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26 August 1983

WEST EUROPE REPORT

No. 2195

CONTENTS

THEATER FORCES

DENMARK

- Jorgensen Lauds West European Groups Opposing Euromissiles
(BERLINGSKE TIDENDE, 2 Aug 83) 1

Speaks at Women's Peace Conference
Conservative Newspaper Challenges, Editorial

- First Peace Organization Announces Goals, Hits U.S. Bases
(GRONLANDSPOSTEN, 6 Jul 83) 3

FEDERAL REPUBLIC OF GERMANY

- Mission, Needs of Navy for 1990's Examined
(MARINE-RUNDSCHAU, Jul 83) 5

TERRORISM

GREECE

- Submerged Explosives Found at Athens Beaches
(ELEVTHEROTYPIA, 24 Jul 83) 17

ENERGY ECONOMICS

FRANCE

- Assessment of French Gas Company's 1982 Figures
(L'HUMANITE, 7 Jul 83) 19

ECONOMIC

DENMARK

Greenland To Feel Overall Budget Cuts in Danish Budget (GRONLANDSPOSTEN, 15 Jun 83)	24
National Union Presents Plan for Investing in Industry (BERLINGSKE TIDENDE, various dates)	26
Union Would Establish Investment Company, by Dan Axel, Ole Schmidt Pedersen Political Leaders Divided on Scheme, by Dan Axel Business Leaders Concerned, by Ole Schmidt Pedersen 'Power Concentration' Feared, Editorial	

FEDERAL REPUBLIC OF GERMANY

Export Trends for First Quarter of 1983 (DIW WOCHENBERICHT, 21 Jul 83)	32
Von Amerongen on Industrial Policy, Trade (Otto Wolff von Amerongen Interview; LIBERATION, 25-26 Jun 83)	37

POLITICAL

DENMARK

Greenlandic Folketing MP Threatens Schluter Over Cuts (Helle Ravn Larsen; BERLINGSKE TIDENDE, 19 Jul 83)	41
---	----

FINLAND

German Reporter Perceives Freer Discussion Under Koivisto (Josef Riedmiller; SUEDEDEUTSCHE ZEITUNG, 6-7 August 1983)	43
---	----

FRANCE

Cheysson on Foreign Policy: U.S., Europe, USSR, Third World (Claude Cheysson Interview; POLITIQUE INTERNATIONALE, 1983)	48
--	----

GREECE

List, Biographic Data of PASOK Central Committee Members (Various sources, various dates)	59
Members Listed General Statistics	

Eurocommunist Daily Comments on Averof Succession (Kostas Spyropoulos; I AVGI, 24 Jul 83)	64
Alleged Causes of Dissent in KKE Ranks (Various sources, various dates)	67
Possible Florakis Replacement KKE Denial, Editorial Recent Proscriptions, by Stelios Kouloglou	

PORTUGAL

Judice: Pros, Cons of 'Central Bloc' Government (Jose Miguel Judice; ESPACO MAGAZINE, No 36, Jun 83)	77
First 100 Days of PS Government Assessed (Oscar Mascarenhas; DIARIO DE NOTICIAS, 22 Jul 83)	84
Comments Offered on Possible 1985 Presidential Candidates (Agapito Pinto; O DIABO, 19 Jul 83)	90

TURKEY

Talks With FRG Minister Stress Security Over Labor (Umit Kivanc; CUMHURIYET, 22 Jul 83)	98
Kosan on Doctrinal Bankruptcy of Evren Regime (C. Kosan; ISCININ SESI, 11 Jul 83)	100

MILITARY

DENMARK

Colonel Offers Hypothetical East Bloc Assessment of Military (C. F. Hagen; BERLINGSKE TIDENDE, 8 Jun 83)	102
---	-----

GREECE

Changes Planned for Army Training (I KATHIMERINI, 30 Jul 83)	108
Decision Still Pending in Aircraft Purchase (Various sources, various dates)	110
'Mirage' Aircraft F-16's 'Lion's Share'	

ENVIRONMENTAL QUALITY

NORWAY

Environmental Affairs Minister Comments on Problems (Anne-Lise Hammer; AFTENPOSTEN, 21 Jul 83)	112
Industry Association To Cooperate With Agency on Discharges (Gunnar Chr Poulsen; AFTENPOSTEN, 25 Jul 83)	114

JORGENSEN LAUDS WEST EUROPEAN GROUPS OPPOSING EUROMISSILES

Speaks at Women's Peace Conference

Copenhagen BERLINGSKE TIDENDE in Danish 2 Aug 83 p 7

/Article by "lk": "Anker Jorgensen Is Happy about Increased Support for the Peace Movement"

/Text/ "The peace people will be the first to join a resistance movement if freedom in Denmark is in danger. The peace groups are not defeatist." The chairman of the Social Democratic Party, former Prime Minister Anker Jorgensen, gave expression to those views yesterday at a conference of Social Democratic Women on Peace and Security. At the conference, Anker Jorgensen said that the fact that "awareness out among the population is greater than it ever has been before and more peace activities are going on than there ever have been before" must give one good reason to hope for the success of the cause of peace.

At the same time, Anker Jorgensen warned against the present trend in a number of European countries where it seems as if the conservative forces are favored by a following wind. "They will be in favor of a continued expansion of nuclear defense. Experience down through history tells us that when something has been invented it also is going to be used. Therefore, we are always swinging back and forth between total surrender and hope in the cause of peace," he said.

At the meeting, the chairman of the Social Democratic Party repeated his warning to the American president regarding "starting a new Vietnam in Central America." He also occupied himself with the Social Democratic Party's attitude toward the question of nuclear missiles in western Europe.

"Up to the present, we have said that if the other countries in NATO want to have nuclear weapons there is nothing we can do about it. But it has turned out that there also are doubts in the ruling circles in other countries--even in Germany--and therefore we in the Social Democratic Party have said that there have to be limits to how long we will indirectly support the possession of those weapons by other countries," Anker Jorgensen said.

Conservative Newspaper Challenges

Copenhagen BERLINGSKE TIDENDE in Danish 2 Aug 83 p 8

/Editorial: "The Many Words"/

/Text/ Anker Jorgensen was a very loquacious prime minister, and as the leader of a party in opposition he still seems to have some difficulty with holding his tongue. Even in the middle of a hot summer, he becomes overheated in his talking. But anyone who talks so much is going to repeat himself, and there is a danger that his words will not arouse any interest. During the past weekend, the former prime minister was in a talkative mood again, but he did not say anything different from what everybody had heard from him long ago. It would be pointless to occupy oneself with his proclamations. An explanation for why it nevertheless happens may be a wish that no myths about the Social Democratic Party's position and possibilities should be created.

Anker Jorgensen claims that the policy his government would have pursued would have yielded better results than the policy we have gotten under the present government. However, the Social Democrats should not be able to get anyone to cherish that idea. The truth is that the Social Democratic government's economic policy was not capable of providing a basis for an altered development and the government at that time was not willing to alter its policy. Instead, it preferred to leave it to others to pursue the policy that was required. That was its own decision. It was not overthrown, it surrendered control itself. If Anker Jorgensen regretted the obstinacy by which he was actuated a year ago, he can only blame himself.

The Social Democratic leader repeats that his party does not have the slightest desire to overthrow the government in power, but that he is not afraid of an election if there should be one. It may be hard for an opposition leader to say anything else, but Anker Jorgensen nevertheless should be a little more cautious. There can be no doubt in his mind that an election at this time would not give him a chance to get back into the power he misses so much. Even if he could obtain a majority against the government--a thing that would be difficult enough--he would not have any assurance that there would be a majority after the election that would recommend the formation of a government under his leadership. And what good would an election be to him if he did not succeed in reaping the harvest from it? That would be another defeat, and that would only put off his chance of becoming prime minister even longer. Perhaps such a long period of time would pass that not even the members of his own party would give him that position again.

Anker Jorgensen has a hard time keeping quiet, although one would think that a certain amount of restraint might give his words greater weight. You see, he is not really taken seriously when he pleads his case day after day on a basis that consists only of words. He should realize that his party does not represent an alternative to the government in power at the present time. Another possibility for a government existed a year ago, but it obviously will be many months from now before the Social Democrats will represent such a possibility. Such a possibility cannot be produced with words.

FIRST PEACE ORGANIZATION ANNOUNCES GOALS, HITS U.S. BASES

Godthaab GRONLANDSPOSTEN in Danish 6 Jul 83 p 22

[Article: "The Peace Movement in Greenland"]

[Text] Sorsunnata, the peace movement in Greenland, has organized its first local group in Qasiginnguit [Christianshaab].

Twelve people gathered for an organizing and informational meeting on 5 June at 7:30 pm, and most of them expressed the wish to participate in additional peace work. Proposals were put forward for SORSUNNATA's charter and by-laws but the participants at the meeting agreed to postpone an actual general assembly until the association was established and until there was a genuine membership.

SORSUNNATA is therefore presently organized as an interest and activist group with three temporary working committees.

These working committees include an executive committee, which will organize and develop the peace organization, a finance committee, which will prepare and execute fund raising and the establishment of an economic basis for peace movement's development and also make regular financial reports to the membership, and an information and publications committee, which will prepare a future peace newspaper and general public information about the arms race and peace proposals.

There are plans to attempt to establish local groups in other towns as soon as there is sufficient interest in a Greenlandic peace movement, but for the time being SORSUNNATA will distribute from Qasigiannnguit information and peace propaganda to contact people and others interested at various places in Greenland.

It will take time and demand a disciplined effort before the work for peace brings results, but the peace movement's first local group is ready to take up the challenge.

SORSUNNATA was started to inform about the insane arms race that is underway between the world's superpowers and their allies. SORSUNNATA was started to warn about the threat against all of mankind and all life on

earth created by the continuing development of nuclear weapons and weapons technology. SORSUNNATA was established to inform about why it is quite useless to use enormous quantities of resources and money to construct weapons which will destroy the earth if they are used. SORSUNNATA wants to tell about the n-eds, poverty, hunger and misery which is found in the world, and SORSUNNATA will explain how the resources and money could be used for better purposes than armanents and missiles. SORSUNNATA will inform about the background of the American bases in Greenland and explain how these bases contribute to making Greenland part of the dangerous competition between the two global power blocs.

