## East Europe

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24 August 1992

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[Article by Miroslav Havel, Ministry of Finance: “What the Principle 'Each on His Own' Means”]

[Text] During the entire postwar period, budget money was being redistributed from the territory of the present Czech Republic [CR] to benefit the territory of the Slovak Republic [SR]. This transfer of money as a supplementary resource to Slovakia's own resources contributed to a relatively rapid economic and social development.

During the 1970's and 1980's, that is, under the conditions of the federation, this redistribution was carried out by means of the federal budget, in which were concentrated levies and taxes from enterprises of key branches active on the territory of the entire Czechoslovakia, and at the same time large allocations were given out of it to state budgets of the republics whose own revenues were insufficient to cover their expenses. Moreover, during the period between 1971 and 1989, that is, during the period of basically stable rules for budget management, the CR state budget was allocated 57.6 percent and the SR state budget 42.4 percent of the total volume of these allocations. And in the period between 1971 to 1975, when the government pursued a policy of economic and social equalization of both republics, the shares of allocations were 54.6 percent and 45.4 percent.

This asymmetrical ratio continued in 1991 and continues even this year. Only the form has changed. It now shows up in the ratio of the shares of republican budgets in the so-called common revenues of all the budgets (turnover tax, levies from profits), and especially in the ratio by which the republics share in the federation's 35-percent portion of these revenues. It must be pointed out that in the per capita calculation in 1992, the volume of expenses in the CR budget was higher than in the SR budget, but at the same time the fact is that this is the first time in more than 20 years that this ratio is in reverse.

The principle "each on his own," which the Civic Democratic Party [ODS] and the Movement for Democratic Slovakia [HZDS] have agreed upon, therefore means the end of the period of redistributing the budget money between the republics. This concise and, in its generality, very clear expression represents a popular politically formulated economic principle whose content is not only a change in relations from the point of view of quantity, but above all quality. For this also is an expression of a basically complete responsibility of the republican agencies for the economic and social development of the republic in question, under conditions in which their powers are further strengthened. Let us therefore try to give at least a framework indication of what this principle means—in other words, what its practical implementation requires from the legislative, economic, and budgetary point of view. In doing so, we assume that in 1993 a federal budget will exist, albeit in some greatly reduced form.

Legislative Prerequisites

The application of the principle “each on his own” must, in any case, result in amendments of all three laws on budget regulations in those sections where the revenues and expenditures of the individual budgets are defined. Without such amendments it would not be possible to enact a law on state budgets for 1993. The amendments of laws on budget regulations must be consistent in the sense that they must be based on the agreed-upon conception of the revenues and expenditures of the federal as well as the republican budgets, in other words, they must say quite clearly “what belongs to whom” in the revenues and expenditures of the budgets. The amendments must also make it possible to provide contributions (allocations) from the republican budgets to the federal budget, without which it would have a significant deficit. It will be necessary to weigh the need for changing legislation also in other areas, and obviously to resolve a great many quite specific problems (for example, who gets the revenue, or how much of it, from customs duties, the continued existence of the fund for market regulation and who will finance it, and so forth).

The principle “each on his own” contains the implicit possibility of conceiving independently the economic, financial, and budget policies, in spite of the fact that the Federal Assembly enacted the basic text laws. If thus far this policy has been basically uniform for the entire CSFR, it is highly likely that the principle of uniformity will fall—each government (CR and SR) will make their own policy so that it fits their views and interests. This situation gives rise to the question of whether it will be possible to maintain a uniform monetary policy of the Czechoslovak State Bank, and all the attributes connected with it, if it is not supported by a uniform fiscal and budget policy.

Shifts in Revenues and Expenditures

From the standpoint of the budget itself, the implementation of the principle “each on his own” means significant changes in the system of the budgets. The quantitative changes, or rather their estimates, can be illustrated by the items in the approved state budget for 1992. To do that, it is essential to start with the basic structure of the federal budget (see the table on revenues and expenditures).

The implementation of the “each on his own” principle in its first step means that the revenues of the federation from the common tax revenues (35-percent share) would go in their entirety into the state budgets of the republics (91.2 billion korunas [Kcs]) and the expenditures of the federation would decline (items b, c) altogether by Kcs59.4 billion. The net “loss” of the federation, or, in other words, the deficit, would amount to Kcs31.8 billion following this first step, and the budget would
decline in volume roughly by one-half. It is certain that under these conditions the federal budget basically could not perform any significant economic function, because it would be in the position of a contributory organization dependent on the allocations from the republican budgets.

<table>
<thead>
<tr>
<th>Total Revenues</th>
<th>Kčs134.7 billion</th>
<th>100.0 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Share of so-called common revenues (turnover tax, levies from profits, and agricultural tax on profit)</td>
<td>Kčs91 billion</td>
<td>67.7 percent</td>
</tr>
<tr>
<td>b) Other revenues (custom duties, revenues of federal budget and contributory organizations, installment payments on granted government credits)</td>
<td>Kčs43.5 billion</td>
<td>32.3 percent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th>Kčs134.7 billion</th>
<th>100.0 percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Expenditures of federal agencies and organizations themselves</td>
<td>Kčs75.3 billion</td>
<td>55.9 percent</td>
</tr>
<tr>
<td>b) Allocations to state budgets of the republics</td>
<td>Kčs5.0 billion</td>
<td>3.7 percent</td>
</tr>
<tr>
<td>c) Expenditures going directly to benefit organizations and citizens in the republics</td>
<td>Kčs54.4 billion</td>
<td>40.4 percent</td>
</tr>
</tbody>
</table>

Specifically, the shifts in expenditures would mean that the following would be newly defrayed from the state budgets (under 1992 conditions):

<table>
<thead>
<tr>
<th>State compensatory contribution</th>
<th>Kčs21.1 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means to balance assets and liabilities of state employment policy</td>
<td>Kčs11 billion</td>
</tr>
<tr>
<td>Expenses for the so-called property damage of financial institutions (defrayment of differences in interests on loans for cooperative residential construction, loans to young married couples, and others)</td>
<td>Kčs4 billion</td>
</tr>
<tr>
<td>Subsidies to heat producers for the public</td>
<td>Kčs6 billion</td>
</tr>
<tr>
<td>Subsidies for structural changes (conversion of arms production, support of export)</td>
<td>Kčs3 billion</td>
</tr>
<tr>
<td>Allocation to the federal fund for regulating the market in agriculture</td>
<td>Kčs5 billion</td>
</tr>
<tr>
<td>Allocations for solving the problems of nationalities and for state regional policy</td>
<td>Kčs3.3 billion</td>
</tr>
</tbody>
</table>

According to an estimate, Kčs30.6 billion (56.3 percent) of this total of Kčs54.4 billion would go to the CR state budget, and Kčs23.8 billion (43.7 percent) to the SR state budget. In comparison to the approved budgets, the expenditures of the CR budget would increase by roughly 12 percent, and the expenditures of the SR budget by almost 20 percent.

Dividing Common Revenues

The absolutely fundamental question is the new way of forming the revenue base of the individual state budgets, because for the budgets of a republics the "on his own" means budget revenues created on their own territory. This principle is already applied to most of the revenue items. The new element is its extension to the presently common revenues of the budgets, which are divided into agreed-upon shares. These revenues are budgeted for 1992 in the total amount of Kčs260.8 billion, and represent more than half of the revenues of the sum total of the state budgets. If, when dividing the revenues between the two republican budgets, we were to apply the ratios based on their actual reported income according to territory for the 1st quarter of 1992, then 72.6 percent, i.e., Kčs189.3 billion, would go to the CR budget, and 27.4 percent, i.e., Kčs71.5 billion, to the SR budget.
These differences show that of the amount of Kcs91.2 billion, which is the share of the federation, the share of CR is 88.9 percent and the share of SR is 11.1 percent. It is precisely the new division of the presently common tax revenues that is the potential point of contention in implementing the principle "each on his own." At issue is especially the problem of enterprises whose organizational subdivisions are on the territory of the other republic, while levies are made to the appropriate budget according to the location of the enterprise headquarters. In question is not only the oft-cited example of the Tranzit Gas Pipe, whose levies from profit are credited as levies from the CR territory where the headquarters of the enterprises are located, but also other organizations (branches of the Czechoslovak Commerce Bank on SR territory, and so forth). It must be noted in this respect that in the above-mentioned quantifications this point is taken into consideration, i.e., the nominally credited levies according to territories are corrected.

Given such a division of the presently common revenues between the republican budgets, the revenues of the CR budget would increase by 30.4 percent in comparison to the approved budgets, and the revenues of the SR budget by 7 percent. In absolute numbers, these changes in revenues and expenditures and their balance would be:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total</th>
<th>Federation</th>
<th>CR</th>
<th>SR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting situation</td>
<td>260.8</td>
<td>91.2</td>
<td>108.2</td>
<td>61.4</td>
</tr>
<tr>
<td>Division in percent</td>
<td>100</td>
<td>35</td>
<td>41.5</td>
<td>23.5</td>
</tr>
<tr>
<td>New situation</td>
<td>260.8</td>
<td>—</td>
<td>189.3</td>
<td>71.5</td>
</tr>
<tr>
<td>Division in percent</td>
<td>100</td>
<td>—</td>
<td>72.6</td>
<td>27.4</td>
</tr>
<tr>
<td>Difference</td>
<td>—</td>
<td>-91.2</td>
<td>+81.1</td>
<td>+10.1</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Change in revenues by reason of</th>
<th>Federation</th>
<th>CR</th>
<th>SR</th>
</tr>
</thead>
<tbody>
<tr>
<td>—Discontinuance of direct allocations from the federal budget to the republican budgets</td>
<td>—</td>
<td>-3.3</td>
<td>-1.7</td>
</tr>
<tr>
<td>—New division of common revenues</td>
<td>-91.2</td>
<td>+81.1</td>
<td>+10.1</td>
</tr>
<tr>
<td>Total</td>
<td>91.2</td>
<td>+77.8</td>
<td>+8.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in expenditures by reason of</th>
<th>Federation</th>
<th>CR</th>
<th>SR</th>
</tr>
</thead>
<tbody>
<tr>
<td>—Discontinuance of allocations from the federal budget</td>
<td>-5.0</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>—Transfer of expenditures from the federation to the republics</td>
<td>-54.4</td>
<td>+30.8</td>
<td>+23.6</td>
</tr>
<tr>
<td>Balance of changes</td>
<td>-31.8</td>
<td>+47.2</td>
<td>-15.4</td>
</tr>
</tbody>
</table>

This directive calculation, it must be pointed out, concerns only the first step of the changes. Other corrections would be coincidental with the reduction of the number of ministries and other central agencies of the federation, and the transfer of some activities and their financing to the jurisdiction of the republics, which today is quite difficult to quantify. But basically it would mean a further reduction in the federal expenditures and increase in the expenditures of the republics. These operations would reduce the final deficit of the federation and the CR budget surplus, and increase the SR budget deficit. The asymmetric impact of the changes on the republican budgets would continue even after the next step, i.e., the granting of contributions (allocations) from the republican budgets to the federal budget—the CR budget surplus would be reduced and the SR budget deficit would increase.

The Conditional Nature of the Calculations

The SR budget deficit in the amount of about Kcs15 billion, as indicated by the illustrative calculations, can thus be considered the lower end of the impact the principle "each on his own" would have on this budget. More detailed and complex calculations would obviously lead to a higher amount of the deficit.

It must be also noted that the mentioned Kcs15 billion was arrived at by a different method than the approximately identical amount of deficit shown by the "Report on Economic Consequences of the Possible Division of CSFR Into Two Independent Republics" submitted by the SR government toward the end of 1991 at the meeting of the Slovak National Council, which took it under advisement. In the SR government material, the calculation was made according to the items in the state budget for 1991, and it was based especially on a complete division of CSFR into two independent states, that means, the existence of two state budgets only.

In evaluating the results of the illustrative quantifications, it must not be forgotten that they were made on the basis of the numbers in the approved budgets, which gives them their somewhat conditional nature. In reality,
the principle “each on his own” will be implemented only in 1993, when the new tax system will go into force. The value-added tax will be, because of its construction and from the standpoint of expressing the tax revenues on the territory of each republic, a far more objective criterion than the present turnover tax. Moreover, the implementation of the principle “each on his own” will have an immediate influence on the direction of the economic and budget policy of the republican governments for 1993. For those reasons it is possible to give only an approximate estimate of who will lose or gain and how much. However, it is obvious that the new division of the revenues and expenditures will create a more complicated situation in the budget of the Slovak Republic, which will have to resolve the problem of financing the deficit, if only because of this reason. Under these circumstances it can be expected that the negotiations on the federal budget, and especially on the amount of the contribution from the state budgets of the republics, will not be simple, the reason being that the amount of the contribution must be established in the laws of the national councils on republican budgets.

But it will not be only the implementation of the principle “each on his own” which will complicate the forming of the state budgets for 1993. Its formation would be complicated in itself if only because of the introduction of the new tax system and the planned changes in the system of financing social security and employment and health care policies, where there is to be a change to a system of funds, for which resources would be created out of the insurance payments made by employees, employers, and the state.

The budget system will therefore be much more articulated than it is now, while an autonomous approach to working out the individual state budgets cannot be ruled out. Under such circumstances the sum total of the state budgets including the state funds would have more of a statistical value than being a summary expression of budget policy. We think, therefore, that in spite of the complicated political and economic situation it is essential to ensure at least the minimal necessary coordination on the making of the budgets.

Industrial Policy for CSFR Discussed
92CH0769A Prague HOSPODARSKE NOVINY in Czech 22 Jun 92 p 9

[Article by Jan Zoubek: “What Kind of Industrial Policy for Czechoslovakia?”]

[Text] The decline in production in individual industrial sectors of the Czechoslovak economy does not have the character of a transformation for the time being and is not resulting in a “lean, but efficient” economy with sufficient rapidity. The transitional status of the Czechoslovak economy still does not facilitate a sufficiently strong reaction on the part of the enterprise sector to various market signals. However, the existing strategy of the economic reform has resulted in a certain degree of macroeconomic stabilization, which offers the opportunity for a more active policy, particularly in the enterprise sphere. However, the state must create the conditions for that policy.

