSZMP [Hungarian Socialist Workers Party] Party Secretary Puts on the Uniform"]

[Text] "I have nothing to hide; I am requesting an investigation of the circumstances," Nograd County acting police chief Dr. Lajos Egyed declared at a special staff meeting. Several officers of the county police filed a complaint with Salgotarjan National Assembly representative Zoltan Speidl (MDF) [Hungarian Democratic Forum]. Speidl in turn wrote a letter to Interior Ministry Political State Secretary Istvan Morvay informing him of the complaint.

The officers of the county police force request the Interior Ministry to halt the ongoing Nograd County [police] reorganization, as well as the changing of the staff table [as published], i.e. of the grade assignments. The acting chief intends to take certain steps in the reorganization which would weaken the fight against crime, thus presenting the future command staff with difficulties that could not be resolved.

They also mentioned the fact that in their opinion the choice of the command corps caters to personal interests and serves the purpose of garnering power. The former party committee secretary and the former deputy Workers Guard commander are being assigned to important posts, while they have no competence in this field. At the same time, competent persons are being assigned elsewhere on grounds that various other interests are being served.

During the long period before police chiefs are appointed on a competitive basis, people may be ruined and grave damage may be done to criminal prosecution work, according to the officers.

According to information received, reorganization of county police forces was stopped instantly throughout the country. Responding to a reporter from the Hungarian Telegraphic Agency (MTI), Peter Varhelyi, head of the Interior Ministry's secretariat in the parliament confirmed only that henceforth the acting county police chiefs may act on personnel matters only with permission from the national police chief. Personnel decisions that elicit objections will be reviewed. On Friday the plan for competitive personnel selection was the subject of discussion at a conference held by the minister. It is expected that the full text of the announcement for competition will be published during the third week of July.

Editorial Sees Smallholders' Ploy

25000764A Budapest MAGYAR HIRLAP in Hungarian 16 Jul 90 p 1

[Article by (franka): "The Interior Ministry Stopped the Reorganization"]

[Excerpts] Effective immediately, the Interior Ministry will stop the reorganization of county police headquarters throughout the country. We asked Interior Ministry public affairs office chief Eszter Szabo about the news report dated the day before yesterday. [passage omitted]

[Szabo] According to the minister, several currently acting police chiefs may compete. Accordingly, the reorganization effort had to be suspended because there should be no reorganization until final choices for police chiefs are made. In the fall, in several police headquarters, the new captains will most certainly organize their own troops [as published].

Thus far the ministry's reasoning. And yet, a few sentences of the Smallholders circular published on Saturday raise some doubts in our minds, and so does the nationwide action of the Interior Ministry. It is possible that the two matters are a result of coincidence, nevertheless we will quote the applicable passage from the circular: "In the interest of taking power we must address the earliest possible exchange of police and military officer staff so that persons favorable to us [hold those positions].

POLAND

Summary of Reforms for 9-Month Period Presented

90EP0740A Warsaw RZECZPOSPOLITA in Polish 23-24 Jun 90 p 6

[Article by M. Niezabitowska and M. Dabrowski: "M. Niezabitowska and M. Dabrowski on the Government's Achievements"]

[Text] In the course of nine months, the government sent to the Sejm more than 80 draft laws, of which more than 50 have already been passed. They involve all the most important areas of national life.

State Administration

A fundamental reform of state administration is in progress. This reform has a complex character. As with other areas undergoing reform, this one embraces changes of a structural nature as well as a broad turnover in cadres. The voivodship governor has become the key local administrator, and he reports exclusively to the Council of Ministers and the premier. The way the voivodship governor functions as a representative of the

government is undergoing radical change. Local government office organizations are being tailored to the new tasks. In line with the new law, there will now be only one voivodship deputy governor; heretofore, there had been from three to six of them. There is a reduction in the number of departments in voivodship governments—from about 25 to 10-15, a consequent cut in the number of department directors and their deputies (from 2,500 positions to about 1,400), as well as a reduction in the rank and file averaging between 30 and 35 percent. Corollary with personnel reduction, there is a turnover of cadres. Since 12 October 1989 there has been a turnover of voivodship governors in 23 voivodships. The total number of state management positions (exclusive of the Council of Ministers) is 166, of which 100 were appointed after 12 September 1989. In addition to these changes, there was also a nearly 50-percent turnover of directors and about a 40-percent turnover of assistant directors in the ministries and central government offices.

Local Self-Government

The government attaches great importance to the total rebuilding of local self-government institutions. That is why the premier fostered an initiative aimed at the acceleration of the local self-governmental election process. Intensive legislative efforts led to the approval of many legal documents including four laws of fundamental significance. These laws defined the basic principles of organization and operation of gminas and their officials, and they made possible the transfer of a significant share of state property and government administrative competency into the hands of the self-governing gmina councils.

The activity of the Ministry of Justice [MS] targeted, above all, a restructuring of the judiciary that would assure the independence of the courts and the independence of the judges. That was guaranteed by the law amending the system of common pleas courts. The public prosecutor's department was now placed under the minister of justice. The criminal code and the criminal penal code were amended. Preparations are now underway for a new criminal code and a new criminal penal code as well as for a reform of the civil code, the code of civil proceedings, and the code of criminal proceedings.

New self-government powers were constituted in the voivodship courts. A National Judiciary Council was created. The minister of justice appointed 40 new chief justices in the voivodship courts as well as new chief justices and associate justices in most of the regional courts. A review of the cadres of the public prosecutors' offices is nearing completion and, in 42 voivodships, the review has been completed. Fourteen district administrations of penal institutions were abolished. In the MS, the staff was reduced from 672 to 472. Nine people were relieved of directive positions and six others were appointed to such positions.

Work began to rehabilitate persons unjustly convicted, especially during the period 1944-56. Out of 970 cases investigated, 145 extraordinary reviews registered resulted in favorable decisions for 330 people. A draft law was prepared for the restructuring of the Commission for the Investigation of Hitlerite Crimes—Institute of National Remembrance into a commission that will also investigate and ferret out Stalinist crimes.

The Army

Important changes are occurring in the Polish armed forces. The parallel political chain of command has been eliminated. The broad restructuring target for the period until the year 2000 will result in an armed forces manpower reduction of about 20 percent, with a concurrent increase of professional soldiers from 33 percent to 46 percent of the total. The first stage of restructuring has included mainly army units and tactical groups. In order to attract young people to the army and to make service positions available for the young cadres, it was resolved: to discharge in the current year officers above 60 years old (with the exception of doctors, lawyers, and academic teachers, to accelerate the discharge of cadres who are overage for their respective military ranks (chiefly, colonels, and lieutenant colonels). By the end of the year, about 40 generals will have been discharged, with a further 12 to follow in 1991. Thus, the size of the corps of generals will be reduced to its prewar level.

Ministry of Internal Affairs

Profound changes occurred at the Ministry of Internal Affairs [MSW]. There is in progress a reorganization of structures that began in September 1989 and is now at the implementational stage, based on the so-called police laws that foresee the elimination of the SB [Security Service] and the MO [Citizens Militia], the call for a police and the creation of the UOP [Office of State Security], and a change in the character of the MSW. An exchange and a review of cadres are in progress.

In the period 1 December 1989 to 18 June 1990, the minister of internal affairs removed 202 members of the higher level directive cadres, including: one deputy minister; five chiefs of service; 16 departmental directors; and 32 deputies. Changes are being made in directive-level police positions with the help of a consulting-qualifications commission. This commission is composed of members of parliament and representatives of the NSZZ [Independent Self-governing Trade Union] Solidarity KK [National Committee]. It is aiding in an evaluation of all voivodship police commanders which began on 5 June. The Central Qualifying Commission, under the chairmanship of Minister Kozlowski, began its work of conducting a review of the qualifications of former SB officers.

Labor and Social Policy

Economic reforms and the related emergence of a labor market require the creation of a system of social protection. In the Ministry of Labor and Social Policy

[MPiPS], a draft law was prepared which deals with the specific principles for resolving the new position of labor with respect to workplace-related matters. Many legal documents bearing upon the organization of a labor market were elaborated. A program of unemployment compensation was implemented. Labor offices were opened on the voivodship and regional levels. A unemployment prevention program for youth was developed. One facet of this program is the anticipated creation of a foundation for the employment of graduates. An aid program for cooperatives for the handicapped was also developed which includes the granting of low-interest loans out of a government allocation of 100 billion zlotys. A bank for socioeconomic initiatives and an agency for local initiatives are in their final organizational phases. Work is in progress on a so-called small town program. Its goal is to counteract the mass unemployment caused by a plant closing in a one-plant area, resulting in the loss of the sole means of support for the population. Work is underway on the reform of the social security system, a new retirement law, a new law covering sick leave compensation, and a law dealing with the organization and financing of the social security system. An updated law on the principles of the creation of plant systems of emolument, the draft of which has already gone to the Sejm, provides, among other things, for a plant's autonomy in generating its own wage policy. The minimum wage is slated to undergo a change both with respect to its nature and its scale, which is to be brought in line with reality, guaranteeing a certain minimum level of compensation that takes into account not only basic compensation but also aggregate compensation. This year the parity between the wages of employees in the budgetary sphere and employees in the material production sphere will reach 100 percent.

Education

Education is likewise undergoing reform. The Ministry of National Education [MEN] elaborated drafts of three fundamentally significant laws: laws concerned with higher education; academic titles and degrees; and the system of education. The first two create the bases for the total autonomy of higher institutions of learning. The third, concerned with the system of education, breaks the monopoly of education until now possessed by the state, creating conditions for the enjoyment of legal equality by the various types of schools in their operation. These schools include self-governing, religious, and private ones as well as schools conducted by various associations. In educational matters, the law alludes to the Declaration of the Rights of Man. Beginning with September 1990, new programs of instruction will take effect. These emphasize the formation and the development of interests rather than the accumulation of encyclopedic knowledge, as had been the case until now.

In the course of a review of cadres at MEN, since September 1989, 17 people in managerial positions were replaced, 37 people were recalled or discharged, and 56 were hired. By means of a competitive examination, the minister selected for appointment 19 new superintendents of the various levels of education. Another 16 competitive examinations have been announced. The intermediate echelon of inspectors of education has been eliminated. More than 400 teachers, fired from teaching for political reasons, were reinstated.

Foreign Policy

The government attaches great importance to the correct formation of Polish foreign policy. Priority has been given to European policy and, above all, to the breaking down of barriers on the continent and to the cocreation of a new system of European security.

The government's strategic goal is a phased process aimed at membership in the EEC, beginning with associate member status. Part of that strategy includes developing relations with the Council of Europe and, soon thereafter, joining the council as well as other European organizations.

Recognizing the CSCE [Conference on Security and Cooperation in Europe] process to be a particularly essential instrument for the building of European unity, we have undertaken active efforts aimed at its strengthening and institutionalization. Part of these efforts is the initiative of Premier Mazowiecki aimed at creating a council on European cooperation as a permanent political organ of the CSCE.

In parallel fashion, we have begun a fundamental rebuilding of relations with our neighbors. Relations with the Soviet Union have been put on a footing of partnership and full equality of rights. Toward the uniting Germanies, we have delimited a policy that is clear and consistent with Poland's reasons of state and is intended to lead to an unequivocal, final, and formal confirmation of the Polish-German border as an inviolable factor in the European peace order. The consistent attitude of the government led to the participation of Poland in the "Two Plus Four" talks, as the only participating country outside of the Big Four group. Cooperation with Czechoslovakia and Hungary is being established according to new principles, and connections with the Baltic states are developing. Political, economic, and culturo-civilizational ties with the countries of Western Europe and the United States are being strengthened. A rebuilding of relations with other states, especially the nonaligned states, is being accomplished. Diplomatic relations with Israel and Chile were resumed and relations were established with the Republic of Korea and certain oil-producing states of the Arabian Peninsula. A turning point was reached in relations with Polonia [citizens of other nations of Polish descent] and Polish emigres abroad.

A consequence of the democratization of social life is the far-reaching liberalization of consular, passport, and visa regulations.

We reached the finishing stages of a profound reorganization of the Ministry of Foreign Affairs [MSZ]. The number of departments was reduced. Limits were put on staff employment in the ministry. There was a parallel review of cadres in diplomatic and consular posts.

Thirty-eight ambassadors and five chiefs of mission were recalled. During 1990, out of a total 71 ambassadors, 41 will have been recalled.

International Cooperation

An integral element of the government's economic program as well as an essential complement to its foreign policy is the opening up of our economy to the outside world that is being implemented by a total breakup of monopolies and liberalization of our foreign trade. Poland accomplished a first among the reforming countries of Central and Eastern Europe by its introduction on 1 January 1990 of domestic convertibility of the zloty and a single rate of exchange for the zloty. By 5 June 1990, the Agency for Foreign Investment Affairs granted 1,451 permits for the opening of joint-stock companies with the participation of foreign capital. The new Polish customs law responds to conditions in force in Western Europe and to the demands of GATT [General Agreement on Tarifffs and Trade]. Many western countries granted Poland most-favored nation trade status, and Poland signed agreements with many of them for the promotion and protection of investments. In September 1989, Poland and the EEC signed an "Agreement on Trade, Trade Cooperation, and Economics," and on 13 June 1990, Poland and the nations of the EFTA [European Free Trade Area] signed a joint declaration on trade and economic cooperation clearing the way for free trade zones. Poland was the first country in its part of Europe to conclude a "Treaty of Trade and Economic Relations" with the United States. A Polish initiative led to the calling of a special group to deal with matters fundamental to a rebuilding of CEMA [Council for Mutual Economic Assistance] and to change the character of that organization. The government's economic program met with the approval of the International Monetary Fund and the World Bank, and it made possible the conclusion of understandings with these institutions. Next, the understanding reached with the Paris Club suspends, until March 1991, interest payments and installment payments on loans of capital guaranteed by the governments of western countries, and that understanding clears the road to guaranteed loans on the scale of several billion dollars. As a result of a review of structures and of systemic changes in foreign trade, a significant exchange of personnel stationed in posts abroad is foreseen, including 35 chiefs of mission.

Systemic Changes in the Economy

Next Marek Dombrowski, deputy minister of finance, briefly described the systemic changes achieved in the economy, taking issue with those who charge that these changes are not radical enough. "The catchword 'acceleration'," he said, "contains the reproachful countersuggestion of a too leisurely pace of economic reforms. Such a reproach seems at best to be based on misunderstanding if it is not just plain absurd. Only a stabilizing program can constitute a profound, dramatic, not to say, revolutionary, change in the conditions of economic life in the entire country, a change which has touched all citizens without exception, all participants in economic life. Besides, heretofore the government was usually criticized for excess radicalism and not for lack of it in this domain. Let us stop talking about the stabilizing program for now since its premises and course have been presented many times in this hall as well."

M. Dabrowski continued: "Another reproach, that of the stagnation of the cadres in the economic sector, is proved by practice to be unfounded. For example, according to Ministry of Industry [MP] data, for the period from 1 January 1990 to 20 May 1990 alone, there were 345 changes in directors' positions out of a total number of 1,700 enterprises subordinated to the MP, and 225 more changes are in progress (that is, competitive examinations are being held). In opposition to reproachful critics, many experts feel that cadre changes in the economic sector are happening too quickly, with the result that the operations of enterprises are destabilized and the managerial cadres begin to feel threatened. I shall not enter into a discussion of that appraisal. However, I do want to point out that it is not the intention of the government to instigate any collective purges or witch-hunts. The process of cadre changes ought to be dictated exclusively by the need to improve the management of enterprises, and changes should be founded upon merit-based criteria and not upon a politically motivated campaign."

