



During a five hour press conference, the President was asked two and a half dozen questions

try and improving product quality. I always tell the heads of MAZ, BelAZ and MTZ that their products enjoy good demand, as do our potash fertilisers and oil products. These bring in good money but not enough.

Meanwhile, competition might be even tougher tomorrow. What if a global crisis emerges and consumption falls? Only high quality products will be bought, so I guide company heads to invest in enhancing quality. This is the key!

Sadly, we've twice applied this unpopular measure. However, we have not died! After the previous devaluation, we have lived normally and will continue to do so after this devaluation as well.

About prices

We've reduced prices across many positions. I've requested that we calculate everything very thoroughly and reduce trade margins. We'll survive. Prices have actually been reduced for some categories of goods. However, this isn't the best way, as we're an open economy. If we further reduce prices, we'll be feeding our neighbours; already, those from the EU are among them. I don't support the reduction of prices in this situation. We've chosen another way.

We're now raising incomes, using various calculations and international methods to help people adjust and live with these prices. This is the correct way. We can't be constantly kicking people in the head. We shouldn't increase prices sharply. We can't be under the thumb of processors, manufacturers, wholesale traders and money grabbers. Prices are far from terrible but it's awful when people lack money to buy goods at these prices. This is the problem, so everything should be synchronised here.

About incomes of the population

Salaries and studentships shall change depending on how much money we have in our budget. We'll cease many projects to improve the material condition of people. However, there are some things which must continue. I won't set them aside just to please consumption and welfare, however unpopular this proves to be. For example, we should continue the modernisation of our healthcare services both this year and next. Should we cure people? Yes.

Education. Do we need to provide food for children in kindergartens and schools? Yes. Children are sacred. I won't stop

this and won't reduce anything in this respect.

Depending on the amount of funds in our budget, we'll be supporting the population. At present, the country's budget has a surplus; we receive more funds than planned. This is earned money, not emitted. We'll direct this towards public spending, as is our long term practice. Commercial and manufacturing enterprises simply adjust. Meanwhile, they raise their salaries even higher. Frankly, I'm having to sometimes slow down some enterprises in this respect, to avoid inflation rising.

This is the road we'll follow. If the budget allows, we'll give to the people. This is a point of honour for me; I don't want some scribblers taking enjoyment from writing that the Belarusian economy is experiencing a decline. It's a point of honour for me that we survive and return to our past level. I'm afraid to speak of some issues. If all is well, soon, we'll receive about 10-12bn of gold and currency reserves. These will be ours, not loans. Don't worry, we'll survive. I already see fresh shoots emerging, and you should feel them. You'll feel it; I must do it.

About relations with Lithuania, Poland and the EU

You know, we have good, normal relations, especially with the Lithuanians. Of course, they are part of the EU and most decisions are made in Brussels, not in Lithuania. They're linked with the generally accepted position, elaborated for everyone. Therefore, whether we wish it or not, they have to behave in a certain way [criticising Belarus — editor].

The situation in Poland is special. Frankly, Poland claims to be the centre of Europe, as seen from Obama's visit to Poland. Poland is a stronghold of the United States of America — their foothold. Obama did not arrive there without reason; all neighbours were brought together in Poland to discuss problems. They even invited Ukraine and criticised us. Therefore, the Poles have their own position, different even from that of the EU.

In recent times, we've received (not through the mass media) many slight impulses regarding the normalisation of our relations. It isn't normal for our leadership to have such relations with the Polish leadership. However, this situation is not our fault. We're not against the Poles saying: 'We'll help Bel-

rusians so that everything is well in the EU'. I respond: 'We're not against this. If you help us, thank you, but you shouldn't put ignominious conditions before us, such as freeing political prisoners'. What would you say in my position? I say: 'Firstly, we don't have political prisoners; we don't even have such an article in our Criminal Code. If you doubt something, you're welcome to see — we're ready'. They wanted OSCE representatives to attend court examinations, so let it be so. All processes were open. They showed a picture where someone is attacking the House of Government with a mining pick: now the punishment has come for using this pick...

Yes, in line with our Constitution, I have the right, but not the obligation, to pardon anyone, following certain procedures. In my opinion, I believe they should first apply to the President for mercy. If I receive such an application, I'll consider it. Secondly, we aren't blood thirsty. We don't keep anyone in prisons as an additional burden on the state. This refers not only to these 'political' prisoners, but to everyone. Excuse me, please, but there are procedures...