Brussels—Czechoslovakia will prosper as a state only if it has an industry capable of competing and securing the position of Czechoslovakia within the framework of the new Europe. The standard of living and the level of employment in the upcoming years of the opening Czechoslovak market will depend on the capacity of industry to realize technological innovations, to show the ability to bring about sharp increases in productivity, to invest in human capital, and these factors will be particularly dependent upon a capacity to constantly monitor the accelerating structural changes. Essentially, this requires that the framework of the macroeconomic policy of transformation include an active and pragmatic industrial policy.

Optimum Allocation

For many in Czechoslovakia, as well as in the West, the term “industrial policy” is something which sounds suspicious and smells of planning and bureaucratic decision-making. For the most part, this is based on a misunderstanding of what industrial policy entails. In the first place, it involves conditions for the optimum allocation of resources through market forces so that these resources would lead to accelerated structural changes and to increasing the competitiveness of industry. It is clear that the main responsibility for the ability to compete industrially must be in the hands of enterprises themselves. In the transitory Czechoslovak situation, which is replete with enterprises with weak capitalization and enterprises which have been semide-nationalized, however, the state has a certain direct responsibility, at least temporarily.

The role of the state is essential. The problem lies less in the question as to whether restructuring is to take effect prior to privatization or whether it is better to opt for restructuring after privatization. The Czechoslovak method of privatization most likely compels recourse to the variation which calls for restructuring after privatization. The conditions are being created in such a manner that the predominant form of privatization will result in a temporarily large number of small, capitaliy weak owners. The consequence is the irreplaceable role of the state in restructuring.

The Transparent Nature of Conditions

On the other hand, in order for enterprises to be able to take on the responsibility for the overall competitiveness of industry, they must know that the state will create clear, transparent, and primarily predictable conditions for their activities. Avoidance of a “quick-fix” solution and choosing meaaures which strengthen the industrial and technological base is also what is involved. This requires the application of a specific policy for an adequately long period of time. Production investment
requires a longer time horizon to permit enterprises to have sufficient confidence so as to mobilize their resources.

The integration of Czechoslovakia into the world economy and particularly the conditions of the association agreement involving the European Community, as well as the creation of a European economic area, guarantee the gradual opening of the domestic market to foreign competition. However, this also means additional pressure on domestic industry to permanently adapt to the signals emanating from the market. From this standpoint, structural change is a concept which best expresses the very process of this permanent adaptation. The substance of the process involves the constant shifting of resources (as a response to market signals) in the direction of the most productive enterprises.

Only this constant shifting of resources to the most productive production processes is a guarantee for raising the overall standard of living. In other words, structural changes and competitiveness on an international scale are mutually interconnected because the ability to produce successfully for the market grows with the ability to flexibly adapt production resources to market demand.

The View From Brussels

A competitive environment, financial and social incentives for the formation of new enterprises are, thus, the most important conditions for the creation of fertile ground on which a market economy grows.

Western Experiences

One of the principal goals of the new governments in Czechoslovakia should be support for the most efficient functioning of the market. In this sense, a dynamic industrial policy primarily means the correct application of every measure which will hasten structural changes in industry.

Western experiences, and particularly those of the European Community, with solving the crisis at the end of the 1970's and the beginning of the 1980's, as well as the need for the European economy to make a positive response to the imperative of a "global economy," compelled the EC to take into account several fundamental requirements. These requirements should also stir the attention of the newly elected Czechoslovak political and economic administration:

1. Maintain a Favorable Environment for Business

On the one hand, an efficient market economy must be based on the fact that the initiative to make structural changes and the responsibility for such changes is directly within the enterprises themselves. On the other hand, the governments and the entire public sector must do everything necessary to support and accelerate the process of structural change, particularly within the infrastructure: energy, telecommunications, capacities for science and research, education, etc. This also means eliminating bureaucratic regulations and restrictions and avoiding everything which results in unnecessary burdening of enterprises and particularly of small and medium-size companies.

Representatives of industrial associations and enterprises, including small ones, are consulted on matters of future state measures which could impact on them sufficiently in advance. This does not mean that the goals of policy, particularly in the social sphere, in the environmental sphere, or in the area of protecting consumers should be sacrificed to the interests of industry. Their influence upon industry should be carefully weighed and a balanced solution should be found.

Of course, the duty of the public sector to do everything necessary to assist and accelerate industrial structural change must not lead to the state taking on the decision-making process—something which can be done only by the enterprises themselves. There is a relationship here between risk and reward which must not be disrupted and which only the enterprise must bear.

2. A Positive Approach to Industrial Changes

The correct positive approach to industrial change will most likely be one of the most complicated matters for the new governments in a situation in which the bottom of the economic recession has not yet been reached, when the liquidation of a number of industries is just beginning, and when, regardless of preelection promises and election programs, the leadership of the victorious political parties will be compelled to adopt specific national economic decisions.

The new governments must realize that a positive approach to industrial change means avoiding a defensive industrial policy and anything that smells of protectionism. This will be very difficult because their best intentions will lead them to ease up on essential adaptation and into a really difficult situation. Similarly, social empathy (and estimates of political consequences) will lead them to adopt sectorwide policies which follow social aspects and goals rather than following the principal goal which is a positive change for the entire sector.

This is what happened to a considerable extent in the European Community which, in the second half of the 1970's and during the 1980's, in responding to difficulties, adopted a number of sector policies (and particularly, a policy for the steelmaking industry) which were responsive to social pressures, but which were then only partially successful. They failed to accelerate sectorwide or branchwide adaptation, but rather retarded them and rendered more difficult the progress which the European Community had to make in coming to terms with the new conditions of a "global economy."

3. Preservation of an Open Market

The foundation of prosperity is the ability of manufacturers to compete, something which is achieved, for the
long term, only by their switching production resources in response to market signals. For purposes of optimum allocation of resources, an open market is essential. Without it, it is impossible to achieve profits based on competition and specialization. Czechoslovakia must be open to the maximum to direct foreign investments which bring technical know-how and industrial competence.

The Catalyst of Competition

Structural adaptation in and of itself demands the fulfillment of several prerequisites so that structural change could occur at all. It requires certain catalysts which act upon the will of enterprises to make them react to pressures and to utilize opportunities and also requires “accelerators” which provide further incentives for structural adaptation. One of the fundamental prerequisites is a competitive environment. A certain stronger concentration of production results in savings based on size, better conditions for science and research. However, experience indicates that in countries in which the individual industries successfully compete in international markets several competing enterprises exist within an industry, even if the size of the market of that country is relatively small. This frequently involves competition on the domestic market, which guarantees success abroad.

The second fundamental prerequisite is strict control and the transparent nature of assistance which enterprises receive from the public sector. This particularly means that specific state and regional support which is granted to a certain sector for purposes of its transformation is clearly time- and value-limited and strictly degressive in character.

Tax and Customs Policy

A third prerequisite is the awareness that tax policy has one of the largest degrees of influence upon the ability of enterprises to invest and, thus, influences their ability to adapt to market conditions. The state must be capable of acquiring revenue to facilitate its important expenditures. On the other hand, taxing enterprises directly influences the ability to invest and thus influences the future revenue for the state budget. In this regard, tax regulations governing write-offs of capital equipment play a key role. In an open market and in international competition, the capital assets of an enterprise are very quickly used up as a result of technological progress. Tax policy must support rapid write-offs.

A fourth fundamental prerequisite is the awareness that interventionist sector-wide policy is not an effective instrument to accomplish structural change. In the European Community, such policies (particularly for the steel, textile, or shipbuilding sectors) were unsuccessful to a considerable extent and tended to merely defer the implementation of essential adaptation, prolonged the erroneous allocation of resources, and exacerbated problems of balancing state budgets. Even if it is known that the dynamic development of certain industries, such as the information technology industry, telecommunications, and other high-tech branches, is extremely important to overall national economic development, experience indicates that support for these sectors must be more aimed at supporting research and the application of products of research. Fundamental principles of industrial policy applicable to all industries should not be deviated from. Even in this situation, it is more important to concentrate the role of the state on the existence of an environment which is capable of supplying enterprises with, say, highly qualified specialists. It is suitable to provide advantages for enterprises which combine their resources in science and research rather than having the state directly compensate enterprises for part of their research costs.

Assuring Stability

An active and positive industrial policy pursued by the new economic administration should thus assure the stability of access to medium-term and long-term financing for enterprises which have the will and the dynamism to undertake permanent structural changes. This also means that the state should create conditions for the permanent transfer of resources to the most productive enterprises and create socially and politically tolerable conditions for the liquidation of inefficient enterprises. This is not a policy of support for “national champions,” but a policy of selective support for individual sectors which, within the framework of the most thorough transparency, will eliminate the element of uncertainty in enterprise decisionmaking. An enterprise which is increasing its global competitiveness must be assured of the adequately long-term stability of economic conditions. Particularly with regard to the amount of taxes, the stability of the rate of exchange, in the event of long-term investments of an adequately long-term system of investment support. In this case, support for investments by degressive tax relief would appear to be most effective.

In general, it seems that a state policy which eliminates the uncertainties of enterprises regarding the level of the future taxation of their profits is one of the key elements of industrial policy. The dynamic nature of the national economy (and its ability to engage in global competition) is the result of the efficiency of the process of constantly shifting resources (that is to say, a response to market signals) in the direction favoring the most productive of enterprises.

In a market system, the motive for shifting capital is the possibility of increasing profit. In seeking answers to the question as to why economic revitalization was so slow at the end of the 1970's and at the beginning of the 1980's, the European Community reached the following conclusions: Revitalization was retarded by the fact that investors did not make good calculations with regard to future wage development. The more or less automatic indexing of wages and the strong influence of the trade
unions ratcheted wages upward faster than profits, productivity, and without regard to an economic recession. The second principal reason was the fact that, particularly in the early years, the policy of the member-country governments was aimed at preserving the noble social advantages acquired during the prosperity of the 1960's at any cost. Naturally, this led to a sharp rise in state budget deficits, financed by the growing taxation of enterprises. The lack of confidence on the part of investors in the future rate of taxation then effectively retarded modernization investments and contributed to the additional loss of European global competitiveness in the world market, in comparison with Japan and the United States.

It is evident that the general industrial policy of the state must be supported by other specific policies: support for small and medium-size business, support for backward regions, protection of the environment. The new political and economic administration in Czechoslovakia will have to recognize the key role of the state in the upcoming restructuring of industry. It is possible to hope that it will be possible to adopt a positive industrial policy which will support the influx of capital to productive spheres. The new administration will realize that future global competitiveness and the prosperity which is connected with it depend to a great extent on the quality and long-term nature of the framework that it will create for business.
We welcome you to the meeting of the National Defense Committee which, from the beginning of my presidency, has been known as the National Security Council. This meeting is the first under the government of Prime Minister Hanna Suchocka. The formula of the National Defense Committee is a holdover from the former period. Today we will address issues of the highest importance. I wish to present for discussion "the defense doctrine" and "key principles of security policy" on which this doctrine is anchored. Defense doctrine is a certain idea, a leading thought. This is a program of general principles to assure the defense and security of the state. The sovereignty and security of the country is primarily the responsibility of the president. He must therefore present a concept of how this responsibility will be implemented.

Defense doctrine should be characterized by a certain degree of generality. Ministers and staff officers shall translate it into concrete language. In order to give substance to something, however, it is necessary to have a certain framework. Such a framework should be provided by the state defense doctrine.

This doctrine cannot be an artificial, paper creation. Its shape will be modified by the current world situation, particularly by developments in the vicinity of Poland. We are living in an epoch of change and political transformations; it is a doctrine of a transitional period. The contemporary map of our part of the world is significantly different from the map of three years ago. Tomorrow will surely bring further changes.

We call for the inviolability of our borders. We respect the sovereignty of other nations. We reject the use of force in bilateral relations. We do not levy territorial demands on our neighbors and we wish to cooperate with them.

We have, with the exception of Lithuania, signed treaties of friendship and good neighborliness. Defense doctrine can be influenced by the foreign policy of the state. It does not necessarily have to take on a written form. It can be recreated from the actions of diplomats or government decisions.

Poland's defense policy is shaped by acts of international significance connected with the CSCE (Commission on Security and Cooperation in Europe) process. I have in mind the Paris Charter for new Europe, and the Vienna treaties on the limitation of conventional forces in Europe. They influence the current situation. To the future belongs Poland's full integration with NATO and the European Union. Between today and tomorrow there exists an entire range of intermediate stages. These must be recognized, thought out, and worked out.

The situation on our continent, however, is not easy. We have recovered our freedom—we and other Central and East European nations. To the south and east there are occurring violent, comprehensive political and nationalist changes released by the fall and the disintegration of the empire. These are not peaceful processes conducive to stabilization. Thus we should attempt to try to create a system of security in our region. It would be a stabilizing factor. It would later become a part of the future Euroatlantic security system.

Poland has no declared enemy. Our Armed Forces should be evenly distributed throughout the country. The numerical strength of the army in time of peace should incorporate the principle that the size of the army approaches half a percent of the population. It must, however, be an efficient army characterized by high-level operational and combat ability.

Some types of units demand reforms. For example, the Nadwislanskie military units of the ministry of interior are a holdover from the former system. In such form they do not fit the current democratic reality. In the future, military units of the ministry of interior should be replaced by the formation of the National Guard.

These and other topics will be the subject for discussion—I believe a fruitful one. I believe that this session under its current formula will be the best committee session.

Walesa Chairs National Defense Committee Meeting

AU0708155892 Warsaw POLSKA ZBROJNA in Polish 31 Jul-2 Aug pp 1-2

[Stanislaw Lukaszewski report: "Approval of the Doctrine"]

[Text] A meeting of the National Defense Committee (National Security Council) was held on 30 July under the chairmanship of President Lech Walesa. The meeting was attended by Hanna Suchocka, chairman of the Council of Ministers; Wieslaw Chrzanowski, marshal of the Sejm of the Republic of Poland; August Chelkowski, marshal of the Senate of the Republic of Poland; Janusz Omyzkiewicz, minister of national defense; Krzysztof Skubiszewski, minister of foreign affairs; Andrzej Mileczanowski, minister of internal affairs; Jerzy Osiatynski, minister of finance; Mieczyslaw Wachowski, head of the office of the president of the Republic of Poland; and Jerzy Milewski, secretary of the National Defense Committee.

