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CONTENTS

23 September 1992

ALBANIA

Arbnori Interviewed About Reform, Unions [PASQYRA 1 Aug] .................................. 1

CZECHOSLOVAKIA

Economic Results Better Than Expected [HOSPODARSKÉ NOVINY 13 Aug] .................. 4

POLAND

Solidarity 80 Chief Defends Strike Actions [NOWA EUROPÄ 17 Aug] ......................... 7
Social Pact on State-Enterprise Transformation [TYGODNIK MALOPOLSKA 9, 16 Aug] ... 9
Changes in Paper-Mill Industry Outlined ................................................................. 13
Sales to Foreigners [RZECZPOSPOLITA 12 Aug] ....................................................... 13
Privatization Viewed [RZECZPOSPOLITA 12 Aug] .................................................... 14

BOSNIA-HERCEGOVINA

Kecmanovic on Resigning From B-H Presidency [Belgrade BORBA 29-30 Aug] ............. 15

CROATIA

Biographies of New Croatian Ministers [NOVI VJESNIK 16 Aug] .................................. 20

YUGOSLAVIA

 Ethnic Tension in Kosovo Near Breaking Point [Munchen SUEDDEUTSCHE ZEITUNG 8 Sep] ... 25
Results of Serbian Measures To Salvage Economy [POLITIKA 28 Aug] ...................... 27
Biographies of New Macedonian Ministers [NOVA MAKEDONIJA 5 Sep] ..................... 28
Arbnori Interviewed About Reform, Unions
AU1609135292 Tirana PASQYRA in Albanian
1 Aug 92 pp 1, 4-5

[Interview with Pjetër Arbnori, chairman of the People's Assembly Presidency, by Aleksander Papa; place and date not given: "We Are Not Building Democratic Albania for One Category of People Against Another"]

[Text] [Papa] Mr. Pjetër, you and so many others suffered very much under the dictatorship. Do you think that the benefits given to such people and their families are sufficient and that the democratic state, at least from the legal point of view, can act as though it has met its obligations toward them?

[Arbnori] I think that the state has so far done a lot for those persecuted and their families by passing a law declaring them innocent. People who were oppressed for half a century can now walk with their heads held high. That is a theoretical right. There is a long way to go until it is actually the case in practice. The democratic state has granted persecuted people what has been possible: pension, assistance, and some temporary accommodation. As for the other things, even God does not take anything when there is nothing to take.

My sister was arrested and sentenced three times for political reasons. She was imprisoned for political activities. I cannot look her straight in the eye, because I am unable to grant her the compensation she deserves. That means that there are still a great many things to improve.

[Papa] The trade unions are just as concerned about the fate of former prisoners of conscience, their employment, accommodation, education, etc. Do you think that they have raised their voice enough for the interests of those who until recently were persecuted?

[Arbnori] It is not up to the state alone to perform that duty. All society and every organization should fight for it and sensitize the international public, not with complaints, but with legitimate demands.

In this framework the trade unions should do more to support the politically persecuted. Trade union leaders should know that former political prisoners are the best and most conscientious and disciplined workers in the enterprises.

[Papa] How do you assess the trade unions and their contribution to the life of the country? What place do you think they should occupy; that is, do you think that they are playing the role they ought to?

[Arbnori] The trade unions should make a bigger contribution and strikes are not the only way of doing that. They have a right to participate and they should participate in consultations and they should present their opinions. Under the conditions of the transition period, they should not think only of their role as being that of an opponent, but also as a constructive partner. We are not building democratic Albania for one category of people against another. We are building it for everyone and through the labor of everyone.

[Papa] Do you have a preference for any special trade union?

[Arbnori] Not to be hypocritical, I prefer the independent trade unions, in the sense that they were the first to break the ice in building the democratic state, but I am not against any trade union that, in defending the workers' interests, does not put spokes in the wheels of the reform, which, though difficult, will be carried out without fail.

[Papa] All the trade unions have more or less expressed their dissatisfaction with the attitude maintained by the parliament, which has not felt it necessary to consult them in drafting laws, even in the case of laws closely related to the workers. What do you think of that?

[Arbnori] First of all, the trade unions themselves should be interested in the laws that the parliament is preparing. I have never seen any lawyer from the trade unions come and consult me. The parliament is interested in the trade unions' opinions.

[Papa] Should the trade union leaders be summoned to discuss or defend a law?

[Arbnori] I think that preliminary talks are sufficient. As the highest body delegated directly by the people, the parliament has, in the last analysis, the final say on laws. No harm comes from consultations.

[Papa] Concerning what we spoke about previously, the Confederation of Trade Unions of Albania has requested and the president has agreed that in drafting laws we should, as a rule, follow the principle of tripartite consultations: parliament-government-trade union. What has obstructed that so far?

[Arbnori] At meetings with confederation representatives, I agreed to it. However, it requires initiative.

[Papa] It is known that the Social Assistance Law creates a strata of unemployed. Do you think that by approving that law, the parliament is satisfied that it has performed its duty at a time when we think that it should be considered to be the beginning of work to create other laws to resolve problems and find ways and means of employing these people?

[Arbnori] The first thing in carrying out the reform is to draft a complete body of legislation. Reform is not a pleasant matter. It is an operation that needs to be carried out rapidly to relieve the old pains of the past and ease the way for the future. No one likes bitter medicine. However, everyone takes it when they know that it is the only way to achieve the cure. Thus, the Social Assistance Law will encourage all national bodies to show an interest in eliminating as soon as possible the unemployment for which those who are at present bemoaning the woes of the workers are responsible.
[Papa] What do you think of the labor market that is being created? What will be done with the army of unemployed created even before the reform?

[Arbnori] I think that if we approve laws quickly and establish order altogether, we will very soon have investments and many jobs for people. Things are related to each other.

[Papa] Mr. Pjeter, do you think that laws issued by the parliament will pass the test of time?

[Arbnori] We are trying to approve laws that are as well developed as possible. We hope that the majority of the laws we have approved will stand the test of time. Other laws are also necessary during the transition period and they will be amended and added to after a certain period of time. The Law on Enterprises comprises articles that manifest a “strengthening” of centralism. That is done to prevent the destruction of those enterprises that have survived. It is my impression that it is precisely those who have either stolen or given free rein to others to disgracefully steal from enterprises, which are the property of the people, who shout more than anyone else against the law.

Many of those responsible for the criminal destruction of enterprises are now shedding crocodile tears in defense of the rights of the workers allegedly left unemployed. Irrespective of their affiliation and direction, it up to the trade unions to denounce such “protectors” of the workers.

[Papa] A Law on Strikes exists. The Council of Ministers issued a decision prohibiting illegal strikes. Why was that provision added when the law existed and the state is enforcing it in every case? Can it be interpreted as a form of pressure on the trade unions?

[Arbnori] I need no decisions by the Council of Ministers. What is illegal should be condemned as such and the government, the Public Order Ministry, or Defense Ministry should not need to fear that somebody may tell them that they are trampling democracy underfoot while enforcing the law. The parliament has drafted the law in the name of the people and no one should have any hesitation applying the law in the name of the people.

Concerning that interpretation, I can say that there is no need to call it a form of pressure. The trade union itself knows its prerogatives. The trade union should not acquiesce in violations of the law, but should defend the law against anyone. No trade union in the world defends those who weld the gates of a plant together to prevent anyone from entering, under the pretext that “they are on strike.” If Enver Hoxha had been alive, would they have dreamed of welding those gates? I say that it is the Enverists, whose feet are hurting, who instigate the workers to perform such actions, which benefit neither their families nor democracy.

[Papa] Should we be afraid of strikes?

[Arbnori] If we had been afraid, we would not have approved the law that allows strikes. We are against anarchists and those who instigate anarchy.

[Papa] We notice that there are difficult problems that are not easy to resolve. Do you think that it is the remnants of the single-party bureaucracy who are hindering things or do you think that a new bureaucracy is arising or has already arisen?

[Arbnori] When anyone looks only at his own problem, he may get the impression that he has failed, but when the parliament and the government tackle hundreds and thousands of problems and solve many of them, it seems to me that in general things are going smoothly. Chronic complainers will never see that work is proceeding well. Those golden times when good-for-nothings could eat without working are gone forever. Of course, bureaucracy obstructs. I say that it is not that a new bureaucracy is arising, but that we have not yet managed to eradicate communist bureaucratic concepts from our brains.

[Papa] Both the Trade Unions Confederation and the Independent Trade Unions are complaining about radio-televison, which reports strikes in France, etc., but does not say a word about the strikes in our country. Will that continue when we know that television is dependent on the People’s Assembly Presidency? Will you draw the attention of television to that?

[Arbnori] Many things remain to be improved in radio-televison, as in many other fields. However, I have seen on our television hunger strikers who, on the second day of a strike, grow beards, tie a kerchief across their forehead, and lie down as if exhausted and near to death. That is done even when their demands are completely illegitimate. I tell these types who like to show themselves on television not to try to move us. I myself was on a hunger strike in Burrel Prison for more than 20 days. My friends were on hunger strikes for even longer than 3 days, yet we did not lie down as if we were dying, because we were fighting for a just cause. Neither did we go home to eat crackers, as some who are talking too much about the hunger strikes are doing.

The workers should fight to the end for their rights. The trade unions should support them to the end. All the people and the democratic state are with them. However, radio-televison should not make propaganda on behalf of deceivers and charlatans. I favor the idea that serious, supported strikes should be shown on television. However, I am not in favor of the fact that television is showing pictures of welded gates, because they are evidence for the Investigator’s Office.

[Papa] People have watched Assembly proceedings on the screen. They have seen that there are irregularities and a lack of discipline in the parliament, and that voting is not carried out for lack of a quorum. Do you, the members of the Presidency, view the people’s concern? It seems to us that something is wrong in the fact that, while the people are expecting laws, the parliament often does not convene at all or adjourns its proceedings.
[Arbnori] I am confident that the people do not think the same way as you do. If they do, it means that they are not well informed. Our parliament is among the most hardworking and quickest working in the world. As Presidency chairman, I find myself confronted with three forms of pressure: from the president's cabinet, which drafts bills and says: hurry up; from the Presidency of the Council of Ministers, which says: hurry up; and from those who think that laws are buns that come out of the oven, and say hurry up. We will make haste without hurrying. We have passed more than 30 laws in a few months. Concerning your opinion that something in the parliament is wrong, I can assure the people responsibly that you can often see a deputy at a street corner buying half a roll and a piece of meatball just to have a late lunch, or that a deputy may be waiting at the roadside for a lift for one hour and no one gives him a ride, and thus he cannot come to the parliament. Our deputies work in miserable conditions, with no offices, no secretaries, no working library. That is why we should not be in a hurry to bother most of them. Of course, there are deputies who do not attend sessions, thus showing no respect for their friends. I am determined to take the necessary measures to correct such defects.

[Papa] You have participated in several meetings of parliaments abroad. Do they act in the same way as our parliament does?

[Arbnori] It is true that I have visited several parliaments. I have also been invited to attend several more. We gain a very valuable experience there, but we also find consolation. You cannot imagine the noise I heard and the commotion I saw in the French parliament. You have heard about cases of fights between parliamentarians in neighboring countries or further afield. That has not happened in our parliament, and I hope it never will. I will be strict with all those who breach parliamentary ethics, regardless of who they are and what party they represent. Regarding the absenteeism, I have seen meetings attended by no more than 10 or 15 senators in the French Senate, except that there they have the right to proxy voting, which we do not.

[Papa] A lot is being said about the "Serreqi issue." There are various and contradictory opinions about it. A parliamentary commission was also set up. What is your opinion of that issue?

[Arbnori] I do not concern myself thinking whether someone is keeping me under surveillance or not. To tell you the truth, I do not intend to make a close check of my office. That is only for the simple reason that we do not have any secrets. What I say in the office, I also say in the parliament, at meetings, and everywhere. Being accustomed to having secrets, those who have lost power are perhaps longing to listen to what is said about them. We have not concealed such things from the public. Thus, there is no reason why they should grow artificial ears to monitor us.

[Papa] Is there nepotism in our state?

[Arbnori] Nepotism to me means appointing an inefficient relative to a good and comfortable position. That is obnoxious and harms the official concerned. However, appointing an efficient person, be he a brother, a relative, be he from Konispol or Vërmosh, it is of no importance to me. What matters is that he does a good job.

[Papa] There is a lot of discussion about the wages of employees and simple civil servants. However, I believe that even deputies receive a wage amounting to only 1,950 leks. Is such a salary not too low these days?

[Arbnori] Yes, it is very little and unfair. Deputies and high officials should receive a wage that allows them to live with dignity, albeit not in luxury. It would be insulting and not at all graceful for a voter to know that a deputy is asking friends to lend him money until he receives his salary. Thus, we should not be afraid of those who have been hurt by democracy and who may make noises about new privileges, but should give everyone his own due. I believe that the pay of deputies should be increased. Deputies work not only in the parliament, but study at home and in hotels; they receive people and do their best to resolve the people's problems as much as they can.

[Papa] What hopes do you offer the workers in the name of the parliament?

[Arbnori] I have been a worker myself. I have worked myself to exhaustion on farms, at Machine and Tractor Stations, carpentry shops, work camps, and I would feel ashamed if I did not feel myself to be a worker, even today. I understand that the transition period is difficult. In this period the workers should be mature and not allow themselves to be aroused by those who have lost power or by adventurers. They should see the practical resources of the state and struggle to the end to achieve their rights. However, they should not demand what they are not entitled to or what the state, in the present conditions, is unable to provide.

If the workers help to establish order, stability, and work discipline, they will help us to expeditiously implement all those programs offered by the democratic world so as to push Albania forward economically.

I wish you all the best, because the good of the workers is also ours.

[Papa] Thank you for the interview!
Economic Results Better Than Expected
92CH0902C Prague HOSPODARSKÉ NOVINY
in Slovak 13 Aug 92 p 8


[Text] Statistical data on the Czech and Slovak economies for the first half of 1992 are more favorable than had been expected. Taken together with the results of prosperity research and other data used to estimate developments for the second half, they lead to a satisfactory outlook for economic development for all of 1992. However, the outlook for subsequent periods will most likely be influenced by the breakup of the state, something that will have substantially tougher impacts on the economy of Slovakia.

Industrial Production

In the first half of 1992, industrial production was lower by 20.2 percent in comparison with the same period of last year. However, that figure contains a significant internal shift factor, whereas, in January 1992, the interyear decline was 37 percent (similar to December 1991 when the “bottom” of the economic decline was recorded); in June the decline only amounted to 10.7 percent according to data adjusted for seasonal influences, the first quarter of 1992 resulted in an increase in industrial production in comparison with the fourth quarter of 1991 by about 4.4 percent, and in the second quarter, compared with the first quarter, the increase was 1.2 percent. According to the latest prosperity research done by the Federal Statistical Office, it is possible to expect a decline of production by approximately 4.2 percent in the third quarter, which after taking into account regular seasonal declines (of more than 10 percent), means that real growth of 6 percent took place. Given the sobering forecast that the fourth quarter will no longer see any realistic growth, but will experience only regular seasonal increases, we obtain an estimate of the annual volume of production of only 8.7 percent less in comparison with 1991. Yet in the fourth quarter of 1992 production will be higher by 11 percent compared with the same period of 1991, which is certainly a stimulating result for the subsequent development of the economy.

