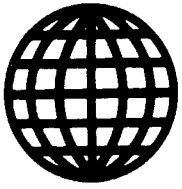


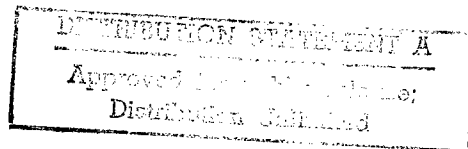
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FEDERAL REPUBLIC OF GERMANY

Ruehe Seen as Important Foreign Policy Adviser

36200101 Munich SUEDEDEUTSCHE ZEITUNG in German 19 Apr 88 p 3

[Article by Stephan-Andreas Casdorff, member of SUEDEDEUTSCHE ZEITUNG's editorial board, dated Bonn: "Team Captain With the Urge for the Offensive; As Deputy Floor Leader, Volker Ruehe Wants To Sharpen the CDU's Foreign Policy Concepts"]

[Text] Volker Ruehe is fidgety. He is waiting for his luggage. "I do have to go on to Hamburg. I am supposed to give the starting whistle for a hockey game. My son is one of the players." He looks tired, worn out from lack of sleep. The blue suit is a little crumpled, the tie is crooked. "It was really strenuous. I had many conversations." The deputy chairman of the CDU/CSU Bundestag parliamentary group just returned from Washington. He "worked through the lower level," had talks with departmental heads and undersecretaries, in the Department of State and in the Pentagon.

Helmut Kohl does not want to do without the foreign policy expert when important travel is involved. Meanwhile Volker Ruehe, 46, enjoys the reputation of being one of the chancellor's "friends" and of belonging to the CDU/CSU "leadership reserve" for higher offices. Ruehe, a Hamburg native, doesn't like the word too much. Even though he does not belittle himself and he does like to hear that his name is being mentioned time and again in connection with the filling of the defense ministry position—he emphasizes that he does not think in terms of positions but that he sees his function in "sharpening the outlines of our foreign policy." Moreover he thinks that at least the word "reserve" does not quite do justice to the CDU/CSU policy. At any rate the party does participate actively in the conduct of the foreign policy; only that fact has to become more evident. And Ruehe wants to exert himself in that direction.

In the parliamentary group he has greater freedom for that—as Ruehe knows—than if he were constricted by the at times tight government corset. Therefore, he has always remained loyal to the parliamentary group despite enticements for the "change" to enter the Foreign Office as undersecretary. Alfred Dregger, the chairman of the parliamentary group, does not put any obstacles in his way, encourages Ruehe, as long as the latter does not do things on his own. Ruehe seems to have overcome in the meantime the setback after the double zero solution, which he had emphatically rejected and which was then adopted after all.

He had become conspicuously quiet at that time, he "went underground," as a collaborator put it. According to the latter, Ruehe took "time to reflect" about himself but also about the progress of disarmament. After the Bundestag resolution in June he finally made himself

heard again with an article for EUROPA-ARCHIV in December with requirements on the aspired NATO "overall concept" for arms control.

Some in the parliamentary group now assert that Ruehe's position has been strengthened "by losing, too, for once." At any rate his reputation has risen with the always more conservative defense policy experts among the CDU deputies, and moreover in the CSU. Before that his reputation was not really high. Ruehe was denounced as a "Genscherite." He was reproached of merely parroting the FDP foreign minister. These times appear to be past and forgotten; Ruehe now enjoys stronger—though still watchfully critical—solidarity of the Bavarians.

Coped With the Setback

At any rate, no longer any sign of being resigned. In the parliamentary group responsible for foreign, security, Germany, and development policies, Ruehe intends to have his say also in other areas, no longer be limited solely to security questions. He wants to help as much as he can to push the parliamentary group's other foreign affairs politicians more in the foreground. The "position of the CDU/CSU" is to be more clearly recognizable. The first step, aimed at the federal party congress in Wiesbaden in June is a book which he will publish jointly with CDU/CSU colleagues in mid-May. Its title is supposed to be "Herausforderung Aussenpolitik" (Challenge Foreign Policy). The list of authors reflects the program: Michaela Geiger, Karl Lamers, Eduard Lintner, Hans Peter Repnik, Gero Pfennig, Karl-Heinz Hornhues, Werner Schreiber. The list of topics ranges from "Germany, Europe, and the United States" (Geiger) by way of the "European Union as a National Goal" (Pfennig) up to Schreiber's "Make Use of the Opportunities of Partnership Cooperation with Latin America." The foreign policy forces from "left" to "right" in the CDU/CSU parliamentary group are to be concentrated, CDU and CSU are to be represented as a unit. For example, Eduard Lintner of the CSU writes on Germany policy, Schreiber, the developmental policy spokesman of the CDU social committees, authored the Latin America contribution.

For 22 years, ever since Kurt-Georg Kiesinger entered into a grand coalition with Willy Brandt, the CDU/CSU has not held the position of foreign minister. Moreover, for nearly 14 years one man, Hans-Dietrich Genscher, has ruled the Foreign office at Bonn's Adenauerallee. In addition, he is a master at playing the media keyboard. However, the foreign affairs politicians in CDU and CSU, except for Ruehe, have a great deal of trouble in developing a profile of their own and to convey it. Therefore, the "young and middle generation" (Ruehe) now resolutely forces its way to the front, out of its shadowy existence. It has become very familiar with the subject matter and holds new ideas, according to the deputy chief of the parliamentary group. Mistakes of the past, such as a too pronounced orientation on domestic

policy topics, are not to be repeated. The 1983 debate on closing the armament gap, but also the latest discussions on human rights, South Africa, Chile, and the future role of Western Europe have shown that foreign policy questions increasingly preoccupy the minds of the people, yes they may even decisively influence the outcome of provincial parliamentary elections.

Well directed support of the up and coming generation is, therefore, a task of "team leader" Ruehe. The "offensive" is the new slogan. The entire party goes along: "Greater alertness" is the idea. It was not without reason that CDU General Secretary Heiner Geissler had himself assigned by the parliamentary group to the Bundestag foreign affairs committee. Hans Stercken, the CDU committee chairman, is 65 years old and for this reason alone is not considered exactly as representing hope for the future. No decisive initiatives are expected from him. That is where Geissler comes in: This year the CDU has devoted a congress exclusively to the topic of foreign policy and in June the federal party congress will give at least priority to dealing with this topic.

But Volker Ruehe is supported not only by Heiner Geissler; Kohl's staff members in the chancellor's office, Wolfgang Schaeuble and Lutz Stavenhagen, are always ready to be members of the team. In the meantime they have also been active in foreign policy; one of them, Stavenhagen, more or less happily in European policy, the other, Schaeuble, because he must anyhow understand something about everything. The chief himself views Ruehe's venture with satisfaction; after all it cannot harm the CDU/CSU to be present on a broader front in the foreign policy field. Even though the designation "friends" with respect to Kohl and Ruehe may be somewhat exaggerated—the chancellor listens to what the former senior teacher has to say. And that in itself is already something.

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Theo Waigel on Prospects for Bonn Coalition
36200113 Hamburg DER SPIEGEL in German
25 Apr 88 pp 19-22

[Interview with Theo Waigel, chairman of CSU Bundestag faction, by DER SPIEGEL editors Dirk Koch and Klaus Wirtgen in Bonn Bundeshaus; date not given: "Shifting Majorities Are Out"]

[Text]

[Question] [Wolfgang] Mischnick, the chairman of the FDP faction, has drawn a clear distinction between you, Mr. Waigel, and that whiner down in Munich. The CSU in Bonn, he said, was pretty easy to get along with in that it treats the FDP with kid gloves whereas the CSU in Bavaria was fond of making the FDP its whipping boy. Does that kind of talk make you happy or does it bother you?

[Answer] First of all, I object to the expression "that whiner from Munich." I like Mischnick as a colleague with whom we are able to discuss difficult issues. But in this case he seems intent on diverting attention from the fact that the large, but unfortunately silent, majority of the FDP does not speak out whereas a small and noisy minority cast doubt on the future of the coalition during the course of the Easter vacation.

[Question] We do not want to talk with you about the FDP but about the CSU.

[Answer] What is more, I am not on the FDP payroll.

[Question] Would you sometimes like it better if your Munich colleagues kept silent instead of making a lot of noise?

[Answer] We generally coordinate all of our statements. There are no differences. In cases where Land and national interests diverge, e.g., on early retirement for military officers, Bavaria voted against the motion in the Bundesrat whereas we CSU members of the Bundestag voted for it as part of our collective responsibility for the nation as a whole. But we do agree on all fundamentals and even on pragmatic issues. I did not come here as a mediator between the CDU, the CSU and the FDP. I am here to present the CSU point of view.

[Question] That did not prevent you from giving Erwin Huber, your deputy general secretary, a tongue-lashing recently. "My dear Erwin," you said to him, "would you please shut your mouth."

[Answer] That is certainly not the way I talk to my friend Erwin.

[Question] Well, maybe not exactly in those words.

[Answer] No. I talk to him the same way whether it is just the two of us or whether I am informing him of something. For that matter, I am not the kind of person to speak differently in Bonn from the way I speak in Munich. I consider Erwin Huber to be one of the bright young men in the CSU. He is doing a good job. I am sure he appreciates an older person like myself giving him some good advice from time to time. But I am certain I never told him to "shut his mouth."

[Question] Did you agree when the Bavarian CSU tried to modify the cabinet proposal to reform the tax code, thereby forcing the chancellor into a position where he threatened to resign?

[Answer] The chancellor's office did not confirm the fact that the chancellor actually threatened to resign.

[Question] All the participants confirmed it.

[Answer] The chancellor's office and the chancellor himself did not confirm it. It was said that the chancellor got mad. Every politician has the right to do so now and again.

[Question] Kohl said: "I am not a dancing bear that allows himself to be led on a leash. If I were, I could go see Richard [Weizsaecker] right this minute."

[Answer] I did not take part in that meeting. I was in the PRC at the time. I have not seen the minutes of the meeting. Under the circumstances, I see no point in discussing that quote any further.

[Question] Does that mean you will tape the coalition meetings each week?

[Answer] I believe we have to think about that some more. We do need a clean record of what decisions were reached in order to rule out mistakes.

[Question] Some time ago, Mr. Waigel, you yourself called for more "intellectual and political leadership" here in Bonn. Decisions were being made too slowly, you said, and the need for reforms was not made sufficiently clear. Do you still believe that?

[Answer] My impression is that a new kind of pragmatism has returned to the coalition over the past few weeks.

[Question] Following the Easter season?

[Answer] The Easter season is a good time and when the Holy Ghost descends upon all members of the coalition at Whitsun....

[Question] ...and the chancellor has grown lighter....

[Answer] ...only in terms of body weight, then that can have a positive impact. My critique was directed against the fact that the coalition has come up with sensible, correct and necessary decisions for the most part but that the way they were arrived at left something to be desired on occasion.

[Question] You have said that you agree with Strauss with few exceptions. Do you share his view that Kohl is a weak leader?

[Answer] Strauss did not say that Kohl is a weak leader. He merely wished there were stronger political leadership on this or that issue. That does not amount to a critique of the chancellor but addresses the question of how the members of the coalition go about dealing with specific programs. It also addresses the question that the FDP, i.e., the smallest partner in the coalition, gets a lot of publicity from time to time, thereby not making it any easier for the CDU and the CSU, the two large parties, to preserve their identity.

[Question] Do we read you right? Are you trying to evade the issue?

[Answer] No. You are correct in assuming that you are asking the wrong question.

[Question] Do you think the chancellor is a weak leader?

[Answer] No. The chancellor has a well-defined instinct for power. The only thing is that he does not have an easy time of it what with three partners and a people's party which is quite heterogeneous at times, ranging from Kiel all the way to Constance.

[Question] The persistent criticism from Munich was the topic of the most recent closed-door session of the CDU executive committee. Renate Hellwig, a member of that committee, called for dissolving the two existing parties and merging them in a new nationwide "CDSU" or for allowing the CDU to enter the Bavarian political arena.

[Answer] I do not take these periodic presentations of Ms. Hellwig's personal views seriously in this context. The CDU did not take her proposal up; nobody there took it seriously and both [Lothar] Spaeth [the minister president of Baden-Wurttemberg] or [Heiner] Geissler [the CDU general secretary] flatly rejected it. I think it would serve no useful purpose to continue talking about this subject.

[Question] At that meeting, you said you were worried about the state of the coalition and that it was time to review it.

[Answer] That's right.

[Question] Does that mean there will be new negotiations about the coalition?

[Answer] There is no need of that; but we have to get down to brass tacks. We have to figure out what has been done thus far and what legislation will be passed by this summer, between September and December, by the middle of next year and what basic decisions and future plans must we come up with today for the next legislative session. In fact, we tried to do just that at the two most recent coalition meetings we had. If we can deal with that program, we will be in very good shape by the spring of 1989.

[Question] Most of the items you just mentioned should actually be taken care of by a well-functioning chancellor's office. So that amounts to a vote of no confidence in the chancellor.

[Answer] I do not think the chancellor would consider my suggestion as an intrusion into his prerogatives but—quite the contrary—a helpful contribution. In fact, just a few days later he himself used the expression "review." We are not just talking about the job the chancellor has to do. It is also the job of the parliamentary floor leader

and the party chairmen to mull over what our own priorities are, what concessions we might be prepared to make to others and what concessions the others might make which are of existential importance to our own identity. And in this regard, I think we are on the right track.

[Question] You may consider it wrong from a psychological point of view but in May the coalition will have discussed the question of raising indirect taxes in order to reduce the national debt.

[Answer] At the end of this legislative session this particular coalition will have succeeded in presenting the public with a net tax cut of some DM50 billion. The tax structure which is composed of 60 percent in direct taxes and 40 percent in indirect taxes is not balanced. Previously, the ratio was 50:50. In the long term, services and labor should not be taxed more heavily but there should be some tax relief instead.

[Question] What do you plan to do?

[Answer] We will be discussing our actual plans within the coalition in May and not ahead of time in DER SPIEGEL.

[Question] Can you at least promise that there will be no increase in the value-added tax?

[Answer] The finance minister has no plans to raise the value-added tax. We have not left the public in the dark about the fact that added expenditures in the EC field will have to be funded via a user tax hike.

[Question] Do you give your word that there will be no increase in the value-added tax in this legislative session?

[Answer] The decision on what the needs are will be made in May.

[Question] May we still go on the assumption that government borrowing will be reduced by DM10 billion next year?

[Answer] How much of a reduction in government borrowing there will be next year depends on factors which are not entirely under our control, e.g., the dollar exchange rate on 31 December 1988. At this stage, nobody knows what it will be. We may succeed once again in reducing the amount to less than DM40 billion. Just how low that figure will be, I would rather not say right now. But without letting out any secrets, I can tell you that I did advise against citing a specific figure early this year. There is not a finance minister or chancellor in the world can control that. What is more, the "black debt" of 1988 is of a qualitatively different sort as the "red debt" of 1982.

[Question] Foreign policy, an area in which the CSU would like to have a bigger voice, is one of the issues which need to be spelled out in May. Do you feel there is need for the modernization of the short-range missiles?

[Answer] This depends on whether the West defines and formulates its overall disarmament plans and whether the Soviet Union is willing to put an end to the self-admitted asymmetry, above all in short-range missiles and conventional arms. Those issues that must be cleared up so that we can decide whether we need to modernize the short-range missiles deployed here or not. If there is a need, on security policy grounds or for reasons of balance, then we should not duck the issue.

[Question] The FDP and Foreign Minister Genscher have some strong reservations on this subject.

[Answer] No one likes to decide on modernizing weapons these days. But in this regard, too, one must leave one's options open and must not give them up prematurely. Otherwise, the other side would not be willing to make a contribution of its own.

[Question] Wouldn't it worry you to have to wage a campaign in 1990 on yet another [weapons] modernization program?

[Answer] I would not be afraid of such a debate; but it would have to be initiated at an early date and conducted in a resolute fashion. Once the voters are given an accurate picture of existing power relationships and understand that success only came when security policy was marked by genuine give-and-take, then they will be able to follow the difficult and emotional debate and respect a necessary, albeit unpopular decision.

[Question] Are you at all sure that the FDP will go along?

[Answer] I have heard nothing to the contrary so far. In addition to the differences in economic and fiscal policy, the decision by the SPD to turn its back on the two-track resolution was the main reason why the FDP entered the new coalition. For this reason I think the FDP would be strong enough to support such an inevitable policy.

[Question] It is both helpful and salutary, you told your Land organization, that there are still some white spots on the map of Europe where the FDP is not a member of the government.

[Answer] Although these discussions are held behind closed doors, I must say you are well informed about some details and not so well about others. This particular detail is accurate for once.

[Question] How does that apply to your dealings with the FDP in Bonn for all practical purposes?

[Answer] Every Landtag election campaign must be waged separately and deal with the particular regional issues. My assumption is that the FDP politicians genuinely believe in the democratic process and respect the important role which an opposition is called upon to play. There must indeed be some spots in the FRG where the FDP, too, knows how salutary and important the opposition is in a democracy. The FDP does not have to be a member of the government in every Land no matter whether it is run by an SPD coalition or a CDU coalition. That is by no means an attack on what is going on in Bonn.

[Question] You are in favor of the CDU/CSU's dealing with the FDP more harshly—and that includes Bonn?

[Answer] I am in favor of a businesslike relationship. I am in favor of the CDU and the CSU injecting as many of their own ideas into the coalition as possible. The FDP leadership is no doubt aware of this as well because the CDU/CSU has to get a good deal more than 40 percent of the vote to make a coalition and a joint government possible in the first place. Majorities can only emerge, if and when one of the partners in the coalition obtains 45 plus x percent of the vote and the other partner obtains the votes necessary to make it over 50 percent. These basic truths sometimes get lost when this or that FDP politician talks about the coalition.

[Question] CDU General Secretary Geissler has said the FDP is committing an "original sin," if it forms a Land government together with the SPD although it would command a majority in conjunction with the CDU.

[Answer] That would definitely be relevant in the case of Bonn. So far, none of the FDP politicians has made such a move. In fact, even in those Laender where majorities are not so easy to come by, e.g., in Hamburg or now in Schleswig-Holstein, the FDP has opted for a coalition with the CDU. But if the FDP gets a larger share of the vote on the strength of a commitment to enter into a coalition with the CDU and subsequently forms a government with the SPD, thereby disappointing its voters, then it will increasingly run into difficulties in upcoming Landtag elections and may soon be confronted with the 5-percent problem.

[Question] Another original sin is the shifting majority game, i.e., voting with the opposition against one's own coalition. Ernst Albrecht, the minister president of Lower Saxony, plans to vote with the SPD-governed Laender against the Bonn coalition in order to obtain relief for costly social welfare expenditures. Other Laender, such as Bavaria, might follow Albrecht's lead on other issues.

[Answer] In this coalition, shifting majorities are out. There have been no such votes in the Bundestag and there will be none in the future. Nor must this potentially explosive situation be allowed to arise within the Bonn coalition and the government by way of shifting majorities in the Bundestag.

[Question] So Albrecht is planting a bomb under the Bonn coalition. Is that what you are saying?

[Answer] That would only be the case if the final Bundesrat vote actually turned out this way. The idea now is to look for solutions other than the one proposed by Lower Saxony.

[Question] The North Rhine-Westphalian CDU has let it be known that its Bundestag deputies may join the SPD in voting for Albrecht's motion.

[Answer] At the last meeting of the Bundestag faction, I heard a very well-reasoned report by a deputy from North Rhine-Westphalia who warned against such an initiative on the basis of his expertise in economic, social and fiscal policy.

[Question] But CDU Land chairman Norbert Blum made a contrary statement.

[Answer] All I can tell you is that an announcement along these lines was not made at the meeting of the Bundestag faction—and that is the decision-making institution on such matters.

[Question] Since you make such a point of stressing unity within the coalition on important policy questions, what about the CSU's position on the re-election of President Richard von Weizsaecker? Some CSU political leaders all the way up to Strauss are not terribly satisfied with him. Geissler and Genscher have already publicly endorsed Weizsaecker's re-election.