It was an inaugural session of the council in that there have been changes to its membership following the formation of the government headed by Prime Minister Hanna Suchocka.
The council examined a draft document on the defense doctrine of the Republic of Poland. It was drawn up by the National Security Bureau in cooperation with the Office of the Council of Ministers, the Ministry of Foreign Affairs, the Ministry of National Defense, the Ministry of Internal Affairs, and the Central Planning Office, and will articulate our state's defense policy. The council advised the secretary of the National Defense Committee and the ministers of defense, foreign affairs, and internal affairs to finalize work on the doctrine.

The minister of national defense briefed the council on the degree of progress that has been made in implementing the reform of the Ministry of National Defense and the restructuring of the Armed Forces of the Republic of Poland.

The secretary of the National Defense Committee and the National Security Bureau, which is under his authority, were charged with coordinating work on reviewing and bringing up to date legal regulations issued by the National Defense Committee and its agencies.

It is significant that persons holding a high office in the state should devote their attention to matters connected with national defense and security. The president's speech, as well as the discussion including participants in the session, show that a return to a degree of normality in a democratic state is possible and attainable. The participants demonstrated that there is an atmosphere of commitment regarding national defense problems and complete agreement on priority goals. What is important for the army and for society was defined. Every issue that was raised was discussed in depth. Discussion on a given subject ended with proposals being made. The president considered the proposals in detail. He pointed to the urgent need to carry out tasks in accordance with the law.

The meeting participants expressed full approval for the main directions of activities designed to enhance state defense and security. The National Security Bureau was charged with coordinating work on legal acts pertaining to state defense and security. It is, incidentally, worth mentioning that the meeting in a way closes what was a period of misunderstandings between the National Security Bureau and the previous leadership of the Ministry of National Defense. There should be no disputes about levels of authority with respect to the army. After all, we know the commander in chief of the Armed Forces, who has a minister of national defense responsible for the immediate supervision of the life and training of the army, and the National Security Bureau performs an advisory role.

We will return to the themes raised during the course of the National Defense Committee and above all to issues connected with national defense doctrine and policy.

**Parties State Positions on Military Doctrine**

"What Is the Republic's Defense Doctrine?"

Based primarily on the concrete manifestations of the state's domestic and foreign policy, one may infer the characteristics of a definite defense doctrine. These very traits and properties of a practical, everyday policy best express the goals at which the state is aiming. Therefore in the FRG, for example, the rules of defense doctrine are not written in any document. In France the essence of defense doctrine may be made described in a few words: political and military self-sufficiency. Prewar defense doctrine in Poland, as historians write, "lay in the marshal's head." Currently, specialists maintain that the principle of the republic's defense doctrine remains "peaceful coexistence."

Today we are publishing the first part of the statements of politicians who present the views of their parties on the shape of the defense doctrine of the Republic of Poland.

**The Enemy and the Arms Market Should Not Be Spoken of Publicly**

Tadeusz Bien, Liberal-Democratic Congress

The threats facing our country are never discussed publicly. Furthermore, they change from day to day. Also, the history of the world proves that alliances and treaties never yield a 100-percent guarantee of security. It is primarily the result of the economic and demographic potential of a country. It may also be built through actively participating in various organizations of international cooperation, which Poland is currently doing. I would attach the greatest importance, however, to bilateral agreements guaranteeing good cooperation with our immediate neighbors. Possible military alliances, European agreements, and contacts with the North Atlantic Treaty Organization have only a secondary influence on our security.
The potential of our country in the sphere of defense is significant, but today it is in large part unrealized. I am convinced that it may also play an essential role in the European system, for example, through the participation of our soldiers in European contingents as well as in the area of manufacturing military technology and in the logistical security of international armed forces. Generally, we should strive for inclusion in the European division of tasks in the field of defense; however, this will certainly not protect some branches of Poland's specialized industry from reduction. This industry was built under the conditions of another doctrine and in several areas had to satisfy the needs of the entire Warsaw Pact. In my opinion, in spite of the fact that we regard the arms trade negatively from the moral point of view, we should better appreciate the fact that the revenues coming from the arms trade are indispensable from the point of view of heightening our country's security. Furthermore, at this moment, the world potentiates on the export markets for products of the defense industry explicitly discriminate against us. Therefore, the task of Polish diplomacy is definitely to break through these barriers.

Our doctrine should have an exclusively defensive character. But I do not imagine that it must be set in stone. Its shape must be a result of the current political situation in the world, particularly in Poland's immediate surroundings. Analysis of this situation should influence the applied command operations of the General Staff of the WP [Polish Army]. I know that currently the proposals for a doctrine are being studied intensively. It is disturbing that on this issue the MON [Ministry of National Defense] and the Office of National Security [BBN] represent two distinctly different options. Meanwhile the BBN is creating its own document separately from the constitutional framework in place today.

Specialists, that is military specialists, should define the structure and numbers of the Armed Forces. From personal experience, I know that under the present conditions, the optimal number is 200,000 to 250,000. In spite of the widespread myths that electronics are decisive on the modern battlefield, I would not overestimate its importance to such a degree. Consequently I am in favor of maintaining universal compulsory military service in a somewhat modified form, shortened with increased rotation and more intensive training.

This State of Affairs Will Not Last Forever

Professor Jerzy Wiatr, Alliance of the Democratic Left

The SLD [Alliance of the Democratic Left] has not adopted a detailed program in relation to Poland's defense doctrine.

One may look at the threats both from the perspective of the present moment and in the long term. Today nothing threatens us directly—I am thinking, of course, of potential external dangers. Such a historical juncture occurs rarely in history and never lasts long. Its cause is none other than the end of the Cold War, in other words, the fact that the USSR lost its rivalry with the West, and individual new states, the old Soviet republics, are independently searching for a place in world politics. The situation in Germany is also creating favorable conditions for Poland. The incorporation of the eastern provinces means, following the pattern of the Federal Republic, a state firmly anchored in the system of Western democracy. Because this exceptional state of affairs may undergo change, every realistic defense policy must take into consideration pessimistic scenarios, regardless of their probability. In short, the state must at every moment be prepared for the worst.

I would consider long-term threats on three levels. First, in Russia, the nationalist current may gain the upper hand and set itself the goal of rebuilding the empire, at least within the borders that existed at the end of the Romanovs' reign. Zhirinovski, a politician who took third place in the Russian presidential elections, is publicly espousing such ideas. Second, the further disintegration of the former USSR cannot be precluded. That may release expansionist nationalisms in some former republics that border us. In regard to potential, Ukraine presents the greatest threat. Third and finally, the aggressive revanchist minority in Germany, which should be watched very attentively, has not ceased to exist.

Due to the tremendous transformational dynamics in and around Poland, we must assume that it will not be possible to create a modern defense doctrine for decades.

In thinking of Poland in the world, we must rid ourselves of the tendency to overestimate our significance. In my opinion there was a time after 1956 when our country's place in Europe was shown by the fact that we were the most liberal state in the East bloc and we could then form a platform to limited cooperation with the West. The past is irretrievably lost. Poland's place will depend on its ability to achieve internal stability and good relations with its neighbors and—consequently—on making contributions to the gradual unification of the countries of all the continent. The shape of our defense doctrine should be correlative to these principles. It should and must have a purely defensive character and it should guarantee Poland that even if international events should develop in the worst possible way for us, our country will not be a defenseless, easily conquered prize for anyone. However, given our place in Europe, we are too weak, economically and demographically, to guarantee ourselves independent military victory in a defensive war. Therefore, the mandate of defensive doctrine must be the fact that Poland can never stay alone. Here, however, appears a dilemma. The thought of Poland joining NATO turned out to be unrealistic. Decisions in this matter do not depend on us alone. I also do not believe in the military union of the Central European states, and even if such a union arose it would in any case be too weak. In this situation, Polish defensive doctrine must aim at building close contacts with the North Atlantic Treaty Organization—without membership in NATO—and at the same time do everything
possible to strengthen the structures of the CSCE [Commission on Security and Cooperation in Europe]. I am convinced that this very institution, although not a military alliance, may form the most effective framework for our security.

The crisis in the defense industry, which is deepening the recession in our country, is not the result of the low quality of production but of the sudden loss of markets. In my opinion, the government should include the maintenance of some of the arms plants in the program of national defense and should also take into consideration the rebuilding of export capability. In the Sejm Commission for National Defense, I myself spoke out in favor of limiting political export restrictions to the resolutions of the Security Council that were already in effect. It is no secret that previous administrations, for political reasons, shrank from exporting weapons, which I consider a mistake.

Because the country is in a grave economic situation, we cannot afford larger armed forces. However, a fundamental analysis should be conducted on the issue of whether we can stop at reducing the numbers of the army below a threshold of 200,000. Certainly the character and structure of the army must be better adapted to a flexible defense against a danger that can come from an as-yet-unknown direction. In the long run, the introduction of volunteer armed forces that maintain a high degree of professionalism must be considered. However, this is a costly solution and therefore impossible to realize at the moment.

Strong in Isolation

Leszek Moczuński, Confederation for an Independent Poland

The Armed Forces must be capable of defending the republic against every internal and external act of aggression. In the first case, it is not a question of using the army against its own society but of repulsing an aggressor who decided to shift military operations to the territory of our country (for example, in the event of a revolt on foreign military bases).

I foresee that great transformations, including geopolitics, will last at least 20 years in our region. They will take on an ever harsher character. The Yugoslav example is here most expressive. Therefore, from the point of view of our doctrine, every conception of danger in concrete terms today is a mistake. In a fluid situation, it is difficult to rely on the effectiveness of military alliances. Rather, current political influences will determine the concrete moves of states.

In the next 10 to 20 years, Poland should therefore be prepared to repulse possible attacks in solitude. The attempt to join NATO is utopian. The cost alone of transferring basic defense installations to the east makes such calculations unrealistic. Moreover, in the world arena, Warsaw counts less than, for example, Moscow.

I believe that the threat of global war will not appear in the coming decades. The danger of local conflicts, however, will be greatest in the next few years. An effective army therefore must be readied as quickly as possible. However, it is well known that in an institution like the army it is not possible to introduce sudden changes. They present the threat of catastrophic destabilization. Therefore the next modernized elements of the Armed Forces should be assembled in a unified system that will be attainable in its final form in the course of this decade. The new army must be capable of intervening everywhere, protecting the borders, and defending our territory, and it must fulfill a deterrent function (an aggressor acting rationally will first tally gains and losses).

We should adapt the structure of the army to these strategic tasks. For that purpose an intervention corps capable of immediate action should be created. This corps should be supported by the professional army, and it should be well trained and given modern equipment. The corps's trump card will be great maneuverability ("air cavalry"). Aside from this elite unit, select formations should be stationed all over the country, the task of which would be defense of the borders. These two forces would make up so-called strike forces, indispensable to nipping danger in the bud, which is essential in a situation in which we cannot afford to wage a long-term war.

The fundamental task of deterrence is to be fulfilled, however, by the existing, developed system of territorial defense. Regional forces should encompass the entire area of the country and should be distinguished by their ability to rapidly mobilize high-level staffs ("the home army"). An additional virtue of these formations must be linking soldiers to their native districts: Units should be stationed and trained on their territory. The "home army," the activities of which are to be coordinated with the fire department and emergency rescue, would also serve during peacetime to eliminate the effects of ecological disasters and cataclysms. The permanent reserves of the territorial defense would have to number between 300,000 and 350,000 people.

It is not possible to consent to the downfall of the defense industry, because, first of all, it represents the most modern technology in Poland and lives up to European standards, which rarely happens in other, civilian branches of the economy. It is worthwhile to maintain this level. Moreover, we cannot afford to import costly equipment. For obvious reasons, each state always manufactures the basic tools in its own domain.

In the area of leading the Armed Forces, any sign of double responsibility should be eliminated. The president, in other words the head of the Armed Forces, will command the forces through the intermediary of the defense minister in time of peace and through the commander in chief during war. The latter, in time of peace, would fulfill the function of chief inspector of the Armed Forces, and would have at his disposal a small,
specialized staff analyzing the variety of threats and influencing the concrete conditions of training.

Our Own Polish Security

Mariusz Marasek, Christian-National Union

A coherent document relating to the state’s defense doctrine has not yet arisen in the party. However, awareness of threats and needs exists.

A state has neither permanent friends nor permanent enemies; it only has permanent interests. Poland cannot fulfill the role of a buffer squeezed between empires, and it should aim to change this position at all costs. Therefore the ZChN [Christian-National Union] is interested in creating a system of European security. It is in favor of maintaining bilateral and multilateral contacts with our neighbors. It positively received the creation of the “Visegrad Three,” which constitutes the attempt to build a sort of security pact in our region.

Among actually existing threats, the potential effects of destabilization on the territory of the former USSR should be mentioned. It may be elicited by an economic breakdown, escalation of border disputes, an explosion of ethnic conflicts, or by violent attempts to restore the empire. On the other hand, there also exist fears of economic domination by Germany, whose role in European economic, political, and military structures continues to grow. The influence of German diplomacy in the neighboring countries and Russia are more and more conspicuous. Our border service should neutralize these influences.

A certain type of danger also exists in the event of a too-quick process of integration with Western Europe. Because our products are not competitive, the results of their confrontation with imported products may lead to the breakdown of entire branches of domestic industry, including the defense industry. We are not, it seems, sufficiently prepared for such a shock. In the context of the anxiety about security, we should avoid selling of land to foreigners, particularly on border areas. More careful attention should also be paid to foreign firms investing in the Polish defense industry. Information on special production and the location of strategic materials in our country demands closer protection.

Formulating the principles of future doctrine, we decisively reject all aggressive aims. We should also avoid alliances directed against other countries. We recognize the presence of American forces in Europe as a given, because they are an important factor of balance.