SORSUNNATA has the goal of creating an active Greenlandic peace movement which can participate locally, nationally and internationally in peace work, which is our time's most imperative and important issue for mankind. We want peace, and we must together prevent the arms race and great power politics which threatens the entire globe. Support for SORSUNNATA is support for peace.

FOR PEACE AND COOPERATION!

And now a peace newspaper can be expected in the autumn.

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CSO: 3613/156

MISSION, NEEDS OF NAVY FOR 1990'S EXAMINED

Stuttgart MARINE-RUNDSCHAU in German Jul 83 pp 298-305

[Text] As part of a series of contributions by leading figures from the world of politics, the armed forces, from business, technology and science dealing with topical issues in their particular fields we are publishing in this issue a talk given by the deputy chief of naval operations at a joint meeting of the German Society for Defense Technology, the Working Group for Defense Research and the Clausewitz Society held in Bonn-Bad Godesberg in April 1983.

The Atlantic alliance will continue to be the cornerstone of German security policy in the nineties. This means that then as now and in the years past the credibility of deterrence and, along with it, the preservation of peace will decisively depend on the fact that the military, economic and, if need be, the military potential of the leading power of the alliance can be applied at the site of a possible attack—whether here in our area of Central Europe or on the flanks or somewhere else in the world. Because of the many irritations that have recently emerged in the relationship between Europe and the United States—and that includes our own country in particular—let me restate my position very clearly from the point of view of a military expert. As long as the United States is willing and able to assume the leadership role of the free West—in other words, as long as the Kremlin planners cannot exclude a military conflict with the United States as they draw up their strategic goals, we may go on the assumption that they will not take risks that extend over the full range of the triad. And that may well be the reason for the fact that the current primary goal of the Soviet Union Western policy is to sever relations between the United States and its allies.

I neither have a mandate, nor am I competent to speak to the future plans of the United States; I can merely voice my own very personal opinion. But if I want to be honest and realistic, I will deal with my topic "The Navy in the Nineties" against the background of "capability" which is an indispensable precondition.

It cannot be said often enough that five-sixths of the earth's surface are covered by the seas that separate and of course also connect the continents. Anyone wishing to commit his military capability on another continent must use the seas as a bridge and anyone wishing to interdict this must use the seas as a barrier. Anyone who has enough of a maritime capability to make use of the seas for his own ends and is in a position to prevent another from doing likewise can be said to exercise naval supremacy.

This is what the Atlantic alliance did for the 25 years following World War II with the help of its naval and naval air forces and in particular those of the three large member state navies. Throughout those years, there was no doubt as to who was in charge on the high seas. The Kremlin was not in doubt either as the outcome of the Cuban crisis, for example, showed. For this reason, there never was a genuine threat of a major East-West war during that time.

The undisputed naval supremacy of the NATO navies in the North Atlantic was and continues to be the most important condition for the fact that the United States was able to station 300,000 American soldiers and their dependents in Europe whose presence not only is a major commitment to forward defense until this day but who also, in their hostage role, give convincing proof of the resolve of the President of the United States to commit nuclear weapons to the defense of Europe, should the need ever arise.

Since the early seventies, the naval situation has been undergoing some change—which has been neither abrupt, nor unilateral. It started when the U.S. Navy reduced its tonnage consisting in large part of World War II vessels not replaced in an ongoing manner by the obsolete units. In the space of 10 years about 50 percent of the combat ship tonnage was retired—or to put it in absolute numbers, it was cut down from 1,000 combat units to 500. At that same time, Great Britain gave up its positions east of Suez which also resulted in rather considerable cuts in her naval strength. Thus, the last of the real aircraft carriers of the Royal Navy were retired at that time the absence of which was sorely missed during last year's Falklands operation.

Starting in the late sixties, a parallel development occurred which at first went almost unnoticed in the West: the changeover of the Soviet Navy from a coastal defense force to a naval power capable of operating worldwide.

In 1967/68, the Moskva class helicopter carriers appeared on the scene (two of which are in operation by now); also the Kresta-I class missile cruisers (4); the strategic nuclear submarines of the Yankee class (34); the missile nuclear-powered submarines of the Charlie-I class (12) and the nuclear attack submarines of the Victor-I class (of which 16 are presently in operation).

In 1969, the antisubmarine cruisers of the Kresta-II class followed (10). And in 1970, the frigates of the Krivak-I class (20). In 1971, it was the Kara class cruisers (7); the nuclear missile submarine of the Papa class (1) and the Boris Cilikin class supply ships (6).

In 1972, the first Delta-I strategic nuclear submarine was commissioned (of which 18 are now in use). This was followed in 1973 by the Delta-II class (4); by the Victor-II class (10) and the conventional-powered, oceangoing attack submarines of the Tango class (17). In 1975, the first V/STOL carrier Kiev was commissioned (3+1) as was the improved frigate of the Krivak-II class (12) and the Ropucha class landing craft (13).

In 1976, the first Delta-III nuclear submarines equipped with the longer range SS-N-18 missiles were commissioned (13) as was the first superfast, deep diving nuclear attack submarine of the Alpha class (7). This was followed in 1977 by the Berezina, the first combat team supply ship (1) and in 1978 by the first large-size landing craft named Ivan Rogov (2) and the further improved nuclear submarines of the Victor-III class (15).

In 1980/81, entirely new types of ships appeared: the battle cruiser Kirov (1+2); the large destroyer Sovremennyj (2+3); the large antisubmarine destroyer Udaloy (2+4); the nuclear-powered super submarines of the Oscar class equipped with SS-N-19 antiship missiles and the Typhoon class equipped with SS-N-20 strategic missiles. In 1981, a new conventional-powered submarine of the Kilo class was commissioned and in 1982, the new missile cruiser of the Krasina class (1+2).

Today, the Soviets are operating with four fleets on all the oceans of the world. They maintain a constant presence in the Persian Gulf, in the Mediterranean, the South Atlantic, the South China Sea and the Caribbean. And there are no indications that the Soviets are prepared to let matters rest there.

The Black Sea shipyards are presently building aircraft carriers equal in size to American attack carriers. Battle cruisers of the Kirov class and large-size landing craft of the Rogov class continue to be built.

Reconnaissance and surveillance satellites are increasingly replacing long-range reconnaissance aircraft and are making it unnecessary to station such aircraft in Cuba, Angola, Yemen and Vietnam.

Constantly updated tactical ship-to-ship, ship-to-air and air-to-ship missile systems—some of them long-range—are replacing the conventional weapons systems on cruisers, destroyers, fast patrol boats and submarines.

The submarines—including the non-strategic types—are getting bigger, faster, quieter and are capable of diving to greater depths.

The spectrum of electronic warfare capability is becoming wider and highly sophisticated.

I maintain that the accession of the Soviet Union to the status of a naval power after pulling even in nuclear weapons—which I have outlined in rather drastic terms here—constitutes the most far-reaching change in the East-West power relationship. It has helped the Soviet Union free itself from the constraint of having to wage a war with the West solely in Central Europe. Now she would also be able to wage it via the wet flanks or with even less of a risk by means of limited conflicts at the raw material and export bases with the aim of destroying the economic strength of the Western industrialized nations and, as a consequence, their prosperity and social stability.

Of course, if you check the navy calendars and compare the figures in "Jane's Fighting Ships" or in "Weyer's" for example, you would still find that the Western navies are ahead in quality and in numbers as well. But as you make this comparison you must take into consideration—as I mentioned at the outset—that Western capability for forward defense in Europe is as dependent on control of the North Atlantic as its economic welfare is dependent on unrestricted access from and to the countries of the Third World.

The Soviet Union is not dependent on such considerations.

In World War II, by comparison, the allies had a 25-fold superiority in submarine chasers on both sides of the Atlantic to help them cope with the German U-boat fleet.

Just as it was not a matter of the opposing navies to engage each other in battle in World War II that is not the issue today either.

In World War II, the goal was to keep U.S. fighting power from reaching the European theater of operations. Today, the goal is to make it unmistakably clear to the Kremlin planners that they have no reason to assume that they can keep the United States out of Europe or anywhere else in the world in case of an attack.

For this, the West needs to have naval superiority. One must keep that in mind when one poses the question of what the navy could or should look like in the nineties--particularly if it becomes even more necessary than heretofore to set priorities in view of declining resources.

Ever since the FRG began to rearm, we in the alliance harbored no doubt whatever but that the top priority was to defend the territory of the FRG without losing too much ground against a major attack with the help of ground forces supported by massive armor along the intra-German border.

This priority had to stand as long as the only Soviet option was to fight a land war, if the USSR wished to impose its will on the West by force.

I am not referring to my own statements on the subject but to the judgment of leading Western political and military figures who are all saying today that Central Europe is the one region where war is least likely to break out. These same political and military leaders point out that there is a threat of war, if at all, in those regions where Western presence is either weak or non-existent.

I am not about to cast doubt on the defense priorities set by our own country or the alliance. I merely wish to raise the question whether ground forces will continue to be the primary means of safeguarding peace in the world in the nineties.

Even someone who offers the counterargument that the military situation in Europe is as relatively stable as it is for the very reason that we did set these priorities and that we should therefore continue to adhere to them will have to admit that it is a justified question whether a country like the FRG--whose economic well-being depends to such a large extent on well-functioning world trade, with one job out of every four directly tied to exports--may continue to view security policy issues purely from a regional perspective.

It is not a matter of our country trading off its capability to defend its territory against external aggression for the capability to protect its worldwide commercial interests but it is a matter of considering the issue of where our forces can be of optimal use in preserving peace.

Following the Soviet invasion of Afghanistan, our government did express its concern and did lift its restrictions on naval operations beyond 61 degrees north but it also made clear that this geographical extension of the area of naval operations would have no consequences on armament policy.

The government did recognize the fact that a crisis in the Persian Gulf region would raise the threat of global conflict for the European industrial nations in particular and then offered to contribute to securing the sealanes in place of American naval units operating outside the NATO area. But this contribution, too, would be made on the basis of existing naval strength.

In 1972, the navy had 21 deep sea escort units at its disposal; today it has 16 and if the present trend in budgetary allocation continues, there will be even fewer such units available in the nineties.