[Answer] Over the past several years, President Richard von Weizsaecker has represented our country very well. The question of his re-election depends on whether he intends to be a candidate. Then the political parties will have to deal with the issue. That is not just a matter for the faction to decide because the membership of the federal assembly is composed equally of members of the Bundestag and the Laender.

[Question] That did not sound like an unqualified yes vote for Weizsaecker. Does political leader Waigel want the President to run again?

[Answer] With full respect of the President as an individual and the high office he holds, politician Waigel will take this question up with his party colleagues as soon as the President has announced his intentions.

[Question] Did Geissler and Genscher fail to show the necessary respect?

[Answer] It is up to each individual to decide for himself. As for myself, I would not wish to prejudge the decision of the delegates who will attend the federal assembly.

[Question] Would you like to see Strauss reelected as party chairman of the CSU?

[Answer] I would like to see him re-elected—but not just one more time.

[Question] Are you still adamant about not assuming a cabinet post?

[Answer] You know of my preference to participate in the formulation of policy in a position which permits me to exercise the greatest freedom. I am not looking for a title or an office; I am perfectly happy where I am.

[Question] Then why did you ask Mr. Bangemann whether you could take over as minister of economics when he leaves for his new post in Brussels?

[Answer] I made no such inquiry.

[Question] Well, what is Bangemann talking about then?

[Answer] I have no idea. You will have to ask Mr. Bangemann himself.

[Question] We know what he said.

[Answer] He is a friendly person but he should mull over the different applications which have come from within his own party.

[Question] Would you rule out the possibility of your entering the cabinet in the course of this legislative session?

[Answer] I have kept one particular statement of Konrad Adenauer's in mind: in politics, one should never say "never." But please believe me: there are definite limits to my ambition.

[Question] Mr. Waigel, we thank you for this interview.

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Lambsdorff Rules Out Change in FDP-CDU Coalition

36200102 Munich SUEDEUTSCHE ZEITUNG in German 25 Apr 88 p 5

[Article: "Lambsdorff: Coalition Change Not Now Possible: Previous Statements Clarified at the Land Party Congress. 'FDP and SPD Worlds Apart'"]

[Excerpt] At the Land party congress of the North Rhine-Westphalia FDP on Saturday, Otto Graf Lambsdorff, economic spokesman of the FDP's parliamentary group, received a "lesson" for the intra-party debate that he triggered about a possible renewal of the SPD-FDP coalition in Bonn. In his re-election to deputy chairman of the largest Land association of the FDP, he garnered only 84.4 percent of the votes in Muenster compared with 93.2 percent 2 years ago. Previously, after in part sharp criticism from the ranks of the delegates, Lambsdorff had made it clear that he cannot now imagine a

change to a coalition with the SPD. Nevertheless, the independence of the FDP forbids a permanent link to the CDU/CSU. "I wanted this coalition, I contributed to its coming into being, and I want it to be successful," said Lambsdorff in his speech on the Bonn alliance with the Union, a speech that the delegates followed with great suspense. "But I also say to you that I will never support a thesis and a theory that states that the FDP is forever and permanently condemned to a coalition formation and can never think about something else. I want the independence of the Free Democratic Party and the independence of liberal policy." Lambsdorff also expressed wonder at the irritation that his latest interview statements on the possibility of a coalition change by the year 2000 had caused. The fact that a "chain of overinterpretations and link-ups" have been associated with such a "foregone conclusion" also has to do with the state of the coalition in Bonn. This must give cause to think about how the results of its work and effect on the public as well as the style and relations of the partners with each other could be improved.

Lambsdorff ruled out an alliance with the SPD for the near future. "Does anyone among you seriously believe that I am of the opinion that one can put through with the current opposition what we consider correct?" he asked. "Neither does this work with the first convulsions" of Oskar Lafontaine. It is, however, "very important" that leading Social Democrats are finally acknowledging the connection between the employment situation and wage agreements, which explains the "howling of the DGB." This discussion must be further developed. "Fortunately, Herr Hans-Jochen Vogel will not be able to smother this between files, paper clips and transparent covers," said Lambsdorff. The latest tax reform concept of the SPD, to be sure, makes it clear that the FDP "continues to be worlds apart economically" from the SPD.

Previously some delegates had insisted on a clarification from Lambsdorff and declared that there is nothing that the party base needs less than "harassing fire" from Bonn through a coalition debate. The Land chairman, Federal Minister for Education and Science Juergen Moellmann, also took the position that "there is not the slightest reason" for this discussion. It only causes harm. "In all probability and in accordance with political experience, more than 3 additional years" will be needed to accomplish the tasks of the Christian-Liberal coalition. In addition, the SPD needs time for the redetermination of its course, which has just begun. "Only the decision on the successor of the interim chairman, Jochen Vogel, will show who will lead the way in the future," said Moellmann.

Gerhart Baum, deputy federal chairman of the FDP, praised Lafontaine for the fact that he is trying "to separate the SPD from its sclerotic trade-union policy of the past" and called on the FDP to sharpen its profile and not to accommodate itself to the coalition partner in Bonn. Guido Westerwelle, the federal chairman of the

Young Liberals, characterized, on the one hand, the speculation on a new SPD-FDP alliance as a "superfluous matter" but he also stated that he was "quite dissatisfied" with the work of the coalition, which only manages crises and is not showing enough perspective.

9746

Coalitions in the Bundesrat Changing

81202815 Frankfurt FRANKFURTER ALLGEMEINE
in German 29 Apr 88 p 12

[Article, datelined Bonn, by Helmut Herles: "More Colors Than 'Black' and 'Red'"]

[Text] The Bavarians hold it against the Lower Saxons what they themselves always do in the Bundesrat: first to think only of themselves and to look for majorities wherever they can be found. The chief of the Munich state chancellery said: "Bavaria won't stand for that." In the "changing majorities" and in the new "Northwest majority," achieved by Minister President Albrecht (CDU) this Friday in the 588th session of the Bundesrat against Bavaria, Baden-Wuerttemberg, Hesse, and Rhineland-Palatinate in the question of the redistribution of social welfare, he even sees the specter of death over the Bonn coalition. Quod licet Jovi, non licet bovi? What's sauce for the goose in Munich is not supposed to be sauce for the gander in Lower Saxony.

Albrecht with his new majority, consisting of CDU/FDP governments, the CDU government in Kiel, the three Land governments with absolute SPD majorities in Duesseldorf, Saarbruecken and Bremen as well as the Hamburg SPD/FDP coalition, wants to end the discrimination of the north by the South. As early as January he had called this subject as his main political topic for the coming period. But he does not want to thwart Stoltenberg's tax reform over this issue. As regards the Munich blowup, his spokesman, von Poser, in a mollifying way immediately said that there is no linkage between the Federal Social Security Act and the approval of the tax reform.

Nevertheless: One senses that the centrifugal forces acting in the Bonn government have become stronger as a result of Bundesrat politics, that they have been added to the usual party quarrels in the coalition. The CDU presidium, in which the minister presidents regularly meet with Kohl, is divided. Albrecht is also deputy of CDU Federal Chairman Kohl.

It is another matter that the CDU majority of the Bundesrat has never been a monolithic block since the formation of the coalition between the CDU/CSU and the FPD in the Bundestag. This has to do not only with the own interests of the Laender or with the needs of their alliances, e.g., if the coast, coal, or agriculture is involved. Then coalitions of interests develop independent of the political color of the Land governments.

Frequently all Laender stick together. Thus in environmental protection unanimous "coalitions of expertise" have occurred among the Laender in relation to "Bonn." The Bundesrat pushed through improvements and tightening of environmental protection. Laender that were relatively small and at first starting out by themselves such as Hesse, at that time headed by the SPD, or Rhineland-Palatinate were quite successful in that respect.

Bavaria often played a separate role. It does not tie itself down to a unified CDU/CSU policy in the Bundesrat. "We are our noble selves." Or in keeping with the last century: "To be Germans and remain Bavarians." Some examples: With respect to the terms for part-time work and leave without pay in public service, Bavaria once remained all by itself against all other Laender. In other instances it toyed with the possibility that existed for a while to form a majority with the SPD governments. In the case of the early retirement of officers, which is called the "golden handshake" in Bavaria, Bavaria also abandoned the CDU majority. But at that time the SPD government of Bremen safeguarded the plan of the federal government, which showed that the so-called A-countries led by the SPD can be measured by the same yardstick as little as the so-called B-countries headed by the CDU. That is what now also happened in the minister presidents' conference on poststructural reform under the chairmanship of Strauss. There the criticism of Bavaria and Hesse allied itself with that of the SPD Laender even prior to the consideration in the federal cabinet, in the Bundestag and in the Bundesrat. The political jargon of a division of the Bundesrat into A and B no longer reflects reality. There are more groupings and political colors than "black" and "red."

Between 1976 (government change in lower Saxony) and 1985 the CDU-led Land governments in the Bundesrat had the majority by themselves, were not dependent on the 5 votes of Bavaria's CSU government. This was changed with the 550th session of the Bundesrat in April 1985. The newly formed Saarland government with Lafontaine now brought in its 3 votes as an SPD-led Land. As a result the CDU Land governments depended on Bavaria's 5 votes to form a majority. Munich has always known how to use this fact politically. The Bundesrat majority of the CDU/CSU-led Laender excluding Berlin was now 23 to 18. In 1987 the majority ratio in the Bundesrat changed once again. As a result of the Hesse change in government the Land's 4 votes benefited the CDU/CSU-led Laender. Excluding Berlin the ratio of votes was now 27 to 14 in favor of the CDU-CSU-led governments. Nothing has changed in that as a result of the provincial parliamentary elections since then. Therefore people are looking forward with great interest to the Schleswig-Holstein provincial parliamentary elections.

But even the 27 to 14 ratio of votes says little about the actual situation in Bundesrat politics. Among the 11 federal Laender there are 5 different party-political constellations. Firstly, Bavaria's CSU government (5 votes);

secondly the 2 Land governments set up by the CDU alone in Baden-Wuerttemberg (5) and Schleswig-Holstein (4); thirdly, as biggest group the Land governments with CDU/FDP coalitions in Berlin (4), Hesse (4), Rhineland-Palatinate (4), and Lower Saxony (5); Berlin is not counted in legislation. Fourthly, the governments established by the SPD alone of North Rhine-Westphalia (5), Saarland (3), and Bremen (3); fifthly, the SPD/FDP coalition of Hamburg (3). Except for Bavaria, the FDP is again represented everywhere in the provincial parliaments. This is reflected in the Bundesrat. The FDP has a Bundesrat group of its own, headed by Hesse Minister Gerhardt and his State Secretary Porz, which meets regularly prior to the voting circle of the CDU/CSU-led Land governments. Bundesrat politics has changed for this reason, too. Political "camp theories" do not work.

Albrecht's Laender coalition of the North and the West sometimes is ridiculed in the south as a group of the "disinherited and those deprived of their rights." But even the "rich" chiefs of government Strauss and Spaeth know that in the long run it is out of the question that most of the public investments for research, defense, railroad and the postal system are spent in Hesse, Baden-Wuerttemberg, and Bavaria. As regards being disadvantaged, Rhineland-Palatinate could also belong to the group around Albrecht. Originally Hannover had counted on this ally. But Rhineland-Palatinate regards itself as the "northernmost Land of the South" and by tradition, since Altmeier's time, it is loyal to the federation and intent on being a mediator. This corresponds to the political style of its minister president, present Bundesrat President Bernhard Vogel. The Mainz Land government also practices Laender coalitions of a special kind. The replacement of the CDU/FDP government by Lafontaine has not changed anything in the practice of the joint cabinet sessions of the neighbors. Vogel now has reached a similar understanding with the Hesse's Wallmann.

The new North-West majority could lead to the rediscovery of the mediation committee in which 11 members each of Bundestag and Bundesrat work together. In recent years the mediation committee had no work. The chairmanship regularly changes every quarter year between Bundestag and Bundesrat, between CDU Deputy Huesch and North Rhine-Westphalian Minister Posser. Especially Huesch is looking forward to his work. But even more work faces the chancellor who was unable to prevent Albrecht's initiative, but regards the North-South differences in the FRG as "intolerable" in the long run.

12356

Bavarian FDP Discusses Ties to USSR, CSU
36200097b Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 2 May 88 p 4

[Article: "Brunner: The CSU Is Incapable of Partnership: Party Congress of the Bavarian FDP/Genscher Confident About Disarmament"]

[Text] Berchtesgaden, 1 May—Federal Foreign Minister Genscher has reacted to the accusation that he is not demonstrating the necessary caution toward the Soviet

Union with the assertion that Gorbachev with his new policies is acting fully in the sense of the Federal Government. "What do the people who are assuming a contradiction between our own interests and the policy of openness in the Soviet Union really want?" asked Genscher at the Land party congress of the Bavarian FDP in Berchtesgaden. It is the task of the Western and Eastern powers, "to create interdependencies in the good sense." It is, thereby, the business of the Germans to erect the "main pillar of the bridge of trust" between East and West. A policy such as that pursued in Washington, Paris and London is not quite adequate for this purpose. Genscher characterized the chances of coming to a "50-percent solution" for nuclear weapons and of eliminating chemical weapons as good.

But international cooperation is also important because it is necessary to put up a "worldwide fire wall against the misuse of gene technology." The attitude of Germans toward the foreigners living in the FRG is a "litmus test" for their capacity for peace, said Genscher.

Bavarian FDP Chairman Brunner called upon his Land association to fight against the CSU in Bavaria, despite all the desirable cooperation with the Union in Bonn. He dedicated his speech to the subject of "black [CSU] corruption" and criticized the Bavarian "state capitalism" with its "intervention through state control" as well as the "alliance of immobility" between the state, party and trade and industry. "The CSU is disturbed in its political behavior and incapable of partnership," said Brunner under the vigorous applause of the delegates as well as Foreign Minister Genscher, adding, however, that the "aggressive squabbling" of some politicians such as Stoiber, Tandler and Huber is not typical of the Bavarian mentality. Brunner saw the "dilemma" of the CSU in the fact that it wants to be the party in power and the opposition at the same time. To make this contradiction clear, it seems, Bangemann expressed the wish that Bavarian Prime Minister Strauss return to the federal cabinet. Some delegates in Berchtesgaden had criticized this remark by Bangemann, saying that he has hurt the Bavarian FDP, which has a hard enough time with a too-powerful CSU. The accusation against Bangemann that he is "flirting" was readily cited.

It was apparent at the Land party congress that about one-third of the delegates are inclined to vote for an immediate abandonment of nuclear power. Gruener, the parliamentary undersecretary of state in the Federal Ministry for Environment, Nature Conservation and Reactor Safety, spoke out in favor of using nuclear energy until solar energy, which is nothing short of ideal, is sufficiently available for the economy. Gruener also said that the understanding between the Union and the FDP in the area of environmental protection is very good. The party congress approved a paper of the Land board and the commission for motions in which the positive significance of environmental protection for

liberty as well as for the national economy is emphasized and the "less expensive export of the safety standards of our nuclear power plants" is recommended.

9746

Baden-Wuerttemberg SPD Still Supports Lafontaine

36200097a Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 26 Apr 88 p 6

[Text] Stuttgart, 25 Apr—The SPD in Baden-Wuerttemberg, which has not yet overcome its disappointment with its mediocre 32-percent share of the vote in the Land parliamentary election on 20 March, is already preparing itself, as is the CDU, for the municipal elections next year. SPD Land Chairman Maurer has called on the chairmen of local associations and district federations to interest more women in a candidacy. Younger party members should also be given a chance. With regard to the poor showing of the SPD in the Land parliamentary election in the southwest, Maurer said "substantial abstention from voting in the trade-union area" may have played a part in this. Nevertheless, the Land board of the Stuttgart SPD stands by the controversial thesis of Deputy Federal Chairman of the SPD Lafontaine, as seen in the appeal of 1 May, that states, among other things: "The struggle with unemployment is a test of our society's capability for solidarity. We must, therefore, expect a greater contribution from those receiving higher and higher incomes than from those who have only small and medium incomes." The appeal ends with the observation that the SPD is a people's party and not a union party and that the unions are unified trade unions and not Social Democratic unions. "They achieve their most important goals jointly or not at all, however."

Last year, the number of SPD members in Baden-Wuerttemberg declined by just under 700 to about 66,000. The party is again counting on a small gain for this year. According to Treasurer Weinmann, the SPD in the southwest is free of debt. He is even expecting a surplus of more than DM200,000 by the end of the year. The refunding of the costs of the election campaign contributed DM4.6 million to the cashbox of the Land party.

SPD Chairman Maurer called it a "provocation" that the public prosecutor's office in Stuttgart has begun a judicial inquiry against Wilma Roemer, chairwoman of the Working Group of Social Democratic Women. On 8 March in the courtyard of the New Castle [Neues Schloss], she and other women demonstrators protested against a reception to which Social Minister Schaefer (CDU) in Stuttgart had issued an invitation.

9746

GREECE

Details on Alleged North Korean Secret Operation
35210100a Athens PROTI GRAMMI in Greek
May 88 pp 17, 18

[Text] A bold operation on the part of the North Korean Government is evolving, aided by the Soviets, for the purpose of persuading the Greek Government to establish diplomatic relations with the North Korean dictatorial regime and to restrict its ties to South Korea. Employed to achieve this goal are the Greek peace movement, Soviet international front organizations, North Korean and Soviet secret services and quite a few naive Greek politicians and "pacifists."

This endeavor was manifested in a dynamic manner during the congress organized in Athens from 28 March to 2 April for the purpose of promoting the "chuche idea." The "chuche idea" is a series of political principles enunciated by North Korean Kim Il-song, the eccentric dictator. According to these "principles," communist nations must avoid general dogmatism in their ideology, such as Marxism-Leninism and Maoism, and instead implement the practice of communism or socialism in accordance with the specific conditions prevailing in each country.

In reality, this "idea" is nothing other than a propagandistic plan of the North Korean regime for the purpose of improving the picture of the country abroad, mainly to the detriment of South Korea. For that reason the "International Institute for the Study of the Chuche Idea" was established in April 1978 with headquarters in Tokyo. Until now "study groups" of this institute have been set up in about 100 countries. Such a group is now being established in Greece also and, according to information, Mr Mikhails Peristerakis is being assigned the role as head of the group. He is the secretary general of the "Non-Aligned Peace Movement" (AKE) which is at times used by the Soviets in those cases when they do not want their direct involvement to be evident.

Mr Peristerakis became known through the internationally known KGB campaign against the American Government attempting to condemn the latter for allegedly inventing the AIDS virus and for using it for biological warfare! In fact, Mr Peristerakis went further by proceeding to call for an international trial (!) of the American Government, proposing as witnesses Mr Fotis Kouvelis, DSA [as published] president, Evangelos Makhairas, honorary DSA president, as well as Manolis Glezos and a few others. Indeed, he lodged a charge with the Bertrand Russell International Court in Rome, proposing as an alternative solution that the trial be held in Greece! The result of this entire amazing story was the dropping of the charges as being impudent in nature, even coming from the leftist court tribunal, and in having the Greek "peace movement" ridiculed internationally.

As happened with "his own AIDS," Mr Peristerakis, thus at present with the matter of the Korean congress, has chosen the AKE as the essential body involved instead of the KKE peace organization, namely the EEDYE [Greek Committee for International Detente and Peace]. Also, in order to give some validity to the overall effort, Mr G. Kondogiorgis, dean of the Pandeion, was recruited to be chairman of the "Preparatory Committee for the Chuche Idea." However, Soviet involvement appears from the choice of committee members, namely Mr M. Peristerakis (secretary general); Mr Mikhalis Stathopoulos (member of the Soviet front organization, the World Peace Council (WPC)), dean of the University of Athens; Mr L. Stefanos, deputy dean of the Pandeion; Mr Evangelos Makhairas (also member of the WPC, a creation of the Soviet secret services), honorary DSA president; Gen K. Konstandinidis (Ret.) (member of various Soviet and KKE organizations that are also controlled by the secret services); Mr K. Kritsinis (who, together with Mr Peristerakis, had lodged the charge against the American Government concerning AIDS), former nomarch; Mr Panos Trigazis (one of the most essential and active links of the Soviets in the Greek peace movement), secretary general of the EEDYE; Dr L. Tselikas; as well as the journalists Messrs N. Marangos and G. Gatos (both of whom work for ETHNOS and are well-known propagandists for the Soviet bloc).