Don't think that Lukashenko is keeping them because they are his rivals. We've already passed this 'competition'. Nobody is criticising me any longer for the presidential elections, doubting their results. Even they admit now, saying: 'It's difficult to admit, but this is true'. Silently or otherwise, they no longer doubt the legitimacy of this past campaign. Speaking of legitimacy, I can't begin to tell you how I was conducting this presidential campaign. Ten people received registration by entering names from a telephone directory into their signature collection lists. However, they became candidates.

They wanted to take part and they did but they violated the law and are reaping the consequences. The time will come — tomorrow, the day after tomorrow or at some other time — when we will release them from prison. You know, it is too costly for us and a great honour for them... If the Foreign Minister feels it necessary to set them free, he'll make corresponding proposals and the President will view them. Not just the Foreign Minister can do this, but deputies and, even, journalists. However, it isn't the most vital thing. Honestly, we're tired of this 'splattering' of certain individuals, as Belarusians say. They go abroad and throw mud at our country. Is it normal? Are they politicians?

About healthcare

Healthcare is a great priority; public health is the major aspect. We're doing everything possible, and will continue to do so, to preserve current prices for domestically manufactured drugs. There won't be any change here; prices will remain steady. As far as imported medicines are concerned, all those which have been previously bought, including by private companies, are still sold at reasonable prices; we are constantly controlling this. What will be the future price? I think there will be some growth in prices at chemists but not at healthcare institutions. If we speak honestly, some imported goods may rise in price. However, this doesn't mean that it's necessary to run to the pharmacy and buy up all the medicines. You see, this is a very delicate topic and we can't escape it...

However, we completely control the process in healthcare institutions and hospitals, where we cure almost everyone free of charge, except for some small part where we provide services for a charge (giving a better room or something else). We can't bow people in this situation.

About the OSCE Office

Offices and other 'field kitchens' are created by the OSCE, the UN and others where serious problems exist. Speaking of the Organisation for Security and Co-operation, do we create any problems regarding security and co-operation in Europe? No — absolutely not. We are a member of the OSCE and we could have worked directly with the OSCE Secretariat, without any intermediaries.

If we speak about the OSCE over all, if it desperately needs to solve particular issues, we can probably consider them. Let them send their representative. For instance, if this is a representative of Germany, from the German Embassy, we may agree to offer some assistance. What do they need a whole office for? Probably, we'll agree on some representative, if the OSCE needs this. This isn't a principle issue. One or two more OSCE representatives might come. What will this change?

About state programmes

At present, we shouldn't scrap anything. This is fundamental. We should adjust to the situation, but not scrap initiatives. Why discard our plans when the situation will certainly change for the better. Maybe it will change even this year? What will we do then? Yes, there will be some slowing down... but we shouldn't scrap anything.

About the Customs Union

I will give you two examples to help you understand the benefits. Ukraine is currently arguing with Russia, as are we, regarding gas prices. By late 2011, the price for Ukraine is likely to reach \$400. We pay \$270 because of customs duty. The Ukrainians also have customs duty added to the gas price but were they a member of the Customs Union, they'd enjoy practically the same price as we do.

I'm also concerned about the automobile topic. Several say: 'Those who are rich will pay'. I don't adhere to this viewpoint. Access to a car is vital but these car duties are our payment for the Customs Union, from which we receive other benefits. However, we'll find a way out from this situation so our people will be able to afford cars. We'll elaborate various options with Russia and, soon, I'll tackle these issues. Probably, we'll even construct an automobile factory in Belarus.

Those who are rich will always be able to buy a car, regardless of customs duties. We're thinking of those on middle and lower incomes. I guarantee we'll find the solution.

The Customs Union hasn't brought us any damage so far. Moreover, Russia has removed all restrictive barriers, introduced during the crisis, within the Customs Union. We haven't been allowed to make state purchases in Russia and we couldn't even compete with them. From January 1st, we'll have this access. This is a great achievement.

About future

Dear friends, don't worry! Everything will be fine. I don't need to calm the public with promises, as the situation is stabilising itself. I think people will also become calmer. Soon, we'll do everything necessary to ensure that the nation can't say it has been left in trouble. We've already started to take action. However, we'll do even more from July-August. I think, by the end of the year, we'll solve the current problem. Let's be optimists. Fortunately or unfortunately, we don't have another land. Let's take care of our land, because it's desirable that we and our children live on it. It's desirable that our children have a piece of their native land under their feet. It's vital that our children are never bowed or obliged to bend their knee, as previously in our history.

This will happen only on having our own land. That's why we should preserve an absolutely independent — as much as possible — sovereign state for our children and grandchildren.