Under the circumstances, the navy, given its present structure, is not now able, nor will it be in the future to take the place of U.S. naval units or still those of the Royal Navy, if these should be tied down in large numbers because of crisis operations in the Gulf region for example. Now there are some people in our country, too, who point to advanced technology and say that there will soon be no need for costly escort craft to protect the sealanes but that this task could be fulfilled by land-based missile batteries. Permit me to cast some doubt on this assumption for the foreseeable future and surely for the nineties.

The defense capability of Europe—on the flanks as well as in the central region—depends in large measure, as every allied and national estimate of the situation has shown, on up to six divisions and some 50 combat squadrons being transported from the American continent to Europe at an early stage of a possible conflict. Even if the soldiers themselves and the aircraft are airlifted to Europe, the Pentagon estimates that five million tons of heavy equipment and initial supplies would remain to be transported by sea—to say nothing of the additional needs of the reinforcements and the troops already stationed in Europe and to say nothing either of the needs of the European peoples and their armed forces.

Whatever figures the logistics experts come up with, it is clear that the alliance can only carry on an armed conflict in Europe, if the West is in a position to continue making use of the Atlantic bridge.

The main threat to the Atlantic bridge comes from Soviet submarines and long-range aircraft. The question I would like to put to General Gerber, who raised the issue on his television program "The Billion Mark Item," is what land-based missile batteries deployed along the American and European coastlines could accomplish against submarines and bombers. They could neither track them, nor identify them but would have to rely on sensor data transmitted over hundreds of miles and such sensors would not even exist any more according to those who invented this technology.

To locate and identify a submarine in deep sea waters or to recognize an approaching missile as a threat, I have to be on the spot, equipped with sensors and effectors. I must be able to tell that this is not a potential but an actual threat and I must be able to spot and identify the target and take the appropriate counter-measures. None of the engagements that might arise under such circumstances can be predicted and much less pre-programmed.

Even if one concedes the fact that a submarine engagement—even in the nineties—will not be over in a matter of seconds, it will be in the form of a duel. Even if the submarine is localized and identified—which today is a job which must be done by a large number of sensors operating jointly from different platforms—it still has any number of possibilities of evading the "kill" and even more so, if the weapon employed to destroy it must travel over long distances. And what good is it, if in order to track and pinpoint the target I have to make use of antisubmarine aircraft, helicopters, surface vessels and antisubmarine submarines but if all these do not have the necessary antisubmarine weaponry on board ?

In analyzing the aerial threat, one would have to reach the same conclusion. Those people are certainly wrong who forecast the end of surface fighting ships as a consequence of British naval losses during the Falklands conflict. Leaving the final outcome of the duel between the British task force and the Argentinian air force completely aside—which after all did not result in a British withdrawal but in the reconquest of the islands—evaluations of the Exocet AM 39 missile attacks have shown that an appropriately equipped fighting ship with a well-trained crew can very well cope with such a threat today even if early warning systems like the AWACS are not available as in the case of the Falkslands conflict. Three of the five documented AM 39 attacks resulted in hits—all of them under less than compelling circumstances.

The first hit occurred because the ship's command personnel did not identify the approaching aircraft as a Super-Etendard although it had been made out on the radarscope in time and therefore did not expect an Exocet attack. This, in turn, was due to the fact that the set which could have

identified it was blocked because a message was being transmitted via satellite at that same time. The second hit—also on a frigate—occurred because the lock on of the Sea Wolf missile defense system was interrupted by a neighboring frigate which had changed course and thereby interposed itself between the missile carrier and the target. The third and most serious hit on the helicopter supply ship "Atlantic Conveyor" was not the result of an attack on this vessel as such but was also intended for a frigate which deflected the path of the missile by executing a chaff operation in time, causing the errant missile to pick up the supply ship instead which was unable to institute countermeasures because it had neither active, nor passive electronic warfare devices at its disposal.

The upshot of all these considerations, insights and experiences as applied to conditions in the North European region is the following:

An important requisite for the credibility of deterrence is the capability of the alliance to maintain the bridge function of the Atlantic. This can only be done, if communications between the United States and Europe are protected in an adequate manner. And this, in turn, can only be done, if the alliance has sufficient forces at its disposal which are capable of protecting the stream of indispensable troop reinforcements and supplies—particularly during the initial stage of a possible conflict. These communication lines can only be protected on site by a combination of security forces capable of safeguarding early warning from the air and in the air as well as on the sea and below the surface and additionally, immediate defense against the three potential dimensions of naval warfare. This calls for combined operations on the part of early warning systems; area and region-covering location systems; air, surface and submarine defense weapons which complement each other; passive and active defense systems and the integration of data from all these into a composite system. Concretely speaking, this system will include early warning and area-covering aircraft; helicopters requiring a landing area; escort vessels equipped with the appropriate effectors and antisubmarine submarines serving as underwater locators and information carriers.

If the FRG wishes to continue making a high-quality contribution to the alliance's deterrent capability by being prepared to operate as a strategic unit as it did in the seventies and eighties, then it will have to continue supplying frigates with helicopters and long-range reconnaissance and anti-submarine aircraft in the nineties to protect the seelanes in the North Sea and adjacent waters and providing anti-submarine submarines to meet the threats of the nineties.

Quantitatively, this contribution will have to correspond to the credibility with which the FRG is prepared to back up its statement of wishing to compensate for the worldwide commitment of U.S. Navy units in the NATO treaty area.

Qualitatively, the 122 class frigates with their onboard helicopters and the combat effectiveness upgraded destroyers of the Luetjens class are up to the demands of the nineties. The destroyers of the Hamburg class and the frigates of the Cologne class will not really be operational in the next decade because they will then be obsolete in terms of the threat to be faced at that time.

At the same time, these ships are the weakest link in the entire navy and are most urgently in need of replacement. Nonetheless, given the present financial outlook, they will not be among the ships to be replaced first during the next decade. Against the backdrop of the altered strategic situation in the North European flank area which is characterized by an increase in size of the Warsaw Pact navies and the Arctic Ocean fleet in particular as well as the increased U.S. Navy commitment outside the NATO treaty area, submarines must be given priority as the means to counter enemy claims to naval superiority.

All alliance efforts to keep the vital sea link between the United States and Europe open would be in vain, if the alliance did not simultaneously succeed in keeping the end points of this lifeline open—namely the European ports which would handle the reinforcement and supply traffic.

There is a particular threat to these ports from mines. In view of the fact that the Warsaw Pact has a three-dimensional minelaying capability at its disposal which even includes civilian aircraft and ships in peacetime, the receiving countries of Europe will urgently have to plan for an operational minehunting and minesweeping component capable of dealing with new detonating system technology. Our own country in particular will certainly not be able to do without one.

During the course of my talk you may have been asking yourselves why I have thus far failed to mention the traditional priority task of the navy which is to secure the approaches to the Baltic Sea. There are essentially two reasons for this:

On the one hand, since this task is tied to the principle of forward defense in Europe, things will hardly change in this regard during the next 10 years and on the other hand, the modernization program of the eighties will largely have predetermined both defense plans and structures. The wet left flank of the central region—the Baltic Sea exits are just that—will hold only if the frontline on the ground in Schleswig-Holstein holds.

The same thing applies in reverse as well. An early collapse of the sea flank in the Baltic Sea would turn forward defense in Schleswig-Holstein into an illusion.

One should keep in mind, however, that the occupation of Schleswig-Holstein and Jutland can hardly be a strategic objective of the aggressor but at best the means to an end. The only strategic objectives in this area for the Warsaw Pact would be the Baltic Sea approaches. If the Warsaw Pact achieves this objective, defense in Europe falls apart as between the central and the northern region. It could then unite the combined Baltic Sea fleets and the Arctic Ocean fleet and start the campaign for the bridge function of the Atlantic while using the wet flank to pose a threat to the ground forces in Central Europe from the north and to Norway from the south—even if the outcome merely was that its offensive air forces would be in a position to circumvent the air defense systems of both regions unhindered. The Baltic Sea approaches are of use only, if whoever wishes to make use of them is in possession of the coastlines of the narrow inlets and sounds. This is the reason why the defender—which is to say the alliance—has in the past always had the objective of keeping the Warsaw Pact from seizing Schleswig-Holstein and the Danish islands. Both the Danish and the German navy have put their faith in an echeloned in depth defense concept which utilizes the depth of the area ahead, which poses a great number of problems for the aggressor and forces him to exert a major and extensive effort.

This defense concept provided for and still provides for minefields ahead of the threatened coastlines and passages. The approaches are to be secured by PT-boats and helicopter gunships while submarines and fighter aircraft are to be used to obstruct orderly assembly of enemy amphibian units and to wear them down during initial deployment. This concept will not change over the next decade; but of course there will always be people promising a bigger bang for a buck.

Once again the miracle formula goes by the name coastal missiles but just as in the case of defending the sealanes in the northern flank area it loses much of its attraction in the case of the Baltic Sea mission upon closer inspection.

In a defense sector consisting of more than 300 islands, mobile coastal missile batteries can only be truly mobile if they are located on ships and on the underside of aircraft—which is exactly where they are at this time.

Aside from the fact that the defense area mainly consists of islands, its geography is Danish. This is another way of saying that German coastal missiles would be enroute somewhere—probably on a ferry between Jutland and Zeeland—at a time when they should by rights be in a favorable launch position. But even if they actually were in a favorable launch position, where would they get their target assignment from ?

From satellites or from Tornado reconnaissance planes ?

This is not the place to get into the question of how much it would cost to change over to coastal missiles. It is certain that the missile batteries which are the backbone of defense in the actual approaches to the Baltic could not themselves lay the mines. As before, this would have to be taken care of by the units provided for today and in the plans for the nineties.

Who is to protect the minelaying units in a situation which may not as yet be defined as a state of national emergency? Who is to defend the minefields once they are laid? Today, the combined Warsaw Pact navies in the Baltic consider it necessary to maintain some 200 surface and air antisubmarine units. They have about 150 minesearching units and over 100 anti-fast patrol boat units.

The Warsaw Pact could forgo this rather considerable effort, if breaking the Baltic Sea approaches open would merely be a matter of taking out a number of coastal missile batteries.