In spite of Poland’s difficult economic situation, we may not become dependent on imports of weapons and military equipment. The development of our own defensive potential must be attended to. Some branches deserve special preferences. I have in mind here the airplane industry and means of communication. It is certainly not possible to maintain the level of production of tanks. We formerly manufactured them for the entire East bloc. We should have fewer scruples in connection with arms sales. Markets once lost are very hard to regain.

The matter of the liabilities of companies required to serve the cause of defense as well as the question of maintaining reserve supplies and a so-called defense reserve urgently demand legal settlement. Too many burdens have been transferred to our army recently.

The army’s numbers, I am convinced, should not be less than international agreements permit. The optimal number is 300,000. At the same time, the principle that soldiers in large part are tied to service in their native lands would have to be accepted. We are decidedly against any attempt to create international military formations.

The powers in the area of directing the affairs of defense definitely require division between the government and the president. The current arrangement reflects a situation in which the president is responsible for the army and state security but does not possess sufficient instruments to allow him to acquit himself of this responsibility.

[21 Jul p 3]

We Have a Political Weapon in Our Arsenal

Jan Rokita, Democratic Union

I do not perceive any military threats in the foreseeable future. After signing the treaty, especially with the Germans, and the declarations of friendship with the remaining neighbors (recently, after some negotiations an agreement was signed with Belarus) there exists no problem of questioning the existing borders. I also do not see, speaking more generally, a threat to the existence of the Polish state. This is, as experts in geopolitics say, a completely exceptional situation in the history of Poland, in other words, absolutely comfortable. There exist, however, threats to Poland’s internal stability and a threat of political destabilization beyond Poland’s eastern border, which may cause an exodus of refugees. A serious threat, economic in nature, should be perceived. It suffices here to mention a classic example such as natural gas. A blockade of natural gas supplies to the Polish state, which is at any moment possible, could put a significant portion of our industry into a state of catastrophe. Finally, we face threats that are ecological in nature both within our country as well as in the vicinity of our borders, for example, cataclysms such as catastrophes at nuclear power plants.

The result of such a definition of threats is that political means are the main tool at the disposal of the state for ensuring security. With their help, through the intermediary of at least two international organizations (that is, NATO, CSCE) Poland should assure itself of long-term security.
Joining NATO is today out of the question. It is something of a paradox that repeating in a naive way (as the previous government did) the thesis that Poland must at once become a member of NATO, and that only as a member of NATO is it in a position to assure the security of its own borders, particularly its eastern border, and that Poland also expects security guarantees on the part of NATO forces in Europe, even in the event of a local conflict, widely separates us from NATO. Such declarations, not only in NATO's command but in the whole Western world, were poorly received: NATO will not accept a member that for every conflict on its borders, even the most localized, needs the military support of NATO's entire might. Therefore, although formal membership in NATO is out of the question today, it remains a political goal. It is in the interest of the Polish state to keep NATO's political and military structures in Europe and to cooperate with all those in the United States and Western Europe disposed to keep NATO as the main structure of Euro-American security and to cooperate with those groups that are in favor of the presence of American forces in Europe as a stabilizing factor on the continent.

The CSCE will never replace NATO as a guarantee of European security, because appropriate measures within the compass of this institution have not yet been worked out. However, thanks to its multilateralism, it favors the development of regional security structures, makes political consultations possible, and creates a network of political and economic ties between various countries in Europe. This, of course, favors the building of trust: every new knot between several countries pushes the prospect of conflict on our common continent further away. An example—one of many—is the success of the conference on open skies in which Poland played a very important role, and our security, by the way, was enhanced.

Poland and Czechoslovakia had documents under the name defense doctrine. They consisted in a certain number of political slogans written in a not completely competent manner and were an event in the world of democratic states. Therefore, we do not intend to reproduce them.

On the one hand, of course, the state's defense doctrine consisted of general political principles related to foreign policy and security policy, about which we have spoken here, as well as the operational plans of the ministry of national defense and the army staffs. And our army staffs are working on such plans all the time. We should accelerate certain matters in this area. For example, a change in the deployment of the army in Poland is necessary. However, this will be a long-term process, especially considering that not only operational factors but also, for example, the available barracks, or to put it bluntly, the country's economic conditions, determine such deployments. This change has been taking place for some time. The army's organization, which until recently depended on the idea of invasion of the West by the Warsaw Pact, should also be left behind. The organization of armies in great tactical unions has ceased to be necessary. The continuous, flexible application of defense thought to the changing conditions of European foreign policy is also essential.

I am not an expert in the area of the defense industry. However, I have the impression that certain decisions, which were made during the administration of Premier Bielecki, have not been completely realized. This has to do with the separation of a certain narrow sector made up of key arms plants, on which the security and defense of our country depends to a large degree and for which the state should take responsibility. The situation of the remaining companies is certainly very difficult. We must realize that some of the plants made products for the needs of the entire imperial army of the Warsaw Pact. This army ceased to exist and will never rise again. Therefore, the changes for a portion of the factories will be to retool for civilian production, and the Polish government should seek contracting parties for the rest. I consider this duty one of the important goals of Polish foreign policy. However, we all must realize that this is a difficult thing, all the more as we are limited by the arms export quotas that the civil government imposed upon itself.

Our strategic goal—this slogan has been in force from as early as the electoral campaign of Tadeusz Mazowiecki—is the introduction of a professional army. We realize that this is still impossible today for economic reasons. Therefore, it now seems that army personnel should be reduced gradually. According to the estimates of competent people, decisive in this will be, on the one hand, the economic capabilities of the Polish state and on the other hand the limits of equipment that we have accepted within the framework of disarmament treaties (which we must observe) and awareness of the level of personnel and equipment in the armies of adjacent countries. In the current situation, the number of permanent posts in the army should be between 230,000 and 250,000 and that number should signify the actual number of personnel next year. However, today we may not reduce personnel excessively. Arms discussions are still underway. And the point of departure for negotiations of future personnel levels of the Polish army is its current ceiling.

On the question of the management of defense matters, the situation is clear. The supremacy of the president over the army is his unquestioned right, but it is not synonymous with command. It should be the president's privilege to name the chiefs of the General Staff, the types of armed forces, and the commanders of military districts. These authorizations of the president would require, however, connecting them to the authorizations of the MON. It may take the form of nominating the minister of national defense, proposing candidates, or countersigning the nomination document. The president does not have the military staffs that enable the normal, actual command of the army at his disposal in his apparatus. Consequently, it is obvious that command by
the president comes about only through the intermediary of the defense minister and through the structures that exist in the MON. But in our opinion there should exist an institution that would be a governmental organ, though acting under the direction of the president as the person responsible for the security of the state. It would make fundamental decisions on questions of security, particularly questions of the army. The National Security Council [RBN] could be such an organ. A motion that we put forward in this way fell in the Constitutional Commission. It was decided that the RBN should have only an advisory nature with regard to the president, which, in our opinion, creates a dangerous situation, for the president will create, together with the Office of National Security, his own policy in a sensitive area, and the government will create a separate policy—which the army will not endure.

The Umbrella and Total Cooperation

Zbigniew Komorowski, Polish Peasant Party

The most serious threats to Poland's security today exist inside the country. Destabilization could be caused, for example, by unsuccessful reforms in the economy or a political crisis connected to the elections: An escalating political battle could lead to clashes or even unrest. We do not see an explicit external threat. We are certainly not threatened from the West. We can, however, fear the results of a great migration, if for example severe national conflicts erupt beyond the eastern border or if a sudden, uncontrolled disintegration took place in our neighbor to the south. We should certainly observe carefully what is going on in Ukraine and Russia. Naturally, the situation in the latter country—in regard to its size and potential—will influence not only the security of our immediate neighbors but of the continent as well.

What conclusions follow from defining threats in this way? We should continue the policy of "total cooperation" with all of our neighbors. It is very good that we continue the policy of "total cooperation," which, in our opinion, creates a dangerous situation, for the president will create, together with the Office of National Security, his own policy in a sensitive area, and the government will create a separate policy—which the army will not endure.

Defense doctrine should have an open character, maintain a "constant vigil," and flexibly adapt its principles to a changing situation.

Saving our native defense industry is a key issue today. In our opinion, the state cannot passively watch the downfall of the enterprises that produce basic armsments for our army. We have a duty to allocate a minimum of resources from the budget so as to allow the plants to adapt to a difficult reality and thereby to complete equipping the army and creating reserve supplies for it to ensure the level of security called for in the event of a state of war.

In the area of the arms trade, we cannot be "more Catholic than the pope." States such as Czecho-Slovakia are pursuing in this area their own, incomparably more independent policies. Agreement with Russia should also be desired in order to enable a return to cooperation in the production of military equipment during the transition period. The most important matter, however, seems to be defining, in the perspective of many years, areas in the defense industry that we will be able to develop domestically and making energetic efforts aimed at gradually acquiring and implementing Western technology, beginning with simple assembly of basic equipment. The gradual opening of the West in this sphere favors such activities. Sweden, with its impressive level of products in, for example, the aircraft industry, seems to be a neglected partner.

Taking into consideration the potential and area of our country, it seems that we cannot have an army smaller than 250,000 people. We must definitely increase the maneuverability of our forces. This, however, depends on the development of suitable quick-response formations and landing forces and the tempo (dependent on the influx of money) of modernizing technology, especially in the area of anti-aircraft defense. In my opinion, to supplement the army, we should generalize the Swiss model: the model of universal citizens' self-defense.

To Understand What Is Real and What Is Artificial

Maciej Zalewski, Center Accord

In the period of transformations, following the collapse of bipolar pacts of forces, during the formation of new security systems, we favor the creation of a document that would avoid the overt definition of threats. The doctrine, in a concise, laconic way, should describe the Polish raison d'etre, the general directions of our foreign policy, and accentuate engagement in support of integration with the West European system of security. I will emphasize once again: Let us avoid identifying potential enemies, but rather emphasize positive values, the will to peace and cooperation. This depiction of noncontroversial, universally accepted intentions must be open and widespread. Only on this basis should the group of
specialists who represent the representative body of politicians from the MON and other interested departments give concrete details of the threat without fanfare, find appropriate answers to the abuses appearing, and define the goals of defense policy. The essence of the document's resolutions thus remaining is to be their adaptation to a changing situation. I believe that the third stage, resulting from all these earlier activities, would be the creation by military experts of concrete operational plans calculated for every, even the worst, contingency.

As long as no one in Poland denies the need to join with the democratic states of the West (and so it seems although speedy integration with NATO is out of the question) political activities leading to the building of institutions and structures that will bind us to the countries of the North Atlantic Treaty Organization are necessary. What will follow is indispensable: harmonizing defense systems, unifying equipment, and conforming to European standards in this field. This means that decisions about the selection of a certain type of logistical security and combat technology should be put into this perspective.

Consequently, a clear policy with respect to our own arms industry is now essential. The sorts of equipment that have a chance of finding buyers should be specified. An attempt should be made to obtain credits for selected branches. Cooperation should be organized. On the one hand, companies must realize that a reduction of plants in such a swollen industry is unavoidable and that the efficient rely on the market. On the other hand, a situation in which we cannot afford to purchase expensive imported equipment is unacceptable, and meanwhile we are passively watching domestic factories that manufacture similar products fail.

The manpower and structure of the army depend, above all, on the strength of the economy. The European limitation of basic equipment that was negotiated in Vienna also indicates to us a concrete framework. Today we are not in a position to realize many of the quotas granted us. But their quantities are not accidental; they should compel a favorable direction of change for the army.

It is not good at all if adjusting the manpower of the army is currently becoming a bargaining chip in the immediate politics of some groupings. Making demagogic charges that the army alone is being reduced perhaps serves the immediate interests of the party; however, it elicits anxieties in this very army and does not have anything to do with its raison d'etre. And yet it is not the quantity of detachments but their inappropriate deployment that has decisive meaning today. Also, the budget passed by the parliament must create a mechanism for reforming the army and not, as in the past, preserve obsolete structures.

We should at all costs avoid conflicts that are inspired—which is paradoxical—by the collision of reasons born of the best intentions but caused by transferring political tensions and disputes to defense issues. It is currently not possible to delineate in statutes the division of powers in leading the Armed Forces. This will be an artificial solution as long as the dispute over the basic construction, in other words the organization, of the state and its leading powers is not resolved.

[Box, p 3]

Speaking in our columns on 11 July, Mariusz Marasek (ZChN), in maintaining that the ZChN is definitely against any attempt to create international military formations, had in mind, of course, detachments of mixed composition in regard to citizenship.

Costly Overhaul of Former Soviet Naval Bases

92EP0589A Poznan WPROST in Polish No 29, 19 Jul 92 p 30

[Article by Katarzyna Nazarewicz: “An Inheritance in Ruins: The Basic Repair of Post-Soviet Garrisons Will Cost at Least 1.5 Trillion Zlotys”]

[Text] When the territory of the garrisons left behind by the Red Army is finally entered by its legal administrators, that is, Polish Government officials (usually the voivode himself formally accepts the facility), they find few windows unbroken. To be sure, windows that are boarded up with newspapers—or “shop windows” as the local residents call them when the newspapers are colored—make lighter the task of removing the broken glass. But the extent to which the post-Soviet military facilities are devastated is too huge for installing new windows to make any difference.

Experts estimating the “depreciation”—as it is circumspectly called—of the abandoned garrison complexes are at present trying to resolve the fundamental question of whether it might not be better to raze them to the ground and build anew instead of repairing and adapting the legacy of former allies. It will have to be answered by the Ministry of Defense, because some of these facilities are being taken over by the Polish military, for which, as can be seen now, such a takeover would mean financial bankruptcy.

The ministry has singled out for takeover 32 garrison complexes with an overall cubic space of more than 3.5 million cubic meters and a useful surface area of more than 1 million square meters, located at 17 garrisons. By 1 June the Polish military has already taken over six totally abandoned complexes in the following garrisons: (in 1990) Doborowo-Pobors (barracks measuring 115 hectares in area, with 43 buildings) and Buszno (370 ha and 40 buildings); (in 1991) Swidnica-Witoszow (63 ha and 4 buildings) and Ladek Zdroj (two villas on land aggregating 0.26 ha in area); and, this year, the largest so far facility—the garrison in Swietoszow with its 268 buildings in the barracks and housing section, but without land (it remained in the hands of the local administration) measuring 427 ha in area. The most
recent facility taken over by the Polish military is small: 1.2 ha with 5 building in Legnica, on Swierczewski Street (still named Swierczewski?).