Results for the first half were somewhat more favorable for the economy of the Slovak Republic. In terms of the outlook for the whole year, however, development of industrial production will be less favorable in the Slovak Republic, particularly in view of the anticipated impact of the limitation on the export of Czechoslovak steel to the EC (which will also have a negative influence on the Slovak Republic balance of trade).

Construction Production

Construction is developing even more favorably, because in the first half of 1992, after augmenting the estimate for small enterprises, construction activity recorded an increase of approximately 4.5 percent. In June 1992 alone, the interyear increase was approximately 11 percent. On the basis of prosperity research, it is possible to anticipate a third-quarter growth of 4 percent in comparison with the second quarter, which after adjustment for seasonal influences, means a real growth of 10 percent. We anticipate (much as we do for industry) that in the fourth quarter the increment in construction activity will be restricted to regular seasonal deviations and then the total annual volume for construction activity will be estimated at 10.8 percent in comparison with 1991.

During the first half, the entire amount of the increment in construction activity was concentrated in the Slovak Republic, where the increase was as high as 15.7 percent. This increase will continue to grow in the second half, but, at the same time, it is possible to anticipate a recovery in construction activity in the Czech Republic.

Gross Domestic Product

As a cumulative index of production, gross domestic product in the first quarter of 1992 was lower compared to the fourth quarter of 1991 by only 1.5 percent (after eliminating seasonal influences, gross national product was higher by more than 14 percent). In its composition, the greatest share of gross domestic product is accounted for by industry and therefore we anticipate that for all of 1992 gross domestic product will be lower by approximately 3 percent in comparison with 1991 (which is at the low limit of the original government expectation of -3 to -6 percent), of which the Czech Republic will account for 2.8 percent and the Slovak Republic for 3.5 percent.

Unemployment

As a consequence of the increase in production (and in part also as a result of more accurate unemployment records), unemployment during the first half of 1992 declined from 6.6 percent to 5.5 percent. But the differences between the Czech Republic (2.7 percent) and the Slovak Republic (11.3 percent) continued to be more expressly felt. In this connection, it is necessary to recall two serious factors:

- The higher degree of unemployment in Slovakia can by far not be explained away by citing the so-called tougher impact of the economic reform because the decline in production for the Slovak Republic was not expressly higher than that for the Czech Republic; that is to say, that unemployment in the Slovak Republic is almost based on other causes (demographic ones, social ones, institutional ones).
- Unemployment statistics do not capture those who do not report to labor offices, nor does it capture the partially unemployed, but, on the other hand (particularly in Slovakia), there is a significant number of unemployed who are not interested in working and are satisfied with collecting unemployment benefits, together with child-care payments, with occasional work, etc.
The outlook toward the end of 1992 counts on an increase in unemployment as opposed to the status on 30 June by 1.4 points in both republics. This will mostly be an increase in jobseekers from among the graduates of schools, as well as being the result of the influence of privatization.

Consumer Prices

The interyear increase in consumer prices in the first half of 1992 was 11.8 percent; in June, it was only 6.2 percent. The increase in the price index in June 1992, compared with December 1991, rose to only 3 percent. In the second half, however, there will be increases in rents as well as some other influences (among others, the likely increase in the sales tax for some products within the framework of the smooth transition to a new taxation system). Therefore, we anticipate that the annual measure of inflation for 1992 will reach approximately 11 percent (with minor deviations in the Czech Republic and in the Slovak Republic), which is right in the center of the original government expectation (10-12 percent).

Average Wages

Average wages in industry and in construction in the first half rose by approximately 21 percent and 23 percent, respectively, according to preliminary data, which means that real wages rose by 8-10 percent. This contributed to the elimination of part of the decline in real wages in 1991. On the other hand, the growth of wages has thus far not been adequately buttressed by the growth in productivity, so that, to a certain extent, it can be inflationary.

Retail Sales

Retail sales in the first half grew by 23.5 percent in current prices and by 13 percent in terms of volume (including a June increase of up to 27.5 percent). As a consequence of lower real wages and higher unemployment, the real income of the population in the Slovak Republic is falling behind, so that the increase in retail sales is fully concentrated in the Czech Republic. In the outlook for all of 1992, we expect a certain recovery even in the Slovak Republic and a decline in the increase in the Czech Republic. It is necessary to remind readers that retail sales also include purchases made by the state sector, by wholesalers, and by foreigners. These components then reduce the indicator of private consumption, which also includes services. The annual increment in real private consumption in 1992 is anticipated to be substantially lower—in the Czech Republic by 1.4 percent and in the Slovak Republic by 0.5 percent.

Foreign Trade

During the first half, foreign trade was also developing in a satisfactory manner. Exports in current prices declined by 2.2 percent (while exports to developed countries grew by 8.5 percent) and imports declined by 17.1 percent. This resulted in a positive balance in the balance of trade amounting to 10.2 billion korunas [Kcs]. A less favorable signal is the fact that in the last two months (particularly in June), the decline in exports is accelerating and the decline in imports is slowing down, so that the positive balance is declining slightly. For all of 1992, we are estimating a decline of 6.7 percent in exports and 3.4 percent in imports, which would continue to lead to a positive balance of Kcs15.9 billion (including + 17.5 billion for the Czech Republic and - 1.6 billion for the Slovak Republic). As early as the first half, Slovakia accounted for only a small portion of the positive balance and, in the second half, it is possible to anticipate the exacerbation of the balance of trade situation for Slovakia. The positive side of the balance of trade for the CSFR can be added to by the positive balance accounted for by services (which we are estimating at almost Kcs18 billion for 1992), which would, together, account for a decisive portion of the positive balance of the current account on the balance of payments, amounting to virtually Kcs34 billion.

Mutual Tie-Ins Between the Economies of the Czech Republic and the Slovak Republic

Such tie-ins can be approximately quantified according to the results of the most recent prosperity research performed by the Federal Statistical Office. This research indicates that around 15 percent of industrial production in the Czech Republic is shipped to the Slovak Republic whereas 32 percent of Slovak production is delivered to the Czech Republic. This means that the economy of the Slovak Republic is relatively more dependent on mutual trade with the Czech Republic, which is already indicated by the fact that the volume of industrial production in the Czech Republic is 2.5 times higher than that in the Slovak Republic. In terms of mutual trade, the Czech Republic is showing a growing positive balance with respect to the Slovak Republic (this includes results that are deduced from the research and which are consistent with balancing recomputations) and this growing trend amounted to Kcs7.7 billion in 1991 and is estimated to amount to Kcs13.5 billion for 1992 and the forecast for 1993 is Kcs16.7 billion. Together with our estimate of the liability side of the balance of payments for Slovakia with respect to other countries, which approximately amounts to Kcs7.6 billion in 1993, an independent Slovakia would, thus, have to come to terms with a threatening liability balance of more than Kcs24 billion (after adding additional consequences of breaking up the state, this figure would rise to more than Kcs27 billion). This would compel a certain form of import restriction and very likely bring about the devaluation of the Slovak currency.

Forecast of Economic Growth for 1993

Economic growth in 1993 is critically dependent on the constitutional arrangement. In the event of a functioning form of a common state, it will be possible to anticipate that gross domestic product in the Czech Republic for 1993 would rise approximately by 2.9 percent and in Slovakia by 2.4 percent. In the event the state is broken up, it is necessary to consider the direct and indirect consequences of that action which would reduce the
volume of gross domestic product in 1993 by approximately 2.1 percent in the Czech Republic and by as much as 5.7 percent in the Slovak Republic. In that case, the Czech Republic would account for an annual increment of only 0.7 percent and in Slovakia there would be a decline amounting to -3.4 percent. In the event an inadequately functioning form of a common state were to persist, the negative impacts upon the growth of the economy in 1993 would be approximately one-half, according to approximate estimates, but would have a tendency to grow over time, whereas the impacts of a divided state would be gradually reduced.

### Development of Selected Macroeconomic Indicators

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<td>Industrial production (constant prices)</td>
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<th>Absolute Values Expressed in Appropriate Units</th>
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<td>Measure of unemployment (%) (status as of end of period)</td>
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<td>Balance of trade (billions of Kcs)</td>
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Solidarity 80 Chief Defends Strike Actions
92EP0631A Warsaw NOWA EUROPA in Polish
17 Aug 92 p 4

[Interview with Marian Jurczyk, leader of Solidarity 80, by Stanislaw Wilenski; place and date not given: “Hostages of Ethics”]

[Text] Wilenski In August 1980, you were one of the main architects of agreements which put an end to the strikes; in August 1992, you are the main organizer of strikes....

Jurczyk Both 12 years ago and at present, I acted, and am acting, in the name of the same values. We are a union that continuously maintains the values of the worker rebellion in August 1980, and we have never abandoned these values. In the Solidarity union that originated from this rebellion, the division into people who thought independently and those who looked toward the authorities existed for a long time. The final split occurred at the round table, when it turned out that a segment of functionaries went for a settlement and compromise with the authorities, abandoning the ideals of Solidarity. This was a necessary division rather than one caused by ambitions. They opted for a different path. We remained faithful to the fundamental obligation of the trade union, which is what defending the working people is.

Wilenski President Lech Walesa described identifying worker protests in August 1980 with the current ones as abuse and sacrilege.

Jurczyk It is arrogance on the part of this man, all the more so because he stood close to the origins of all our affairs from the very beginning, and he knows them. I will not comment on the fact that a former trade union leader has now forgotten about the working people.

Wilenski In assessing the Polish political arena, Prime Minister Suchocka divided it, in most general terms, into conservative and proreform forces, counting the organizers of the current strikes among the former.

Jurczyk First, we are not a political force but rather a trade union. Solidarity 80 is, and, for as long as I head it, will remain a claim-oriented union, which is independent of all parties, the government, and the administration. Second, we are not supporters of the old political and economic system, and, contrary to accusations, we do not practice bolshevism. Calling us names and accusing us of demagoguery accomplishes nothing. We are the only union to which people are coming rather than leaving. Our profound moral comfort is in the fact that we are clean. Our trade union did not compromise itself through cooperation with the old regime; it did not participate in the Roundtable proceedings; we did not sign any contracts. We always took, and are taking now, the position of defending employee rights. We are defending people rather than politicking. While we already have about 250,000 members, we do not reduce the strength of the union to its numbers. Social understanding and support for what we do are more important to us.

Wilenski Does Solidarity 80 fail to accept the direction of changes underway?

Jurczyk We are not opposed to reforms, but they should be implemented wisely. We are in favor of privatization and a market economy, but on the condition that they will serve work forces and Polish society. Privatization should augment the state budget, through which a broadly interpreted social policy should be properly implemented. Meanwhile, privatization, which has been carried out for almost three years, left us with almost 3 million unemployed, a deep economic recession, deteriorating impoverishment of the population, economic fraud, and corruption. I recently said this while standing next to a monument to the slain miners from the Wujek mine, and I repeat: Under communism, Poles died of bullets; now they are dying because of a shortage of funds for drugs in hospitals rather than of bullets. This is tragic, and we cannot remain indifferent in the face of such facts.

Wilenski What do you propose instead? Do you have any prescription for changing this situation?

Jurczyk As early as 1990, we prepared a revision of the Balcerowicz plan with our own resources, anticipating that arrangements based on monetarist assumptions had to bring about a recession. We presented our socio-economic theses to the previous government team. They are still current, and we believe that the current government should use them. Our theses and the 21 demands are an outline of the economic program that Poland badly needs. We are aware that there are no ideal proposals. Conditions change, and all programs should take this into account. The current government is promising us an economic program only three months from now, despite the fact that it includes representatives of all three previous Solidarity teams. It appeared that, as they fought for power, they had ready-made programs listing what they wanted to do, how, and when. Nothing of the kind! We are submitting our proposals to the government, despite the fact that a trade union does not have a duty to set forth an economic program, since it does not have mechanisms that make it possible to implement such a program either. At the same time, as a trade union, we cannot accept solutions that are built on the aggravation of the economic recession.

Wilenski Therefore, what are the priorities of Solidarity 80?

Jurczyk Continuous concern with achieving two fundamental objectives is the paramount issue for trade union activists who are authentic trade unionists rather than ephemeral politicos. First, it is a claim, interpreted as a demand, that a remuneration be ensured that allows the employee and his family to live with dignity in return for honest and competent work. Second, a trade union should seek the creation of new jobs rather than their
elimination. A person without a job is a useless person who contributes nothing to either himself or others. "Yes" to the privatization of the Polish economy, but to a privatization that creates new jobs!

[Wilenski] You renounce politics. Therefore, how are we to understand the presence of the KPN [Confederation for an Independent Poland] at all protest actions and strikes organized by Solidarity 80 recently?

[Jurczyk] Certainly, not as our endorsement of the political options that this party represents. As a trade union, we have not yet had a rapprochement with any political party or school. We do not see a single organization in the Polish political arena that is, in some way, stable and has a program that agrees with us. Along with programs, the people who proclaim and are to implement them are also important to us. I believe that at some point, we will become close to a political party, of course, not from the point of view of organization but rather in terms of a choice of program and common interests in the Parliament. However, this is still quite far away.

[Wilenski] In an address to young people, employees, and retirees and annuitants adopted at the latest extraordinary meeting of the National Commission, you came out in favor of the need to hold early elections to the parliament. Is this not a political decision?

[Jurczyk] It is a mistake to accuse a trade union of engaging in big-time politics when it evaluates actions of the government or the Parliament. That the Parliament adopts a bad law, of which there has been plenty of proof lately, and that the government implements it to the detriment of society, does not mean that the legislators and the executors cannot be subject to social judgment. If the Parliament, instead of working on issues that are the most significant for the country—that is, the economy and living conditions of the population—deliberates about the patterns of buttons for the Armed Forces, abortions, the size of per diems for deputies, and penalties for deputies who, having been elected by the will of the people, do not wish to work in that Parliament, then we have a right to demand that this Parliament be changed. As a trade union, we do not intend to be represented in the Parliament. As far as I am concerned, I could have become a deputy in both 1989 and 1991, but I did not want to, and I assure you that I will not be a candidate in the next election, either.

[Wilenski] Therefore, how are we to reconcile your reluctance to sit in the Parliament with the presence there of Stanislaw Kocjan, your deputy?

[Jurczyk] Before the last election to the Sejm, we discussed for many months whether we should take part in it on our own. The decision was unambiguous—yes, but on the condition that we are not interested in a purely political cause, but rather in the good of the union. At the time, the NSZZ Solidarity 80 was deliberately ignored by both the authorities and the mass media as an essential element of our public life. In introducing our man to the Parliament, we wanted, on one hand, the issues that we bring up to be known to our society at large through the Parliament, and on the other hand, to have quick access to draft laws, government studies, and similar documents, the lack of which hampered our trade union activities considerably. These arguments prevailed in the matter of running our candidate in the election.