The capability of the NATO navies to attack and interdict Warsaw Pact shipping in the eastern and northern Baltic with the aid of submarines and fighter bombers becomes additionally important, if the freedom of movement of the second echelons of the ground forces can be restricted by a new generation of NATO weapons and if these forces would have to make greater use of the Baltic as a supply route to fill the needs of a major offensive in Central Europe.

The new naval warfare resources made available to the navy in the course of modernization programs in the seventies and eighties such as the Tornado fighter bombers and reconnaissance aircraft; the class 143, 148 and 143 A fast patrol boats; the class 343 mine warfare boats and the class 206 submarines adapted to the threat meet all operational requirements far into the nineties and in some instances even far into the next century.

Who would want to take the responsibility for writing these weapons systems off and to give up the potential they have for making use of the depth of the area in exchange for new weapons systems of which we presently know little more than that they are capable of searching out and accurately hitting localized, identified targets and that they are more costly. In any event, there is as yet no proof that they would be able to serve as a deterrent at sea in the same manner as the existing weapons. At the conclusion of my remarks, let me now try to return to the essential points I wanted to make.

The economic welfare of the industrialized nations of the West, including the FRG, as well as the capability of the Atlantic alliance to act as a unified whole is dependent on secure maritime links.

For constitutional reasons, the FRG has denied itself the option to secure the raw material base of its industry by military means, if necessary. Instead, it has declared its readiness to do more than heretofore to protect the alliance lifeline or in other words the bridge function of the Atlantic in case the large navies of the alliance are tied down in the interest of the West outside the treaty area. This statement will remain a piece of paper, if the deep sea units of our navy continue to shrink. If the FRG is serious, it will have to continue making a commitment to securing the European terminals of the transatlantic communication lines. This would not only call for replacing the Hamburg class destroyers and Cologne class frigates but also for having submarines available which can provide defense against submarines as well as long-range reconnaissance aircraft and anti-submarine aircraft both of which would have to have next generation capabilities.

The Baltic Sea component of our navy is a part of the FRG commitment to forward defense in Europe. If its effectiveness lags substantially behind that of the army and air force, the central region runs the risk of being circumvented via the wet flank. In the light of the modernization program of the eighties, this could only happen, if we do not succeed in meeting our submarine plans. Coastal missile batteries will not be able to take the place of boats and ships until a convincing solution is found for the problems of long-range target detection and identification.

9478

CSO: 3620/426

SUBMERGED EXPLOSIVES FOUND AT ATHENS BEACHES

Athens ELEVETHEROTYPIA in Greek 24 Jul 83 pp 1, 16

[Excerpts] The explosives, found entirely by chance by a British swimmer and a 13-year old boy at the Glyfada marina, which had sufficient explosive power to blow the entire suburb skyhigh, have brought the anxiety of the police authorities to a peak. All the security services of the country are in the dark while trying to solve the mystery boxes of trinitrotoluene (TNT) and especially the terrorist or political aims of those who owned them.

The authorities are sure that those who had the explosives intended to set them off--it is not known where and when--because the necessary detonators were found at other locations in Glyfada. They are also concerned about what happened to at least four more boxes of TNT because, while 12 detonators were found, only eight explosive units were found. Frogmen of the Port Corps are searching the sea while Security Corps men are combing the beaches in search not only of the four missing boxes, but eventually any other explosives and detonators. According to the experts involved, the explosives must have come from abroad because neither does the Greek Army use such a system nor can it be found on the Greek market.

The anxious question of the authorities concerns the nationality of those who had them. Are the terrorists Greek or alien or even agents of foreign secret services? And what was or continues to be their target? And then, was the Glyfada marina used as a "hiding place" or did they throw them there to get "rid" of them, fearing that they might get caught with them? Officers of the Port Corps do not exclude the theory that they were brought to Glyfada to be used for terrorist purposes in the suburb itself, which is a "colony of Americans."

An officer of the Port Corps actually spoke about a probable provocation against the leftist political forces that are opposed to the signing of the agreement for the American bases. "Something changed at the last minute," he said, "For some strange reason the plan stopped in the center of Glyfada, perhaps because there were no serious reactions to the signing of the agreement."

Where Are the Boxes?

The story of "the boxes of death" began last Tuesday morning at the first

"marina" in Glyfada. Carr Derek, a British swimmer, marked off three boxes 15 meters from the beach at a depth of about 2 meters.

He notified the Port Corps and the frogmen picked up five boxes, which, it was revealed, contained TNT, a high-powered explosive that is used by the Army.

Immediately after the news about the finding of the explosives was made public, Nikos Aretas, a waiter, showed up at the Port Corps and turned over nine detonators which he had found at one of his tables several days before and, not knowing what they were, took them home and threw them in a drawer!

Last Thursday, 13-year old Markos Leivadaris showed up at the Glyfada Gendarmerie and stated that on 15 July, while he was swimming at Glyfada, he found three boxes of TNT, three detonators and a piece of explosive substance of the C 4 type.

The youth threw one box into the sea, took the other two and the detonators home and, after cutting the wires, threw them all into the garbage.

He turned over to the Gendarmerie the wires and the piece of explosive substance. Thus, till now we know about the existence of 12 detonators and eight boxes of TNT of which only five are at the Port Corps. Where are the other three boxes and the ones corresponding to the 12 detonators?

This is the worrisome question that causes panic because in the hands of youths, as happened with young Leivadaris, one detonator and one box of TNT can cause a catastrophe.

General Alarm

Immediately after the finding of the explosives, the minister of the Merchant Marine, Mr. G. Katsifaras; the Naval General Staff; the Naval Command of the Southern Aegean and special military services were informed. Specialists who examined the five boxes of TNT said that they do not belong to the Greek Army and that they had been brought in from abroad.

The search is now extended to the areas of Glyfada, Voula and Kalamaki, inhabited by Americans.

9731

CSO: 3521/392

ASSESSMENT OF FRENCH GAS COMPANY'S 1982 FIGURES

Paris L'HUMANITE in French 7 Jul 83 p 5

[Article: "The French Gas Company in 1982"]

[Text] For the French Gas Company, the year 1982 was characterized primarily by the very serious worsening of a financial situation which had already deteriorated noticeably during the previous accounting period.

The deficit recorded during this single year is nearly as great as the total deficits accumulated over the previous years, the growth of the turnover has slowed down, the gross margin for self-financing has become much smaller, and long term debts have increased by more than 60 percent.

The reasons for these phenomena are to be found in the coming together of unfavorable factors: the rise in the cost of supplies, the inadequate and tardy rate increase, the stagnation of sales due to the relative mildness of the weather and a depressed economic growth.

And yet, beyond the immediate present, the company has the potential to fulfill its mission and, following the rate changes of April 1983, the reestablishment of its financial balance within the framework of current economic growth will only require very moderate increases.

Gas supplies were easily able to meet the year's demands while achieving a stock increase corresponding to the imperatives of seasonal fluctuation and the maintenance of adequate supply.

For France as a whole, the total supply of natural gas in 1982 amounted to 281 billion kWh [kilowatt/hours], a reduction of 6.9 percent compared to the previous year.

As in the previous year, French production supplied nearly 25 percent of those amounts. Imports supplied the remainder with approximately 20.5 percent of the total coming from the Netherlands, 9.9 percent from the Norwegian North Sea, 14.1 percent from the USSR, and 4.1 percent from the FRG. Supplies from Algeria constituted 25.9 percent of the total, and two temporary sources supplied 0.7 percent.

The amount of gas purchased by the French Gas Company was 248.5 billion kWh, a reduction from the total of 264.7 billion kWh purchased the year before; natural gas, with 248.3 billion kWh, made up almost all of this total.

The amounts of natural gas purchased in France have continued to decline, reaching 36.9 billion kWh instead of 38 billion kWh the previous year; they represented 14.8 percent of the supplies. The purchases of imported natural gas were 211.4 billion kWh as against 226.5 billion in 1981, a reduction of 6.7 percent.

However, the year 1982 was characterized by a very sizeable increase in deliveries of Algerian gas, which reached 72.8 billion kWh (plus 57.4 percent).

The year 1982 will remain an important year for the supply policy of the French Gas Company.

Negotiations relative to the contract to import 8 billion cubic meters of gas per year from Western Siberia ended on 22 January with the signing of an agreement between the French Gas Company and Soyuz Gas Exports. The first deliveries based on this new contract will begin in January 1984.

Following the negotiations conducted by the French Ministry of Foreign Affairs and the Algerian Ministry of Foreign Affairs, on 3 February 1982 the French Gas Company and SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] signed endorsements to the three contracts to supply Algerian liquified natural gas to France. They relate to the price of the gas, its indexing, and its conditions for review. Deliveries of liquified natural gas [LNG] based on the third contract (5 billion cubic meters per year) began in February 1982.

On 1 September 1982, the French Gas Company and the other members of the buyers consortium signed contracts to purchase Statfjord gas as of 1986 with the Statoil, Esso, Shell, Conoco and Saga companies. These contracts represent a formalization of the agreements concluded with these same companies at the end of 1980. Together with the purchases of gas from Heimdal and Gullfaks, for which detailed contracts were signed in 1983, the gas from Statfjord will make it possible partly to compensate for the drop in production of the Ekofisk and Eldfisk deposits.

The buyers consortium is continuing to negotiate the supply of gas from Valhall. At the end of the year, it opened negotiations relative to the purchase of Sleipner gas.

The French Gas Company has pursued its policy of diversification of suppliers.

Gas resources in the Gulf of Guinea, the development of which will occur later than expected, have continued to interest the company, together with other European partners. Bonny LNG Limited was dissolved in February 1982, but the Nigerian government has announced its intention to revive the project with the producers involved, within the framework of a new structure.

Studies relative to the project to export liquified natural gas from Cameroon also progressed in 1982.

The French Gas Company has maintained contacts with sales promoters of liquified natural gas from other gas regions located in Canada, Latin America and the Middle East.

