

THE GOVERNMENT OF ROMANIA



COUNCIL
FOR REFORM,
PUBLIC
RELATIONS
AND INFORMATION

BULLETIN

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No. 1

THE GOVERNMENT
OF ROMANIA

COUNCIL
FOR REFORM,
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THE DEPARTMENT
FOR MASS-MEDIA

BULETIN

DOCUMENTS
OPINIONS
NOTES

BUCHAREST
September 25, 1990
TELEPHONE : 14 07 21
TELEFAX : 59 35 06

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DECLARATION-PROGRAMME OF THE GOVERNMENT, PRESENTED TO THE PARLIAMENT BY PRIME MINISTER PETRE ROMAN

At this time of all-out radical changes in Romanian society, it is appropriate for the Government that is going to receive your confirmation to pass its exam of responsibility by setting forth the programme which will pave the way for such changes.

In view of the democratic circumstances which have led to my designation as Prime-Minister, as representative of the Parliamentary majority, established as a result of free elections, the Declaration-Programme which I am setting forth now outlines the fundamental ideas of the programme of that majority. At the same time, in full accordance with the address of the President of Romania asserting as a point of principle the need for recognizing and promoting value and creative intelligence, the Declaration-Programme of the Government expresses the will of the nation for a better life, to be implemented by those proposed to be members of the Government for whom competence, determination and honesty are to be the basic criteria.

The Government's operational field of activity is socio-economic reality, which is one whole, perceived as such by the entire society.

This whole becomes a coherent system after the boundaries of its various component activities have been traced, in accordance with the fundamental guideline imposed by a democratically expressed will. Thus, the guidelines promoted by the proposed Government have as their fundamental aim setting up a

structure of economic producers, free of any State administrative and tutelage bonds, yet observing legal and financial rules which express the public interest in the State.

The boundaries I have mentioned refer both to the relation of the economic, social and cultural process with the whole system and, particularly, to the adjacent processes and, also, to its duration.

Both relation and duration can change and when an economic system undergoes a drastic transition, as is our case, the change is all the more obvious. That is why, tracing the boundaries of the sectors making up the Governmental system reflects and prefigures the economic stage to be attained, that is a modern market-oriented economy, in consonance with the main technological requirements and the living standards of the advanced European states.

Then, monitoring economic, social and cultural processes and setting up sector boundaries as part of Government activity consist in fact of knowing and mastering the elements crossing the frontier both ways : inputs and outputs. We have focussed our attention a lot on this matter. Its settlement shows that the new Government can fulfil its mission by relating all these connections to one another, based on joint thinking. The number of inputs outputs of each ministry is drastically reduced practically several times over, because centralized coordination disappears in theory and practice in favour of ordering by the diffusion of social demands.

The Government structure we are now suggesting is essentially the first radical step on the way towards reform. It is a highly simplified structure, as the number of ministries and similar institutions has been cut down to one third, as compared to the situation in the past.

The State apparatus will comprise only decision-making persons involved in economic guidance and law enforcement.

There will be no more conveying factors which minimize responsibilities and pervert decisions. The running of the State machinery is based on law.

It is essential that the structural change of the State apparatus should, through its implementation, become irreversible.

The centralized State system which worked for such a long time, certainly acquired some resilience : but for a coherent and permanent decentralization drive, it could get back to life. The present State apparatus should also understand that its thorough reform does not necessarily imply ousting its members from the social and economic life. It merely means the acceptance as a present social principle of the old and well-known saying : "New times require new people".

The Government structure starts from the fundamental idea that its essential task is to ensure a historical transition of unparallelled dimension, first of all in the economic field, that is the transition from a supercentralized economy to a market economy.

The main task of the Government's Declaration-Programme is to ensure that, even during the period of transition to a market-oriented economy, for which the next two years be decisive and which, of course, has its own economic and social costs, the deep economic crisis inherited from the previous regime should be done away with, while securing the protection of the most exposed social strata.

Being faced with this task, we cannot be demagogues, as we have not been so far, either. We are confronted with huge economic difficulties. We have to overcome a deep structural crisis.

The most difficult period in this transition will obviously be the next given the need for breaking up the economic, legislative and bureaucratic structures, for eliminating the mentalities and habits accumulated during so many years of dictatorship. We are optimistic, for one can envisage the progress of the people if the structures are fundamentally changed, and if these changes are perceived in the establishment of democratic institutions. We are also optimistic as we plan to govern the transition with young people, which does not only mean nominating young people with no connection with the old apparatus as members of the Government, but also having this Government inspired by the youth's aspirations.

The introduction of market economy principles, especially at its initial and decisive stage, is implemented in a medium impregnated with the old system's inertia.

The liquidation of this system, therefore, requires a genuine *managerial revolution,* the provision of the requisites for the selection, assertion and promotion of a new generation of specialists with genuine professional competence, trained to act efficiently in market economy conditions. The transformation of the economy is a process with a markedly cultural dimension ; we therefore give priority to using the competence of scientists, researchers, professors and, generally speaking, of specialists, without which inertia and conservative thinking will not be defeated.

That is why, while drawing up the working system of the new ministries, we should identify ways and a flexible framework enabling the systematic participation of intellectuals, of the best qualified specialists and experts, irrespective of their work place, alongside with the ministries' own staff (which, anyway, should also be based on competence criteria). It is only in this way that the new functions which are essential in the working of the new ministries can be fulfilled.

But, the responsibility for the Romanian social values in which priority is given to the human potential, rules out any attitude of superiority coming from atemporal intellectual circles and necesarily implies the unreserved use of the outstanding intellectual resources at our disposal, in cooperation with the country's social base.

The undertaking is equally an essential and crucial task of the Government, which aims to make full use of intellectual values and place them in the forefront of the nation.

Ladies and Gentlemen, Members of Parliament,

Some references to the first *post-communist* governing period are necessary to point out not as much the improvement, as rather the state of confrontation with the preexistent fundamental drawbacks as well as with those that have appeared since the Revolution.

We have taken over an economy in deep crisis, with the task to administrate in order not to maintain, but to substantially raise the living standards. Despite all difficulties the results of

the past 150 days' activity have been clearly favourable to the population, as a result of the Revolution, moving sometimes at a very quick pace.

On the other hand, during the last 5 months, there has been no serious analysis in the economy of the difficulties and peculiarities of each enterprise in the ensuing transition. The administrative boards have been mostly interested in avoiding internal tensions, not in preparing the enterprise for the change. Scared and hesitant, a number of enterprises have even taken some steps backward : they have diminished production quotas, paid higher wages while the material output was inferior to that of the last year ; costs have increased and, generally speaking, the output effciency has decreased. These enterprises are not prepared for a market economy and are going to take longer to reach that stage.

At present, in dozens of letters received daily, solutions are requested from the Government itself ; at one point an enterprise with its output left unsold organized a rally demanding to be told what to manufcture ; others send cables, threatening to strike against decisions made or demanding new rights, while completely ignoring their own economic results. All this proves a wrong understanding of the Government's role during this period.

The Government cannot give specific solutions, nor does it plan to do that. *What it has to do is to establish the target to be reached and the legal framework.* The time and success of the action depends upon the efficiency and the skill of the administrative boards.

Unable managers, bent on compromises, shall be replaced by Government decision in the next period, even several times if need be, until people with initiative, courage and competence are found.

In view of the huge responsibilities incumbent upon administrative boards, the Government is ready to grant them large powers, and eliminate a fundamental drawback of the past, that is the imbalance between responsibility and power, but will not subsidize any liabilities deriving from incompetence.

The functioning of the Romanian economy during these months has spontaneously and naturally included factors which are not taken into account in a sound economy : I mean the workers' weariness accumulated in the last years of the dictatorship and the very advanced stage of wear of the production tools.

This tantalizing period han been protracted so excessively, that the crisis inherited at the time of the Revolution tends to worsen along a line which can make our economy impossible to compare with any other economic model : the deterioration of labour ethics.

"We must not mix up what flows with what stays", said Nicolae Georgescu-Roegen, in the economic sense of not mixing up the flow with the capital. The capital is, even in its present precarious situation, the leverage, while the flow exists only as a result of the movement generated by economic agents. Over the last months we have witnessed a weakening, a dillution, and sometimes a disorganization of the flow, although the capital has been strengthened as enterprises have been provided with more capital.

This economic deterioration is a result of both the weakness of the managing activity from Government to enterprise level and of the lack of interest which many workers have shown with respect to the result of their work.

Regarding the inefficiency of some otherwise well conceived Governmental decisions, one can rightly note that, in a compact centralized system, the chances to carry out some free initiatives and set up some market mechanisms have been comparable to making a pearl necklace with pebbles.

The understanding of the fact that products exist only if they are manufactured, does not seem to be permanent in the mind of all the members of this society. The life of a society's members implies the production of the means of subsistence. It is crucial for the resettlement of Romanian economy that it be oriented primarily toward that production, directly linked with life itself. This radical assertion clearly has an economic foundation : when the demand for certain products is big enough, as is the case of consummer goods, then the principal productive

factors are fully and uninterruptedly used. The way Romanian light industry (textile industry) has functioned during the last 10—15 years provides a telling example in this respect.

On the other hand, we have been able to resort to certain external financing sources, based on existing reserves, some of which have proven well chosen, while others have not.

We can say now that the provisional Government has won the bet as far as agriculture is concerned.

Farmers have been provided with most of what they needed and their response was remarkably prompt and higly professional to the vast openings operated in the agricultural structures. In a way it is somewhat unexpected to speak about professionalism in agriculture and not in industry. However this is the state of affairs at this point.

By comparison, the totally unjustified and untenable decrease of labour productivity in certain sectors (mining, machine-building, constructions, light industry) has created the prerequisites for serious imbalances in the functioning of the economy and for increasing pressures on imports.

A halt in the divergent movements of production and productivity, on the one hand, and of salaries, on the other hand, is a vital necessity ; such movements could lead to an uncontrollable collapse of the economic mechanism. In such a situation, all we have achieved could vanish into thin air ; we would reach a point of negative growth from which the capitalization of human resources and of the technological potential, their mere utilization could no longer be possible.

In this field we ought to avoid several possible „traps" :

a) the transfer of the costs for the inherited economic crisis resorbtion into the very account of transition costs, while the transition to a market economy is the only way out of the crisis ;

b) the concealment of the real challenges of the initial stage of transition by debating the mistakes made either in the elaboration of governmental projects, or in their implementation. Undoubtedly, such mistakes, as international practice proves, are rather pressing realities and we wish to draw on the experiences of other countries. We also hope that the existence of a powerful

legislative body, of a constructive opposition, the participation of all experts and managers alongside the social base in this undertaking will minimize the risks of the above-mentioned mistakes. When we proceed from the assumption that the elaboration of programmes and their implementation takes place in "perfect conditions" (a methodological procedure widely applied in economics), then we have real opportunity to perceive the dramatic dimension of the real challenges facing us. I would like to give just one example : we have inherited some 380 billion lei invested in on-going works that would require some other 450 billion lei for their final implementation, representing the country's potential for investments for the next two years — and all this would be used to finalize works many of which were conceived, from the very beginning, in an uneconomical manner. This is only part of the problem, but it reflects the nature of the tensions bearing on our national economy at present.

Ladies and gentlemen, distinguished parlamentarians,

The highly centralized and collectivist economy has brought to the fore an irrefutable truth : that the productive function, or the manner in which material inputs are converted into products, does not show what the system *does* but rather, in the best case, what it *could do*. Actually it is only competent persons directly involved in the performance of this function that can fathom the possibilities and the needs of enterprises.

Management-marketing means first of all correlation between labour and its results, and the social demands expressed through the market mechanism. In this manner, if the labour done by workers at the productive level does not result in commercial profits obtained through the marketing of goods, the causes of failure can be identified, and these can be multiple : obsolete technology or over-used equipment, low labour productivity as a result of inappropriate training of the workers, lack of technological or managerial expertise of the managers, poor quality supplies, insufficient marketing, etc.

The exclusive management of the economy by the State has proven to be a failure in all societies, and in all regions of the world.

The argument advanced by the collectivist-socialist economy according to which the interests of society, and its progress can be rigourously planned, and lead to "wonderful" internal balances, cannot stand a thorough analysis in economic terms. Such an analysis shows, unfortunately, after a much too long disastrous experience, the fact that the main driving force of the economy, namely economic agents and operators, loses its identity ; they are subordinated to a game of wishes and arbitrariness, superposed on, and alien to, the existing realities, and, consequently, completely subjective.

Any theoretical debate concerning the degree of intervention by the State in regulating the economy must draw a definite line between the promotion of collective interests through State policies, and the State's interference in the functioning of the economic mechanism.

Arguments have also been brought to prove the fact that centrally-planned economy ultimately aims at eliminating losses. We all know now how illusive this immage has proven.

If the consummer theory has some fundamental flaws, such as : ignoring the limited nature of natural resources and of the environment's capacity from an enthropic point of view, the theory of planned and fair distribution of income based on social considerations has led us to a society of generalized poverty, and to an unprecedented waste of natural resources. The temptation of administrative intervention beyond any public control has always prevailed over an objective, or at least, common-sense analysis. A democratic state and government should not be allowed to remedy their own mistakes without accounting for them.

The distribution of important public funds among various economic and social sectors, in the name of securing collective welfare, but subject to no democratic control, has been definitely condemned by the unassailable laws of economics.

The whole state bureaucracy, fostered by the chimeras of centralized planning and supported by the machinery of the single-party political monopoly has responded in a tentacular manner to economic failures by increasing centralization even more and by its control over economic agents.

A high official of planning autocracy in Romania, said not long ago that the provisional Government (established after the December Revolution) managed to create in five months a much more serious state of disarray in Romanian economy than ceaușescu's dictatorship during the last twenty years.

We would have been happy to have succeeded in dismantling more profoundly all the sides of economic centralization ; the obstacles to an all-out economic reform have mainly been the obstructing actions or reactions of these inertial forces existing in the State Bureaucracy. Nonetheless, numerous high or middle-level officials have lent their support to the new policy unequivocally promoted by the Government since early January this year. The main actors asserting themselves have been the young well-educated professionals trained in the 60's : engineers, economists, lawyers, architects and doctors. Genuine emulation has operated among the younger generation, people that were not and are not attached, either ideologically or professionally, to the former political and economic structures.

They are the ones called upon these days to assume the responsibility of management, at all levels, in the extremely difficult period lying ahead of us, one of radical reform in the Romanian economy.

I have referred at some length to the economic crisis inherited also in order to emphasize the fact that the resorbtion thereof will be a long process accompanying the transition period ; it will present manifestations probably of various intesities that may even assume explosive forms if related out of control to some of the costs inherent to the transition itself.

On the other hand, having investigated the nature of the crisis, we draw the following basic conclusion : any solution, in some way or another, staking on the return to the mechanism of overcentralized planning will prove short-lived and reactionary ; the dismantling of overcentralization introduced into the Romanian economy mainly during the last years of the dictatorship — an aberration unheard of in modern times — and the passage to the market economy are the only solution in order

to overcome the crisis, to create economic, technological, scientific, social, and other structures able to meet the requirements of modern civilisation.

And lastly, we should be very clear about the fact that it is not the dismantlement of the apparatus that has so far supported the hypercentralized planning and the administrative management of the national economy that will create the danger for deepening the crisis. On the contrary, as was proved by practice in our country and in other countries of totalitarian socialism, solutions of partial adjustments and cosmetic operation of the old structures will cause the aggravation of the crisis.

Ladies and gentlemen,

From the present state of the economy we can get out only through a radical reform, implemented by rapid steps, meeting the legitimate expectations of the people. The objectives of the Government in this field are not linked to the duration of ist mandate, but to Romanian reality, to the fact that we find ourselves in a notable retardation in restructuring the economy, in comparison with countries that inaugurated this process during the last decade.

We cannot really accede to the status of European country without placing ourselves in the fundamental trend of the Continent ; nor will we reach a high level of social wellbeing without mobilizing the forces of the change ; the enterprising spirit, competition, free initiative and privatization.

More specifically, if given the necessary assistance, the Government intends to submit to the Parliament, within a short period of 18 to 24 months at the most, a package of legislative measures aimed at actually creating conditions for businesses in a market economy context.

The virtues of the market economy need no to be proved otherwise than through action, initiative and work ; these are the elements that can alone replace the present egalitarism of low incomes, the inefficiency and falsity of the economic lucrativeness with individual wellbeing and enterprise profit.

We cherish no illusions with respect to inertia, nor can we ignore simple truths, namely that overcoming the deep crisis does not ask for measures fighting its effects ; it asks for changes

of structure — both of production, consumption, and of institutional links and powers ; it constitutes the most radical transition ever undergone in Romania ; when transiting from hypercentralization to market economy shocks cannot be avoided ; transition implies social costs and hence the social protection of wide groups of the society is for the Government a task as important as the reform itself is.

By assuming this responsability, the Government requests the Parliament and the electorate to share its point of view according to which the economic reform and its success depend on social tranquillity and participation. Under these circumstances, we insist that a moratorium of six months be accepted as regards the Trade Union's requests for higher wages and better working conditions, in exchange of a Government undertaking to introduce compensatory measures for those elements of reform which might affect incomes and labour conditions.

As a mater of principle, the intention of the reform is to place the settlement of such kinds of grievances at enterprise level, while the enterprise is excepted to solve them in direct relation with its actual benefits, on the basis of the decision-making autonomy they have been granted. Under the system of free functioning of enterprises the Government has neither the possibilities nor the resources to grant money rights. Obviously, before reaching requests of that kind, it should be equally understood by everybody that each and every work place is itself subject to the same transition : either to a new work place or to a new technological set-up.

A structural change and even a change brought about by the technological and information evolution presupposes a permanent mutation in the situation of all social groups.

Who benefits from a factory that works and produces at a given technological level with a larger number of employees that necessary ?

Not society.

Nor even those involved, because their situation generates grievances in labour relations. And a financial solution to these is impossible as long as the profit is diminished by exagerated wage expenses and underused work force.

By placing the enterprise at the center of economic activity with its freedom of organization, autonomous decision-making in production profit, investments, occupancy and payment of the work force, prices etc., a new system of connection with the market is created, one eliminating for good the anachronic and antieconomic tutelage by ministries. In its relations with the enterprises, the state itself will act as an economic agent through the state system of orders launched by the manufacturer on tender, for the state is itself guided by the same principle of lucrativeness.

The present connection between economic sectors and branches based on alloting resources at centralised level without direct contractual specialization among enterprises, created through a stable, strictly commercial supplyer-user relation inevitably leads to grave imbalances in the autonomous functioning of enterprises. Thus the commercial-industrial personality of enterprises is completely distorted. Next, the enterprises' own achievements (by their own financial administration) with its balance-sheet at present directed towards the State that swallows without discrimination, and not towards those entitled by a financially motivated participation, does not reflect their own financial administration ; more often that not, it hides the technological or managerial, sectorial or overall weaknesses of enterprises.

The transition to market economy implies the adoption of a number of measures aiming at setting up all its components and ensuring their proper functioning, namely the capital market the work force market, the investment goods market, raw materials, intermediary products and consummer goods, as well as the financial markets. In this framework, a wide scope should be created for economic competition.