Thus, as is usual with "chuche idea" congresses, the impression was given that it was organized by Greeks themselves. In reality, the congress' financing had been undertaken by the North Korean communist junta. The overall affair was quite costly since 180 delegates from 64 countries participated of whom 25 were North Koreans. Some 50 Greeks also took part. Besides having their air fares paid for, the participants stayed at the luxury hotel Caravel for 5-10 days. One more detail, because of the congress, a well-known and likable South Korean painter who painted in the lobby of the Caravel Hotel had to temporarily cease working there!

We are informed that the "chuche idea" work team now under way has as its real goal the recruitment of collaborators and informers who would work for the "ideology" of North Korea, distribute propaganda and disinformation against South Korea and pressure the Greek Government to recognize the communist junta of North Korea.

That this is the most fundamental purpose of the overall endeavor was revealed during the congress itself. The notorious Gen K. Konstandinidis (Ret.) read a memo addressed to the Greek Government in which the latter is called on to reestablish diplomatic relations with North Korea. A few months previously, Mr Konstandinidis had made a trip to North Korea with all expenses paid. A lengthy article of his was subsequently published in the pro-Soviet newspaper ETHNOS in which he "heaped servile flattery" on the regime that had given him hospitality. As is well known, Mr Konstandinidis,

who is today one of the principal journalists for ETHNOS, had reached the point where he embellished and justified the espionage activities of the KGB and proposed, in writing, that Greece get out of NATO and place itself under the military protection of the Soviet Union....

At the end of the congress, the North Korean organizers succeeded in gathering a few signed petitions calling on the Greek Government to reestablish diplomatic relations with the North Korean regime. According to these petitions, it was illogical for Greece to have diplomatic relations with the "dictatorial" regime of South Korea and to ignore North Korea.

Nevertheless, the PASOK government held its distance from the congress. In fact, according to our information, Minister of Foreign Affairs Karolos Papoulias avoided insistent efforts by the congress organizers to meet with him. Instead of him, the organizers, specifically eight ministers from Third World countries, visited Prime Minister Papandreou and presented him with a portrait of himself painted at the Academy of Fine Arts in the capital of North Korea "as a token of appreciation to his international efforts for peace and his assistance to the Third World." And yet it was not made known whether they asked him to establish diplomatic relations with North Korea.

From a party standpoint, the only evident official participation in this congress were the greetings offered by Mr G. Dolianitis, on the part of the KEADEA [Movement for National Independence, International Peace and Disarmament], the official PASOK peace organization. Nevertheless, Mr Dolianitis also happens to be a member of the WPC which, as we have often written, is the biggest Soviet international front organization and one that functions under the auspices of the Soviet secret services and the CPSU International Department.

5671/6091

KKE Maneuvers, 'Overtures' to PASOK Analyzed
35210100b Athens PROTI GRAMMI in Greek
May 88 p 19

[Article by former minister and current ND Deputy Ioannis M. Varvitsiotis]

[Excerpt] It is certainly a definite fact that there has been "a change of course" on the part of the KKE with regard to our country's joining the EEC. No Greek political party is now opposed to this historic choice and all political forces of the country are now fighting to improve and adapt the Greek presence to the "big challenge of 1992."

The KKE's "change of course" does, however, have political significance for two additional reasons. First of all, it was brought about under the pressure of public

opinion. Second, it involves political expediency given the fact that it aims at specific targets of the KKE in the so-called "broader leftist area."

Indeed, our country's participation in the EEC has now become, for an overwhelming majority of the Greek people, an indispensable national need as well as an historic political and economic achievement. The KKE's opposition not only did not have any credible argument but had been faced with the overwhelming disapproval on the part of the Greek people who for 7 years now have been enjoying the fruits and benefits of having joined the EEC. Those KKE deputies who traveled through the provinces, as well as local party organizations, informed Perisso about the enthusiasm of the farmers over the community gold mine of subsidies and also their indignation whenever the communist party tried to resume its anti-European proclamations.

The constant increase in community subsidies to Greek agriculture constitutes the most disconcerting answer to the KKE's allegations about "the EEC's slave markets" toward which the Greek workers and farmers were being led. In 1981, subsidies amounted to 9 billion drachmas, 45.6 billion in 1982, 77.8 billion in 1983, 88 billion in 1984, 132 billion in 1985, 204 billion in 1986 and will surpass 265 billion drachmas in 1987. In other words, in the 7 years of PASOK government the "cursed" EEC distributed 823 billion drachmas to Greek farmers.

With these statistics in mind, the KKE's persistence in voicing an anti-community position resulted in having it become more and more isolated from the people and, politically speaking since PASOK itself had already made a 180 degree turnaround on the EEC issue, the remaining forces of the renovated Left advanced the notion that the anti-Europeanism of Mr Florakis' party constituted the most important ideological and political difference that hampered endeavors for unification on this matter.

So, with the "change of course," the KKE is trying not only to neutralize the shortcomings of the dogmatic position it has held until now but to convert them into pluses. Perisso's overture is being made toward PASOK and toward the parties of the renovated Left.

Its overture toward PASOK is considered a step toward political cooperation before or after elections, according to the correlation of forces that will be shaped in view of the next elections and with regard to a change or not in the electoral system. The KKE's acceptance of Greece's entry into the EEC removes a basic obstacle to working out a "minimum program" between the two parties. The other PASOK-KKE difference on foreign policy (bases and NATO) can easily "be put on the shelf" since Mr Papandreou is not, on the one hand, intending to sign the Greek-American agreement before election time and, on

the other hand, the creation before the elections of an impasse and feigned tension with the United States and NATO that would facilitate the two parties getting closer cannot be ruled out.

It is clear that the KKE is offering PASOK its forbearance without demanding anymore that it participate in government and by abandoning its slogan "Change without the KKE cannot be achieved."

Finally, the KKE's overture provides a new dimension to PASOK problems with regard to the establishment of the simple proportional representation electoral system. With the removal of the difference between the two parties of the Left over the EEC issue, the possibility of unification of this sector and the strengthening of the KKE through the shrinkage of the other "renovated" forces, is enhanced. In any case, the goal of having multiple splits, something that PASOK looked forward to with the establishment of the simple proportional electoral system, has been weakened. In other words, the KKE's offer of forbearance to PASOK is accompanied with the aim of making Mr Florakis' party the only pole of support and cooperation of the "authority of Change" in the leftist arena.

5671/6091

ITALY

PSDI Drastically Losing Ground

35280125a Milan *IL MONDO in Italian*
21 Mar 88 pp 30-32

[Text] Once upon a time there was an Italian Socialist Democratic Party (PSDI) composed of town council members, artisans, laborers, retirees and the urban middle class in central and northern Italy.

It was a party with solid roots, one that even was able to allow itself the luxury of looking toward a future in which Italy would begin to award efforts by little guys and laymen and punish the fat cats who were mired down by the weight of ideology. On Wednesday, 9 March, after two days of swearing and vitriol, in the meeting room of a Roman hotel that is accustomed to the more demure atmosphere of antique shows, Antonio Cariglia was given the leadership of a very different PSDI: torn apart, mistrustful, scandal-ridden. But above all, the party has been affected by a disease that in politics is more serious than court orders and growing numbers of factions: the loss of its roots.

Goodbye to the North

The drama of the rising sun begins with the results of the last general election. The PSDI was abandoned by 360,000 voters (from 4.1 percent to 3.0 percent, their all-time low), but above all it had lost its grassroots support in entire sections of Italian society. In the central and northern regions, the scene was one of decimation.

In 13 of the total 22 districts not even one PSDI deputy was elected. While the party still has nine deputies elected from the south and the islands, those from the central and northern regions fell from 13 to 8. Compared to the party's national average, the results reveal very sharp declines in Rome, Milan, Turin, Genoa and Bologna. Similarly grave losses, according to the analysis made by sociologists Luigi Manconi and Gianni Statera, were registered in all northern cities where an industrial economy is prevalent, and also in worker and high-technology strongholds. Even in the cities of Prato, Carpi, Faenza, Reggio Emilia, and Pesaro, which have a high percentage of artisans and particularly older populations and which constitute strongholds of the PSDI, the average loss was greater than in 1983.

What happened? The Longo-P2 affair and the successes of the Craxi government drew votes away from the PSDI, which traditionally has been strongest in the urban areas of the center-north. Retirees preferred to vote the party list. Laborers and artisans gave weight to the lack of initiative shown by the party on labor policies and its absence from the factories. In Lombardy, Piedmont and the Venetian region, the local lists seduced the DC and Social Democratic lower- middle class. And the defeat is unappealable.

Local and interest group forces are no longer productive for national parties because those forces prefer to represent themselves. It is difficult now even for the communists to have a dialogue with labor. A strong political identity (which the PSDI no longer has room to rebuild since the Socialist Party is now fully social democratic) and policy positions (which are traditionally sacrificed to the spending positions in party choices) should be used to regain a consensus of opinion.

Individual Preference Votes Gain in Acceptance

Routed in the north, the PSDI is more and more a party whose strength is south of Rome. For the first time in 1987, the deputies elected in the south outnumber those from the rest of the country. Even the regional elections confirm this trend: councilors of the center-north decreased from 28 in 1975 to 20 in 1980 and 17 in 1985, whereas in the same period the "southerners" maintained their positions, going from 20 to 18 and then coming back up to 19. Among the big cities, the most moderate drop occurred in Naples, and in Palermo the party actually gained 0.2 percent of the vote. Among all socio-economic areas, the PSDI lost the least (only 0.36 percent) in the predominantly agricultural centers of southern Italy, and, immediately thereafter, the service sector cities of the center-south.

"The party is holding where contact with voters is closest," observes Giovanni Cuojati, an party official. The base of the Social Democratic Party, the party of the town councilors, is strongest in the south because the relationship between administrators and the public is closer (in the south the social-democratic voter chooses a

specific candidate 42.9 percent of the time, while the same voter in the north-west picks a name 19.7 percent of the time and in the north-east 14 percent of the time) because the party has stronger roots in local administrations.

The Last Stand

To prevent the disappearance of the party in the north and to hold on in the south, will it be enough for the party to rely on its traditional supporters? Discouraging signs are also arriving from this front. The exodus to the PSI by administrators who are at the edge of the PSDI signifies the loss of personal vote packages that can never be regained.

Charts showing the PSDI's vote counts in administrative elections [for administrative posts], which over the last decade have always been higher than those of the political elections, are now beginning to converge: the PSDI risks passing over the point of no-return, the 3 percent zone (the PSDI is already below this point in almost all of northern Italy and much of central Italy), which represents the threshold to ensure entry into the town councils that have 30 members, that is, in all the towns having between 10,000 and 30,000 people, with an aggregate population of 11.5 million. Now, for the PSDI, the nightmare is in the shape of a spiral. Fewer votes at the next administrative elections will mean fewer councilors and aldermen. Fewer administrators will result in fewer votes at the next general election. Fewer votes at that election will signify fewer ministers, undersecretaries, chairmen and delegate administrators. This will come to pass unless what now remains of Giuseppe Saragat's party is not wiped out sooner by failure to meet some electoral threshold.

Rising Sun...in the Red

Eight and one-half billion lire in debt. One billion lost in 1987 alone. Local branches behind in their rent; others shutting down for lack of funds.

The balance sheet of the PSDI—which is being finalized now by the administrative official in charge, Alberto Ciampaglia—resembles a disastrous war bulletin.

The economic situation, which has already deteriorated, received the coup de grace in 1987 with the loss of 30 percent of the dues-paying membership (the party card costs 15,000 lire per year, 5,000 of which go to Rome) and, above all, after the 14-15 June collapse, which curtailed both ordinary financing and reimbursements for election expenses: in all 5.52 billion in 1987, a figure that is even 300 million lower than the amount received in 1981.

One of the most worrisome "black holes" in the PSDI's financing is the cost of the central headquarters on the Via Santa Maria in Via: 4 stories a few steps from the Trevi Fountain, for which the rent alone is 37 million lire monthly. Sooner or later, party officials fear, they'll have to tighten up.

This has already occurred with the party's Roman federation, which yielded to the newspaper, IL TEMPO, its former headquarters housed in the penthouse of the building that contains the Roman daily's offices in the heart of the city. It was agreed, however, that the big neon sign with the name and symbol of the party will continue to shine on the facade of the building.

Divided into 26 Tribes

Nobody else is as divided as this. It's a record the PSDI certainly holds. Even with only 3 percent of the votes in the last general election, it has at least 26 internal groups. Twenty-six mini-factions that are always ready to make and break alliances, to transform majorities into minorities (and vice versa) in a merry-go-round that has made the PSDI the party with the greatest internal instability in Italy today.

This is an inevitable deterioration of a political power where party cards still count and the absence of true policy contrasts to choose from prevents any simple association based on nationwide points of reference.

According to the most up-to-date calculations, the firmest groups are those of Franco Nicolazzi (21 percent); the leader of the Naples federation, Filippo Caria (12 percent); and Pier Luigi Romita (8 percent). Next, with 7 percent each, are Renato Massari of Milan and Graziano-Ciocia of Bari; with 6 percent each are Carlo Vizzini of Palermo and Alberto Tomassini of Venice, the president of INAIL.

The remaining 33 percent is shattered among 17 groups: Dino Madaudo (Catania and Messina) has 4.5 percent. Emilio De Rose (Verona) 3.4. Gianni Manzolini (Abruzzo) and Giovanni Cuojati (Varese) 2.7 each. The following have bundles of party cards that vary between 2.5 and 2 percent: Alberto Ciampaglia (Naples), Angelo Tansini (Emilia West), Bruno Corti (Brescia), Antonio Cariglia (Florence), Ferdinando Bacchiano (Avellino and Benevento), Antonio Bruno (Lecce) and Dante Schietroma (Frosinone).

And the list isn't complete. Under 2 percent are Anselmo Martoni (Emilia East), Paolo Correale (Salerno), Luigi Preti (Ferrara), Alessandro Ghinami (Cagliari), Gianni Moroni (Rieti), Maurizio Pagani (Trieste and Belluno), Renzo Sclavi (Pavia) and Martino Scovacricchi (Udine). And anyone can dream of sooner or later being the one that decides who will lead the party.

13331

NORWAY

Center Party Secretary John Dale on Strategy, Goals

36390056c Oslo AFTENPOSTEN in Norwegian
16 Apr 88 p 5

[Article by Einar Solvoll: "Not Content as Support Party"]

[Text] "The Center Party was the party that made gains in every post-war election up to the 1970's, when we began discussing ourselves." This was said by the party's general secretary, John Dale. He added that a party with 7 percent of the vote had to cooperate with others in order to implement its ideas, but Dale denied that the Center Party would enter the elections as a kind of "support party" for the Labor Party or the Conservatives.

"Every party must place itself in the best position it can to negotiate with other parties when there is a minority government or a coalition," said Dale, who protested against the idea that his party existed solely to be a "support party" for others. He also protests against the "camaraderie" between the Labor Party and the Conservatives. He calls it a "macroeconomic establishment" that sees Center Party politics as "sand in the machinery."

Veterans' Meeting

This weekend the Center Party is holding a "veterans' meeting" which is also intended to celebrate the 75th birthdays of two former chairmen, Per Borten and John Austrheim. The latter is confined to a wheelchair due to a tragic accident in the woods in January of last year. It will be a festive occasion in the auditorium of the Farmers House in Oslo in the afternoon, with speeches by former members of parliament, Bjorn Unneberg and Einar Hovdhaugen. Tickets are 300 kroner each for the almost 300 participants.

"It will be a fine opportunity to point to our historic traditions and take a look at the future," said General Secretary Dale, whom many see as one of the political strategists behind the party he now administers.

Self-Rule

"The Center Party has a past to cherish. Gunnar Knudsen's liberalistic line made it necessary to stand up for farming and local self-rule—and this is a clear line from 1920 up to the party's stand during the EC struggle in 1972," General Secretary Dale said. The party advanced in every election after 1945 and changed its name from the Agrarian Party to the Center Party in 1959. In 1965 the Center Party entered the government, along with the Conservatives, the Christian People's Party, and the Liberal Party. The party gained support as a reaction against centralization and depopulation. During the late

1960's the Center Party created a new dimension—that of environmental and resource protection, which all the other parties are talking about today, Dale pointed out.

Stagnated

But in 1977 the parliamentary group was almost cut in half and the party has now stabilized at about 6 percent, compared to its previous figure of 10 to 11 percent.

"Part of the explanation is that, at that time, the party began discussing itself and became less involved in its outward activities. It was at that same time that oil fever hit Norway in earnest and the Center Party's call for caution was seen as backward. Our position was correct, if we look at the situation today, but we did not get our message across and we lost," John Dale said.

General Secretary Dale believes the party's fate should not be linked to the question of whether it chooses to align itself with the opposition or with the government. "The important thing is that we do something worthwhile and that people take notice of us," he said.

John Dale does not believe that the party's future will depend on whether or not new election regulations are introduced next year. The system of joint lists with another party benefited the Center Party, but nevertheless, the party supports a new election system with compensational seats, said Dale, who stated that if his party receives over 7 percent of the vote next year it would still give the party a goodly number of seats in parliament.

Nationwide

"Our goal is to establish ourselves as a nationwide party with representatives on all committees in parliament," John Dale said. With regard to what type of government the Center Party would participate in, the general secretary said that this question would have to be dealt with at the party congress next year.

"Developments within the Labor Party itself are extremely difficult to follow. While it has changed its political course somewhat in the direction of the middle parties, it is still warning against too many compromises with those same parties. And no one can understand what is going on in the Conservative Party," John Dale said.

09336

Liberal Party Leader Arne Fjortoft Cites Renewed Optimism

36390056d Oslo AFTENPOSTEN in Norwegian
9 Apr 88 p 3

[Article by Ole Johan Nilsen: "Liberal Leader Still Looking"]

[Text] The Liberal Party leader, Arne Fjortoft, and his party now have the wind in their sails. The opinion polls are pointing to a figure of 5 percent. That feels good after

3.1 percent in the 1985 elections. In the distance they can see parliament—five or six seats. But where is the political center? An ideological debate within the Liberal Party will create order in its thinking and a firm foundation for its growing number of members.

"The election last year was a good general test and a source of encouragement for the Liberal Party, which has placed much emphasis on building up the party. An internal revitalization is occurring. The dejection caused by the 1985 elections is completely gone," Fjortoft said.

He does not need to mention the key word "environment" to get the main message of the Liberal Party—and his own—across. Public opinion is awakening and people now see the relationship between today's problems and policies of the past. Are they overdoing it? Not at all. Everyone in the party is now giving environmental policies the highest priority. This is certainly because people, in general, are now better schooled in environmental matters.

Another reason why the Liberals feel the wind in their sails is that there is a good chance the party will merge with the Liberal People's Party (DLF), Fjortoft said. A large majority in the Liberal Party supports the merger.

Foundation

Those on the outside remember 1972 and are somewhat surprised.

"Without clearing up the question of a name, we had big problems. Now the Liberal Party is a broad party, with the accompanying risk of breakaways and splits in the party. But the schisms that have arisen over the years were also a result of poor ideological preparation. Now we will try to create a firm ideological foundation for people in the Liberal Party. This work will begin at the party congress beginning in 1 month."

"With an ideological debate of this type and a merger with the DLF, we will be in a good position going into the elections next year."

Will more than that be needed?

"I am looking forward to new election regulations, which I assume we will have. This will make it easier for a small party to gain representation in parliament. But it looks like there will be only eight compensational seats and I believe the minimum requirement of 4 percent for representation is too low. This will probably stimulate us, but it can also hinder new political movements from forming during times of great change."

He believes that if the Liberal Party meets the 4-percent requirement, then most of the eight compensational seats will go to Liberals. "The 4-percent requirement is not a problem for a party that mobilizes its people. I am sleeping quite well at night," Fjortoft said.