[Wilenski] What benefits does Solidarity 80 derive from being a participant in the MKKNS [Interunion National Negotiating and Strike Committee]? Among others, the OPZZ [All-Polish Trade Unions Agreement], which is accused of having postcommunist roots and the Samoobrona, which is described as being rowdy and a law breaker, belong to it.

[Jurczyk] We were brought together by poverty and the need to save Poland from the loss of economic sovereignty. If we lose this sovereignty, we will also lose state sovereignty. We were brought together by paramount issues. The values of August 1980, Solidarity, which we won in battles at the time, are not the property of either Mr. Walesa, or Mr. Kuron, or Marian Jurczyk. At the time, millions of Poles fought for a dignified life. These millions are now divided; they belong to different trade unions. The origins of the trade unions that belong to the MKKNS are different; there is a lot that unites them, and a lot that separates them. This is good. However, as far as paramount issues are concerned, it is high time for all unions (the MKKNS is an open arrangement) to develop joint positions, to create, on behalf of the working people, a joint force capable of actually influencing processes underway in the country. Communists divided Polish society by setting workers, intellectuals, and peasants against one another. The Roundtable additionally split almost all Polish families. Having many unions plays into the hands of all governments; it is better yet if they quarrel among themselves. In this case, they are not strong, and each union may be dealt with as one wishes. The results of this are apparent every day. Negotiations between the government and individual trade union centers, which last for months, have always ended in the government doing whatever it wanted to do anyway.

The conviction that it is high time for the trade unions to speak jointly on behalf of the working people on issues most vital to them was the foundation for our consent to cooperate within the framework of the MKKNS, which through its organizations unites a total of 5.6 million people. I consider it a mistake to generally evaluate a given union based only on its sign. A trade union consists of individual people with their own views of the world, frequently with a complicated past. Former members of the PZPR [Polish United Workers Party], more than 2 million, are present in all trade unions and political parties. If we want to check them out and bring them before courts and tribunals, then let us do it, but let us judge them individually and for specific actions. We cannot evaluate only the signs, because this would be unfair and immoral. Our society may only be set against itself and divided still further in this manner.
Likewise, our presence in the MKKNS is not intended to lend credibility to anyone. Each union is autonomous. Nor is this an attempt to unify the Polish trade union movement. Nobody needs a new CRZZ [Central Council of Trade Unions] or a new trade union nomenklatura. This would not serve well the cause of the working people.

[Box, p 4]

Marian Jurczyk, 57, is a graduate of an economic vocational school. Between 1954 and 1980, he worked at the Szczecin Shipyard. He took part in shipyard strikes in 1970 and 1980. As chairman of the MKS [Interfactory Strike Committee], he was the first to sign the Szczecin Accord with the government in August 1980. He was interned (December 1981 through December 1982), and was subsequently arrested on charges of acting to the detriment of the state by virtue of being active in the NSZZ Solidarity. In the belief that the trade union charter and law were violated, he began to oppose Lech Walesa after the NSZZ Solidarity was legalized in April 1984, in order to rescue the origins and ethics of Solidarity originating in the years 1980 and 1981. He is a determined opponent of the Roundtable agreements. Since April 1990, he has been chairman of the NSZZ Solidarity 80.

Social Pact on State-Enterprise Transformation
92EP0638A Warsaw TYGODNIK MALOPOLSKA
in Polish 9, 16 Aug 92

[Unattributed article in two installments: “Pact on State Enterprises in the Process of Transformation”]

[9 Aug p 2]

[Text] The pact became an event which was extensively discussed in the press, thus creating the impression of the supposedly extraordinary significance of this document. The views of trade unionists do not bear out such assessments. We are presenting above two competent and authoritative views: Ms. Barbara Niemiec not only was a deputy chairman of the union, but, first of all, participated in almost all negotiations with the government, and especially in those which the pact concerns. Mr. Jacek Smagowicz, a member of the Presidium of the National Commission, likewise has a long record as a negotiator; this time, he took part in negotiations with Minister Kuron.

The attitude of trade unionists is critical. However, let the reader make the final decision. Since nobody has published the complete text of the pact, we are now doing this. We are publishing the first part today, and the second part in a week. Let us assess its value ourselves.

Assumptions and Objectives

1. The objectives of signing a social pact with regard to state enterprises are as follows:

   —To look for arrangements which stabilize the economic and financial standing of enterprises, especially after the choice of the path of transformation is made;

   —To select enterprises in a way which makes it possible to give greater opportunities to those who opt for their own path of transformations;

   —To have work forces participate in the process of selecting a path of changes and implementing it;

   —To ensure, as a result of the entire process, favorable changes with regard to the operation of enterprises, their management, and their readiness to participate in the market interplay;

   —To create modern social welfare arrangements within enterprises which, however, do not interfere with the enterprises performing their fundamental economic functions.

2. Creating a new system of enterprises calls for comprehensive and multifaceted solutions. This is why it is very important to present a package of proposals and to negotiate their content as a whole, in order for the resulting resolutions not to be piecemeal in nature, but instead make it possible to effect a genuine and fundamental change in the enterprise system in Poland, especially with regard to the state enterprises undergoing transformation.

Therefore, there is no way to avoid the issues of procedures for privatization, rules for the conversion of enterprises to commercial operations, guidelines for their financial management, forms and extent of the endowment of employees with property, methods of debt cancellation and opportunities for suspending the PPWP [tax on above-the-plan growth of remunerations], rules for social welfare activities, conditions for bringing about a bargaining law which would make it possible to decentralize negotiations between an explicitly defined employer and a representative of the work force, and methods for settling employee claims arising in the event of the employer being insolvent.

3. However, the pact on the state enterprise would be only one of several pacts signed with a view to solving specific problems. Work on these pacts will make it possible to outline the programmatic prospects for government activities with greater clarity.

4. The pact on the state enterprise should be implemented in several stages:

   (a) Presentation period (until end of August): The presentation of pact proposals (objectives, principles, procedures, substantive content of proposals, draft laws) should be made to the interested parties, that is, the trade unions and employer organizations;

   (b) Negotiation period (September and October): The first meeting should be held in late August, and should concern the adoption of the schedule of negotiations, as well as guidelines for negotiations. Working groups
should use a "roundtable" format (the unions, the employers, the government). Negotiations should take about two months, and should end in the signing of a social contract concerning changes at state enterprises;

c) Legislative decisions period (September and October): This should be held at the level of the government and the Parliament;

d) Period of implementation of the pact (it should begin no later than 1 December): This is the most important period, which has to do with the state enterprises choosing their own way of transformation. This should be accomplished with the participation of employees, but within a strictly defined period of time. Depending on what is coordinated, this may be two, three, or six months. This will be the time for internal negotiations and the signing of a specific enterprise-wide contract on the future of the enterprise as seen from the angle of a compromise between different interests, pursued by different parties at the enterprise. Only opting for a path of transformation offers new development opportunities to an enterprise, along with a chance to secure bonuses of sorts which result from the readiness to embark on changes.

e) The period of the implementation of a new enterprise system will certainly require the modification of arrangements made at the preparatory stage. However, this will also be the time to develop new ways to resolve industrial disputes, in keeping with the rules in effect in a market economy.

Preliminary Evaluation of Legal Acts

Transformation of State Enterprises

1. Changes at a state enterprise will be able to occur if employees take part in the process of striving for rationality in managing the enterprise. Therefore, the following should be done:

— The right of a work force to own a part of an enterprise on preferential terms (receipt of shares free of charge), up to a guaranteed level of 10 to 15 percent of the entire stock, should be enhanced;

— The use of employee privatization accounts by employees should be made possible at the same time. This is a concept based on the transfer of a segment of after-tax profits to a special bank account, with a view to supporting the participation of employees in the process of privatization;

— The continuous presence of representatives of the employees on the boards of trustees of the emerging companies should be guaranteed;

— Financial conditions for the leasing of the assets of enterprises or their organizational divisions should be improved by way of reducing the mandatory amount of authorized capital, reducing the amount of additional fee, introducing installment plans for the payment of preferences in the additional fee (which will make it possible to avoid the accumulation of payments in the third year), and making it possible to amend a leasing contract into a contract of sale. Repealing preliminary lease payments is an alternative concept; this is supposed to give the employees an incentive to take over a part of the enterprise faster and at no charge;

— Appropriate preferences should be introduced in the event an enterprise is sold on an installment plan through bidding, with companies in which employees or agricultural producers participate being given preference when equal bids are submitted;

— A system of preferential participation by agricultural producers in privatizing state enterprises should be created (this applies to farmers who are continuously associated with a privatized enterprise, equal representation of employees and agricultural producers on the board of trustees, and the right of agricultural producers to acquire 10 percent of the stock free of charge).

2. The transformation of a state enterprise will be attractive and profitable when:

— The division of enterprises, which provides an opportunity to quickly become exempt from dividends, is made easier;

— Enterprises are endowed with the ownership of land (through accelerated procedures, which may also apply to employees, as well as to Western investors contributing capital), and in some cases, decision-making is accelerated with regard to the confirmation of the right of eternal use of land;

— The mode of managing enterprises changes, which amounts to the introduction of management contracts and the elimination of the decision-making gridlock resulting from the division of functions to date between self-government bodies, trade unions, and managers;

— More opportunity is provided for enterprises to dispose of nonproduction assets (through their transfer to municipalities, even if compulsory—or sale at symbolic prices, or a gift procedure);

— Procedures for appraising the assets of enterprises are simplified.

3. If no decision is made by an enterprise, it will be converted to commercial operations on a mandatory basis, with restrictions placed on the receipt of bonuses resulting from making the decision to transform independently.

4. It should also be pointed out that changes entailed by sectoral and regional restructuring must proceed at the same time. To be sure, the process of transformations in the enterprise system will be faster; yet, in the case of some sectors which are essential to the infrastructure of the state, this process should dovetail with restructuring.
Enterprise Debt Cancellation

The program does not provide for a comprehensive and automatic debt cancellation. However, it gives enterprises that have a chance to survive the opportunity to restructure their debt. The essence of the concept is to persuade the banks to take active measures with regard to delinquent debtors.

The measures of banks amount to evaluating the situation and pursuing an action strategy which makes it possible to recover at least some of the credit extended by means of:

—Exacting the amounts payable, bringing a lawsuit to declare the debtor insolvent, selling the debt at a public auction—with regard to entities which are considered to be permanently inefficient;

—Emarking on special reorganization proceedings, in the course of which a debtor will implement a program of enterprise amelioration, and creditors will conditionally reduce the debt load (postponement of payments or easy terms for repayment; swapping the debt, in its entirety or in part, for interest in the enterprise; canceling the debt, or a part of it; extending new loans to the debtor). The obligation of the enterprise to implement an amelioration program and the obligation of trade unions to maintain social peace are essential to reorganization proceedings, as well as the conversion of the enterprise to commercial operations, or the appointment of a special council of creditors or compulsory enterprise management. The resolution of this issue will depend on the consent of creditors who hold at least 50 percent of the credit affected by the proceedings.

Collective Contracts

1. The freedom of establishing working conditions and wages through negotiations is the essence of the conciliation law that would be introduced by amendments in Chapter XI of the Labor Code. Two levels of negotiations and agreements should be in operation.

2. The first level should be supraenterprise in nature. In this case, partners would be as follows: an employee organization operating within a jurisdiction or sector, nationwide economic entities and their management (for example, the PKP [Polish State Railways]); in the case of subsidized enterprises—managements operating on the authority of the subsidizing organ, and in the sphere financed from the budget—the proper ministry, which would have various trade union organizations as their opponents.

Agreements signed at this level should take into account minimal norms, with regard to working conditions and employee protection, which are set forth in the Labor Code, though they could enhance them in favor of the employees in the following areas:

—Determination of the length of probation;
—Guidelines for canceling temporary contracts;
—Cancellation of labor contracts for the period of probation;
—Timing of consultations with trade unions;
—Procedures for canceling labor contracts;
—Employee protection in the event of a protracted disease;
—Wage rules for work under special conditions;
—the issue of the timing and amount of retirement pay;
—Employee entitlements entailed by the right to training, issues of working time and establishing remunerations for overtime;
—Protection of the rights of minors and pregnant women.

It is also possible that, in addition to the obligations of the parties, the contract will include its own procedures
for the settlement of collective disputes. The same may be the case with enterprise collective contracts.

3. The enterprise level will be the second level for contract signing. The bargaining should mainly concern wage issues. Nonetheless, it should be remembered that enterprise collective contracts cannot be less favorable than the provisions of the supraenterprise contract. In this case, the following are partners: the employer and various trade unions operating jointly, or a representative trade union (a trade union with the highest number of members indicated by the work force).

4. The arrangements adopted hereby modernize the institutional forms of social dialogue in Poland. It appears expedient to embark on actions to propagate the bargaining law so as to encourage work forces to sign collective enterprise contracts. This may be properly coupled with a pickup at enterprises and the promotion of their involvement in transformations.

Social and Protective Activities of Enterprises

1. As they undergo transformations, state enterprises should, along with other economic entities, take measures of a social nature, but of a completely new type. It is expected that social benefit funds will be generated, on a compulsory basis, at enterprises with various forms of ownership. These funds would be charged against the costs of basic operations or profit, at the option of particular enterprises (withholdings for the fund would amount to 25 percent of the average monthly wage per employee). A minimal scope of social benefits would be financed from this fund, which could be expanded each time through the enterprise contract (the existing forms of withholding for the social and housing funds would be canceled).

The existing form of social support for employee families could be replaced by the social leave allowance for employees, paid once a year. Opting for this form would guarantee a better targeting of benefit recipients.

Due to the arrangements adopted, the flexibility of the generation and use of the social benefits fund would be greater. At the same time, enterprises would be relieved from many social obligations to employees and retirees, and the new arrangements would be phased in (this would also be the case with the size of new taxes).

Within the framework of a flexible social policy of enterprises, and depending on the economic and financial standing of enterprises, tasks associated with, for example, the purchasing of certain social services (for example, reduced railway fares) could be accomplished.

2. It is very essential that appropriate regulations concerning the working conditions and occupational safety are implemented with regard to all economic entities. Changes in Chapter X of the Labor Code serve to more emphatically set forth the role of the enterprise in the sphere of occupational safety. Enterprises will make their own choices on a number of issues (for example, in the matter of setting guidelines for the issuance of the means of personal protection to employees), while at the same time, they will be obligated to inform the employees about occupational hazards and comply with many occupational safety rules.

The right of the employee to free health checkups (once every so often) should be set forth more expressly, as well as the right to refrain from performing work in cases of threat to an employee's life which, however, is not to be treated as a violation of employee obligations. Occupational safety and health commissions should become more important.

The draft of establishing the Labor Protection Fund (punitive contributions by enterprises which fail to comply with occupational safety and health regulations) should be considered. The fund would make it possible to subsidize various prevention and propagation measures in the area of occupational safety and health.

Employee Claims

1. The pursuit of employee claims (most frequently wage related) in a situation when the enterprise is bankrupt and the employer is insolvent is a problem. The implementation of the resolutions of the International Labor Organization, which were adopted at an ILO session this year, may be a long-term solution to this problem.