Starting with this very Parliament session, the Government will promote a first package of bills meant to lay the basis for a different economic mechanism, in consonance with the requirement of a real support given to political democracy by economic democracy.

As the fundamental prerequisite for the transition to market economy is represented by the autonomous decision-making of

the economic agents directly connected with the form of ownership, the setting up and promotion of the market economy mechanisms demand **the gradual shrinking of activities in the public sector.** Public sector activities will be limited to such areas of general interest as : underground resources, the energy system, part of the land and some agricultural activities, waters, forests, the basic transportation system, the production and infrastructure related to national defence.

With respect to small trading, servicing, industrial and other such units, privatization can be attained rapidly and in large proportions through selling (and including credits granted in advantageous terms for buying them). As a subsidiary and altermative form, the concession and lease system can also be used.

One of the essential ideas of the economic reform we are endorsing at present is that the State should give up, to the greatest possible extent, its position as owner and manager, and become a creditor. Practically, all the economic activities, more precisely all the activities of producing and selling goods and services, will be carried out by commercial companies, with state-owned capital in certain cases and by autonomous companies, all of them full owners of their assets. The State will acquire dividends and will levy taxes in its capacity as tax agent. In this respect, we will produce a real legislative shock meant to establish, in the shortest possible time, the legal and institutional framework within which free enterprisers (natural and juristic persons of Romanian or foreign origin) will decide by themselves the time, sector and volume of their investments.

In the next stage the Government will have to start re-organizing the economic public sector by turning the present State enterprises, which are mostly administrative entities, working on the principle of bureaucratic centralism, into commercial companies or autonomous enterprises, i.e. into real economic agents.

The action of getting the public sector ready for privatization requires the reevaluation of the assets of existing enterprises, their funds being now recorded at the level of purchasing prices. By doing this, one must avoid both the danger of underevaluating

these funds (which would be detrimental to the State), and overestimating them (which may discourage the private businessmen).

In order to have economic units turn from the State sector to the private one, a number of legislative, organizational, financial and other measures are necessary to ensure :

— the training of the managing personnel and businessmen so that they can get acquainted with the rules governing the activities of trade companies in a market economy environment;

— an open conception of market economy and understanding by the population of the role and consequences of privatization ;

— the creation of financing resources for the Romanian businessmen wishing to participate in the expansion of the private economic sector ;

— the setting up of institutions (Development Bank, consulting companies a.s.o.) meant to support the establishment of private economic units, with due consideration being given to market realities ;

— the setting up of specialized institutions (stockmarkets) aiming at establishing the value-level of shares ;

— the adoption of a legislation able to prevent unfair competition or excessive concentration of capital meant to force and limit competition ;

— the adoption of an appropiate legislation — particularly the Trade Code and the bankruptcy Law to make up the general framework of the organization and functioning of all economic agents in Romania.

Speaking of privatization, it is of utmost importance to understand the exact meaning of this process. So, on the one hand, one should underline the advantages of privatization both for the profitability and viability of enterprises and for the workers' incomes in those units, including the advantages resulting from the higher motivation of the enterprises, managers and workers. That is why the Government plans to withdraw from the activity of directly guiding economic units, not out of an easy state of mind, but because it is confident that private initiative will guarantee the dynamism, determination and efficiency

of economic measures. In this context, the Government proposes that the employees of an enterprise should be the first to have the right to decide whether they want to purchase shares of the respective enterprise — that is the right of being the first to turn down the chance. The possibility that 30—50 percent of the present state-owned property be privatized will be analysed as well.

On the other hand, the regular transfer of state-owned property to private units and the creation **ex novo** of a private sector in economy are not, and cannot, be treated as magic solutions to solve the problems of Romanian economy. The process of privatization is only a means, which, when firmly and wisely used, paves the way, alongside other means, towards the transition to the market economy and towards overcoming the systemic crisis inherited from the former regime.

Privatization also implies the autonomy of economic agents. Irrespective of what it turns out, **an enterprise** should have the due prerogative to act independently and with full financial responsibility, in a market economy environment. The main decision-making prerogatives of enterprises, which are to be defined by law, are the following : to conduct market surveys ; to choose partners and sign contracts ; to establish their own distribution and service network ; to work out their developmental strategies and the kind of their activity, to earmark the funds for research and technological progress ; to set up their own organizational structures ; to work out their investment programmes ; to draw up the budget of income and expenses ; to set prices and tariffs based on supply and demands, while the State will set prices only for a limited number of products of special importance ; to distribute profit ; to keep at their own disposal and use the hard currency obtained in accordance with the legal provisions ; to determine the number of personnel needed at the overall and structure levels.

Giving up the administrative methods and the interference of State bodies with the activity of economic units of all kinds requires the appropriate adjustment of the prerogatives of ministries and other central bodies.

A radical decentralization of decision-making prerogatives should also be carried out at the level of **local state administration.** As far as the regulations aimed at increasing the autonomy of local authorities are concerned, special attention should be attached to the role of local economic and social bodies of the administrative and territorial units and to a good administration of the local budgets.

During the transition to market economy, the power of local authorities will be drastically changed through a reduction in the executive prerogatives and an increase in those related to urban activities, the observance of the legal provisions in carrying out economic activities, to the defence of the interests of the citizens living in the respective area.

The fulfilment of those objectives depends on the establishment of a strong management in point of prerogatives and responsibilities for the administration of enterprises. During this period, when many enterprises are radically reequipped, and receive new technologies, are renewed and associate themselves with local and foreign partners, frightened managing boards cannot really ensure the progress of these enterprises and serve the worker's interests on a long term.

By introducing the principles of enterprise management at the same time as the taxation on profit and personal income, we believe that the economic agents will be guided in their action by the primacy of efficiency, on which all intervention is made through economic and financial levers.

In the dynamics of re-building Romanian economy, the small and medium industries will have a propelling role, as they have their own mobility as concerns the change in technology and market demand. In fact, these industries have to be the result of a new structural development, but also of decentralization and demonopolization. Moreover, one can say that, if these industries have so far been the Cinderellas of our economy, from now on their status should be on a par with that of the big units, for progress is the resultant of the free initiative of a qualified and creative management, rather than of the big numbers.

One cannot certainly talk about real autonomy without continuing to liberalise prices at a fast rate, all while keeping under strict control the prices related to essential goods (i.e. foodstaffs, electric and thermal power a.s.o.).

Price liberalization should certainly not lead to a spiralling inflation as a result of higher delivery prices with the only aim to increase the wage fund. What we mean through liberalization is to remove distortions turning into false signals for investors, producers and consummers and leading to making decisions denied by the market, while finally generating failure to retrieve expenses and drops in profits.

The liberalization of prices makes sense only in free and honest competition, where the price is a reflection of the ballance between demand and offer on the market. To this end, the Government is determined to sanction any price cartel tendencies, to be the guarrantee of an honest competition, within the more general context of the policy of dismantling the monopolies.

Naturally, such adjustments in the behaviour of the economic agents, whether private enterprises, or commercial companies with the state participating as the main share-holder of capital, imply, concurrently, a wide reform in the financial-banking system, the circulating aparatus of the economy.

A sharp restructuring of the budget is highly imperative in the sense of a considerable reduction of its participation in the financing of investments, to be done with the enterprises own sources and bank credits. In this way, the State will be able to primarily assume the role of financing social security. As highly imperative is also the creation of a network of commercial and credit banks on the whole territory, in which a first stage is the creation of such banks at least in each county's capital city. As every bank has been allowed to make operations with hard currencies, we shall also encourage the setting up of banks with foreign capital and branches of foreign banks carrying out credit and business operations in Romania. We would like even the Savings Bank to play an active role on the capital market and become a savings bank able to grant credits for investments, private investments included.

Until the creation of a stock exchange, the banks should assume the function of a secondary market of titles of value where shares and bonds issued by entrepreneurs should be marketed and the computerization of the system could lead to the setting up of an inter-bank market for titles of value, but also for tenders with hard currencies and commercial credits in national currency.

The restructuring of the Romanian economy cannot be a chaotic process. That is why, following the exemple of countries with old democratic traditions and with strong, consolidated market economies, the Government also assumes the task of orienting the process through drawing up, this time only for the duration of its mandate, a prognosis having the simple function to guide the economic agents, so that the producer should know the social needs. This is a plan only in the French or Japanese sense, in support of which the Government does not aim at resorting to other instruments than those of an economic, budgetary and banking nature. The only "indices" followed by the Government through this so-called plan are those regarding the supply of the population with badly needed products and services.

The Government has already cut down, and aims at completely abolishing the system of balance-sheets, quotas and appropriations, which is no more than a system to justify shortages.

We know that the existing resources are not enough, but we also know that the consumption of energy and raw materials is 2—3 times higher per product unit than in prosperous economies.

Enterprises with efficient management, with staff interesed in their activity and actually participating in it, able to offer quick technological solutions, will then have good prospects to work, without direct implication by the Government, whose tasks must be diminished in the distribution or resources too.

The Government and ministries shall not turn into services meant to supply enterprises, the most serious problems shall be settled at department level, and priority use will be made of the instruments, provided by the contract.

At the same time, every industrial activity which wishes to go on has no other solution but to cut down consumptions through new technologies (industrial partnership) and better capitalization on the market (commercial partnership), that is through reequipping, retechnologization, management, informatization, and restructuring of production together wich orientating it towards marketable goods.

Producers should understand that one cannot continue in any way with the will for retechnologization — mainly based on foreign credits — without their preoccupation to firstly know if there exists a market for selling goods and what its dimensions are. Market economy is not compatible with production for the sake of production, with the huge agglomeration and immobilization of capital in stocks. In the market economy demand ranks first, in our case it is internal demand which has to be met with priority, before export.

Well aware that during this transitory and probably even during the next period, such negative phenomena as inflation and unemployment can not be avoided, at the same time as passing in Parliament bills regarding commercial companies, the autonomous management and taxes, the Government is ready to also submit bills regarding social security, so that social convulsion should be limited as much as possible.

We can unhesitatingly say that negative effects could be seriously limited if we could benefit by an inflow of foreign capital, in the guise of investments or joint ventures, which could result in creating new jobs and an additional source of capital to increase home resources. Unfortunately, the international climate is not, for the time being, favorable to us, but it is our hope that the foreign Governments will perceive, in its real light, our attachment to political and economic pluralism. As far as we are concerned, the Government will further act in order to give Romania its due place in Europe, in the world economy, for its association with the European Communities. In this sense, we warmly welcome the Parliamentary initiative to contact the European Parliament. The extent to which we will succeed in achieving the above-mentioned tasks will be essential for our possibilities to turn the national currency into a conver-

tible one. Of course, the fact that we entered 1990 without foreign debt and even with some to cash us could pledge for the attainment of this goal in a not too distant future. The Government is determined to give all due support, but the transition to convertibility implies meeting several economic, monetary and currency, as well as institutional requirements, the fulfilment of which is not a simple act of will.

Among these, the following are of primary importance : producing competitive goods and services in export activities ; establishing a real exchange rate of the leu, actually introduced in the settlement of all deals based on free currency — both commercial and non-commercial ; covering the monetary mass with goods and services.

The convertibility should simultaneously be secured through currency reserves able to ensure the covering of the country's import needs over a period of at least 5—7 months.

In conclusion, the convertibility of the leu can be accomplished in proportion as the above-mentioned economic, financial and currency, and institutional prerequisites are met, thus avoiding an a priori administrative decision.

It is not less true, however, that besides being a consequence, the convertibility may also be a prerequisite for the success of reform, but for placing it in such a state we would need to support it by an international fund of monetary stabilization.

From the above-said it follows that the model we submit has an essential merit : it does not start from tabula rasa, it does not build a green house meant to protect recipes offered by economic thories ; rather, it wholly assumes the value of the Romanian human and material heritage, born and worked out by the people, despite the long years of dictatorship.

I think it adequate that the Government formed today be empowered to set up as shortly as possible, in about a month, a concrete operational programme of action together with the basic units, with experts, so that the initiated steps should be conceived as parts of a whole, according to the nature of the

functioning of the economy itself, while the succesion of the adopted steps be, in its turn, the one imposed by the logic of the economic process.

At the same time, each and every unit and department should finalize their own concept of transition to market economy, starting from the general legislative and economic-financial framework and from the specific features and demands of unfolding an economic activity based **on economic principles.**

We should, however, notice that, our own conditions of economic development once rigorously and scientifically set up, problems awaiting solution actually begin to arise, because these conditions virtually emphasize only deficits in : resources, technological level, industrial organization, physical capacity of equipmentsetc.

At the same time, it is necessary to combat by all legal means the phenomena aggravating the situation of resources for the population : corruption, pilferage of goods from the industrial or commercial distribution network, unauthorized trade activities.

We set out to support all service industries for the population meant to create new jobs and to secure sources of income by absorbing the surplus monetary mass owned by the population.

Ladies and Gentlemen Members of Parliament,

The attainment of the average European living standards is due to be spaced out according to various groups of goods. The first priority is given to food and thermal and electric energy, for which special steps have been taken this very year — 1990 ; these steps are to be enlarged during the next two years. It is to be noted that **the length of the work-week, as well as the yearly number of days off and of leave** are already settled în 1990.

A number of sectors directly linked with the needs of the population (public food establishments, trade) should naturally come back to a system of organization taking into account the compulsory character of their continued activity throughout the week.

The Government will promote a modern approach to the management of social programmes. We shall abide by the principle that through social policies, the outstanding issues must be solved, not perpetuated.

We must certainly be realistic as regards the economic resources required by the social programmes we wish to promote. Efficient social policies should not impair their very basis, namely the economy. Starting from the experience of developed countries, we shall have to pay particular attention to the efficiency of spending the huge economi cresources allotted for social programmes, ensuring maximum social and human benefits. It is necessary to multiply the economic resources of the social programmes through mobilizing the local resources, those of the organizations as well as those of the individuals. Alongside economic resources, we mult also pay special attention, to non-economic resources, if we are to secure a constant and durable increase of the quality of life.

At the same time as the projects concerning Romania's economic and social development in the period 1991—1992, several nation-wide programmes will be worked out especially in the field of education and professional training, scientific research, regional development, evolution of demographic processes, elimination of ecological crises, creating new jobs etc.

The educational policy envisaged by the Government will be set up according to preuniversity and university forms. While in the former, given the general formative character, a global approach is necessary an dimperative, the latter asks for starting from other areas and ways of approach, where real and consistent autonomy is necessary.

We view education as open, permanent education conducted in a fundamental institution, independent, from the atemporal perspective, even though lately it has too often been affected by the rather rapid fluctuations of politics.

The main goal of preuniversity education is to offer as much as possible a solid "culture generale". To this end syllabi shall be simplified and refreshed, at the same time as their assimilation increased. During the last decades emphasis has been mainly laid on the content of the subjects taught, while their assimila-

tion has been seriously neglected. The main stress now will be laid on learning Romanian language and culture meant to offer youth a first thorough experience which, once assimilated, can provide them with the possibility of access to any other culture. We do not see in this a nationalistic tentative, rather this is only an attempt to offer the most accesible framework for a young person's cultural personality to assume a first shape. The opening to universality will be offered by the teaching of fundamental notions of the positive sciences, as well as of two or more foreign languages.

University education implies two grass-roots aspects : the teaching activity as such, and scientific research in universities. We start from the prerequisite that it is only specialists active in the scientific field that can teach students. It is a main priority of the Government to define and create the context of real university autonomy. We will promote the selection of values also through an interaction with students in the educational and scientific activities.

The qualitative development of the educational process is also stimulated by the Government's general policy of promoting activities in which quality and competence should be basic criteria.

We do not promise immediate and spectacular results, being confident that we are working for the third millenium. We must admit that education is marked by the biggest temporal gap, between a decision and the last profound results thus entailed.

This calls for maximum responsability, as well as for matching it by a corresponding social credit.

As a natural extension of the fundamental place of education in society, we start from the idea that the modern world can no longer be conceived outside the process of human knowledge, particularly without the advancement of science and technology is a state policy in all developed countries. The main instrument of this policy is economic and many of the most prosperous countries allot to that aim up to 3—4% of their gross national product. A large number of governmental or nongovernmental bodies contribute to a rational and efficient use of these funds.

There is in this country an important network of research institutions with a valuable specialized human potential. Much to our regret, the equipment and documentation basis of research is much under the level of research in the developed countries. For decades our researchers could not keep their information updated, and could not operate with modern investigation means, while isolated from the international scientific and technological community.

Under such circumstances, urgent and radical measures are requested, as follows :

a) To redefine the social status of the researcher and give it the place he deserves in a modern society.

b) To equip the research units, those in higher education included, with means of research and documentation at the level of the requirements imposed by the considered topics and existing in the developed countries.

c) To open, without any limits, the free access of researchers to international scientific life in all its aspects.

d) To revive the country's scrientfic potential by updating the existing researcher's level and first of all by a large infusion of youngsters able and willing to devote themselves to this activity.

All this could be substantiated by numerous topical and prospective programmes, such as :

a) The national ecological programme with all its implications.

b) The national energy and raw materials programme.

c) The technological development programme.

d) The informatics programme.

e) The biotechnology and agriculture programme.

f) The programme for seismology research in Romania.

g) The social and human sciences programme a.o.

Viewed in an integratory way, all these programmes could be incorporated in a unique visionary programme that we might call *the life sciences programme,* finally aiming at enlarging the area of human knowledge and especially of self-knowledge by

all possible ways, whether scientific, artistic or by means of revelation. It could mobilize all of Romania's creative spirit and give each man the satisfaction of recognizing his usefulness and inspiring the desire to live in a civilized way.

The permanent and invincible desire toward civility and culture of the Romanian people must have a support in cultural creativity. Thus, culture ceases to be a decorative element pleasing a political or executive force. It is par excellence, an independent for mwhereby the nation is represented. May I believe that the call for national solidarity of intellectuals is worth being also adopted by the intellectuals themselves. The performance of cultural creation cannot be closely associated with the politicizing and ideologizing process it may undergo.

As André Malraux so beautifully said : "ce n'est pas la passion qui détruit l'ouevre d'art, c'est la volonté de prouver" (it is not passion that destroys the work of art, rather the will to prove something).

Ladies and Gentlemen, Members of Parliament,

Justice is to undertake reorganisation in order to regain its dignity and natural place for ensuring the observance and defence of the order of law, of the fundamental human rights and freedoms, in accordance wit hthe requirements of a State of law. In this respect, judges will enjoy full independence, and their inamovibility is one of the guarantees of this independence. At the same time, the system of courts of justice is to be reorganised, so that, on the one hand, they should be able to deal with the entirety of the litigious phenomenon and, on the other hand, through the degrees of jurisdiction which could be undertaken by each trial, assure not only a speedy judgement but also and most particularly, a thorough, legal one. It is imperative for disputed claims offices to be opened up, which will allow each citizen whose rights have been infringed upon through an act of state administration, to challenge such act in a court of law ; there is also need to create the possibility to discuss the constitutional nature of a law during any phase in a trial, while the case is to be submitted to the Supreme Court of Justice.