In 1982, total primary energy consumption continued to decline in France under the impact of the economic situation and of the policy of energy control, thus registering a total drop of 2.9 percent compared to that of 1981. Gas sales by the French Gas Company and its subsidiaries declined by 2.5 percent, after adjustments for weather; thus, the share of natural gas in the energy balance remained approximately at the 13.2 percent level registered in 1981 and remained in line with the objective of 15 to 17 percent by 1990.

Overall, sales by the company and its subsidiaries reached 271.6 billion kWh, and sales of gas in France, including those by the SNEA (P) [National ELF Aquitaine Company], to direct clients reached 283.5 billion kWh.

The distribution by sector of total sales is as follows:

- Residential and Tertiary Sector	44.8 percent
- Industrial Sector	44.7 percent
- Electric Power Stations	2.9 percent
- Other sales or transfers	7.6 percent

As far as the French Gas Company alone is concerned, the amounts delivered -- including deliveries to the French Methane Company -- reached 241.2 billion kWh, or a drop of 1.8 percent.

Sales to the residential sector represent 38.8 percent of its total sales; this means an increase of 1.3 percent, corresponding to a 0.3 percent rise in individual use and a 4.4 percent rise in public use; with adjustments for the effects of the weather, these variations were respectively: plus 3.5 percent, plus 2.4 percent, and plus 7 percent.

Sales to the tertiary sector, which includes businesses and public bodies, amounted to 13.9 percent of total sales. They went up by 1.5 percent, or a 3.1 percent growth after adjustments for the effects of the weather.

Sales to the industrial sector reached 39.7 percent of the total. This means a 6.2 percent drop compared to 1981, due to the economic growth situation of big business, certain conversions in the coal industry, and the closing of steel plants.

As in 1981, the financial situation has suffered from changes in the price of the gas purchased, which combined with the inadequate and late character of the rate increases to create significant loan needs; the latter weighed even more heavily on the operating account because the share of foreign currency loans has increased.

The increase in expenditures for the purchase of gas and of raw materials reached 3.8 billion francs in 1982, or 17.9 percent, as the increase of 5.1 billion francs due to the rise in the unit price was partly offset by the reduction of quantities.

The value of the imported gas went up 3.3 billion francs and its unit price 26.9 percent. This development can be attributed more or less equally to the price increase of reference fuels and to the increase in the exchange rates of various currencies, among which primarily the dollar.

Personnel costs, other operating costs and the costs of the central services increased by approximately 1,103.7 million francs, or 18.4 percent; payments for depreciation and reserves, and the financial costs went up respectively by 449.5 and 598.6 million francs, or 15.3 percent and 37.8 percent.

Overall, the cost increases amounted to 22.5 percent, or 6.7 billion francs, instead of 8.3 billion in 1981. The growth in turnover, which went from 29.4 to 34.8 billion francs, an increase of 18.6 percent, cannot compensate for it.

In terms of rates, the average level apart from taxes has gone up by stages during the year: 7 percent on 5 March and 2.5 percent on 1 December (on the average).

Due to their weakness and their lateness, these hikes did not make it possible to cover the increase in the cost price; the latter went from 11.86 to 14.76 c/kWh, while the average income per kWh went from 11.61 to 14 c/kWh.

Finally, the general operating account shows a deficit of 1,833.5 million francs as against 600.5 million in 1981, and the balance of the profit and loss account showed a deficit of 2,560.3 million francs in 1982, as against 950 million in 1981.

The gross margin for the self-financing went down from 2,226.8 to 1,406.3 million francs. It represents only 19.3 percent of the financing needs, as against 52.3 percent in 1979, 43.5 percent in 1980, and 40.3 percent in 1981.

The company's own net resources available for investments were negative this year, and the financing operations have resulted in a long term debt increase of nearly 7 billion francs.

At the end of the 1982 accounting period, the financial situation of the French Gas Company was undoubtedly serious due to the size of the recorded deficit, the weight in the balance of postponed losses, the size of the debt and its composition in foreign currency and francs, the ever widening gap between cost price and rates, in spite of the room for maneuver left by competition. This situation deserves vigilant attention.

Nevertheless, nothing has been compromised yet; the future of the French Gas Company depends more on future actions than on past actions and, strangely, on a policy of gas rates which gives it an advantage with regard to the competition but is more carefully directed toward the balance of the enterprise.

The gas rates have just gone up an average of 8 percent on 1 April, whereas the world energy prices seem to be remaining stable if not, for a while, moving toward a decrease. The major unknown in the immediate future is of a monetary nature, the exchange rate of the dollar which has a determining impact on the cost price of gas.

At the present time, the wisest course of action would seem to be the adoption of a mechanism which would allow the passing on without delay, within the limits of the prices of the competition, of the cost variations. Under the current circumstances, it would lead to only very limited rate hikes which would allow the French Gas Company to return to a satisfactory financial balance in 1984 and to play its rôle within the framework of meeting the needs of the country, the diversification of the energy risks, and the promotion of French exports.

8463

CSO: 3519/558

GREENLAND TO FEEL OVERALL BUDGET CUTS IN DANISH BUDGET

Godthaab GRONLANDSPOSTEN in Danish 15 Jun 83 p 8

[Article: "The State Must Save 95 Million Kroner from the Greenland Budget in 1984"]

[Text] Agreement has been reached between the government and the local administration to exempt the health sector and the municipalities from reductions and to maintain the 1000-unit housing program and to allow price reductions on oil to take effect gradually.

Although premier Poul Schluter stated last week during the concluding debate in parliament that there was no intention to make Greenland the target of general cuts, there is now evidence that the postponement of the negotiations between the minister for Greenland and the local administration has not had the slightest impact.

Sunday afternoon representatives of Greenland's Home Government met with the minister and his staff to continue the negotiations that had been broken off for about 14 days in Nukk [Godthabb]. The demand continued to be a cut in the budtet of about five percent--or 95 million kroner in current funds.

After the meeting the minister for Greenland stated that the premier had not made the statement noted above, but after seeing a transcript of the premier's answer to member of parliament Preben Lange, the minister had to admit that the statement had been made.

The minister for Greenland said in addition that the government had committed 23 million kroner in extraordinary funds in order to continue the 1000-unit housing program in 1984, to exempt the health sector from the cuts, that the ministry would try to let the oil price cuts take effect, that the municipalities would be completely exempted from the planned cuts "because that was the local administration's wish," and finally that during the negotiations, agreement was reached that in connection with wage agreements that have been reached appeal would be made for wage restraint. Simultaneously the ministry would guarantee that through 1985--i.e. during the coming wage agreement period--an effort would be made to hold down price and fee increases, that might arise, according to the minister.

Dissatisfied but Flexible

Local government chairman Jonathan Motzfeldt could not declare himself satisfied with the results of the negotiations in a manner which demands the last pain for Greenlandic society, according to Jonathan Motzfeldt.

It is obviously--seen from the Greenlanders' side--an unhappy situation, but we are happy that the municipalities have been exempted such that the municipalities' strained economies are not further stretched, the chairman continued, and he also named the other areas that were either completely or partially exempted.

Jonathan Motzfeldt stressed that in the autumn it would be necessary to re-evaluate the Home Government's entire economic situation when the local assembly acts on the budget. "Then we might see in which areas savings can be made. Either in current or capital expenditures... We must simply re-evaluate our activities for the coming year," the local government chairman said.

GFI [Godthaab Fish Industry] and Other Matters Were Also Discussed

It is apparent from the meeting agenda that other issues were to be considered in addition to the budget and wage settlement agreement. Thus a report was made of the government's plans for privatization; renewed stable subsidies for Godthaab Fish Industry were also discussed.

The minister for Greenland insisted that the Home Government should also join in the financing of GFI. In other words the Home Government should participate economically in areas which the Home Government has not yet taken over.

The local government chairman reported on GFI that at the moment discussions were underway between different organizations, the Home Government and the national government. "We all agree that a future arrangement must be found that is acceptable to all parties, and we want to make certain that the jobs at the firm are preserved," he said.

"Have privatization proposals been discussed in connection with the discussions about GFI's future?"

"I have not understood it as such, but I am going home now and will look closely at the various negotiations, which we are interested in; primarily to secure employment," the local government chairman said.

Finally mention should be made of the discussion at the meeting on how Greenland would be admitted to the Nordic Council.

9906

CSO: 3613/156

NATIONAL UNION PRESENTS PLAN FOR INVESTING IN INDUSTRY

Union Would Establish Investment Company

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jul 83 p 1

/Article by Dan Axel and Ole Schmidt Pedersen/

/Text/ "The government wants to closely monitor the Danish Federation of Trade Unions' (LO) plans to invest in industry because if it just intends to purchase currently available stock to gain control of certain firms, it immediately becomes rather suspect."

This is what Economic Minister Anders Andersen told BERLINGSKE about the LO proposal to establish an investment company, which is supposed to transfer funds from gild-edged--passive--securities to active investments in industry.

"But if LO plans to make new investments in the usual manner--in companies that need capital--and thus create jobs, I feel it is perfectly all right. I am not worried that the national union's plans in any way might be an Economic Democracy arrangement," said Andersen.

Majority Stockholder

"It is splendid that LO wants to join the game on industry's terms and we welcome the union into the company," said manufacturer A. Graversen, Fredericia Stolefabrik A/S. He is a member of the Danish Employers' Association's general council as well as the Industry Council's central board.

"I only hope that the LO investment company will get into it wholeheartedly and run the risk of becoming majority stockholder in companies it wants to influence. It is supposed to be willing to do business on its own and, if so, I believe it would also qualify for membership in the Danish Employers' Association," A. Graversen told BERLINGSKE.

Bernhard Baunsgaard, Radical Liberal Party spokesman on taxes, wants to limit the exemption on union dues because he feels that the national treasury is indirectly contributing to the accumulation of billions in the union treasury. Hence, he has asked Tax Minister Isi Foighel if it is right that trade unions--LO and FTF--thus be allowed indirect state aid in the amount of approximately 2 billion kroner.

"As a matter of fact, LO itself has admitted it never had so much money in its treasury before," said Baunsgaard. "And this is the money which LO now wants to use to purchase stocks."

Political Leaders Divided on Scheme

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jul 83 p 3

/Article by Dan Axel/

/Text/ Political reactions to the Federation of Trade Unions' (LO) plans to establish its own investment company are predominantly positive. In general, the attitudes are: It sounds reasonable, but it must be done within the established limits.