According to a preliminary evaluation by the Polish army's chief quartermaster's billeting and construction service, the technical condition of all the facilities relinquished so far by the former Soviets is "unsatisfactory," which in civilian language means "hopeless." The buildings being taken over by the Polish military are gutted and their average depreciation is estimated at 40-60 percent of their worth.

For comparison, the average depreciation of the facilities used by the Polish military is 26.5 percent. In practice, therefore, it looks like, in taking possession of these ruins, the Polish military will have to invest huge capital in making these facilities again operable and, in addition—this also being inevitable—it will have to pay the administrative authorities the legal tribute for their utilization.

The latest estimates of the transfer of post-Soviet barracks and proving grounds to the Ministry of National Defense make no allowance for the so-called repair and adaptation expenses and are confined to the fees to be paid for the administration of these facilities. The regulations in force make it impossible for the voivodes to grant to the military any exemptions from or discounts on the mandatory. The first annual fee for certain facilities has already been calculated. For the small garrison facility in Witoszow alone the military will have to pay 1.3 billion zlotys [Z] to the Swidnica office of the general government administration, and for all the post-Soviet facilities being taken over in that area the annual fee will total about Z250-350 billion.

The cost of paying for everything that will end up in the Polish military after being relinquished by units of the former Red Army has been roughly estimated at more than Z1 trillion for this year alone. In face of this cost, the other necessary fees (natural gas, energy, water, or salaries) seem minuscule and will probably total some Z70 billion. No one so far has calculated accurately how much it will cost to carry out basic repair of these facilities, which is roughly estimated at about Z1.5 trillion.

Perceptions of Politicians, Society Vary Greatly

Poll Stress Differences

92EP0552A Warsaw PRAWO I ZYCIE in Polish No 26, 27 Jun 92 pp 1, 4

[Article by Grazyna Wroblewska and Roman Kruszewski: "Governing and Governed: Politicians Are Not as Stupid as They Pretend: Society, Not So Naive as It Thinks"]

[Text] Exactly two and a half years have passed from the day on which Poland regained the name Republic of Poland, the eagle with the golden crown, and all Poles received a pass to freedom. Then it seemed that hope, enthusiasm, human courtesy, and obviously knowledge would bring out the ability to govern the country out of Poles. In the name of Solidarity and under the standard of democracy, we set out on the road to freedom, capitalism, and a modern Europe. Where have we gone?

Today, the invectives, which the street and the press (beginning with Giedroyc's KULTURA in Paris and ending with Urban's NIE in Warsaw) bestow on the politicians could be shared with all the governments of the People's Republic of Poland. From the landscape of opinions, one might conclude that during the last election for deputies and senators to represent us, we elected not so much supporters "of the lesser evil" but simply the worst possible people.

Not just the representatives of the nation, however, are enjoying less than the best opinion at present. Even the nation is not what it should be. The course of the presidential elections aroused a wave of assumptions of significantly reduced mental ability among compatriots. Proclamations of irresponsibility, naivete, disorientation, even social stupidity increased after the announcement of the results of the parliamentary elections. They have not yet died out.

How are things in reality? Are our officials wise and our society immature? Or is common sense also attributed to the nation while politicians are seen as children lost in the gears of the mechanisms of democracy beyond their comprehension? Are the officials, as the classics of the past epoch said, separated from the masses, or are the deputies of the parliament of the Third Republic not representative of their voters?

We attempted to answer these questions by comparing the views of those governing (deputies) and those being governed (ordinary Poles) concerning the most important problems in contemporary Poland. We combined two surveys done by the Pentor Institute for Opinion and Market Research. The first covered a representative group of 100 deputies of the Polish parliament. Its results reflect the opinion of the entire Sejm. The survey was conducted in April 1992. Later, at the behest of PRAWO I ZYCIE, Pentor put these same questions to a group of 1,000 respondents representative of the adult population of Poland.

Below we present the comparison of the results of both surveys, the opinions of the experts on the subject, and an article comparing the views of Polish deputies with the opinions of their colleagues from Czecho-Slovakia and Hungary.

Which Is More Important, Unemployment or the Recession?

More than half of the respondents consider unemployment the most important problem, although the residents of Warsaw see it differently than, for example, those in Wielkopolski [central-western Poland, with Poznan the major city]. Only every fourth resident of
Warsaw versus as much as 63 percent of the residents of Wielkopolski put it first. The survey also shows unemployment is a more pressing problem for residents of rural areas than for residents of cities, especially of large cities. As much as 67 percent of the residents of rural areas consider it the number one problem; meanwhile, only 40 percent of the urbanites consider it so important. It is noteworthy that the most difficult problem in the feelings of the rural areas is noted only by every tenth deputy. Such an incoherent view of this problem by those who manage the economy and those who are managed must lead society and government into conflict and a lack of acceptance for the proposed ways of transforming the economy.

A second important problem, but chosen nearly one-third as often as unemployment, is agriculture. Every fifth respondent to the Pentor surveys mentioned it. The fact that barely two percent of the deputies noted agriculture among the important and difficult issues facing the country's economy makes no one happy, especially among the residents of rural areas. Instability, disintegration, crisis and recession—the pains of our reworked economy—arouse the deputies' greatest concern (42 percent). But the results of these pains arouse the concern of their voters: low wages, impoverishment, poverty. Nearly 15 percent of Poles put the lack of a strong governing executive and the recession and crisis fourth and fifth, respectively, among the most important problems of the country, more important than forming a government. There is a certain logic; people look at the economic problems of the country through the prism of their own plate. The surveys show that it concealed from Poles even such apparently pressing problems as the lack of housing, poor health services, and the huge levels of crime. They concern only one Pole in 20. Poles also did not include among the important problems the lack of a national consensus, which has such dangerous effects. It worries only four percent of the respondent Poles. The deputies assign much greater significance to national consensus; every fifth deputy thinks the lack of a consensus is an important obstacle to building a stable state.

Relatively infrequently, both among deputies and average citizens, were education, science, social insurance, and retirements considered among the most important problems facing the country (one to three percent).

On the other, both for deputies and citizens, the following are not problems: growth of exports, incompetent administration, defense, low-cost loans for agriculture, a poor banking system, decommunization, the nomenklatura in the economy, or a poor tax system.

Who Governs Us?

The responses confirmed the conventional wisdom that Poles have a low opinion of the competence of the key institutions of the democratic system. The rating given the government or the Sejm, 3.2, can be interpreted as meaning "no one governs; no one is responsible; there is no manager." The fact that the deputies "judged" their own competence as high as 6.4 (twice as high as they are rated) confirms the old truth that power changes people and changes them for the worse. The lack of humility, of distance, and of criticism shown by the deputies in evaluating themselves is the most legible element in their discrediting of themselves.

The prestige of the presidential office reached the level of 3.8 in the deputies' opinion and 3.7 in society's, although the higher the level of education the lower the rating was. These results are the crowning proof of the collapse of the prestige of the institutions bearing the term 'governing.' Society gives much higher marks to the owners of private enterprises (5.2) and to managers of state enterprises (4.1), but in this case it is less generous than the deputies. The latter give private entrepreneurs a mark of 6.2; while society gives them a mark of 5.2.

A comparison of the results of the surveys provides a much clearer picture than might be assumed. The views of
those in government and those being governed are similar to a large degree. From the answers to the first question, it is clear that in the opinion of the deputies and in the opinion of ordinary Poles the most important problems of our country are, first, the economy, second, the economy, third, the economy.... Answers not associated directly with the economy appear only in distant places. That both groups of respondents speak in different words does not mean that they have different opinions. The difference is caused by differing points of view. The recession (Poland's most important problem for the deputies) causes unemployment; on the other hand, unemployment (Poland's most important problem for ordinary Poles) is an obvious result of recession.

Except for the difference in the judgment of the competence of the Sejm, it is also difficult to see drastic differences in views in the responses to the remaining questions. But what causes that difference? Officials whose views are so similar to society's should effectively and quickly resolve the problems that society considers of primary importance and, as a result, should enjoy public recognition.

Our deputies, however, proceed rationally. They have transferred the models of Western parliamentary democracy to Poland in toto. In a normal parliament, the primary point is to strengthen one's own position and one's party's position, to gain a majority, and to gain power. The actions of Western parliamentarians are subordinated to these goals; now they have also become the goals of our deputies. Political maneuvers take place in the Sejm. In this game, the economy is an inhospitable
Competence of Political Institutions and Firms

Key:
1. Average rating
2. Deputies
3. Public opinion
4. Office of President
5. Government
6. Sejm
7. Private firms
8. State firms
9. Army

10. How do you rate the competence of the work of the following institutions and firms on a scale from 1 to 9? 1 indicates extreme incompetence, and 9, complete competence.

field for action. There is a shortage of quick, visible successes to win the party supporters and the support of voters. It is much easier to conduct a parliamentary maneuver where one can show quick achievements. The members of the Sejm, thus, act rationally and logically by concentrating their efforts in showing their abilities in such areas as looking for agents, abortion, or religion in the schools.

The answers to the question concerning the threat of communism show that in April only a handful of deputies conceded any threat of a return to real socialism. Meanwhile, the motor of the conflict, which shortly afterwards broke out, was precisely the communist threat.

On the other hand, it is damaging to the economy for the deputies to take up the economy. The deputies, striving to show themselves good Poles, drove foreign capital from domestic casinos. That did not improve the face of our economy in the world. It added the shadow of nationalization to it.

In all, then, the deputies are acting with sensibly and rationally by striving to strengthen their parties and, as a result, the mechanism of democracy to which they contribute. There is, however, a small "but." Democracy and the new model of economics are just now being created in Poland. The conservatives in Great Britain, the Guallists in France, the social democrats in Germany can allow themselves much more than the members of the Polish Sejm. They operate in completely different conditions: democracy there is an instrument in long use; the economy constitutes a stable system which is not moved by the sharpest political conflict. In Poland, that system is new and unbelievably easy to undermine.
Sense of a Threat of the Return of Communism

1. **POSŁowie**  
2. **Opinia Publiczna**

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Key:  
1. Deputies  
2. Public opinion  
3. Completely improbable  
4. Rather improbable  
5. Rather probable  
6. Very probable  
7. Hard to say  
8. Is it probable that communism will again appear as a significant political force in our country in the next five years?

Sense of Threat by the Right and Nationalism

1. **POSŁowie**  
2. **Opinia Publiczna**

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Key:  
1. Deputies  
2. Public opinion  
3. Completely improbable  
4. Rather improbable  
5. Rather probable  
6. Very probable  
7. Hard to say  
8. Is it probable that extreme rightist movements appealing to nationalism and intolerance toward minorities will appear as a significant political force in the next five years?
Acting like Western European parliamentarians, our deputies with every move approach the border beyond which lie only the breakdown of the young Polish democracy and of the razor-thin balance in the economy. The legion syndrome adds to the problem. As in the Second Republic, the associates of Jozef Pilsudski felt entitled to run the government, so today, in the Third Republic, the veterans of the fight with communism think that only they have the right to govern the nation freed from communism. Democracy does not divide politicians who stand for recognition by the electorate into those more or less entitled to represent the voters. In a democratic state, even the greatest deeds for the nation do not give legitimacy to a government. Only recognition by the voters counts.

The results of the survey also destroy the argument that a myth of economic collapse is operative in society's awareness. Both the deputies as well as ordinary Poles give relatively high marks to private (especially) and state enterprises. This means that in spite of the bunches of slogans about the recession and the defeat of Balcerowicz's program, they have noted an improvement in our economy.

**Evaluation by Lawyer, Sociologists**

92EP0552B Warsaw PRAWO I ZYCIE in Polish No 26, 27 Jun 92 p 5

[Statements by sociology professors Jadwiga Staniszksis, Mirosław Grabowska, and Tadeusz Szawiel, and Piotr Winczorek, lawyer: "In the Opinion of Experts"]

**[Text]**

**Prof. Jadwiga Staniszksis, Sociologist: “Poles of Mystification”**

The questions about a rightist threat or a neocommunist putsch concern undoubtedly “hot” topics. But they are not equally “hot” for everyone as the results of the surveys show.

I note that the term “communism” is used in the question very inexactly. The variety of interpretations of this term is, in my opinion, the cause of the differences of opinions between the elites and the so-called masses.

For the elites, thinking in ideological and constitutional categories, it is clear that there is no longer any real chance of a return to the system of the dominance of state ownership and a single party, advocating the idea of an avant-garde. Although I think the same way, first, the role of technocrats from the old systems (with their roots in the nomenklatura, also with its international connections) will probably grow. That will, however, be a return in new, capitalist roles. Second, geopolitical divisions, with Poland nearer to the Eastern group, will reform.

For so-called ordinary people, thinking on the scale of their plant or town, the situation “at the top” is deciphered through the dynamics of local status systems (he who feels on “top,” feels he has it better). And here the perdurance of the old hierarchy and the sense of them having won is striking; recently, it has even grown.

In conclusion, at both levels one interprets the continuity in change differently. For the elites, it is clear that the nomenklatura has lost as a class, although the individuals belonging to it have not lost and have benefited from the mechanism of political capitalism. For average people, this individual survival is, however, synonymous with the continuance of “communism.”

In the answers to the question about the extreme right, the polarization of views among the elite is striking. It is probably a result of the actual location of the political camp. And this sharpness of division can be explained in my opinion, also by the mystification of the so-called “national” option as well as “of the leftist” option. It seems to me that the current move of a part of the Democratic Union [UD] and Solidarity of Labor [SP] toward the social democrats of the Social Democracy of the Republic of Poland [SDRP] has its genesis precisely in the false and mystified reception of the nationalist trend and that both in its post-Solidarity and in its post-communist form.