Labor or Nonsocialist?

How will the Liberal Party use its power in parliament?

"We will begin debating our position on who will form the government this fall. But our position will be clear before the elections," he promised. The dilemma for the party is that its heart is in the middle and without such a middle it is difficult. What the party really wants, in any event, is influence, so that the Liberal Party can get its message across.

Will it be a Labor Party government or a nonsocialist government?

"There is little chance that we will support a Labor Party government unless it improves its policies considerably. Two important areas are environmental protection and schools. Rejuvenation of business is a third. The Labor Party says we cannot afford reforms in politics because of the economy. But it is precisely in this situation that we need reforms! We need radical reforms in several areas.

All Except FRP

"But the Liberal Party can work together with all parties, as long as we are able to implement our policies in a useful way. We can work with anyone except the Progressive Party (FRP). That party is beyond the limits for cooperation with the middle parties. And as long as the Conservatives hold the door open to the Progressive Party there will be many problems involved in cooperation between the middle and the Conservatives."

How would you define the Liberal Party today?

"It is a radical nonsocialist party that is relatively free in its ability to select partners with whom to cooperate. We are now in a situation that is different from that in which it was decided that the Liberal Party could only build coalitions to the left. These are questions that we will now begin discussing."

Is it a burden to be thought of as a "waffling party?"

"Others waffle more—just look at the Labor Party and the Center Party on the question of advertizing on Norwegian television!"

Does the Liberal Party leader fear the Progressive Party?

"Politicians who intentionally fool people in the midst of a flood of information may take many people in, but politicians must have ethical standards and avoid the temptation of short-term gains." This is what the Progressive Party is doing on environmental issues, presenting solutions that give Arne Fjortoft cold chills. He has little to say about a party that, so far, has shown little

interest in the environment, but has made proposals that would destroy all the environmental work that has been done to date. "I hope they will now repent," is Arne Fjortoft's vain wish.

09336

Hagen's Time as 'Dictator' in Progressive Party Seen as Over

36390056b Oslo AFTENPOSTEN in Norwegian
16 Apr 88 p 5

[Article by Geir Salvesen: "Hagen's Time as 'Dictator' Gone"]

[Text] There was a time when the Progressive Party was more like a homemade one-man show, with Carl I. Hagen as the only star, than an ordinary political party. Behind him was a vacuum and a helpless party apparatus that did not know how to change a protest movement into an organization. That time has passed.

Hagen is still the center of attention, but his time as "dictator" is over. He now has new assistants around him and they expect to be heard.

He could sit in his claustrophobic office in parliament and become furious over something he has read or heard. In his shirtsleeves, he would reach resolutely for his minicassette recorder and dictate a sharply-worded press release and then dash to the registrar's office in parliament with proposed legislation or some plan almost before the ink was dry—long before anyone else in the party had heard about it or stated their opinion. Carl I. Hagen could do what he wanted. He was the Progressive Party and it was called Hagen's party.

Apparatus

That could not last, for at one time or another it had to catch up with him—the apparatus that, despite everything, he tried to create on the ruins of Anders Lange's protest movement when he took over in 1978, with a voter support level of about 1 percent in the polls. It is symptomatic that there are many young recruits in the party now sitting just under Hagen, thereby forming the top of the Progressive Party's power pyramid.

The deputy party chairman, Pal Atle Skjervengen, is now the heir apparent. Any far-reaching decisions without his approval are hardly possible. Skjervengen began in the party's youth organization and saw it grow from a small group of wild-eyed idealists into a youth movement of 5,000 members in 10 years.

Polished Edges

Skjervengen was long considered to be a relatively extreme liberal with about as much appeal outside the narrow circles of the party's youth organization as an arms salesman at a peace rally. Now the rough edges

have been polished, in part by several years of political experience and by an encounter with reality in local government positions (he is currently a city commissioner in Oslo), but there are still strong ideological features in his political activities.

Outsider

The vice chairman of the party, Hroar Hansen, the controversial MORGENBLAD owner and industry founder from Drammen, is strangely enough an outsider in his own party. In politics, proximity is power and Hansen is so busy with his industrial projects that even if the party wanted him to participate more, he would still often be unavailable and constantly traveling. And, as some joker has said, it is so difficult to find a parking place for a Mercedes in downtown Oslo. Hansen belongs to the more moderate wing of the party.

Youth

Tor Mikkel Wara is chairman of the Progressive Party Youth and also holds the strategically important post of political adviser to Carl I. Hagen. There is hardly any other party in which the youth organization has such great influence.

This is due to an intentional effort because of the party's enormous strength among young and future voters, but it is also due to the fact that it was the youth organization that fought for the liberal way of thinking that has now been adopted by the entire party as its main ideology. Wara's advice is always sought.

The same is true of Hagen's wife Eli Engum, who works as secretary of the parliamentary group. In what is popularly called the "breakfast table syndrome," it is important to go to her first. She can smooth the way to her husband for a proposal, party sources say.

Jack of All Trades

Jan Simonsen, political jack of all trades, also works at the parliamentary group's office in parliament. He is the deputy chairman in Rogaland. He does not control the formal channels of influence, but he does pull some strings. Proximity gives power.

Lodve Solholm, teacher and party leader in Orskog, More and Romsdal, where the party has enjoyed such great success, is a key figure in that he is the local party chairmen's man on the executive committee. He is a party regular, but since he is so far away from Oslo he is still something of an outsider, even though Hagen likes to ask his advice over the phone.

Hroar Hansen is 40 years old, deputy chairman, and an industrialist from Drammen. Still, he is an outsider because he is seldom available and has little time. Politically, he is a moderate. He is a liberal, but belongs to the more pragmatic wing.

Lodve Solholm is 39 years old, a teacher in Orskog, More and Romsdal, where the party has had great success. He is chairman of the party's national committee. He is the local party chairmen's man on the national party level. He is a party regular and a political pragmatist, but an outsider because of his distance from Oslo.

Pal Atle Skjervengen is 27 years old, the heir apparent, and clearly in the number 2 position in the Progressive Party. He is the man whose approval Hagen now must get in important matters. He helped build the party's youth organization from almost nothing to a political force with great influence in the mother party. He is a city commissioner in Oslo and a clear liberal.

Jan Simonsen is 35 years old and the group secretary for the party's parliamentary group. He is a local leader in Rogaland. He is a political jack of all trades whom Hagen has used for many years to carry out practical and political tasks. He is a "gray eminence" who pulls strings and has power due to his proximity to Hagen.

Tor Mikkel Wara is 23 years old and the chairman of the Progressive Party Youth. He is a political adviser to Carl I. Hagen in parliament. He is the party's most important link to its youth. His advice must be asked when important decisions are to be made. He is a school board leader in Oslo. He has been active since he was quite young and is clearly a liberal.

Eli Engum Hagen, 40 years old, is the secretary of the parliamentary group and wife of Carl I. Hagen. Important proposals from other parts of the party apparatus should be sent to her first. A conversation at the breakfast table can result in a positive response from her husband. She acts as an antenna directed at the rest of the party.

Hans J. Rosjorde, 46 years of age, is a member of parliament from Hordaland since the death of Ytterhorn. He is the only representative apart from the party leader himself and, as such, he is at the center of the day-to-day practical exercise of power. He has done well in parliament and is generally respected.

Peter N. Myhre, 33 years old, is the deputy chairman in Oslo. He was previously active on the national party level and helped build up the youth organization. He has now become an outsider and is concentrating all his attention on the local level. Nevertheless, Myhre is part of the backbone of experienced "professional politicians" in the party.

09336

Communist Party Congress Decides To Review Own History

36390056a Oslo AFTENPOSTEN in Norwegian
12 Apr 88 p 40

[Article by Hans C. Erlandsen: "NKP Will Examine History"]

[Text] The Norwegian Communist Party [NKP] has appointed a committee of three to examine the party agreement of 1949 and 1950, the party leader, Kare Andre Nilsen, told AFTENPOSTEN. The Communist leader, Peder Furubotn, was among those expelled by the settlement. The committee has the rest of the year to do its work.

The mandate gives the committee the task of examining the political, ideological, and organizational conflicts within the party at that time. The committee will also evaluate the measures, methods, and forms of the agreement. It will also see if the conflicts could have been handled in a different manner, according to Nilsen.

The committee consists of Arne Pettersen, the party newspaper FRIHETEN editor, Arne Jorgensen, and the former party chairman, Hans I. Kleven. This measure was supported by the party congress, which met last weekend. In the executive committee, which must approve all steps taken by the congress, there was one vote for an alternate proposal, according to which the question would be handled by writing the history of the party at that time. Nilsen would not say who that one person was.

"What happened at that time has created many myths and given rise to a number of articles and books, but the NKP has produced no material of its own. By doing so now, we hope to learn from the mistakes we have made in dealing with internal conflicts in the Communist Party," the party leader stressed.

In another matter, the congress approved a measure last weekend whereby the Communist Party would try to create a red-green alliance for parliamentary elections next year, as has been indicated previously. Target groups include the entire left and the "green" movements.

09336

SPAIN

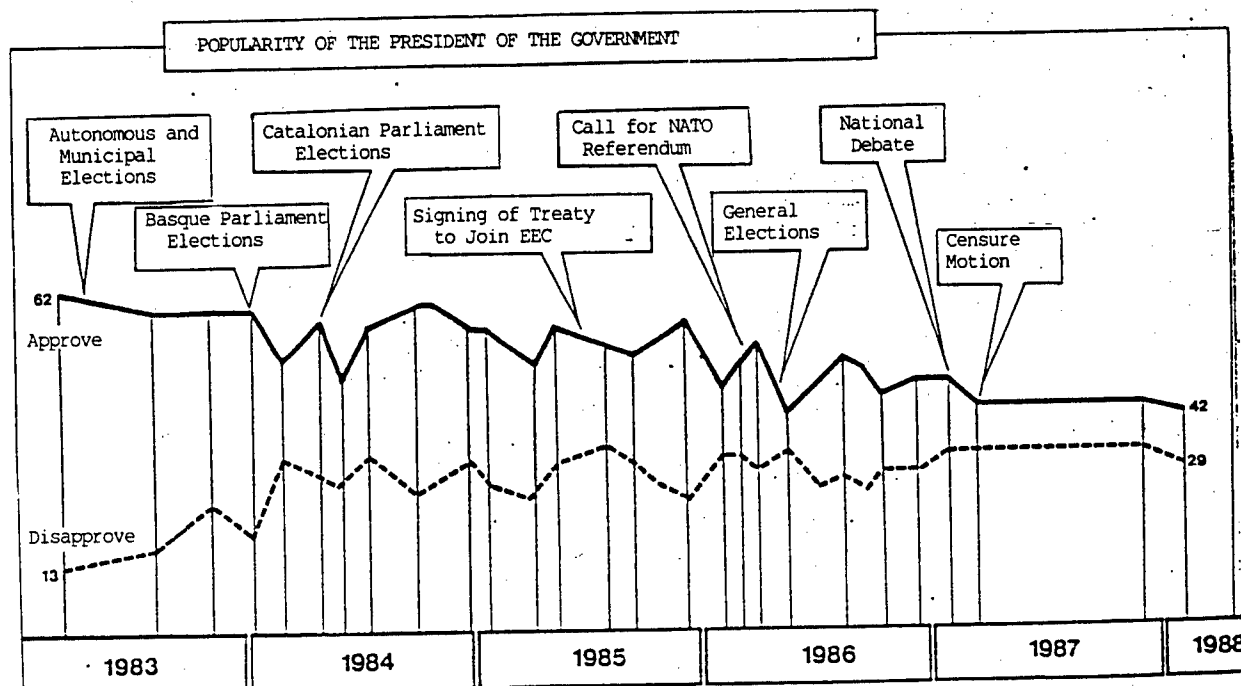
Polls Consistently Show PSOE Popularity Loss

Gonzalez Losing Support

35480081 Madrid YA REVISTA in Spanish
24 Apr 88 pp 2, 3

[Text] The popularity of the president of the government, Felipe Gonzalez, is at its lowest point since 1986, according to the results of a Gallup poll conducted exclusively for YA. The president's popularity rating has remained stable for a year now; 42 percent of Spaniards approve of his performance and 29 percent disapprove. Nevertheless, an important qualitative change can be discerned: The support that used to come from the segments of the population that showed the most social leadership (youths, the middle class, balanced cities with 100,000 to 200,000 inhabitants) is now coming from the least dynamic segments (the elderly, women, low-income classes, and rural areas with 2,000 to 5,000 inhabitants). The erosion of the president's popularity is similar to that experienced by his predecessors at Moncloa, Suarez and Calvo Sotelo. Something is changing in Spaniards' view of their president, each person with his own perspective.

It has been a year since we published the last Gallup poll on the president's popularity; during the interim, it can be said that no negative event has taken place to affect public opinion enough to change that popularity rating to any measurable extent. The criticism that is evinced in the daily political debate is not sufficient, and therefore the approval of his work has remained stable. On this occasion, the question asked was the following: "Personally, do you approve or disapprove of the way Don



Felipe Gonzalez is carrying out his duties as president of the government?" In a sampling of 1,000 respondents, 42 percent answered affirmatively, 29 percent negatively, and the remaining 29 percent did not respond one way or the other.

the segments of the population that are most in favor and most opposed, from top to bottom, according to the statistically significant partial results of the survey. The groups are broken down according to sex, age, social class, and the political party for which the respondents

Table 1. Presidents' Popularity

	Initial		1 Year in Office		3 Years in Office		Final	
	App.	Dis.	App.	Dis.	App.	Dis.	App.	Dis.
A. Suarez	67	10	55	26	27	45	23	46%
Calvo-Sotelo	25	19	26	46	--	--	21	48%
F. Gonzalez	62	13	58	17	56	24	(42)	(29)%

(Results of latest poll on F. Gonzalez in parentheses)

Do you personally approve or disapprove of the way Felipe Gonzalez is carrying out his duties as president of the government?

Base 1,000	%
Approve	42
Disapprove	29
DK/NA	29
	<u>100</u>

Looking at the chart, we can see that the slow decline that began in 1983 and continued uninterrupted until last year has stabilized in the last 12 months. It cannot, therefore, be said that President Gonzalez is suffering the same "attrition of power" that other members of the Socialist government are probably undergoing, or that the entire government is experiencing. Comparing Gonzalez' popularity rating with those of the previous presidents, Leopoldo Calvo-Sotelo and Adolfo Suarez (Table 1), we see that after 5 and 1/2 years in the presidency, Felipe Gonzalez is undergoing the same political erosion that his predecessors suffered in just 1 or 1 and 1/2 years in office.

Division

Table 2 shows which Spaniards approve or disapprove of President Gonzalez' performance the most. It indicates

voted in 1986, as well as the size of their city of residence.

The results of the poll reveal some interesting trends, especially when compared to the support shown for President Gonzalez during his first term. It can be seen that now it is women who are most in agreement with his work, whereas before his support came more from men.

The opinions of the different age groups have changed along with the opinions of the sexes: Whereas the president used to receive his greatest support from the youngest sectors, now, on the contrary, it is the older Spaniards who regard him most favorably. Thus, behind the 55-64 age group, which is currently most satisfied with the

Table 2. Maximum and Minimum Approval of Pres. Gonzalez
By Segment of Population

Segment of Population	% of Total (1)	Approve	Disapprove	Difference
MOST APPROVAL				
PSOE Voters	38.7	72	16	56
Population between 55 and 64	12.6	51	13	38
Residents of cities pop. 2,000 to 5,000	8.9	52	22	30
Women	52.0	42	24	18
Lower Middle Class	28.5	43	28	15
General Average	100.0	42	29	13
Men	48	41	34	7
Population between 45 and 54	16.3	38	37	1
Residents of cities pop. 100,000 to 200,000	14.4	30	32	-2
Upper Middle Class	4.4	30	48	-18
CiU Voters	3.0	27	63	-36

LEAST APPROVAL

(1) Population consulted is all Spaniards 15 years and older.

president's performance, are those 65 and older. Youths between 15 and 24 years of age are the most critical of him today.

The relative positions of the residents of urban and rural areas of the country have also changed; today the Spaniards living in towns of 2,000 to 5,000 inhabitants are far more supportive, while those living in cities of 100,000 to 200,000 inhabitants are most opposed to the president.

And finally, the support of the social classes has changed as well. Felipe Gonzalez' popularity in 1984 was highest among the middle class, followed by the upper middle class, the lower middle class, and the lower class. Today the order is just the opposite: The lower class (a gain of 21 points) leads the way, followed by the lower middle class (15 points), the middle class (11 points), and the upper middle class (a loss of 18 points). The latter figure reflects a fundamental change in a segment of the population that plays a key role in a large number of the country's social and economic trends.

From these partial observations, one might conclude that although President Gonzalez' popularity has stabilized in the population as a whole, an important change has occurred in terms of the different sectors that do or do not support him. Felipe Gonzalez, the politician who was tuned in to the sectors with the most leadership and highest public profile (men, youths, residents of the most

balanced population centers, and members of the Spanish middle class), now finds his principal support among women, the elderly, the rural population, and the country's lower class.

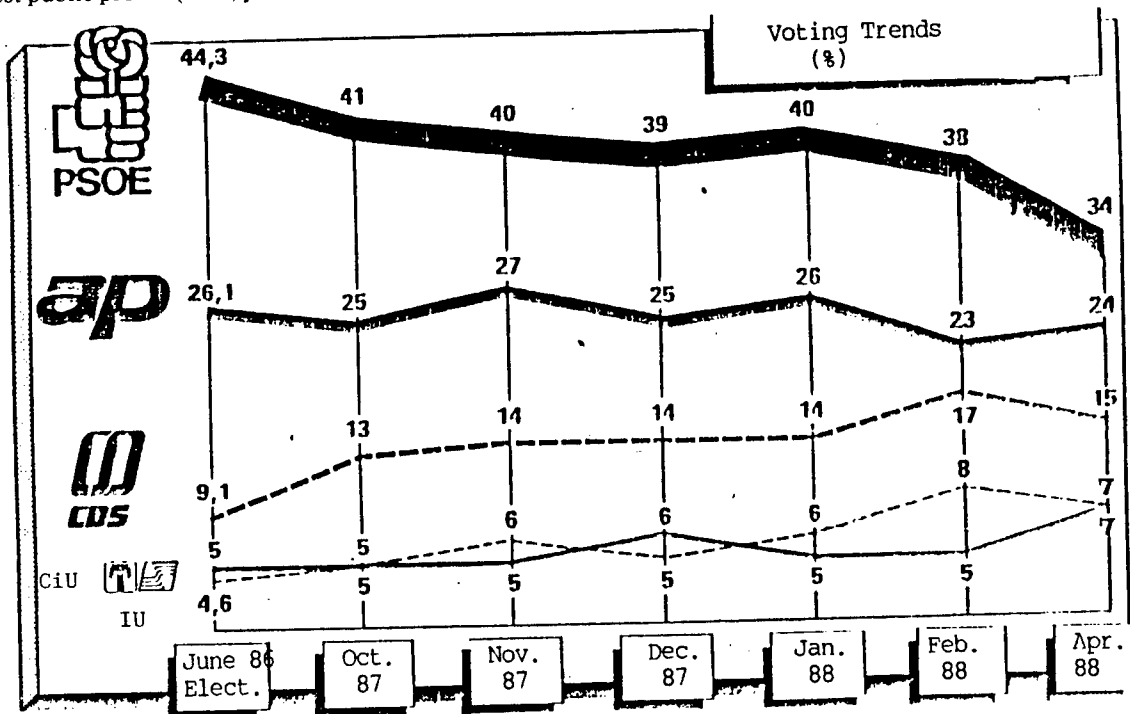
Parties, Politicians' Rankings

35480081 Madrid DIARIO 16 in Spanish
24 Apr 88 pp 8, 9

[Text] The Mystere incident involving Alfonso Guerra and the alleged influence peddling that may have benefited a brother-in-law and a few friends of Felipe Gonzalez, have led to a sharp drop in the election prospects of the Spanish Socialist Workers Party (PSOE). The PSOE is now 10 points below the results it showed in June 1986. In fact, the Popular Alliance (AP) and the Democratic and Social Center (CDS) combined surpass the PSOE in direct voter intentions, with the latter party being only 11 points behind the PSOE.