On the other hand, it is necessary for the Ministry of Justice to be much more involved in the legislative activity in all the fields of social life and, at the same time, to initiate and coordinate the revision of laws, first of all those pertaining to the activity of the courts of lav, for their modernisation and completion in accordance with the requirements of our times and the national traditions.

All these steps are meant to make Romania a State of Law, with a powerful and independent justice, not an instrument of power, as it used to be under dictatorship, rather an instrument of justice, a warrant of social order and harmony.

The Government is firmly committed to carry out its activity under conditions of lawfulness and transparency, essential characteristics of a new social and political environment, now under way in Romania.

To the extent that this will become preponderent in the relations among the internal political forces, political stability, absolutely necessary for the reform, will also assure an irreversible character to the assertion and consolidation of the new democratic, pluralistic structures.

Identifying itself with these objectives and values, the Government assumes the responsibility to take firm steps and act within legal limits, in order to countract attempts aiming at producing a state of confusion, tension and conflict, through the exacerbation and manipulation of social tendencies inherent to the transitional period, and to overcoming the consequences of the dictatorship.

Assuming strategic tasks springing from the objective requirements and social expectations characterising the first stages of the transition period, the Government is in a position to select those ways and means, resources and factors, as are able to provide the necessary efficiency to high-pace changes.

In the field of foreign policy, the absolute priority of the Government's action will be to defend, protect and promote our national interest within an international context still characterized by fluidity and uncertainty, as well as to find out with realism and responsibility the most efficient ways in this direction.

At the same time, the Government will continue its policy of wide opening to all countries of the world, on all continents, in order to connect the country to the great processes and trends manifest worldwide.

We will seek ever more explicit forms in increasing the potential of direct relations with those states asserting themselves in the international arena as promoters of international detente and economic progress.

In its relations with the Parliament, regarded by us as the most complex and authoritative form of public control, the Government team is going to put into practice the mandate for change entrusted by Romania's citizens on the 20th of May.

That is why the legislative framework defined pomptly and flexibly by the Parliament will represent an indispensable condition for the reform of the economic structures and for democratisation.

Relying in our activity on the Parlimentary majority come to by the free elections of May, the Government will show due attention to maintaining the public support then expressed as a decisive factor in applying the policies of transition, as well as to finding this support extended to other social areas or fields of activity.

The whole governmental action is aimed at defending Romania's basic interests, the dignity of the Romanian people, by promoting such positions and relations among states as allow for the unhindered continuation of the country's democratisation process.

We are aware of the fact that the deep changes called upon in reviving the Romanian society will have a significant impact on life style, labour, and human relations, of the fact that they will bring about a series of uncommon, even unpredictable phenomena, for the present generations.

It is a social experience of deep historical significance that we are now undergoing, one that will demand widespread productive and creative efforts, national solidarity and openness to the world.

June 28, 1990

ROMANIA'S GOVERNMENT

PETRE ROMAN
Prime Minister of Romania

Premier Petre Roman is 44 years old. He is a professor, and a doctor of engineering specializing in an important field of hydraulic engineering — the mechanics of fluids.

He was born in Bucharest on July 22, 1946. After graduating from high school, he attended the Power Engineering Faculty — the Hydraulic Engineering Department — of the Polytechnic in Bucharest and got a diploma in engineering in 1968, when he was the best student of his class.

Over 1971—1974 he completed his studies for a doctor's degree in France where, at the end of a contest, he also won the right to teach in that country. In 1971 he got a "Diplome d'Etudes Approfondies" and in March 1974 he defended his doctor's thesis at the Fluid Mechanics Institute in Toulouse, the "Paul Sabatier" University. His doctor's thesis, a theoretical work in the mechanics of fluids, also tackling questions related to river and lake pollution, was titled "Natural Aeration of Free-Surface Flows".

Back to his native country he taught at the Power Engineering Faculty of the Polytechnic Institute in Bucharest. He became a reader in 1976, an associate professor in 1982, the head of the Hydraulic Engineering and Hydraulic Machines Department in 1985 and a full professor in 1990.

He has carried through an intense scientific activity, which materialized in a large number of published works : school books, books, papers, specialty articles. Noteworthy among the volumes he put out are "Fluid Mechanics", "Hydrology and the Protection of the Quality of Water", "An Introduction into the Physics of Fluid Pollution", "Movement of compressible Fluids with Heat Transfer". He also contributed to "The File of Nuclear Power : Risk and Safety", "Water and Pollution", "Special Problems in Hydro-Mechanics", "Dynamic Hydrology".

Deeply attached to the ideals of freedom and democracy, he took direct part in the December 1989 Revolution, reading from the balcony of the former RCP Central Committee the first Proclamation to the nation announcing the collapse of the totalitarian system and of Ceausescu's dictatorship. Together with other leaders of the National Salvation Front, a movement born on the hot days of the Revolution, which is considered as its emanation, Mr Petre Roman made an active contribution to the victory of the Revolution that has brought structural changes in the Romanian society and meant the abolition of the communist system, of dictatorship, of any form of debasing human dignity, all while ushering in freedom and democracy for our heavily tried nation.

Right after the Revolution, on December 26, 1989, he was appointed Prime Minister of Romania. Under his leadership, the provisional government took a number of measures, the first steps towards a better quality of life for all socioprofessional segments, towards the recovery of production activities and the transition to a market economy. They also meant a new opneness in Romania's foreign policy.

In the elections of May 20, 1990 — the first free elections in post-war Romania, he was elected deputy for the National Salvation Front to the country's Parliament.

In keeping with the provisions of the Electoral Law, during a solemn session of Parliament on June 20, 1990, Mr Ion Iliescu, Romania' President Elect, charged Mr Petre Roman with the formation of a new cabinet. Mr Petre Roman, now officially a

premier, expressed his determination to promote value, competence and honesty in all areas of government activity, expressing his confidence in the innovative spirit and the creative energies of intellectuals and workers, of the young generation, of all social segments.

He is proficient in five languages : French, English, Spanish, Italian and Russian.

The Prime Minister is married to Mioara Iulia Roman, a Reader in Arab Language and Literature with the University of Bucharest. They have two children.

ANTON VĂTĂȘESCU

Minister of State for Industrial and Commercial Activities

He is 51 years old and was born in Slatina, Olt county. He graduated from the Faculty of Electronics and Telecommunications in Bucharest ; he gave courses at the Electronics Faculty for 15 years ; he also worked in research in France for one year ; he published speciality books. He boasts a rich experience in the organization and management of enterprises.

ION AUREL STOICA

Minister of State for the Quality of Life and Social Protection

He is 47 years old and was born at Șăulia de Cîmpie, Mureș county. He graduated from the Mechanics Faculty, the Machine-Building Department, of the Polytechnic in Cluj-Napoca in 1966 as the head of his class. He got a doctor's degree in mechanisms and trybology. He has been teaching in the Cluj-Napoca's Polytechnic Institute, the Machine Mechanisms and Members Department, since graduation. He is the author or co-author of several books as well as of numerous essays on philosophy and the history of scientific knowledge and technological applications of science. In 1986 the executive college of the American Biographical Institute selected him for inclusion into the second edition of Five Thousand Personalities of the World.

EUGEN DIJMĂRESCU

Minister of State for Economic Orientation

He is 41 years old and was born in Bucharest. He graduated from the Academy of Economic Studies in Bucharest, the Economy of Foreign Trade Faculty. He is a doctor of economics, having aqquired his degree in the Academy of Economic Studies in 1978. He took specialty courses in Salzburg, Austria — 1973, Brookings Institution, Washington — 1981. He worked as a scientific researcher in the World Economics Institute in Bucharest (1971—1990), as a director of the World Economics Institute since January 1990. He is a deputy in the Chamber of Deputies for the National Salvation Front. He is the author of studies and research works in world economics, international relations and foreign trade (roughly 200 titles), which were published in Romania, the USA, England, the Netherlands, Switzerland and Italy.

ADRIAN SEVERIN

Minister, Assistant to the Prime Minister for Reform and Relations with Parliament

He is 36 years old and was born in Bucharest. He graduated from the Law School of the University of Bucharest and he is a doctor of law. He worked as a legal adviser with the Romanian Department of the Association of International Law and Inter- Consulting Institute, ROMCONSULT, a secretary in the Law national Relations and a state secretary-general for privatization. He is an associate professor specializing in civil law, compared commercial law and the law of international trade.

ADRIAN NĂSTASE

Minister of Foreign Affairs

He was born in Bucharest and he is 40 years old. He graduated from the Law School of the University of Bucharest, as the head of the 1973 class, as well as from the Faculty of History and Philosophy, the Sociology Department in Bucharest

in 1978. He is a doctor of law specializing in international law. He brought out more than 85 works, lectures and courses at home and abroad. He is Vice-Chairman of the Association of International Law and International Relations, an associate member of the International Human Rights Institute in Strassbourg, France, as well as a member of the French Society of International Law.

VICTOR STĂNCULESCU
Minister of National Defence

He is 62 years old and was born in Tecuci, Galați county. He graduated from the Military Academy, International Economic Relations, and the General Staff Academy. He boasts long-standing experience in army and economic management.

THEODOR DUMITRU STOLOJAN
Minister of Finance

He is 47 years old and was born in Tîrgoviște. He graduated from the Academy of Economic Studies in Bucharest, the Finance, Credit and Accountability Faculty, the 1966 class. He is a doctor of economic science, a degree he got in 1980. Over 1966—1972 he worked as an economist with units within the Food Industry Ministry and since 1972 he has been an economist with the Ministry of Finance, the State Budget Directorate. He was assistant and full manager in the State Incomes Directorate. He delivered many lectures as part of post-graduate courses. He is a member of the International Institute of Public Finance in Saarbrücken, West Germany.

DORU VIOREL URSU
Minister of the Interior

He is 37 years old and was born in Drobeta-Turnu-Severin, Mehedinți county. He graduated from the Law School of the University of Bucharest. Over 1979—1980 he worked as a prosecutor in Bucharest and then as a military judge in Bucharest.

After December 22, 1989 he was the President of the Bucharest Military Tribunal. For a brief period he was Minister of the Interior in the provisional government.

VICTOR BABIUC
Minister of Justice

He is 52 years old and was born in the commune of Răchiți, Botoșani county. He graduated from the Law School in Bucharest. He is a doctor of civil law. He was a legal adviser, a judge, a scientific researcher and the Vice-Chairman of the Commercial Arbitration Court of the Chamber of Commerce and Industry.

MIHAI ZISU
Minister of Resources and Industry

He is 53 years old and was born in Bîrlad. He graduated from the Polytechnic Institute in Bucharest, the Technical and Economic Faculty. He worked in industry as an engineer and also as an enterprise manager. He also taught in the Undergraduate Engineers Faculty of Pitești belonging to the Polytechnic in Bucharest.

CONSTANTIN FOTA
Minister of Trade and Tourism

He is 55 years old and was born at Işalnița, Dolj county. He graduated from the Foreign Trade Faculty. He is a doctor of economic science. He boasts rich experience in market research working in the Chamber of Commerce and the World Economics Institute. He is Executive Chairman of the Romanian Marketing Association. He was a professor with the Academy of Economic Studies. He is the author and co-author of numerous specialty works.

IOAN TIPU
Minister of Agriculture and Food

He is 53 years old and was born in the commune of Beclean, Brașov county. He graduated from the Agronomic Institute in Iași, the Zootechny Faculty. He took a one-year specialty course

in the USA. He boasts a rich, long-standing practical activity in agriculture, where he worked as an executive in animal farms and farming units. He was also a director-general in the Ministry of Agriculture and Food Industry, the Meat Processing Central Department. He was also a deputy minister of agriculture and food industry in the provisional government.

ANDREI CHIRICĂ
Minister of Communications

He is 51 years old and was born in Ploiești. He graduated from the Electronics and Telecommunications Faculty. He boasts rich experience in the management of telecommunications enterprises, in development and exploitation of telecommunications. He was deputy minister of post and telecommunications in the provisional government.

DORU PANĂ
Minister of Public Works, Transport and Physical Planning

He is 53 years old and was born in Cluj. He graduated from the Construction Institute in Bucharest, the Installation and Equipment Faculty. He worked as a construction engineer specializing in industrial equipment asnembly works, as a construction-site coordinator, as a director of several construction sites, as a director of enterprise and a director of trust.

ȘTEFAN GHEORGHE
Minister of Education and Science

He is 42 years old and was born in Bucharest. He graduated from the Polytechnic Institute in Bucharest, the Electronics Faculty, the 1971 class. He is a doctor of electronics, former researcher with the Atomic Physics Institute and a professor with the Polytechnic in Bucharest, the Electronics Faculty, the "Devices, Circuits and Electronic Appliances" Department.

VALERIU EUGEN POP
Minister of the Environment

He is 51 years old and was born in Ploiești. He graduated from the Polytechnic in Bucharest, the Mechanics Faculty, the 1961 class, and from the Power Engineering Faculty, the 1969 class. He worked as a car designing engineer, a power engineer, a coordinator of construction works, a director of an exploitation unit, a director of hydroelectric plants enterprise and a director in the Water Directorate since 1979.

ANDREI GABRIEL PLEȘU
Minister of Culture

He is 42 years old and was born in Bucharest. He graduated from the "Nicolae Grigorescu" Fine Arts Institute in Bucharest, the "History and Theory of Art" Department. He is a doctor of history (he got his degree in 1981). He carried through rich activity in research in the Art History Institute. He also performed printing and pedagogic activities (he was a lecturer over 1980—1982). He also held a Humbold scholarship over 1975—1977 and 1983—1984.

BOGDAN MARINESCU
Minister of Health

He is 46 years old and was born in Bucharest. He graduated from the Institute of Medicine and Pharmacy in Bucharest, the Medical School. He worked as a physician and head of the obstetrics-gynaecology ward, reader in the Medical Institute in Bucharest and director of the "Giulești" Clinic.

CĂTĂLIN ZAMFIR
Minister of Labour and Social Protection

He is 49 years old and was born in Bucharest. He graduated from the Philosophy Faculty of the University of Bucharest, the 1962 class. He is a doctor of sociology. He took a one-year spe-

cialization course in social psychology of labour at the University of Michigan, the USA. He was head of the industrial sociology collectivity of the Polytechnic and director of the Institute of Research into the Quality of Life.

BOGDAN NICOLAE NICULESCU-DUVĂZ
Minister of Youth and Sports

He is 42 years old and was born in Bucharest. He graduated from the "Ion Mincu" School of Architecture in Bucharest, the 1977 class. He is an architect, specializing in industrial design and interior decoration.

ROMULUS NEAGU
Secretary of State in the Ministry of Foreign Affairs

He is 60 years old and was born in Bucharest. He graduated from the International Relations Faculty of the University of Kiev, the 1954 class. He got a doctor's degree in international relations from the University of New York in 1970. He is a diplomat by profession. He was a deputy minister of foreign affairs in the provisional government.

ANDREI ȚUGULEA
Secretary of State in the Ministry of Education and Science

He is 62 years old and was born in Untești, the Moldavian Socialist Republic. He graduated from the Polytechnic in Bucharest, the Electronics Department, the 1951 class. He got a doctor's degree in The Bases of Electronics in 1958 and took his doctor-of-science degree in 1974. He is a professor and cooperates with the Power Engineering Institute of the Academy. He wrote numerous scientific papers.

Economic Reform

THE SECOND ROMAN GOVERNMENT AND PROBLEMS IN THE ECONOMY

The ambitious economic programme of the second Roman government relies on the true state of the Romanian economy and on the Programme-Platform of the National Salvation Front, the majority group in Parliament.

The focus of the economic policy is the transition to a market economy with the help of a new legal framework and of specific economic and financial means and instruments.

Which means the demolition of centralist, planned structures, the state's shedding off its responsibilities in directly managing the economy, a growing autonomy on the part of economic agents in administering their property and the government's efforts to place the legislative demarche in an economic context. The tendency, therefore, is to create economic products, free from any administrative bonds with the state, though subject to legal and financial norms expressing public interest within the state.

Owing to both its structure and composition, the suggested government formula, to which legislative bodies consent, is a step towards reform. However, political will, though consistent, is not enough to implement the desired system as resistence is put up by the economic situation the second Roman government (and the first legitimate one) inherited from the years of dictatorship and the months of provisional government.

As was to be expected, the deep structural crisis of the Romanian economy persists and even grew sharper as urgent steps were taken as imposed by considerations having to do with profitability or pressing social or ecological needs, which, however, disturbed a relative balance between various macro-economic branches and giants. The advanced state of physical and moral wear of the production equipment continues to have a nefarious bearing upon profitability. Anachronic economic structures have been virtually perpetuated by the decisionmakers' great inertia, which shows in micro-economic agents' insistent demand for administrative solutions, by their hesitation resulting from a provisional status.

Adding to all this has been the unparallelled wave of social claims (protests, petitions, demonstrations and, more particularly, strikes) which were partially fomented by the irreducible stances the newly-created free trade unions have taken.

This atmosphere, along with the breathe of relief taken after artificial constraints in the work process (working Sundays, extra-economic threats, unjustified pay cuts) had been liquidated, seriously eroded the enterprising, committing spirit rather than boosting efficiency as a result of free work ; consequently, productivity in the first six months of the ongoing year dropped 22 per cent as to the previous period last year. Which is the only explanation of the fact that, though massive efforts have been made to supply raw and subsidiary materials as well as deficit production means (of which most were imported), industrial marketable production decreased roughly 19 per cent over the said interval. The fact that in the first semester exports declined 42 per cent on a clearing basis and 45 per cent in hard currency, while imports dropped only 12 per cent on a clearing basis, having increased 58 per cent in hard currency, bespeaks the economic agents' limited understanding of the Romanian economy's dependence on imports, which can only be financed by corresponding exports, as the state cannot pay on and on wages which are not accounted for by commodities and imports. To continue to follow this path means to reduce the payment capacity and imports and to slow down economic recovery.

Under like circumstances, the new cabinet is compelled to take fast steps to fill the decisionmaking, operational and legislative gap. In this respect, a package of laws — on the status of enterprises, the enterprises — trade union-strike relationship and taxation — have already been submitted to legislative bodies. They are to be presented with another package of laws that should be worked out not only by the government but also by Parliament and its commissions, by economic and social agents who are concerned with these aspects most. Furthermore, owing to the very structure of the cabinet, a consistent institutional reform has been launched ; however, it comes upon the inertia generated by both group interests and the limited capacity of the basic factors in the economy to perform their new attributions as they should. These two — legislative and institutional — phenomena should work in close correlation to stimulate the operation of the production apparatus and the changes within it.