Moving to a presentation of concrete systemic changes in the economy, M. Dabrowski pointed out: "This is a domain in which results are perhaps least perceptible, in which there are few spectacular gestures, but, on the other hand, in the course of the nine months, an enormous intellectual, organizational and, above all, legislative effort was made. As was stated earlier, domestic convertibility of our currency was successfully introduced. We took a step which, as recently as a year ago, seemed to us surrealistic, and right now we are working on the idea of broadening that convertibility. We introduced a new customs law and embarked upon many decisions intended to liberalize both export and import, such as the most recent decision to effect a general lowering of customs tariffs. We introduced many essential changes in our system of taxation, eliminating various exemptions and exceptions with respect to taxes, lowering extreme rates of direct taxation and equalizing the bases of taxation of the various sectors of ownership. At present there is legislative and organizational work in progress aimed at introducing next year a universal income tax payable by physical persons as well as a value-added tax. Undergoing reform are the system of public finances, the budget law, and the matter that has been announced many times at this point, the question of liquidating extrabudgetary and parabudgetary funds. There is an ongoing, intensive rebuilding of the banking system, new national banks are opening by the dozens and the first foreign banks as well. In its final preparatory phase at the Sejm subcommittee, there is a new law dealing with personal and estate insurance that will make possible a far-reaching monopoly breakup and commercialization of insurance activity. Most prices have been

freed from control and, right now, we are preparing to free coal prices from control as of 1 July of the current year.

"Practically speaking, almost all manifestations of non-market forms of goods turnovers and of legal controls have been abolished. We have abandoned traditional central planning. Work is in progress on a new budget law that will mean a change mainly in the logic of state economic policy planning and, above all, in macroeconomic finance policy. On the other hand, various kinds of realistic planning and forecasting will be of a supportive and supplementary character. We have achieved profound changes in the law on state enterprises, increasing the autonomy and self-governing character of such enterprises and requiring more rigorous self-financing. We have amended the bankruptcy law and many associated legal documents. A new law has taken effect that is designed to counteract monopolistic practices. "We have created an antimonopoly office. Simultaneously, there is an ongoing campaign of voluntary and compulsory deconcentration of excessively centralized enterprises. The most spectacular examples of the campaign's results are the liquidation of the Megat Association, the Anthracite Coal Association, the Coal Exploitation Enterprise (as a result of these last moves, 71 autonomous coal mines came into existence), the liquidation of the Power Industry and Lignite Coal Association, the dismantling of Agroma and enterprises of the sugar industry, the meat industry, the Polcement combine and many agricultural, construction, and trade enterprises.

"At present the antimonopoly office is preparing the dismantling of enterprises of the poultry and fodder industries. A law has been passed on changes in the organization and operation of cooperatives. This law has made possible the placement of central and regional cooperative unions in a liquidation status. The so-called small-scale privatization in the retail trade has been moved forward. Fundamental changes have been made in land parcel law, abrogating the so-called detailed procedure for usufructuary rental of parcels. Legislative work is ongoing in the Sejm on privatization laws, changes in the civil code, in the civil proceeding code, in the laws on land management and on the expropriation of real estate, and in the law on contract negotiations.

"These are only a few of the systemic changes which have been implemented or are in the process of being implemented." As he concluded his statement M. Dabrowski said: "I think that we should not be ashamed of this balance sheet. If there have been fundamental delays, then these have been delays with regard to the privatization process above all." At the same time he pointed out that the legislative process on privatization laws has already lasted two and one-half months in the Sejm and the government is impatiently awaiting its completion.

Questions, Accusations Concerning Political Party Financing

90EP0755A Warsaw POGLAD in Polish No 6, Jun 90 pp 19-20

[Article by Krzysztof Grzegrzolka: "Financing Political Parties: Ambitions Plus Zlotys"]

[Text] In Warsaw at Nowy Swiat Street No. 41 there flies a black flag with a blue cross and white borders. This is the flag of the Union for Real Politics [UPR], Janusz Korwin-Mikke's conservatives. A small table on the sidewalk is covered with books, the weekly NAJWYZSZY CZAS, (the organ of the UPR) and stickers, fliers, and brochures. In the courtyard are the headquarters of the newspaper and the party's offices. They must cost a few million zlotys a month in upkeep. No one is anxious to say much about the subject of financing the UPR. Ostensibly its head, Janusz Korwin-Mikke, mortgaged his land in Jozefowo near Warsaw and the UPR is supposed to use this money for operating expenses, propaganda, and publications. A few groszy come into the party coffers from the sale of these publications. At least that is the story told by the treasurer of the UPR, who, when asked about specifics, gave the pat answer: "My dear sir, gentlemen do not discuss finances!"

The socialists, with whom the UPR is battling furiously, claim that Korwin-Mikke has extensive contacts with Western conservatives and, in addition, his own bank accounts, the result of prewar inheritances. In their opinion, his is the most powerful group in Poland from the material standpoint; consequently, in no way should it be taken lightly.

Not far away, on the other side of Nowy Swiat, the Confederation for an Independent Poland [KPN] has planted its anchor sideways with respect to the abandoned former PZPR [Polish United Workers Party] building. One could say that it took the little palace by storm, a palace in which, as director of the Political Council Office Henryk Kozakiewicz says, various groups—the ZTM [expansion unknown], the LZS [Peoples Sports Association], the OHP [Volunteer Labot Brigades], and others—resided illegally for years. "Initially, we occupied only two rooms on the 13th floor of the Palace of Culture and Science. We did not even have enough money for furniture, and so we borrowed some old furniture from an office that was friendly with us. We were the first to point out that all parties were having problems with money and a location, not just our party. And so when we set about moving into buildings, we also requested locations for the Labor Party, for the ZChN [Christian-National Union] and the PPS [Polish Socialist Party]. The head of the UPR even wanted to have us put in jail for occupying these buildings. But as God is our witness, we were attacking a thief and not an owner.

"The KPN is amazed that so much money and material means were left in the possession of the very people who had led Poland into ruin. The SdRP [Social Democracy

of the Polish Republic], the heirs of the PZPR, continue to maintain many luxurious facilities. They have also inherited from the PZPR 100 billion zlotys—25 billion at a low interest rate and the rest in the RSW [Workers Cooperative Publishing House]. At the KPN they claim that if they had this much money they would assume control of the government in the next election."

In the opinion of the director of the KPN Political Council, every party should be self-supporting. The KPN started out by meeting in private homes. In his opinion, PAX is an example of a financially, very strong party. It has only a few members, but owns about 40 enterprises. It is a financially prosperous group of business people who do not need any backers to exist. "It is a party of business people who have given up their ideals to serve money and business. They have companies. Materially, they are most powerful and in this regard they may be compared only to the Solidarity's Citizens Committees."

In issue No. 9 of the KPN organ, OPINIE, there is the statement: "Our editorial office is not endowed or supported by anyone. The publisher of OPINIE, the Confederation for an Independent Poland, does not belong to organizations which receive significant funds from the West or the East." Meanwhile, it is often whispered with unconcealed jealousy that Leszek Moczulski has succeeded in doing an impossible thing. Apparently, by methods supposedly known only to him, he convinced American politicians to bypass the order of the US Congress which forbade the subsidizing of the KPN. "Money from abroad? Foreign financial aid for political parties ordinarily implies links with the CIA or the KGB. If someone in Poland takes money from them, that is his business. As for us—God forbid! We receive donations from our sympathizers worldwide. There are donations from Polonia [citizens of other countries of Polish descent] which, as everyone knows, is not overly generous. Leszek Moczulski was in Great Britain recently and brought in money both by giving lectures and in other ways. It was precisely from the emigre community in England that he collected some of the money. This was not some dirty money that many people make it out to be...."

In the opinion of KPN members, it is much "cleaner" than the monies Bronislaw Geremek, for example, received for the election campaign (to this day no one knows how these monies were used). "Did Najder get some from Mr. Geremek or not? Six hundred seventy thousand dollars is no paltry sum. Does the Polish-American Congress or do the officials of the US National Democratic Fund (who transferred these funds with Polonia as an intermediary, not suspecting that they would possibly be used to support post-PZPR socialism in Poland) know about this?" queries Director Kozakiewicz.

The various headquarters of the ZChN are sparsely, monastically furnished. There is a cross on the wall, a desk, and two chairs (this is how the property of the party is described). However, when it is necessary to organize some sort of political campaign, the pastors from all the Catholic parishes in Poland announce it from their pulpits. Officially the church does not support the ZChN financially, but unofficially it is possible that in individual parishes the pastor may donate "some small sum." And he certainly will make available the catechesis room for meetings. Moreover, the ZChN officials count on representatives of trade, a growing group of private producers centered around this party. Until recently, many of them were associated with the Democratic Party which, in accordance with the coalitional distribution of officials set up by the Communists, was to be the party of private enterprise. And just as the PZPR lived parasitically off all the layers of society, beginning with the workers and the peasants and ending with the intelligentsia, the SD was to deal primarily with trade "interests." Today, all its property from the earlier period remains in its hands. Kwasniewski has tremendous power (already 40,000 members) and material means, while the PPS of Jan Jozef Lipski, which numbers little more than 2,000 members, has available several rooms on Krakowskie Przedmiescie in Warsaw and is primarily engaged in a struggle to meet its most pressing material needs.

For example, it cannot afford that very necessary instrument of struggle—its own publication—and thus for a long time it has remained as if invisible on the Polish political scene. Such circumstances make things very easy for the opposition. For example, the press described a meeting between Oscar Lafontaine and Aleksander Kwasniewski, which lasted "as much as" 10 minutes and took place in a corridor, but no one wrote about a two-hour interview this German Social Democrat, candidate for chancellor in this year's election, gave to Jan Jozef Lipski.

"We intend to publish our own periodical, a weekly," says Adrian Stankowski, chief of propaganda for the PPS. "We must get enough money together. From what sources does our party get money? From time to time we get help from our friends in the West—for example, from Edward Klimczak, publisher of POGLAD. In addition, we get member contributions amounting to one percent of membership dues. Few people are aware that the PPS was flat broke for a year. One reason for this was the lack of integrity of certain Solidarity activists, who failed to transfer our money to us (they also did this with other groups as well). A special fund for aiding political parties in Poland was set up and the principles for distributing this money were laid out. We were to receive 25 percent, I think the KPN was to receive 30 percent and the like. I do not want to give the names of the people who were responsible for this, but we still have not received this money, which was offered by the Polish-American Congress. It is unfortunate, for they offered this money as our friends and allies."

The PPS wants to strengthen its treasury with money from economic activity. The Association for Self-Government Initiatives has been created. It will produce cheap, healthy food. To this end it plans to take over a

portion of the assets of Spolem (a cooperative once established by the PPS). The Krakow branch of the Green Party (apparently quite wealthy) earns money in the same way. It sells all of its products in the West. The PPS already has a credit source in the West, in Italy to be precise. This lender is not socialist, but is a sympathizer and grants credit on pure market principles, assures the PPS press spokesman. In his opinion, the PPS has much greater significance abroad than it does in Poland. The PPS is considered by the officials of the Socialist Internationale to be the most formidable partner with this political orientation in Poland. The West sponsors almost all PPS trips abroad and foreign visits.

Nonetheless, the variety of parties with "socialist" in their name is growing. These include the Independent [Polish] Socialist Party [(N)PPS], financed by the OPZZ [All-Polish Trade Unions Agreement] and the party of Osobka-Morawski aided by the SdRP. Adrian Stankowski states: "I do not believe that some sort of national allied party such as the former communist-nationalist party could spring up suddenly, out of nothing. It must have some sort of financial backing for its activity, especially since the membership of such groups sometimes can be counted on the fingers of one hand. Today anyone who has access to money or who is independently wealthy can found a political party. A party's interest is to get into power. And the more there are of such interests, the more political parties there will be. There are already more than 100 of them...."

Unemployment, Other Issues Tackled in Trade Union Draft Law Talks

90EP0800B Warsaw RZECZPOSPOLITA in Polish 5 Jul 90 p 2

[Article by D.F.: "Will There Be Unemployment Unions?"]

[Text] Will there be unions for the unemployed? Will soldiers, policemen, and people working in the prison department be able to join trade unions? How fareaching should protection of union activists be, and who should pay their salaries when they are engaged in union activity? These were issues discussed on 4 July, in a group of the Senate Commission on Legislative Initiatives and Projects, which had been working under the direction of Commission Chairman Prof. Dr. Tadeusz Zielinski to prepare the future laws on the trade unions.

Work is in progress on two draft laws, one on employee trade unions and one on resolving collective disputes. So far the first three chapters of the first one have been discussed. The fact that the group's work includes experts from the ministries of labor and social policy, and justice, Solidarity, the OPZZ [All-Polish Trade Unions Agreement], and representatives of science who have been participating in the group's work provides the assurance that the drafts to be presented in the Senate will have been prepared extremely carefully after the various options, positions, demands, and proposals have been considered.

By way of something entirely new, there is to be a regulation which says that a trade union comes into being and may conduct activities, not once it is registered in the courts, but by virtue of a founding resolution by at least 15 employees. Through registeration, on the other hand, it would become a legal party.

A great deal of time was devoted to the issue of protecting union activists from being let go, especially when the employer faces liquidation, bankruptcy, or massive layoffs, that is, when the employer no longer exists. The Ministry of Labor and Social Policy is to present its own editorial proposals during the next few days.

According to the draft, the right to gather together and create trade unions would also apply to people in cottage industries hired on agency contracts, to members of agricultural producer cooperatives and their families, and to the unemployed. This last feature was considered essential in order to protect the unemployed's vocational interests. Employees of the prison service could join prison service employees' trade unions, but employees of the Office of State Protection [Urzad Ochrony Panstwa] and professional military personnel could not belong to trade unions.

Lodz Voivode on Local Government Reorganization

90EP0772A Lodz GLOS PORANNY in Polish 23 Jul 90 pp 1, 3

[Interview with Waldemar Bohdanowicz, voivode of Lodz by H. Sroczynski; place and date not given: "County-Based Political Organization Will Disappear in Poland"]

[Text] [Sroczynski] It seems that issues of government administration at the local level are taking a back seat to the local self-governments. Meanwhile, this level of administration is also undergoing radical transformations. How would you as voivode characterize, in general terms, the goals of these transformations?

[Bohdanowicz] While it is true that such transformations are occurring, one may only speak of radical change with regard to Lodz, Warsaw, and Krakow. In the other voivodships, where offices have had a specific structure for a long time, the transformations are based on restricting the number of departments and the number of their employees. In the three voivodships I have named, however, the problem lies in the fact that the self-government authorities became separated from the government administration and now voivodship offices are being created. The aim of the government administration essentially will be to supervise the work of self-governments in the area of the tasks incumbent upon them according to the law, as well as to supervise the implementation of delegated tasks. But it must be emphasized here that the Office of the Council of Ministers views administration as focused on the future rather than on supervising and blocking self-government initiatives. Its intention is to make the voivodship office

primarily into an office for making projections regarding both economic and social issues and regarding that entire field known, until now, as the budgetary sphere, i.e., culture and art, the health service, and some aspects of education.

[Sroczynski] What specifically will characterize the Voivodship Office in Lodz?