The Spanish Socialist Workers Party's standing in the polls has taken a nosedive as a result of recent political events, according to an opinion survey conducted by Emopublica y Asociados this week for DIARIO 16.

The PSOE will receive 34 percent of the vote, according to a weighted analysis of voter intentions based on an extrapolation of previous electoral results and a study of sociological behavior. This is the lowest figure recorded so far (see Table 1), and undoubtedly means a loss of its absolute majority. As for direct voter intentions, the PSOE was rated at 23.8 percent in the electoral census.



CUADRO 1. INTENCION DE VOTO PONDERADA (%) (1)

	Abril 88 (2)	Febrero 88 (3)	Enero 88 (4)	Diciembre 87 (5)	Noviembre 87 (6)	Octubre 87 (7)	Resultados elecciones junio 86 (8)
PSOE	34	38	40	39	40	41	44,3
AP	24	23	26	25	27	25	26,1
CDS	15	17	14	14	14	13	9,1
IU	7	8	6	5	6	5	4,6
CIU	7	5	5	6	5	5	5,0

Key:

1. Table 1. Weighted Voter Intention (%)
2. April 88
3. February 88
4. January 88
5. December 87
6. November 87
7. October 87
8. Results of June 86 Elections

The 34-percent rating that the PSOE now has is exactly the same as the Democratic Center Union (UCD) had in the first general elections (15 June 1977), garnering just under 6.5 million votes.

The incident involving Vice President Alfonso Guerra, who requested an official Mystere jet to return from his private vacation when some Spaniards refused to allow him to cut in line to get on the shuttle crossing the border between Portugal and Spain, seems to have influenced this sharp decline in the Socialist Party's fortunes. Guerra himself has lost nearly a point in his popularity ranking, slipping two places. He is now behind Manuel Fraga and Basque President Jose Antonio Ardanza.

Progressive Deterioration

The other political event that has affected the PSOE in the past few days—the alleged influence peddling incident in Andalusia, in which a brother-in-law and several personal friends of President Felipe Gonzalez may be implicated—has also had an impact on voters' perceptions. Gonzalez himself has to be content with a second-place ranking, behind centrist leader Adolfo Suarez. Both men appear to be the only ones to win approval among the people interviewed.

According to the poll conducted by Emopublica y Asociados, the PSOE has already lost 10 points just since the last general elections, held less than 2 years ago. As can

RANKING DE POPULARIDAD (1)

Calificación de los líderes políticos entre 1 y 10 (2)

	Abril 88	Febrero 88 (*)	Enero 88	Diciembre 87	Noviembre 87	Octubre 87
Adolfo Suárez	5,22	6,08	5,67	5,98	5,91	5,84
Felipe González	5,21	5,76	6,11	5,98	6,03	5,93
Manuel Fraga	4,42		4,52	4,78	4,64	4,66
J. Antonio Ardanza	4,29		4,32	4,23	4,27	4,14
Alfonso Guerra	3,72		4,70	4,50	4,60	4,61
A. Hernández Mancha	3,68		4,04	4,33	4,17	4,25
Carlos Garaicoechea	3,64		3,82	3,84	3,91	3,86
Jordi Pujol	3,36		4,04	4,26	4,13	4,54
Gerardo Iglesias (**)	3,36		3,61	3,61	3,62	3,60

- Key:
1. Popularity Ranking
 2. Rating of political leaders on a scale of 1 to 10

(*) On this occasion the poll was taken as a result of the parliamentary debate on the state of the nation, and referred only to the first two leaders.

(**) Iglesias appears in this ranking for the last time, since he has been replaced as head of the PCE. He has been included for purposes of comparison with previous polls.

be seen in Table 1, the party's election prospects are steadily deteriorating. The Popular Alliance has gained a point since the poll taken 2 months ago, and remains close to the standing it had in the June 1986 elections. The Democratic and Social Center has moderated the leap it made in February, but is maintaining its upward climb. This time it has obtained a weighted rating of 15 percent.

The United Left (IU) seems to have picked up some of the votes lost by the PSOE, and the coalition headed by Jordi Pujol, Convergence and Union (CiU), has made surprising gains. All indications are that it will repeat its triumph in the Catalan elections of 29 May.

According to the weighted vote (calculated by Emopublica using a formula whereby it evaluates voters' expressed intentions and their memories of how they voted before, along with other factors), the center-right opposition still surpasses the PSOE by a wide margin, continuing a trend that was seen for the first time in November of last year. In this latest poll, the AP and the CDS are 5 points ahead of the PSOE, and if the CiU is added to them, the difference is 12 points.

Center Right

This survey, commissioned by DIARIO 16 to determine the impact of the latest political events, also contains another very significant fact: For the first time, the direct voter intention figure for the AP and the CDS combined (24.3 percent) is higher than that obtained by the PSOE (23.8 percent), as shown in Table 2. (The Catalan coalition CiU does not appear in this table because it refers only to the national elections.)

Although the CDS has declined slightly (0.7 points), its direct voter intention percentage is still higher than the election results it obtained in the last general elections of June 1986. It is now just 11 points away from the PSOE, which clearly reveals its current growth capacity. On this occasion, the same phenomenon is associated with the United Left, which has jumped to 6.9 percent in the direct voter intention category. In June 1986 it received 4.6 percent of the vote. According to this poll, the IU seems to have benefited most from the significant erosion of support for the PSOE.

The popularity rankings have also changed in accordance with the latest developments. Felipe Gonzalez and Alfonso Guerra have received the worst results since October 1987. The former is ranked behind Adolfo Suarez for the second time, and has dropped a half-point below his previous low.

Guerra is involved in a greater controversy and is the target of several parliamentary inquiries into his personal actions in recent weeks (the use of state property for private purposes, specifically the use of the official Mystere jet to transport himself and his wife and son from Faro, Portugal, to their family home in Seville rather than his office at Moncloa in Madrid). His popularity has ebbed the most, with a rating of only 3.72 points from respondents who were asked to rank each leader on a scale of 1 to 10.

It is surprising how stable Manuel Fraga's ranking has remained, despite his retirement from the leadership of the AP. His successor, Antonio Hernandez Mancha, is apparently unconcerned about his lower ranking. This statistic, nevertheless, appears to favor the prospects of the veteran rightist leader in the electoral battle of Galicia, in which he has announced he will participate.

The current president of the Popular Alliance, Hernandez Mancha, has seen his popularity decline gradually since October 1987, from 4.25 to 3.68 points on a scale of 1 to 10.

In the overall ranking, he is in sixth place, behind Adolfo Suarez, Felipe Gonzalez, Manuel Fraga, Jose Antonio Ardanza, and Alfonso Guerra. Behind him, Carlos Garaicoechea is narrowing the gap, gaining on him more each time.

With regard to the latest poll, conducted in February of this year, it is surprising to note that the AP leader's popularity has continued to decline, even though his party has gained a point. The party is still below the results it obtained in the general elections of June 1986, however.

As for the voters' situation, it is noteworthy that the unemployed do not favor the Popular Alliance, and that the PSOE's largest block of voters comprises the inactive and skilled wage-earners. Those who intend to vote for the Popular Alliance tend to be businessmen and professionals; the majority of CDS supporters are skilled wage-earners and farmers, while the United Left is supported by manual laborers.

Technical Data

1. System: Personal interviews at home 2. Population: Individuals 18 years and older 3. Sample size: 800 interviews 4. Sample error: plus or minus 3.5, with a significance level of 95 percent and for proportions of 50 percent (P=Q) 5. Location: National (except for the Canary Islands) 6. Distribution of sample: proportional to region and habitat 7. Individual selection: sex, age, and occupation noted

CUADRO 2. INTENCION DIRECTA DE VOTO (1)

(2) Suponiendo que las elecciones generales al Parlamento se celebrasen mañana mismo. ¿Qué partido votaría usted con toda probabilidad?

	(3) AUTOPROCESAMIENTO POLITICO		(4) NIVEL ESTUDIOS				OCCUPACION				(5) EDAD		HABITAT (en miles de habitantes)			
	Feb-88	Ene-88	Extr. Urb.	Extr. Rura.	Extr. Des.	N.C.	Prof. vta.	BIIP	CDU	Medio	Super.	Asi. (vot.)	Asi. (vot.)	Asi. (vot.)	Asi. (vot.)	Asi. (vot.)
Total	11.4	10.0	12.2	3.6	1.1	2.3	4.0	28.0	54.2	30.8	9.6	10.3	9.5	17.2	15.6	33.3
Alianza Popular (AP)	12.9	13.6	9.6	3.6	1.7	10.9	36.2	26.7	6.9	7.7	2.6	12.2	17.7	8.6	10.1	16.7
Centro Democrático y Social (CDS)	23.8	30.0	29.2	21.4	47.5	40.3	10.1	4.0	11.1	15.4	13.5	28.5	18.4	17.2	15.6	0.0
P. Socialista Obrero Español (PSOE)	6.9	2.9	4.3	35.7	21.5	3.1	0.0	2.7	0.0	0.0	0.6	5.1	8.2	15.5	8.3	0.0
Izquierda Unida (IU)	18.1			17.9	11.9	14.0	16.8	9.3	9.7	15.4	37.8	16.0	22.8	10.3	23.9	16.7
No votará	3.6	1.1	3.9	3.4	2.7	1.4	7.7	2.5	4.4	3.4	7.3	0.0	8.1	4.1	1.4	2.6
Votará en blanco	3.6	4.5	14.7	16.8	10.7	13.9	0.0	23.1	16.9	10.1	6.9	6.4	16.7	9.6	7.4	11.5
NS/NC	13.4															

Key:

- Table 2. Direct Voter Intentions
- Assuming the general parliamentary elections were held tomorrow, what party would you be likely to vote for?
- Self-described political affiliation
- Level of education
- Age
- Habitat (thousands of inhabitants)
- Extreme left
- Left
- Center left
- Center right
- Right
- Extreme right
- Primary school
- Intermediate level
- Superior
- Agriculture
- Business/Professional
- Skilled wage-earner
- Manual laborer
- Inactive
- Unemployed
- Over 46
- Less than 10
- More than 500
- Will not vote
- Will cast blank ballot

PSOE Acknowledges Losses

35480081 Madrid DIARIO 16 in Spanish 26 Apr 88 p 8

[Excerpt] The decline in voters' expressed intention to vote for the Socialist Party, as reflected in the three surveys published last Sunday in three different media, including DIARIO 16, has been recognized by PSOE leaders. They blame the decline on myriad political causes, in addition to the use of the Mystere jet by Alfonso Guerra.

Ana Miranda, PSOE communication secretary, told the SER that opinion polls can provide an incentive to work

harder and better. She admitted that although the surveys put the PSOE ahead of the other parties, "there may have been some deterioration because of Alfonso Guerra's use of the Mystere to return from his vacation during Holy Week."

"In our opinion, and according to our data, this decline is less in our polls than in those published in the media. There is no doubt that this type of incident does not favor the PSOE, but it has not produced any regrettable damage."

08926

EUROPEAN AFFAIRS

Euromissile Projects Under Way

35190061 Paris *LES ECHOS DE L'ECONOMIE*
in French 29 Apr 88 p 6

[Article by Gilles Bridier]

[Text] Thanks to the launching of programs for the Aster system, the AC-3G antitank system, and, soon, the ANS, Aerospatiale can count on three major European projects in the missile sector.

London's decision to support the future third-generation antitank weapon system known as the AC-3G was expected, considering that the program is one of the prospects of the Euromissile Dynamics Group, a GIE [economic interest group] whose members are France, the FRG, and Great Britain. But it brought a long period of discussion to a close following the decision by Paris and Bonn themselves to support the project, which is now well on its way.

There is therefore double satisfaction in France. First, the government is satisfied because the policy of European cooperation on military materiel has recorded another success. And second, Aerospatiale itself is satisfied because, as a participant in the development of that future weapon system, it knows that a missile project of major importance to its future is now a sure thing. And the other two projects that are just as important—the Aster and the ANS—can also be counted on, even though the signatures needed for the latter are not expected until May or before summer at the latest. "This is an exceptional year," says Aerospatiale, which would like to have used the effect of the announcement to its own advantage. But because of the election campaign, the Ministry of Transport's General Delegation for Armament got ahead of it.

Wide Market

It is true that the program is a huge one: the AC-3G will replace the Milan and HOT missiles, of which 213,000 of the former and 71,000 of the latter have been sold to date. That is a vast market. This future weapon system, which in its medium-range version is designed to be operated by two infantrymen, will be available in 1995. The long-range version, which will be carried on the future French-West German combat helicopter in particular, but also on land vehicles such as the VAB [forward-area armored vehicle], is scheduled to enter service at the end of 1997.

While France (AEROSPATIALE), the FRG (MBB), and Great Britain (British Aerospace) will develop those two weapon systems jointly—a project which, under the terms of the contract, represents 2 billion francs in the case of the medium-range version and 6 billion francs for the long-range version—five other countries will join

that trio in producing them. This means that the two weapon systems are already assured of a wide market simply because of the procurement orders from those eight countries.

As far as the medium-range version is concerned, the three leaders should commit themselves to 150,000 missiles, while the other five countries are expected to buy 60,000, for a total of 210,000 missiles, and to that will be added a total of 6,000 launchers. Orders for the long-range version will total 87,000 missiles (75,000 for the trio and 12,000 for the other countries), plus 1,350 launchers. For its part, France intends to procure 60,000 missiles and 1,500 launchers in the medium-range version and 13,800 missiles with 345 launchers in the long-range version.

In the case of the Aster program, Aerospatiale has just been notified of its first contract following 3 years of work. This surface-to-air system will go first to the French Navy for use on its future nuclear-powered aircraft carrier, the Charles de Gaulle. In connection with that same system, and following approval last November by the ministers of defense, Aerospatiale signed a contract with Italy's Selenia 2 weeks ago finalizing cooperation on the industrial aspect of the program.

The ANS (supersonic antiship) system, which uses liquid fuel, will replace the current Exocet beginning in 1994. The bilateral agreement with the FRG has not yet been concluded. But reportedly, the only thing left to decide is the division of industrial work. And on the French side, it is hoped that the entire matter will be finalized within the next few weeks.

We are obviously in an era of cooperation. Issues in the area of military materiel have not been lacking recently, a notable example being the French-West German helicopter. And as far as missiles are concerned, France and Italy have signed an agreement for the Milas torpedo-carrying missile (a project assigned to MATRA [Mechanics, Aviation, and Traction Company] and Oto-Melara) and are continuing preliminary studies on an antiaircraft system which might also be of interest to Spain and Great Britain. In addition, Paris and London are trying jointly to define a nuclear-armed prestrategic missile derived from the French ASMP that would be carried on combat aircraft. There has also been cooperation with Spain and Italy now that those two countries have joined France's Helios military observation satellite program, with Rome contributing 13 percent to the construction and operation of that satellite and Madrid contributing 7 percent. Those are a few examples among others in Europe that are either older or in the planning stage and still others with the United States and Canada.

But attracting partners can sometimes mean following a very difficult path, one example being the Rafale aircraft.

11798

FEDERAL REPUBLIC OF GERMANY

Bonn Studying Radical Proposal for Conventional Disarmament

36200106 Hamburg DER SPIEGEL in German
2 May 88 pp 20, 21

[Unattributed article: "Pursuing Offensive Planning Ad Absurdum: Ex-General Gerd Schmueckle Presents a Radical Disarmament Concept to the Federal Government"]

[Text] At the beginning of the week, not only the federal chancellor, the foreign minister and the defense minister, but also the party chiefs in Bonn and Bavaria will receive thick letters from Munich; despite the harmless title "Outlines of an Overall Concept for Rearmament and Disarmament in Europe," the content will cause somewhat of a stir in the West and East.

Gerd Schmueckle, retired four-star general, and Albrecht von Mueller, peace researcher in Starnberg, are presenting the farthest-reaching German proposals yet for conventional and nuclear disarmament: to be truly secure against each another, NATO should scrap about 6,000 tanks, the superior Warsaw Pact, on the other hand, 20,000 tanks. Both sides would then have only about 6,000 battle tanks in central Europe; nuclear warheads are to be limited to "a few hundred."

The authors of the memorandum enjoy international renown: Schmueckle, 70, had a brilliant military career and in the Bundeswehr is still considered a "field-gray eminence." Under Franz Josef Strauss, the World War II artilleryman rose to the rank of lieutenant colonel and press spokesman of the Defense Ministry. Under Helmut Schmidt and Georg Leber, he became a general and deputy NATO commander in chief in Europe.

Mueller, 34, received a teaching assignment at the University of Munich at the age of 29; he now works as a project manager of the Max Planck Society and coined the term "structural nonoffensive capability" in 1983.

Schmueckle and Mueller proceed from the thesis that "East-West relations are now in a changeable phase rich in opportunities"; moreover, the accident at Chernobyl made the "destructive potential of even the most limited nuclear actions" so clear that new defensive concepts are necessary.

According to the authors, the previous disarmament proposals of the West did not go far enough. If, for example, one sets the upper limits for tanks in central Europe at 90 to 95 percent of the current NATO level (about 12,000), then one is demanding that Moscow (about 26,000) make drastic reductions, whereas the West is allowed to keep almost all of its battle tanks:

"Even a Kremlin leadership seriously interested in success in arms control would hardly be in a position to implement an arms control agreement against its own military in which the Warsaw Pact would have to give up more than half of its existing stocks, whereas NATO would be required to make only cosmetic corrections. In our approach, on the other hand, somewhat more is still required of the East, but NATO must also make substantial reductions. In the case of battle tanks, for example, the size of the reductions would be about 50 percent on the side of NATO compared to about 80 percent for the Warsaw Pact. Altogether the measures would ensure...a balance of forces that from a purely military point of view would lead any offensive planning ad absurdum from the outset."

As Schmueckle and Mueller see it, the emulation thinking of Western military people must be overcome. Tanks need not lead to more tanks and aircraft to more aircraft: "The modernization must be conceived so that it...strengthens the defensive capability and makes it superior to the offensive capability of the adversary."

For the ground forces, above all the Bundeswehr, this means a greater concentration on barrier resources—intelligent mines, for example; strong locally recruitable infantry units made up of draftees could secure the defense by exploiting the terrain.

The armored and armored infantry battalions consisting more of long-term and career servicemen would have to be reduced through agreements between West and East to the point where only the capability for forward defense remains.

"The time that can be gained primarily through the new barrier possibilities thereby makes it possible for the armored formations to engage an attacker at the right time and at the right place. In the area of the air forces, above all the air defense, it seems to us to be desirable, to the extent militarily justifiable, to replace manned aircraft with mobile missile systems.

"The argument that there might then be problems with the 'operational minimum' for a cohesive forward defense does not go far enough. It overlooks the fact that force concentrations suitable for attack are...hardly possible any more because of the low upper limits. In addition, the forward-based ammunition stocks should be limited to a temporally closely restricted combat requirement."

For the time being, in the opinion of the authors, nuclear weapons should not be completely abandoned; nuclear weapons served to keep the other side from using its nuclear systems and to create a "factor of ultimate insecurity."

"At the same time, however, it must be avoided that one's own nuclear weapons threaten the potential enemy in his perception of them in the sense of a...disarming

strike. In a crisis, namely, this would lead to extreme nervousness and hence to dangerous instability. In the current situation, the inclusion of nuclear weapons...still appears to us to be indispensable, whereby, however, the nuclear weapons should be given back their political function. This objective, however, makes possible substantially smaller numbers as well as the elimination of artillery with a nuclear capability. In our estimation, nuclear potentials of a few hundred warheads in Europe would be adequate to cover all security requirements."

These nuclear weapons, according to the authors, should "be removed from the traditional national formations and brought together in a special formation," which will be placed under the NATO commander in chief for Europe.