Another key aim of the current cabinet is to replace the instruments typical of economic planning (the plan and direct intervention into the decisionmaking process) with market-economy instruments (financial levers, taxes, rates, credits, subsidies and, gradually, prices). Which calls for a relevant organizational structure : commercial banks, fiscal police, as well as corresponding staff training on all the levels where the respective instruments are employed. In this context, there is one more major and immediate task for the government — the organization of efficient staff-training programmes on all levels. On the level of direct producers, retraining programmes are needed as major structural changes will be wrought with the passage from the production of "indicators" to the production of marketable commodities. These programmes are also meant to minimize the social cost of the restructuring of the production apparatus as the latter's line of work changes. Another area to undego massive restructuring in the near future is the operational area which, with the demolition of the bureaucratic apparatus of production planning and follow-up, whose role will be assumed by economic and financial levers, will be liquidated. On the level of technical intelligentsia, a reorientation is needed from

administrative tasks to involvement in the creative process. The most stringent problems, however, are encountered on the managerial level. The managements of production units are faced with the challange of direct involvement in an integrated, unguided economic and financial mechanism, governed by an aggregate of juridical laws set on economic laws. The ensurance of the material base, upon a contract basis, without planned interference, as well as the organization of commodity production and sales will place managements in a competitional fight for competence, adaptability and inventiveness. And the government's mission is to closely follow the efficiency of the managerial act, to supply managements with a consistent system of information and to give them sufficient decisionmaking power to make up for centralized coordination.

In this respect, the boards of administration of economic agents shall be given full rights to decisionmaking on the number and structure of their personnel, the structure and volume of production and the mobilization of resources and the use of profits, with the state only charging taxes and seeing to the guaranteed fairness of competition.

Profitability shall be the sole criterion of assessment ; in case of failure to make profits, the state, as the holder of the right to ownership, will intervene, but only through means characteristic of the market economy (controlled administration — of banks in particular, which will have to take preparatory steps to be able to cope with like tasks — cuts in activity and in the number of personnel, change in the line of work and, finally, bankruptcy).

Another simultaneous task for the government, which complements this outlook, is to encourage privatization, which is to go along two distinct lines : stimulation of private initiative to create small enterprises, in production in the first place, units which should boast flexibility as far as the evolution of demand is concerned, on the one hand, and the gradual privatization of existing enterprises and the liquidation of state control over them, on the other hand. All this will be substantial motivation to augment efforts for profitability and to more efficiently admi-

nister funds, all while the personnel's incomes will go up (in suchlike enterprises it is far easier to apply a wage system directly linked to efforts and their results).

Higher training is a stringent need also on the level of trade-union leadership, which should rapidly turn into a factor of real social protection, chiefly responsible for the continuity of the production act, as a prerequisite for the avoidance of social disturbance. In this respect, while getting less and less involved in economic guidance, the government will also stop interfering in the settlement of labour conflicts on a local plane. Nevertheless, the government is still responsible for the implementation of a consistent social welfare system to minimize the social costs of the reform on an individual plane. Another major demand of the moment is to change the people's mentality. To step up this process (which, owing to its psychological nature, is essentially slow), the people's overt and covert response to the need for a reform should be considered when assessing staff promotion.

This ambitious governing programme, which renders obsolete any critical remark on its being confined to cosmetic aspects or its trying to phase out the transition to a market economy along an undetermined period of time, is mostly dependent on all social segments' involvement and on all economic factors' willingness to turn this society into a completely new one. Clearly, the motivation of change resides in the incapacity of the centralized system to provide for efficient activities, a fact which was proved internationally as well, and, seen from this angle, any delay in the reform process may turn into an absolute loss, with serious effects on the transition period. As for the duration of the transition period — with its said goals — it is not confined to the period of governmental mandate, but it covers the time needed for those goals to be attained, a period of time estimated according to economic considerations.

Another essential aspect of the reform strategy is the corroboration of endogeneous factors (which were briefly listed above) with the exogeneous ones. In view is the need to assess the influence of the reform process, which, in various forms, is present in all east-European (formerly socialist) countries,

which essentially changes the inter-CMEA relations, and the perception of western countries, considered separately or as an aggregate, of the events in eastern Europe in general and in Romania in particular, which prompts their actions on an economic plane. In this context, the measures taken on an internal plane should be assessed while the way they are perceived from the outside is considered. Furthermore, to encourage a stepped-up implementation of an economic and social process of the scope suggsted by the Romanian government, the technical and economic assistance is needed of those countries that boast experience in the economic system we intend to build.

The conclusion could be that the programme of the second Roman government, together with the latter's structure, undoubtedly represent a consistent proof of its firm commitment to reform. Which, however, is not enough. This important openness should urgently find a counterpart in concomitant changes on an institutional and legislative plane as unless such a step is rapidly taken a serious breach may occur between these structures and the governmental formula.

EUGEN DIJMĂRESCU,
Minister of State
for Economic Orientation

September 25, 1990

AN IMPORTANT LEGISLATIVE ACT

L A W
ON RESTRUCTURING STATE ECONOMIC UNITS AS AUTONOMOUS UNITS AND COMMERCIAL COMPANIES

On July 31, 1990, Assembly of Deputies and Senate adopted **Law on restructuring state economic units as autonomous units and commercial companies.**

Chapter I
GENERAL DISPOSITIONS

Art. 1 — According to dispositions in the present law, state economic units, whatever their coordinating body, are organised and operate as autonomous units or commercial companies.

Also, economic units, goods or activities can be either leased or rented, according to provisions in the present law.

Autonomous units and commercial companies may, in the terms of the present law, associate with each other to jointly perform productive and marketing activities.

Chapter II
AUTONOMOUS UNITS

Art. 2 — Autonomus units are organised and operate in the national economy's strategical branches — the arms industry, power engineering, mining and gas exploitation, the post and railway transport — as well as in other fields of activity established by the Government.

Art. 3 — Autonomous units are juristic entities and operate on the basis of economic administration and financial autonomy.

The creation of autonomous units of national interest is decided upon by the Government, while county and city state administration bodies decide on the foundation of autonomous units of local interest, operating in branches and fields of activity set under Article 2.

Art. 4 — The charter of an autonomous units shall state its activity, property, name and headquarters.

Within their structure, autonomous units may set up: plants, factories, workshops, servicing units, branch offices and other such sub-units needed to perform their activity. Their creation and their relations within the autonomous unit and with third parties are set in the organisation and operation statute of each autonomous unit which is worked out by the board of administration and ratified by the body responsible for the creation of the respective autonomous unit.

Art. 5 — An autonomous unit is the owner of all its assets.

In exercising its right to property, an autonomous unit owns, uses and disposes of its assets and benefits from their results to fulfil the objectives for which it has been created.

The transfer of the fixed assets belonging to the autonomous units, or the conclusion of transactions in litigations worth over 10 million lei shall be approved by the competent ministry.

Art. 6 — Incomes resulting from the autonomous unit's activity shall cover all the expenses, including interest rates, shall amortise investment and shall pay off credits ; there has to be a profit, too.

Spending may exceed incomes only for sound reasons — especially for public works and services — and if approved by the Minister of State for Economic Orientation, upon a proposal by the competent ministry endorsed by the Ministry of Finance. In such cases, the amounts and sources to compensate the losses in the unit shall be set along with the approval.

Art. 7 — Autonomous units draw up annual income and expenditure budgets, bookkeeping balances and profit and loss accounts, according to patterns set up by the Ministry of Finance.

The annual bookkeeping balance and the profit and loss account are approved by the Ministry of Finance or by the local financial departments of each autonomous unit.

The bookkeeping balances and the profit and loss accounts of autonomous units set up on a national level are published in the Official Gazette of Romania, Part III. In the case of autonomous units of local interest, they shall be carried by the local press.

Art. 8 — Autonomous units form reserve and development funds, pay for social, cultural, sporting activities and brush-up courses for their personnel and provide for incentives ; they also pay duties, taxes, insurance and social security rates and make the other payments required by the law.

The Board of Administration may decide upon the creation of funds other than those listed in the previous paragraph.

The income left after raising its own funds and making the payments mentioned in the first Paragraph makes the net profit of the unit. Five per cent of that profit are used to set up the employees' profit-sharing fund and the rest is paid to the state budget or the budget of the local administration body.

Art. 9 — If the autonomous unit's means over a year are not large enough to cover current expenditure, the unit may contract financial credits with the National Bank of Romania or other banks. These credits shall be worth 20 per cent of the previous year's gross incomes at the most.

To cover possible deficits, autonomous units may get subsidies from the state or local budgets or may contract banking credits.

Subsidies are granted and administered by the Government or by local state administration bodies within the limits of the funds stipulated in their budgets and may be used only for the purposes they were granted for.

Art. 10 — Autonomous units decide upon investment, according to their activity, which are financed from their own resources, banking credits and state or local budget allocations.

Credits for investment of over 50 million lei may be obtained if previously approved by the Minister of State for Economic Orientation.

Art. 11 — The receipt and payment operations of autonomous units are effected by bank accounts.

To meet current necessities, within the limits stipulated by the National Bank of Romania, autonomous units may effect receipt and payment operations in lei and hard currency, through their own cashier's office.

Foreign receipt and payment operations will be effected through the agency of the Romanian Bank for Foreign Trade or other banks.

Art. 12 — The Board of Administration is in charge of the management of an autonomous unit and it includes 7—15 persons, one being the director, or director-general.

The Board of Administration are appointed by order of the competent minister or, as the case is, by the head of the local administration body.

The Board of Administration shall necessarily include a representative of the Ministry of Finance, and, according to case, representatives of the Ministry of Resources and Industry, the Ministry of Trade and Tourism and the competent economic ministry. The other members to be appointed shall be engineers, technicians, economists and jurists specialising in the activity of the respective autonomous unit.

The Board of Administration carries on its activities in accordance with its own organisation and operation rules and decides on all the problems concerning the unit's activity, excepting those which, according to the law, are referred to other bodies.

Art. 13 — The Board of Administration's members :

a) are appointed for a 4-year period and half of them can be replaced every 2 years ;

b) cannot sit on more than two boards of administration or own shares in any commercial company with which the respective autonomous unit has business relations or whose interests differ ;

c) retain their status as employees of their original institution or unit along with all the rights and duties that go with that status ;

d) are paid an allowance decided by the Board of Administration for the activity they perform in that capacity.

Under Article 12, the Board of Administration may ask the body that made the nominations to revoke a member.

Art. 14 — In the first month of every year, the Board of Administration submits to the competent ministry or the local administration a report on the unit's activity in the previous year and on its planned activity for the current year.

Art. 15 — An autonomous unit's current activity is managed by a general director or a director appointed by the Board of Administration with the advice from the competent ministry or the head of the local state administration, as the case may be.

Chapter III

COMMERCIAL COMPANIES

Art. 16 — State economic units, excepting those organised as autonomous units, shall be organised as companies limited by shares or limited-liability companies, as stipulated by the law.

Art. 17 — Economic units of national interest are organised as commercial companies by Government decision, and those of local interest are created by a decision of the local state administration body.

Art. 18 — The Charter of the commercial company shall set the Statute, as well as :

a) its legal framework, activity, name and headquarters ;

b) the nominal capital, its structure and formation ;

c) the way to take over the assets and liabilities of the state economic unit restructured as a commercial company.

On the basis of its Charter, the commercial company is entered into the Register of the chambers of commerce and industry. The Charter is published in the Official Gazette of Romania.

Art. 19 — An inventory of the property of state economic units to be restructured as commercial companies, along with the evaluation and the commercial company's capital formed in that way are made in conditions set by the Government.

Art. 20 — Initially, the nominal capital of the commercial companies formed under Article 17, is fully owned by the Romanian state in stocks and social shares, depending on the legal status of the company and shall be fully paid at the date when the company is formed.

The commercial company's assets are its property unless otherwise stated.

Art. 21 — The commercial companies set up under the present law have a single stock-holder or share-holder until all or part of the stock or social shares are transferred to third parties in the private or public sector, home and abroad, as special laws provide.

Art. 22 — With a view to preparing, organising and coordinating the transfer of stock or social shares, the National Agency for Privatisation, subordinated to the Government, is set up.

The Agency's competence is established by a special law and by the present law, and its organisational structure shall be decided by the government.

Art. 23 — The commercial companies set up under the present law shall transfer to the National Agency for Privatisation securities equivalent to 30 per cent of their nominal capitals, within 30 days from their formation.

On the basis of these securities, the National Agency for Privatisation shall issue registered shares worth 5,000 lei each for free distribution to all the Romanian citizens who reside in the country and are 18 years of age on December 31, 1990.

Excepted are persons sentenced for embezzlement, theft, robbery, deliberate damage, fraud, fraudulent administration, abuse of confidence to the detriment of public or private property, speculation, murder, qualified murder, aggravated murder, rape, bribe-taking, illegal arrest and abusive investigation, and offences against peace and humanity.

The provisions under the previous Paragraph shall not be applied to people convicted for purloining farm products, prior to December 22, 1989.

Registered shares shall be negotiated and shall change hands by writs between living Romanian citizens who reside in the country only after a year from publication of the present law and only through the National Agency for Privatisation, all other deals that are not registered with the agency being legally void.

Registered shares shall be used by holders, within the limits of their face value, to buy stock or social shares from commercial companies born of the existing state economic units, according to the special law.

The Government shall put before Parliament the programme and principles of privatisation with a view to finding solutions based on economic criteria and differentiated according to the specific of each economic sector and unit, as well as to establishing a protective and preferential system for the employees of the commercial companies that are to go private.

The operations with registered shares shall be subject to a 1 per cent stamp duty.

Art. 24 — Commercial companies with state capital shall draw up their annual income and expenditure budgets, bookkeeping balances and profit and loss accounts, according to legal provisions.

The bookkeeping balance and the profit and loss account shall be published in the Official Gazette of Romania, Part III.

Chapter IV

CONCESSION, RENTING AND LEASING

Art. 25 — By Government decision, upon a proposal by the State Minister for Industry and Trade, economic activities, public services, autonomous units' production units and state landed property may be the object of concessions.

A concession is granted only by public action and only if the concession gives the state a stipulated annual income that is at least equal to the average net profits made during the previous five years, by operating either the object of concession or similar objects. That revenue shall not be lower than the National Bank interest applied to the concession's estimated value established by Government decision.

Production units may make the object of concession without the approval of the respective autonomous unit if the latter applied for state subsidies during the previous two years.

Any natural or juristic person, Romanian or foreigner, can be a concessionaire.

The National Agency for Privatisation examines and accepts auction offers.

Art. 26 — The auction and the terms of concession are approved by the Government and published in the Official Gazette of Romania, Part III, as well as in the press, at least 30 days before the date of the auction.

Art. 27 — The concessionary terms and the contract shall comprise dispositions on :

a) the object of concession ;

b) the duration of the concession, which cannot be for more than 20 years ;

c) a minimal programme of the operations to be carried out by the concessionaire and of possible new investment ;

d) the price of the concession and the payment of possible royalties, in kind, from production ;

e) restoration, upon the expiry of the concession, of all property conceded or acquired during the concession and used for its operation, to the owner without any obligations ;

f) the terms under which the concession can be bought back;

g) the terms under which the concession contract can be denounced and the concessionaire's responsibility when the denunciation of the contract is blamed on him;

h) the concessionaire's responsibility for failure to meet concessionary terms ;

i) control of the concessionaire's activity by representatives of the Ministry of Finance and of the competent economic ministry ;

j) other obligations as may arise from the object of concession.

Art. 28 — The National Agency for Privatization verifies the concessionaire's compliance with the terms and obligations of the contract.

Art. 29 — Subconcession is only made with Government approval, upon a proposal of the National Agency for Privatisation.

Art. 30 — State property may be the object of a rental contract based on approval by the Government or by the local state administration body, as the case may be.

Art. 31 — The rental contract is concluded by auction and shall inlude terms ensuring the exploitation of the rented asset according to its specificity.

The rental contract may be concluded with any natural or juristic person, Romanian or foreigner, by the state body that administers the respective assets.

Art. 32 — Autonomous units or commercial companies may conclude, with any natural or juristic person, Romanian or foreigner, leasing contracts, for halls, plants, factories and other related economic subunits.

The general terms concerning the conclusion of such contracts are approved by the Government.

Chapter V

ASSOCIATION AND FREE COMPETITION

Art. 33 — Autonomous units and commercial companies may associate with each other to perform joint activities of mutual interest. Like association does not result in a new juristic person and the relations between associates will be set under the association contract.

Art. 34 — The association contract shall comprise the following :

a) the contracting parties ;

b) joint economic activities to be performed ;

c) each party's contribution to the joint economic activities agreed upon ;

d) the terms of the administration and management of the association ;

e) the terms of distribution of the results of joint economic activities ;

f) the terms of the termination of the association and way of the distribution of the results of winding up ;

g) any other necessary clauses.

Art. 35 — Autonomous units and commercial companies with partial or full scale capital may associate with each other or with third juristic or natural persons, Romanian or foreigner, to set up new commercial companies.

Art. 36 — Agreements or association decisions between commercial companies or autonomous units and any concerted actions are forbidden which may adversely affect trade between economic agents and whose object or effect is the obstruction, restriction or distorsion of the play of competition or the abusive use of a dominant position in the market or in a consistent part of the market, as follows :

a) direct or indirect setting or imposition of monopoly and dumping prices or other unloyal contract terms ;

b) limitation or control of production, sales, technical development or investment ;

c) division of markets or of supply sources ;

d) imposition on trading partners of unequal terms for equivalent services, which generates a disadvantage in competition relations ;

e) conditioning contract conclusion on trading partner's acceptance of additional services which, by their content or according to commercial practice, have nothing to do with the object of the respective contract.

Breaking the restrictions under paragraph 1, entails the application of the penalties the civil or criminal law envisages for unfair competition.

The activities of an economic agent or of a group of economic agents that capture a market or hold a leading position characterised by monopoly or excessive concentration of economic power are forbidden to the extent they may affect normal market mechanisms and free competition.

Art. 37 — Actions at law may be brought against the practices and acts under Article 36 by any interested person and they are settled by courts of law.

Art. 38 — Agreements, association decisions and concerted actions that support the improvement of production and the distribution of products, the promotion of technical progress and the rise in the competitivity of Romanian products, works and services in the foreign markets do not represent unloyal competition.

Art. 39 — To apply the present law's dispositions when setting up commercial companies, the Government shall restructure state economic units — enterprises, groups, combines,

trusts and of other similar units — according to operational and financial autonomy — with a view to diminishing large enterprises and to raising the number of economic agents producing similar goods or performing similar works or services.

In case of local state economic units, the provisions under paragraph 1 are applied by prefect's offices and the Mayor-General's office in Bucharest.

Art. 40 — The state has the right to perform economic activities exclusively as state monopolies. Such monopolies and their administration are set under special laws.

Chapter VI

COMMON DISPOSITIONS

Art. 41 — Organisational and operational structure of autonomous units and commercial companies are set by their management bodies.

The personnel of autonomous units and commercial companies are employed by the Director-General or the Director.

The employees' salary is set by the management body of the autonomous unit or commercial company according to academic qualifications and professional achievement, by observing the lowest salary provided by the law.

Art. 42 — Autonomous units and commercial companies, as well as the concessionaires and persons exploiting assets rented under the present law are bound to perform their activity in compliance with legal provisions on environmental protection and its self-financing.