[Bohdanowicz] We are trying to keep its cadre to a minimum but also to make it as efficient as possible. That is why I once made a television appearance asking for those people to come forth who would like to link their own professional and personal aspirations to our office. We are especially in need of very competent employees with high moral qualifications. What makes this so important is that society still maintains a negative opinion of state officials, an opinion which is reinforced by those officials who interpret regulations in a negative light when someone approaches them with a problem to be resolved. We would like to see the opposite happen: an interpretation of the law according to its spirit, to the advantage of the person who needs to have a problem resolved. We reject anything that might make possible the existence of a situation that gives rise to rumors about bribetaking and partiality by an official. I am very sensitive to such criticisms and I am constantly receiving them. We check them out immediately, unless they are anonymous, in which case they are immediately treated as invalid.

[Sroczynski] You are making major cadre changes....

[Bohdanowicz] Actually, we have created only 11 departments, while there were more than 20 departments in the old city-voivodship office. The new departments are of an issue-based type. For example, there is the regional policy department which takes in all of management and there is the social infrastructure department that will encompass culture, the health service, physical culture and sports, as well as a portion of education (except for institutions which are subject to the office of the superintendent of schools). I do not hide the fact that we have very serious problems placing the proper people into directive positions. It also saddens me to say that out of all the previous departmental directors I was able to retain only one. This was not in the least due to any prejudice on my part toward party affiliation; I have already said more than once that party affiliation is not the most important thing for me. Most of the previous departmental directors did not show enough understanding of the new situation emanating from the spirit of the laws on self-government. Using criteria based on that new situation, it is difficult to find suitable job candidates. Recently I turned for help even to the plenipotentiary for employment affairs at Lodz University. Temporarily a portion of persons from the old office has been delegated to work in our office without the guarantee of permanent employment. We are keeping a close watch on them, and I think that we will continue to employ some of them.

[Sroczynski] The statement was made in the electoral campaign: let us take matters into our own hands. And you, do you not agree that everything depends more and more upon large-scale and not small-scale decisionmaking?

[Bohdanowicz] A great deal depends upon how the budget is structured. The present budget, which is based on a command-distribution system, must be replaced by a budget based on new principles, making it possible for the self-governments to retain much more of their own income. Along with the possibility for increasing sums available to self-governments (and I hope that this will happen), greater obligations will be imposed upon them, and they will be granted new delegated powers. Thus, the self-governments are faced with the task of preparing their own cadres and their own ideas for resolving local matters. Thus, there is a great deal of truth in what is suggested by your question. Guided by the initial assurances of the Office of the Council of Ministers that our role would be restricted, we set the size of the cadre in the Voivodship Office at 250-300 persons, but now we see that that will not be enough.

[Sroczynski] Are the self-governments not receiving as much as they were promised?

[Bohdanowicz] We were told that culture and, to a considerable degree, the health service would be subject to the self-governments. We were told that the preschools and elementary schools would be the domain of the self-governments; meanwhile, we already know that the schools will continue to be under the school superintendent's office and that, for the most part, the health service and culture will remain within the state structure. Consequently, it is necessary to expand certain departments in the Voivodship Office. However (and we are convinced of this), the Voivodship Office will, in the future, perform a considerably lesser function than is needed this year or will be needed in the first half of next year. The intentions of the government are sincere, and they are aimed at the transferral of the greatest possible number of powers to the self-governments. This is especially true since, along with the anticipated new administrative division of Poland, the intention is to transform the functions of voivodship offices.

[Sroczynski] What will be the place of Lodz in the new division of Poland?

[Bohdanowicz] I believe that the creation of 15 to 17 voivodships will be a reality soon. One of these will be Lodz because of its central location. My task, and the task of my coworkers, is to set up the Voivodship Office in Lodz and to bring its cadre level up to the size needed to deal with an area of enlarged size. This will be tied in with the smooth transfer of powers to the self-governments within the next few years. I should add that I was appointed to the governmental team for matters of local partitioning of the country and I would like to make a contribution to its work.

[Sroczynski] Your decisions as representative of the government and as a person exclusively subject to the premier cannot always coincide with the aims of the self-governments. How do you envisage ways of resolving these conflicts?

[Bohdanowicz] Obviously, conflicts may occur. However, I believe that the law will be helpful in the solution of these problems. The Law on Self-Government also provides for the institution of the Sejmik, with an appeal body operative within it. I hope that it will not be necessary to appeal in serious but basic cases to the premier or even the Sejm. However, taking into consideration our past cooperation with the Lodz Municipal Council Board, I believe that, with the good will of both sides, we will always be able to reach an understanding.

[Sroczynski] Was careful thought given to all aspects when the self-governments were introduced? It is said that the laws are unfinished. Is this already evident today?

[Bohdanowicz] We must remember above all that the self-governments, in that area which the Sejm conceptualized and the government must implement, are a completely new thing under our conditions. Obviously, the legislators have not anticipated everything completely. Let us look, for example, at the law on powers. Life already has shown us that the regulations of this law will have to be supplemented. The fact, however, that not everything is completely worked out likewise has its positive aspects; it is an open field for thought, an open road for further change. The strict definition into paragraphs usually limits both initiative and involvement.

[Sroczynski] Has a model for government administration in Lodz already been developed?

[Bohdanowicz] Yes! The creation of three regional offices is anticipated. The first will be set up in Lodz. It will encompass the gmina of Lodz and the gminas of Andrzejow, Brojce, and Nowosolna. The second one will be set up in Pabianice and, in addition to this city, it will include Konstantynow and Rzgow. The third office, in Zgierz, will be for Zgierz, Aleksandrowo, Glowno, Ozorkowo, Parzeczewo, and Strykowo. This division may not seem too logical to the residents of Ozorkowo, who are demanding a Regional Office in their own town. I believe that the Office of the Council of Ministers, when designating the regional offices, partly took into account the projected adminstrative division of Poland.

[Sroczynski] Will the regional offices be restructured into counties [powiaty]?

[Bohdanowicz] I do not anticipate the restoration of the county structure in Poland. The contrary is indicated by the fact that once we had more than 300 counties, while only 195 regional offices will be created. It is significant, however, that every voivodship is demanding a larger number of such offices. We have always complained about the bureaucratic system. Now it would seem that we had been comfortable with this system. We deal with the fact that several cities in our voivodship would also like to have regional offices by telling them that it is not in the interest of the self-government to go that route. When a second government is set up in a city, it is evident that there will be a sharing of power with it. And, in general, these regional offices are policing branches of the Voivodship Office. There are Voivodship Office policing branches in construction-architectonics, land management, environmental protection, and the like.

[Sroczynski] Do you think you will continue to meet often with misunderstanding in the gminas regarding the new situation which emerged following the introduction of the self-governments?

[Bohdanowicz] We are in a transitional period in which what once happened to me not long ago is bound to recur. A delegation from a certain gmina approached me and requested money for a school. I said that the Sejmik would have to decide who would have priority status for grant money. They replied: yes, but then we will not obtain what we want from the Sejmik!

League of Expellees' Koschyk Proposes 'Free City' Border Solution

90EP0800A Warsaw GAZETA WYBORCZA in Polish 10 Jul 90 p 6

[Article by Miroslaw Machnacki: "League of Expellees Proposes Szczecin, Zgorzelec, and Other Free Cities"]

[Text] Hartmunt Koschyk, secretary general of the West German Expellees' Union likes to travel around Poland. He is the Bundestag deputy who visits our country most often. He has a good time here once or twice a month. His visits do not come as a shock anymore. The purpose is always the same.

He travels around Poland promising everyone who considers himself German: "There won't be Polish rule much longer. We Germans haven't forgotten our sisters and brothers living in places that have been German for ages."

During his last visit, from 1 to 9 July, Koschyk established for himself the goal of convincing his "brothers and sisters" that despite the fact that the parliaments of both German states, the Bundestag and the People's Chamber, had accepted the declaration on the inviolability of the border on the Oder and Lausitzer Neisse, nothing is final.

He assured German activists in Lower Silesia: "Parliamentary resolutions cannot replace international legal agreements." According to him, such agreements will be signed only if they secure the national minority rights of the Germans living in Poland.

Koschyk claims that in this respect the West German Expellees' Union has the full support of key West German politicians, including Chancellor Kohl.

During the meeting in Warsaw with representatives of Polish groups involved in the civil rights and rights of minorities in areas on the Oder and Neisse, he explained: "The true problems no longer involve merely whether these lands belong now to Germany or to Poland. The thing is for Germans and Poles together to overcome whatever is contrary to the common good, to counteract the total economic and ecological destruction of Upper Silesia and other regions."

The Expellees' Union secretary has a ready solution for such cooperation, calling it "the third way to Polish-German unification," and proposing "to create on the lands along the Oder and Lausitzer Neisse a new European territory with an autonomous administration, a joint parliament, and government."

The "Europeanization" of these lands would be accomplished in stages. Koschyk does not explain everything, but during the first stage Szczecin would be transformed into a European free port, and the divided towns on the Oder and Lausitzer Neisse, such as Zgorzelec and Goerlitz, would be reunited and receive the status of free cities.

Bonn does not really take Koschyk's proposals seriously, and Warsaw even less so.

Chancellor Helmut Kohl made it very clear that he has no intention of giving further support to actions which fail to take political realities into account. When Czaj was again elected chairman of the union, Kohl said at the CDU [Christian Democratic Union] congress in Schleswig-Holstein: "Anyone against recognizing the inviolability of the border on the Oder and Neisse is actually against German unification."

HUNGARY

Army Chief of Staff Borsits on Warsaw Pact, New Challenges to Military

90CH0281A Budapest VILAG in Hungarian 14 Jun 90 pp 19-20

[Interview with Army Chief of Staff Lieutenant General Laszlo Borsits; place and date not given: "Disarming Operation: Ninety Percent of the Combat Materiel Is Soviet Import"—first paragraph is VILAG introduction]

[Text] The Hungarian Army is in a state of transition. The Army has just undergone a fundamental organizational reform, which transformed it from an offensive to a defensive army and also changed its name. Now comes its "flexible disengagement" from the Warsaw Pact. Whether that will mean a break or a gradual phaseout of obligations will depend on what the National Assembly decides. But either decision will have serious financial repercussions. What alternatives is the Hungarian Army Command considering? That is what Army Chief of Staff Lt. Gen. Laszlo Borsits talked about in the interview he granted our reporter.

[VILAG] What obligations, still in force, does our participation in the Warsaw Pact entail for the Hungarian Army?

[Borsits] In peacetime, not a single soldier is under the Warsaw Pact's highest operational body, the Joint Supreme Command for Warsaw Pact Forces. Even the 25 to 30 Hungarian officers and generals assigned to the Joint Supreme Command are working there as subordinates of the Commander of the Hungarian Army. The Hungarian Army is the smallest force within the Warsaw Pact. Commensurately with our participation, Hungary bears about six percent of the Joint Supreme Command's costs. But that is not a substantial amount, not even in comparison with our military budget. Up to now we have been participating regularly in joint maneuvers, and joint Hungarian-Soviet maneuvers have been held every second or third year here in Hungary. The next such maneuvers were due to take place in September, but just last week we informed the Soviet side that we are cancelling the maneuvers. That, too, will mean savings of 200 to 300 million forints.

[VILAG] How did the Soviets receive this news?

[Borsits] They took cognizance of it. Indeed, they are accepting very calmly the political changes taking place in the Warsaw Pact countries. There is no sign of any lack of trust in the Hungarian or GDR officers.

[VILAG] In time of war, obviously, the obligations are different.

[Borsits] Plans for putting Hungarian troops under the Joint Supreme Command [in wartime] have long been in place. The entire mobilized Hungarian Army would be about 400,000 strong. (Within a year or two, we will reduce that figure to 300,000, in the spirit of the defensive concepts of our new military doctrine.) Of this total strength, 100,000 men would be assigned to the Warsaw Pact Forces, but under Hungarian command. In the given case, Soviet troops could likewise be placed under the Commander of the Hungarian Army. In time of war, the Hungarian Army General Staff would have its representatives at every level of command, and no orders with which the Army Chief of Staff did not agree could be issued to any Hungarian soldier. Incidentally, the Hungarian Army could be sent into action only on the basis of a decision to that effect by the National Assembly, or by the National Defense Council when the National Assembly is not in session.

The Joint Supreme Command has representatives in each of the member states, including seven or eight generals and officers in Hungary. They may stay here as long as a bilateral agreement permits them to stay, which does not necessarily mean as long as we remain a member of the Warsaw Pact.

[VILAG] Until recently, Soviet requirements determined the plans for the Hungarian Army's development.

[Borsits] Parallel with their five-year economic plans, the member states coordinated for five-year periods the plans for the development of their armed forces. The Joint Supreme Command could never order Hungary's minister of defense to do something; it could only make recommendations. But the Hungarian military leadership never accepted those recommendations in full. When the minutes of earlier negotiations can be declassified, they will show what heated arguments we had with the Soviets over such matters.

[VILAG] Are new coordinated plans being prepared now?

[Borsits] The current planning cycle runs out at the end of 1990. Hungary's military leadership has already announced that we will not be able to plan for a five-year period, only for three years in advance at most, and even that will depend on how our relations with the Warsaw Pact develop. Anyhow, we have not signed so far, and will not sign in the coming weeks, any protocol that would involve the assumption of obligations on our part.

[VILAG] How many Hungarian officers are studying at present in the Soviet Union?

[Borsits] There now are 350 Hungarian officers studying in the Soviet Union, but their number will decline to one-third. We have officers studying also at Czechoslovak and Polish military academies, and it is conceivable that we might be sending officers also to Western countries to study.

[VILAG] If the National Assembly votes in favor of Hungary's withdrawal from the Warsaw Pact, will that require a complete change of the Hungarian Army's

combat materiel? Neutral countries usually have large military industries, but we would hardly be able to afford one.

[Borsits] At present, if we exclude infantry weapons, all our combat materiel comes from import, and 90 percent of it is import from the Soviet Union. We have strived for a zero net balance in our foreign trade in military equipment. Fortunately, Hungarian radio engineering equipment is much in demand within the alliance. We will have to examine who would be willing to sell us arms, under what arrangements, and how we would be able to pay for them. Neutral Finland happens to be an eminent example of mixed arms: The Finnish troops stationed near the Soviet border are equipped with Soviet arms, and the ones along the Swedish border have Swedish arms. Of course, a program of at least five to 10 years' duration would be needed to train the Army's cadres in the use of new weapons.

[VILAG] Judging by the programs of the political parties, the Hungarian Army is unlikely to get for some time the money that this would require.

[Borsits] We consume 90 percent of our [annual] military budget totaling 46 billion forints, which leaves only a little more than 4.0 billion for development. The proportion earmarked for development in the military budgets of the other Warsaw Pact countries and of the NATO countries is generally 40 percent. But we, too, realize that there is no possibility of any significant change in the next two or three years. Therefore we are left with our old weapons, two-thirds of which is at the level of the early 1970's, and the remaining one-third represents the level of weaponry of the early 1980's.

[VILAG] Does the Hungarian Army Command reckon with the alternative of the Warsaw Pact's disintegration, either as a result of a chain reaction of withdrawals by the smaller member states or due to the destabilization of the Soviet Union itself, while the political climate in our immediate environment might not be exactly peaceful, either?