"Secondly, it should be ensured that the European influence on the nuclear decisions of the President of the United States is preserved even if the NATO Council...is no longer functional. As soon as this point of time is reached, a 'crisis cabinet' should be provided for the American president composed of a few high-ranking European politicians with experience in nuclear matters."

Franz Josef Strauss, a friend of Schmueckle's, may well be an attentive reader of the study. Even before the conclusion of the treaty on the scrapping of intermediate-range weapons, Strauss warned against the NATO "drive!" that conventional arms must now be strengthened. The West [according to Strauss] has neither the will, nor the means nor the personnel.

In the opinion of Strauss, solutions can be found only in new defensive concepts. Everything else, according to the chief of the CSU at a meeting of the Hanns Seidel Foundation close to the CSU in November 1987, is "twaddle meant to appease." Strauss: "Naturally one can rename brigades as divisions or make shirts a size larger. Where, then, are the people supposed to come from, perhaps from Turkey?" But then new barracks would also be needed. "Where will we build them? Maybe on the moon or in the GDR?"

9746

EFA Project Cleared by Bundestag Defense, Budget Committees

36200094a Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 5 May 88 pp 1, 2

[Article by fy: "Defense and Budget Committees Approve EFA (European Fighter Aircraft); First Flight of Prototype Scheduled for 1991; SPD Rejects Project; "International Time Pressure"]

[Text] The Bundestag defense and budget committees on Wednesday approved the development of a new European fighter, called EFA. Thus, from the German side the condition exists so that the development work on the

project, in which the British, the Italians, and the Spaniards participate, can be started. The decision was made with the votes of the coalition parties. The SPD deputies rejected the motion, the Greens did not appear for the crucial session.

The German share in the developmental costs for the single-seater aircraft, equipped with 2 engines, amounts to DM5.7 billion; an additional DM16.5 billion is earmarked for the procurement of 200 aircraft. The FRG holds an option for 50 more aircraft. According to existing plans, the first flight of the prototype is to take place in 1991, series production is to start in 1997.

As early as during the discussion of this large project it had become discernible that there are doubts within parliament whether the aircraft can be developed and produced at the amount planned for it. During a vote in the FDP parliamentary group, deputies Baum, Hirsch, Lueder, and Hamm-Bruecher abstained. Deputy Ronneburger voted for the project with the qualification that there must be no later increase in the funds for the aircraft. Deputy Lambsdorff was of the opinion that the construction of the EFA is an inevitable consequence of the "Airbus adventure." The FDP budget-policy spokeswoman, Seiler-Albring, tied her approval for the release of the appropriations necessary for the development of the aircraft to the stipulation that there will be no increase in the ceiling of the defense budget in connection with the EFA, and that the planned number of 200 aircraft to be procured is not binding.

The chairman of the defense committee, CSU Deputy Biehle, said that the committee's decision was made because of the threatening situation in Europe. In case of an attack, the Warsaw Pact has 5,400 aircraft at its disposal which could fly 10,000 sorties daily. Biehle stressed that the defense committee members cannot form an independent judgment of their own in all details. Rather they have to depend on the statements of the experts. Biehle, too, indicated that he sees considerable risks in this large project, including also financial risks. He left open the question whether it will be possible to procure 200 aircraft as intended.

As a representative of the SPD, Erler said that his party rejects the project. He said the government has decided in favor of the most expensive Bundeswehr weapons system without realistic cost accounting. The figures that were provided are manipulated. Not only the SPD but also the Federal Audit Office doubts that the money is sufficient for the project, he said.

If the funds do not suffice, a displacement effect will occur in the defense budget which will not only restrict the Air Force but will detrimentally affect all other branches of service. In addition to the financial imponderables, which include the inflation rates of the partner countries which are unpredictable at present, there are

the technical risks, Erler said. The aircraft is a completely new development, with a new engine and a new radar, in which materials are supposed to be used which do not even exist at present.

FDP deputy Hoyer admitted that the decision was made with very great doubts. "We bowed to the international time pressure," the deputy said.

12356

Objections of Senior Military to EFA Costs Said Suppressed

36200094b Hamburg DER SPIEGEL in German
9 May 88 pp 24, 25

[Unattributed article: "Method to the Madness"]

[Text] Despite strong misgivings the coalition deputies approved the most expensive armament project of the postwar history—the EFA.

On the eve of the International Airshow in Hannover the corks popped last Wednesday: champagne in honor of Helmut Kohl, Franz Josef Strauss, and Manfred Woerner.

The three politicians had just granted the thus far biggest armament order in FRG history to the German aircraft and engine industry: The EFA is being built. To be able to pay for the miracle bird that is not even ready on the drawing board, the children of today's taxpayers, too, will be asked to pay up early in the next century.

In spite of that, the defense committee last Wednesday needed only 30 minutes, but the budget committee 6 hours, to decide on the billion-DM thing. The deputies of the CDU/CSU and of the FDP, who had expressed resistance prior to the discussions, gave in by the dozens under the pressure of their party leaders and the military.

Especially the FDP deputies forgot how they had sounded off. Before the FDP would approve this project, according to a statement by Wolfgang Mischnick, the chief of the parliamentary group, the defense ministry would first have to count up the cash. But then the Free Democrats waved the checkup to avoid a new conflict in the coalition.

Kohl and Strauss, supported by Woerner and with Martin Bangemann's knowledge, had actually agreed in January on the procurement of 200 fighter aircraft and had brushed aside the reservations of experts that such an order is militarily controversial and financially cannot be estimated.

There was no lack of warnings prior to the fateful committee decisions. The inspector general of the Bundeswehr, Adm Dieter Wellershoff, and the chairman of the NATO military committee, Gen Wolfgang Altenburg, informed the politicians in writing and orally that

the project of the "Phantom" successor model—development costs for the FRG, DM6.1 billion, procurement costs DM16.5 billion—can only be approved if the Bonn military budget will be considerably increased in the next few years; otherwise the entire Bundeswehr planning would be nothing but worthless scraps of paper. Thereupon Woerner prohibited the generals from talking.

The Federal Audit Office also had warned the deputies in time against too quick approval. If the development order were issued, according to a confidential paper (file No. IV 6-9477) of 18 April, then there is no longer any possibility for turning back, then the "point of no return" will have been reached. The warning of the examiners: Woerner in his bill "did not take sufficiently into account...comparable empirical values," e.g., in the construction of the "Tornado" multipurpose combat aircraft; developmental costs would have to be estimated at least 35 percent higher, in other words at over DM8 billion; the same applies to the procurement costs: there is no way that 200 fighters can be purchased at DM16.5 billion.

The Federal Audit Office is afraid that there are considerable risks in the technical development, too, especially in the designing and construction of completely new engines and radar equipment. The question should also be asked whether, in view of the successful development of less expensive surface-to-air missiles, "such a strong fighter component" is actually necessary for air defense.

The Air Force did not go into this important question with a single word in its parliamentary presentation.

In their confidential report (file No. 90-15-10/86-20), which does not mention the word disarmament even once, the air force generals, simply as always, point to the "growing threat." At the same time they concede that since the mid-seventies the Soviet combat aircraft have been modernized but their number has changed "only marginally." "The addition of new developments balances the removal of obsolete weapons systems."

There is a method to the madness: All parliamentary bills served only a single purpose—to talk the deputies into purchasing.

To meet the instructions of the Bundestag, the Air Force pro forma investigated alternatives, e.g., purchase or licensed construction of the U.S. F-15, F-16, and F-18. The small print reveals that the comparison was made of all firms by the firms of Messerschmitt-Boelkow-Blohm (MBB) and Motoren-und-Turbinen-Union (MTU), the same firms which jointly with the British, Italians, and Spaniards are to develop the EFA and the engines.

To no one's surprise, the German enterprises estimated their promises for the performance of the aircraft and of the engine at 100; the values for the marketable jets of course had to be lower; the developmental potential of the U.S. aircraft is not taken into consideration.

Past experience should have warned the deputies. The "Tornado," in series production since 1976, to this day has not achieved all results promised by MBB and MTU in the early seventies.

Even in the price comparisons the minister and his air force comrades resorted to tricks: The system price for a fighter (including spare parts, maintenance and test equipment) was calculated at DM83.8 million at December 1987 prices; not included are the development costs, which, apportioned to the individual aircraft, would drastically increase the price of the bird on the drawing board. The rates of the annual price increase, calculated at 4 percent, also fail to appear in the calculation.

To make the U.S. models appear to be more expensive than the EFA, the Defense Ministry, moreover, set a completely arbitrary dollar rate of exchange: 1 dollar equals DM 1.94; the dollar has not been that high for 16 months. Logical conclusion of the military: There is "no alternative/fallback position" at the same or lower costs."

In spite of these inconsistencies the CDU/CSU and FDP deputies in the defense committee did not ask questions; they did not even inquire whether or not air defense could be achieved much less expensively by surface-to-air missiles, an opinion held by many in the military.

That was also not in line with the thinking of the inventors. Namely, the Federal Government is interested in "significant support of civilian aviation and space operations," as coyly indicated in the air force paper. After all the manufacturers of the fighter also produce the Airbus, satellites and space flight technology. Fifty-two percent of the orders for the fighter and 54.6 percent of the orders for the engines go to Bavaria, according to the confidential committee documents.

Franz Josef Strauss can be satisfied with himself and his Bonn friends.

12356

FRANCE

Proposed Budget Cuts May Affect Defense Spending

35190056 Paris LIBERATION in French
18 Apr 88 p 17

[Article by Jean Guisnel]

[Text] According to the Office of the Budget, the national deficit will be reduced by cutting back in the Ministry of Defense. Alain Juppe's subordinates have proposed saving 7.5 billion francs by 1989 and have suggested a way to do it.

When Jacques Chirac and Edouard Balladur promised to reduce the national budget deficit to 100 billion francs in 1989, they certainly must have thought of the areas in which the savings could be made. Even if they forgot to publicize their preliminary ideas, the officials in the Office of the Budget went to work. According to information we were able to obtain, the armed forces will not be overjoyed by the current state of affairs: if the current prime minister becomes president and if he wants to carry out his promises, it is primarily the defense budget that will be cut. This, in any case, is what the high level officials under Alain Juppe, the minister responsible for the budget, have suggested to him recently with their preliminary conclusions on the "prospects" of the 1989 budget. After having examined the situation from every angle, they do not see any other solutions.

In their opinion (and only as regards the 1989 budget), the Ministry of Defense could help by saving 7.5 billion francs. They have recommended two types of measures. According to their calculations, the first 4.5 billion would be saved by reducing the appropriations for military hardware. These appropriations primarily concern research and development and purchase of conventional and nuclear materiel. The military planning law for 1987-1991 calls for increased expenditures for military equipment (title 5) of 6 percent in volume each year. In the 1988 budget, 93.25 billion francs were allocated to title 5. If we add the 6 percent increase to which the administration has committed itself and the inflation predicted for this year (2.5 percent), the total comes to 101.3 billion francs. With 4.5 billion less, the result is not what it should be.

The second measure recommended by the experts in the Office of the Budget is a technical one, but which still supplies an additional savings of 3 billion francs. It consists of modifying what the experts call "the calculation index for constant francs." Instead of the gross domestic product (GDP), which until now has been used to calculate the change in the franc's value, they will use the gross formation of fixed capital (FBCF). In other words, investment. Used retroactively from 1986, this modification in the calculation method artificially reduces the financing needs of the military by 3 billion in 1989. Total savings: 7.5 billion francs.

The worst thing about this whole business is that the officials in the Office of the Budget seem to have based their ideas on the fact that in 1987 the Ministry of Defense did not spend all the money that it was allocated. This sum, which was apparently more than 5 billion francs, allowed Edouard Balladur to better control the national budget. But there is a flip side for the military and Andre Giraud is liable to have trouble justifying his future demands. Other items should be considered too: minister Andre Giraud, who was planning on allocating to his budget some "assignments of assets" totaling 2.3 billion francs in 1988 will not attain his goals set in 1987, primarily because he had to give up on the partial reprivatization of Dassault. This would

have brought in almost 1 billion and Edouard Balladur had agreed that this sum would be allocated to the Ministry of Defense. If Jacques Chirac is elected, and if he wants to honor his commitments to the voters, he could be obliged to lower his sights in the area of military expenditures. As usual, we might be tempted to say, because in the area of military equipment, there are innumerable examples of programs that have been considerably delayed or even canceled. In the opinion of some experts, the originators of the military planning law of 1987-1991 lacked discernment because they refused to make certain choices and because they gave each of the military staffs almost all of the major programs that they asked for. Jacques Chirac and Andre Giraud are not the first victims of this state of affairs; almost all administrations have been in the same boat. Both the Ministry of Finance and Ministry of the Budget often thought at the end of 1986, while the planning law was being prepared, that it was too ambitious. It would be a good bet that the next president of the Republic will be forced to demonstrate this.

9720

GREECE

Reported Papandreou Plan for U.S. Bases' Future
35210092 Athens KYRIAKATI KI ELEVTHERO TYPIA
in Greek 22 Apr 88 p 48

[Article by Panos Loukakos: "No Davos, No Bases"]

[Excerpts] Last week the government officially announced that Greek-American negotiations on the bases were not making progress, while Foreign Minister Papoulias expressed sharp skepticism about the course of Greek-Turkish relations for the first time following triumphant talk about Davos.

Along with its attack on Karamanlis, the government also brought forward foreign policy issues. The PASOK's party newspaper EXORMISI last Saturday presaged that the negotiations on the bases had reached an impasse, and subsequently certain publications that are supposed to faithfully express the government's views emphasized that American military installations are definitely leaving Greek territory. According to the government's official statements, there has been no progress in the talks.

Having discerned the hidden game, the KKE emphasized to its voters via its newspaper RIZOSPASTI that the impasse is artificial, that in essence there is no problem on the bases, and that the government is creating a fake climate of confrontation with the Americans in order to electorally exploit the whole subject. After the elections everything will be resolved.

Perhaps this evaluation is not far off the mark since it is quite definite that one of the cards which Papandreou will play in the coming elections in order to stealthily get votes from the communist left will be the so-called

removal of the bases. But, in order for this card to succeed one must assume the silent acquiescence of the United States. Will the U.S. Government in the end want to accommodate Papandreou's political maneuvers to secure in exchange the unhindered stay of the bases in Greece? For, if such an understanding does not exist, if Washington should bring forth a major crisis in Greek-American relations, then it is quite possible that while Papandreou might gain a certain number of votes from the left, he would lose a lot more votes from the conservative voters of his party who, having become the "establishment," fear any kind of adventurism.

Tied up with the bases is the course of Greek-Turkish relations. After Davos, Papandreou attempted to exploit Athens' rapprochement with Ankara for domestic political consumption, but it is clear by now that his policy found only few fanatical supporters. Thus, the initial governmental euphoria from Papandreou's diplomatic maneuvers has been replaced today by dissatisfaction, since it is now quite clear that Greek-Turkish relations will not be helpful in the elections. It is perhaps for this reason that at the beginning of last week we saw the development of a policy shift vis-a-vis Turkey. Perhaps that is why the "triumphal" talk of "no war" is being replaced by skepticism, a skepticism which is being expressed publicly by Foreign Minister Papoulias. It is therefore clear that the government itself is beginning to create certain initial presuppositions to disentangle itself from the so-called spirit of Davos, which does not appear to be accumulating any party gains but instead is causing political damage. There could have been electoral gains only if Ozal and the all-powerful Turkish military establishment had wanted to accommodate Papandreou in his internal political plans. However, even if that were true for Ozal, it certainly would not apply to the Turkish military who in large measure determine their country's foreign policy.

13041/06662

SPAIN

Spain To Build Patrol Boats for Morocco
35480082a Madrid CAMBIO 16 in Spanish
9 May 88 p 7

[Text] The Bazan National Enterprise has completed the construction of six new patrol boats for Morocco. These launches can easily control any type of fishing vessel, thanks to their efficient 40-mm Meroka guns, which represent the finest achievement in Spanish military technology.

5157

New Aircraft Carrier Upgrades Spanish Fleet
35480082b Madrid YA in Spanish 21 Apr 88 p 6

[Article by Javier Rodriguez-Ventosa]

[Text] With the delivery of the aircraft carrier Prince of Asturias at the end of May, the Spanish Navy will have the central nucleus of the Combat Group, which involves

four FFG-7 frigates and the Naval Air Force and will in the future include a supply vessel, which may be built in 1991. Despite the high cost of the aircraft carrier—about 200 billion pesetas, one of the most costly of any expenditure by the three armed branches—the Spanish Navy will in the coming decade have a powerful aéro-naval combat force which can be deployed outside the area of national strategic interest. The Senate Defense Commission paid a visit to the aircraft carrier at the Bazan shipyards yesterday.

On 20 July 1977, the government of Adolfo Suarez ordered an aircraft carrier built to fill the pressing need of the Navy, which had only the antiquated Dedalo, purchased from the U.S. Navy in 1967 after it had seen service in World War II. The Bazan National Enterprise was commissioned to build a vessel for delivery in 1982, with an initial budget of 30 billion pesetas.

The vessel was launched at the Bazan shipyards in El Ferrol in 1982, although it is not to be delivered to the Navy until the end of May, after testing at sea, 6 years after the scheduled date and at a total estimated cost of more than 200 billion pesetas. This delay, which caused a certain displeasure in Navy circles and resulted in several parliamentary summonses, was explained, according to the construction enterprise, by the fact that this was the first aircraft carrier built in Spain, and gradual installation of the very latest sophisticated electronic equipment was required.

The aircraft carrier Prince of Asturias (R-11) is 195 meters long, displaces 15,000 tons, and has a crew of 774 men. Its most distinctive characteristic is its ski-jump launching ramp on a 12-degree incline, which provides fuel economy in launching planes. This innovation, which is unique in the world, is being adopted by Great Britain for use on the aircraft carrier Ark Royal.

Radar Systems

The Prince of Asturias, which is equipped with extremely sophisticated radar systems, carries four Meroka cannons and can accommodate three Harrier aircraft, 14 Sea King SH-3D helicopters and two Sea Hawk SH-60 helicopters designed for antisubmarine, interception and reconnaissance missions. It is possible that its cargo of aircraft will be mixed—half planes and half helicopters.

Parallel to this, Bazan began construction of four FFG-7 frigates, which will be the Combat Group escort vessels. These are ships 137 meters long which displace 3,600 tons and carry a crew of 222 men each. Their weaponry includes long-range (100 km) Harpoon missiles, medium-range (45 km) Standard missiles, Oto Melara and Meroka guns, and also torpedo-launching tubes. Each can accommodate two Sea Hawk SH-60 helicopters.

The first two frigates, christened the Santa Maria and the Victoria, were delivered to the Navy in October of 1986 and 1987, respectively, while the frigate Numancia will be delivered in October of this year. The fourth, named the Reina Sofia, is still at the Bazan shipyards, and delivery is planned for October 1990. The estimated cost of these frigates comes to about 140 billion pesetas.

Minesweepers

The requirements of the Combat Group also include a supply vessel to service the ships on the high seas. Bazan submitted a proposal for the construction of such a vessel to the Navy several months ago, and, according to that enterprise, it could be delivered within 3 years. Also, the construction of several minesweepers to replace the few which are currently operational is seen as viable.

The Combat Group, which will have its operational base in Rota, is especially designed to cover the strategic area of national interest, in a quadrangle delimited by meridians and parallels extending on the west to the Azores, on the east to Corcega, on the south to Cabo Blanco and on the north to the Brittany peninsula. This force will serve for the defense of the southern flank of the Atlantic Alliance, consistent with one of the six missions which the Spanish Armed Forces can be expected to carry out in the future.

When he appeared before the Defense Commission of the Congress last Tuesday, Minister of Defense Narcis Serra spoke of the possibility that both the Combat Group and the Air Force will extend their radius of action beyond the Spanish strategic quadrangle.

5157

SWEDEN

Defense Minister Proposes More ASW Funds for Stockholm Inlet

Cites Sabotage Risk

36500113 Stockholm DAGENS NYHETER in Swedish
28 Apr 88 p 13

[Article by Sven Svensson: "More Submarine Defense to Stockholm"]

[Text] The sea approach to Stockholm will be better protected against submarine incursions, and the risk of sabotage will be lessened, according to Defense Minister Roine Carlsson, who proposes that 500 million extra go for submarine protection during the next 4 years.