2. The extent of protections guaranteed by appropriate institutions should be indicated precisely:

—Remuneration for work in a restricted amount for a specific period of time (back wages for the last three months);

—Severance pay and compensation due to employees in the case of being laid off;

—The equivalent of unused leave time;

—One-time monetary damages due to an employee, or the family of a dead employee, on the basis of the law on accidents.

3. This institution is yet to be set up. Subject to coordination with employers, it should have the form of insurance, which will require that procedures for the payment of employer contributions and their size are envisaged, for example, one percent of the wage fund. The phenomenon of insolvency on the national scale and the base for establishing the rate of employer contributions must be assessed. The Fund of Guaranteed Employee Benefits will be accumulated with contributions. This fund, which should be overseen by the National Labor Bureau (from 1 January 1993), could also support enterprises during periods of temporary insolvency.

The Social Security Pact outlining the actual obligations of the state in the field of social policy should complement the social pact on the transformation of state enterprises.
Changes in Paper-Mill Industry Outlined

Sales to Foreigners

92EP06294 Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 12 Aug 92 p I

[Article by D.E.: "International Paper Company in Kwidzyn: The Deal of the Year"]

[Text] “The deal of the year,” that was the name given to the contract for the sale of a block of 80 percent of shares in Pulp and Paper Works in Kwidzyn, Inc., to the American company International Paper Company, Inc., the world's largest paper producer. This deal was concluded last Monday evening, and made public on Tuesday, 11 August, at a press conference at the Ministry of Privatization.

In return for that 80 percent of stock, International Paper paid $120 million, or about 1,640 trillion zlotys [Z], which will strengthen the state budget. Under the Privatization Law, employees of the company have the right to buy the remaining 20 percent of stock at half price. The new owner has declared readiness to assist them financially in that purchase.

The contract, signed by Minister Janusz Lewandowski and Michael Amick, the president of the European holdings of International Paper, also contains a pledge by the American side to invest $175 million by the end of 1996. That investment is to result in modernization, growth, and improvement in the quality of the paper produced, as well as in reducing environmental pollution.

Minister J. Lewandowski declared at the press conference that the contract was concluded without preliminary terms, that is, without tax exemptions, exemptions from fees for environmental pollution, etc. The Americans also pledged themselves to maintain the same employment for the next 18 months, along with the same social services for the employees.

At the press conference M. Amick added that additional investment outlays totaling several hundred million dollars may be forthcoming. The purchase of the factory in Poland is the company's first transaction in Central-East Europe, in accord with its strategy for international growth. It assures a strong base on the Polish market, which will serve to satisfy the demand of that market as well as the growing demand of West Europe.

Higher Output, Improved Quality

The Pulps and Paper Works in Kwidzyn has been in existence since the early 1980s. Since the beginnings of the 1990s its output has been declining. It was transformed into a one-person Treasury company on 6 January 1991. The program for the sector privatization of the pulp and paper industry was developed by Hambros Bank, the British winning bidder, and presented in August 1991. Its analysis pointed to a low consumption of paper (25 percent of the European level) and under-investment in the papermaking departments. Hambros proposed three different versions for transforming the pulp and paper industry in Poland: sale of the best paper plants to foreign investors and modernization of the remainder; a slow restructuring and sale of individual plants; or keeping all the plants in Polish hands and privatizing them with domestic resources.

Upon the completion of the currently planned investment program the Kwidzyn plant should reach an output capacity of 375,000 metric tons of products annually. It will manufacture, among other varieties, white paper, printing paper, and cardboard, but better than at present, meeting Western standards to a greater extent.

The Kwidzyn factory, which started operating in the early 1980s, manufactures for the Polish market pulp, printing paper, writing paper, newsprint, and packaging cardboard. It processes waste newspapers and is able to remove printing ink from them. It operates East Europe's largest integrated pulp and paper facility and is the second largest producer of paper in Poland.

For the first five months of this year, the factory sold about 123,000 metric tons of its products and its income reached Z929 billion and before-tax profits of Z45 billion. It employs 3,600 persons.

The Best Offer

In the opinion of the ministry's representatives, that was the best offer to come in following the public invitation for bidding. This opinion is shared by the factory's representatives, who were able to familiarize themselves with the bids, according to the company's Board of Governors Chairman Bronislaw Wozniczko. The linkage to the American producer will make possible access to modern technologies, and assure a competitive position on domestic and foreign markets as well as the needed outlays on environmental protection, which exceed the resources of domestic investors. Such is the ministry's opinion. In the meantime, the Kwidzyn factory has been exporting half of its output, as it could not be marketed domestically.

Who Bought the Paper Factory?

International Paper Company, Inc., bought the Pulp and Paper Works in Kwidzyn for $125 million. According to this year's ranking of enterprises by the biweekly FOR-TUNE (data for 1991), this company is the 31st largest enterprise in the United States and the 102nd largest in the world in terms of volume of sales. At the same time it is the world's largest pulp and paper company. Its sales volume has reached $12.703 billion and was 2.0 percent lower than in 1990. About one-third of the company's income from sales derives from production and sales in West Europe, according to the Ministry Privatization.

In 1991 International Paper's profits reached $184 million (ranking it 214st in the world). That was 67.7 percent less than in 1990. According to a press release of
the Ministry of Privatization, International Paper's gross profits in 1991 exceeded $1 billion. This difference in the amounts of profits cited is of a certainty due to different methods for reckoning them. FORTUNE cites data on after-tax profits that, moreover, are calculated with allowance for extraordinary losses and profits.

International Paper's assets total $14,941 billion in value, which ranks its worth in the 91st place in the world. Such a high ranking is due to the high capital-intensiveness of the pulp and paper industry. The company's market value, reckoned as of the end of the last fiscal year, was $5.739 billion, which ranks it in the 77th place in the world. Altogether, International Paper employs 70,500 persons.

For the second quarter of 1992 International Paper has, according to a report in the recent (17 August) issue of the weekly BUSINESS WEEK, reached sales of $3.4 billion, 9 percent higher than in a like quarter last year. For the first six months of this year this company's sales totaled more than $6.7 billion.

Privatization Viewed

92EP0629B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 12 Aug 92 p 1

[Article by A.K.K.: "Privatization of the Pulp and Paper Industry"]

[Text] The per capita paper output in Poland is about 20-22 kg, whereas in Czecho-Slovakia it is about 70 kg and in the Western countries more than 200 kg. It would seem that the market is not saturated and the paper-making plants should have assured demand. Actually, the seven out of 23 industrial subsectors in which output in the first half of 1992 was higher than a year ago, as investigated by the GUS [Main Statistical Administration], included pulp and paper producers. Both in the pulp and paper subsector and in the paper-processing subsector output increased by 8.1 percent.

The industry's economic and financial situation does not look as good. During the first five months of this year, the pulp and paper industry, which consists of 84 enterprises, earned an income totaling Z$4.24044 trillion. Its gross profits totaled Z$293.038 billion; gross losses, Z$134.585 billion; net profits Z$107.388 billion; and net losses Z$180.990 billion. The income of the pulp and paper industry as a whole totaled Z$158.453 billion, and in net terms it resulted in a loss totaling Z$73.602 billion.

The industry as a whole had more than Z$1.25 billion in reserves, Z$2.33 billion in accounts payable and claims, and Z$2.55 billion in obligations.

For the pulp and paper industry as a whole, nearly 40 percent (to be exact, 39.3 percent) of enterprises were money losers as of the end of May, 1992. In comparison, at the end of May 1991 only every fifth enterprise was losing money. The share of the incomes of enterprises showing gross losses rose to 21 percent of the income of the pulp and paper industry as a whole, whereas a year ago, at the end of May 1991, only 9.0 percent of income derived from money-losing firms. Still, the industry's situation was worse at the end of 1991 when money-losing enterprises had accounted for as much as 43.3 percent of the income of the pulp and paper industry as a whole.

The sale of the Kwidzyn Works was preceded by the following transactions within this industry:

—On 31 July 80 percent of the shares in the Malta Paper Factory, Inc., in Poznan, was purchased for $1.2 million by a German company, Kronospan, G.m.b.H., a fiberboard manufacturer; the purchaser pledged itself to contribute $2 million to the capital stock and to invest $8 million within three years.

—On 6 August, 80 percent of shares in Cieszyn Cardboard Plant, Inc., was purchased by Synteza CMC, Inc., a domestic company with the participation of Austrian capital, sited in Bielsk-Biala.

In both cases, employees of the affected factories have the right to purchase the remaining 20 percent of shares:

—Since 1989 the Ostroleka Pulp and Paper Plant has been operating as a joint venture.

—The sale of blocks of majority shares in the three above plants is part of the sector privatization program. According to Director Michal Rusiecki of the Ministry of Ownership Transformations, the program lists about 30 plants of the pulp and paper industry.

The following transactions are next anticipated:

—The sale (this coming fall) of a majority block of shares in the Kielce Pulp and Paper Plant to a strategic investor.

—The sale, also of a controlling share—outlays on modernizing and improving the quality of production are needed—in the Swiec Pulp and Paper Plant to a foreign investor; the transaction shall probably be concluded by year end.

—The sale of a controlling share in the Kostrzyn Pulp and Paper Plant to a foreign investor, because considerable capital is needed; the date of the transaction is difficult to anticipate.

—Talks are underway, and an investor is being sought for the Warsaw Pulp and Paper Plant in Jeziorna.

—The least advanced are the talks on the privatization of the pulp and paper plants in Kluczew and Krapkowice, both of which are one-person Treasury companies.

—in addition, a restructuring program is being drafted for smaller plants of this industry, especially those in Lower Silesia.
Kecmanovic on Resigning From B-H Presidency
92BA1403A Belgrade BORBA in Serbo-Croatian
29-30 Aug 92 p X-XI

[Interview with Dr. Nenad Kecmanovic, former president of the Alliance of Reform Forces of Bosnia-Hercegovina, by Dara Vucinic; place and date not given: “When War Feeds All Three Sides”]

[Text] In my one-month term in office, my political influence was miserable, but my human accomplishment was valuable in many respects. Pejanovic and I spent 90 percent of our time on protecting Sarajevo’s Serbs. Karadzic is the representative of the Bosnian Serbs to the same extent that Izetbegovic is the representative of the Muslims, or Boban is the representative of the Croats.

Dr. Nenad Kecmanovic, for many years a professor at the Political Science School, and rector of Sarajevo University, publicist, and politician, at one time president of the Alliance of Reform Forces of Bosnia-Hercegovina [B-H], and recently (briefly) a member of the state Presidency of B-H, “moved to Belgrade a few days ago as a refugee.” He does not know whether, when, or how he will return to his beloved Sarajevo. He does know, however, that he will certainly no longer be a member of the B-H Presidency, “or rather, Alija Izetbegovic’s Presidency,” as he says. He submitted his resignation from that position a few days ago.

[Vucinic] As you have stated yourself, you joined the B-H Presidency at the insistence of Sarajevo’s Serbs. In that position, did you have an opportunity to fight for the national interest of Serbs, or for the civil interests of the people of B-H? How much influence did you actually have in the government, and how much among the people who stood behind you?

[Kecmanovic] In the first place, after the SDS [Serbian Democratic Party] representatives withdrew from the government, the Assembly, and the Presidency, my involvement caused very substantial reactions among many people on the Serbian side, and even claims that it was illegal and unconstitutional, which is not true. The electoral law clearly states that if any of those holding the offices in question ceases to hold that office for any reason, the next person is selected.

What was controversial—I do not know how much it was for them, but it was for me, which is much more important—was the practical significance of that act. It is a question of the political configuration in it. The Presidency consisted of two national parties, but instead of the third party or representatives of the third party, it was joined by people who were on the multinational parties’ ballot. That is why I said that I was not joining it as a representative of the Serbian people, but rather of one multinational party, although admittedly I am a Serb by nationality, and I think, a good Serb.

The SDS’s dissatisfaction was thus reduced, but the dissatisfaction of the SDA [Party of Democratic Action] and HDZ [Croatian Democratic Community] was increased by the same percentage. Their intention was clearly to assemble some sort of alternative national Serbian party around me, and then around Pejanovic and several others who joined the government; that party would be a competitor of the SDS, which they expected would be pushed out of the political scene.

People Are Grateful to Me

[Vucinic] Why did you never talk about the Bosnian Serbs, but only about the ones in Sarajevo?

[Kecmanovic] In Sarajevo, we spent the whole period since the beginning of the war in a sort of isolation, which was not just in terms of territory but also in terms of communications. The state of war made it impossible for us to receive press, television programs from other areas, etc. On the other hand, because of the war situation and the transformation of free media into wartime propaganda, there was less room for normal democratic public opinion.

All the political life that was available to one republic leadership was associated with just one part of the city of Sarajevo. The SDS and the HDZ controlled the bulk of the republic’s territory, and on the whole, it seems to me, about 10 percent of the territory was under the authority, to put it arbitrarily, of the B-H Presidency and Government.

The Serbs were in a very difficult position. On one hand, they shared the same ordeals of wartime Sarajevo as the Muslims and Croats, and they were equal victims of the constant artillery and infantry clashes. On the other hand, the situation was made even more difficult for the Serbs by the fact that war propaganda imposed an indirect, collective feeling of guilt upon them. When you hear one-sided propaganda every day, you start to feel indirectly collectively guilty or responsible. What is even more difficult and dangerous is that the members of the other two peoples gradually start to see all Serbs as all the same butchers.

[Vucinic] At that time the Serbs who were citizens of Sarajevo, since the government had become binational, felt the need to get “their own man” in the government—if not a national representative, then at least a Serb. This has to do with those Sarajevo Serbs who wanted to remain in the city. Is that right? What were the results of that involvement of yours?

[Kecmanovic] That is right. The other question is what the real result of my one month in the Presidency was like. My political influence was miserable, but my human accomplishment was valuable in many respects. Pejanovic and I spent 90 percent of our working hours on protecting the Sarajevo Serbs. The families of those who disappeared, who were searched, imprisoned, or mistreated, contacted us exclusively. Both of us tried to solve the problem institutionally, by reviving institutions for the protection of constitutionality and legality, for oversight of military and police authorities, etc., and devoting ourselves to state and political work. It turned
out, however, that on one hand, the government did not have any significant control over the paramilitary and parapolice formations that looted throughout the city and had the actual power, and on the other hand, that our involvement in protecting human lives was much more valuable than any politics. That orientation of ours is confirmed by the gratitude of those whom we succeeded in saving, who have been coming to see me and my family here in Belgrade to this day.

[Vucinic] To what extent did your good intentions and practical actions hinder the SDS representatives in Pale and elsewhere, who were claiming that you were illegitimate and that you were collaborationists?