Art. 43 — The activity of autonomous units and comercial companies can be influenced by the state through such economic levers as credits with preferential interest rates, state orders, subsidies, taxes and duties.

By Government decision, commercial companies set up under the present law can be subsidised for a maximum four years, the original subsidy being yearly reduced by 20 per cent.

Subsidies are not granted in case of bankruptcy.

Art. 44 — Autonomous units and commercial companies created under this law may directly engage in foreign-trade activities. To this end, they shall organise departments specialising in export, import, marketing and economic research activities. It is compulsory that they consult the Ministry of Trade and Tourism in advance.

Art. 45 — Autonomous units and commercial companies set up under this law have the right to dispose of 30 per cent of their net hard-currency earnings. Starting February 1, 1990 that percentage will rise to 50.

The rest of the net hard-currency earnings shall be exchanged for lei by the Romanian Bank for Foreign Trade, at the exchange rate in force at the date of the bank operation.

Under this Article, net earnings mean receipts from export activities after deduction of payments for imports, commissions, taxes, dues and any other hard-currency spending on the respective operations.

Art. 46 — The hard currency left at the disposal of economic agents are kept in special accounts opened in their names with the Romanian Bank for Foreign Trade, or with other banks headquartered in Romania.

The Ministry of Trade and Tourism may refuse to issue an import licence necessary to use those amounts of money only if the goods to be imported can be purchased in this country on competitive terms and only if such a refusal is necessary to equilibrate the balance of payments. Likewise, the ministry may refuse to issue an export licence for goods required by the domestic production.

Art. 47 — Commercial relations between autonomous units, those among commercial companies with state capital, as well as the relations between them or those between them and the State shall rely on contracts.

The contracts concluded between the economic agents under paragraph 1 shall be governed by contract sanctity and the regulations contained in the Romanian Civil Code and Romanian Commercial Code, with the exceptions resulting from the present law.

Art. 48 — In the relations among them and between them and third parties, autonomous units and commercial companies with state capital shall be able to charge the prices resulting from the combined action of demand and offer, except for the case when on the Romanian market there are not at least three economic agents to marketing the same product, operation or service ; the cases when prices are subsidised by the State by Government decision are also exceptions. In these latter cases, the Government shall establish the prices by negotiating with economic agents.

Art. 49 — The Romanian Bank for Foreign Trade may organise auctions in hard currency upon the request of economic agents that, in conformity with legal provisions, have amounts of hard currency which they want to transfer, to other economic agents in exchange for lei.

Art. 50 — Autonomous units and commercial companies with state capital may conclude contracts with foreign enterprises for sales or performance of works or services, which can be paid for in lei if the enterprisers' Romanian currency resulted from their investment in Romania.

Art. 51 — Any kind of disputes involving autonomous units or commercial companies with state capital shall be settled by courts of law.

To solve their litigations, autonomous units and commercial companies may also resort to arbitration.

Chapter VII

TRANSITORY AND FINAL DISPOSITIONS

Art. 52 — Until the complete liberalisation of exchanges and the liquidation of the materials distribution system, the integral state capital are bound to meet the supply tasks set by the Ministry of Resources and Industry.

Should a distribution system beneficiary realise he was allocated too large a share of tightly controlled materials, he could sell the surplus at prices that may be higher than he paid for. Such operations shall be promptly notified to the Ministry of Resources and Industry. A supplier specifically referred to by name in the allocation act can do likewise if the user notifies him before the contract is signeed that he is not interested in the delivery of the quota he is entitled to.

Any autonomous unit or commercial company that refuses to conclude the contract and violates the provisions of the present article shall be held responsible.

Art. 53 — The goods left in the State's property such as government buildings, assets required in state-administration activities, state reserves and other alike shall be registered with the State Reserves Department and directly managed by the institutions that use them.

Any decision deeds on these assets shall be made by the Ministry of Finance and the Ministry of Resources and Industry, unless otherwise provided by the law.

Art. 54 — The provisions of the present law also apply to companies, corporations, trusts, groups of enterprises and other similar units set up by restructuring central departments or other state economic units, based on Government decisions, until the date of the publication of this law.

Art. 55 — Existent central departments and the other economic units with a similar status shall terminate their activity as autonomous units and commercial companies are created according to the present law.

Their property shall be transferred to the newly-created units, in accordance with the Government decisions for each case.

Art. 56 — The personnel of the dissolved central department and of the state economic units reorganised as autonomous units and commercial companies, shall be employed by the latters. If the personnel are employed for lower salaries they are entitled to the difference counting to their previous tariff salary and to length-of-service bonuses, as the case might be, over a 3 months period. The difference is paid from the state budget.

Art. 57 — Autonomous units and commercial companies shall be created, in accordance with the present law, within 6 months from the date of its coming into force, except for the state farming units, for which a 9 month period is stipulated.

All contracts, licences or other writs whereby enterprises, institutions, state economic units, or a part of these were privatised, conceded or rented after December 22, 1989, shall be reexamined by the National Agency for Privatisation according to the provisions of the present law.

Art. 58 — The present law comes into force within 30 days from its publication in the Official Gazette of Romania.

Within the time specified under Article 57, a series of laws will be abrogated, as follows: Law no. 5/1978 on the organisation and management of the state socialist units and their operation on the principles of worker self-management and economic and financial self-administration ; Law no. 3/1988 on the conclusion and execution of economic contracts ; Law no. 14/1971 on the management of fixed assets and material resources and on technical and material supply, along with any other contrary dispositions.

Upon the publication of the present law, the Government decisions are also abrogated referring to creation, organisation and operation in the domestic trade of commercial companies limited by shares and of autonomous companies, and so is the Government decision on the privatisation of commercial units or their management on a commission or mandate basis.

A MODERN OUTLOOK OF THE MANAGEMENT OF SOCIAL PROGRAMMES

The experience of the revolutionary process after the removal of the dictatorship points to the need for efforts in all spheres toward the country's economic and social revival.

Besides economic management and the care for its operation not to be blocked, special attention will be paid in this context to the building up of the legal framework for labour and social security, for all the difficulties inherent to the beginning of a delivery in pains and, especially to the profound, structural and moral crisis, to an economy dominated by the consequences of insane decisions, imperfection, excessive centralism and lack of efficiency of big investments.

First of all, the purpose is to remove the inconveniences of the inherited legislation — lack of flexibility, excessive centralism resulting from all-embracing regulations, the existence of indicators that did not reflect the real capacities of the economy, but mere political options and wishes, a host of restrictive measures, every imaginable inequity —, considering that all that influenced in the negative the employees' incomes and, ultimately, their quality of life which had reached an unbearably low level.

Second, it is about establishing in incipient lines, the characteristic features of a new labour and social security legislation, compatible with the market economy, yet taking account of the Romanian's historical and social experience : in the past 45 years we have not lived, we have only endured, hence a scale of values that should be considered when future plans are attempted.

The legislative initiatives and demarches will thus help shaping a legal framework to fit the current stage for the whole system of labour organization and pay. Some steps have been taken for decentralizing the authority in establishing and granting the employees' rights, for the removal of inequities and abuses and ensuring an adequate correlation between the work done, its results and the pay for it.

But ,on planning transition to the market economy in Romania, one has to know whether the labour and social security legislation is apt to ensure a proper unfolding of this process.

The question is rhetorical, of course, since the answer can only be no. Viewed from this angle, one will note that the labour and social security legislation :

— does not reflect the reality of diversification of the forms of ownership (which makes it unfit for the new categories of employers — in private enterprises and mixt ownership ventures) ;

— becomes inaccessible to the new functions of forecast and flexible planning in the period of transition to the market economy, as it is built up on the rules of an excessively centralized planning ;

— cannot be applied in conditions of decentralized competences and planning ;

— cannot be applied in conditions of decentralized competences and establishment of large decision-making autonomy of the units in this domain, as it keeps being dominated by the idea of centralized competences in establishing and granting the employees' rights.

Starting from these realities and, naturally, looking from the same perspective of establishing a legal environment to fit the organization of labour and social security activities, compatible with the requirements of the period of transition to the market economy, we think the conclusion is only one, namely to reconsider the whole labour and social security legislation in a different manner, in order to make it fit for this important stage of Romania's socio-economic development ; if we fail this chance we may be accused of attempt at our own destiny.

The first step — actually the only one we had to begin with — was to establish a legislative programme, which included the draft normative acts that should be drawn up by the Ministry of Labour and Social Security, by collaboration with the other central bodies concerned.

The draft normative acts to be worked out, including the new labour code, cover the whole area of labour and social security ; account will be taken on articulating them of the necessity that they should make up a correlated system in line with the requirements of the transition to the market economy listed above.

From the drawn up legislative programme, we have singled out, as an emergency, a package of draft normative acts of utmost importance, especially thinking that for certain domains we do not have regulations or the regulations are obsolete or insufficient.

In this first package of draft normative acts which we will handle first, we have included the bills on: the enterprises' organization and functioning in keeping with the new forms of ownership ; the trade unions' organization and functioning ; the conclusion of the collective labour contracts ; the settlement of labour conflicts and the exercise of the right to strike, the establishment of the unemployment benefit and the reskilling of the jobless ; the personnel's pay.

As a modality of work, we stress that before the drafting proper started, a base of principles of settlement was established for every draft normative act, which make the guiding coordinates for the articulation of the respective normative act.

The base of principles was constituted through the thorough analysis of the legislation in our country and in other countries, of the law literature and practice, as well as of the provisions of the international conventions, be they ratified by Romania or not.

In compliance with what the base of principles comprises, the texts were drafted by collaboration with a wide circle of experts and advanced to the trade unions for inspection and for possible proposals of improvement.

The comments on the drafts are discussed in the Social Dialogue Club organized by the Ministry of Labour and Social

Insurance and in direct meetings with union leaders, in view of making them final in conditions that should illustrate a consensus of the social partners — trade unions, administrative boards and the government.

The analysis of the base of principles and of the drafts drawn up for the package of laws which, like I said, is in our focus first of all, leads to certain emphasis on the following major aspects :

— the securing of full freedom in trade union organization and of the exercise of the union rights, for the protection of the employees' professional, economic and social interests ;

— the establishment of an adequate legal framework for a fertile social dialogue between the administratiive boards and the unions, with concrete responsibilities in the collective negotiation (conclusion, execution, amendment, stay and termination of the collective work contracts) and the amicable settlement of collective labour conflicts, so as to avoid strikes whenever possible ;

— the considerable extension of the area of application of the collective work contracts, so that, in conditions of decentralization of the competences and of decision making autonomy of the economic agencies and units, they may become the main instruments in the establishment and granting of the employees' rights ;

— the provision of new, radically changed bases to the pay system, so as to ensure the employees' motivation in the labour process, stimulate creativity, raise the quality of goods and services, especially through :

— hierarchization of the pay new criteria (the criterium should be the conditions on the work place, instead of that of importance of the branch, sub-branch or activity for the national economy, which does not express an economic reality, but a political option ; the criterion of differentiation of the incomes made from wages and salaries, by substantially increasing the variable part of the pay — the extra tariff-pay) ;

— the establishment of a guaranteed minimum pay per economy, seen as a necessary minimum to meet the mate-

rial and spiritual needs of the employees and their families at a level that should be as close as possible to that in the economically medium-developed countries ;

— the removal of the mechanisms of evening up the incomes derived from wages and salaries, and their replacement by measures that should encourage personal creativity and initiative ;

— the application of the forms of labour organization, assessment and pay into a most flexible system, in keeping with the specific of the respective jobs ;

— the decentralization of establishment of the funds required for wages and salaries and of establishment of individual pays ;

— the establishment of a regime of special security for the persons who, for reasons that cannot be blamed on them, are not hired to carry on socially useful work, a regime characterized by :

  — the granting of unemployment benefit with a twofold role — to provide for their living and to encourage the persons temporarily unemployed to keep trying and find a job ;

  — the organization of a system of professional reskilling of people skilled in professions for which there is no demand in the labour market ;

  — a social security system (with material base ensured from the state budget) for all those who, for all steps taken, could not find a job.

The above-listed ideas are not the product of an absolute thinking ; they are objectionable and amendable alike. But, from whatever angle the issue is regarded, I feel for our part that we are in a maze ; the source of revival of our compatibility with the civilized world can only be work, endeavour motivated by the right and duty that we too, should be happy at long last.

ION AUREL STOICA,
Minister of State for the Quality of Life and Social Security

September 25, 1990

ROMANIA'S FOREIGN POLICY ORIENTATIONS IN THE CURRENT STAGE

After the December 1989 revolution and the holding of the first postbellum free elections, Romania's foreign policy is expected to express the sense and significance of the deep-going internal transformations. For a country of our size, the performance on an external plane was and remains objectively determined by the depth of the changes in conditions of national stability and by the dynamism of the dialogue cleverly conducted with the other states of the world. Romania's post-revolutionary situation requires that we should build a society in our own structures, with our own resources and according to our own traditions, firmly implementing the transition to the market economy compensated with a social dimension, according to the government Declaration-Programme and continuing without hesitation the process of democratization of the domestic life, the building of the state of law and the placing of man's interests in the focus of the whole activity in society.

These orientations, that rely upon the electorate's strategic option freely expressed on May 20, 1990, give substance to the wide-scope action that takes preeminence now, for the adequate perception of realities and the remaking of Romania's distorted image in the world. Our efforts now focus on the presentation of the objective elements of the internal political and socio-economic life, the attentive analysis of the complex phenomena in society and of the events that derived from their evolution — especially those of June 13—15, 1990 — as well as the exposure or

neutralization of the categories involved to various extents in slandering the country and favouring its instability. The remaking of the channels of communications with the foreign countries in the most varied media, the Romanian emigration included, the cushioning of tensions at a government or parliament level and the multiplication of the messages meant to eliminate their subjectivism in assessing the bases upon which our society is being established — are as many current targets of the activity of all those involved in the sphere of international relations.

Confident, according to recent signs, in the reasonable attenuation of the effects deriving from the paradoxical mistification of Romania's realities and policy, the government has concomitantly set to define the foreign policy orientations in keeping with the national interest. The starting point is that, lying in this part of the world ,with a people that resisted all adversities of history, enduring in the territory where it came into being and has asserted itself among the world's nations, Romania was, is and will remain a Latin country of Europe. We consider that by definitely divorcing the past, our country has regained its digntiy, its right to participate on an equal footing in the efforts of European construction and in international life. In this period of reshuffle of the political, military and economic structures, we naturally care about Romania's place in the world's future picture and about the costs of protection of the whole complex of national interests. Therefore, the foreign policy orientations must be the result of consensus sprung from an open and efficient dialogue with all political and social parties and groups, which is what the government seeks firmly and in good faith.

We proceed to the rethinking of the relations in Eastern Europe pursuing the elimination of the artificial and uneven elements from their content and the singling out of the really common interests on a bilateral plane and in the context of joining in the specific processes in the Continent. The utmost attention paid to the provision of new foundations to the relations with all neighbour countries has an objective substantiation, pursuing the attainment in every situation of the standards of good neighbourliness demanded by the freedom of options, the observance of territorial integrity and a spiritualization of the

frontiers that shuold not be marred by revisionist practices, interference in domestic affairs or offence of the Romanians' national feelings.

There is every political, strategic, economic and cultural reason for Romania to no longer be kept outside the European institutions, for it to participate, according to its real, past and present contribution to the assets of civilization created in this area, in the efforts of all signatory states of the Helsinki Final Act toward the building of a new reality of cooperation and security in the Continent. The dynamic changes that have taken place in the central and eastern part of the Continent, the unification of Germany, as well as the dramatic changes in the balance of forces, demand that we should skilfully look for acceptable forms of durable protection of Romania's interests of national security. In the context of the somewhat asymmetric but visible actions to change the structures and adjust the doctrine of the two military blocs, and in the process covered by the CSCE to offer a novel model of security in Europe, the solutions will have to be sought out where the two drives meet. In the political and professional effervescence of elaborating projects for the building of a new Europe characteristic of this period which, by the end of the year, will lead to the establishment of their main directions, Romania invests the necessary capital of imagination, pragmatism and mobility to have its say compatible with the national commands and the requirement of organization of Europe's peaceful and prosperous future. Its active presence in the all-European meetings in Bonn and Copenhagen, in the Vienna negotiations as well as in the preparations for the CSCE summit in Paris, prove — through the value of its proposals and stands — its commitment, completely free of its past short-sighted reserves, to the stage of promoting a genuine process of European revival, sustained by actual measures and supple structures of concerted action of the participants.

Important steps have been taken after the Revolution in its opening, unhampered by taboos or prejudices, and new Romania also makes a realistic analysis and well-balanced consideration of the phenomena of international life. Abandoning arbitrariness and vain criteria of prestige, the government and the

Foreign Ministry pursue the adjustment of the speed of change in the approach to the geographic regions and to the global issues, to the course of events, as well as the capitalization on the premises consonant with real interest and mutual advantage. Thus, the participation in the big processes and tendencies manifest on a world plane is of a nature to ensure the promotion of the modern forms of collaboration with other states, the direct presence, with an own voice, in the wide international debates on security and disarmament, development and ecology, fundamental human rights and freedoms, the flow of genuine spiritual assets.

Romania keeps fully confident in the abilities of the UN, starting from its important role in moulding, by the criteria of human equality, cooperation and solidarity, the international relations and in the settlement, in the same spirit, of the urgent global issues. Its membership in the world organization's Security Council gives more legitimacy and responsibility to the mandate entrusted to the government resulted from elections, namely of acting as an active factor of understanding and rapprochement among nations, of mutual tolerance and states' collaboration in the spirit of the humanist ideals of peace and progress.

ADRIAN NASTASE,
Minister of Foreign Affairs

September 25, 1990

REPORT

ON THE STAGE OF THE IMPLEMENTATION OF ECONOMIC REFORM AND THE DEMAND TO STEP UP ITS PACE

Mr. President and Mr. Speaker,
Ladies and gentlemen,

This report coincides with 100 days since the Government of the Parliament's majority of the National Salvation Front was formed.

I am submitting a report which is, in substance, an exam that qualifies it for the reform implementation strategy. Unlike other exams, this is one the Government cannot afford to fail. Indeed, this is an exam that the current Government cannot take twice.

This is a decisive time for Romanian society now heading for democracy and modernity. At this stage foundations are being laid for the renewal of this society, perhaps for its re-birth.

Out of the vast and complex picture of the steps that must be taken now, the number of which is multiplying steadily through readily grasped or less so connections with the country and the international community, a logical, rigorous, professional sequence must be established to make the reform real.

Ladies and gentlemen,

A few general references should be made to the economic performance between 1 January — 30 September, 1990. They disclose an inefficient activity in most of the branches and sectors of the national economy.

That period saw a deterioration of the national income formation activities in absolute terms, reflected in the 27.7% drop in the net industrial production, i.e. in added value.

The electricity consumption per net production index (kw-hr/1,000 lei) increased by 23.7%.

Productivity in the all-country industry in terms of commodity production dropped by 22.8%.

As concerns the money supply, against the background of a 16.7% shorter working time, the total wage fund increased by 11.2% and the total money incomes by 26.1%.