"Essentially, it is nobody's business how LO wants to invest its funds, providing it is done according to the rules that govern such investments," Erhard Jakobsen, Center-Democratic Party, told BERLINGSKE. "And I view the plans with great equanimity. We need not be concerned about Economic Democracy in this matter. I am sure there will be great limitations on how much capital LO wants to commit to the purchase of stock."

Under no circumstance, however, does Erhard Jakobsen want to specifically protect or favor LO investments through legislation. "They shall experience the risk of investing in industry," he said. Bo Kristensen (Conservative Party) agreed that unrestricted LO funds can be invested as planned.

"But if funds from the General Supplementary Pension System (ATP) and the Wage-Earners' Cost-of-Living Fund become involved in the plan, I will speak up. These funds shall be maintained under the rule that each account be kept separate. Furthermore, the rule concerning a 20 percent maximum limit on stock purchases shall be observed," said Kristensen.

Besides, he doubts that LO will get its members to go along with the idea. "They have already witnessed LO's business leadership ability and you only have to glance at today's issue of AKTUELT, the union newspaper, which is well acquainted with the union's employer policies," said Kristensen. "If ATP and Wage-Earners' Cost-of-Living funds are included, we will have a central weft and thus the risk of an Economic Democracy-like power factor in Danish industry."

Strike Funds

"I definitely will not tolerate the inclusion of strike funds in raising money for the investment company in question," John D. Lawaetz (Progressive Party) told BERLINGSKE. "Particularly not since we raised the employer tax last fall so that we--as employers--have to pay approximately 3,600 kroner per year per worker. This increase allows the union free use of other funds and, thus, our contributions will be used by LO to buy up our own businesses. And, in the end, we could see the stableboy at the head of the table."

Otherwise, I will admit that LO has a very good idea. The union has had a great deal of trouble placing its many billions. But I will not agree to change the 20 percent rule. LO shall experience the risk involved in investing," said Lawaetz.

Arne Bjerregaard (Christian People's Party) is positively disposed toward LO plans to invest money in industry. "But I am fearful that, long term, it could lead to too much concentration--and that would mean good-bye to free industry," said Bjerregaard. "And it might be that by that time we will have to come up with some other criteria than just the 20 percent rule to avoid large concentrations."

New Jobs

Lilly Gyldenkilde, Socialist People's Party labor market spokesperson, feels that the change in LO investment policy means that money will now be used to create new and needed jobs. "I have nothing against the plans, but I must warn against totally depleting the funds and using the money for purposes other than that intended: namely the common good of LO members," said Gyldenkilde.

However, she would also like to take a look at the legislation which presently limits the amount of funds that can be invested in stocks.

"But, as I see it, this has nothing to do with Economic Democracy," said Gyldenkilde.

"As a liberal, one is always concerned that something like this might lead to concentration of power and influence. But we shall not prevent LO from pursuing its plans, of course, as long as the union complies with the law," said Holm.

Business Leaders Concerned

Copenhagen BERLINGSKE TIDENDE in Danish 18 Jul 83 Sec III p 3

/Article by Ole Schmidt Pedersen/

/Text/ Uncertainty and some disagreement characterize industry's attitude toward the Federation of Trade Unions' (LO) plans to establish a new, large investment company, soon to be publicized. Erik Mollerup, managing director at F. L. Smidth, is not enthusiastic about it.

"I am not familiar with the content of the plan, but I am immediately suspicious of it. If the investment company shall serve as a means to save ailing businesses, it is a bad idea. Personally, I have worked with the Financing Institute for Industry and Trade and we had 100 million kroner with which to save ailing businesses. We were able to save some, but we also lost some money so that nothing was gained."

Erik Mollerup expressed concern about the fact that finance companies may be allowed to exceed the 20 percent limit on stock purchases which applies to funds in the General Supplementary Pension System (ATP) and the Wage-Earners' Cost-of-Living Fund.

"I feel we should hold fast to the 20 percent limit, which applies to companies like this as well. Up to now, ATP and Cost-of-Living funds have remained passive with respect to significant economic influence, but that can change if the policy is changed," said Mollerup.

Welcome to Danish Employers' Association

Manufacturer A. Graversen, Fredericia Stolefabrik A/S, does not share Erik Mollerup's concern. He is a member of the Danish Employer's Association's general council as well as the Industry Council's central board and he bids LO welcome to industry and the stockmarket.

"There is no reason to be hostile toward the LO plan as long as the investment company competes on equal terms, like Incentive, for example.

By that I mean the investment company cannot take advantage of good businesses by simply purchasing 15 to 20 percent of their stock. If LO is seriously willing to risk capital, it must also take the responsibility of controlling firms and, furthermore, the firms in question can also become members of the Danish Employers' Association (DA)," said Graversen.

He is not concerned that the union will dominate industry.

"Danish firms are not toys that can be controlled by desk generals. Let us take Danfos and B & O, for example, the objects of love on the part of those who started them. I do not believe that industrial owners like that will begin to sell stock to just anybody as a matter of course."

"Would A. Graversen sell Fredericia Stolefabrik stock to the union?"

"Under no circumstance, simply because we have no need to issue new stock," said Graversen.

Chairman of the Contractors' Association, Engineer John Svendsen with A/S Marius Pedersen, Ferritslev, also views the situation calmly, based on the scanty information available at this time.

"Industry is not opposed to being supplied with new capital, as long as it is done in a reasonable fashion. I know too little about the plans to say any more," said Svendsen.

Other industrial leaders BERLINGSKE talked to expressed some concern about the LO investment company. They foresee investments that will concentrate more on new jobs than profits. They also feel that it is questionable whether LO can get competent people to assume leadership of these companies. They also foresee emotional problems because, based on tradition, many industrial leaders today will find it hard to join labor representatives at the management table.

On the other hand, they point to experiences in the United States, where insurance and pension funds are increasingly being invested in stocks. They assume the

role of a passive investor and that will probably be the case in Denmark too, although the transition period may be unpleasant and problematic.

Serious Company

Managing Director Bundt Hansen calls LO's desire to invest in industry a sensitive issue, but he does not yet see anything repulsive about the idea.

"I assume that the investment company will be a serious enterprise interested in investing money in all companies. I do not view it as a relief company.

Industry apparently does not mind the fact that wage-earners' money finances homes and production equipment through bonds and I do not foresee any big problems with the new investment company. But we do not know much about it yet," said Hansen.

'Power Concentration' Feared

Copenhagen BERLINGSKE TIDENDE in Danish 19 Jul 83 p 8

/Editorial/

/Text/ The Danish Federation of Trade Unions (LO) plans to establish a finance company that will invest in industry through the purchase of stock. The stated purpose is to help create new jobs, but one might also expect the new finance company to try to help economically troubled firms.

The immediate response might be to welcome the LO proposal. Of course, anybody can purchase stock on the open market under the present rules.

There is no reason to be unhappy about anybody's willingness to risk more money on industry.

From a broader socioeconomic point of view, however, it is difficult to ignore that LO's plans will create a number of problems.

To all appearances, LO intends to establish the finance company using the Wage-Earners' Cost-of-Living Fund and a number of pension funds, for example. If that is the case, it should be established that rules which apply to the investment of pension funds, etc. are not violated. The purpose of these rules is to limit the amount of funds invested in individual corporations. The fact that LO leaders are also managing some of the pension funds makes the establishment even more obvious.

It must also be said that LO already has considerable power in our society. It often decisively influences wage and working conditions as well as labor market policies. Through political party contacts, it has been able to influence political decisions that extend far beyond the labor market area.

For more than a generation now, the golden rule in Danish industry has been that concentrations of economic power must be controlled and regulated by society as a whole. Hence, the establishment of the Monopoly Inspection Board as well

as special inspection authorities with respect to banks, savings banks and insurance companies.

A union that not only dominates the labor market at times but also wants to move in on the other side of the negotiating table by investing in stocks could easily develop a concentration of power not yet seen in Denmark. In a situation like that, who protects whose interests? How can abuse of power and economic distortions be avoided?

Of course, we need to ask these questions when LO now plans to play matador with industry.

8952

CS0: 3613/150

EXPORT TRENDS FOR FIRST QUARTER OF 1983

West Berlin DIW WOCHENBERICHT in German 21 Jul 83 pp 357-362

[Unattributed article: "No Export Upturn Yet"]

[Text] Over the first 4 months of this year, exports (special trade)—seasonally and calendar-adjusted*—declined only slightly in real terms. They remained essentially at the low levels set in the summer of 1982. In the main, it was lower demand by the OPEC countries and the weak investment climate in the Western industrial nations which continued to slow down exports appreciably. The comparatively high minus rate of change of 5.7 percent as compared to last year may be ascribed to the fact that exports were at their highest level ever in the spring of 1982. In other words, it was only the basis effect which was a cause in this instance. Since domestic economic recovery has been slow, business has apparently been making an effort to obtain more of a share of the export market so as to make better use of productive capacity and benefiting from a favorable Dollar-D-Mark exchange rate. Further evidence of this is that DM export prices have dropped since the first of the year.

Seasonally adjusted imports in real terms climbed a healthy 4 percent in the first 4 months of the year as against the preceding 4 months. Demand primarily rose because of inventories but also because of increased production and greater consumption.

Given these divergent export and import trends, the export surplus for the first third of this year declined by some DM 3 billion as compared to the last 4 months of last year. Despite the marked improvement in the terms of trade due to distinctly lower prices for imports there was no nominal increase in the foreign trade surplus.

Trends for real goods flows during the first quarter of 1983 have been about the same. On the basis of these overall calculations for the economy during the first quarter, exports fell more sharply and imports rose more slowly. A determining factor in these calculations was the bonded warehouse trade. The goods and services deficit remained the same. As a result of

* Seasonally adjusted time frames are analyzed; seasonal adjustments calculated according to Berlin process.

the lower trade surplus, the GNP growth rate during the first quarter declined about 0.5 percent.

Primarily as a result of temporarily greater receipts from the EC agricultural fund, the traditional deficit of gratuitous services took a marked dip. The overall economic surplus—which includes the balance of goods and services as well as gratuitous services—has increased somewhat on a seasonally adjusted basis as compared to the final quarter of 1982.