[Kecmanovic] With the beginning of the war, Bosnia's fate started to be settled partly on the battlefield, and partly at international forums. Actually, nothing has been settled on the domestic political level anymore ever since Izetbegovic refused to negotiate with Karadzic. The international factors, however, knew the real situation and the balance of power in B-H very well, and so they never took members of the B-H Presidency and Government as interlocutors, as Izetbegovic suggested. They only invited those who had the actual power in the field. With respect to the Croatian side, it was not Presidency member Stjepan Kljujic, or Prime Minister Jure Pelivan, or even the nominal head of the HDZ, Miljenko Brkic; instead, the only one of interest was Mate Boban. Mate Boban does not hold any state or party office, but he is a person who commands units, who holds territory, who rules Herceg-Bosna. The same thing is true of Karadzic. The only relevant interlocutor in the Presidency as far as foreign countries were concerned was Alija Izetbegovic, and not as president of the B-H, but rather as the national Muslim leader and commander of the Muslim military formations called the B-H TO [Territorial Defense].

[Vucinic] In your opinion, is Karadzic the representative of the Bosnian Serbs?

[Kecmanovic] I can say with certainty that he is the representative of the Serbs to the same extent that Izetbegovic is the representative of the Muslims, or Boban is the representative of the Croats. It is hard to say precisely what that means in percentages, but for the time being we can only rely on the results of the last elections, and wait for verification in the next ones.

[Vucinic] Do you believe that the same national leaders, in elections that they might possibly participate in now, would obtain the necessary majority of their peoples?

[Kecmanovic] Forecasters are giving them few chances today because the policy to which the national parties led was catastrophic beyond any doubt everywhere in Yugoslavia, and in B-H in particular. Being familiar with our political mentalities, however, I think that even now it would not inevitably lead to a change in the electorate's attitude. A Bosnian state will be much more significant to a majority of Muslims than the fact that they have been decimated in this war. The fact that they have created a Serbian Republic, or at least a canton within a confederate B-H, is more significant to a majority of Serbs than all the sufferings that they have endured in these few months of war. A majority of Croats would also probably reason in the same way. Finally, if the electorate had behaved rationally in the last elections, probably none of the national parties would have won.

The Split Is (Was) Inevitable

[Vucinic] Eagleburger, Kinkel, and many other world statesmen who are deciding the fate of the former Yugoslavia and thus also B-H these days are insisting on the impossibility of its cantonization. On the other hand, Radovan Karadzic is repeating: that or nothing. Do you think that any third option for peace is possible, for instance, some sort of civil state of B-H?

[Kecmanovic] I have said on several occasions that some sort of split, some sort of demarcation on a national basis, is inevitable. At the moment that it happened to Yugoslavia, B-H could not be preserved as a united political structure. When this has happened to peoples with much greater civil traditions, who had incomparably more favorable economic, political, cultural, and other prerequisites, what could we have expected in the Balkans?

Even if it had to be that way, however, and even if it had to be with singing and shooting, some sort of criteria should nevertheless have existed for the split.

[Vucinic] Do you have a personal position on the criteria according to which that split should be carried out?

[Kecmanovic] In my opinion, only two criteria are possible: One is for the split to be carried out in accordance with shares in the national structure of the population; in other words, for each people to receive approximately as much territory as the percentage that it represents in the total number of inhabitants of B-H. The one who has a third of the population cannot claim two-thirds of the territory, or vice versa. Or, since there are three constituent peoples, the criterion may be that the total territory should be divided into three approximately equal parts. The Serbs would receive approximately the same thing under both criteria, while the Muslims and Croats would fare very differently in one case or the other.

[Vucinic] Do you think that Vinko Stupar's statement that the world has to recognize the Serbian Republic or else the war will continue, for instance, is all right?

[Kecmanovic] Before Cutilheiro's session in Sarajevo, the national leaders regularly gave statements for the press, and almost regularly presented as ultimatums some political minimum from which they would not retreat. A correct politician, however, will never say in advance what his minimum and his maximum are, but will instead make his position diplomatically dependent upon the other side's behavior. In other words, "We will be prepared for concessions to the extent that the other
side demonstrates goodwill for concessions.... Consequently, a priory, stubborn, blackmailing style of behavior, along either-or lines, can hardly lead to constructive solutions. One must always proceed from the assumption that then the other side also has a right to do the same, and then there is no sense at all in even starting negotiations. This, naturally, is characteristic of all three sides in the B-H conflict, and is by no means any sort of Serbian speciality, as is often portrayed by the international public. The Croatian side is a “positive” exception in both senses, because it is the only one engaged in politics as well as war. The Croats are in a military alliance with the Muslims, and a political alliance with the Serbs. They have conquered no less of the Muslim ethnic territory than the Serbs, but they have done so without firing a shot, and they will probably fare the best in any future resolution of the Bosnian enigma.

[Vucinic] Do you see, in general, any quick resolution of this Bosnian enigma, an end to the war, and the return of all the refugees to the ashes of their homes?

[Kecmanovic] General Mackenzie, who commanded the UNPROFOR [UN Protective Force] forces in Sarajevo, made a series of pessimistic predictions after his departure. At one point, however, he expressed what seems to me to be a good assessment: The end of the war will occur precisely when all three sides are sick of fighting. It seems that there is some psychological truth to that, because in any case, military experts say that after long warfare, the establishment of a brief peace is enough for the conflicts to be stopped in the long run. Just as shooting, once started, is hard to stop, it also seems that there is a tendency for a ceasefire established at a given moment to be continued through inertia. I hope that there has already been enough of a civil or tribal war in B-H. Although I have a civil orientation, however, I absolutely do not believe that for the time being it is possible to establish any unified civil B-H state. Even those minimal and naturally insufficient political, economic, and cultural prerequisites that we had before the war have now been completely destroyed through mutual hatred and mutual fear. Likewise, with respect to the long-term prospects, a civil solution is inevitable, but naturally, not one arranged by the national leaders, who can only insincerely feign this option, like Alija Izetbegovic, as camouflage for unitaristic pretensions.

Everyone to His Own Crowd

[Vucinic] Then you do not believe in the proclaimed return of all the refugees as a countermeasure to the partially implemented ethnic cleansing?

[Kecmanovic] Unfortunately, I think that there will be much more territorial and ethnic concentration during the upcoming peace than was done in this regard by war operations, destruction, and expulsions. In fact, as soon as people can move freely, everyone, at least at first, will rush toward his own crowd, toward the largest concentrations of his compatriots. After all the terrors, general hatred, and fear, everyone will only feel relatively safe among his own people. Of course, there is also the practical problem that many houses have been abandoned and burnt, and property has been stolen and destroyed, and so many people, even if they wanted to, would not have anywhere or anything to go back to.

[Vucinic] Do you think that the Yugoslav bloodshed could have been avoided if the politicians and national movements had not undermined the economic reform program of Ante Markovic, whom you also supported?

[Kecmanovic] At moments when he saw that the battle was lost, Markovic could have said to me that he was not defeated by the national bureaucracies, but rather by the foreign countries that did not offer the promised financial aid during the crucial phases of the reform. He claimed that a financial transition at the moment could have been decisive. They constantly claimed, however, that Markovic was on the right path, that our situation was better than anywhere in East Europe, that we would succeed even without that aid, and that it was more urgent to direct those funds toward Poland, Hungary, and the Soviet Union. The Yugoslav train thus rolled irrecoverably onto the wrong tracks. I did not personally share his opinion, because internally, socially and historically, we were not ready for that step. For our political mentality, at least on the average, the promise that we would have a convertible dinar was less stimulating than to say that we would even be willing to eat roots if necessary for us to defend our national honor, independence, and historical glory. It is another question how someone will assess this, but it is simply the case, and a realistic politician has to take into account the dominant system of values in a given time and a given area.

[Vucinic] The new government of the Federal Republic of Yugoslavia is advocating something similar: a civil society, a market economy, capitalist relations, etc. The goal is once again a convertible dinar.

[Kecmanovic] Yes. In that respect Panic does not differ much in his program from Ante Markovic, except in one thing that is by no means unimportant to Serbs and Montenegrins: Panic is at least half a Serb, but Markovic was not, not even half. I am joking, naturally, but every joke is half serious. Furthermore, the new reduced Yugoslavia is nevertheless richer for one negative experience; it has been pushed to the wall by sanctions, and so changes do not have to be caused by the opposition, but rather by the real social situation. Furthermore, parliamentary pluralism has already become a reality, and so a much more important prerequisite for civil democracy, namely privatization, is on the agenda. I hope that what was impossible in Markovic’s time is becoming almost inevitable in Panic’s.

Quartermaster Support?

[Vucinic] Let us go back to the possible resolution of the B-H tragedy. How do you assess the versions being offered by the current leaders of what are now already three completely divided and homogenized peoples?
[Kecmanovic] Several versions are in circulation, which are not coming from just three sides; instead, there are even several of them within each of the sides, so that it is very difficult to get one's bearings. Within each of the three peoples in B-H, we practically have three single-party systems, but on the other hand, obvious pluralism in the concepts that they offer in various phases. Karadzic started with a federal Yugoslavia, and then he was also satisfied with a reduced Yugoslavia.

In the next phase—and everything happened within a few months—there was a determined commitment on the part of the Bosnian Serbs to stay with their compatriots in the southeast parts of the country. Today, we already have a discussion of B-H as a separate state, within which the Serbian people is only seeking its own confederal unit. On the Croatian side, there are still many ambiguities, which are not the consequence of a change in position, but rather a tactical playing of several cards in parallel.

At some points the Croatian side, i.e., the HDZ, is closer to the Muslim option of a unitarian Bosnia, but sometimes, however, it appears much closer to what the SDS is advocating. Things are naturally no different commitment on the part of Izetbegovic, since he first of all signed Cutulheiro's solutions at an advanced stage and then attacked those same solutions as virtually fatal to his people, and fell into the paradox in which he, as a national leader, was advocating a civil solution, which when coming from him can only mean a unitarian B-H, even though he is being supported in this, for quite recognizable reasons, by part of the opposition and some foreign countries. It is really comical that a national leader is advocating a civil option, because the smaller peoples can only recognize this as an aspiration for unitarism and hegemonism on the part of the majority people.

[Vucinic] You know that yesterday Panic proposed, and Milosevic agreed to establish international monitors on Serbia's border with Bosnia in order to prove that they are not helping their compatriots in the neighboring state. Admittedly, Karadzic also agreed, on the condition that the same measures would also be established with respect to Croatia. Do you expect that the Bosnian Serbs will be offended by this and feel betrayed? Have they been, in your opinion?

[Kecmanovic] I am not certain whether it is just a question of cutting off military support, which allegedly has not existed for a long time, or what one might call quatermaster support, which can also be treated like humanitarian assistance. If the latter is involved, disappointment is inevitable, even though the support has to be mutual, and just as Serbs in Serbia proper have to be concerned about those across the border, the ones across the border are equally obliged to take into account the sanctions that have oppressed Serbia. Nevertheless, Karadzic's demand for analogous actions on B-H's western borders as well, which is completely justified, neglected to say something about inspection on the third side as well. I am thinking of Izetbegovic's invitation to the Islamic countries to send weapons to his people. The Muslims really are the most poorly armed and, which is particularly tragic, they have suffered the most in the war so far. Nevertheless, if a solution is to be sought in establishing an arms balance instead of in seeking a political solution that will treat all three peoples equally, then we are heading toward prolonging the war, and not establishing peace.

Because of all of that, I am not a supporter of partial solutions and in general of a process of demilitarization before political and comprehensive solutions are achieved, since the war occurred because of unresolved issues, and so it cannot be stopped before political solutions are found.

[Box, p X]

Aggressors and “Aggressors”

[Vucinic] If the Serbs are not the aggressors, as they claim, in contrast to the world, then how can one justify the fact that they have used weapons to conquer more than two-thirds of the territory, in spite of the fact that they only have one third of the population in B-H?

[Kecmanovic] The problem is that in B-H, neither the first side, nor the second, nor the third has shown any willingness, either in peace or war, to respect any sort of principles of justice, tolerance, respect for the interests of others, etc. Just as in parliamentary competition, i.e., in the political phase, the Muslims and Croats did not shrink from abusing their numerical superiority to outvote the Serbian side, the Serbian side did not shrink from using its advantage in heavy weapons in wartime conditions. That lack of principles would not have been absent on any side even if the parliamentary and military advantages had been reversed. Everyone in postelection B-H, both in peace and in war, has ruthlessly exploited their advantages without concern for the weaker side, and that is why things have gone as far as they have. With respect to the territorial ambitions of the Serbian side, double its share in the national structure of the population, it is strange that people are keeping silent about the fact that today we have completely symmetrical conduct on the Croatian side. Naturally, both are equally unacceptable.

[Box, p XI]

Mystifications With Milosevic

[Vucinic] What are your relations like these days with Karadzic, Milosevic, Cosic, Panic? Do you cooperate with any of them more closely?

[Kecmanovic] I know all the national leaders in B-H well, since all these people are Sarajevo residents, who live in the city of Sarajevo.

The present HDZ leader, Miljenko Brkic, is a university professor, and my very close and dear friend. I have known Karadzic since 1968, when he was heavily
involved. As far as Izetbegovic is concerned, I knew him even before he appeared as state president and party leader.

Except in national terms, I could not single out my relations with Karadzic in comparison with relations with the other leaders. Perhaps I have cooperated most with Brkic. In the old regime he was the minister of education, and I was the rector, and we are university colleagues. I cooperated most with Izetbegovic as an opposition leader and as a member of the Presidency, since he was president of the Presidency in that period.

The ties between Serbia and the Serbs in Bosnia, as well as between Croatia and the Croats in B-H, are something that is the product of the real situation, and real relationships. The fact is that this is a question of what I would call the national homeland and those across the border, i.e., natural ties that are inevitable.

As far as Milosevic himself is concerned, there has been a lot of mystification about this in both Belgrade and Sarajevo. To tell the truth, I cannot figure out what it is about, and what the reason for it is. When I refused at first to join the Presidency, there was an interpretation in Sarajevo that this was because Milosevic had said "no." It was a coincidence in time that before that, or at that time, I was in Belgrade as a leader of the Reformists, along with another two colleagues from my party, to try to surmount the tension between B-H, the Army, and what was then the Yugoslav Presidency. We visited Kostic and Adzic, as the defense minister and president of the joint state. Izetbegovic insisted that we also see Milosevic, since he claimed that it was still most important to talk to him. At his request, I also met with Milosevic in the company of these two colleagues. That was actually my first and only conversation with Mr. Milosevic, not because I did not want to or because I was avoiding such contacts, but rather simply because there was no occasion or initiative for them from either of us.
Biographies of New Croatian Ministers
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[Article by Sanja Smiljanić: “All the Ministers in the Government of the Republic of Croatia”]

[Text] Prime minister announcing kayak ride through wild waters. How else to call the government’s intention to (at last) set about solving economic problems?

Looked at in profile, the new government is in its best years—between 40- and 50-something. Sitting in it are people who have mastered diverse skills and fields of knowledge. There is the inventor of a very popular sedative, and a man who can fix factory machinery in a twinkling—neither is a man of letters lacking. The minister of defense has a “bent” for mathematics, and two members of the government can even say that they have patents registered in the United States.

If some of the official biographies provided to us had been longer than five or six lines listing only basic data, perhaps we would have been able to say something more of interest about the people who will be running Croatia.

But put joking aside, for both the “old” and the “new” members of the government would probably not want that. Especially the minister of finance. The prime minister is announcing a kayak ride through wild waters. How else to call the government’s intention to (at last) set about solving economic problems?