The government also proposes that 200 million extra be invested in a new mine sweeping vessel. It will be built at the Karlskrona shipyard and ensure employment there at least until after the elections.

New mine sweeping vessels are included in the supreme commander's plans. Roine Carlsson's suggestion, therefore, implies an earlier deployment. On the other hand, the acquisition of further coastal corvettes, which the Moderates have asked for, is not included in the supreme commander's plan.

Sabotage Risk

The Liberal and Center parties agree with the government's increased submarine protection.

The measures aim at:

1. Improvement of intelligence and problem analysis.
2. A speedup of the construction of the fixed and mobile defense of the most important naval base areas, that is, Musko and Karlskrona.
3. Expansion of the fixed defense of the sea entrance to Stockholm to reduce the risk of sabotage.
4. An increase in the staying power at sea during the pursuit of intruding submarines.
5. Better utilization of naval and coast guard resources.

Difficult To Locate

The supreme commander also proposed a regulation change in accordance with the so-called IKFN provision for dealing with intruding submarines.

In inland Swedish waters, that is, inside the outermost skerries and islands, weapons will be used without advanced warning, even if there is a risk of sinking the submarine.

In practice, this regulation has already been in effect for inland Swedish waters.

The difficulty in the submarine chase is in locating the intruding vessel. Therefore, the Navy must have increased resources to follow the submarine's maneuvers under water.

The supreme commander's proposal that the same rules for firing that apply to inland Swedish waters also be applied to territorial waters was rejected by the government.

Policy Disagreement With Commander

*36500113 Stockholm DAGENS NYHETER in Swedish
2 May 88 p 2*

[Editorial: "Use of Force Against Intruders"]

[Text] The supreme commander has not received all he wanted on the question of increasing the struggle against submarine intruders. In the supplementary proposition Defense Minister Roine Carlsson is "not prepared" to accept a proposed sharpening of the regulation concerning intervention in Swedish territorial waters. The short message implies a serious split between the department and the military.

Up to now all intrusions into inland waters have been considered worse than into territorial ones. Therefore, the regulations, among other things, governing the two cases are different in accordance with the present IKFN regulation on "the defending force's intervention in intrusions of Sweden's territory during peace and neutrality."

According to present regulations, an intruder into inland waters will be forced to surface, hailed, identified, and taken to anchorage. If necessary, force will be used without advanced warning. In territorial waters the goal is to turn the intruding vessel away.

The supreme commander's proposal was to have the same regulations in the future for both inland and territorial waters. The purpose here would be to prevent further intrusions and to identify the intruders "with the use of weapons" and "with the risk of sinking the submarine." In territorial waters, however, a warning would be given first to get the submarine concerned to surface and identify itself. Under special conditions the supreme commander could also attack without warning.

With the thought that a foreign intruder might actually be in an emergency situation, the defense minister did not want to change the existing regulations on intrusions into territorial waters. The supreme commander was obviously aware of the problem and could easily accept the refusal.

On the question of inland waters, the acceptance of the supreme commander's proposal does not signify any real change in consideration of how much shooting has gone on. But on paper, at any rate, the department head has accepted "the risk that the intruding submarine be sunk." On this point there should be no ambiguity whatsoever.

09124

FEDERAL REPUBLIC OF GERMANY

Joint Ventures, Imports Help Soviet Consumer Goods Industry

36200115b Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 30 Apr 88 p 1

[Article by K.B.: "German Consumer Goods for the Soviet Union. Imports Increase Supplies. Surprise Conference in Duesseldorf"]

[Text] Bonn, Apr 1—It seems the German consumer goods industry is called upon to contribute significantly to an improved Soviet consumer goods market. Talks to that effect are to take place in Duesseldorf next week. Aleksey Antonov, deputy chairman of the Council of Ministers, is to head the Soviet delegation. Representatives of the German consumer goods industry are to meet their Soviet guests at the Deutsche Bank. F. Wilhelm Christians, one of the bank's executive spokesmen is hosting the event. The conference was arranged on short notice and at the apparent insistence of the Soviet leadership, and it came as somewhat of a surprise to the German side.

Moscow has a long-standing interest in modernizing and expanding the country's consumer goods industry. Germany's contribution is to come from the establishment of joint ventures. In mid-May, a German-Soviet commission on economics will visit the pilot Salamander shoe factory in Leningrad. Talks in Duesseldorf are said to be directed mainly toward the goal of initiating the import contracts that are to supply the Soviet population with goods. A long shopping list has already preceded the arrival of the Soviet delegation. It concentrates on the import of packaging materials, shoes, textiles and clothes, food, but also on energy efficient electric appliances and entertainment electronics. Systems to ensure the smoother transport and storage of goods are also on the Soviet shopping list.

A joint conference on economics which is to take place in Moscow from 10-12 May will deal prominently with joint ventures—their feasibility and the difficulties posed in setting them up. The main conference topic will be how varied forms of cooperation can be employed in the timber industry, starting with the processing of timber and ending with the manufacturing of furniture.

13196

Credits for Modernization of Soviet Consumer Goods Industry

36200115a Munich SUEDEUTSCHE ZEITUNG
in German 9 May 88 p 21

[In-house article by N.S.: "Billions in Credit To Finance Soviet Business Deals. Banks To Prefinance Deliveries. Details To Be Announced by Joint Commission on Economics."]

[Text] Bonn—The Soviet Union plans to modernize its food and consumer goods industry with the help of machines from the Federal Republic of Germany. German credit institutions are to partake in financing this

project. Already, a consortium headed by the Deutsche Bank AG has negotiated a credit for over 3.5 billion marks with the export bank of the USSR. This credit will be passed on to Soviet customers on the basis of individually negotiated supply contracts. On Sunday, the Deutsche Bank made an announcement to this effect in Duesseldorf where a Soviet delegation headed by Aleksey Antonov, deputy chairman of the Soviet Council of Ministers, had just finished talking to more than 200 representatives of German industry about closer economic cooperation between the two nations.

The credit granted is supposed to help finance the modernization of the USSR's food production and light industries, say informed sources. The credit can be used as called for by individual supply contractors. Further details are left to be worked out by a German-Soviet economic commission to meet in Moscow around the middle of next week.

Chances for Success

Last week, Aleksey Antonov held preliminary talks in Bonn and Duesseldorf exploring possibilities for closer economic cooperation. He encouraged attending industrialists with talks of contracts going into the billions. Yet on Saturday, the word still was that no quick agreements are in sight. However, conference participants say that the DM3.5 billion credit negotiated between the Soviet export bank and a German consortium headed by the Deutsche Bank is likely to improve such prospects.

The 11 May German-Soviet economic conference in Moscow which will be attended by German Minister for Economics Martin Bangemann, (FDP), is expected to profit from this credit agreement, because only a few days before the conference and up until the announcement of the credit agreement, the Soviets were not very clear about how they want to go about executing and financing their plans for modernization. In preliminary talks, Antonov left the impression that Moscow wants to crank up the country's insufficient production of consumer goods by purchasing industrial equipment from the West. German bankers, however, cautioned not to expect any concrete agreements too quickly—even though time is pressing—because the Soviet Union lacks foreign currency. As late as last Saturday, F. Wilhelm Christians, one of the two executive spokesmen for the Deutsche Bank, said that the Soviet Union is not planning to finance its imports of consumer goods by borrowing from the West. Thus, the recent credit agreement contradicts this assessment and points to other investments for industrial equipment that were also on the negotiation table between Antonov and West-German representatives.

These investments deal mainly with large scale projects in western Siberia and on the Kola peninsula's White Sea coast where plants are to be built for the processing of raw materials and energy sources. Once again, Bonn was

critical of the fact that the Soviet Union's wishes lacked focus. Participants in the talks that followed in Duesseldorf agreed that the Soviets had offered little concrete information. As late as Saturday, participants complained about Antonov's silence as to how he expects to finance such projects. Instead of addressing this topic, he stressed his country's desire for expanded compensation deals. In any case, the credit agreement that was signed yesterday seems to have changed the situation all of sudden.

13196

FRANCE

Labor, Financial Difficulties Continue at SNECMA

35190060 Paris *LES ECHOS DE L'ECONOMIE*
in French 29 Apr 88 p 6

[Article by Didier Pavy]

[Text] SNECMA [National Aircraft Engine Design and Manufacturing Company] lost 410 million francs in 1987. The strike is an additional burden jeopardizing a return to equilibrium this year.

During his first year as head of SNECMA, Bernard Capillon has not been treated gently by circumstances. It is as though economic and social events were conspiring to make the former Air Force chief of staff well aware that it is not so easy to go from being a soldier to being an industrialist. At any rate, the facts are there to show that SNECMA is now having to taste the bitter fruit of a success that is costing it dear.

Paradoxically, the biggest problem being encountered by the French engine manufacturer in its activities is due to the incredible popularity of the CFM-56 jet engine—developed and produced in cooperation with General Electric (GE)—throughout the international air transportation industry. That success is linked to, among other things, the success of the Airbus A-320 (for which Iberia has just chosen, once again, the CFM-56) and the Boeing 737 (over 2,000 of which have been ordered to date). As of the end of March 1988, sales of that engine for civil and military aircraft totaled 4,100 units, it alone had captured nearly 45 percent of the world market for jet engines for transport aircraft in 1987, and its success was leading to the prediction that 7,000 units would be sold in 20 years (the normal lifetime of an aircraft engine program).

Last year alone, SNECMA and GE received orders for 808 of those jet engines and sold 507. The rate of production was up to 57 engines per month—who can beat that? Everything would have been perfect for the French engine manufacturer if the dollar had not lost nearly 15 percent of its value in the same year, with the result that the best seller in the entire history of the aerospace industry was almost being sold at a loss.

The financial impact of that tough economic reality on SNECMA's accounts was all the more immediate in that while its turnover was dropping by 8 percent to 9.4 billion francs, SNECMA's revenues in U.S. currency were increasing to \$700 million, for an 8-percent increase over the preceding fiscal year.

Dollar Causes Loss of 600 Million Francs

Of that amount, last year's decline in the value of the U.S. currency was enough by itself to cause a loss of \$100 million, or 600 million francs!

If we add to that major setback the burden of a 4-billion-franc debt, we can see that the government-owned company's financial environment was not as favorable as it could have been last year. But that does not sufficiently explain the 410-million-franc loss recorded on SNECMA's books last year. Its order book shows that the success of the CFM-56 is being accompanied by a slowdown in military orders (particularly for export), which in 1987 accounted for only 35 percent of sales that reached the comfortable figure of 11 billion francs last year.

Lastly, the engine manufacturer is now having to take on large R&D expenditures in connection with three major programs: the M-88 (a new family of military engines intended only for the Rafale at the moment), the CFM-56-5C (a version with 31,600 pounds of thrust for the Airbus A-340), and the THR (a fast-rotor jet engine for future generations of jets). The burden of those programs is leading SNECMA to commit the equivalent of 25 percent of its R&D research, two-thirds of which must be self-financed (on the order of 800 million francs in 1987). The state, on the other hand, both as a stockholder and as a customer, is doling out its subsidies in dribbles. Last year the Ministry of Economy and Finance promised SNECMA a 2.2-billion-franc increase in capital. The nationalized firm has received only 550 million francs to date, and its boss admits that so far there is no timetable for payment of the remainder.

In addition, the engine manufacturer recently received an order from the Ministry of Defense, worth about 4 billion francs, that calls for supplying the engines for two prototypes of the Rafale, but that will probably not add more than 800 million francs to the balance sheet for 1988. At the same time, however, the firm must finance 25 percent of that program, and deliveries will not begin until 1996.

Despite the series of financial obstacles to be overcome, Capillon remains optimistic about SNECMA's ability to adapt rapidly and return to a state of equilibrium in 1988. The strike that has kept the engine manufacturer at a partial standstill for the past 6 weeks is jeopardizing that expectation due to the several tens of millions of francs that will be lost because of work stoppages and the 120 million francs in additional expenditure represented just by management's offer to the strikers (compared to

the 400 million francs it would cost to meet all their demands). Penalty payments for the delay might also be demanded by some customers: Boeing will be unable to continue delivering its 737's beginning in July if the strike extends beyond the middle of May!

Bernard Capillon still feels that he can go no further to meet the demands of the strikers. Standing on the tightrope of the economic situation and trying to keep a balance between the government's price policy and the demands of a work force that is difficult to control, the former general is trying to prove that he has indeed become a captain of industry.

11798

ITALY

Rivalry Increases Between Industrial Giants Agnelli, De Benedetti

35280130a Rome L'ESPRESSO in Italian
10 Apr 88 pp 194-198

[Article by Alberto Mazzuca]

[Text] They are the two prima donnas of the Italian economy. And like every prima donna in the world, they are constantly squabbling. They are constantly trading scratches and pulling each other's hair out, as if they had to show those who country (and those who don't) who is the better man. In reality, of course, their relative mettle is not at issue, since the lawyer and the engineer are equally tops at what they do. What is, however, at issue is a simple question of power. The clash, as it were, between an established monarchy and a monarchy in the process of formation, between interests that are already extensive and interests that want to become extensive.

Agnelli is Agnelli: you may or may not like him, but he is in fact the symbol of Italy's economic establishment. He is the prince, the king, whatever you like. He came up through the drawing rooms, has always operated under the watchful and protective eyes of Enrico Cuccia and Andre Meyer, and thus has always had the support of Mediobanca within Italy and of Lazard abroad. And he is Fiat, the country's biggest firm, with sales amounting to 4 percent of gross national product and one of the best managements in Europe.

De Benedetti—this may sound like a truism—does not have Agnelli's kind of background. He started out as a midlevel businessman, a Fiat subcontractor, stayed clear of the drawing rooms as he came up, and charged off left and right with the goal (as he once said, with an allusion to Agnelli) of "having to do in one generation what others have done in three." He has racked up a succession of missteps, as he conceded recently, without ever ending up "losing my shirt." He has, in brief, always been trying—with obstinacy, with toughness, and with extreme determination—to have a Fiat of his own, first with Olivetti and then with Buitone-SME, and now with

the Societe Generale de Belgique. As with Agnelli, you may or may not like, but he is in fact the symbol of unbridled entrepreneurship, of that aggressive and unscrupulous entrepreneurship that the economic establishment views with a certain amount of suspicion, and certainly with a feeling of uneasiness.

Two symbols of the same reality, of the identical type of capitalism, the type whose highest aim is to make deals. Because managing firms and making deals are two completely different lines of work: Cesare Romiti manages firms, Gianni Agnelli makes deals. And just as Agnelli buys and sells, so does De Benedetti buy and sell. The only difference consists in the style, in the approach, in the fact that one is "establishment" and the other, as yet, is not. And thus the only difference consists in the engineer's greater dynamism, a dynamism that can at times border on unscrupulousness.

"He's only a sprinter," says Cesare Romiti curtly. "I'm an industrialist learning to be a financier," retorts De Benedetti. And when he sees that there's a chance to raid the Societe Generale de Belgique, he goes off lance at rest with a POA, a public offer to acquire. Agnelli replies, "A fine piece of theatrics, but we wouldn't have done it."

There was one very nice saying that expresses the differences in how the two men approach the world. It was back in 1976: in a stunning blitz, Israeli soldiers had just freed the plane hijacked by Palestinian terrorists at Entebbe. De Benedetti was at Fiat that day—one of the hundred days he spent there—and was continuing his proposals for a whole series of radical solutions with implications for management, products, the whole firm. Implications even for the ownership, as De Benedetti made it perfectly clear that Gianni and Umberto Agnelli (the latter his old schoolmate) could have stepped aside, so much were the rearrangements his own show. Well, one fine morning, the lawyer told him with a smile, "My dear engineer, you're young and handsome, why on earth don't you just try to have a little fun instead of always wanting to go off unleashing attacks on your Entebbes?"

Since that far-off year of 1976, the engineer has added a whole string of Entebbes, one after the other, to his collection. In some cases making a success of it, as with Olivetti, as with Buitoni, gently filched from the French a few hours before the signing of the agreement with Mediobanca. In some cases getting out barely in time, as with Roberto Calvi's Ambrosiano. In some cases withdrawing at the right moment, as when he palmed off a good chunk of Montedison on Raul Gardini, another representative of unbridled entrepreneurship. In other cases he ended up stymied vetoed by the political business community of Rome, as was the case with SME and Rizzoli. In other cases, he ended up stymied by the veto imposed by the economic establishment, that is, by what is called Italian capitalism's "noble branch." This happened with Italmobiliare at the time of Carlo Pesenti's death, and again with the sale of Zanussi to Electrolux.

Upon the death of Pesenti, the financier from Bergamo who was rich only in debts, De Benedetti acquired 10 percent of Italmobiliare like a flash upon the liquidation of Banco Ambrosiano Holding, the external network of Calvi's bank. He added another three to four percent to that, and then called on Giampiero Pesenti, who had been living in his father's shadow for years. He proposed to Pesenti that they become partners and recapitalize the group by going to the market, thus avoiding any dismemberment. Pesenti, however, went to see Cuccia; Cuccia, after somehow or other dissuading him from embarking on an adventure with De Benedetti, sent him on a pilgrimage to Turin; and Agnelli welcomed him with open arms. The result: Pesenti sold RAS to the Germans of Allianz and entered into Mediobanca's orbit and into Fiat's board.

An Italian way of salvaging Zanussi was feasible. Euromobiliare, the merchant bank that, according to the engineer's initial proposals, would have been destined to become another Mediobanca—but which is now groping its way through a succession of problems instead—had presented a serious offer to prevent the biggest Italian washing-machine and refrigerator firm from ending up in the hands of the Swedes.

But, with the approval of the then Industry Minister, Renato Altissimo, Cuccia and romiti acted simply to block De Benedetti. As a result an entire sector of Italian industry struck its glorious colors. A sector in which we had been strategically among the foremost—which we are no longer.

Now it is natural, indeed foreordained, that in a small country like Italy two dynamic, aggressive, successful, highly liquid groups should often enter into competition. It has happened in the past, it is going on now as well, and it will happen again in the future, as the game board is widening to include all of Europe. The engineer tells us, "Italy has gotten too small for me." The lawyer puts in, "Europe will become our domestic market." Another way of saying the same thing.

What are the points of greatest confrontation? Certainly food was one, at least up to the time that De Benedetti sold Buitoni and Perugina to Nestle. And for better or for worse, it continues to be a point of confrontation still, although no longer of direct confrontation, since the engineer succeeded in throwing a monkeywrench into Agnelli's works. By bringing the Swiss of Nestle onto the Italian market in force, De Benedetti has managed to make even fiercer the competition faced by the French of BSN Danone, partners of the lawyer through IFIL.