[Borsits] The changeover to our new, defensive military doctrine has been going on for three years, and we are developing a new defense policy that considers also such an alternative. The Republic of Hungary does not regard anyone as its enemy and has no territorial claims in any direction, but it will defend the inviolability of its borders. Tanks and artillery are generally offensive weapons. In the spirit of our new military doctrine, therefore, we have reduced the total number of our tanks from 1,425 to 750; and the number of artillery pieces to 60 percent of what we had formerly. But the cuts in antiaircraft and antitank artillery, which we need for our defense, have been merely between 18 and 20 percent. We have changed the territorial distribution of the Hungarian Army, and now the troops stationed in the western and the eastern halves of the country have about equal strength levels. Fortunately, this does not require the construction of new barracks, because we have plenty of barracks and can use also a few of the Soviet ones. By next year we will have a smaller Army (75,000 men and 15,000 civilian employees), but a more articulated one. We have developed numerous plans for defense, against attacks from every direction, but it would not be appropriate for me to say anything more about that.

[Box, p. 20]

How Is the Withdrawal of Soviet Troops Proceeding?

The Army Chief of Staff told us that of the 49,000 Soviet troops still stationed in Hungary at the beginning of this year, 6,500 had left for the Soviet Union between 12 March and 4 June. So far, 225 military trains hauled out 13 percent of the Soviet troops' military equipment, estimated at 49,000 metric tons. The "rest" will require 1,544 more trains during the remaining 12 months. The withdrawal of Soviet troops from Czechoslovakia is proceeding at a similar rate, and the withdrawals from the two countries are closely linked also because there is just one high-capacity railroad line through the Carpathian Mountains. In all, 70,000 Soviet troops and 250,000 metric tons of military equipment will have to be transported from the territory of our northern neighbor. Although the Soviet Union has already contacted the Polish government about the withdrawal of the more than 50,000 Soviet troops stationed in Poland, there are as yet no meaningful talks on this matter. A decision about the future of the 363,000 Soviet troops stationed in the GDR will probably emerge from the 2 + 4 talks.

Poll on Military: Corruption, Conscription, Need for Increased Spending

90CH0280A Budapest MAGYAR HONVED in Hungarian 16 Apr 90 pp 5-6

[Article by M. M.: "Civilians About the Military"]

[Text] In January 1990, the Hungarian Public Opinion Research Institute conducted a questionnaire survey of 1,000 persons, a representative sample of the country's adult population.

On the instructions of the Defense Ministry's Main Directorate of Press Relations and Information, which had commissioned the survey, the questionnaire also included questions that would make it possible to gauge what the people think of the Army these days.

In the following we present the survey's principal findings, especially the ones pertaining to the Hungarian Army.

The public rates the Hungarian Army's activity higher than that of the police force. The former ranks third on the so-called top list compiled on the basis of the answers, whereas only the MSZMP [Hungarian Socialist Workers' Party] ranks lower than the latter. Nearly three-fourths of the respondents said that the Army serves the people's welfare the same way it did a year

earlier (i.e., in 1989), while a quarter of the respondents felt that the Army is serving the people's welfare better than it did in the past.

The fact that the public continues to rate the Army's public service function highly may be interpreted as a manifestation of public confidence in the Hungarian Army.

Opinions regarding the Army can be differentiated also according to the respondents' educational background and the types of settlement in which they live. In general it can be said that, in contrast to the respondents who have little education and who live in villages, the ones who are university or college graduates and who live in Budapest are much less inclined to feel that the Army is serving the people's welfare. The respondents with secondary education and the ones living in provincial cities fall between the two extremes of opinion on this question.

More than half of the respondents under 40 rated the Hungarian Army's public service function as mediocre or worse, while nearly half of the middle-aged respondents and more than half of the retirees rated it as good or very good.

The Hungarian Army's rating is influenced significantly also by the following factors:

- The respondents' attitude to military service.
- The extent to which they regard military service as the school that makes men out of boys.
- The respondents' attitude to the Army's possible role in maintaining internal law and order.
- Their opinion of the Army's effectiveness, and of the expenditures necessary for maintaining its effectiveness.
- What the respondents think of corruption in the Army.
- And their opinion as to whether the Army is necessary.

All these factors were explored by answering as True or False the following statements:

Breakdown of Answers (in Percent)

Statement	True	False	Undecided
Youths intensely dislike military service	69	21	10
There is much corruption in the Army	59	15	26
The Army is the most important school for making men out of boys	57	36	7
As a last resort, only the Army is able to maintain internal law and order	52	38	10

Breakdown of Answers (in Percent) (Continued)

Statement	True	False	Undecided
Today's Hungarian Army would be unable to defend the country against external attack	39	42	19
The Army's effectiveness really ought to be increased	22	64	14
More money ought to be allotted for the Army in the future	20	68	12
The Army ought to be abolished completely	13	81	6

From the viewpoint of the public's assessment of the Hungarian Army, it is favorable that most people:

- Regard the Army as the most important school for making men out of boys.
- See in the Army a guarantee of internal law and order, of domestic tranquility ("in the last resort, only the Army is able to maintain internal law and order").
- Trust the Army to defend the country against external attack.
- Do not believe at all that the Army ought to be abolished completely.

On the other hand, we must realize that:

- Youths intensely dislike military service.
- It is held that not even the Army is free of corruption.
- The public does not think it necessary to increase the Army's effectiveness.
- The public is against allotting more money for the Army even in the future.

While the better educated, younger, urban strata are more or less unanimous in their assessment of the Army, elder people, rural residents and persons of lower status can be divided into two groups: one accepts the Hungarian Army and forms a slightly idealized picture of it; the other thinks with animosity of the Army in its present form.

Edifying are also the answers to the following question that interests many people: Should service in the Army remain compulsory for every young man, or would it be better to have a professional army based on voluntary enlistment? Fifty-eight percent of the respondents favored retaining compulsory military service; 35 percent preferred the establishment of a professional army; and seven percent were undecided.

Those who were satisfied with the Hungarian Army rejected the idea of a professional army. So did most of those who have no definite view regarding the Hungarian Army and merely harbor some feelings—mostly negative—about it. But those who have a definite, critical opinion of the Hungarian Army would like an army of professional soldiers serving for pay.

An earlier opinion poll, conducted in July 1989 in conjunction with the proposed introduction of alternative civilian service for conscientious objectors, adds nuance to the public's assessment of the Hungarian Army.

According to the results of that poll, an overwhelming majority (78 percent) of the public approved of alternative civilian service for young men of draft age who object to combat service because of their conscience; 17 percent of the population opposed such alternative service; and five percent were undecided. Mainly university and college graduates supported the idea of alternative service for conscientious objectors.

A large proportion (70 percent) of the population felt that some sort of military service (either civilian or combat service) should be compulsory for every young man in Hungary. There were above average numbers of rural residents, of less-educated and of elderly persons among these respondents. There was no difference of opinion between males and females in this respect.

Twenty-six percent of the respondents took the opposite standpoint and felt that there is no need for compulsory military service.

But when the question was reworded and the respondents were asked which would be the better solution—to retain universal compulsory military service, or to let everyone freely decide whether or not he wants to choose military service for pay as his profession—29 percent of the respondents who earlier had wanted to retain universal compulsory military service now favored a professional army.

Nearly half (44 percent) of the respondents who supported universal compulsory military service emphasized the Army's training function.

A distinct group of opinionholders were the respondents who felt that universal conscription is necessary to ensure the country's defense.

Some respondents (11 percent) just felt that everyone should do military service. A few respondents pointed out in their answers that the state budget could not afford the costs of maintaining a professional army. Others referred to the patriotic duty of young people to defend their country.

Very few respondents (two percent) pointed out that the present international political situation was not conducive to abolishing universal compulsory military service.

The respondents were asked whether any measures evoking public dissatisfaction had been adopted in conjunction with the Hungarian People's Army during the past year. They answered as follows:

Merely 20 percent of the respondents answered in the affirmative, an indication that the majority did not know of such measures. But a much larger proportion (62 percent) of the population remembered measures that caused public dissatisfaction.

Among the unfavorable opinions, the ones most respondents identified as causes of public dissatisfaction, were usually referred to as the Czinege scandal (39 percent), the events described in the book *Kiskiralyok munderban* [Petty Monarchs in Uniform] (21 percent), and generally the military leadership's financial misdeeds and misuses of authority (23 percent).

An insignificant number of respondents had something else bad or unfavorable to say about the Hungarian Army.

Among the Hungarian public there are three times as many favorable opinions of the Hungarian Army, or Army-related measures causing public satisfaction, than there are factors casting a shadow on our Army.

Among the positive measures causing public satisfaction, the most respondents (36 percent) mentioned the shortening of the period of compulsory military service. Many respondents (10 percent) also regarded as a positive measure the introduction of alternative military service for conscientious objectors. According to several respondents, the important thing is that a "new regime" has emerged in the Army's leadership. They cite, among other things, the new role (the establishment, some say) of the "General Staff" (meaning the Hungarian Army Command), the abolition of political apparatuses, the conversion of the Army into a national one, and the Army's depoliticization (five percent).

The cutting of military expenditures in the state budget is another measure generating public satisfaction (five percent). And this is also true of the fact that the Hungarian Army has started talks on the withdrawal of Soviet troops from Hungary.

Three percent of the respondents mentioned the food shipments to Romania by the military. And the Hungarian Army is also being credited with offering its unused barracks as shelter for the homeless.

In conclusion we deem it important to emphasize that the past 12 to 18 months were too short a period to change with one stroke all the prejudices against the Army, yet the fact that Hungarian public opinion increasingly regards the Hungarian Army as its protector should boost the self-confidence of the Army's cadres and commanders.

CZECHOSLOVAKIA

Federal Budget 1990, Long-Term Development Outlined

90CH0287C Prague NARODNI HOSPODARSTVI in Czech May 90 pp 19-22

[Article by Eng. Jiri Novotny: "State Budget for 1990 and Long-Term Direction of Budget Policy"]

[Text] The basic goals of the economic policy of the government of national understanding were outlined in the program announced by the government on 19 December 1989 and in the report given by its premier to the Federal Assembly on 27 February 1990. Its content was a determining factor for the composition of the new state budget which replaces the provisional budget approved by the Federal Assembly at the end of last year.

Starting Points and Main Objectives of the State Budget for 1990

In comparison with the previous concept of the so-called restructuring of the economic mechanism, which anchored only one alternative of the totally discredited administrative management, the economic reform is based on a gradual, but at the same time relatively quick and organized transition to a market economy. A part of it, besides many legislative acts aimed especially at the introduction of a new and broad spectrum of various forms of ownership, including greater participation of foreign entities, is above all a specific economic policy for the near future. Its goal must be to maintain, possibly increase, the rate of economic growth, restore economic equilibrium, prevent uncontrollable inflation and unemployment, and begin making structural changes in production and foreign trade without increasing foreign indebtedness. The determinant instrument in this will be macroeconomic regulation, based on a coordinated anti-inflationary policy of the state budget and the central bank, and only temporarily using some elements of the administrative management for supplying the national economy with key raw materials and material inputs or outputs.

The unquestionable priority aims of the economic policy and the significant role of the state budget in realizing them became immediately evident during the composition of the state budget for 1990, which was approved by the parliament on 27 March 1990 as it was proposed, without changes. With regard to possible deviations in fulfilling the revenue and expenditure part, it was emphasized during the discussions that it is crucial for the government to maintain the determined balance of revenues and expenditures as an expression of a restrictive financial policy in the next period and the beginning of the transformation process to a market economy.

As is obvious from the summary of selected data of the state budget, the changes are to be seen particularly in the expenditures and their structure. That is also the main difference from the original draft of the state budget, which was prepared and actually also approved by the previous government in November last year.

Summary Data of the State Budget 1990 (1989) in Kcs Billion

Indicator	Budget	Budget	Change	Index
	1989	1990	In Billions	1990/89
				In Percent
Total Revenues	408.24	42.16	11.22	102.9
Of which:				
Turn over tax	84.32	89.75	5.43	106.4
Enterprise levies	181.10	190.46	9.36	105.2
Banking levies	22.99	19.80	- 3.19	86.1
Personal taxes	53.26	55.34	2.08	103.9
ROPO revenues[1]	26.69	25.68	- 1.01	96.2
Taxes on cooperatives	39.88	39.13	- 0.75	98.1
Total expenditures	415.24	414.78	- 0.46	99.9
Of which:				
Subsidies to economic organizations	78.43	70.70	- 7.73	90.1
ROPO investments	32.51	32.43	- 0.08	99.8
Defense and security	48.30	43.83	- 3.90	90.7
Social security	99.05	102.85	3.80	103.8
Education	30.25	31.53	1.28	104.2
Health care	33.27	35.85	2.58	107.8
Culture	5.31	5.39	0.08	100.1
Residential construction	24.57	27.52	2.95	112.0
State administration	7.92	7.82	0.10	98.7
Other expenditures	55.63	51.48	- 4.15	92.5
Deficit, surplus[2]	- 7.00	+ 5.38	12.38	—

[1]ROPO—bugetary and contributing organizations.
[2]Preliminary data for 1989 because the deficit has not been distributed yet according to the the kinds of expenditures and for the 1990 approved budget.

Characteristic features of the approved budget for 1990:

a) a significant limit on the dynamics of growth of total budget expenditures (index 99.9), i.e., well below the boundary line of the assumed rate of growth of the consumed national income (102.5 at a minimum) and with a higher dynamics of revenues 102.9;

b) drafting a surplus budget in the amount of Kcs5.4 billion (1.3 percent of total revenues), contrasting with the deficits in 1986, 1987, 1988, and especially in 1989 in the amount of about 7 billion (preliminary estimate);

c) limits on the reditributing processes by means of the state budget, particularly in the enterprise sphere and non-investment subsidies (reduction by almost 8 billion, i.e., by 10 percent, concentrated in the agrocomplex;

d) reduction of nonproductive expenditures for defense and security (by 10 percent), the CPCZ, social organizations, and state administration;

e) restrictions on budgetary expenditures did not affect expenditures for health care, education, culture, and social security (total increase by 6.6 percent, of that for health care 7.8 percent, education 4.2 percent, culture 0.1 percent, and social security 3.8 percent compared to 1989). Expenditures for residential construction will also grow dynamically (12 percent).

It is obvious from the summary of the main budget operations that the 1990 budget strives for a reversal of the past negative tendencies in the budget management as well as the entire economy. It has an anti-inflationary character because the part of total demand which is generated by the state budget is being reduced. It also plays a part in beginning the process of transforming the Czechoslovak economy in the direction of a market-type economy by cutting back expenditures for agriculture. Thus the much too paternalistic relationship of the state budget to state and cooperative enterprises is being weakened.

But a more detailed analysis of revenues and expenditures of the state budget would make it clear that in view of the difficulties of realizing still more radical restriction of budgetary expenditures for agriculture, which would certainly be correct, while taking into account risks on the revenue side, we cannot as yet talk about a fundamental reversal in the management of the budget. It is evidenced not only by the relatively low budget surplus, an unprogrammed approach to eliminating subsidies, a still high volume of the so-called negative income tax, but also by the preliminary stand of experts from the International Monetary Fund.

It is obvious that the adaptation of the state budget to the conditions of a market economy by means of a substantial reduction of the share of the state budget in the gross national income will require in the near future further basic changes in budget management, in conjunction with the progress of the economic reform in the area of currency, prices, wages, etc.

The complicated, politically and economically sensitive problems of relationships within the budget system also need to be dealt with. The solutions adopted thus far (changes in the budgetary designation of the revenues from taxes on the volume of wages, and a differentiated share of the republics' budgets in the income tax) cannot be final. It will require, of course, a change in the current budget rules, because the amendments in 1989 did not anticipate such a possibility.