The new government is single-party. If it were not for Vesna Girardi-Jurkic, it would also have no women.

In any case, problems await Sarinic’s people at every step. Of course based on the conditions in which we live, they have every opportunity for making mistakes. They must reckon on justified and unjustified criticisms. After all, the new government’s “old” ministers know how that goes, and the “new” ones will see very quickly. Plainly, these are not times when being in the government is something that should be envied.

Ivica Crnic, Minister of Justice

He was a journalist, a contributor to VECERNJI LIST, Vjesnik, Radio Zagreb. It will soon be four years since he was appointed as a judge on the Supreme Court of the Republic of Croatia, in that court’s civil-commercial division. He is an associate of the Law School’s labor law department, teaching at seminars organized by the Ministry of Justice and Administration for judiciary examination candidates. Subsequently he sees the candidates as an examiner for that exam.

He was born in Zagreb in 1951. He graduated from the Law School at 22, and two years later he passed the judiciary exam. He worked at the courts in Dugo Selo and Zelina, and in 1980 he was appointed judge at the Zagreb District Court. From 1984 to 1988 he was secretary of the Presidency of the Federation of Lawyer Associations of Croatia.

He is the author or coauthor of 12 books.

He is married and has a child. As it says in his official biography, he was a member of the League of Communists from 1969 to 1990. According to the list of “Political Party Membership of Ministers Named on 15 April 1992 to the Government of the Republic of Croatia,” Crnic does not belong to any political party.

Vesna Girardi-Jurkic, Minister of Education, Culture, and Sports

For more than 22 years, Vesna Girardi-Jurkic, M.A., worked in the Archaeological Museum of Istrin in Pula as teacher-curator, curator, senior curator, section head, and in 1979 she became director. She was born in 1944 in Zagreb, but five years later her family moved to Pula. She returned to Zagreb for her studies, and she graduated from the College of Arts and Letters in archaeology and English. Since 1980 she has been a registered scientific researcher. She speaks English and Italian, and uses French and Greek and, in her research, ancient Greek and Latin. She is the author of more than 250 scientific and professional works, articles, and reports, and has participated in numerous international conferences. In her official biography are cited also her involvement in many projects, like for example the preservation, researching, and exhibition of the Roman residential-governmental complex connected to the Cervar Porat marina near Porec. She attracted publicity, especially professional attention, with her involvement in the restoration of Pula’s Arena.

Ivan Jarnjak, Minister of Internal Affairs

No matter what, Jarnjak is not the kind of man who could ever be without a job. He has a trade—right in his hands. He learned the locksmith’s trade having come from his native Bednja to Zagreb’s School for Trade Students. With that trade he was employed at the TEP [Electrical Equipment Factory], and while working he completed secondary school—the mechanics program. Afterwards he finished the Advanced School for Organization.

He left the job of principal manager at the TEP to become president of the Krapina Municipality Assembly. He left that job in 1991 to become deputy minister in the MUP [Ministry of Internal Affairs].

He has pursued karate, and nowadays his being 51 does not hinder him from getting a little recreation from that exercise. His wife is retired, and he has a son, 25, and a daughter, 19. His son was in the Croatian Army as of April.

In the biography written in April, Ivan Jarnjak says that he lives with his family in a three-room apartment that they bought themselves and are now selling because they are finishing up building a single-family house.
Dr. Zoran Jasic, Minister of Finance

If there is indeed someone whose shoes one should not want to be in, then that is probably the minister of finance. His is a vicious circle from war to taxes and back. In spite of the market, and as circumstances permit. During this time, he has to keep a "leg up" on inflation. And hardly any signs of life can be expected from the economy. And all of this at the same time.

Zoran Jasic will try. It is fruitless, and almost meaningless, to forecast whether he will have any success.

Zoran Jasic was born 53 years ago on Brac. He graduated from the School of Economics in Zagreb, got a master's degree in the United States, and received a doctorate in Zagreb. He was ambassador from the SFRY [Socialist Federal Republic of Yugoslavia] to Malaysia. He is a full professor at the Zagreb School of Economics.

The Ministry of Finance is one ministry that can anticipate clashes with reality in terms of seeing "sugarplums dangling before its eyes." The realities are refugees, war, politics, and petty politicians. And ever-increasing privation.

Josip Juraj, Minister of Labor, Social Welfare, and Family

Josip Juraj was born in 1944 in Sibenik. From 1962 to 1968 he went down the path from first-year student to a master's degree at the School of Veterinary Medicine in Zagreb. He was a prize recipient in the group of top students in Zagreb's university. After completing his studies he was employed as a teaching fellow in pathophysiology at the School of Veterinary Medicine. For personal reasons he soon returned to Sibenik, where he was employed at the Veterinary Medicine Station. But since, because of connections to the political fluctuations known as the “Croatian spring," he had trouble with the management at the Veterinary Medicine Station, he found a job in the Sibenik meat plant as technical director of production.

Up to 1990, when he joined the HDZ [Croatian Democratic Community], he had not been a member of any party. As an HDZ candidate in the last elections he was elected an assembly deputy. Since June of 1990 he has been the president of the Sibenik municipal government, and in July of 1991 he became the president of the Sibenik Municipal Crisis Headquarters. The minister of social welfare likes to play table tennis and to run for recreation, and he likes historical-diplomatic literature and memoirs. Beside his daughter, Katarina, he has a son named Ante, who is a medical student. His wife, Slavica, is a government employee.

Dr. Franjo Kajfez, Minister of Energy, Industry, and Crafts

More than 60 registered patents, more than 100 scientific works, eight months of prison, membership in two U.S. academies, knowledge of three foreign languages. Five wives, four daughters, a restored castle brimful of artwork, plus a research laboratory, a large house, two businesses, and about 100,000 German marks of annual income from selling licenses and patents.

Dr. Franjo Kajfez was born in 1936 in Martijanec. At 32 he received a doctorate from the School of Chemical Engineering in Zagreb. At the beginning of the 1960's he was employed at Krki out of Novo Mesto. All the projects in which he participated within the former Yugoslavia and abroad do not really fit into a few lines, and one cannot cram into a few lines a list of all the new processes for producing medicines he discovered with his colleagues, having provided production support at Krki without licensing and with high earnings. Nevertheless, one discovery should be singled out since it keeps journalists on daily newspapers alive—“apaurin.”

He combined the job of R&D director in the Swiss firm CRC, which he got in 1971, with large involvement in the development of Belup. At the end of the 1970's he left CRC for Biogenza Alemania in Lausanne, continuing a multiyear involvement in Podravka. His association with Podravka was terminated with the well-known scandal at the end of which Dr. Kajfez legally was completely acquitted of guilt.

Branko Miksa, Minister of Trade

The minister of trade has a master's degree in economics, with a career linked to Zagreb's Pliva. He was born in 1947 in Durmanac. His family soon moved to Zagreb, where Miksa completed technical school [the architecture program], and in 1970 he graduated from the School of Economics. He immediately was employed at Pliva, where he started off with jobs in equipment importing. Twelve years later he was appointed director of the export OOUR [Basic Organization of Associated Labor], and after 19 years of experience in Pliva he was appointed director of sales. In the middle of last year he became director of the Pliva enterprise in Hamburg.

Along with marriage ties he has “professional” ties with his wife: When she and their 13-year-old son did not go to Hamburg, she worked as an assistant professor at the School of Pharmacy in Zagreb.

Branko Miksa has recently been hit by publicity. Journalists have been interrogating him about Slovene-Croatian trade skirmishes, war profiteers, and the ban on exports.

Ivica Mudrinic, Minister of Transportation and Communication

From the mid-1960's to the beginning of last year, Ivica Mudrinic, who was born in Promina near Drnis, resided in Canada. He graduated from the University School of Electrical Engineering in Toronto. He completed flight school. He worked for leading telecommunications firms, and from 1985 until his return to Croatia he was the owner of a telecommunications planning and development firm. One of his patents is registered in the United States, as well as plans for working on satellite and cable television.
He participated in activities of the Croatian community in Canada. Having returned with his wife and four children to Croatia, he got a job in the Ministry of Transportation and Communication, and subsequently in the Office of the President of the Republic. At the end of 1991 he was appointed assistant to the minister of transportation and communication. He is president of the Commission for the Computerization of State Administration, Judiciary, and Public Activities.

Dr. Juraj Njavro, Minister of Health

Remember Vukovar. The refrain for the "gentleman general." And not just for him. Dr. Juraj Njavro was one of the witnesses to that complete breakdown of anything at all human, if good taste requires one to choose one's words. Vukovar was a slaughter we have spoken and provided various commentaries about, reading out from between the lines of hard-won newspaper reports what was really happening. We "knew" everything, "we heard," "it was said," and of course we knew nothing even though we were hearing, saying, and talking. The 53-year-old Dr. Juraj Njavro was there. In the legendary Vukovar hospital. Having come to Zagreb after it all, he spoke, wrote, and remembered, shocking with many stories and truths about Vukovar which are multiplying with a coefficient of horror that is continuing to be revealed to this day. What other than deathly irony is a piece of information from the biography of the Vukovar hospital's chief surgeon—that he did a general surgery residency in Belgrade, and for general surgery postgraduate work he went to Zagreb.

Cedomir Pavlovic, Minister

He left the job of deputy federal secretary for transportation and communication last year in order to put himself at Croatia's disposal. Next year Pavlovic will turn 50, and he was born in Vrbovski.

He graduated from the Advanced Railway School in Belgrade and the Advanced School for Foreign Trade in Zagreb. He received a master's degree from the Law School in Zagreb. He worked at various jobs in the ZTP [Railroad Transport Enterprise]. From 1985 to 1989 he was assistant to the president of the Republic Committee for Transportation and Communication. He is the author of numerous professional works.

Dr. Ivo Sanader, Minister of Science, Technology, and Information

He was born on 8 June 1953 in Split, where he completed primary school and classical high school. He completed studies in comparative literature and Romance languages and literatures at the University College of Arts and Letters in Innsbruck, Austria. He was awarded a doctorate there in 1982.

From 1983 to 1988 he was a program editor and then editor in chief at the publishing firm Logos in Split. From 1987 to 1990 he was editor of the magazine MOGUCNOSTI. In 1987 he was named as assistant professor for German literature at the College of Arts and letters in Zadar, but he did not work at the college. He lived in Austria and along with professional work in his own firm he also published two books and a series of scholarly papers, essays, and reviews.

He was an HNK [Croatian National Committee] quartermaster in Split. He is a member of the Society of Croatian Writers and of the Croatian PEN Club Center. He is on the Executive Council of HDZ headquarters, and also he was vice president of Austria's HDZ.

He is married and has two children.

Prof. Dr. Zdenko Skrabalo, Minister of Foreign Affairs

The official biography of Prof. Zdenko Skrabalo, born 63 years ago in Sombor, is among the briefest, but it is full of positions and imposing titles of international organizations. Professor Skrabalo is a specialist in internal medicine. He became a professor at the School of Medicine in 1976. He was an associate dean of the School of Medicine from 1975 to 1977. He was a four-time recipient of Humboldt Foundation fellowships.

He has been a visiting professor at six medical schools, and has taught in all European countries, in the United States and Canada, and in the majority of countries in South America, Africa, and Asia. Being director of Zagreb's Institute for Diabetes, Endocrinology, and Metabolic Diseases means heading a prominent institution that has pushed its way to a high level of collaboration with the World Health Organization [WHO]. Professor Skrabalo was also the founder of postgraduate diabetes studies at the School of Medicine, in both Croatian and English. He has organized in developing countries scientific and medical centers in the field of diabetes studies.

He has received so many awards, diplomas, and decorations at home and abroad that in his biography this fact is mentioned in one sentence without any listing. He has also received the Republic of Croatia Award for his life's work.

Professor Skrabalo is director of the Office for WHO-Republic of Croatia Cooperation at the Ministry of Health, president of the Medical Council of the Republic of Croatia, president of the Zagreb School of Medicine's Committee for International Cooperation, president of the Zagreb University Committee for Interuniversity and International Cooperation, and senior adviser to the Office of the President of the Republic for cooperation with UN specialized agencies.

Gojko Susak, Minister of Defense

That leaves in one of the key ministries "the old man." Before him is more war, regardless of all the commentaries and clever pieces that have tangled themselves up in the issue of whether the war is over or not. Ahead of us is the liberation of the whole of Croatian territory. Up to now "peace, peace up to the skies" remains only a nice refrain. Peace does not reach even as far as Slavonski Brod.
The official biography of the minister of defense is so scanty that all one can do is repeat it. Susak was born in 1945 in Siroki Brijeg. He studied mathematics and physics in Rijeka, continuing his studies in Canada. He has worked in accounting, computer, and communications firms.

Dr. Ivan Majdak, Minister of Agriculture, Forestry, and Water Management

Zdenko Karakas, Minister of Environmental Regulation and Housing and Community Affairs

Since at deadline time for this issue of NOVI VJESNIK we had not received biographies for Ministers Dr. Ivan Majdak and Zdenko Karakas from the cognizant offices, we will publish their biographies at a future date.

[Box, p 7A]

Hrvoje Sarinic, Prime Minister

This is going to be a technomanagerial government that will be in the business of management, Prime Minister Hrvoje Sarinic reiterated in his first public statements. A general point of all the articles and conversations about the man who up to now was director of the Office of the President of the Republic is, in fact, Sarinic's technomanagerial “line.” In his career he has strung together the jobs of general director and chief administrator of CITRAM, the Moroccan public works enterprise, then general agent of the French nuclear industry in Zagreb, and then general director of construction for two nuclear plants for a French consortium and regional director in the public works firm Spic Batignolles.

His career and his coming from a prominent Susak family suggest that the new prime minister has no cause for frustrations or having any complexes—either professional, social, or financial. He speaks French, English, and Italian. He is a member of the Paris-based International Organization for Promotion of Nuclear Energy, the Society of Engineers and Technicians of France, and the Croatian Nuclear Society.

A daughter has not “befallen” him; he and his wife, Erika, have three sons. And as we are given to understand from a biography that has a nice ring to it, he plays tennis and is the president of the Croatian Tennis Association.

He is 57 years old, neither too old nor too young to direct his technomanagerial energy toward management, as he is promising and declining. And as things stand management-wise, energy will truly be needed.

Darko Cargonja, Deputy Prime Minister

Prime Minister Sarinic and one of his deputy prime ministers, Darko Cargonja, are from the same place—Susak. Cargonja is six years younger and, in contrast to the prime minister, who is surrounded by sons, the deputy prime minister has two daughters.

After secondary schooling in economics he was employed in Rijeka's Brodomaterijal, in the foreign trade area, and along with work he finished his studies at the Zagreb School of Economics. He came to the Rijeka Paper Factory in 1965. He followed a path from administrative officer to general director. Now a second term is starting for him in the job of general director of the enterprise. In his biography it describes the growth of the factory, briefly, but with emphasis on the success of a relatively small factory that has succeeded in becoming the number-two European producer and exporter of cigarette and specialized paper for the tobacco industry.