Rising Exports by Basic Industry

Contrary to exports generally, exports by the basic and production goods industries rose sharply during the first 4 months. This was due primarily to larger exports by the chemical industry. Iron and steel exports remained at their previous low levels.

Exports of consumer goods also rose—albeit only slightly. This includes passenger cars of up to 2 liters of cubic capacity as well as textiles and wearing apparel. But exports of electrical consumer goods which rose toward the end of 1982 declined once again.

Generally speaking, exports of investment goods in real terms have been going down since the spring of 1982. They were about 15 percent less during the reporting period than they had been at that time. Exports of traditional investment goods—such as machinery, electrical goods and trucks—declined at an increasing pace. But if one considers overall exports by the truck-building and electrical industries—which include consumer goods as well as accessories and spare parts—one finds that the downturn has slowed (as in the electrical industry) or has stopped altogether (as in the truck-building industry). Exports in several other sectors of the investment goods industry—such as the iron, sheetmetal and metalware industries as well as in precision engineering and optical products—also hardly declined during the reporting period.

Exports to EC Countries Stagnant

Nominal exports to the EC countries did not decline further during the reporting period as against the preceding 4 months. Trade differed widely among the different countries. Exports to the Netherlands dropped slightly but those to Great Britain increased sharply once again. While the British economic recovery had a favorable impact on German exports, the poor economic situation in France and Italy worked against them in that exports to both these countries continued to drop sharply. Exports to Belgium and Luxemburg declined slightly once again. It may be assumed that the upward valuation of the German Mark during March and April also had an unfavorable effect on exports to these four countries which are members of the European Currency System. Exports to the EFTA countries also were stagnant. This applies to Switzerland while the marked rise in exports to Austria was compensated for by an equally sharp decline in exports to Sweden.

The downward trend in exports to the OPEC countries which set in in the spring of 1982 continued during the reporting period after a temporary break toward the end of 1982. By now, there has been a 17 percent decline from the nominally high export levels of spring 1982. German exporters have been able to compensate partially for this decline in demand by increasing exports to a number of the other developing countries as well as to the Soviet Union and China. Exports to both these groups of nations increased sharply during the reporting period.

Despite the economic recovery in the United States, exports to that country declined slightly once again during the first 4 months of this year. But the most recent export figures for March and April 1983 seem to indicate that the downward trend which began in the spring of 1982 is in the process of being turned around. Exports to Japan have also declined. Growing Japanese imports have led to a further rise in the German import surplus.

More Imports of Primary Products

Trends in real imports arranged by groups of goods during the reporting period corresponded to the classic pattern during periods of economic recovery. There were increased imports of primary industrial products to build up inventories. The rise was particularly sharp (almost 7 percent) in primary products for finished goods—with chemical products leading the way. Imports of raw materials and semi-finished products (excluding petroleum and petroleum products), on the other hand, rose only slightly by comparison. It is worth noting that imports of oil and natural gas continued to decline. Indications are that the weakness of the German Mark against the dollar has militated against the buildup of inventories thus far. At the same time, the trend which began with the first oil price crisis and led to the substitution of petroleum product imports (mainly fuels) in place of oil has been continuing. The actual volume of imported petroleum products increased once again during the reporting period. Not the least reason for this is intensive competition on the German open market which helps the economy-priced spot market offerings supplant the products of domestic refineries.

The slight increase in finished goods end products is attributable to increased domestic demand for consumer goods. This applies in particular to imports of electrical products as well as textiles, wearing apparel and shoes. Imports of small cubic capacity passenger cars did not pick up again until March/April and because of the low level of imports in January/February this means there was a drop during the reporting period as compared to the preceding 4 months.

Fewer investment goods were imported during the first 4 months than during the corresponding period last year. This applies in particular to machinery and electrical equipment. But there was a rise in imports of passenger cars of more than 2 liters of cubic capacity as well as office machines.

Improvement in Terms of Trade

Average export prices declined slightly during the reporting period. This was due to the stabilization of costs domestically which set in after the first of the year. Export prices of industrial initial goods took a dip but those of finished goods remained constant. Average import prices dropped more sharply than export prices. While import prices of finished goods also remained constant, the prices of industrial initial products dropped substantially.

In the main, the drop in import prices was due to the continuing decline of world market prices for oil and petroleum products. In view of the fact that these prices are in U.S. dollars, an even sharper drop in import prices did not occur because of DM weakness against the dollar. As the DM exchange rate against the dollar continues to decline, the gap in favor of the DM which built up between 1977 and 1982 as a result of dollar price rises for industrial raw materials has just about closed by now. But April and May 1983, the rising trend in industrial raw material prices on the world market has begun to have an impact on the corresponding DM prices. Due to the renewed DM devaluation against the dollar, these prices have been rising at an even faster clip. The differences in the drop in export and import prices have resulted in a marked improvement in the terms of trade over the first 4 months of the year.

Prospects

Foreign orders in real terms placed with the processing industry declined in April and May 1983 as against the preceding 2 months; but basically, they have stayed at virtually the same level for about the past year. While the demand for basic materials and consumer goods continued to rise, orders for investment goods have continued to decline—which is a reflection on the continuing weak investment climate worldwide. The economic situation in some countries such as France and Italy—both of which are major trading partners—is uncertain. The United States and Japan are experiencing a rapid recovery but the Japanese export market has traditionally been a problem for us and the American market is becoming one because of the start of trade restrictions. Exporting to the developing countries is turning into more of a risk—which has also found expression in plans to raise the fees for guaranteed export loans (the so-called Hermes guarantees) in the FRG.

Goods exports in real terms during April and May 1983 rose slightly as against the preceding 2 months. Exports during the coming months will stay at the same levels due to continued competitiveness and increased marketing efforts. Only if the investment climate in foreign countries improves will exports enjoy moderate growth during the second half of 1983.

Real imports again rose sharply during April and May 1983 as against the preceding 2 months—exceeding last year's high levels. But quite obviously, the rapid economic tempo is distorted due to inventory buildup. The rise in imports may be expected to slow down over the next few months and to adjust to the expected slow rise in production and consumption.

The real surplus in the balance of goods and services should not change much over the next few months. As a result of the improvement in the terms of trade it will continue to rise. During the second half of 1983, the seasonally adjusted balance of trade surplus figured on a monthly average should remain at about the level of DM 1.1 billion per month which it attained during the first 5 months while deficits in the balance of services and transfers should remain about the same. We may therefore expect a surplus of some DM 13 billion for all of 1983.

9478

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VON AMERONGEN ON INDUSTRIAL POLICY, TRADE

Paris LIBERATION in French 25-26 Jun 83 p 6

[Interview with Otto Wolff von Amerongen, president of DIHT [Assembly of West German Chambers of Commerce and Industry], by A.B. Levy in Bonn; date not specified]

[Text] Speaking before German industrialists in Bonn on Thursday, French Minister of Economy and Finance pleaded for a rapprochement between French and German companies, a weak point in relations between the two countries. Jacques Delors suggested the establishment of a "private club" where French and German company heads could study the best formulas for capital. He added that this cooperation has become necessary so that both French and German companies might reach the levels required to confront world competition, particularly from Japan and the United States. He stated that in 1990 the world will be in a state of complete change and that it will be necessary for Europe to be ready as an entity.

Mr Delors stated that the Europe of Ten cannot be only a club of ministers but that it must be supplemented through exchanges between companies and industrialists. He added that the rapprochement between labor unions is equally important and he expressed hope of seeing development in the role of the European Workers Confederation. In this connection, the French minister indicated that he was not satisfied with the results of the European summit in Stuttgart as far as employment is concerned.

Jacques Delors had responded to the invitation made by Mr Otto von Amerongen, president of DIHT, an organization that brings together all German firms. At the end of this meeting, the West German boss of the bosses shared his thoughts with LIBERATION.

Bonn (from our correspondent): Otto Wolff von Amerongen, the West German "boss of the bosses," has a clear-sighted view of the present economic situation and

the challenges it offers Europeans: the SME [European Monetary System] has no future unless the Europeans themselves very quickly decide to first of all "harmonize" their budgetary policies and subsequently their tax policies so as to avoid "new monetary realignments"; European industrialists are "now condemned to invest" if they want to guarantee the future in face of the Japanese and Americans"; and a "European industrial policy" to confront the crisis is indispensable.

LIBERATION: First of all, how do you see the future of the European monetary system?

O.W. von Amerongen: You know, everything depends on the development of the country's inflation (Italy's is presently 13 percent, with France in second place with 9 percent). This system is a good system. It has already proved itself. However, its future depends on harmonization or non-harmonization of the economic, financial, tax and budgetary policies of Europeans. If a very serious effort is not made very quickly in these four directions, then the SME will be threatened.

Besides, with the dollar being as strong as it is at present, pressures on the weaker currencies will remain serious, perhaps up to the American elections in November 1984. This outside danger must not be underestimated. Do not forget that we had been obliged to carry out the latest monetary realignment not only because of the European inflation rates but also because of the strong dollar.

In my opinion, the SME runs the danger of ending up like the common agricultural policy, in other words, in being forever questioned. The European people have had enough of going through crises in common agricultural policy every 6 months. I would not like to have the SME follow the same path.

LIBERATION: Do you envisage monetary realignment between now and next December?

O.W. von Amerongen: I shall be quite cautious. If the inflation rate in France is reduced to 8 percent by the end of the year, as expected, implying a very big effort in the coming months, I believe that a new readjustment could be avoided.

However, several questions have not yet been answered: Are the French in general and the labor unions specifically ready to accept long-term austerity? The Europeans must be convinced by Paris of the extent of the effort undertaken. There are people, even in the Socialist Party, who do not want to maintain the austerity policy....

LIBERATION: What, in your opinion, are the prospects for French-German trade?

O.W. von Amerongen: It is indisputable that the economic crisis has not been overcome even though certain current indicators, like the drop in inflation, are encouraging. Since March, there has been a drop in French exports to Germany, while at the same time, because of the austerity policy, consumption of German products has decreased. This is normal. However, French-German cooperation goes far beyond considerations of this nature: it is in the interests of our two countries that cooperation be strengthened.