Longer Term Direction of Budgetary Policy

The specific objectives of budgetary policy for the near future, as they appeared in the already approved state budget for 1990, in no way exhaust all the problems of the future direction of budgetary policy. But the anti-inflationary and transforming influence of the state budget must be maintained within a longer time horizon even under the changed conditions of a restructured budget system.

Such a direction of the budgetary policy, or in other words, the reform of the state budget and its integration into the concept of economic reform, will evolve particularly from a rational distribution of functions among state and territorial agencies, enterprises, institutions, and citizens. The high degree of centralization of socio-economic functions that prevailed until now led to a high centralization of revenues especially from the nationalized enterprise sector. In this concept, the public had relatively low incomes, "incapable" of being taxed, which meant that the state budget could not draw on other income earners. The goal-oriented solution must lead to substantial reduction of the economic and social function of the state that will be apparent mainly in the reduction of the volume of the state budget and change in the structure of budget revenues and expenditures. The state budget will, as is common in advanced economies, concentrate on creating general and equal conditions for the functioning of the market, guarantee the necessary social securities for citizens, and finance to the necessary degree expenditures essential for maintaining the power and administration of the state, its international integration, its security, and its Army. The fundamental criterion for financing these needs is a commensurate taxation and a strict linkage of expenditures to revenues in any proposal for extending state activities.

An optimized state budget will lead to lower demands for restricting the consumption of all economic entities and will encourage their rational investments by reducing state consumption. It will generally reduce the danger of inflation which we witness particularly when there is an uncontrolled and excessive growth of state expenditures that usually result in budget deficits.

With the expected substantive reduction of the extent of state ownership in the primary and secondary sectors, with the exception of the infrastructure, and further with significant privatization in many branches of the national economy, the state budget will be used in a limited degree, together with monetary policy within the

framework of so-called macroeconomic regulation, only for an overall influence on the market. In inevitable cases, especially prior to a total transformation of the economy, it will also selectively support macrostructural and microstructural changes in production, possibly also in foreign trade relations. Even in those cases priority will be given to the use of economic means in the form of legal manipulation of the tax base, tax reductions, excise, and temporary direct subsidies from the budget, always within the framework of the approved state economic policy and under the control of the parliament.

In the same way restrictions will be placed on any activity by the state resulting in changes in the revenue and expenditure side of the state budget (for example, in accepting or granting foreign credits, solving the unemployment problem, adopting new social programs, etc.)

So organized management of the state budget, based primarily on long-term legal norms and annually approved budget laws, will be intelligible not only to all economic entities and the parliament but also to citizens, political parties and other forms of civic associations. At the same time, the possibility of subjectivism and voluntarism on the part of state agencies in the execution of state power will be considerably reduced.

A concrete manifestation of the optimization trends in the state budget will be the reduction of its share in the gross national product or the national income, comparable with OECD countries.

Therefore the direction of the budget policy aims to:

1. Reduce current excessive state involvement by setting another, lower ceiling for the state to take over social obligations, while maintaining, of course, its active social policy that assumes gradually, among other things, to:

—Create a social security fund apart from the state budget, which will cover its needs on the basis of specified incomes, primarily from employees and the insured themselves.

—Eliminate formal prices and unnecessarily free services in residential management, personal transportation, communications, social insurance, health care, education, and culture which distort demand.

—Establish careful concepts, and thus also future responsibility of the state, for accepting extensive social programs (for example, in retraining and unemployment support which, if there are not sufficient financial resources, can even act as a disincentive).

—Keep in mind utility and thrift in financing the present level of public services and in spite of the risk of social conflicts create the sense that none of these expenditures is untouchable, and that it can be reevaluated if need be during the annual approval of the budget and in this way restrain the so-called fiscal activism and the chronic desire of governments and sometimes also parliaments to keep spending tax money.

—Modernize the system of organizing management and financing in health care, education, culture, and social welfare.

—With the current concentration of specific organizational and financial provisions for public services at the level of the republics or municipalities, it is necessary to streamline relationships within the budget system in such a way that the agencies' degree of satisfaction with these services would not foster constant demands for more appropriations, but on the contrary, would foster an effort to mobilize their own, or perhaps consigned, income and at the same time spend it carefully. Equalize possible territorial or time differences in regional financial burdens by a substantiated, central subsidy policy based on precisely determined "nelicitacnich" [as published] rules, according to which part of the state subsidies will be determined by the amount of available resources and the number of inhabitants (so-called normative financing).

2. Reduce expenditures for defense, security, an overgrown administration, and international incorporation, and use them in a more economical way, and:

—Respect elementary financial discipline and verify all provisions which are said to regulate management in state agencies and institutions but which are in reality instruments of mass wastefulness "in accord with regulations" (for example, automobile transportation, entertainment, and gifts).

—Modernize the performance of the state administration while reducing the administrative apparat.

—Reorganize the state administration, dissolve all regional units, abolish central villages and restore the statute of each village, reduce the number of districts, carry out a maximum reduction of the staff of national committees and transfer the authority to elected representatives.

3. Reduce substantially the economic role of the state in connection with the process of privatization, liberalization of the market and the price system and the composition of a capital market; change the current support of enterprises into a limited and direct state participation in entrepreneurship, payback financing, etc., and:

—Drastically reduce all forms of subsidies to state and other enterprises, especially in general production and trade, and select an appropriate form of grants for the time necessary to transition to the announced, accelerated, and the parliament-approved program for eliminating subsidies; direct the reduction of subsidies at such sectors and purposes that do not reduce the expected tax revenues which support the construction of a free market.

—Work out a system of temporary support of necessary enterprise initiatives by permitting manipulation of the tax base, repayable financial assistance (state credit), and direct tax reductions.

—Lessen the so-called social function of enterprises and leave the rendering of social services to agreements between entrepreneurs and trade unions.

—Replace the current system of FENZO [expansion unknown] with excise protection, licenses, and, as an exception and temporarily, export, or if need be, import quotas; in this phase eventual import bankrupcy proceedings or an auction system cannot be ruled out prior to the total liberalization of foreign trade.

4. Substantially increase the efficiency of fully state-owned enterprises (production and social infrastructure) and also reduce their extensive requirements for financing further development, giving consideration to the possibilities of some branches undergoing partial or gradually total privatization, particularly in so-called communal undertakings, and:

—Gradually correct the pseudosocial subsidized prices and services which lead to wastefulness.

—Verify and modernize their management, dismantle unnecessary middle management units, introduce economy programs including cutbacks or postponement of megalomaniacal constructions.

5. Pursue the goal of future tax reduction using all the principles of a modern tax system and in close connection with the burden of state expenditures, price liberalization, and the development of the income situation of all taxable entities; substantially increase the control of taxes and eliminate benevolence where it is not warranted. This basic tax reform contains above all a transition to a value added tax, application of specific consumption taxes (alcohol, tobacco, gasoline, etc.), and import taxes that protect, together with customs duties, domestic production. As far as the income tax is concerned, it is necessary to change to a universal tax on all declared incomes of the citizenry and a uniform taxation of all kinds of enterprises (also private). In view of international practice, it will be appropriate to adjust, or rather introduce, a road tax, property tax, inheritance, and gift tax and to reconstruct the system of local taxes.

The above-mentioned list of necessary basic changes in the direction and content of budgetary policy shows that the responsible government and financial agencies face a number of new tasks which cannot be resolved by the use of traditional schedules of the present budgetary policy. An intensive study of foreign experiences, emerging knowledge of the theory of budgetary policy, inventiveness of theoreticians as well as practitioners, same as the responsibility of representatives of political and economic interests are essential conditions for a realistic and rational solution.

Role, Principles of State Plan in Modern Economy

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[Article by Eng. Vladimir Siba: "Role and Content of the State Plan in the Modern Czechoslovak Economy"]

[Text]

Market Character of Economy

The aim of all economic activity, and therefore the function of the economy, is to ensure continued growth of the standard of living (in the broadest sense of the word) of all the people.[1] I see the immediate substantive goal of the Czechoslovak economy in the present situation as basically catching up in as short time as possible with the standard of living in comparable advanced economies by renewing economic prosperity, and at the same time ensuring the existence of a certain level of humane and civilized life in general. I am of the opinion that the Czechoslovak economy should from the very beginning consistently pursue a high level of culture, education, health care, ecological irreproachability of the environment, humane working conditions, and social measures accessible to the broadest strata of citizens. That should, in my judgement, constitute the Czechoslovak identity and the Czechoslovak contribution. Such specifics, of course, are economically very demanding. I am proposing, therefore, that we formulate our economic and social policy in such a way that we can afford the humanitarian program, even at the cost of a certain reduction of differentiation in individual distribution, i.e., relative reduction of differentiation of personal incomes,[2] naturally maintaining sufficient motivation for efficiency in work.

In any case, the attainment of this standard requires the achievement of economic prosperity. Economic prosperity can be realistically achieved only on the basis of giving people incentives for efficient activity. That is possible only when working people will be rewarded directly in proportion to the results of their work objectively evaluated by the market, when they will share in economically normal profits, when quality workers will be paid better and respected, and poor ones will be economically affected and dismissed. That can happen only if the existence of each enterprise, firm, and organization depends on its prosperity, if a continually profitable activity will be always given preferential treatment and poor quality, unprofitable activity will be liquidated.

The possibility of creating incomes of enterprises and people objectively in direct proportion to the results of work is possible only by the existence of the market, i.e., the existence of an environment of market competition. I therefore consider the immediate systemic (methodic) goal of the Czechoslovak economy under the current conditions to be the restoration of the market character of the economy. The production of goods and conditions for the market objectively exist. The point is to remove

all artificially and subjectively erected barriers to the functioning of the market (above all, the state plan itself in its current conception with its directive, voluntarist, specifically directed interventions by the administration into the life of the economy, artificial, uneconomical setting of prices, monopolization, etc.), and to fully unshackle and renew the functioning of the market.

It is essential that the economy be directed above all factually, efficiently and objectively by the market mechanism of the "invisible hand", that the market coordinate economic activities and create a natural pressure for maximization of efficiency, that suppliers and consumers perform their market roles without limitations, i.e., that producers adjust their production to customers' demand and customers verify by their demand the social utility of the production.

For the market to be able to function, basic market principles must be applied in the economy, and that means all of them simultaneously. In my judgement it concerns four main ones:

- Principle of income equivalency, which guarantees that the only source of income of an economic entity is the receipts from its sales. The implementation of this principle will also make it possible to get rid of the costly luxury of inefficient production and activities, which is at the same time essential to making possible the development of efficent supply.
- Principle of value prices approximating socially necessary labor costs, which are the function of the ratio of supply and demand.
- Principle of a rational limiting of monopolies wherever the breakup of the monopoly is not in contradiction with labor savings based on mass production. That also requires that the domestic production opens up to the competition of imports.
- Principle of aggregate balance in the investment market, production consumption, retail trade, and in relation to foreign markets. Only when a state of aggregate balance exists can a consumer market be achieved that would create pressure for a continual renewal of the microstructural balance in products by forcing producers to adapt their technological progress and production to the specific needs of the consumer.

A market economy totally precludes the existence of a state plan for the development of the national economy in the concept and practice of real socialism because such state plan impedes the functioning of the market. The transition to a market economy requires that the present function of the state plan change in principle, it demands that it be given an entirely new role and content. A new state plan must above all be rid of and cannot do or contain anything that would make impossible or limit the competitive function of the market and impair its positive influence. In particular, the state plan must not:

- Determine indicators which would be the criterion for evaluating the activity of economic entities (because only a functioning market can evaluate objectively the results of activities).
- Relieve economic entities of responsibility for meeting the demand for their production and responsibility for entrepreneurial decisionmaking, it must not guarantee them sales or take over guarantees for entrepreneurial investments, i.e., guarantee the existence of the producer no matter what and how he produces—in that connection it also must not tolerate artificially keeping alive inefficient production and activities by granting irrecoverable subsidies.
- Detail general limits directed at specific items of any consumption (investments, objects of production consumption, imports, number of workers, etc.) which prevent the functioning of the market and, on the contrary, are an efficient instrument for maintaining disequilibrium when shortages exist.
- Strengthen monopolies and the economic standing of the supplier to the consumer in general.
- Set prices of the cost kind derived only from the calculation of production costs, because they express only the interest of the producer without a consumer evaluation of the utility of the goods.
- Set technical-economic norms and normatives for management[3] (which can be based only on statistics and will only set in concrete the current wasteful management practices).

Economic Functions of a Modern State

The task and content of a rational state plan stems from the function of the state in a prospering market economy.

The state must not prevent the market from functioning, on the contrary, it must do everything to make it function well, i.e., without negative manifestations and anomalies, and moreover the state must know how to push through those interests of the society which the market in the given conditions either cannot manage, or—and that above all—push through those interests of the society whose realization is in contradiction with the natural functioning of the market. For example: A good market works toward maximizing profits. That is generally in accord with the needs of society. But it is also in the interest of society to have a healthy work environment in the enterprise as well as to prevent air pollution, water pollution, etc. That requires costs which either reduce profit or requires that it be used in a nonproductive way. That calls for rational intervention of the state by an appropriate decree or prohibition by a legal norm, etc. The role of the state, I believe, is particularly relevant under our present Czechoslovak conditions, when we are starting market entrepreneurship and our entrepreneurs and managers are inexperienced. For one thing, an experienced entrepreneur and manager as a rule knows that respecting social interests of society pays and brings benefits in the long run. And for another, an inexperienced entrepreneur is more in the need of advice which way to direct his business to advantage, of recommendations from the state marketing system about

promising directions of innovations and future demands. But another specific example: After putting two blocks of the nuclear power plant in Temelin into operation, it will be possible and necessary to close down an equivalent output of condensing power plants burning sulfur coal. Which condensing power plants to close down must be determined by the state.

To put it briefly, the objective is for the market to uncompromisingly regulate all activities of economic entities and for the market to be efficiently regulated by the agency of the society, i.e., the state.

In my judgement, it is essential that the state, if it wants to be successful, involves itself significantly and effectively in such areas of economic policy among which are:

1. Anti-inflationary policy program for macroeconomic equilibrium.

2. Program for a humane and civilized society.

3. Strategic forecasting of macroeconomic development including a program for macrostructual changes in the economy.

4. State programs for cutbacks and development.

5. System of procedural legal norms in the economic sphere (which actually represents to a considerable degree an instrument for the realization of the previous four programs).[4]

- Re: No. 1—If we start up the market without radical regulatory measures by the state in the current state of aggregate disequilibrium in all our markets, characterized by an excess of demand over supply, increases of all prices would follow and therefore inflation in prices as well as costs. The prices would become particularly soft for producers and would not make it possible to practice economy in production. Although there would be a value equilibrium between supply and demand, it would be on an inefficient, wasteful level. The suboptimum equilibrium would obviously not lead (according to the Polish experience) to a material increase in supply; producers would be satisfied with comfortable sales for inflationary prices. The political climate would force an indexed increase of wages, i.e., without merit, commensurate with the increases in prices. The economic reform would not succeed, with all the serious political consequences.