As it states, from 1959 to 1970 he was a member of the League of Communists [SK]. “Because of my democratic views on work and life I was dismissed from the ranks of the SK in 1970 and I was rehabilitated in 1975,” Cargonja states in his biography. In his youth he was very good at sports. He speaks three languages.

In the list of “Political Party Membership of Ministers Named on 15 April 1992 to the Government of the Republic of Croatia,” Cargonja was a member of the Social Democratic Party—the Party of Democratic Changes.

Dr. Mate Granić, Deputy Prime Minister

Another political success story from the Institute for Diabetes. And one of the persons in the government on whom the biggest problems are falling. Refugees, exiles, prisoners. The usual tribute to war, one might say. Yes, except that in the case of “Croatia and Herceg-Bosnia” it has passed the boundaries of the endured. Materially, financially, psychologically. And it is already becoming clear to the world that the torrent will overflow those borders with the world, for Croatia does not have a single finger left to “stick in the hole” and prevent the flood.

So things will remain for Dr. Granic as they have been up to now—bad. The professor of the School of Medicine, former assistant to the director of the Clinical Department of the Vuk Vrhovac Institute, and current deputy prime minister is burdened by the trouble and misfortune of hundreds of thousands of refugees and exiles, and the end of war in our neighboring state is not in sight.

Vladimir Seks, Deputy Prime Minister

Let us hope that his energetic capacity will be purposefully used in contacts with UNPROFOR [UN Protective Force]. Seks is a publicly well-known individual. The greatest attention he has attracted is from the “disregard for journalists” time, which made a media star out of the then public prosecutor.

UNPROFOR translates into a game of nerves. Considering foreign opinion, information, and proposals does not mean offering our hand in order to be led in slow steps up the garden path. Having a feel for tact, for international circumstances, and for reality does not mean not having any idea about how to be insistent, and
how to realize one's own interests. All of this and much more of the same daily awaits Dr. Vladimir Seks who will continue the work of Dr. Milan Ramljak.

Seks will also be "halving a century" next year. He was born in Osijek, graduated in law in Zagreb, and worked as deputy municipal prosecutor in Vinkovci. In Osijek he was a judge on the Municipal Court, deputy district prosecutor, and an attorney. He was sentenced to seven months prison in 1981 because he fell afoul of the famous Article 133 of the SFRY KZ [Yugoslav Penal Code].
Ethnic Tension in Kosovo Near Breaking Point
92BA1399A Munich Sueddeutsche Zeitung
in German 8 Sep 92 p 3

[Article by Rolf Thym: "Kosovo: Fragile Peace by Mutual Deterrence—An Entire Country Lying in Wait—In the Yugoslav Constituent Republic, Serbs and Muslim Albanians Keep Their Hatred in Check, but Any Provocation Could Be the Spark for the Explosion"]

[Text] Pristina, Sep—Our Serbian escort lowers his voice significantly, as if he were pointing out a sensational event: "The couple over there"—he points to the next table in the café—"she is an Albanian, he is a Serb." The bearded face of Miki Vasic, who works for the Serbian Information Ministry, is bathed in a winning smile: "We are after all really no racists. I, myself, have Albanian friends." But how is it then possible that the journalist, Josuf Buxhovi, member of the Central Committee of the Democratic League (LDK) of the Kosovo Albanians, says that unfortunately an even reasonably adequate living together of Serbs and Albanians is completely out of the question? "The Serbs have their three, four restaurants and cafes in Pristina; the Albanians have their meeting places. The two groups keep out of each other's way and they do not speak to one another. It is terrible."

A calm near the breaking point prevails these September days in Pristina, the capital of Kosovo, which is under imposed Serbian administration; the opinions differ concerning the makeup of the population: While the 95-percent Muslim Albanians estimate their own number to be about 1.8 million, the Serbs, who number a little more than 200,000 persons in Kosovo, speak of 1.58 million Albanians. Of course, this does not change anything concerning the fact that the Albanian majority in Kosovo has considered itself deprived for over two years of all political, social, cultural, and ethnic rights by the government of the Republic of Serbia in faraway Belgrade. Since then the area of 11,000 square kilometers in the southeast of the disintegrated Yugoslavia is dominated by a highly electrified tension, which, Western diplomats in Belgrade and Serbs and Albanians in Kosovo fear, will result in an explosion of violence that could eclipse all past atrocities, unless a political solution is found in time. But for the time being mutual deterrence works: The Serbs have an immense military striking power, but are in the minority; the Kosovo Albanians claim they are easily able to mobilize hundreds of thousands of fighters for whom no weapons are available. Moreover, there is the possibility that in a clash with the Serbs not only the Albanians in the neighboring republics of Montenegro and Macedonia will intervene but also the state of Albania.

A Worn-Out Symbol

The peaceful images on the promenade of the capital of Kosovo with its 200,000 inhabitants cannot blind us to the constantly lurking danger, which is inflamed by reports on the increasing arming of Albanians and Serbs in Kosovo. In the evening the young people saunter along, dressed up for the last mild summer nights. Music is heard from the patios of the street cafes; laughter bursts from the taverns onto the streets. However, the shortages, which the embargo against the rest of Yugoslavia has produced, are inescapable: The black market flourishes, for the DM [German mark], which in any case has become the secret currency in the country, all goods for daily use can be obtained—from detergents to highly nutritious food. Moreover, the shortage of gasoline caused the unofficial price to shoot up to DM10 per liter. Filling up a tank is almost prohibitively expensive, which equally affects Serbs and Albanians. On account of the constantly rising inflation of the dinar, a monthly wage, which, converted, in the past was worth DM1,000, even according to the enhanced bank rate of exchange is now hardly worth more than DM50. Thus, Pristina's four-lane main streets have become low-traffic zones. There is no longer the control for the two policemen who listlessly take up their posts along the promenade, each with a Kalashnikov AK 47 loosely hanging over his shoulder and a pistol, nightstick, and handcuffs attached to his belt. They stop the few passing cars with their small red signaling disk. Everything is taken care of in a minute: Papers in order, no guns in the trunk, drive on. A cigarette break; wait for the next car. The Serbs defend the controls with the assertion that putting a stop to arms smuggling has to be permissible. However, to the Albanians, the constant presence of the police is one of the most conspicuous signs of the oppression. In every town, in every village of Kosovo, street checks are the order of the day and when infringements occur, when Albanian car passengers are beaten up and dragged to police stations for interrogations lasting several hours and arrested, when Albanians are sent to prison for 20 or 60 days following dubious legal proceedings, yes even when Albanians are killed during raids, there is no legal recourse to defend against such actions. "We are completely without rights," says Josuf Buxhovi, who can tell a thing or two about the way Serbian arbitrariness manifests itself in Kosovo. We walk with him through his city, in which even buildings reveal depressing stories.

Pristina's big sports hall, an architectural monstrosity made of concrete is still defiantly called "Boro i Ramiz," named after an Albanian and a Serb partisan: Boro Vukmirovic and Ramiz Sadiku were killed in action, according to the legend, in 1943, side by side "in the struggle against the fascists," and the sports center being posthumously named for them was regarded as a symbol of the peaceful living together of Serbs and Albanians in Kosovo during the times of Yugoslav President Broz Tito. Nostalgically Buxhovi recalls that the Albanians paid for the sports center, including a soccer stadium, with a tax specially levied for this purpose and that their wrestlers, the world-famous ones, achieved great triumphs there. These great times of Albanian sports are a thing of the past. "None of our wrestlers is permitted in the arena," Buxhovi says. In the past, 50,000 people used to come to the games of the Pristina soccer club in the big
soccer stadium next door. "Serbs and Albanians and Turks belonged to the team, but only 500 people attend now, since only Serbs are permitted to play." The fact that the Serbs at the reception desk of the Grand Hotel across from the sports stadium say that there is, of course, still a mixed team in which Serbs and Albanians, Turks and Gypsies harmoniously play against the competition in the first Serbian league make the otherwise levelheaded Yusuf Buxhovi lose almost all self-control: "That is once again one of these typical lies by which the Serbs want to prove that there is no oppression of the Albanians."

In the Cafe Elida in the arcades under the sports stadium, where the Albanian intellectuals used to meet, for months dust has been gathering on the counter, tables, and wooden benches: "A Serb complained that he received poor service," Buxhovi reports. A thick iron chain now blocks the glass door of the cafe. Hardly any of the stores around the Cafe Elida has an Albanian name any longer: "The Serbian authorities told the Albanian owners that it would be better to sell their stores than perhaps to come away empty-handed in the end," and thus Serbian businessmen moved into the arcades, which obviously was not exactly a fortunate investment. "You only have to see the places where no customers are in the stores"—Buxhovi points to a lonely salesperson—"those are the Serbian stores. They are crazy! No Albanian buys there."

A little farther along is the newspaper building, which is only a few steps away from the arcades. As if nothing had happened, the name of the Albanian language paper RILINDJA (Rebirth) appears in large letters on the concrete facade. Up to two years ago Buxhovi was the chief of the foreign affairs section of this sole Albanian language daily of Kosovo. With a circulation of 100,000 copies, it was the voice of the Kosovo Albanians, until the Serbian authorities sent policemen to shut down the paper in the summer of 1990. The sole Albanian-language replacement is now a weekly, which, however, according to Buxhovi, "appears semi-illegally, accepted neither by the Serbs nor by the Albanians." The RILINDJA editors are still permitted to enter the editorial offices. But why? They are able to hold press conferences there and to present one of the few books that is published in the Albanian language—but they are forbidden to publish a newspaper. The editorial departments of the Serbian newspaper JEDINSTVO (Unity) and the newspaper for the Turkish minority TAN (Light) still are located in the high-rise building which Buxhovi views with bitterness. Already a month before RILINDJA was shut down, the editorial department and the equipment of the Albanian language radio and TV transmitters in Pristina had been shut down. According to the reports of the Albanians to human rights organizations, journalists were sentenced to two-month prison terms in hurriedly arranged trials; sometimes they were beaten up by policemen.

Almost every friend whom Buxhovi meets during the walk through the center of Pristina is no longer able to work in the occupation for which he was trained. The chief of videotechnology of the TV Pristina transmitter, now controlled by the Serbs, makes ends meet by repairing TV sets; the stage director—"he was our best one"—is left without any income whatsoever. The doors of the theater on the promenade are barricaded with boards from old stage scenery. Buxhovi himself hopes that the royalties from his books translated into foreign languages and journalistic assignments from foreign countries will provide him with a livelihood. Anyone who does not have enough money to live on is dependent on the support of the extended family, which, quite often, numbers 80 members, or on money sent by guest workers in Switzerland, in Germany, or in the neighboring republic, Macedonia. The number of Kosovo Albanians who have lost their jobs during the past two years is estimated at more than 110,000: Professors and surgeons, policemen, administrative officials, workers, and factory directors, miners, and teachers. Only a little more than a quarter of the jobs that became vacant under duress were filled again—with Serbs, who, in the opinion of the Albanians, often are not sufficiently qualified.

Kosovo is divided into two societies: the official one, dominated by the Serbs who have occupied all the key political, cultural, and social positions, and the society which the oppressed majority of the Albanians in Kosovo has illegally developed with much effort. Its parliament was dissolved, so the Albanians elected a new one, which meets in constantly changing, secret locations. The autonomy, which the communists granted to Kosovo in 1974, has been rescinded step by step since 1981 by the Serbian government in Belgrade. The Albanians proclaimed their own "Republic of Kosovo" and in May 1992 designated the chairman of the "Democratic League of Kosovo," the professor of Albanian studies and writer, Ibrahim Rugova, its president. Albanian teachers and university professors who refused to go by the textbooks of the Serbs were dismissed; now they provide instruction, as much as possible under the circumstances, in private homes and at secret meeting places. Albanian physicians were thrown out of the hospitals; now they have their own practices and emergency ambulances. More and more of the Albanians who have become unemployed have established their own businesses and established small enterprises: Over 90 percent of the small and medium-sized sector of the economy in Kosovo is in Albanian hands. The religious freedom of the Muslim Albanians, who have built their own mosques even in the smallest villages, remains untouched.

"I Would Not Shoot"

In the meantime, the representatives of the Serbian state in Kosovo try very hard to refute the growing worry in the European Community and in the United States over the oppression of the Albanians and the state of emergency existing in Kosovo: Miki Vasic, who, in addition to his position as an English teacher, looks after foreign
employees in the republic cannot meet all their needs through their wages—from food to paying for public utilities and preparing students for the school year.

Invisible Substantiation

Given these assessments, according to which on the one hand the drop in the standard of living has been alleviated together with the drop in industrial production, while on the other hand there is a drastic drop in the standard of living and the economy is in a critical state, we asked economists for comments about the latest announcement by the Economic Council. In this regard, Dr. Ljubomir Madzar said:

“From the arguments announced at the meeting of the Economic Council, or rather from the announcement, it is not possible to conclude whether the republican measures have in fact alleviated the standard of living. Even if that appraisal is correct, the substantiation on which it is based is unclear.”

Moreover, according to Dr. Madzar, a large part of the measures taken boil down to administrative restrictions on the growth in prices, and the counterproductiveness of such moves will be demonstrated only later. Specifically, with the administrative restrictions on the growth in prices, there emerges a greater imbalance and disruption in relations between the prices of individual products, so that ratios are more disadvantageous than when they are established by inflation itself.

However, Dr. Madzar emphasized that one should not rule out the possibility that certain effects will be achieved in the short term, but this is a momentary gain that is effected at the expense of sacrificing the long-term gain. When the short-term administrative controls cease, then competition will pick up in order to compensate other prices for what they missed. Only then will there be a blow against the standard of living, which will be hard to alleviate.

“Moreover, the Economic Council’s assessment of the alleviated drop in the standard of living omits the fact that during these summer months the seasonal factor—i.e., the low prices at vegetable markets—has contributed significantly to the drop in the standard of living being more tolerable for the majority of the population. And as far as inflation itself is concerned, its main cause continues to lie in the monetary sphere and the lack of financial discipline, and for that reason more attention should be given to reducing public spending than to administratively restricting prices and wages,” Dr. Ljubomir Madzar told us.

Another of our discussion partners, Dr. Dragana Djuric, also felt that the Economic Council’s assessment on the alleviated drop in the standard of living is rather arbitrary and unsubstantiated.

“I have the impression that everything was done on the basis of unsubstantiated assessments, because it is even uncertain to what extent the standard of living has fallen
and to what extent it has been alleviated right now. Moreover, one of the government's measures, the restriction on wages, is not being applied consistently, because it is a public secret that this has not been observed by banks and insurance companies, and probably not by state administration either."

No Spectacular Results

As far as the reduction in the inflation rate to 60 percent monthly is concerned, Dr. Dragana Djuric believes that this is not even a spectacular result, especially since the figure to which inflation should be gradually reduced, which was mentioned when the republican government's measures were announced, was 20 percent monthly. The current inflationary trend, however, does not indicate whether this will occur at an accelerated pace. But as Dr. Djuric notes, given the fact that the Economic Council is a government institution and that it was precisely that council that gave the "green light" to the republican government to implement the measures in question, it is logical to get from it an assessment indicating the successful implementation of the measures.