It recalls somewhat the situation of European intellectuals of the 1930’s facing the choice—then a true one—between fascism and communism. Today one speaks in a similar language, but the alternative is mythologized and artificially constructed. Moreover, it serves to rationalize the naked battle for power in which facile labels are used in order to justify one's own moves.

This has not escaped the notice of ordinary people, who do not think in ideological categories; as a result, they realize, while observing the discussions of the elites, that the differences between them as regards realistic solutions are significantly smaller although these differences do exist—for example, the relation toward the church or the decision on the rate and manner of implementing the capitalist option.

In my opinion, these genuine difference do not justify such polarization; they are two poles of mystification associated with the struggle of two post-Solidarity camps for power.

**Piotr Winczorek, Lawyer: “Reality as a Paper Tiger”**

What is most visible in these statements is the politicians' lack of faith in what they themselves say. We hear so much about recommunization which is supposed to threaten the country or about the battle with agents who are hiding somewhere; meanwhile, the politicians themselves do not really believe in what they are saying.

The probability of a return to communism is for the politicians a kind of paper tiger. The majority of them thinks that such a threat either does not exist or is very slight. I am not surprised by the fact that politicians say one thing and believe in another because that is the nature of politicians. It would be worse if they believed
in their own propaganda and were so naive as to consider true what they are saying to others.

But the citizens also somehow do not really believe what is being said to them. The danger of recomunization is in their eyes none too great. It is significant that among the most important problems facing the country listed by politicians the problem of decomunization or the exposing of agents does not appear.

The disproportion, the imbalance—one might say—between the fear of a possible return to communism and the fear of a seizure of power in the country by the extreme right is striking. There is more belief in the second than in the first. More of the respondents fear such a turn of affairs, more than a return to the past, but perhaps in total, the majority both of citizens and of politicians from the parliamentary circles thinks that neither extreme, left or right, is a threat to Poland. They are convinced that in the majority of cases the country can be secure in its democracy.

This type of mood clearly does not agree with what we hear surrounding the political affairs; for the last few weeks, they have not been missing from the newspaper headlines. For example, the low opinion of the competence of the main institutions of public life in the country has not changed. Moreover, politicians have a very good opinion of themselves, much better, twice as good as the opinions of them expressed by the citizens. Obviously the question arises: will such self-confidence, not noticing that in the eyes of others one does not appear so excellent, lead to some sort of destruction or even a catastrophe for the elite?

It is worth emphasizing that the army, in spite of a clear decline in prestige, is still viewed by everyone as a certain and stable institution. Citizens especially still see the army as a pillar, a guarantee of security.

If we confront these judgments of the army with opinions on the subject of the country's most important problems where chaos, a lack of an economic strategy, divisions and political breakup dominate, then who knows whether the army—at least it appears in the near future—will not play the role of a lifesaver in some distant future, surely not in the near future. Numerous experiences around the world show that the military forces are treated by society as the final saving marks.

What conclusions can politicians draw from these surveys? In my opinion, simply get to work solving the many real problems to which they themselves have pointed and not multiply paper tigers. And by effectively solving the problems they can count on an increase in prestige both for themselves and for the institutions that are intended to defend democracy.

Miroslawa Grabowska and Tadeusz Szawiel, Sociologists at Warsaw University: “What Do the Politicians Fear?”

Is it bad or good, or perhaps simply normal that the deputies' opinions differ from the answers of “ordinary” citizens? If politicians were supposed not to differ at all from society, then elections would be unnecessary and even have to be opposed: it would be better to simply choose our representatives by lot; statistics would ensure then a reflection of society's opinions in the opinions of the individuals chosen by lot.

That, obviously, is an absurd idea. The point is not only to reflect opinions and attitudes. The point to choosing from among parties and politicians who want to pursue politics is to select those who in our opinion will do it best. They will not be typical, ordinary citizens, but being from among us (guaranteed by the elections) they will more or less understand and yet be able to do more. And such politicians usually do not reflect our attitudes and convictions precisely because they are more competent in social actions than we are. The very procedure of elections contains then a contradiction: our representatives are to be like us only better. That contradiction seems to be a normal phenomenon in politics. If it is appropriate, it can be fruitful: Politicians will seemingly draw society upward or forward.

It can happen, however, that the distance between politicians and society is too great for society's abilities. The most ingenious reforms will break down if society does not actively participate, if it does not support them, if it does not understand them. It can happen that politicians busy with reforms, with technical problems of power, or with seeking differences among themselves and struggle for power lose contact with society. One speaks in such a situation about the alienation of politics. In Poland, we are currently dealing to a certain degree with all these phenomena: the difficulty and complexity of economic reforms, technical and social problems of exercising power, the formation of the political stage—all these make the tensions between sensible representation as reflecting preferences and sensible representation as acting in the long-term interest of society extremely great. How we, everyone, politicians and society, deal with this tension will determine our future fate. But the data presented only show the tension.

The answers to the particular questions show that the politicians do not fully realize how critically public opinion observes the operation of the institutions of power. This does not have to mean that these institutions...
are working poorly. But it surely means that the politicians are incapable of convincing public opinion that the Sejm and government have some successes to their credit.

Public opinion views the possibility of recommunization and the appearance of extreme rightist movements as equal; politicians, however, are more afraid of extreme rightist movements and practically neglect the threat of communist forces. This can also be interpreted as the "ordinary" people fear the remnants of the past, communist power; while politicians fear a society, perhaps ready to support an extreme right in the future.

Triangle Countries Compared
92EP0552C Warsaw PRAWO I ZYCIE in Polish No 26, 27 Jun 92 p 5

[Article by Eugeniusz Smilowski, director of the Pentor Public Opinion and Market Research Institute: "Everywhere Tough Times: The Deputies Do Not Believe in the Common Sense of Their Voters"]

[Text] An international study of political elites included 100 deputies each from Poland, Hungary, and Czecho-Slovakia. The study was conducted at the beginning of April 1992, and the structure of the studied sample reflects the percentage relations of political forces in the various parliaments. Obviously, today, in a day of quickly moving political processes, the results no longer fully reflect current political relations. In Czecho-Slovakia, a new parliament has already been elected, and in Poland together with the collapse of Jan Olszewski's government, the situation has changed diametrically. The subject of the study consisted, however, no so much of opinions as much as of longer term attitudes and positions toward the changes occurring in politics, economics, and the international situation. What conclusions can be drawn from these studies?

First: in all three countries the most important problem is the economic situation and economic policy. They arouse the most controversy and the most varied judgments. Every fourth deputy mentions the economy as an important problem in his country, with the difference, however, that the opinions of Polish deputies were the sharpest and most critical of government policy. Characteristically, the deputies are most interested in the macro level problems, little heeded by public opinion, which as the survey done for PRAWO I ZYCIE shows, is most interested in the costs of the economic transformation, the constantly rising unemployment and the decline in living standards.

In all the countries, the deputies have noted the mentality of society. They think that the people themselves do not know what the want, that they want right now and everything, that they are constantly under the influence of communist thinking, that they do not pay attention to the conditions. The barrier of mentality is more frequently seen as significant in Poland than in the other countries. In Poland, representatives of the political elite also pay the most attention to political questions, especially to problems of the political structures. The political instability, the fragmentation of parliament, the lack of a modern constitution, ineffective politicians are emphasized.

The confusion in the economy and the burden of political problems incline the opinion-forming circles to seek ways to govern effectively. In Poland, the governments with a strong hand have the most supporters. But governments with strong hands are fairly specifically understood. Not as an authoritarian form of power but as an effective government with powers guaranteeing effective action. In Czecho-Slovakia and in Hungary much greater attention is attached to the democratic exercise of power and the building of a consensus in the parliamentary forum.

Second, the surveys conducted show that the enthusiasm of the breakthrough has clearly fallen, that the political and economic reality is more complicated than many deputies had thought. The elites in Eastern Europe are beginning to notice the dependence between the costs of indirect democracy (fragmentation, group interests, legislative-executive tugs-of-war, secondary issues) and the prosperity for which society longs.

In spite of the great confusion, few of the deputies think that a return to communism is possible; moreover, less than one in 10 thinks a return of real socialism is possible within the next five years. Even former communists think that such a return is entirely impossible.

Much more concern, however, is aroused by the possibility of the appearance in the next few years "of extreme rightist political movements appealing to nationalism and intolerance toward minorities." The concern in Poland is similar to that in Hungary; but Czechs and Slovaks fear nationalism less and separatism more, which in light of the events after the elections in Czecho-Slovakia appear completely justified.

In all, the study of political elites showed a similar perception of problems and difficulties associated with the political transformation although the Polish elites seem to be too politicized, that means they see the problems of the country from the perspective of their own group interests. Polish parliamentarians seem to be altogether too absorbed in their own political disputes, unfortunately at the cost of the most important problems as the past six weeks since the survey was conducted pointedly confirm. And still one more thing: in all the countries, including Poland, there is a prevalence of a lack of faith in the "wisdom of the ordinary person," "the third force or public opinion," in other words, in the fact that the people genuinely know what is in their interests. Such a negative judgment of their own voters was presented by 72 percent of the Hungarian deputies, by 80 percent of the Czecho-Slovak deputies, and by 83 percent of the Polish deputies.
Union of Labor's Views on Social Democracy Ideal

92EP0600C Warsaw RZECZPOSPOLITA (Saturday supplement) in Polish 25-26 Jul 92 p 1

Interview with Ryszard Bugaj, leader of the Union of Labor party, by Eliza Olczyk; place and date not given: "There Is No Gentle Capitalism"

[Text] [Olczyk] “Solidarity—two years is enough!” We have heard this slogan already under the Prime Minister Bielecki government. Now and then we could hear (not always as a joke)—“Commiss, come back!” although it is obvious that there is no return to the past. The govern-ments of the liberals and of the right have met with a harsh social criticism. Given attitudes like these, don't you think that a social democratic government may be soon in place? What does the word socialism mean today in your opinion?

[Bugaj] I will begin with an anecdote. During a public discussion, a young PPS [Polish Socialist Party] activist jumped at me, yelling: "You are ashamed to say the very word 'socialism,' mister!" I told him that if I only could explain what I mean by this any time this word appears in a label or in any other context, I would stop being ashamed. As of now, I don't have such opportunities.

In my opinion, 90 percent of people in Poland today still equate socialism with communism, that is with something which our group tried to overthrow throughout our entire adult life. I think that this will continue for quite a long time. Actually, we shouldn't even discuss socialism at this time. Or at least, we could begin to discuss what is social democracy, because in this case the people's associations are closer to reality.

Some percent of people in Poland know that Mitterrand is a social democrat and that Brandt or Schmidt were social democrats. But the very word socialism does not evoke any other associations besides the communist past.

[Olczyk] At the same time, people are used to have the welfare protection, and if anybody attempted to take away some of those benefits, there would be a loud outcry. It is enough to remember the scale of protests, caused recently by the government attempt to differentiate the rate of the family benefits.

[Bugaj] These social attitudes have been revealed even through the public opinion polling. The most recent surveys, conducted in 1992, indicate that the Polish society's views are deeply entrenched on the left. There were times when people perceived capitalism as something gentle. They were under an impression that capitalism was a system in which they could easily make it, and in which many things would be simple. Of course, they have learned that such capitalism does not exist. Furthermore, the version of capitalism which we are building in Poland more and more resembles the Latin American model.

This tilt to the left in our society is so noticeable that it makes one think that even a program of the market reform which social democrats would be willing to support, let alone an extreme liberal program, would meet with resistance among large social groups.

[Olczyk] Thus, we have leftist views strongly entrenched in the society on the one hand, while on the other hand—people reject the term “socialism,” despite the fact that it reflects the best what they expect....

[Bugaj] That's true, but in my opinion it makes no sense to combat this phenomenon at this time, because we will dive into history, instead of solving real problems. To enmesh ourselves into discussions whether Marx interests us or not would lead to idle disputes, which cannot possibly be of interest to anybody.

I think that after a 40-year interval in Poland—the interval for an authoritarian system—we truly begin everything anew. This also means that we have to build the political structure (the structure of political parties) in relation to real problems, not history.

Following this stream of thought, I think that, apart from the peasant organizations, there will be two types of leftist parties in Poland.

The postcommunist party will have quite a few followers because there are many people who will vote for it just to spite Solidarity. They will be prompted to do this by the legacy of the Solidarity governments.

But there has to be also a party which would resemble Western social democracy. One has to remember that the roots of social democracy are in the worker movement, which at one point split into two currents—communist and social democratic (which the communist eagerly called revisionist). Social democrats truly believed in the market and accepted private property. They were also convinced that it would be impossible to have economy without money (despite Marx's claims). In addition, they believed in political democracy. We want the Union of Labor to be such a party.

As for the peasant parties, they will also tilt to the left, even though they might call themselves differently. Because, if the farmers demand protectionism, subsidies, and welfare, they by the same token preach leftist catchwords, whether someone likes it or not.

[Olczyk] Would you agree with a thesis that it does not really matter for the Western societies which party is in power at a given moment—whether it is social democracy, the liberals or Christian democracy—because economy follows prescribed paths any way and people do not particularly feel the change of the government.

[Bugaj] Short-term governments usually do not bring major changes. However, one has to remember that the West European countries had the basic systemic framework already in place at the end of WWII. The dispute was about how to utilize the market economy—whether to preserve more or fewer of the state-owned enterprises,
whether to have a budget with or without a deficit, and what kind of monetary policy to pursue? No one questioned the basic principles. Neither will we question them.

However, the crux of the matter is what type of economy are we going to strive toward? Are we going to follow the Latin American model and create voracious capitalism with its gigantic gaps between the rich and the poor, and its limited expenditures on the national education, health and economic investments, or—are we going to move toward the European model, largely determined by policies of social democracy? The choice of a concrete model is also important for this reason that if at some point the governments change and, for example—the liberals take the place of social democrats—they are not supposed to dismantle all what their predecessors accomplished.

I said once openly that Jacek Kuron, who had claimed that he would become a social democrat as soon as capitalism was built, made no sense. The point is that social structure is shaped during the transformation of the system, and if social structure resembles the Latin American model, a very conflictual political structure will develop all along.