Inefficiency in many areas was only 88.3% of the state revenues, while budget expenditures increased substantially.

The budgetary effort grew sensibly, compared to the same period last year, in scientific research, road and bridge repair and maintenance, communal administration, in the social and cultural spheres.

The rising money incomes of the population put the purchasing power of the leu under greater real pressure. So, for intance, on 1 January 1990 for one leu in circulation there were 19 bani worth of commodities, while now there are only 14 bani worth of commodities, while prices and tariffs rising by just 2.2% ; if the present trend is maintaned, a 10 bani level may be reached, and this is an effect an inflationist trend.

Another unfavourable situation is that of realized investment in the first nine months, which is 23.1% below what was planned, and 44.6% below last year's level.

Economic enterprises and departments find it hard to understand — and there are cases when they will not understand — that the wage fund depends on work, and that the hard currency for imports also depends on that, on the execution and observance of export contracts.

There were definitely objective causes, too, accounting for this. They were referred to on previuos occasions, as well as in the Government's Statement Declaration. A few estimations will appear useful, though.

It should be said, for intance, that, had exports in the first nine months of 1990 been around 80% of the volume achieved in the same period last year, we would have had a balance-of-payment surplus in hard currency (132 million dollars).

But, with exports at 54% or so of last years's performance and deliveries to the market 0.9% down on last year's level, the balance should be sought in unfinished production or in stocks which were worth 328.8 million lei, or 57.3% of the commodity production in the first half of the year. This points to an anti-economic and anti-social management of resources.

What economic principle could be claimed by enterprises applying for credits to get imports only to maintaint the present state with no prospect for a real profit in sight ? One can hardly imagine a worse understanding of entrepreneurial autonomy.

This is the moment of truth. Aheand of us are two winter quartes, and trade deficit in the range of 1,200 million dollars per quarter is expected if we continue along the same line. This is a price that cannot be accepted — either from an economic point of view or from that of real credit facilities.

The solution is a firm treatement comprised in the basic reform principles.

Ladies and gentlemen,

A coherent and convincing presentation of the future actions and paces planned by the Government must start not only with a diagnosis of the present state of the economy, but also with an analysis of the stage of the bill on economic reform comprised in the Government's Programme, and of the conclusions drawn from the effects that this early stage of the reform has brought.

It must be said here that the Government has assumed a major role in the initiation of bills starting from the principle that an indepth economic reform cannot be achieved with laws

inherited from totalitarianism. We remain true to our word, namely that reform should start with a legislative shock, and are determined to speed up the pace of bills we send to Parliament.

Of the bills that the Government has sent to Parliament, unquestionably the most important for economic reform is law 15/1990 on the reorganisation af state economic units into autonomous companies and cammercial societies. Even though this law is well-known to you, I take the liberty to remind you the most important principles it proclaim since they largely show what our ideas are. Ownership is set in essentially dfferent terms in that law which discard the principle according to which the state is the sole owner of the major means of production, hence the only one to decide on them : state ownership is shifted to autonomous companies and commercial societies as private law subjects.

The same law sets the fundation for the free transfer of a good part of what might be called state capital into the hands of the population, through the securities system which gives Romanian citizens the possibility to become shareholders-investors in commercial societies of their own choice.

Finally, Law 15/1990 sets the fundations for an anti-monopoly policy that aims to end administrative constraints, and attacks manufacturing monopolies head-on by dissolving centrals as intermediate links specific for excessive centralism in economy, ending the state monopoly of foreign trade and restricting the state monopoly of hard currency.

It also aims to lift the arbitrary limits set by previous laws to the development of small private enterprises and paves the way for a strong small and medium-sized industry sector in our economy. Obviously, this sector should also use the benefits of a private raw materials market of tehnologies and means of production that may develop with the growing number of commercial societies, and with the restoration of normal relations between producers, on the basis of contracts. That law already allows all these, but the inertia of mentalities, and poor economic incentives have prevented those things from happening. Finally, the law on commercial societies, besides simplifying the proce-

dure, also aims to increase the attraction of foreign capital through financial facilities, especially those allowing profits to be taken out of the country.

In conext, we must announce that the Government is preparing a bill on foreign capital investment under which foreigners may establish and operate funds in Romania not necessarily established into commercial societies. What we particularly aim at is to develop resources that we ourselves cannot use to advantage for lack of money or of technologies, and to increase the operational efficiency of certain Romanian units that would otherwise be deprived of expertise and the means for better management, optimisation of investment and re-equipment.

To give effect to the laws that were enacted, the Government has issued decisions on how public units or property can be leased, on how domestic and foreign trade, as well as tourist units can become commercial societies, etc.

The time since the current Government was formed has been too short to allow the enactement or good progress in Parliament of other normative acts that are indispensable for a coherent and efficient reform process — fiscal laws, budget policy reform, the regulation of financial-accounting control of public activities, etc. One may say that objective and subjective factors have slowed down implementation of the adopted laws — chronic shortages of energy, raw and subsidiary materiales, calling for governmental intervention and guidance in certain cases, combined with a lack of experience and the resistance to change of persons involved in the creation and management of the economic agents specific of a market economy. Against this background, secondary, pathological phenomena have occured that are inevitable in the transition process, namely a certain proliferation of purely speculative activities in the non-productive sector, a relative polarization of wealth, corruption and unlicensed trade. The Government has taken and will continue to take measures against these phenomena — such as to create a commercial inspection corps under prefects and mayors, a public guard corps, prepare the creation of financial guards — but excessive concern to control secondary effects may lead to lower efficiency in the fulfilment of the main targets, and this is a risk that

should not be disimissed lightly. It was only natural that latent ills of the old economic mechanism should become obvious in the passage to a market economy. If there are people who get rich quickly from non-productive activities, this is primarily because of the artificial character of the price-system, and if prices fail to reflect the real value of products, this is an anomaly readily used in trade by middlemen to make profits fast. This system which shows a willingness for profit that is not blameworthy in itself, only uses the distortions in the price-mechanism that the state has not removed yet. What we must do is not to make poor at all costs the ones who may get rich, but to stimulate them to invest their profit in productive activities that bring greater benefits to the collectivity. If it were only the new jobs that such investments can create, which definitely has a social importance.

Certainly, in a democratic society, every citizen must publicly state all his revenues, and this source must be lawful.

Furthermore, it is not the privatisation of trade that causes supply problems, but the resistance to privatisation which has led to the privatisation of trade capital negligible in terms of quality and object. That has diminished competition and encouraged corruption. Which calls for a faster pace of privatisation in trade, in distribution in general, because no private merchant will steal his own commodities to sell them behind the counter. State-run trade has definitely proved to be a discretionary structure against the public interest.

Ladies and gentlemen,

Artificial prices and the absence of competition are two sore points of Romanian economy, of its recovery. They help disorganise economic flows and falsify all relations between the system's structural elemnts. No right solution can be found to a problem unless the problem is well-formulated. So, as long as the problems of our economy are set and are defined in terms of falsified prices, their solutions are false.

The restructuring of our economy in such a way as to restore the balance between resources and capacities, and between offer and demand cannot be achieved by decisions from the top alone, and it connot be achieved as long as no distinction is made between profit-making and loss-making enterprises. This is in fact the premise for a comprehensive and wise state subsidies policy apt to support the economic agents in trouble. This is a picture that is unconceivable as long as prices fail to refelect the value and productivity relationships among products and producers, respecively.

It is likely — in the short term — that price liberalisation as a measure that the Government must urgently take will not set prices in a real relationship by reducing the current levels. However, liberalisation especially when accompanied by competition, does not necessarily mean price rises, it may also cause prices to drop. But this is the prices we must pay to have the shops full, fight corruption and unlicensed activities, stimulate viable economic agents and revive the economy.

We are not supporters of savage liberalisation. We plan a liberalisation accompanied by such social safety measures as the present state of the economy allows. Along this line, the Government policy is a free price formation on the basis of a concerted demand-and-offer action for those products, works or services that are supplied by at least three economic agents. This measure shall be extended to all autonomous companies and commercial societies, and to the state units that could not yet reorganise themselves on the basis of Law 15/1990, and its basic idea is that several competing units that offer one and the same thing prevent, in principle, prices from rising too high.

In order to make economic agents carefully manage the basic raw materials, fuel and energy so that by reducing the present high consumption to relieve the pressure on offer, the Government set the prices of these commodities at a higher livel, also in an atempt to bring the rate paid by economic agents in line with that paid by the population. This is a point

we want to make because it is a departure from the policy of the old regime where the citizen had to pay from his pocket for the waste in industry.

On the other hand, a decision was made to devaluate the leu against the dollar as of 1 November 1990 setting a 1 : 35 rate of exchange for the whole economy. This is a measure apt to reduce the unaccountably high consumption levels in industry by making imports more expensive, to discourage the black-market exchange rate of hard currencies, to stimulate exports by making them more efficient and to attract foreign capital investment. One rate only for all import-export operations may show which exporters fail to make profits and give an idea of state subsidies. The new exchange rate and its effects coupled with the experience that will be gained in hard-currency sales at auction between Romanian economic agents will more accurately show what the leu-dollar rate is, so that correction can be made.

The new price formation system calls for a changed flexible commodity circulation tax that will be levied on the basis of percentage quotas extended to all economic agents whatever their form of ownership, and the fixed quotas system will be dropped.

The retail prices of the products for which subsidies or compensations will be paid shall generally be set by the Government through negotiations with economic agents-suppliers.

For social safety purposes — as part of its price liberalisation policy — the Government plans to keep unchanged the retail prices of energy and fuel, and the rents for the population until the early 1992, for which end subsidies shall be paid in the range of 25 billion lei for the whole year 1990.

For basic foods, the so-called "daily basket", and for certain industrial products and services that account for a significant share of the population's consumption, the prices will be raised but not above the ceilings set by the Government, so that the higher energy and raw materials prices should be reflected as faithfully as possible on the producer's expenditure and help

him achieve a high efficiency to meet all the costs that make up the price. The new prices of the said products shall remain unchanged for at least one year, during which time each citizen — whether employee or pensioner — shall be paid a fixed tax-free compensation by the state.

Finally, the prices and tariffs of consumer-goods and services that are unessential for the population, but on which civilised living standards depend, will fluctuate freely, but salaries and pensions shall be correlated to their predictable average monthly price rise index.

This mechanism is so conceived as to protect the consumer through subsidies and give the producer such freedom of movement as the market rules allow.

In the above conditions, the Government plans to protect the population's money deposited in savings-banks, or in commercial banks, after the banking reform is made. The interest rate on the money put in savings banks by the population will also be liberalised.

On the other hand, we do not mean to make a monetary reform.

While showing all these social safety measures that the Government places we must stress that they are aimed mainly at those segments of the population who cannot work : pensioners, children, mothers of newborns. It is for them that an additional system of benefits will be put in place.

All social segments that make up the active work force not only can but also must get protection through work. If the quantity and quality of work goes up, and labour productivity increases, prices may drop even without intervention from the state, and even if they are liberalised. Along that line, the Government has initiated a bill by virtue of which persons who want and can work more and better are entitled to the income payable to all the offices they fulfill.

The Romanian economic environment has long been distorted by the absence of a real competition because the industrial

structures of the past favoured concentration in large enterprises or central departments which, rescinding the right of the enterprise to be a juristic entity stifled the sense of initiative and concern for honesty, no longer allowing the enterprise to manage its own funds.

On a macroeconomic level, a host of competing free economic agents is a sure way to stimulate industrial growth. The 50,000 free entrepreneurs or so, of which 146 are companies set up jointly with foreign capital that have appeared on the market this year, for all their frustrations resulting from the tendencies of department red-tape or local administrations to marginalise them, exist and continue to stay because the market has recognised them. Why ? Because they take over part of the unavoidable cost of market growth ; because they naturally oppose the unlawful flow of commodities away from the market; because they sometimes give the green light to new technologies, nes products that are not favoured by the large industries ; and finally, because they help give credibility to new industrial activities.

As the property of enterprises is evaluated and development funds are formed, we plan to stimulate the creation of new commercial societies. These new entrepreneurs are the fresh air in the economy, the sure way to develop competition. In the face of these entrepreneurs, commercial societies and even autonomous companies, set on the old industrial complexes and conglomerates, will not stand a chance to Government protection. We need competition in the production of value more than anything else in our economy. Mobility, creativity in small and medium-sized enterprises can successfully compensate the limited capacity of investment for development.

In this process, the state administrative machinery must no longer be a screen for laws and decisions that are Government policy. More often than not, it is not the substance of renewal, but routine that filters out and reaches non-creativity, it is the opposite of initiative.

The Government is determined to shake "the conjuration" of old residual inert administrative structures that dilute the scope of Government laws and actions, to work perseverently in order to relieve the economy of the constraints of centralist, probureaucratic reflexes.

And this, not by wilful action on the human factor, but mainly by attacking the roots of the system. However, if until now, distortions were maintained by false prices, their liberalisation leads — painfully, that is true — to balance and gives the impulse to find and keep one's place on the market. Secondly, the devaluation of the national currency along with the use of the real foreign-market price in the bookkeeping system of enterprises, and the passage to a hard-currency sales at auction put in place the reliable premise for a gradual passage to convertibility as of 1 January 1991. All these factors stimulate competition, not only on the home market — although this is our prime concern — but also on the international market, they give the enterprise a sense of necessity, a vocation for a long-term strategy in which the market is decisive for the micro-economic policy option.

An end to the structural imbalance of the economy is the condition for a break with shortages. With the capital we have in stock we can not afford the waste to continue with non-profit-making at the expense of the state. Nor can we morally afford this, because a stimulative salaries law can hardly accept to have scores of thousands of employees doomed to earn a minimal wage for many years when the quality of their training entitles them to more.

With a rigorous evaluation of the domestic resources and of those we can attract through imports of raw and subsidiary materials, energy — for which we must create at home the means to pay — and of the capital import, must firmly embark on the process of re-thinking the dimensions of economic activities by restricting certain units that use up resources but fail to make a profit.

The too high production costs of the large majority of Romanian industrial products reflect poor engineering design, the recourse to routine instead of creativity.

The very high production cost of a Dacia car can be blamed less on low productivity and more on the fact that for twenty years not one significant engineering contribution has been made to that automobile. This in effect is the situation in the whole Romanian industry. The huge stride taken by the Japanese, Korean and Taiwan industries is also the result of the very high degree in which basic materials are used in manufacturing processes. Waste of material at various manufacturing stages, inevitably accompanied by non-useful energy consumption, is more often than not the direct result of a low level of engineering. A book published in the USA this year on the management action today shows that enginnering is not only the sole cause for American companies lagging behind Japan, Germany and the Republic of Korea, but also one of the major causes behind the failure to end that arrear.

One may easily infer the seriousness of the situation in our country.

The problem we must solve through proper laws is to create the setting that should give engineers, researchers and designers a sense of responsability, a sense of individuality in what they do. Anonymous work, even if well-paid, cannot be a stimulating factor.

Bringing engineers closer to the result of their work, organising it on the product or purchaser criterion and reducing the number of decisionmaking levels are far more efficient. Indeed, to gather the best experts to work on a new project is highly stimulative, whereas to get them work on the details of a routine project can hardly yield fruit, since this has hardly the virtues of technological innovation.

What kind of technologies should we promote ?

In a country that is in relative poverty yet, priority should be given to those that do not run high financial risks. So, for instance, farm equipment, farm machinery for small-scale operations, equipment for the tourist industry, a.s.o.

We should promote such technologies as can be used taking into account the current level of training. Modern, high technologies, if market research justifies them, no doubt depend on a complex association with foreign partners ready to assist us industrially as well as commercially.

Now, when the market is the reflex of disfunctionalities, and the only way to maintain it was by thriftily managing the resources and maintaining a coherence in order to prevent the deterioration, the collapse of the economic mechanism, we are resolved to promote the development of a new equilibrium in two ways : to stimulate competition in order to create close and good-quality links between economic agents, and between them and the market ; and to give them freedom of action coupled with a substantial reduction of material balances from about 2,200 in 1989 to around 600 in 1991, of which 168 at a macroeconomic level. Their administration aims both to restructure and to give equal treatment to all enterprises — whether state-owned or private.

Restructuring appears to be an all-out cure, but it is also an excuse for past mistakes and for huge underestimations of the existing social capital. But the restructuring policy which is future-oriented is based on the known circumstances of the present. After restructuring, after new kinds of economic activities are formed, there is nothing that can guarantee they are commercially "healthy".

Therefore we plan to use economic and financial instruments to protect the social capital we now have, more specifically that part of it which can, through a re-equipment effort, through a revival of technological lines and plants, be brought to real producer status, to the status of adding value.

We start out with a given industrial structure. No matter how far we plan to get, the original conditions can be found in the planned formula. The art of restructuring these branches is to set them in balance.

The moral support for the general effort, that the successes in one branch or another are at one stage, are a necessary part of the formula for an issue from the economic crisis, for balance as part of closely knit structures with an obvious potential for development (farming, tourism, small industry etc.).

The production potential of a factory depends only on its technical structure. A look at the manufacturing programmes may give a competent person an idea of what that factory makes and of what it needs for the manufacturing process. Not the same can be said of the huge conglomerates formed on criteria of complementarity — horizontal or vertical, in other words centrals or industrial combines.

Therefore, the free association of distinctive industrial entities that the market requires gives far greater flexibility in everything that concerns the growth of production and its sale.

Strong association structures, let us call them holdings, are in this case basic parts of the economy.

Ladies and gentlemen,

We have been amply faced with a continuing drop in the volume of work in the national economy. This cannot be regarded as an achievement of the revolution, all the much less so as the change of labour norms had no logical, no economic support.

I think we can rightly quote N. Georgescu-Roegen who said on the developing economies : "To set the same limits to the workday, to working time, in general, as in the developed economies — where the employee's free time has an economic value for himself because of the abounding capital — can be equated to a decision to keep the existing equipment idle for a very long time, hence to cut the country's potential revenue". According to the same author, the best motto in planning eco-

nomic growth is "it takes time to achieve economic growth". The only possible conclusion is that by working more now, we bring our target nearer.

Of course, the Government is aware that it cannot just ask for more work, even though this demand is fully justified. The Government is determined to make decisions that can motivate people to work and put the best conditions in place for work to be carried on in the conditions in which the decision is made by the same person who also has the responsibility. It is in this context that the wage liberalisation policy should be set. Its basis is the principle of having lawfully set minimal salary levels differentiated by functions, professions and economic branches, in view of long-term options that tend to promote a certain structural development model and of the demand to restore a fair social hierarchy, in which the best paid are those who make profits, not those who use up other people's profits. On the basis of these minimal levels and in consideration of each one's own financial situation, each enterprise will be able, in principle, to negotiate — as part of the collective bargains — such salaries as it may deem as fair, possibly higher. The employees must know that, under such circumstances, the level of their salaries depends on their productivity.