Dr. Srdjan Bogosavljevic, the director of the Institute in the Federal Institute of Statistics, has the following to say about the announcement from the meeting of the Economic Council:

"It is clear why it was deemed that the measures have yielded positive results and alleviated the drop in the standard of living. This means that the members of that Council proceeded from their own assumptions, according to which they expected a much worse situation, so that right now it has turned out that we have still not reached that terrible low point."

Based on the parameters that that Institute uses to track the growth in prices, the fall in real wages, and the increasingly drastic drop in purchasing power, it turns out that the situation has worsened drastically from month to month. It is precisely because of this that Dr. Bogosavljevic emphasized that the real value of average wages is declining at an increasingly fast pace, and that we are already arriving at a situation in which four or five average wages are necessary in order to satisfy the basic living needs of a four-member household. Perhaps this is still not the worst case expected by the republican government, but it is certain that many people have already felt what it is like to endure an average wage of less than 100 German marks, given the fact that at least four to five times as much is needed to live normally.

Biographies of New Macedonian Ministers

92BA1406A Skopje NOVA MAKEDONIJA in Macedonian 5 Sep 92 p 3

[Unattributed article: "The New Government of Macedonia"]

Branko Crvenkovski, Prime Minister

He was born on 12 October 1962 in Sarajevo. He graduated from the Electrical Engineering Faculty, Department of Information Science, in Skopje in 1987. He knows the English language well. His nationality is Macedonian. Upon graduation, he went to work in Semos RO, Skopje, as a department manager. He has been a member of the Presidium of the SKM-PDP [League of Communists of Macedonia-Party of Democratic Transformation] since 1990. He has been in his present position as president of the Social Democratic Union of Macedonia since 1991. He comes to the position of prime minister from the position of representative of the SDSM [Social Democratic Alliance of Macedonia] in the Assembly of the Republic of Macedonia and president of the Commission on Foreign Policy Questions and Foreign Relations.

Dr. Beqir Zhuta, Deputy Prime Minister

He was born on 22 September 1935 in the village of Velehta-Struga. He graduated from the Economics Faculty in Skopje in 1962 and received his doctorate in the area of finance. He is familiar with the French and Turkish languages. His nationality is Albanian. The posts he has held include being a member of the Executive Council of the Assembly of the Socialist Republic of Macedonia from 1967 to 1969, assistant secretary of the Republican Secretariat for Urban Planning from 1970 to 1975, a judge of the Constitutional Court of Macedonia from 1975 to 1983, and vice governor of the People's Bank of Macedonia from 1986 to 1992. He comes from the post of deputy prime minister of the previous government of the Republic of Macedonia.

Candidate of the PDP-NDP [Party for Democratic Prosperity-National Democratic Party].

Dr. Denko Maleski, Minister of Foreign Affairs

He was born on 14 November 1946 in Skopje. He graduated from the Law Faculty in Skopje in 1970 and received his master's degree from the same faculty in 1977 and his doctorate from the Faculty of Political Sciences in Ljubljana in 1981 in the area of international relations. He knows English and French well. His nationality is Macedonian. From the time of his graduation in 1970 until now, he has been with the Law Faculty in Skopje as an assistant, a lecturer, an assistant professor, and an associate professor in modern political systems and international political relations. He has been in the post of minister of foreign affairs of the Republic of Macedonia since 20 March 1991 and remains in it in the new government as a candidate of all of the coalition parties.

Xhevdet Hajredini, Minister of Finance

He was born on 12 April 1939 in the village of Gajre, Tetovo. He graduated from the Economics Faculty in Skopje in 1962. He is familiar with the Turkish language. His nationality is Albanian. He comes to his present
duties from the post of director of the Economic-Accounting Department of the Tito Hydroelectric Plant, Gostivar. He was president of the Executive Committee of ZOIL Macedonia, president of the Legal Committee of the Electrical Industry of Macedonia, and so forth.

Candidate of the PDP-NDP.

Dr. Dimitar Bajaldzhiev, Minister of Education and Physical Culture

He was born on 9 October 1944 in the village of Pugijitsa, Voden in Aegean Macedonia. He graduated from the Law Faculty in Skopje in 1968 and received his doctorate in the field of legal sciences. He knows French well and is familiar with English. His nationality is Macedonian. He was an assistant and a lecturer in the Law Faculty in Skopje, an associate professor in the Law Faculty in Skopje, and proctor of the Cyril and Methodius University of Skopje. He also held the post of minister of education and physical culture in the previous government.

Candidate of the SDSM.

Iljaz Sabriu, Minister of Labor and Social Policy

He was born on 10 June 1951 in the village of Pirokatetovsko. He graduated from the Economics Faculty in Prishtina in 1973. His nationality is Albanian. Among other things, he has worked as president of the Executive Committee for Labor and deputy president of the Republican Committee for Socioeconomic Work, Small Business, Tourism, and Market. He was minister of labor and social policy in the previous government.

Candidate of the PDP-NDP.

Dr. Jane Miljovski, Minister Without Portfolio

He was born on 1 May 1946 in Skopje. He graduated from the Economics Faculty in Skopje in 1975, received his master’s degree in 1983 in the field of economic development and economic analysis with a defense of his master’s thesis “The Qualitative Changes in the Structure of the Unemployed in SR Macedonia,” and received his doctorate in 1989 on the subject of “Unemployment in the Self-Governing Society and the Systematic Determinants of Unemployment in Yugoslavia” in the Economics Faculty in Skopje. He knows English and German well. His nationality is Macedonian. An assistant professor in the Law Faculty in Skopje since 1990. He served as minister without portfolio in the previous government.

Candidate of the SDSM.

Stevo Crvenkovski, Deputy Prime Minister

He was born on 18 March 1947 in Skopje. He graduated from the Academy for Theater, Film, Radio, and Television, specializing in film production in Belgrade in 1973. He knows English and French well and is familiar with Italian and Russian. His nationality is Macedonian. He was an independent filmmaker and producer in RO Vardar Film, Skopje, from 1970 to 1973 and performed the duties of director of RO Vardar Film, Skopje, from 1986 to 1991. He has been in his present post as producer in RO for film production Vardar Film, Skopje, since May 1991. He came to the post of deputy prime minister of the government from the post of secretary of the RS-LP [Reformist Forces-Liberal Party] as a candidate of the same party.

Candidate of the SDSM.

Dr. Ljubomir Frckovski, Minister of Internal Affairs

He was born on 2 January 1957 in Skopje. He graduated from the Law Faculty in Skopje in 1981, received his master's degree on the theme “Program Evolution of West European Social Democracy” in 1986, and received his doctorate from the Faculty of Political Sciences in Ljubljana in 1989 on the subject “Continuity and Contradiction Between the Athenian and the Modern Theories of Democracy.” He knows the English language well. His nationality is Macedonian. He worked as a junior assistant, an assistant, and a lecturer in the Law Faculty in Skopje up to 1984, and a minister without portfolio in the Government of the Republic of Macedonia from March 1991 to January 1992. He has been in the post of minister of internal affairs of the Republic of Macedonia since 10 January 1992 and remains in the same post.

Candidate of the SDSM.

Tuse Gosev, Minister of Justice

He was born on 5 November 1951 in Strumitsa. He graduated from the Law Faculty in Skopje in 1978. He knows English well. His nationality is Macedonian. He comes to his present post from the post of director of the General Department and the Labor Association in AD Jugopromet, Strumitsa, and representative in the Assembly of the Republic of Macedonia. In the two mandates he has held, he has been a delegate to the Republic SIZ [expansion unknown] for Pensions, Disability, and Health Insurance, and chairman of the Strumitsa Opština SIZ for Health.

Candidate of the SDSM.

Dr. Jovan Tofovska, Minister of Health

He was born on 19 May 1940 in Nish. He graduated from the Medical Faculty in Skopje in 1965, specialized in the field of gynecology and obstetrics, and received his doctorate from the same faculty in 1985 in the area of medical sciences-immunology. He knows English and French well. His nationality is Macedonian. He was a physician in the polyclinic of the Skopje Mines and Ironworks in Libijska Dzhumakhrirja. He has been in the clinic for gynecology and obstetrics of the Medical Faculty in Skopje since 1970 and now is head of the Department of Rhesus-Sensitization and a physician specialist in gynecology and anesthesiology.

Candidate of the RS-LP.
Antoni Pesev, Minister of Urban Planning, Construction, Communications, and Ecology

He was born on 12 September 1962 in Skopje. He graduated from the Electrical Engineering Faculty, Department of Information Science and Automation in Skopje in 1986. He knows English well. His nationality is Macedonian. He is the owner of the ULTRA D.O.O. Company, Skopje, and a co-owner of the LINK Company. He is chairman of the Administrative Committee of “Money and Short-Term Note Market” and chairman of the Chamber of Private Capital.

Candidate of the SDSM.

Dr. Sofija Todorova, Minister of Development

She was born on 11 December 1947 in Skopje. She graduated from the Economics Faculty, majoring in macroeconomics, in Skopje in 1970 and received her doctorate from the Law Faculty in Skopje in 1988. She knows Russian well and is familiar with English. She is a Macedonian. She was an assistant at the Cyril and Methodius University in Skopje and has been in the Law Faculty in Skopje since 1976 as an assistant, a teacher, a senior teacher, and now an associate professor of economic systems.

Candidate of the SDSM.

Dr. Ljube Trpeski, Minister Without Portfolio

He was born on 3 August 1947 in Okhrid. He graduated from the Economics Faculty in Skopje in 1970. He received his master’s degree from the Faculty of Political Science in Belgrade in 1976 in the field of international political and economic relations on the subject “Demand for Money Between the Economic Sectors of the United States and Yugoslavia” and from Florida State University in Tallahassee in the area of economic science on the subject “Determinants of the Demand for Money and Credit in the Yugoslav Economy.” He received his doctorate in 1980 from the Economics Faculty in Skopje in the area of economic science on the subject “The Influence of Monetary Aggregates on Economic Movements in Yugoslavia.” He was deputy governor of the People’s Bank of Macedonia from 1987 to March 1991. He comes from the position of associate professor of the Economics Faculty in Skopje.

Candidate of the SPM [Socialist Party of Macedonia].

Servet Arziu, Minister Without Portfolio

He was born on 1 October 1946 in the village of M. Rechitsa, Tetovo. He graduated from the Agriculture-Forestry Faculty in Skopje in 1969. He is familiar with Russian and French. His nationality is Albanian. He was a journalist for Radiotelevision Skopje, a member of the Executive Council of the Assembly of Tetovo Opshina, and secretary of agriculture and director of the Center for the Promotion of Individual Agriculture, Tetovo. He comes to the government from the position of director of the subsidiary of OP Ereniku Komerts, Skopje in Tetovo.

Candidate of the PDP-NDP.

Jovan Andonov, Deputy Prime Minister

He was born on 15 August 1940 in Pekchevo. He graduated from the Electrical Engineering Faculty, specializing in weak-current engineering, in Zagreb in 1963. He knows German and English well. His nationality is Macedonian. Among other positions, he has been technical director of the RO Khermekes, Skopje; deputy general director of Skopje Mines and Ironworks; a member of the Management Committee of FENIC-Kavadarti; advisor to the General Director of SOZT OKhIS, Skopje; a temporary manager of the RO for the production of nonalkaline and steel fibers GES, Gosti-var; an assistant general director for Technical Questions and Development of SOZT-OKhIS, Skopje; and deputy general director of the OKhIS Enterprise, Borche, Skopje. He comes from the post of deputy prime minister of the previous government of the Republic of Macedonia.

Candidate of the SDSM.

Dr. Vlado Popovski, Minister of Defense

He was born on 21 September 1941 in the village of Dolno Dupeni, Resen. He graduated from the Law Faculty in Skopje in 1966 and received his master’s and doctor’s degrees in political science. He knows Russian well and is familiar with French. His nationality is Macedonian. He was an associate in the University Committee of the Student Council, Skopje; a scientific worker in the Institute for Sociopolitical Law Research, Skopje; and a senior teacher and associate professor of the Philosophy Faculty in Skopje. He comes from the post of adviser to the president of the Republic of Macedonia. He has called for more scientific and professional work in the area of political and historical sciences.

Candidate of the SDSM.

Petras Stefanov, Minister of Economy

He was born on 5 December 1945 in Skopje. He graduated from the Technology Faculty in Skopje in 1971. His nationality is Macedonian. He knows English well and is familiar with French. Among other assignments, he has been an instructor in the Sector for Development, head of the Extraction Division in Alkaloid and v.d. director of OOZT Alkaloïds in RO Alkaloid, Skopje; secretary of the Congresses of the Chemical Industry and of the Industry for Cellulose, Production and Processing of Paper, Graphic and Publishing Activity in the Chamber of Commerce of Macedonia; director of the Sector for Investment in the RO Jaka-ŠO; assistant to the president of the Republican Committee for Energy, Industry, and Small Business. He comes to the job of minister of the economy from the post of undersecretary to the former minister.

Candidate of the RS-LP.
Dr. Aslan Selmani, Minister of Science

He was born on 10 June 1945 in the village of Lojane, Kumanovsko. He graduated from the Natural Science and Mathematics Faculty, Geography Department, in Skopje in 1969, received his master's degree in Zagreb in 1976, and his doctorate from the Natural Sciences and Mathematics Faculty in Skopje in the area of social geography. He is familiar with Italian and French. His nationality is Albanian. He was a professor in the Zef Ljush Marku gymnasium in Skopje, a teacher in the Philosophy Faculty in Skopje, and a professor in the Pedagogical Academy in Skopje. He comes from the post of lecturer in the Natural Science and Mathematics Faculty in Skopje and deputy in the Assembly of the Republic of Macedonia.

Candidate of the PDP-NDP.

Dr. Eftim Ancev, Minister of Agriculture, Forestry, and Water Management

He was born on 27 March 1945 in Skopje. He graduated from the Agricultural Faculty, Department of Field Crop Growing, in Skopje in 1968, and received his doctorate from the Agriculture Faculty in Novi Sad in 1980 in the area of agricultural entomology. He knows French and English well. His nationality is Macedonian. Since 1970, he has worked as an assistant, then a lecturer, and now an associate professor of entomology of the Agriculture Faculty in Skopje.

Candidate of the SDSM.

Guner Ismail, Minister of Culture

He was born on 27 October 1951 in Bitola. He graduated from the Philosophy Faculty, Philology Department, in Skopje in 1981. He knows German well and is familiar with English. His nationality is Turkish. Upon graduating in 1981, he went to work as a professor in the Skopje Business School Center and, since January 1988, has been director of Turkish Drama of the Theater of Nationalities in Skopje.

Candidate of the SDSM.

Gordana Siljanovska, Minister Without Portfolio

She was born on 11 May 1953 in Okhrid. She graduated from the Law Faculty in Skopje in 1978 and received her master's degree in 1978 in the field of the political system. She knows English well. Her nationality is Macedonian. Upon graduation, she went to work as a junior assistant in the Law Faculty in Skopje and is now an assistant in the area of the political system. She is a member of the Constitutional Commission of the Assembly of the Republic of Macedonia.

Candidate of the RS-LP.