[Olczyk] The welfare state is very expensive.

[Bugaj] There is no doubt about it, but no one says that it has to be as expensive in Poland as in West Germany, for example. We do not want to provide the unemployed with such huge benefits as the Federal Republic of Germany does. We do not claim that the public health service will have the German standard. We do not expect that—in absolute figures—we could spend on education as much as the Germans. We would do what we can afford to.

The debate is whether we should allocate to social services the same percentage of our state revenue as do the Germans or not.

You are saying that it is expensive, but in fact it is an investment that cannot be considered in purely consumerist terms. In the last three years, we have undergone many changes which will hamper the development of economy in the future. We have regressed technologically and educationally. It will be more difficult to undo those changes than to solve the problem of inadequate budget.

Besides, one has to ask oneself whether it is possible in an European country—where people are used to fight for their rights—to have huge gaps between social strata, as in Turkey for example. Wouldn’t it lead to political instability which would kill the chances for economic development?

[Olczyk] If it is impossible to introduce such a model in Poland, then you do not have reasons to worry.

[Bugaj] There are people among the liberals who say—if the reform cannot be implement in a democratic manner, then, sorry, we will do it differently. But one has to ask them—what makes you think that a dictatorship in Poland would be of a liberal-right type? More likely it would be populist, that is as destructive for economy as for democracy.

I am very disappointed by the course of work on the draft of the electoral law. If Sejm adopts this bill in a version proposed by the parliamentary commission, the consequences may be grave. What would this mean if the Democratic Union and a few larger parties enforce the five-percent threshold of votes in the parliamentary elections? That requirement makes sense only when the big parties obtain 90-95 percent of the votes. In this situation, votes given to small parties, which would not meet this requirement, could be distributed. However, we are facing a situation, in which the parties that are elected to the parliament receive no more than a half of the votes (that is, if only 30 percent of the electorate participate, that indicates a 15-percent support [as published]). As such they will not have the support of the majority of the society.

[Olczyk] A fear for the fate of your own, small party speaks through you.

[Bugaj] Not really, because we got a 3.5-percent support in a public opinion poll one month after establishing our party, even though we did not manage to do anything yet. Even the name of the caucus was not changed yet. Only some miracle could prevent us from meeting the 5-percent requirement.

In fact, what speaks through me is a conviction that democracy exists when the parliament is representative, within reasonable limits at least.

The electoral law will enforce the creation of coalitions, but they will be amorphous. How can this be any other way? They will fall apart immediately after elections. Please recall the last Sejm’s term. At that time, practically only five parties were elected to Sejm. But at the end of the term the Assembly of Seniors was composed of 16 parties—as many as today.

If politicians talk about the need to consolidate in the parliament, they should be logical and unite. But they try to do it differently. They propose—and I don’t hesitate to use this graphic phrase—a political swindle, instead of a normal process of building a political scene.

[Olczyk] You said in the beginning that it will take time before negative associations evoked by the word “socialism” could be overcome. Can you perhaps try to speculate about conditions which have to arise in order for that to happen? After all, we all are craving for a model of a social state, the Swedish design being the best.

[Bugaj] The Swedes have moved a little bit too far, having established the guardianship-like control over their citizens in some areas. However, it is without doubt that it is pleasant to live in Sweden, although some
people say that it is a boring life. But the fact that we could live a boring life is not our major concern.

But going back to Polish socialism, what we need first of all is time to overcome negative stereotypes. Many issues have been clarified already. The people have learned that there is no gentle capitalism, and this is a very important experience, not only for the hired work force and farmers, but also for politicians and entrepreneurs.

The second condition is people's involvement (at least some) in what is taking place on the political scene. Political parties have promised many things during the election campaign, but they have not delivered on most of those promises, thus undermining the society's belief that the ballot means something. A very dangerous phenomenon is the confining of politics only to alienated elites. It has already happened in Poland. Diminishing public participation in successive elections is not an accident. Furthermore, this phenomenon is characterized by the logic of adverse linkage. Some parties figure this—"red necks" do not vote, only people who are somehow content with their plight. So, if we represent them (15-20 percent of the society), that's enough for our purposes. In a situation when 30 percent of society participate in elections and a half of that electorate votes for us, we don't need to worry about the remaining 85 percent, because we have a majority in the parliament anyway." However, this is a logic which at the end will lead to a rebellion. Still, I am an optimist. I think that one can still do in Poland what has to be done. The point is that one cannot enforce an extremely liberal reform.

Division of Powers in Small Constitution

92EP0600B Warsaw RZECZPOS POLITA in Polish
29 Jul p 3

[Article by Jerzy Pilczynski: "Return to Tripartition"]

[Text] After 19 sessions and four months of work, often troubled by the lack of quorum, among other things, the Sejm's Extraordinary Constitutional Commission has finished the draft of so called small constitution last week. The indications are that Sejm will tackle this issue before the parliamentary vacations. The enacting of this bill is a major precondition of further political and systemic reforms in Poland for many politicians and political groupings.

The name "small constitution" is in this case usually misused by journalists because this bill will not substitute entirely the 1952 Constitution, which is still in force. It will substitute some of the latter's provisions, pertaining mostly, although not exclusively, to the relationship between the executive and legislative powers.

The small constitution—if we are to stay with this name—sorts out and defines relations between these powers, which should help to avoid misunderstandings and political crises. The authors of the draft propose that a tri-partition of powers, based on their relative balance, substitute the principle of Sejm's domination. The executive power, that is the cabinet and the president, will be strengthened vis-a-vis the legislative power, which seems to be necessary in the period of systemic transformations.

The most important from this point of view are provisions concerning the procedure of appointing the government, wherein the president's role has been strengthened. At the same time, the council of ministers has had its capabilities expanded, having been granted prerogatives to issue decrees with the power of parliamentary bills. Apart from this, many provisions of the bill clarify the division of labor between the highest state agencies.

Some politicians perceive the eventual enactment of these provisions as a sign that Poland is moving toward the presidential system. That is, for example, how Jaroslaw Kaczynski, PC [Center Alliance], sees it. Kaczynski, having joined in the process of the drafting of the bill at the last moment, attempted to do all in his power to prevent the expansion of the president's prerogatives. According to others, the draft has compromised on the question whether Poland is moving toward a parliamentary-cabinet system or a presidential system. This is the opinion of Jerzy Jaskiernia, SLD [Democratic Left Alliance], for example.

Gamble for the Government

The procedure of appointing the government may appear a little complicated, given the fact that it takes several stages. In the first step, the president appoints a cabinet which has to obtain the support of the absolute majority in Sejm.

If this does not work out, Sejm appoints the prime minister and the cabinet proposed by him if they obtain the absolute majority of votes. If this fails, the president makes the third step—he submits his candidates for the cabinet positions, who in turn have to obtain Sejm's vote of confidence by the way of a simple majority of votes.

If neither this step succeeds, it is Sejm that makes the next attempt to appoint the cabinet, by the way of a simple majority of votes.

If even this does not bring any results, it is the president who has the last word. He can then either dissolve Sejm or appoint the cabinet for the period of six months. If in that time Sejm does not give the vote of confidence to the president-appointed cabinet, or if it does not oust it cabinet by the way of constructive vote of no-confidence, the parliament itself is dissolved.

The prime minister is supposed to ask the president to relieve him of his post when the new Sejm is assembled, when he or his Council of Ministers decide to quit, or when his government does not receive the parliament's vote of confidence.

In addition, Sejm would obtain a new prerogative to recall the government by so called constructive vote of
no confidence, that is, to dismiss the old cabinet by electing a new prime minister, who in turn would take up a mission to create a new cabinet. A motion to take such an action can be put forward by at least 46 deputies and voted on no sooner than seven days after it was made. If the absolute majority of deputies does not support it, it can be resubmitted only after three months, unless at least 115 deputies submit it the second time. If Sejm takes the vote of no confidence while failing to elect a new prime minister, the president dismisses the cabinet or dissolves Sejm.

Sejm can also express its vote of no-confidence toward any particular minister, who is then dismissed by the president. Also the president can change ministers, at the prime minister's request.

### Controlled Decrees

The Extraordinary Commission has rejected the authors' proposal that Sejm work in a session system. By the same token, the idea of the government's issuing bill-like decrees only in between Sejm's sessions has been altered as well. At the end, it was agreed that the government would be able to issue decrees with the bill power on the basis of a separate Sejm bill, adopted by the absolute majority. The bill which would authorize the government to do this, would prescribe the matters to be regulated in this manner and the period in which it could be done. All legislative initiative within thus prescribed subject matter and time framework would belong to the council of ministers. However, that authorization could not include matters of constitutional change, elections of the president, the Sejm, the Senate and territorial self-government, the state budget, citizens' personal and political rights, privileges and duties relating to the work relations and social security, and the ratification of certain international accords.

Thus, decrees issued in this manner would not be controlled by the Sejm.

However, each decree would have to be signed by the president, who could ask the Constitutional Tribunal to examine whether the decree is constitutional or not. The president could refuse to sign the decree and send it back to the Council of Ministers within 14 days.

In justified cases, the Council of Ministers could classify a bill's draft put before Sejm as urgent. In that case, the legislative process would follow an accelerated procedure, prescribed in the Sejm statute. The Speaker could then refuse to put an amendment to an urgent draft to vote, if that amendment had not been submitted first to the proper parliamentary commission.

### Strengthening of the Presidency

The president is described in the draft of the small constitution as the highest representative of the state, elected by the people. The president is the guardian of the Constitution, sovereignty, and security of the state. This means that his duties cannot be limited to purely ceremonial ones. Thus, it is the president's prerogative to oversee foreign and defense policies. The National Security Council is the president's advisory body in the area of national defense. The president is also the commander in chief of the Armed Forces of the Republic of Poland. In agreement with the minister of defense, the president appoints and dismisses the chief of the general staff of the Polish army, and—as requested by the minister—the deputy ministers of defense, commanders of the branches of the Armed Forces, and commanders of the military districts. In the time of war, the president appoints the supreme commander of the Armed Forces. In addition, the president has the power to proclaim martial law or state of emergency on the part or on the whole of Poland's territory, for no longer than three months. During that time, however, neither the Sejm can be dissolved nor the Constitution and the electoral law changed.

An important power in the president's hands is his prerogative to call up the government's sessions, devoted to issues crucial for the country. The president would, as until now, appoint and dismiss the chairman of NBP [Polish National Bank] (by himself) and judges (as suggested by KRS [National Judiciary Council]), apply the presidential pardon, nominate ambassadors, and ratify international treaties, except for the most important ones, which would require Sejm's agreement. The bill would also give the president a right to make addresses which could not be debated by Sejm.

Another significant prerogative bestowed upon the president would be a right to initiate a national referendum, if the Senate agrees.

The most important restriction of the president's actions is the requirement that most of his directives would have to be cosigned by the prime minister or a minister, responsible for their implementation. However, this would not be required in cases when the president calls up Sejm, initiates legislature, signs or refuses to sign a bill or a decree, designates the chairman of the Council of Ministers, appoints the government, appoints and dismisses the chairman of NSA [Supreme Administrative Court], etc. The president himself would not be above the law—he could face the criminal and/or constitutional responsibility for his actions, if that was decided by the two-thirds majority of the National Assembly.

### Parliament's Prerogatives

The authors of the draft claim that the expansion of the government's and the president's powers does not have to amount to the reduction of the parliament's prerogatives.

The draft's chapter on Sejm and Senate contains some new elements. Following the principle that nobody should be the judge in his/her own case, it is the Supreme Court that would decide whether the parliamentary elections or the election of a particular deputy have been valid. The draft emphasizes the sovereign nature of the
parliamentary seat, that is the fact that a deputy represents the whole nation and is not restricted by instructions from his electorate [as published]. Furthermore, the bill introduces the principle of nonholding of certain positions. It prohibits to occupy simultaneously seats in Sejm and in Senate, and to be simultaneously a deputy and a judge of TK [Constitutional Tribunal], TS [State Tribunal], SN [Supreme Court], chairman of NBP or NIK [Supreme Chamber of Control], RPO [Human Rights Ombudsman], an ambassador and/or voivode. On the other hand, it is still acceptable to be simultaneously a deputy and a government minister. Besides, the deputies will have to release their financial status statements.

A notable innovation is a stipulation, according to which Sejm could refuse Senate's legislative corrections by the absolute majority of votes, instead of the two-thirds majority as before. In addition, the question of who is in charge of a draft in the legislative process has been settled—it was agreed that the draft's author can withdraw it before the end of its first reading on the floor.

Last Disparities

The course of work on the draft indicated that some political groupings attempted to boycott it. It appears that members of the government coalition, most likely PSL [Polish Peasant Party] and Solidarity, will be in favor of the constitutional bill. On the other hand, PC, ChD [Christian Democracy], and UFR [Union for Real Politics] will probably oppose many of the draft's proposals. Unclear is the position of KPN [Confederation for an Independent Poland], which has stiffened its stance at the last minute. Also the ZChN [Christian Democratic Union] deputies announced that they would put forward the minority motions only on Sejm's floor. Altogether, the draft is supplemented with 24 minority motions. The most important of them—abolishing of the Senate—has been put forward by KPN. In turn, Jaroslaw Kaczynski has proposed that the small constitution be subjected to the national referendum. Some disparities pertain to the very character of this bill. According to ZChN's proposal, the bill should invalidate the 1952 Constitution as a whole, while upholding some of the latter's provisions. Janusz Korwin-Mikke (UPR) put forward a minority motion as an entirely new draft, which included revolutionary ideas of reducing the number of deputies in Sejm to 120 and the number of senators to 49. It also proposed the establishing of the Council of State as a legislative body. PC members will probably recommend that the president's power be as restricted as possible through the cosignature requirement. The issue of appointing the cabinet will probably be the most controversial. It is worth to point out that in order to overcome these disparities, a two-thirds majority of the votes will be required.
Croatia Seen as 'Troublesome' Neighbor
92BA12688B Ljubljana DELO in Slovene 25 Jul 92 p 15

[Article by Janko Lorenci: “Croatia: A Troublesome Neighbor”]

[Text] We will never devote enough attention to Croatia:
We still have abundant and important trade with it, at
least for the time being; refugees are rolling through it to
us; for a long time to come how much risk there is for
Slovenia will depend on how “Balkan” Croatia is; of
course, we also have a long and somewhat disputed
border with Croatia; and even Croatian priests are
preaching to us.