The most immediate task is to secure macrostructural aggregate equilibrium in all domestic markets, which under the conditions of an overall disequilibrium is a matter for the state where it cannot be replaced. The result of the state economic policy, the aim of which is to achieve an aggregate equilibrium, must be a significant and effective restriction of demand and a gradual development of efficient supply. The overriding task of the state in terms of time under the Czechoslovak conditions of overheated demand for investments, production consumption, consumer goods and foreign exchange is a policy of regulating demand, that is, the introduction of a strict and consistent monetary policy for regulating income, antiinflationary policy of expensive money, and a forceful policy of sound currency that would include increases of credits lower than increases of bank deposits and budget surplus in the form of a deposit of the state in the bank, which should make possible a reduction of the money in circulation.

The realization of the state program of antiinflationary policy of macroeconomic equilibrium is to create at the same time a demanding parametric environment, which will consistently and uncompromisingly force businesses to satisfy the needs of consumers, prevent waste, implement technological developments, be efficient in capital investment and competitive on the world markets, in other words, to develop efficiency in supply.

- Re: No. 2—There is nothing to replace the state in devising and realizing a program for promoting a humane and civilized society. It concerns the goals of society in an optimal and at the same time realistic (in step with economic possibilities) development of health care, social welfare (particularly concerning children and senior citizens), care for the environment, in the area of education, culture and physical education. In the just rewarding of workers and in the so-called public services consumption in businesses, trade unions must play an active role in the interest of the employees as an important counterbalance to entrepreneurs and managers. Here the state must fulfill its role by setting legal norms delimiting the rights of the trade unions and the obligations of the entrepreneurs. A program of humanitarianism cannot be other than a component of the program of economic policy of the state, because ideological "needs", particularly in this area, are without limits, and in order to talk about a realistic program at all they must be brought into harmony with the possibilities of the economy and the state budget, i.e., converted into economic needs of a demand based on the purchasing capacity of the cultural-social sphere, naturally with an expertly determined sequence of the urgency to satisfy those needs.

- Re: No. 3—The state must above all know what it wants in the economic sphere, that is, what it should provide in economic prosperity to ensure improvement in the standard of living of its citizens. That means, knowing precisely what is efficient and what is not, and what makes things efficient. And, naturally, for the specific prevailing Czechoslovak conditions of a small economy with no possibility for large new investments and demands for raw material resources, but with skills, intelligence and work ethic. The method of the center for gaining understanding of the current and future value relationships and efficiency cannot be other than a mutual comparison of national labor costs with the current and projected world prices of comparable competitive goods. This objective criterion of efficiency cannot be put in doubt or qualified; the dividing line between efficiency and inefficiency must not be hidden or camouflaged.

The strategic forecast for the economy is supposed to represent a long-term framework design for the development of the national economy for 20 to 30 years. It should be the main component of the program of the state's economic policy, because substantive matters cannot be resolved in a short time since they are predetermined by the developments thus far. That is why all other components of the economic policy should be systematically subordinated to the long-term substantive goals and objectives stated in this long-term project.

A strategic forecast of macroeconomic developments is actually a part of the informative function of the state economic policy. Any projected quantified indicators and assessments, which the states creates for itself in its information-gathering function, can only have the character of a forecast of the likely behavior of economic entities under conditions of an environment created by a state system of indirect instruments of management. In any case the informative quantifications of the state must be a product of an independent central version, they must not be taken over from the business, because then the state would not be regulating but would itself be regulated by business interests.

For this part of the state economic policy there is, in my opinion, a very good foundation. It is the "Comprehensive Forecast of the R&D, Economic, and Social Development of the CSSR up to the Year 2010" by the Czechoslovak Academy of Sciences from 1988. That is not negligible, but it is not enough. This foundation needs to be further specified and elaborated.

- Re: No. 4—With the anticipated creation of a general, demanding environment for an efficient entrepreneurial activity, the elimination of inefficient activities and development of efficient supply is to be achieved by the natural force of the market mechanism. It is supposed to enter even into the changes of the macrostructure of the economy, because the development of macroeconomic aggregates always has its microeconomic foundation. The exceptional selective and targeted measures of the state plan, supporting and speeding up the cutbacks and elimination of inefficient operations and the development of efficient supply, are to be implemented in order to support and speed up the functioning of the market mechanism on the basis of information from the state marketing system, and are to have the form of recommendations to the business sector. On the quality of the information of the state marketing system (based on its knowledge of wider relationships, comprehensive knowledge of the conditions and developments in the world and domestic markets, and interstate dealings) will depend the authority of these state programs and the interest of entrepreneurs in their recommendations. As an exceptional measure, it will be necessary for the state to place a specific order if a state organization is the customer, or as an absolute exception to set a specific task.
- Re: No. 5—In question are not only economic laws, but also lower-level operational and specific legal norms, government edicts (for example, that the activity of a firm which pollutes the air above the established norm will be stopped immediately; or that the number of personnel in security offices must not exceed the established number, etc.), government resolutions (for example, setting a task which would enable us to increase the import of natural gas on the basis of government negotiations), legal norms for government agencies (Economic Council, State Planning Commission, ministries) and economic resolutions and edicts of national committees of all levels. A timely part of the legal norms in the economic area are also regulations concerning the method and conditions for retraining workers from discontinued ineffective operations.

Role of the State Plan

It is obviously efficient and desirable for the benefit of the people that the state, i.e., the parliament, the president, and the government with its Economic Council and its state commissions and ministries, works according to a program and a plan, systematically and coordinately. So that the state would always have only a single program of its economic policy.

Otherwise, there would inevitably be a real danger that each state agency would carry out its own program and each a little differently, that resources would be expended for something important but some even more important need would not be met, that the degree of significance of the individual instruments of the state antiinflationary stabilizing policy would be varied and the instruments would not create a consistent system, and even that contradictory measures would be adopted which would be mutually paralyzing.[5]

I am deeply convinced that it is in the interest of the success of the economic reform, the success of this state and its people, that the state maintain a continually up-dated single, uniform, and comprehensive program of economic policy. A highly competent, consistent, and authoritative program of economic policy of the state should represent a state plan for the development of the national economy in a new, modern, market concept. The state plan should therefore be a coordinated comprehensive program of separate programs, of a long-term strategic projection of macroeconomic development, a midterm program for promoting a humane and civilized society, a contingency program of antiinflationary stabilizing policy and selective specific state programs of cutbacks and development. The state plan should represent a platform for a permanent formulation, discussion, integration of viewpoints, and approval of the principal comprehensive program of the state economic policy. In that, if we are smart, we have a chance to make good use of the Czechoslovak conditions as an expedient and comparative advantage in competing with other market economies.

Content of the State Plan

A modern state plan of a market economy should consist of two parts:

A. informative, and B. directive.

A. The informative part of the state plan is basic, because the state must first ascertain what it should want to attain an effective balance in markets and an increase of the cultural and social standard of living, what it should arrange in order to attain that goal and what it could, if need be, command.

The information of the state plan is based first of all on honest analyses of the real development of the economy and society, and on comparing it with advanced economies and countries on the basis of scientific criteria of efficiency.

The second and active component of the informative part of the state plan is the long-term forecasting of macroeconomic development.

In particular, the informative part of the state plan must contain:

- A long-term forecast of the development of world prices of interesting productions and their aggregates.
- A long-term forecast of our national labor costs for the domestic production of competitive goods and their aggregates.
- On the basis of efficiency criteria, i.e., the relationship of world prices and national labor costs for comparable production, a contemplation of the long-term development of an optimized macrostructure of Czechoslovak production, i.e., of the rates of development of individual macroeconomic branches and possibly selected sectors.
- On that basis an informative idea about a realistic rate of growth of the produced national income (gross national product).
- Forecast of an effective incorporation of the Czechoslovak economy into the international division of labor and the subsequent ratio between the produced and consumed national income.
- Based on the concept of the need for investments for effecting changes in the macrostructure of the economy in confrontation with the time-coordinated graph of the growth of the living standard, the ratio between the accumulation and consumption in the use of the national income.
- Within the framework of the use of the net national product, the ratio between the personal and public services consumption of the population, i.e., the demarcation of the economic space for the immediate monetary incentives for efficient work by the people on the one hand, and for a program for a humane society on the other.
- In that connection a program of restrictive measures limiting the nonproductive consumption of society which does not have a positive influence on the citizens' living standard, i.e., a program for restricting expenditures for example for the defense and security of the state, administration (including excessive apparats of the state, excessive political parties and movements, representation) etc.

B. The directive part of the state plan should have three parts (with the understanding that what was learned through its informative function and deemed appropriate and agreed upon will also be implemented by proper legal norms outside the directive part of the state plan): 1) A system-creating part including value instruments of the state policy of economic equilibrium; 2) program for a humane and civilized society; 3) state programs of cutbacks and development.

1. The system-creating part containing general (nonspecific) value instruments directively established by the state represents the creation of a demanding, parametric and anti-inflationary environment which determines the behavior of economic entities.

In particular, the system-creating part of the state plan should contain:

- Rules for setting value prices, i.e., prices which are an external objective parameter for the producer as well as for the state plan. For some goods, the state plan will set prices directly as state prices, in some cases taken over from the existing world market (for example, the prices of some raw materials and fuels).
- Socially economical program for a gradual solution of the problem of retail prices and the turnover tax.
- Concept of foreign exchange rates, their current quantification and probable development.
- System of customs charges.
- The current discount rate and its probable development.
- Active policy for the state budget. A balanced state budget has only an inconsequential function. The current situation demands an anti-inflationary state budget surplus. Here, a mandatory rule (approximate amount) of surplus should be set by the Ministry of Finance. The state budget surplus must not be a more or less random quantity, but, as an important socioeconomic category, universally and conceptually substantiated, agreed upon, and universally implemented on a nationwide basis.
- Rules for levies from businesses, entrepreneurs, and citizens to the state budget, i.e., the policy of business, entrepreneurial, and personal taxes as the economically generally substantiated foundation, and directives for appropriate legal norms.
- Rules for credit and deposit policy, foreign included. In question are directives for the issuing state bank. For example, in the context of the state anti-inflationary policy, the current quantification of the amount by which the increase of newly granted credits would be lower than the increase of deposits in banks, even in case of a transitory good standing of the credit sources.
- Rules for issuing and trading securities and rules for active (payback) selective participation by the state in

financing selected business actions (rules for the purchase of securities by the state and possible state loans).

- Rules for the participation of foreign capital in domestic business, including management of natural resources in connection with evaluation of its profitability (for example, determining the possible participation of foreign capital in the mining industry).

2. Program for a humane and civilized society should contain, as its directive function in addition to verbal information about the objectives of society in the development of individual branches in this area, an entirely directive, territorial detailed breakdown of necessary specific tasks of the state plan. This could concern, for example, the number of physicians (in relation to the number of citizens), hospital beds (also in relation to the number of citizens and their age), places in nurseries, kindergartens, and institutions caring for senior citizens, a target number of personnel visiting and caring for senior citizens at their homes (in relation to the number of citizens over 60 years of age), target number of students in classes of various types of basic and intermediate schools, etc.

3. The selective specifically targeted part of the state plan in relation to the business sector should contain state programs for:

a. cutbacks and elimination of inefficient productions and activities,

b. support for development of efficient productions.

a) The purpose of the state programs for cutbacks and liquidation of inefficient productions is: to purposefully, according to plan, anticipate and support the natural influence of the market and carry out (speed up) liquidation also where the market does not yet have enough strength (for example, elimination of inefficient coal mining operations) and thus force the business to adapt to another, more efficient activity (to the extent that it is possible); in case of need to ensure the substitution of inefficient production of lesser utility value by a more efficient import (for example, substitute coal mining in inefficient localities by import of natural gas).

The instruments of implementation are: not providing subsidies (tax reductions) or state loans; requiring payments from depreciation of capital assets from the discontinued activity to the state budget; if necessary, a task mandated by the state with the aim to substitute discontinued production by import; if needed, social measures of the state plan directed specifically at employees from the discontinued activity if the solution within the framework of the general legal norms for retraining workers from discontinued activities is not sufficient.

b) The purpose of the state program for supporting the development of efficient production is to recommend to the business sector, on the basis of a wider knowledge of the state marketing system, future promising directions of research and development and promising marketing possibilities in both the domestic and world markets.

The instruments of implementation are: providing bank credit (by a regular procedure, without, of course, assistance by the state); state financing by purchase of securities (shares) in case of an extensive new activity (particularly when combined with the launching of a new business with large long-term investments); as an exception, specific state R&D or capital investment programs funded by the state by loans or purchase of securities by the state (for example, for construction of a new nuclear power plant) if the program carries with it an excessive entrepreneurial risk.

Continuity of the State Plan

The state must know at any given moment what it wants, i.e., it must have at any given moment an up-to-date, efficient, and quality state plan.

I am of the opinion that a scientific concept of the task and content of the state plan requires the abandonment of the strict dogmatism of the five-year and yearly plans. Such mechanically and generally established planning periods do not accord with the natural cycles of economic development, which are of different length in different branches.

A strategic forecast of macroeconomic development should be set for the long-term period of 20 to 30 years, and in some branches it can be set for differentiated time periods.

In connection with the long-term forecast of the economy, a midterm program for a humane and civilized society should be developed, discussed, and approved.

At the same time a contingengcy system-creating part of the state plan is to be worked out, a system of generally applicable value instruments within the framework of the anti-inflationary policy program of macroeconomic equilibrium for a period with no predetermined time limit, that would be brought up to date any time the life of the economy demanded it.

The state programs of cutbacks and liquidation of inefficient production, and state programs of state support for development of efficient production each have their own differentiated time-coordinated activities' graph according to their individual problems.

The stability of the state plan, the possibility of its long-term validity, depends on its quality and details, i.e., on a scientific concept of its task and content and on its prudence and realism.

It is crucial that the state plan continually guarantees and carries out, in its information-gathering function, systematic, continuous analyses in order to serve for quarterly, in some areas at least yearly, evaluations of how the actual economy is developing in comparison with the long-term objectives and central quantifications of the

state plan. This analysis should mainly include what conditions are in individual basic markets and how the efficiency of the national economy is developing in comparison with advanced economies.

On the basis of these analyses the state plan should continually, i.e., at any time when needed, fine-tune and modify the instruments of the contingency economic policy and the system-creating part of the state plan, with the aim of bringing the actual development of the economy closer to the objectives of the state plan.

It is also necessary, if the real economic life either national or global shows that some objective of a long-term forecast of macroeconomic development or some state program, including the humanitarian program, is unrealistic, to make and approve an appropriate modification of the project or state program.

If needed, it is possible to establish a new state program of cutbacks and liquidation of inefficient production and a new program for supporting the development of efficient production.

If it becomes evident in a catastrophic case that the real development of the economy is such that the long-term economic program and the program for a humane and civilized society is unrealistic in its substantive aims or in its entirety, or that the entire set of instruments of planned management does not contribute to improved economic efficiency and the citizens' standard of living, then it is of course necessary to immediately change the entire economic plan and the program for a humane and civilized society, and to work out a new system-creating part of the state plan.

After an overwhelming part of the goals of the long-term economic plan and program for a humane and civilized society is fulfilled, a new long-term plan for the development of the national economy and the program for a humane society will be worked out and approved.

If the new long-term economic and social plan or the realization of an efficient national economy requires it, the system-creating part of the state plan will be appropriately modified.

From the aforesaid it is evident that the point is to bring up to date in a differentiated way the various parts of the state plan, according to whether it concerns its long-term, midterm, or contingent part.

That is how the problems of the continuous planning of the national economy must be viewed in relation to the new function and content of the state plan for a market economy. Continuity is the immanent characteristic of scientific state planning.