Certainly, this system runs the risk, actually verified in a number of neighbour-countries, that by raising prices (where they are free) but maintaining the level of production unchanged, not by increasing productivity to sell a larger amount of commodities at lower prices, enterprises may increase their revenues ; hence the salary fund. Such a practice that has no perspective may — particularly against the backdrop of price liberalisation — start an inflationist trend. Wherefore we also plan orientative salary ceilings, the disregard of which may incur a salary tax rise of up to 95%. Furthermore, we also plan to discourage the rise in productivity through a better utilisation of production units and possibly re-equipment. To this end, a tax must be set on the total salary fund deductible from profits

that the enterprise must pay whenever the salary fund exceeds a certain percentage of the total spending by one economic agent.

We think that enactment fo the trade unions bill and of the bill on labour conflicts, both of which were sent to Parliament, will stimulate work. A precise definition of the competence of unions and their sharp separation from the management process are mandatory for a normal course of the latter, for the benefit of employees first of all. Ambiguities in this respect have bred tension and fear both of which are destabilising and their sole result has been a drop in production.

In its turn, the law on the settlement of collective labour conflicts can halt sudden, anarchic and abnormal walkouts. Thus, the right to strike must truly be the last efficient lever to be resorted to, only after all the other ways of settling conflicts have been exhausted.

The revival of the economy cannot be conceived only in terms of improving the quality of work and stepping up its pace in enterprises, although it is on this that the strengthening of economic activities depends as a premise for development.

Nor can re-equipment efforts alone bring the necessary economic growth.

The essence of development, of the modernisation of the economy lies in the capacity to manufacture commodities in new or sharply improved technological conditions, and in the demand to develop new driving forces inside the economy.

As part of the alternative economic scenarios we are preparing, the state uses the economic means it has at its disposal to expand or restrict the market, in order to increase the offer or demand, to help certain enterpreneurs through subsidies or credits, as the case may be, so that by adding new elements to the picture, at one time, it may generate the stimuli apt to develop a certain behaviour in economic agents. Their prompt and right reactions are therefore essential. It is the

economic agents that should : engage in market research and attract complementary or supplementary agents represented by Romanian or foreign partners apt to generate and/or strengthen one's own effort ; promote decisionmaking autonomy to get rid of the authority or of the tutelage administration that some people still expect to provide guidance ; structure production in relation to demand ; optimize a horizontal exchange of activities on the basis of the conclusions and execution of contracts. So, for instance, if a partner fails to fulfill his contract obligations, the economic agent must take his case to court for damages, and not apply to the relevant ministry, expecting the latter to use its authority. In fact, by reducing the number of ministries and of the administrative personnel, and by reforming the organisational structures of the ministries and other bodies of state administration, such interventions are in most cases no longer possible. Along the same line, the Government has decided that prefects and mayors should not intervene to guide or control the work of economic units.

Furthermore, ministries have begun to organise themselves in order to fulfill the state's position as shareholder of commercial societies. Therefore, the reform implies and generates new processes that concern every link in the economic and administrative structure.

Unemployment is another problem of our economy. There is concealed unemployment : according to institutionalised criteria, so far, the picture of unemployment is the following : 120,000 registered applications to employment offices, of which 50,000 are still unsolved, and 70,000 high-school graduated who are jobless.

In the transition period, Romania will have to cope with a pressure of labour offer on demand. Estimates have shown a growing capacity of labour absorption in such fields as textile and leather industries, agriculture, construction, the cooperative system, local administration and financial management. In 1991,

besides the employment problems raised by about 700,000 persons — underemployed this year — we expect another 300,000 or so high- and higher-school graduates to apply for jobs.

To avoid the negative effects of unemployment, the Government aims to take specific action to :

— reorient the jobless to areas that are underdeveloped in our society ; Romania's tertiary sectors employs 2,956,000 or about 27% of the working population, which compares with 68% in Belgium and 53% in Austria. We regard services of all kind as the sector with the largest potential for the absorption of the unemployed ;

— reorient to areas plagued by labour shortages, such as drilling-extraction, agriculture, construction-assembly and public works more particularly ;

— re-train for trades in demand on the labour market ;

— multiply economic agents, especially on the basis of private initiative ;

— formulate an adequate policy for about 80% of the yet unanswered job applications by women.

A normative act is being considered in Parliament on unemployment benefits as a social security form for persons who con work but are temporarily out of work.

The positive tendencies and processes in agriculture, that can be summed up as a vigorous reaction to the liberalisation early this year, which took us — at least as far as certain products are concerned — from shortage to self-sufficiency, can be sustained only by a reform of substance. Here again the legislative setting is a pre-requisite.

The Government has prepared with considerable effort a package of laws, of which some have already been sent to Parliament — the land bill, the law on cooperative companies, the land survey law. These laws proclaim the farmers' land-ownership right, and their freedom to opt or not out of the former

cooperative farms. Present cooperative members who were landless at the time they joined the cooperative farms are entitled to land ownership without compensation and so are the descendants of farmers who contributed their land to the cooperative farm, now contemplating a return to agriculture. Teachers, physicians and other intellectuals settling down in the rural areas will also have to qualify for land and house ownership.

The Government also submits to Parliament a package of regulations meant to prevent an excessive scattering of land under which the smallest technologically-optimum land area is declared indivisible property. Furthermore, we have considered and advanced such measures as to make use of land an activity of national interest. Failure to farm the land may even compel its owner to lease it or even sell it to persons who have both the will and the potential to till it.

The Government views the concentration of too large areas of land in the hands of one person as equally unwise, since it may discourage the development and conservation of village communities as true nuclei of national culture and traditions. Limits should be set to land accumulation.

As concerns built-up areas or those subject to land reclamation, they shall become the joint property of present cooperative farm members and are to be worked in common or leased to one or several farmers.

The present producer cooperative farms shall be reorganised into cooperative companies. Their members will be able to withdraw whenever they want and are entitled to a land area equal to the one they brought along when they joined the cooperative. This form of association, which is an alternative to the commercial society that entitles a shareholder who withdraws to take with him only the money equivalent of his contribution, may prompt the farmers to opt for the joint farming of larger land areas, which is technologically preferable.

As concerns the present state farms, the Government takes the view that it would be good if they were changed into autonomous companies or commercial societies that can put large landholdings and advanced technologies to good use. They can supply the population, industry and export with a good deal of the agricultural production.

With this legal setting, the Government will pursue a policy of farmwork guidance and stimulation by concluding contracts with farmers at guaranteed minimal prices and by financing selection and improvement research activities.

Ladies and gentlemen,

Price liberalisation as the decisive stride toward the market economy should be taken with due regard to the home and external financial balance. This can be done by a proper monetary, tax, budget and credit policy.

The Government has started and promoted the financial-banking and tax reform. Here too the development of the new legal and institutional setting should be speeded up so that the banks and budget may take over the task of stabilising Romanian economy.

By making the National Bank a central bank, and by creating a network of commercial banks, specialized banks and financial companies, conditions are put in place for us to pursue a true monetary and credit policy shortly after the new banking laws are passed.

Currency is a priority. To build up confidence in the leu by all means and to sharply improve money circulation are urgent tasks now.

The monetary imbalance, which concerns us all and has largely been inherited from the old regime, has worsened this year. Its major cause is the rising income of the population unsupported by comparable increases in production and services.

Furthermore, the actual lack of capital investment and the narrow range of forms of saving have helped money accumulations in cash and in deposits put in savings-banks which are ten times larger than the monthly sales of goods and services. Obviously, this purchasing potential which even now cannot have too many options materialised, puts constant pressure on trade, hence a dangerous deterioration of the way shops look like and of the people's mentality, notwithstanding the growing amounts of sales.

The growth and diversification of the range of commodities and services has been a major concern of the Government, but legal procedures should be speeded up to appreciably extend the purchasing power of the leu to areas that were banned until not long ago: land, buildings, means of production. The issuance of state bonds, shares and other titles to property along with the growing variety of the forms of investing savings will help the creation of a diversified structure of attracting the money surplus in the economy, which is in the last analysis a factor of economic growth and stability.

Besides the bill on selling state-owned housing and the bill on buildings, the Government plans to soon launch a programme for the selling of state-owned buildings and for home construction under the motto "every citizen — a homeowner". We take the view that this new ownership programme with positive economic effects contributes to the improvement of the psycho-social and moral climate.

Through a proper long-term low-interest credit system with tax incentives, we intend to give the less favoured social segments' an opportunity to buy a home. We closely link this with the ethics of work, since credits will be extended by banks especially in consideration of how stable incomes are and on the applicant's work relationship.

The state ownership system in which every decision was made at the centre is known to have reduced the currency to a mere calculation unit. The decades of central planning and dogmatic communism have most dangerously marginalised the banks and our national currency not only abroad, but at home,

as well. The banking reform and the measures we plan to take restore the currency, bank and credit, their central role in Romanian economy.

Under the new banking law and in line with the attributes it has under its new status as "a bank of banks" the National Bank will no longer finance industry and trade directly. But by setting ceilings to the credits extended to other banks at economic interests, through a firm control of the money supply and other specific money policy instruments, the National Bank can and must create a general rigorous and moderate credit-worthy climate, of utmost responsability towards loans, which is inherent in the protection of public interests.

Taxation and budget spending make the second largest category of economic policies for the Government to operate in its attempt at stabilizing Romanian economy and maintaining a balance once prices have been liberalized.

The taxation system is both an instrument of general action upon the economy and one of the most efficient levers of selective policy, apt to effect structural changes, to encourage or discourage certain activities.

Budget spending primarily represents an engine that sets in motion the whole social-protection programme and provides for the implementation of activities of utmost public interest, which are vital for the existence of the nation : defence, instruction and education, helath care, science and culture, state administration.

Secondly, with the formation of market-economy mechanisms, the general regulation of budget spending and its correlation with taxation are powerful instruments of macroeconomic policy.

The Government has submitted to Parliament the law of public finances. We have also completed the law on profit taxes which, inter alia, provides for equal taxes to be levied on all economic agents, either Romanians or foreigners, either state or private ones.

The taxation system envisaged is a progressive one, but the general taxation level may be considered as low if compared with the level in operation elsewhere in the world, which, therefore, means that it encourages economic and investment activities, external ones includes.

In this way, we actually prove we are not against profit-making in general, therefore, not against profits made by private companies either.

However, we wish that profit would be more correctly distributed through instruments that encourage activities with a social profit and through taxation instruments.

We are aware that excessive taxation may stifle activities on which taxes are levied or, as the saying goes, "too much taxation might mean its annulment".

We are also preparing the context of an important draft — the law of the value-added tax — with the help of foreign experts.

Our orientation is to replace the obsolete form of tax on goods circulation with the value-added tax, a modern form of taxation which has been successfully experimented in countries with a market economy in the last few decades.

In a final stage is also the bill on pay tax. We are preparing a customs law which envisages relatively low customs duties, to encourage competition and balance the home market.

Finally, we are drafting a law of financial-accounting control, as one of the major legislative initiatives showing our concern to protect public interests. The law provides for the creation of a financial controller, which means that the Ministry of finance, the Government and state authorities in general will have a flexible, though efficient, instrument at their disposal, to implement and verify the fiscal and budget policy.

Therefore, the Government has made considerable effort to prepare a comprehensive package of laws providing a new fiscal-budgetary and banking-financial framework.

Ladies and gentlemen,

As you know, the country's balance of payments has deteriorated substantially this year, which has drained hard currency reserves.

Before discussing the making of a new foreign debt, the urgent, stringent question arises of financing existing deficits from the outside. We cannot plan a certain trade balance deficit unless we know external financing sources can be secured.

The deficit in current payments in the case of a country such as Romania, that is a country in transition to the market economy and undergoing deep economic restructuring, is normal according to all the rules of economic theory. As a matter of fact, it is from this deficit that the necessary external capital results. The question is to maintain that deficit within reasonable limits, in keeping with the inflow of foreign capitals and credits.

With such considerations in mind, the Government has tried to ensure corresponding external financing, primarily from specialized international institutions — the International Monetary Fund, and the World Bank. The recent visit the International Monetary Fund Director-General paid to Bucharest shows that our previous demarches have yielded results as far as financial support from these institutions is concerned.

Privatization is an essential dimension of the programme for transition to market economy. No matter how hard we try to complete this process as soon as possible, it depends not only on the people's will, but also on the real capital available in the economy. Privatization is not an aim in itself and, therefore, we connot accept formalism by merely redistributing the capital from the state to the individual, unless it has a monetary correspondent or correspondent in fiduciary assets.

The Government suggests that at least 50% of the economy's capital stock be privatized in the next theree years starting with the sectors where the shareholder-investor shortly notes that pri-

vatization is remuneratory for himself and beneficial for the enterprise in which it was placed. That is why we intend to open the privatization process in agriculture, food industry, light and furniture industries, consumer-goods and durables industries, housing construction, services to the population, hotels, restaurants, home trade and road transport, as soon as possible.

Privatization relies on the following principles :

— differential sizing of the parcel of stocks or social shares to be put on sale by branches and enterprises ;

— involvement of employees in decision-making on the sizing of the parcel of shares to be put on sale, according to legal provisions ;

— granting facilities in the form of credits upon the sale of stocks or social shares belonging to law-profitability enterprises ;

— granting preferential rights to employees wanting to buy shares in the enterprises where they work, in exchange for either bonds or cash, including facilities in the form of credits or on-term buying options ;

— establishing packages of stocks or social shares open to foreign capital.

Ladies and gentlemen,

The analysis and arguments that have ben set forth prove that the acceleration of reform is an absolute necessity. The crisis in the economy calls for exceptional emergency measures. Under like circumstances, the Government calls on Parliament to grant it greater competence as far as the achievement of the economic reform is concerned. In this respect, in the next six months, the Government must be allowed to operatively introduce or change taxes and rates and refer them to Parliament only afterwards. Furthermore, over the same interval, the Government's ability should be acknowledged to apply a number of normatve acts in advance or to generalize their application to

economic sectors that were not altogether reorganized according to the new regulations. On the other hand, the Government must be allowed to initiate negotiations and contracts for external financial credits guaranteed by the state, more particulary with a view to equilibrating the balance of payments.

Finally, the Gouvernment calls on Parliament to urgently adopt the law of trade unions, the law on settlement of collective work conflicts, the law on the protection of the unemployed, the law on public finance, the law on the banking reform and the whole package of fiscal laws.

Ladies and gentlemen,

The success of the economic reform and the possibility to effectively step it up obviously depend on the quality and the innovating spirit of the people at various levels of decision-making, on the application of the Government and of the reform laws. Compromises on this matter can no longer be accepted. We have reached a stage where we have no alternative any more : we must operate with the reform rather than state its necessity, and the application of the reform will be a mere illusion as long as the people who are directly responsible have neither the capacity nor the wish to do so.

Therefore, we are determined to change the apparatus in charge on all levels as part of the very process of achieving the reform. No matter how difficult the making of a new apparatus may be, we will unhesitatingly maintain our position whereby we want the most capable people, boasting adequate training and adequate openness to the application of the reform to step in.

This political line promoted by the Government is not only a step in support of the reform. The very stability and the authority of the state in the reform process are strangthened by an immediate harmonization of new outlooks with new people.

There is no moment of relaxation in this Government which was born to fight.

The style of governing necessarily calls for support from Parliament. The Government's relations with the international community are also imperative. But first and foremost come its links with the country. It is our duty to crystallize the efforts of all those who love this wonderful homeland.

A very difficult, insoluble dilemma burdens us : we cannot do everything at once and yet we must.

There is yet an old Transylvanian saying that goes : "to do what is possible means to do what is necessary almost".

49.1.2

ROMANIA

11-15 Nov. 1990

Comissió redactora Constitució — Bucarest 12.11.90

A. Iorgovan: President, Senda independent.

Comissió 12 membres, 11 d'ells i expert amb vot. Buró: de FSN, de oposició, president, independent; secretari, de l'U.D.M.R.

Procés ha començat el juliol 90. Però la Comissió ha començat a treballar el setembre.

Procediment: dues etapes. 1ª fins 10 desembre presentar a l'Ass. Const., l'estructura i les línies fonamentals del projecte. Obligació de discussió dels membres de la Comissió.

Però aquesta fase els diputats van els mateixos que a les altes Constitucions europees.

Té pas per dir-ho no ho hem, però estan influïts per una certa propaganda.

El pas vell és pel pas ja fet no es repeteix.

Dan Zamfirescu (PNL): Fer tanca cas de tot el pas i Bria la proposta: la declaració de tot el pas europeu.

Llei de 3ª Const. Liberal i democràtica.

De 1ª la estat, a part una traducció de la Const. belga. (1866)

2. 2ª la estat de la 1923.

La 3ª parla totes les garanties i tots els drets del constitucionalisme europeu, però molts articles de la vostra antiga i també a Europa. Les lleis fixen tots els textos

dels pe tot el poble romanès. Introducerea ideologiei burgheze libere și democratice de tip occidental.

N. Iorgovan: Un sistem nou bicameral.

V. Gionea: Nu e un sistem precedent.

Comisia de investigație asupra celor petrecute la 13-15 iunie a București.

N. Radu: Componența acestei comisii a fost declarată încă de la prezentarea în ședința Parlamentului. Deși unele publicații au fost pe o poziție divergentă cu privire la existența acestei comisii. Ea există și își desfășoară activitatea.

S. Cunescu (Vicepreședinte Consiliul Democrației): Explicație privind situația (unele locuri).

V. Pleșiescu: (PNȚCD) Poate Comisia să facă și alte anchete (cazuri, oameni).

Gh. Manolescu: (FSN) Recomandările noastre au fost luate în considerare la modificarea procedurii penale.

N. Radu: [redacted] Toți cei deținuți sunt în libertate (unii chiar pe parcursul anchetei). Punem la dispoziția Comisiei informațiile pe care le deținem asupra celor petrecute în zilele de 13-15 iunie. "Romînia liberă" nu are încă o poziție definitivă. "Dreptatea" are o poziție clară în privința represiunii, dar în redacție.

Reunió amb els representants de
Tots els grups parlamentaris

(to plantejo repetir: la posició de cada partit sobre l'entrada de Romania a Unió Europea):

R. Cayeaux (PNLiberal): A favor. A Romania li calen les condicions per l'entrada a C. Europea. Els partits han eliminat TV la fet una eina de plena llibertat de premsa existeix, cadascú pot obrir de distribució. Molts canvis han calgut. Hi ha inversions directes, però encara cal esperit d'iniciativa. Les decisions de inversió.

V. Becanu (FSN). Romania vol ser part d'Europa. No és just pretendre-hi per un mig o altre una empresa vol de tots els problemes acumulats en tant temps de dictadura. Ha hi ha les lleis publicacions eliminat. Problema de distribució de paper, especialment després liberalització preus. TV: dret de comu. especial cal Parlament. Disminuir-se els temps assignats a cada partit.

J. Sándulescu (PNLiberal) (President de la Comissió parlamentària pel control TV). Ha en vol per a un eleccions per garantir els objectius

Aneta Nicolaescu-Klepsch (FSN): Problema de la dona.