For a long time now Tudjman has no longer telephoned
Kucan every day. This still does not mean that we will be
at war with Zagreb tomorrow, but at this time Croatia is
certainly our most problematic neighbor. Just a few years
ago, it was completely different. Slovenia was stubbornly
pulling out of Yugoslavia, with Croatia at its side, the
states had a common enemy, and their friendship, some-
times a little euphoric, especially on the Croatian side,
seemed eternal. Then came the wars, the short Slovene
one and the long Croatian one. The states did not help
each other, some criticisms immediately arose from this,
and at that time the differences between them also began
to be clearly displayed. Now the positions of Slovenia
and Croatia are already fundamentally, and in some
cases even dramatically, different—and this is also a
depth cause of mutual friction. Their status, interests,
and priorities are in many respects objectively on different
banks of the Kolpa, literally and metaphorically.

To put it very briefly, Croatia is still half at war, part of
its territory is occupied, and Croatia itself has virtually
annexed part of Bosnia; it thus remains deeply entangled
with the crisis of the former Yugoslavia; its international
position is difficult and it is even threatened by sanc-
tions; economically it is in its death throes; and its
political life is autocratically shaped by Tudjman and the
zealots in the HDZ [Croatian Democratic Community].
The state, in short, is in a crisis for which no end and no
way out can be seen.

Slovenia is a little or else fundamentally better off on
each of these points: It is living in peace and without
a danger of war; even in foreign eyes it has finally detached
itself from “Yugoslavia” and Croatia; its democracy as
such is solid, even though a considerable part of its
political elite has such a very narrow party outlook that it
is actually harmful to the great postcommunist chaos.
Because of the political blockades occurring in particular
on the parliamentary ship of fools, the economic situa-
tion is also worse than it could be. The government,
headed by the classic technocrat Drnovsek, will conse-
sequently have a hard time in carrying out, in half a year,
the elementary economic therapy that any government
would have to carry out, regardless of its political color.
In any case, the Slovene economy, in spite of all this, is
fundamentally healthier than Croatia’s.

These mostly objective differences are also accompanied by
additional ones of a psychological nature, which accentuate
the real differences. In our relationship with Zagreb, this
means that in the characteristic mixture of superiority and
inferiority complexes that Croatia nurtures toward Slovenia
(this mixture is characteristic of the mutual relationships
of all the former Yugoslav partners), the euphoria from the
times of the Slovene-Croatian alliance, in the present period
of competition, has turned into its opposite—just as every-
thing Slovene was once good a priori, now it is bad a priori.
This image is being spread by the Croatian media, which are
commanded from the top of the pyramid of authority, like
everything else in Croatia, by Tudjman, who has completely
cooled toward Slovenia. His sympathies or antipathies are
an important component of Croatian foreign policy. If we
also add to this the preelection fever, the frequent Croatian
irrationality is somewhat more understandable.

The long list of unresolved issues between the states is thus
being extended further, at best. In spite of individual
spectacular disputes, the core of the friction is nevertheless
in economic (non)cooperation. An objective contradiction
also separates the states in this regard: Their economies are
more competitive than complementary. War and the lack of
reforms have made the already weaker Croatian economy
even more inferior. Zagreb has reacted with a characteristi-
crefex—it is closing itself off. And since relations are fal-
tering so much at this central point, clearly everything is
going wrong at other points as well.

Ill-will is growing on both sides, and there have already been
several slaps in the face. Each side is trying to play its own
trump cards. Croatia thinks that its strength lies primarily in
the fact that we are so tied to its market, and because it can
create difficulties for us at sea (the border, fishing), with the
refugees, and finally, also with its strong emigrant commu-
nity in Slovenia. This trump (that they can all turn to
Zagreb) is given particular strength by Croatia’s attitude, the
attitude of a self-righteous desperate person who acts
according to the logic: We are at war, we are in mortal
danger, the whole world has left us in the lurch, we must do
everything that we can to survive.

To a certain extent this is even true: Croatia can even be
treachery toward Serbia and possibly others with a
clear conscience, since in its opinion not only broken
words but also bombs have fallen. On the whole, how-
ever, Slovenia has had a thoroughly correct attitude
toward it. Consequently, Croatia cannot act toward it
from some sort of moral pedestal that is supposed to
justify everything. This undertone can be perceived, and
perhaps Croatia could even have helped itself with it—if
it had helped us in the war, at least morally. Not us.

Politics is mostly not a matter of morals, but in our
relationship with Croatia it is obviously good to clear up
these elusive and usually unspoken things because they are
part of the mutual political game and also a component of
the attitude of the masses of people on both sides of the
border, and they can quickly become a political issue and an
object of manipulation. Even beyond these elusive aspects,
however, the neighbors are becoming more and more entan-
gled in completely concrete disputes, and the distrust
between them is being intensified. The latest moves were made by Slovenia with the introduction of “counterduties” and Rupeľ's statement about the Croatian role in Bosnia. Both were measured reactions—partly a retaliation and partly a warning that we would not continue to turn the other cheek, since if anything it is precisely in our relationship with Croatia that it is clear that modern-day Christs only receive a third slap in the face. The Croats were told in parentheses that Slovenia also had other and stronger trumps in store (transportation links with the West, and so forth). Will the Croats now become more cooperative? Will they “go crazy”? Has Slovenia's conduct to date been the right mixture of hard and soft measures? One of the main difficulties is that goodwill alone on both sides is not enough for harmonious relations, precisely because the position of both states is so very different and because they are probably even moving further apart. The Kolpa may become as broad as the sea. Croatia, for instance, may decline economically so much that it will not be of interest for any sort of cooperation. Even more ominous possibilities are indicated: General frustration and distress may lead Croatia from its present authoritarianism to the complete collapse of democracy. All this is not necessary, but it is also not impossible. Obviously, Slovenia cannot have a decisive influence upon internal developments in Croatia, either for better or for worse. Its interest in having Croatia do as well as possible and in having mutual relations as good as possible, however, is clear. This is not just empty talk. It will be very bad, for example, if Croatia remains part of the savage Balkans and we thus remain a buffer zone instead of it. It will be even worse if it is a totalitarian and outwardly aggressive state, since then we will also have to have a strong army, but that is expensive and shifts can arise from this that cause internal wars even if there is peace on the borders.

Assistant Minister of Defense Interviewed
92BA1268A Ljubljana INFORMACIJE IZ SLOVENIJE in Slovenia 17 Jul 92 pp 15-16

[Interview with Marjan Fekonja, head of the Slovene Republic's Center for Strategic Studies and assistant minister of defense, by Adriana Dvorsak; place and date not given: “The Balkans Will Not Be Peaceful for Two More Generations”]

[Text] [Dvorsak] Do the present mechanisms for ensuring peace—the system of a balance of power and the system of collective security—arouse confidence in a peaceful international environment?

[Fekonja] I think that the balance in the bipolar world, which ensured a certain degree of security and a balance of fear, has been disrupted. A new imbalance, unipolarity, has been established. The United States intends to keep the role of world gendarme, although new dimensions are appearing in world security, primarily involving the emerging European security.

One of the tests of the functionality of the European security system, in which the (in)effectiveness of the European security system has been demonstrated, is the Yugoslav crisis. The existing European security system still does not have instruments and mechanisms for mediation, although the Europeans are seriously planning, by 1995, special units of the European Union that would be capable of intervening de facto and de jure in Europe and other parts of the world and “substituting”for NATO, since NATO at this time is the only one capable of intervening militarily and establishing a situation in accordance with its own interests.

It is quite certainly also in America's interest to promote the opinion that America is in control of the security situation. We in the Balkans are also a sacrificial lamb in the promotion of this interest, since the Americans wanted to prove to Europe that it was not capable of settling the crisis in the former Yugoslavia by itself and that it needed their help. Europe, in contrast to this, is aware that in addition to economic and political independence it also needs "its own armed forces," and that it has to control processes in East Europe and the Balkans if it wants to be an equal partner with the United States. We also have to participate in this while there is still time.

The world will be "secure" only when ecological and other problems force man to deal with the issues of his own existence, but as far as the Balkans are concerned I think that the situation in our immediate environment will not be completely calmed down either theoretically or in practice for another two generations. From a long-term point of view, Europe and the world community will win, and Serbia will have to recognize international rules and thus change its policy in Sandzak, Vojvodina, and Kosovo, and its attitude toward neighboring states.

[Dvorsak] What are the programs and means by which the Slovene Defense Ministry will guarantee national security in that environment?

[Fekonja] Just as in several more developed states, we experts at the Defense Ministry's Center for Strategic Studies, along with other experts, prepared a comprehensive national security plan back in January 1991, i.e., even before the June war. The Assembly has not yet even discussed that national security plan, although we are already building both a defense system and a security system. History is repeating itself for us. We have established the defense and security systems and tested them in practice, before we adopted an institutional framework for them. The Defense Ministry can only provide expert proposals and advice on how and by what means we can guarantee national security. That is what we did with the above-mentioned national security plan, and the Presidency of the Republic of Slovenia, on that basis, adopted starting-points for the Republic of Slovenia's national security plan. The Assembly, however, will adopt the plan and the strategy for defense and protection.

[Dvorsak] What sort of foreign policy do the starting-points for national security correspond to?

[Fekonja] The following would come into consideration: armed neutrality, demilitarization, or inclusion in NATO. The last possibility is not realistic, since NATO does not intend to include all the East European and other new states. If it did, the system would become
ineffective. Demilitarization is unreasonable, if we interpret it as the unilateral disarmament of Slovenia, but if it involves gradual disarmament in the international community, it is naturally acceptable. Gradual demilitarization is a fact that is also being fulfilled in Slovenia: the Yugoslav Army's departure and the reduction in the size of Territorial Defense. Europe will accept as its members that are supposed to guarantee the European security system those states that know how to take care of themselves, and in this regard are also capable of helping economically, politically, and militarily to guarantee others' security as well. It will not accept those who only ask that their security be guaranteed, since this is not cheap. We will probably not be a fundamental element in the European security system; we are of interest to Europe because for a long time to come we will play the role of a European military borderland facing the turbulent Balkans.

[Dvorsak] Where would the Defense Ministry's expenditures optimally stop?

[Fekonja] Before 1990, Slovenia annually contributed $800 million for the JNA [Yugoslav People's Army], and the demand for 1991, when independence had already been declared, was over $1.2 billion. After the war the Defense Ministry sent the Assembly a request for approximately $200 million from the state budget, approximately 4.2 percent of the national income, for establishing the defense system. We received two-thirds of what was requested.

For the sake of comparison, Austria annually spends 1.1 percent of the national income to maintain its defense and security mechanism, but the amount of money is $1.5 billion. It is questionable whether we will be able to conduct basic military training, which is the basic task of the Defense Ministry. We cannot even dream of being able to protect Slovenia's air space. A state, however, is sovereign when it can protect that sovereignty. We would need at least $600 million for the construction and functional establishment of the defense security system; this is a professional and not a political estimate of the costs. For this reason we also cannot assume responsibility if the Slovene security system, in case of necessity, does not fulfill all its tasks, since we cannot oppose certain types of threats, such as a danger from the air, for example.

[Dvorsak] What sort of institutional linkage among the president of the Republic, the Defense and Foreign Ministries, the intelligence services, and parliament seems appropriate to you in view of the political culture and the necessary effectiveness of the defense mechanisms?

[Fekonja] We Slovenes need a security culture, which cannot be acquired by decree. In other areas, for example the protection of language and culture, we have a developed defensive tradition, but we have nurtured national security too little.

The institutional links between politics and the army have been established in accordance with the principles of parliamentary democracy. At the highest level, parliament or the state assembly, as a collective body, and the state president, as an individual body, make the decisions. The latter also commands the armed forces, to which he consequently gives corresponding legitimacy. In my opinion, the president should have a national security council as an advisory body for important decisions in the area of national security (the Constitution also provides for this possibility). Some states already have such bodies, and they usually include the defense, foreign, and interior ministers, individual ministers from the economic ministries, the president's national security adviser, or other prominent experts in this area.

The politically adopted decisions in parliament, the government, etc., are implemented by two professional bodies: the Defense Ministry, and, when exclusively military issues in the professional sense are involved, this ministry's professional body—the Republic Territorial Defense Headquarters. Individual tasks or political decisions are also carried out by other bodies and institutions. With respect to political issues, joint decisions are made by the defense minister and his two deputies, who are elected in the Assembly. The Republic Administration for Protection and Rescue, which is likewise a government body, has special status.

Also operating within the framework of the Defense Ministry is the military security service, whose powers are precisely defined in the Constitution and limited exclusively to the army and soldiers. This service does not have any powers over "ordinary" citizens of Slovenia, and its work is under constant oversight by a special authorized parliamentary commission, and above all the minister himself, since any violation or transgression of authority will cause the suspension of an individual who violates the principle of the secrecy of personal information, letters, telephone conversations, etc.

[Dvorsak] What sort of cooperation with military alliances and international organizations is sensible for Slovenia in the future?

[Fekonja] The European euphoria will probably not be eternal. There are two relevant defense policies: one within the framework of NATO and the other within the framework of the CSCE. The position of the members of the WEU does not intend to expand in the future, since it could not guarantee the security of all its members. There are consequently no prospects for Slovenia in moving closer to NATO. If the process of the consolidation of European security within the CSCE succeeds, the WEU will mobilize its own European armed forces. Their emergence is being accelerated by the events in the Balkans, but those are not the worst thing that can happen in Europe. Similar things can also happen in East Europe. Objective standards require Europe-wide cooperation within the WEU; its exclusivism would cause new antagonisms in Europe. The position of the members of the WEU will be in accordance with their obligations and the share of the funds that they contribute. The poor ones who will not be able to pay for their own security will quite certainly not be able to participate in the European security system.