Footnotes

1. With the exception of those who put themselves outside society by their lawless criminal acts.

2. Among other things, for example, by a progressive tax on the profit of businesses and entreprenuers and a progressive income tax.

3. It concerns, for example, "norms" for labor productivity (output), "normatives" for costs, etc. It does not, of course, apply to norms and standards for the quality of goods, services, air purity, etc.

4. To a certain degree, we are starting at the end. We are starting a feverishly quick drafting of economic laws without knowing precisely enough what it is we want in the first place. For that reason our legal norms will be considerably general, and therefore formal, and they will not be a sufficiently specific instrument for attaining goals. That, of course, can be made up and corrected, but first we must precisely define those goals.

5. Incidentally, my longtime experience with the activities of the so-called guiding, interdepartmental and branch state agencies cause me personally to consider utopia the theory of Minister Klaus (whom I otherwise and generally very much respect and the majority of whose practical measures thus far I consider unequivocaly correct) about the "counterplay" of the individual agencies of the center, whose maximization of a gain is supposed to constitute gain for all of us (see his article in POLITICKA EKONOMIE No. 5/1989).

GERMAN DEMOCRATIC REPUBLIC

GDR's SPD Defines Labor Union's Role in Market Economy

90GE0251A East Berlin TRIBUENE in German 13 Jul 90 p 9

[TRIBUENE interview with the GDR's SPD [Social Democratic Party of Germany] chairman, Wolfgang Thierse, and board member Thomas Schmidt by Reiner Fischer; place and date not given: "Market Mechanisms Alone Cannot Guarantee Security"]

[Text] [Fischer] The SPD [Social Democratic Party of Germany] executive board has welcomed the unification of the GDR labor unions and the FRG labor unions within the framework of the DGB [German Labor Union Federation]. The resolution was adopted unanimously. What induced the East SPD to take this position?

[Thierse] There were two reasons: On the one hand, we observed the development of the labor union movement in the GDR in recent weeks and months with great attention. We were able to reach the conclusion that the old FDGB [Free German Labor Union Federation] is really beginning to die. It is perhaps too early to say that it is already completely dead. But we see now concrete changes and consider the newly established spokesmen's council of the industrial labor unions and other labor unions as an important body representing the interests of the blue and white collar workers in the GDR.

[Fischer] What is the reason for the past distance from the labor unions?

[Thierse] As long as there was the FDGB, with its partly undemocratic structures, as long as the FDGB acted as a transmission belt of the SED [Socialist Unity Party of Germany] and had a cadre of functionaries from the past, there was no reason for us as SPD to maintain an especially positive or otherwise close relationship with that organization. Thus, not until the changes took place within the labor unions was a new beginning of our relationship with the labor unions necessary and possible.

[Fischer] What is the present attitude of the party towards the representation of interests of the working people?

[Thierse] It has always given us cause for concern that thus far we have not sufficiently succeeded in gaining a foothold in the plants and in establishing contacts with the reviving labor union movement. These reasons caused the party executive board to articulate its relationship with the labor unions in an explicit statement. First of all that is to be regarded as a signal to the new labor unions and secondly as a challenge to our own party to become especially active here in the coming months and years.

[Fischer] The SPD refers to the tradition of the German labor union movement and to the tradition of the German Social Democrats of over 125 years. How does the East SPD intend to revive this traditional line in the GDR?

[Thierse] Thus far we have not met this tradition. It is now important to arouse the awareness in the party of how necessary close relations between Social Democrats and labor unions are. We are also trying to get that under control organizationally. The SPD in the GDR is in the process of establishing a study group for employee questions. In some land associations, that has already happened. On the level of the party as a whole that will happen on 22 September. We must also become effective in the enterprises more than in the past and recruit blue and white collar workers for our work.

Parallel to that we are appointing persons responsible for labor union questions in all the leadership components of the SPD, in the People's Chamber parliamentary group, as well as on all land or bezirk executive boards, to coordinate the work with the labor unions. The difficulties in communication, which at times led to no communication, must at long last be overcome.

[Schmidt] We regard the establishment of the study group for employee questions as a way to establish contact with the employees. We consider the labor unions in the GDR as reformed—after free and secret elections. The labor unions themselves were not opposite numbers for us in talks until after 9 May, the day the spokesmen's council was installed. Relations with it and the chairmen of the individual labor unions have since intensified. It is our intention to support the labor unions in the elections to the shop councils. Only with experienced and involved labor unions will it be possible to achieve the interests of the workers in the plant.

[Fischer] Isn't there a certain aversion towards labor union work at present?

[Thierse] That is correct. I believe the SPD and the labor unions have to overcome an identical difficulty, namely an enormous weariness of labor unions among the workers. All of them are somehow fed up with the unions. Only very few have the imagination to be able to picture exactly what can be achieved by a labor union that is organized outside the plant and can become active within the plant only through shop councils. Thus far we have been used to having the union regarded as a natural component of life in the plant. Since that will change now, many do not know exactly how all that works. How is the cooperation between the unions within the plant and the union organization outside the plant, on the one hand, and the SPD as a political party, on the other hand, going to function? Such are the questions now facing us.

[Schmidt] The unions often misunderstand their independence from the parties. It is, indeed, correct that they are not to become once again the transmission belt of any party but they need a parliamentary force that advocates their interests in parliament and thus takes care of their interests in the legislation itself.

[Fischer] What is the SPD position on the principle of the unified labor union?

[Thierse]: The SPD takes a positive position on this principle. We consider that to be one of the indispensable conditions especially in the relationship with the market economy that is new for us. Only a unified union is a really strong partner facing the entrepreneurs. It is immaterial whether this unified labor union is organized as industrial unions or other unions, but what matters is precisely the implementation of this principle.

[Schmidt] In the GDR the term unified labor union is burdened with a great stigma. The FDGB practiced what the term unified labor union meant under socialism. But if, for example, we look in the FRG, we see what a truly strong umbrella organization, a unified labor union, the DGB, can achieve for the workers.

[Thierse] The comparison between the various West European countries and a look at the history of the European labor movement shows the considerable advantage of a unified labor union. Looking, for example, at France or at Italy demonstrates how much weaker the labor movement is there because it is fragmented.

[Fischer] What will the cooperation between your party and the industrial labor unions and other labor unions

look like; also in view of the unification party congress between West SPD and East SPD at the end of this September?

[Thierse] I hope very much—we are after all a young and quite inexperienced party—that the FRG experiences will be very beneficial to us, especially since leading union functionaries in the FRG are simultaneously also Social Democracy members. I further hope that the interplay between economic and political representation of interests by the unions on the one hand and by the SPD on the other hand can be applied to us as well. This interplay has led to great successes in the FRG. I am optimistic in this respect.

[Schmidt] As already mentioned, the tradition between labor unions and SPD is 125 years old. It must be revived with us in the GDR. That is one of the most important tasks of the representatives of the Study Group for Workers Questions. Another question that is just as important is the inclusion of the unions in the training of shop councils. It must first be made clear to many of them that their own initiative is now sought, that they are no longer taken by the hand and led, as has been the case for 40 years. Everyone is challenged to bring in his own interests, to organize, to form a group. Only as a group are the workers strong.

[Fischer] Weak unions in a market economy lead to the same result as dependent unions in a command economy. The entry of the market economy on GDR territory takes place simultaneously with the reduction of social benefits. Even the SPD, represented in the government, must helplessly look on. Are labor unions with their demands saviors or utopians?

[Thierse] First, the principle is undisputed: Social market economy does not function as social without strong labor unions. It is quite clear that the laws of the market alone do not yet safeguard the satisfaction of social interests. Market economy always also comprises an interplay of social forces, the conflict between entrepreneurs, and blue and white collar workers. It lives from the balance of interests between the development of productivity and the increase in profits. Or to put it another way, a balance of interests between productivity and social demands, the wage demands of the workers, must take place. The labor unions are the force that can achieve that. Nobody else. To this end, a unified force is needed, so that not only are individual solutions effected differently from plant to plant, but that this can function relatively uniformly among the workers, i.e., is socially just.

[Schmidt] In this connection, it must always be kept in mind that our understanding of market economy as Social Democrats is somewhat different from that of the CDU [Christian Democratic Union]. In the past weeks and months the unions were only able to react to the situations that had arisen. They themselves were no forward-looking force. Therefore, their FRG partners are now being asked to grant the GDR unions autonomy in collective bargaining. There is simply a lack of experience. Therefore the SPD also organizes training courses in the Friedrich Ebert Foundation for unionists and existing shop councils.

[Fischer] In such collective bargaining disputes, the unions are quite often charged with lack of moderation. Do you share this assessment?

[Thierse] We must learn to find a viable compromise between the justified wage demands of the workers and the given productivity. Here it is to be noted that the GDR workers focus on the wage conditions in the FRG, use them as a yardstick for their demands. That leads to high and partly unrealistic wage demands. Frequently the tenor is: We want the same salary, the same wages since we are working as hard as people work in the other part of Germany.

We have to learn together that we are, so to speak, in a process of transition. We cannot demand now something for which the economic base will not exist until three to five years hence. If we make high wage demands too quickly, we jeopardize jobs. That is a serious problem and labor unions, politicians, and economic experts must sensibly deal with one another and find the respective best possible compromise, perhaps in a kind of "concerted action" which occurred in an economically difficult situation in the FRG in the past, and with considerable success.

[Fischer] High wage demands jeopardize jobs; isn't that the argument of the entrepreneurs? Recent warning strikes prove that the unionists see that differently.

[Schmidt] It must become evident to our labor unions that they obtain only a short-term bonus if they now want to fight for the quick mark for their members. Rather they must be guided by long-term considerations. What is important here is to regain the confidence which the grassroots members no longer have in the unions. Confidence can be regained, in our opinion, with extensive retraining measures, with continuing education programs, in order to create jobs which are that much more secure.

[Fischer] To have a say, the workers need strong shop councils. What is the SPD position in this regard?

[Thierse] Shop council elections must really take place according to the rules of democracy, also union democracy. That means, the balloting must be secret and the shop council members must also be plant members. These are two important conditions which differ from past union elections in the GDR. We hope very much that, as a result, a change in personnel will also be achieved and that the old functionary structures will not be revived.

[Schmidt] Only good union members can also be good members of shop committees, can competently represent the interests of the workers. At present there is complete anarchy with respect to labor law. The reason for that is

the fact that the recently adopted labor-management relations act and the other laws of direct concern to the workers have not yet become known at the grassroots level. But that is also caused by the fact that, in a kind of double strategy, former SED members and now PDS [Party of Democratic Socialism] members are trying to create anxiety psychoses, to leave the workers intentionally in the dark.

[Fischer] Are you able to cite examples in this connection?

[Schmidt] We have several cases where colleagues who are now establishing shop council electoral committees or who make themselves available as candidates are the first ones to be fired. And that frequently only because they are SPD members. That is a fact. Among those responsible, the transformation from planned economy functionary to manager type took place very, very fast.

[Thierse] We protest very strongly against such early capitalist methods by people who had themselves been SED functionaries and had been appointed by the SED as economic functionaries. They now behave worse than capitalists in the FRG would ever dare to behave.

[Fischer] How are you able to allay the fears of the workers?

[Thierse] It is an old experience that fear first has a paralyzing effect. We observe that now to a great extent in the GDR. But there is also the possibility that fear can be converted into activity. Whoever is forced to stand with his back to the wall and has no other choice—at any rate, that is the way my thinking goes—starts to defend himself. Of course that must not only happen individually, as an act of defiance, but it ought to occur in an organized manner. Therefore a labor union movement existing as a structured organization is necessary. Therefore we definitely favor the unification to occur under the umbrella of the DGB.

[Schmidt] The good will which FRG labor unions have in the GDR is very great. It is evident to everyone that in 40 years of the Federal Republic of Germany a great deal was achieved especially as a result of the struggle of the labor unions. It also has to become evident to the GDR worker that he, himself, can have influence on legislation, on social shaping of the market economy, only through union. The worker has to understand that before he is unemployed. Only a strong, free labor union can protect him from unemployment.

HUNGARY

Kuwaitis Set Stage for Economic Cooperation

90CH0304B Budapest MAGYAR HIRLAP in Hungarian 22 Jun 90 p 6

[Report by V.P.: "The Adria Pipeline Was Also Discussed"]

[Text] Abdul Hamid al-Labadi, Kuwait's ambassador to Vienna, who is also accredited to Budapest, visited our capital Thursday in order to hold talks with the leaders of the Hungarian Ministry of Foreign Affairs. Subsequently he showed up at a press conference held at the Palestine State's local embassy that was also attended by Ambassador Hikmat Zaid of Palestine. By way of introduction, the visitor from Vienna said that he has represented his country here for five years, and he came to Budapest for the second time in order to become acquainted with the leaders of Hungary's diplomacy and gain firsthand information about the political changes that have taken place in our country.

The primary object of his discussions was the strengthening of political and economic contacts, as well as the agreement signed by the two countries concerning the protection of investment projects, which was a continuation of the talks conducted by Kuwait's minister of petroleum, who visited Hungary a few weeks ago. It was mentioned that Kuwait might participate in the modernization of the Hungarian petroleum industry. The issue of activating the Adria pipeline was also discussed. An associate of MAGYAR HIRLAP had a question on this topic:

[MAGYAR HIRLAP] It is well known that this inactive project represents "dead capital" for Hungary. Can Kuwait do anything related to Yugoslavia to end this status?

[al-Labadi] Kuwait is in favor of making full use of that installation.

[MAGYAR HIRLAP] Did the issue of emigration by Soviet Jews to Israel come up?

[al-Labadi] Yes, and in that connection I conveyed the serious worries felt by people in the Arab world.

Jamburg Investment Projects: Problems Analyzed

Introduction

90CH0327A Budapest FIGYELO in Hungarian 21 Jun 90 p 1

[Unattributed article: "The Jamburg Money Pump"]

[Text] We are not talking about just any kind of a "deal:" the Hungarian Government, in accordance with the Jamburg Agreement, is committed to extending 758 million transferable rubles in loans to the Soviet Union, at an interest rate of four percent (!) per annum. The intergovernmental agreement was signed at the end of December 1985, after months of—what for us turned out to be fruitless—negotiations, despite the fact that it was clear to everyone that the conditions of the agreement would negatively affect our country's economy.

As an example, under the supplemental provisions of the agreement, the volume of Hungarian export deliveries

was set at 309 million transferable rubles. The shipments, obligated at 1984 prices, will have to be completed by 1990, which means that the final sum will significantly exceed 309 million transferable rubles. And this is only one of a long list of conditions that are unfavorably affecting us.

The antecedents: In connection with the formerly routine Hungarian-Soviet plan negotiations, and the preparation of the 7th Five-Year Plan, the Soviet side had informed us that they would be able to guarantee our country's long-term energy needs only if we would invest in the exploration of their energy sources.

The Soviet Union had made similar offers to the other socialist countries as well. These latter offers, however, had been followed by quick agreements—of precedental value—that put the Hungarian side in a weak bargaining position even before it sat down to the negotiating table. (Obviously it was not by accident, but rather for carefully considered tactical reasons that the Soviets had so rigidly insisted on bilateral agreements...)

What does the Jamburg agreement actually contain? And what can we do with this involuntarily misconceived arrangement now that it has been decided that starting next year, we would be settling our accounts with the Soviet Union in dollars?