M. Blanesa: (Socialista): Romania és entre països d'Europa, però cal pel a Romania hi hagi més plenitud democràtica. La democràcia és avançada molt i és irreversible. Però és un procés en marxa encara hi ha pel per jugar en temes d'abast. Encara no sabem la veritat sobre el pel va jugar el 13-15 juny a Bucarest. La nova econòmica: necessitat d'avançar cap economia lliure. Necessitat d'integració a Europa. Sabem va ajudar a Romania per la caiguda d'aillament. Necessitat d'obrir les fronteres estrangeres.

V. Sendra (Socialista democràtica) (P. Democràcia Agrària): Mentre els països d'Est s'integren a la PE i el Pl. Marshall ajuda s'interessen d'Europa. Explica la seva situació personal (presó, vida del PC, etc.). L'entrada al Consell d'Europa no serà en benefici d'un líder o d'una partit, serà la manera de ~~[illegible]~~ contribuir a consolidar la democràcia a Romania. La oposició serà molt ja va a una quantitat de temes de poder actuar. La situació econòmica no és només sinó és també política dels veïns europeus. El fet del 13-15 juny la en tot cas pels. Però això no és tot el problema. (La vida és com una batalla de cargols)

M. Diaconescu (P. Nac. Pagan R.C.). Necessitat de la pròpia de Romania al Consell Europe. Ha la obligació, però de vigilar tots aquests processos provocats per mitjans comunicació estrangers. Tanca text, pretext per fer 13-11 juny: el poble s'alça tothom contra del poder, el qual ha de dir tota la veritat. Situació conflictiva difícil, però aprofitada per totes aquestes forces: oposició internacional.

M. Cretu (Partido Nacional dels Romanesos (PNNR). D'acord amb el que ha dit a Consell Europe

Domokos Geza (Unió Democràtica dels Hongaresos de Romania) (UDMR). Necessitat estar a Consell Europe per consolidar Estat de Dret. L'UDMR no vol canviar les fronteres. Vol que els hongaresos puguin viure en pau i harmonia amb els romanesos. Hongaresos i romanesos han patit tots les dictadures. Millorar la situació dels minories hongaresa: evolució positiva. Procés de canvi irreversible, però encara hi ha problemes no resolts. Cal aprofitar a tots en aquest temps la possibilitat d'aplicar la llei existent i per aquesta urgir millorar la administració, tribunals, etc. [illegible]. Possibilitat de relacions directes amb la resta de la nació hongaresa. Impuestos per

cele regiuni [redacted] d'entuziasm de romanesc contra minoria lo-pauvre. (Vezi [redacted] cin Ilie-Pârâu).
Il poveam cu prin cesuri oficiale pe ziarele agenții - diplomatice i consulare. Cele de externe. Zic pentru a duce la cunoștință cu cetățenii interesul național. Ilie Romania aillea cu interesul cu Romania cu Europa.

Victor Cerdarie: (Epp ecologista inocul-didactic). Respect față de preocupare: cap dublă rolul necesității pe Romania entuziasm ca Consiliul Europa. Democrație inseparabilă a Romaniei. Prin prism dificultăți. [redacted] Și-și de Europa și indispensabilă.

L. Muresan (pentru grupul PSM a Minorității Digitale). Reprezentanții de Romania Tineri va dovedi pâinea, de curând i enorm. Nu și picat în vânt pe tempul atelier, o viață mitocondrială i una economică de secetă. Cât și-și de Europa.
Pe aici prezentă nou de reporteri alegeți. Ilie va aparține extraparlamentine, pentru nu și reprezentare cu bun și-și alegerile democratice. Înțelegerile de legi ale Europei note la minorități. [redacted] Libertatea presei: pentru pe Radio Free Europa inițiativă oficială a București pentru pentru Tineri și informații directe.

Oliviu Gherman (FSN, vicepreședinte Senat): Problema copiilor. Unul dintre remediile politicii demografice a regimului comunist. Problema este importantă. S'ar putea prevedea măsuri pentru reducerea gravității situației. Sînt receptiv la toate propunerile de soluții pentru rezolvarea problemei.

Agata Nicolau Stoica (FSN): S'au semnalat cîteva situații. Unul privește cazurile în care, deși părinții sînt divorțați, ei locuiesc împreună [redacted] în folosul copilului. Există cazuri în care copiii sînt obligați să aleagă între părinți. Există situații dificile ale unor familii în care unul dintre părinți este român, celălalt maghiar sau german.

Radu Ciupeanu (PNL, președinte): Problema este importantă și credem că trebuie găsită o soluție pentru a proteja copiii. Există cazuri diverse [redacted] de caracter diferit.

O. Gherman (FSN): Este de părere că ar trebui să se pună accentul pe educație, pe o mai bună informare a părinților, pentru a evita astfel de situații.

R. Ciupeanu (PNL): Este de părere că trebuie găsită o soluție pentru a proteja copiii.

a-partat vol després fet juny 1920, especialment entre l'opinió. Barcelona a desaparèixer, però encara subsisteix. Quant a la seguretat: és un misteri. Pot no és poder adduir el Ministeri de l'Interior o el de l'Exèrcit.

Professors de les universitats de la zona [redacted] (PSOE) com a l'Europa i les altres han de la Lliga regne un clima d'entesa (excepte entre el comunisme). Necessitat d'aplicar entre la cultura romanesa i les minories. La noció de privilegi (PSOE) no és vàlida. Hi ha que cal és anquilosar la plena igualtat.

El que la pau a Romania almanat el comunisme no és comparable als capitalistes explotació a Europa. Un vaig endavant cada cop més. Aspecte que els esdeveniments de juny no es reproduiran, cal és. Però cal que s'aclareixi la veritat i que s'assumeixin totes les responsabilitats.

I com evitar que l'entrada al C. Europa no sigui explotada només pel FSN? De cada manera és d'entrar al C. d'Europa per guanyar-hi: l'aplicació també hi serà entrar

O. Ghelman (FSN): Comparteix les paraules de Lipeanu. L'entrada al C.E. només és el primer, com part.

12.11.90 (tarda)

Representants del Ministeri de l'Interior

f.d. Dumitru Penciuc: Abans el Departament d'Estat depenia d'una Secretaria d'Estat, pero depenia directament de Ceaușescu. A partir d'aleshores, la policia pasa el Min. de l'Interior.

Quines eines té per fer front a la mal-policia? 1) Hi ha el de la pena corporal o dels 5 anys: 20% greus errors, substituits per penes lleus, de la policia estat. o de la vida civil. Si creu l'Acadèmia de la Policia, per la formació de penes policíaques. Si el nivell dels professors de formació política d'abans. Si el nivell cultural de formació jurídica.

Si creu la Comissió Parlamentària (du neu) per verificar l'estructura del Ministeri d'Interior, les reformes legals per controlar la democratització de la policia.

Si el debat del projecte de llei sobre l'organització del Min. de l'Interior, inspirada en

pàgina d'edicte i a [illegible] de llei de reforma de la policia (ex. Bèlgica, França, Itàlia i Anglaterra).

S'ha volgut ja una modificació del procediment pendent per a tots aquests fets, i la supressió del Govern civil de Tarragona.

Cor. Ordis Pàmies: sobre legislació pendent a instància jurídica (no hi ha excepcions al decret d'amnistia jurídica). Decret 553

Ld.D. Peuchic: sobre la pràctica de proves per encausats existeix encara és la conseqüència dels successius canvis de direcció dels diferents canvis.

Al Min. de l'Interior no té ni la mínima ni els mitjans de fer escoltes ni seguiments. I no hi ha cap altra institució de l'Estat per a poder encarregar-nos d'aquests coses.

Sobre el fet de juny. El Min. de l'Interior només té una dada, no fotos. La Policia no ha volgut i pogut fer la confrontació de la Placa Universitària amb el llibre de la policia per mitjans tècnics. Agents contra la policia, la pot a una setmana. Atacs contra la policia, el Ministeri, etc. Opina que el fet del 13-15 juny no està aclarit. Cal aclarir-ho. De les confrontacions dels estudiants hauran

ob- de d'elements derdancts, manipulats per elements dels Balcans. Fets repro- va produir a ells Blocs de Roma, a Belgrad, etc.

Mineri: no van ser ni aidats ni pujats pel Ministeri de l'Interior. Qui els va pagar? No ho sabem. A partir del 13-15 de Febrer va protegir molts dels partits. No sabem pel que va passar, abans i après.

Tin.Co. Voicu Viorel: Atenta l'ocasió de la Plaça Univ. va specifica, la Policia no va intervenir i fins i tot va protegi la manifestació. [redacted]

Col. O. Păun: A tots els pains democrats hi ha un mare lloc per les manifestacions. El text a voler fer a Roma. Mai hi ha un mare lloc. I el cas de la Plaça Univ. tot el mare lloc ha estat ignorat. Un text de dret vol dir ho tothom vol de respectar el dret.

Per? quina pot ser la manifestacions i la presse publica cal dir-ho tot. el Mon. Republica.

Col. Pencivc: La democràcia només pot ser construida si és defensada per la llei. Pro els exemples de Turquia, RFA, Italia, Israel, etc.

No es poden acceptar coses d'aquesta
Cor. I. G. Dănescu: Explica que en aquest cas el delicte és comès per un agent provocador, perquè la policia no és d'aquestes coses, i ho ha de fer respectant els drets de tots. La policia ha fet el que ha pogut per protegir el dret de manifestació, cosa no fàcil en un moment en què les manifestacions es multiplicaven per diverses raons.
La policia està també al servei de
Cor. O. Păun: tots els mineurs (13-14 anys). Actes de vandalisme: les vaixelles eren pintades. No només els mineurs han tingut un ajudant dels seus instigadors, també han tingut altres grups. Hi ha fred en aquell moment, però no hi ha hagut entrada massiva d'aquests grups a defensar els instigadors. Sobre els mineurs: van detenir un cert nombre, i després que es feia passar per mineur. També hi havia pinxacaps de les organitzacions, denunciats pels seus companys, però que han desaparegut. Hi ha hagut moltes denúncies contra mineurs per violència, però no se'n ha pogut identificar.

La notícia difamatòria la per ridículitzar el pre van atacar el Min. de l'Interior després en imatges emitides per la TV.

A pregunta de Mr. Wilsch: la policia va intentar impedir l'arribada dels nens? La policia no n'hi havia prou d'defensar uns dins d'una centena de persones, també ho podia fer davant 10.000 nens. La policia no els ha deixat entrar ni els ajudat, però no els ha atacat

Grd. Pericue: Pregunta Mr. Koerens: Me'n ha sorprès algunes actituds. La policia no entén espanyol, o prefereix el retorn dels nens?

Les autoritats tenen un canal legal i la policia fonè per ell comunicar, com ho fan altres policies d'altres països. Però és cert que l'equipament és molt deficient.

Tots els països democràtics occidentals s'han ofert per ajudar-los en la preparació i la tècnica (França, Àustria, Itàlia, Uruguay, etc.)

Sobre el fet de denúncia (pregunta Robert): Tots els nens ilegals tenien tutelats privats o estaven retinguts. El Min. de l'Interior no té informació sobre això.

Ministre de Justícia 12.11.90
i col·laboradors Dand.

V. Babiloc: (Inquiets moviments): Projectes de reforma penal i judicial.

1) Cal tenir en compte: reforma parcial procedimental penal, eg. amnistia, d'advocat des del primer moment, limitació de la facultat del Jutge de disposar de la detenció preventiva; publicitat per la premsa de tot el procés penal excepte quan l'interès de la justícia requereixi el secret sumarial. El projecte vindrà definitivament

2) Projecte d'eliminació dels "menors": els tribunals menors tractaran com a jutges professionals.

3) Projecte d'eliminació de les comissions de [redacted], d'enjudiciament, formades per persones no professionals i per tant fetes als tècnics del camp de la llei (empreses, banca, institucions, etc)

També s'han modificat alguns jutges, s'ha modificat condicions de suspensió de la condemna etc...

Rom. La fiscalia General ONU vol de tutela menors com part de la jurisdicció Min. Interior o Min. Justícia. Alts: distinció clara entre justícia militar i justícia civil.

Just. civil: jutges professionals, tribunals d'apelació, jutges itinerants, com. Cyprus Malta

Fiscalia (fins ara model novitat) passarà al Min. Justícia. Però inamobilitat serà efectiva després de 10 anys, per tal de poder allunyar els jutges responsables de decisions d'abans.

També s'ha creat la direcció de jurisdicció contenciosa-administrativa (Rep. Mme. Willoch). Ombudsman: ell crea jurisdicció però dubta pq a jutges funcionen en les altres cort-s de Rom. Policia: pot jutjar els policies? La previsió és pq els jutges la jurisdicció militar.
(Rep. Probst)

Ministre de Defensa Nacional

12.11.90. Tarde

(Ind. Financeres): Seguretat: una part de la seva actuació (jutges d'Inst) dels seus rostres, dels telèfons dels seus cotxes oficials i privats a disposició d'alguns partits polítics, pq puguin escoltar.

Qüestió de policia? Més grans, p.ex. la estació Renfe d'Irun, també guàrdies civils, i civils especialitzats. Encara directament sota el control de l'Exèrcit. → Presidència. (Civils reparteixen d'informacions i altres, explosius, etc)

Una part Cent-A fem entrevistes militars amb cops militars. L'intel·ligència convencional, en un any, en guerra civil, amb cops nous i joves. (Segons model guerra civil francesa). Cotxe de direcció del Ministeri de l'Interior.

c/ 2a guàrdia de Cadena i del Buro Polític: hi està durant 4 hores cada torn de guàrdia o retirats. S'hi està una altra guàrdia permanent, 1a unitat, etc.

e) Servei exterior d'informació: format per tècnics (molts civils) per protegir repetidors a baixos. Radio. a l'exterior. L'autoritat màxima està durant. Defensa Nacional. Poveda. i han jurat el Nou Defensa.

Moltes telefonades: existeixen o cap concret fins ara? o per si? o per si?

(pag. nou) d) RTV militar. Té una emissora pròpia a la TV pública.

f) activitat exèrcit durant els fets 13-15 juny a Bucarest. Ha estat tres dies diàriament pel país i per la seva importància a l'exterior. A les 13, a l'1 de la nit hi van arribar per l'exèrcit controlar la situació (dels nous Berlins). Pel pis el 14 a vc totes amb la gent ocupada pels mineurs. Que es preguntava perquè es lluitava des perquè no hi havia reportat que l'exèrcit podia controlar la situació. Finalment el 16 va dimitir Roman perquè no estava d'acord.

Cobe judici Cadena: hi va estar d'acord. El seu argument va ser no ens repressaliem per les mentides. Després de l'execució, tots els premis es van acabar.

Comuna i vestigiile incidentului Timiș Nunez
(mare 15-20 1990)

Nicolae Dumitru (CFSN): Dl. Ioan Mr. Voican: în fața de București i nu l-a auzit încă.

Mr. Dumitru prezintă un eșantion public evenimente. (acompaniat de Mr. Attila Verestoy (UDMR), partid care l-a împăcat).

Duminică 13.11.90 Mcă.

Întâlnire cu Marian Munteanu, "Liga studenților" Președinte de Drept. București V.

Cămătășescu: un dirijent de la poliție recrută pe cei care vor dirija cei mineri (a "Romînia Liberă") (a fost dirijat secretele): Ăia ăi mineri.

Alianța Poporul, 16-21 decembrie: două organizații anticomuniste, (provocatori?) Lider mineri: Cosmar.

După incidente vor fi patru mineri.

Întâlnire cu Mr. Vătafu, Ministrul de Afaceri Interne

Întâlnirea a cam prelungit, pe un fel și de fapt a fost. Nu există alternativă la puterea actuală (care e de tendință autoritară) Cauza: o societate care tremură cu ordine (cenzură, pază ordonată) și panica a declanșat, intempestiv

La pluja de dimissions entre Roma CSCE: no es vol avançar cap a les eleccions parlamentàries, ni per Totbom hi ajuda.

No hi ha cap voluntat de pactar. Secretari de Estado de Interior, però cal mirar cap al futur. Volen fer un Estatut de Pobles Units, però el Consell d'Europa no ajuda.

A Romania: tres veus polítiques: a) poder; b) oposició democràtica; c) oposició extraparlamentària per defensar la legitimitat del sistema i de les eleccions.

Intervenció amb mitjans de comunicació

- Diaris i ràdio: no n'hi publiquen més de nous.
- No hi ha hagut detencions de manifestants durant les 13-15 juny (només alguns dels quals repetidors per Rctiu).
- Llibertat total per escriure i opinar. Afirmen que són completament independents.
- "Dreptatea" (P.N. Peasant): problemes de distribució. Completa llibertat per escriure el que volen.
- P. Nac. Liberal.
- Distribució: un problema general. Sistema de distribució obsolet, agreujat per l'allau de noves publicacions, i les vacances (Nadal i Pasqua). Els problemes de distribució ferroviària. A més

no se n-p p-- y el Xadpe ed, perpé
li ha- ed- retens, el punt no es
~~espot~~ co-ten [redacted] a l'hora de rdre
el nombre ed de lectors.

- Diari "Libertat": imprenta [redacted] -olt vella
- Diari "Independent": considera pr no tenen les mateixes facilitats, premsa e la distribuci per tots; però. Se pensa que es el pr dia de TV.

TV: poden i oposició tenen es seus espais, cadascun el dret pr cada partit una cadena ni interferències.

Atentat de Plaça Nova, Peter Roman

- Pensa ed, fe el cas -, -teg en fens de la i-/nació sobre fets juy. Implicacs de cert nivell policia, solidat, cooperació exèrcit-. Alguns policies estaven implicats, altres cooperaven ni-cent; altres altres intuïen operació, (contra la voluntat pròpia i t SX). Es pensa que pertanyia a la vella policia. El nivell d'i-/nació era molt limitat al seu abast juy. El nivell d'implicació real no és pas conegut de la seguretat: uns per l'entorn; altres, els vells cossos de seguretat operaven en tasques, no arrossegaven polítics

Juy: i-capacitat policia per fer front a situació. policies van desaparèixer; el cops (3) -y les institucions existien en perill. Certs eren un volen de persones, però cal tenir en compte la situació de

[illegible] no estableix, /dels de cultura democràtica. Els nous democràtics van ser [illegible] i radicals.

2 jovent: del Partit Democràtic en [illegible] pel 15 i nov. Qui estarà [illegible] a l'oposició? els progressistes! [illegible] van ser repartits pels grups per no acceptar els resultats. No van ser una [illegible] candidat.

La policia no va intervenir, [illegible] potser perquè [illegible] no podia, per falta d'autorització, pel pes de la tradició passada o perquè no va voler.

Quan els miners van anar, la mitjana estava controlada per l'exèrcit. Ningú no necessitava els miners. Els únics edificis atacats varen ser els polítics i estatals (cua banc, no botigues, etc.). La majoria dels participants i ens en sentí una [illegible], pagès, etc.

Miners: van ser detinguts en camions (per fal de control). Pensa que, en 30 dies, a 10.000 en grups diferents, de diferents llocs. Els miners van començar a sonar dins del diners d'Oviedo, quan les emissores de TV varen ser interrompudes.

Els miners, que havien eludit [illegible] van ser [illegible] de fets és anticomunista de Romanó.