It was the same kind of wrench that Agnelli's friends, Lazard Freres, managed—for good or ill—to put into the engineer's machinery in the matter of Societe Generale de Belgique. It was the people of Lazard, owners until a few days ago of 4 percent of SGB, who organized the Belgian firm's defenses and in the event blocked the

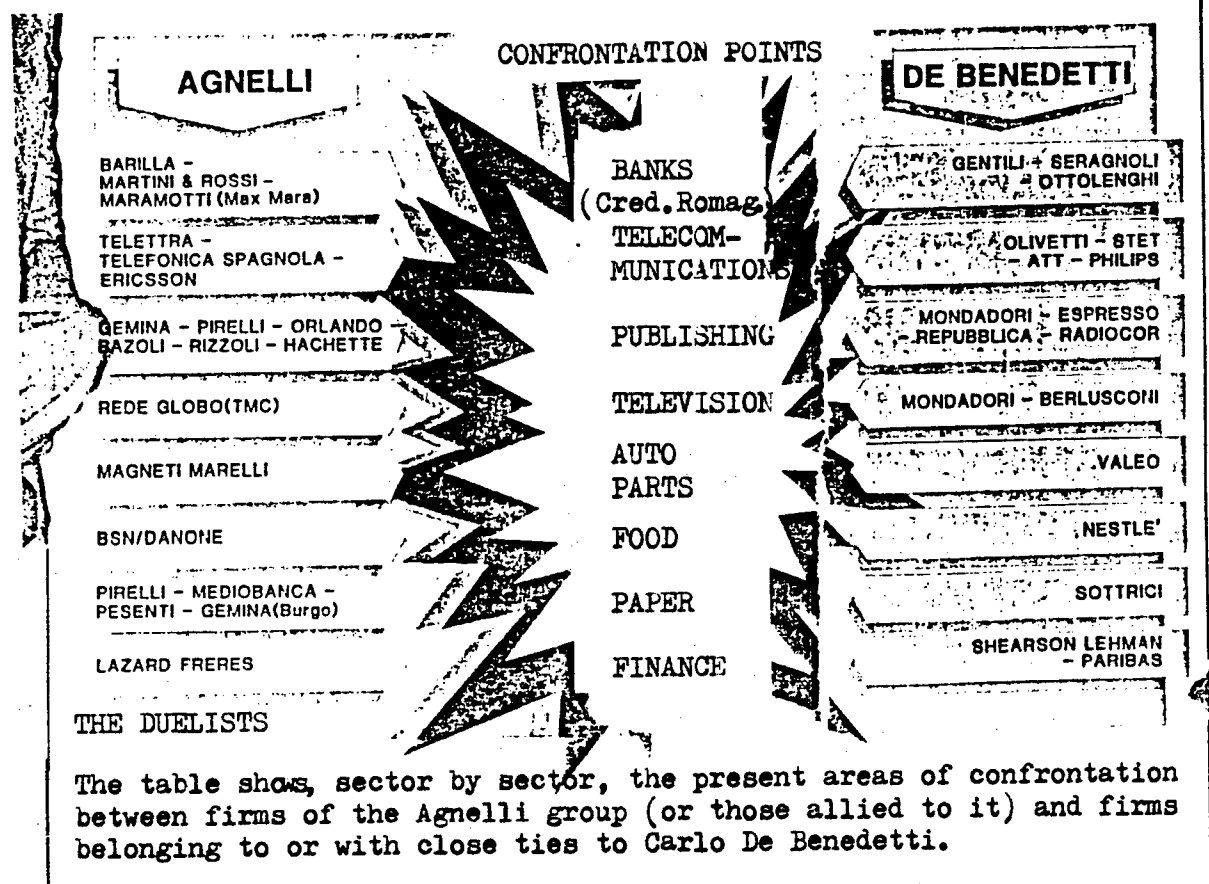
engineer by calling in the help of the Compagnie Financiere de Suez. That is to say, the help of those very French that De Benedetti numbered among his friends, but who turned out to be among his greatest foes.

But beyond these monkeywrenches (which, when all is said and done, fall within capitalism's rules of the game) there exist areas in which the confrontation between these two is more direct: in telecommunications; publishing; insurance; and paper. These areas might further include television, perhaps also Confindustria's future strategies, now that the lawyer and the engineer have found themselves divided in their judgment of Sergio Pininfarina, the successor to Luigi Lucchini. "He's a gentleman," said Agnelli. "He's a gentleman, but he's no strongman," replied De Benedetti.

In auto parts, Magneti Marelli—Italian—moves in the Agnelli orbit, and Valeo—French—in that of De Benedetti. Here, Valeo is the third-ranked European producer of auto supplies, after the German Bosch and the British Lucas and ahead of Magneti Marelli. On the world scale, too, Valeo is ahead, occupying ninth place and leaving Marelli in tenth. The latter, in turn, has more weight in electronic parts, while Valeo has a practical monopoly in another niche of the market, clutches. A sector, in short, in which lawyer and engineer are decidedly in a head-to-head confrontation.

They are neck and neck in publishing as well. Through Gemina, Agnelli is the key stockholder in Rizzoli and thus in the *CORRIERE DELLA SERA*. De Benedetti is the key stockholder in Mondadori, and the second biggest shareholder in *L'ESPRESSO*, and thus carries a certain amount of weight in the *REPUBBLICA* organization. Publishing is a sector that the engineer now considers strategic, so much so that he makes no bones of his desire to accept the presidency of Mondadori. In just the same way, the television affair is completely open to view. Agnelli is in Telemontecarlo, De Benedetti is not in anything. But De Benedetti brought Silvio Berlusconi into Euromobiliare; Berlusconi is also a Mondadori shareholder; and Mondadori (which, in the print media field, has lost the rights to Topolino after 50 years) wants to start producing TV serials.

There is a struggle over Credito Romagnolo, with networks of friends and enemies proliferating like mushrooms; there is combat in the insurance sector (Toro on the one side, Latina and its foreign partners coming up on the other); there is also combat in telecommunications, inasmuch as the moment has come for De Benedetti to play his cards after the bankruptcy of Telit. This means the State-Fiat marriage that was never consummated. His biggest card is AT&T, the American colossus that is also the single biggest stockholder in Olivetti. But it also consists of Philips, a multinational that wants to re-enter the Italian market in force and that De Benedetti needs in his Belgian theater of war.



Skirmishes, battles, and wars that will serve to give one or the other more power. But only with the greatest difficulty can this promote the growth of mass capitalism or favor a strong development of democratic capitalism. Because there is an almost schizophrenic distinction within the highest reaches of Italian entrepreneurship. It is a contrast between entrepreneurs who need the market and make ample use of it and those who do not promote or—in the worst cases—hinder its healthy growth. As the financial history of the past few years has amply demonstrated.

13070/9274

Oil Refinery Industry Outdated, in Great Deficit
35280130b Rome IL FIORINO in Italian
31 Mar 88 p 3

[Article by Nathan Sonnino]

[Text] Milan—Italy's oil-refining industry is in crisis. In this country there are very few refineries efficient enough to compete with most of those in Europe. A major cause is the inability to support investment (either necessary projects or high-risk ones), while another is to be found in the confused and slow Italian legislative system which, for example, requires a year's delay in order to replace a

storage tank. These are the remarks of Cristiano Raminella, president of Kuwait Petroleum [KP] Italia, at a meeting with journalists in Milan to explain the plans and balance-sheet results of the Italian subsidiary of the State of Kuwait's corporation for petroleum activities. Raminella further unburdened his mind: "The Italian refining industry is obsolete and has excess capacity: Consider that this country has a refining capacity of 124 million tons, as compared to Germany's 86 million, and has consumption of 90 million tons, as against the Germans' 122 million." Raminella added, "It is necessary to reduce Italy's productive capacity, eliminating, for example, those refineries that the Greens already have their eye on. Only a proper relationship between imports and domestically processed product adds up to an efficient industry, and guarantees the consumer a reliable and cost-effective source of supply." This is nothing new. It amounts to what ENEL [National Electric Power Agency] has already brought to pass: It succeeded in reducing supply costs by around 50 billion in 1987 by balancing fuel-oil purchases between the domestic market and imports. In any case, 1987 was a hard year for the whole industry, with around 600 to 700 billion [lire] in red ink (KP Italia estimate). And in this context, Italia's figures can be seen in a less negative light: The company's overall net sales amounted to 880 billion, as against 870 billion in the previous year, but

these figures do not directly reflect the increase in sales volume, because it was affected by the drop in products prices. The income statement for the period reflects a loss of 8.9 billion lire, as against a 5.1 billion profit in 1986, but this negative result is lower than predicted given the positive results of the final quarter. The factors that contributed most to the worsening picture in 1987 as compared to the previous year, *sid Raminella*, are the shrinking of operating margins, due to the weakness of the market, the enormous reduction in foreign-exchange profits, and increased interest expenses. As far as investment and projects are concerned, the company—extending its role as a producer—invested 15 billion in the distribution sector and has budgeted around 150 billion for the period 1986/1990. This investment plan represents 20 percent of what the entire industry is projecting, although the firm's market share is less than 4 percent. Beyond the massive investment plan, the interest in the Italian market on the part of the majority stockholder, Kuwait Petroleum Corporation, is also confirmed, concluded *Raminella*, by the acquisition of 25 percent of *Comita* and by the very recent agreement with *ROL*.

13070/9274

NETHERLANDS

New FNV Head *Stekelenburg* on Trade Unions' Future

36140018 Rotterdam NRC *HANDELSBLAD*
(Supplement) in Dutch 13 Apr 88 p 1

[Article by Mark *Kranenburg*: "New Members, No New Coldness"]

[Text] He is to provide a new face for the trade union movement, but is himself an exponent of the "red family" of the fifties. *Johan Stekelenburg* does not renounce the red flags, the 1 May celebration and the *Internationale*. Would that not discourage much-needed new members? Indeed not, opines the new chairman. "After all, we cannot be a cold movement with nothing more than qualitative providers of service."

Make a speech on 1 May? *Johan Stekelenburg*, who will be the new FNV chairman in 2 weeks, has no problem with that. In fact, he is quite willing to do so, for Labor Day [1 May] means something to him. Just as the singing of the *Internationale* stirs him emotionally. And as far as he is concerned, the FNV chairman may certainly give expression to those feelings.

It is all very well to develop philosophies about the "new worker," but one must not forget that a great part of the present membership still feels deeply affected by the concepts of solidarity and collectivity. Even more, a rejuvenated FNV will have to keep these notions in the forefront.

The man who is expected to be the new face of the trade union movement, who is to make of the FNV a dynamic modern club, is himself an exponent of the "red family" of the fifties. "I read *HET VRIJE VOLK*, am a member of the *VARA* and the *PvdA* and am insured by the federation," he says. In the meantime the formal ties have been severed—"and rightly so"—according to him. "It must be clear that we are an independent organization that does not have ties with any political party or broadcasting network. On the other hand, it is important to seek out occasions of mutual inspiration, rather than working against one another. But always from an independent position. For if the *PvdA* is a part of the government, this does not mean that the FNV is a part of the government, and if the *PvdA* is in the opposition that does not necessarily mean that the FNV is part of the opposition."

But what about those much-needed new members? "The FNV cannot afford any further loss of members," says the next chairman. Has the FNV not just shown, through polls taken among its own members, that the leftist political image of the FNV deters many workers from becoming members? In short, everything points to the fact that the FNV must not be too closely identified with the red flags and the singing of the *Internationale*, if it wants to reach out to still other new groups of members.

Stekelenburg: "We must be a mortar to bind together the people who at this time are the pillars of the trade union movement and for many of whom these symbols make an appeal. Such people are not at all disturbed by such symbols. In addition there are people who demand a modern trade union movement that is geared to new developments, that is concerned with the qualitative provision of services and looks after the promotion of interests from a less collective approach. We need both groups. It is an illusion to think that we should now be able to develop as a trade union movement without the present membership. To say it in plain Dutch: You're throwing away your old shoes before getting new ones."

Obstacle

But it is precisely the notion of solidarity that appears to be an obstacle. Not for nothing is the FNV growing old. For many employees the federation is a synonym for everything that is "sick, feeble and nauseating." "Yet we absolutely cannot allow ourselves to become a cold movement with nothing but qualitative providers of service," says *Stekelenburg* resolutely.

"The FNV will have to be something more. An organization that continues to cherish the concepts of collectivity and solidarity. On the other hand, we are also trying to go along with such notions as the 'flexibilization' of industries, flexible wage practices, work organization and the labor market. We deal with more than just minimum wages and social security for the weak segments of society. We do more than just defend the status quo. You cannot allow yourself to play only defensively,

either, for then you don't score." The road to renewal is detailed in the report "FNV 2000" which came into being under Pont's direction. But according to Stekelenburg, that should not be considered the final word. In this report the trade union policies have been intentionally omitted, because this would only lead to an interminable discussion. "FNV 2000" states how the union would be more "recognizable" in industry and the ways in which its individual services to members can be improved. But an FNV that wants to appeal to potential new members, according to Stekelenburg, will definitely also have to be courageous enough to bring up the union policy for discussion. "Not to talk about something because the policy has already been established once and for all, I dislike that very much. That is tantamount to killing off any thinking about new developments."

Pont's announcement in early February that he was planning to leave the FNV struck like a bomb. A man who quits after just 3 years of leadership—that was indeed the last thing that the FNV needed. But the mood of bewilderment soon turned into one of hope. For in fact, is Johan Stekelenburg not much more appealing than Pont, who comes across as boring? The next chairman has already committed himself to at least two terms, or 6 years. But what then? At that time he will be 52 years old. Not an easy age to start something new, surely not for trade union administrators. The alternative is to stay on. Perhaps an early retirement. Stekelenburg utters a deep sigh: "Let us not talk too much about that now."

He thinks that 6 years can be reasonably expected of him. "You need that much time. Not in order to be able to leave something behind you, those are just so many fancy words; but rather, it is a period in which you can acquire a strong position and a certain amount of authority." Nevertheless, staying on too long has its disadvantages too, he acknowledges. "Such an office demands a great deal of a person, and besides, it is not such a bad idea for an organization like the trade union movement to have new people in there now and then."

The lack of turnover, not only in the case of administrators, but especially in that of policy-makers, threatens to become an increasing problem for the union movement. Once in the union, always in the union. The new FNV chairman is such a person himself. Starting out in the Friesland district as an administrator in what was then the NVV Metal Industry Union, he ended up in the head office of the FNV Industrial Union in Amsterdam. From that job he moved to federation headquarters 3 years ago. But such a career is not reserved for every administrator, to say nothing about whether an administrative position at federation headquarters really represents a promotion. The point is that some unions doubt that. The final result is in fact that within the union a good many silver jubilees are being celebrated. The "natural" move to horizontal or vertical industrial organizations or employment agencies is much less frequently a matter of course these days. "These organizations want people

with a specialized education and do not sit around waiting for union administrators who are at the end of their careers," says Stekelenburg.

New Blood

For the technology policy the FNV recently brought in the first two engineers. Stekelenburg: "It works quite well. In that way you work in certain other disciplines, for in addition there are a number of economists and sociologists who came here in the early seventies. And in saying this, I do not intend to disqualify the present staff of this office, for in general our co-workers are outstanding people, and fortunately they did not continue to pursue the policy they were following in the seventies. But we also have an interest in transfusions of new blood."

Apart from the fact that there are very few possibilities, it is also true that when a union official makes a really big change of jobs, the people who remain behind resent it. The negative and hard-boiled reactions to Pont's departure for the Ministry of Internal Affairs are a recent example of this. An administrator must be able to move to the other side of the table, Stekelenburg believes, but only under well-defined conditions.

"I believe that it is hardly acceptable for an administrator, who in the name of the union has carried on CAO negotiations with Heineken, to take a job immediately afterwards with this industry and then go and conduct negotiations for that party. A certain amount of time must transpire. Just compare it with a job-transfer agreement, typical in industrial circles. There, too, it is not permissible for an employee to use knowledge acquired in his previous job in such a way as to harm the industry he left."

Is this also a judgment of the move made by Pont?

"I don't know whether you can compare it directly, but as the FNV chairman, he naturally was involved in shaping cabinet policies with respect to working conditions for officials. In that respect, it is a rather direct transition."

Immediately after the announcement of Pont's departure actually, it was already an established fact that Stekelenburg would be his successor. The two had collaborated so closely that in practice there was a shared leadership. And therefore Stekelenburg was the most logical candidate. He himself calls it a "relatively seamless transition." Asked whether he "likes" the FNV chairmanship, Stekelenburg replies hesitantly: "It seems like a challenge to me, and yes, it does look nice to me. But it has aspects that I am not looking forward to. In just a short time, I'll be shouldering the entire responsibility. As vice chairman I could always duck out during one or other deliberation. But as chairman that can no longer be the case, and that causes tension."

He must now be "the face" of the FNV, a feat that Pont never succeeded in achieving, according to many. "He did not come across well," says Chairman Lubbi of the Food Industry Union of the FNV. Stekelenburg starts to sigh and groan again. "I don't know. I always find it difficult to assess qualifications. Bad policy you can never sell well, but good policy you can help to destroy by a bad presentation. That means that it does matter a great deal how a story appears in front of the footlights. I find that in that domain Hans Pont has been absolutely underestimated. He was able to transmit a message very clearly. Nor was I ever susceptible to arguments that he was boring, dry or whatever. On the surface it did seem so, but if you had the occasion to engage in a conversation of any length with him, that impression disappeared very quickly."

Still, the presentation becomes more and more important, whether it concerns politicians or trade union officials. "That is true. Anyone who conveys a message arrogantly or boringly, has an extra handicap to overcome. It is a blessing when there are no negative distractors that could make the message come across inadequately."

Stekelenburg has no intention to convey the message to an excessive degree. "I call it quits as soon as there is no longer a direct relation to the work at hand. I shall thus not have anything to do with Sterrenslag [a contest program on Netherlands television], which I now find typically a bridge too far, although the department of information there last year thought otherwise on the subject and had already recruited me."

But new members must be won over to the trade union movement, must they not? "Yes, but rather as a result of good qualitative services, good policy directed toward tackling the problems and the adjustments between the various unions, not as a result of display tactics."

Indeed the FNV chairman, much more than was the case recently, will be the personification of the policy. "I think that if it is a question of the main lines of the FNV policy, the chairman will have to interpret it. You must not go off in all directions at once. As far as that is concerned, different issues will be stressed," says Stekelenburg.

Adelmund

What he says also has to do with the distribution of portfolios in the new administration. As vice chairman, Stekelenburg controlled a "policy-sensitive" portfolio containing among other items the policy for working conditions. In the structure that is now presented to the congress, the new vice chairperson, Karin Adelmund, will keep her present set of duties, and Jacob Draijer will probably take over Stekelenburg's portfolio as a "general" member of the board.

It will not remain hidden from the outside world, however, that the vice chairman of the largest union federation of the country, starting at the end of this month, is a woman. Or, as Stekelenburg diplomatically puts it: "It would of course be a bad thing not to make use, in the good sense, of the available talents of Karin Adelmund, to make clear to our pluralistic grass-roots members that we do try to represent that same diversity on the administrative level as well."

After halting the loss of members, Stekelenburg will especially have to bring order into internal affairs. It is then a matter of the relationship between the unions and the federation. The lack of wholesome cooperation was perhaps the greatest frustration that Pont was left with after his brief term as chairman. During his "get-acquainted visit" to the 17 unions, Stekelenburg made no demands, but did make it clear that the unions and the federation would have to come into line more, during his chairmanship. "And that is not possible if unions are uncommitted members of the FNV," he says. "Nothing is so frustrating for us at headquarters as to make agreements in The Hague with employers and the cabinet and then hear the unions say: We do not need to subscribe to them. That also makes our bargaining position weaker."

Stekelenburg has the impression that his message has gotten across to the unions. "I found them willing to do better than in the past. That gives me confidence. We have created the conditions to turn the process to the right side, instead of causing the FNV to manifest even more appearances of decay. Apart from that, I do not expect that all of a sudden the situation will turn into a bed of roses." The decentralization trend, according to him, will continue for some time yet. That obviously weakens the position of the federation.

Risk

"The risk is that it leads to splintering, and that general social goals may be insufficiently realized," he says. A positive aspect, on the other hand, is that the unions have more possibility of dovetailing more "directly with the interests of the members."

Stekelenburg wants to go over the central negotiations with employers and the cabinet critically once more. For he realizes that only "a limited role" is still reserved to the trade union movement, now that just before Easter the Lubbers cabinet presented a package of proposals in which the economic policy for the next 2 years was laid out. "I think that we must ask ourselves how much any deliberations in the spring or fall may mean. We shall have to aim at more concrete matters and in addition keep on appealing to the cabinet for education and the struggle against unemployment."

And what about relations with the employers? The fact that the next union leader of the Netherlands does not once mention the word [strike] action on his own initiative is surprising. It is a question of deliberation, is it not? Are they still really capable of protest actions at the FNV?

Stekelenburg: "You see that employers in diverse ways are limiting existing rights and using their power, thanks to the economic crisis. Just have a look at the way they

want to introduce the flexibilizing of the working hours, wages and contracts. It would be worth a great deal to me to make it clear to the employers that they must abandon that idea. Now and then I get an itch to do something, and I think: It would be a good thing to let them get a whiff of the dung heap once in a while."

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