Hungarian-Soviet Agreement

90CH0327B Budapest FIGYELO in Hungarian 28 Jun 90 p 23

[Article by Jozsef Halzl and Gabor Slosar: "Hungarian-Soviet Jamburger"]

[Text] Starting 1 January 1991, we will shift to a dollar cleared system of trade with the Soviet Union. Of the many issues that have surfaced in connection with that shift, here we will only examine one contract related problem, i.e., that of the Jamburg Intergovernmental Agreement.

The preparation of the Jamburg Intergovernmental Agreement had been preceded by several months of bargaining between experts of the two governments.

The Soviet side committed itself to delivering a total of 37 billion cubic meters of natural gas according to the following schedule:

Table 1
Billion Cubic Meters

1989	1990	1991	1992-98	1999-2008
0.5	1.0	1.5	2.0	2.0

The shipments of natural gas to be delivered between 1989 and 1998, will be considered credit installments. After the loan has been paid off, we will start paying for gas shipments in kind. For the period between 1999 and 2008, we were granted the option to reconsider. In exchange for the gas deliveries, the Soviet side had requested investment credits amounting to 758 million transferable rubles. The amount of the credit was determined on a cost estimate basis, at a per unit cost of 379 million transferable rubles per one billion cubic meters of gas. (Total investment costs had been estimated at 10 billion transferable rubles, and the total gas delivery capacity at 26.3 billion cubic meters.)

The total sum of the credit was broken down as follows:

—Construction and installation works: 260 million transferable rubles.

—Hungarian commodity shipments: 309 million transferable rubles.

—Convertible ratio: 189 million transferable rubles.

—Total: 758 million transferable rubles.

Table 2
Projection and Completion Figures of the Jamburg Agreement

	Projections of the Agreement (in Million Transferable Rubles)	Projections of the Agreement (in Billion Forints)	Planned Ruble Yield (Forint/Ruble)	Actual Completion (1986-90)		
				In million transferable rubles	In billion forints	Ruble yield (forint/ruble)
Hungarian commodity exports	309.0	8.6	27.83	276.86	7.58	27.38
Reexport	174.0	12.2	64.55	156.47	8.12	51.89
Hard currency transfer	15.0	12.2	64.55	15.0	1.21	80.67
Labor in Tengiz	260.0	45.0	173.08	162.59	24.33	149.64
Total	758.0	65.8	86.81	610.92	41.24	67.50

In the course of the negotiations the Soviet partner had also recommended that as part of its obligations under the Jamburg agreement, the Hungarian side also participate in the construction of the Tengiz oil refinery.

The Consequences

For us the most unfavorable aspect of the agreement has been the foreign exchange yield of our construction and installation efforts in Tengiz, estimated to have been around 162 forints per ruble. Beyond the Varna price principle, this has also been due to the fact that "the benefits of doing business" in the Soviet Union are significantly lower than at home given the lower wages, equipment, site costs, and profit levels in that country. Add to that our expenses incurred at the construction site and from its infrastructural shortcomings. In order to have a sufficiently large contingent of skilled workers willing to go there, they need to be assured of significantly higher wages, better lodging and dining facilities and more desirable cultural and sports opportunities than what they have access to at home. Also to be provided, owing to a lack of local provisions, are medical care, postal, telephone and telegraph services, etc., all of which mean additional costs.

In March 1990, the Council of Ministers reexamined the Jamburg Agreement. Effective 1 April 1990, it suspended the earlier prescribed ban on private contracts, with the stipulation allowing Vegyepszer [Enterprise for Construction and Fitting of Chemical Works] to join the contract by 30 June 1990, at its current (March) staffing level. It also passed a resolution calling for continued negotiations concerning the provisions of the Jamburg Agreement, including the issue of shifting to a dollar cleared system of payments.

Profitability

Our construction and installation activities on the first tier of technology on the Tengiz project have been practically completed, and in principle there is nothing to block the financial closing of those operations. In other words, the conditions of financial settlement are relatively clear-cut. The most expedient way of analyzing some of the profitability related problems that have arisen from our Tengiz operations and obligations under the Jamburg Agreement would be from the point of view of the following important considerations.

The first and most difficult question to answer is what formula to use for determining the per cubic meter cost of natural gas starting in 1991, when we shift from a ruble cleared to a dollar cleared system of settlement? For natural gas does not have an established world market price. According to some opinions, the price of gas should be tied to the price of oil, for the heating value of 1,000 cubic meters of natural gas approximately equals 80 percent of the heating value of one ton of oil. From this one could easily conclude that conversion should be a simple matter. On the other hand, crude oil is a typical stock market commodity, with significantly fluctuating prices at different markets; it is relatively simple to store, and it can be transported by virtually any means of conveyance. As for natural gas, however, none of this applies. Consequently the price of natural gas can and must be negotiated with the producer, and sometimes also with the transit shipper, on the basis of border parity. Obviously, one can negotiate a better price under a long-term agreement than for occasional deliveries. In order to have a basis for making profitability related calculations, one must first of all agree on the price with the supplier. In our case, we could apply the cost recovery method, in other words, we could proceed from our expenditures to determine the limit value that could still make the deal profitable. In principle, we could also proceed from our own domestic producers price of natural gas if it were cost proportionate; the problem is that it is set by the Price Office on the basis of inscrutable considerations.

Converting our expenditures into dollars is also difficult for the following reasons. Dollar expenditures presumably will not present a problem. The dollar price of pipe reexports, construction equipment and insulation materials can be verified from the actual invoices, as can any transactions conducted in other hard currencies. Such items amount to 225.1 million dollars.

The value of Hungarian commodity shipments has been set at 309 million transferable rubles (which should be settled on the basis of actual costs); taking the 0.92 dollar/transferable ruble multiplier quoted on 22 March of this year, this equals 284 million dollars.

The problem begins with the conversion of our construction and installation expenses on the Tengiz project. Since there are no world market rates for construction and installation labor costs, we have no basis for comparison.

There are two possible options:

a. to use the 239.2 million dollar figure computed with the 0.92 multiplier used for commodity shipments, or

b. to convert our forint costs into dollars (at a rate of approximately 65 forints per dollar); our 45 billion forint expenditure would thus amount to 692.3 million dollars.

We feel that, iteratively if we have to, we must set a limit on the purchase price of natural gas, as only then will we be able to make real calculations pertaining to profitability, and only then will we have a basis for determining the dollar value of the credit we have extended, and the overall profitability of the venture.

Conclusions

The December 1985 agreement forced extremely unfavorable conditions on the Hungarian Government, by threatening with cutbacks in gas and oil shipments. The Jamburg Agreement must either be revised on the basis of new considerations, or abrogated. In the first case, the focus would have to be on negotiations pertaining to

conversion rates and the nature of compensation for gas shipments, taking into account our impending shift to a dollar cleared system of payments. We have already discussed the problems that would have to be addressed in this connection.

The following would be the consequences of a unilateral abrogation of the agreement:

—Should we decide to terminate the agreement, the Soviet side can be expected to set less favorable criteria for recognizing the dollar value of the credit that has already been extended than it would otherwise.

—Our cancellation of the intergovernmental agreement and final termination of the contract would entitle the Soviet side to collect penalty for nonperformance.

—According to the agreement, setup costs are to be reimbursed by the Soviet side after the job has been completed. This money we would probably lose. Nor would the Soviet side cover the cost of returning home.

—The Soviets could put the blame on the Hungarian side for their failure to live up to the terms of their agreements with the Western consortium.

—Finding jobs at home for workers now employed in Tengiz may present problems.

—New projects are being considered in the Tengiz region, in which we could not expect to be invited to participate.

Recommendations

We need a clear understanding of what is expected in return for the gas shipments to be received after the credit has been paid off. The ratio of the Hungarian side's actual share of the costs must be determined from the recalculated figures of the Jamburg investment. This means that the value of Hungarian commodity shipments (309 million transferable rubles worth) would have to be determined on the basis of actual current prices, and converted using the 0.92 multiplier which is to be applied to all such deliveries.

The most expedient way of abrogating the Jamburg Intergovernmental Agreement would be by keeping intact the possibility of entering into private business contracts. (The construction of the second tier of technology could be undertaken on an entrepreneurial basis, using a dollar or barter cleared system of settlement.) Remuneration for the work and shipments completed must be settled, and an agreement must be reached regarding the method of dollar conversion to be used. Instead of the unfair rate of four percent, we need to ensure at least an eight percent return on the credit we have extended.

It is the sum calculated in the above manner that should be recognized by our partner as the actual amount of the loan, and the volume of gas deliveries received in payment should be determined accordingly. The impending shift to a dollar cleared system may also require a reexamination of the Orenburg agreement.

It is clear from the above that there is very little time left for renegotiating the agreement, hence an urgent government decision is needed to outline our future course of action. But the basic question remains: Can the Jamburg Agreement be made profitable?

[Box, p. 23]

Under the terms of the agreement, as we have pointed out, the Hungarian state pledged to extend 758 million transferable rubles in credit to the Soviet Union, at an interest rate of four percent (!), in the following combination and forms:

—In the form of construction and installation work: the construction and installation of two tiers of technology complete with auxiliary facilities, each suited to turn out three million tons of product-quality petroleum. The first tier was scheduled to be completed between 1986 and 1988, and the second between 1989 and 1991. The export value of the two tiers of technology was set at 130 million transferable rubles each. The price of the projects was to be determined in accordance with the provisions of the so-called Varna price principle, i.e., not at the rate normally applied to such commercial transactions, but on the basis of Soviet installation norms and wage costs. It was predictable that this part of the agreement would cause significant losses for us in the future.

—The composition of Hungarian goods to be delivered was spelled out in the supplement to the agreement, and its total value was set at 309 million transferable rubles. Also to be supplied by the Hungarian side were 100 million square meters of "terfil" geotextiles, at a total value of 165 million transferable rubles. The remaining 144 million transferable rubles were made up of various products that did not necessarily have anything to do with the investment. These deliveries were projected to be completed between 1986 and 1990, at prices calculated on the basis of the Bucharest price principle. Since the statement of costs used 1984 price levels to compute the price of Hungarian goods, their delivery costs will exceed the 309 million transferable ruble target.

—The convertible portion of the loan consisted of three components: the first part was made up of shipments totaling 225 thousand tons of large-diameter pipes which the Soviet side would count to be worth 97 million transferable rubles, irrespective of our hard currency expenses. The second portion consisted of various pipe laying and fitting machinery and insolation materials, amounting to 77 million transferable rubles computed at 1985 conversion rates. The third item called for handing over 15 million transferable rubles worth of hard currency at 1985 exchange rates. It is worth pointing out that while in the case of the

pipe exports the contract specified natural volume, while in the case of construction machinery and insulating materials it stipulated expenditures determined in transferable rubles.

The government earmarked 65.9 billion forints to finance the cost of the Jamburg project, for which it set aside a separate fund.

POLAND

Plenary Episcopate Conference on Strikes, Religious Education

90EP0758A Warsaw LAD in Polish No 26, 1 Jul 90 p 2

[Communique from Krakow, dated 16 June 1990: "Communique From the 241st Plenary Conference of the Polish Episcopate"]

[Text] 1. The conference heard the report of the Polish Primate on the gathering of the Chairmen of the Conferences of the European Episcopates, which took place in Rome under the leadership of the Holy Father. The purpose of the conference was to prepare a special World Synod of Bishops to be held in 1991; the subject of deliberations will be religious-moral renewal against the background of the changes occurring in Europe at the end of the 20th century. A report was also made to the assembled bishops on the subject matter of the sessions of the representatives of European episcopates, which took place in Vienna, and on the subject of the deliberations of the Conference of Secretaries of the Episcopates, which was held in Warsaw.

2. The episcopate presented a draft program for the Fourth Pilgrimage of the Holy Father to Poland in June 1991. The following cities are listed on this program: Koszalin; Rzeszow; Lubaczow; Kielce; Radom; Lomza; Bialystok; Olsztyn; Wloclawek; Plock; and Warsaw. The Pope's trip to Poland, which is to take place amid the new Polish situation, will be an experience of great joy for the entire society. These will be moments of great thanksgiving to God for freedom regained, and days of gratitude to the Holy Father for his tremendous role in the changes which have taken place in Poland and in East-Central Europe.

3. The bishops discussed the program and themes of the Sixth International Youth Day, for which the Holy Father has invited the young people of the whole world to Czestochowa on 14 and 15 August 1991. With the enthusiasm of their faith, Catholic youth will meet with the head of the church in order to pray together and give consideration to their lofty calling to be worthy children of God under the slogan: "So That They Might Become Sons of God."

The respective committees making preparations for this day from the organizational point of view have been formed. The bishops are encouraging young people to make this year a time of sincere preparation for this great meeting. May the pilgrimages to Jasna Gora made this year be an opportunity to pray for a worthy experience of the Youth Day with the Pope.

4. In their discussion of the current sociopolitical situation and the pastoral consequences emanating from this situation, the bishops stressed the need for the various communities and social forces to unite in pursuing the goal of the common good of the Fatherland.

"We need internal solidarity, the coalescence of the ranks around a common good," said the Holy Father to the Poles in Rome on 10 June. "We must pray constantly for that solidarity, which is a social virtue...pray and make real daily that solidarity which is necessary in present times. [Pray for] solidarity in rebuilding, in the creation of the new, in joint work, and in the transformation of the Poland we have regained after 50 years of bondage—into a country of justice, into a country of real freedom, and into a country that respects all people—both Poles and foreigners, into a country that is both self-contained and open, for it is the true center of Europe."

5. The new political and economic situation in which our country has found itself obliges us to take a new view of the strike as a weapon of struggle. While the social teaching of the church recognizes the strike as a permissible method of struggle, it treats it as an ultimate means. The strike is an ultimatum of sorts and it may be used only after all other possibilities for resolving employee grievances have been exhausted. The strike may not be abused, particularly for political purposes. "The excessive use of the strike," writes the Holy Father in the encyclical *Laborem exercens* (No. 20), published nine years ago, "may lead to the paralysis of all socioeconomic life. This is contrary to the exigencies of the common good of society, which also is in conformity with the correctly understood nature of work itself."

6. The Conference of the Polish Episcopate extensively discussed all facets of the issue of the full return of religion to the schools. Reports in the mass media to date indicate a lack of objectivity in mass media coverage. The Polish bishops, responsible for teaching the faith, confirm the desire to return catechesis to the Polish schools. They see in this the fulfillment of their calling and duty to God, the Church, and the Nation.

7. In conjunction with the approaching period of vacations, work furloughs, and recreation, the bishops appeal to the consciences of the faithful for the preservation of their Christian attitude during the period of freedom from obligatory activities both in Poland and abroad.

8. The conference gave serious attention to the "Statute of the Military Pastorate in the Polish Army" and proposed to approach the Apostolic See for the approval of it.

9. Following the conclusion of the two-day meeting, on Saturday evening the bishops took part in the celebration of the 600th anniversary of the birth of St. John Kanty, professor of the Jagiellonian University and patron of teachers and the Polish schools. On Sunday, 17 June, at Krakow Square, they participated in the Poland-wide thanksgiving celebration for the canonization of Brother Saint Albert, whom the Holy Father John Paul II canonized on 12 November 1989. The lifetime of Adam Chmielowski, Brother Saint Albert, occurred during the final period of national bondage and socioeconomioc changes occurring in Poland and throughout Europe prior to World War I. Recommending the present period of change in Poland and in Europe to Saint Albert's intercession, the bishops extended their pastoral blessing to their countrymen in Poland and abroad.

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