We must in our two countries also confront what I call a question of educating the heads of companies: many here, in France, also in England are saying: we are not working at full capacity, so why invest?

As for me, I feel that it is vital for us to invest and that we do so now. If we do not control things very quickly we will lose the battle of the future. German exports to practically all European countries are dropping. In Japan, we are succeeding in defending our position because of the bad American economic situation, i.e., a strong dollar. But it is undeniable that there is stagnation, a drop in orders since April.

Our weakest areas are investment goods, machinery and machine tools especially. Our big customers have been Argentina, Brazil and Mexico that are presently suffering from a payments crisis. Indeed, the future will depend on the ways countries are to be saved, such as those that are industrializing and experiencing financial difficulties.

LIBERATION: In your opinion, does protectionism constitute a serious threat?

O.W. von Amerongen: Let us not delude ourselves, the protectionist trend prevails throughout Europe, not only in certain countries. In the FRG, of course, but perhaps in the Latin countries of the European community.

History has shown that protectionism brings about catastrophes. You know how the 1929 crisis began: a cocktail that included the devaluation of currencies, the closing of borders and deflation. Today, with the present high unemployment, there is a tendency to bring out the old arguments that had been shown to be wrong. Yes, protectionist tendencies constitute a danger because they do not only show up in governments but also in various industrial fields.

I believe that the Stuttgart summit has had a very positive effect in this connection. I do not want to overestimate the results of this summit but, despite the most pessimistic comments, I have the feeling that it was well understood that protectionism is not the way to get out of the crisis. In Stuttgart, the protectionist trend was checked.

LIBERATION: And recovery?

O.W. von Amerongen: It is still too early to make any forecast for most countries. Certain positive signs have been noted: drop in inflation, moderation in wage negotiations. Unfortunately, recovery in investments has not occurred. Perhaps Great Britain will be the first country to succeed in this area. In Germany, at any rate, signs of an investment recovery have not yet been observed.

LIBERATION: European labor unions, particularly the German PDG [expansion unknown] are calling for a 35-hour week to fight unemployment. Do you believe that may be a solution?

O.W. von Amerongen: I believe that if a 35-hour week is introduced, even within the next 5 years, we will lose the means to deal with world competition. There is much talk about talks with the Japanese, Americans and Canadians. I do not

believe in it. If we introduce the 35-hour week we will lose the market in advance.

LIBERATION: So, what joint industrial strategy would you like for Europe?

O.W. von Amerongen: I am sure that after the Italian elections, the ministers of economy and finance will be forced to tackle the problem. If we do not want to have another monetary crisis because of the SME, with all its implications (particularly French-German ones), we must begin work on harmonizing European policies. Perhaps budgetary harmonization first of all. We have common interests in this. Perhaps in 2 years harmonization of the tax policy could be started. But harmonizing budgetary policies is the number one priority.

LIBERATION: French exporters see in the German industrial standards a form of disguised protectionism....

O.W. von Amerongen: It is here where the Brussels commission should play a big role. After all, this is its duty. Examples are not lacking from either side, such as the case of French beer (Fischer, Kronenbourg) that is prohibited on the German market because it does not conform to German purity standards. If we want to avoid indirect protectionism we must succeed in setting general standards for all of Europe. In this connection, however, we must overcome old traditions. That will take years rather than a few months.

LIBERATION: What is the state of your relations with French employers?

O.W. von Amerongen: Excellent. I am very satisfied with our cooperation, with the CNPF [National Council of French Employers] particularly. In the past few months relations have become even stronger.

5671

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GREENLANDIC FOLKETING MP THREATENS SCHLUTER OVER CUTS

Copenhagen BERLINGSKE TIDENDE in Danish 19 Jul 83 p 7

[Article by Helle Ravn Larsen: "The Angry Greenlander"]

[Text] He has exchanged the traditional Greenlandic hunting weapon--the harpoon for the "revolver." If Greenland is not excepted from the proposed block grants cut of 95 million kroner, the government will be defeated, even if the Greenlandic members of parliament by tradition do not become involved in internal Danish matters.

The angry man is the Greenlandic member of parliament, 35 year old school teacher Preben Lange, elected by the Siumut party from the Disko Bay district in Greenland. He will follow his conscience, and throughout his one-man campaign against the Danish government seek to strike an extra blow for Greenland. "I am ready to fight," he says, even though he is going directly against the chairman of his party, Cahriman of the Greenland Local Government Jonathan Motzfeldt, who has accepted the cutbacks. Greenlandic municipalities are already making budget plans on the basis of the reduced grants.

But Preben Lange, who is affiliated with the Socialist People's party parliamentary group, believes that the Greenlandic local government was too weak-kneed, when it accepted the government's "insulting and extreme" planned reductions of 95 million kroner in the Greenlandic block grants.

He justifies his anger by stressing that it will be quite unacceptable and impossible for the Greenlandic community to find these savings. Unemployment is already unbelievably high--in Egedesminde it is up to 20 percent. In addition he fears that all of the large employment programs, such as the construction of a new shrimp processing factory, will be eradicated completely.

But Preben Lange has yet another trump card. It is the constitution. It states particularly that members of parliament are bound only by their conscience and not by any instructions from the electorate. Preben Lange prefers to shine his halo, to have a good clean conscience, and thereby to establish himself as a pioneer on the left wing and lonely crusader in holy war for the Greenlandic people.

He will discuss his decision to attempt to defeat the government with the leadership of the Siumut Party, but he claims that he will not change his mind. This politically nearly unknown man, who was first elected to parliament in 1979, will probably not get a warm reception when he meets this week with Premier Poul Schluter and Minister for Greenland Tom Hoymen, who are currently visiting Greenland. During these conversations Preben Lange will continue to point the political revolver at the premier's head.

The minister for Greenland is definitely not Preben Lange's best friend. In fact Preben Lange recently demanded the minister's immediate departure from office. "He has made too many mistakes, and there is no use having an apprentice as minister," was Preben Lange's statement.

Twice before a Greenlander has held the balance in parliament. It was a surprise when Greenlander Mikael Gram in 1960 was made minister for Greenland, but his loyalty was thereby assured for the Social Democratic-Radical Liberal coalition government.

In 1971 the Social Democratic minority government held another Greenlandic MP as hostage. Supported by the Socialist People's Party and the Faroe Islander Johan Nielsen, the government appointed the Greenlandic member Knud Hertling as minister for Greenland and thereby secured a working majority.

Since 1973 it has more or less been a tradition that the North Atlantic parliamentary delegates refrain from voting when domestic Danish bills are up before the parliament.

One of the strongest supporters of this principle is the other Greenlandic member Otto Steenholdt. Will he now drop this principle in order to restore the balance and neutralize his compatriot when bill number 277 on the reduction of block grants comes up for a vote on September 9th?

9906

CSO: 3613/156

GERMAN REPORTER PERCEIVES FREER DISCUSSION UNDER KOIVISTO

Munich SUEDEDEUTSCHE ZEITUNG in German 6-7 August 1983 p 8

[Commentary by Josef Riedmiller: "They Do Not Like to Talk About Kekkonen Anymore"]

[Text] Social Democrat Mauno Koivisto was elected the president of Finland one and a half year ago. He replaced Urho Kekkonen, who had ruled the country for a quarter of a century with a tough fist, almost like an absolute monarch. It still is hard to find a person in Finland whose view on Koivisto is not a positive one, or one who would, without being questioned, now say anything about Kekkonen.

Jaakko Mattila, however, is one of them. That young manager of a large industrial corporation in Tampere blames the president for doing nothing to improve the situation for the Finnish economy that has now been hit belatedly by the consequences of the worldwide recession. The fact is that Koivisto, prior to becoming Kekkonen's successor, was the president of the Bank of Finland, an expert, in other words, of whom the entrepreneurs now expect he would use his expertise to provide a more favorable exchange rate between the overvalued Finnish markka and the currencies of competitive countries, e.g., whereby to improve Finland's competitiveness on the world market.

That Mattila and other economic managers expect the president rather than his government should eliminate export difficulties in certain industrial branches is evidently attributable to a longtime habit: Kekkonen, coming out of the peasant majority, had as president paid attention to things that were not his business--deriving from this political border crossing his excessive power and an influence that stopped before nothing.

Most Finns rapidly got used to a situation which the diplomat and historian Max Jakobson described as follows in a lecture given in the FRG: "'Mauno Koivisto is not another Kekkonen. His leadership style is different, less authoritarian. He is going to distribute power over a broader range. Finnish foreign policy, however, essentially is going to stick to the line shaped by the experiences of recent years."

Frowning Russians

Today Finland has regained the political normalcy of a democratic country in so far as debate has become open again. Koivisto himself, after taking over in January 1982, started a discussion about the competencies of the chief of state, the most important of which, according to the Constitution, is the responsibility for foreign policy. Kekkonen had turned that prerogative into a mystery and fitted domestic policy into a tight corset by purportedly being forced into foreign policy considerations (above all vis-a-vis the Soviet Union), which restrained the freedom to move in the parties and media. By his so-called letters from the mill, named after his residence in Helsinki, Kekkonen kept interfering in domestic policy: to steer the party of his origin, the peasantry and petty bourgeois center; to form or blow up government coalitions; to admonish or to encourage; or to undermine or motivate pronouncements.

Koivisto, however, gives free rein to political forces and to journalism, with the result that today there is less talking under cover or in code in Finland than there used to be. The new spirit became clear in the parliamentary elections in March, when there were no interventions from within or from outside. Critics of the former president even say Kekkonen had commissioned or insinuated the frowning of the Russians to achieve his domestic policy goals.

There were no admonishments from Moscow in the last election campaign though it was more openly conducted than any earlier ones, though the communist ministers had quit the cabinet, and though Arne Saarinen, the former leader of the reformist (majority) wing of the Finnish communists, sought to reconcile their Stalinist fraction with the curious demand that Norway and Finland should sign a special border treaty in order better to protect their common northern frontier against infringements from NATO armed forces. Whether Saarinen, meanwhile retired, made that thrust only to make it easier to the wing around Sinisalo, which is loyal to Moscow, to repair the unity in the long divided Finnish Communist Party, or whether he, having a bad name among the Soviets and therefore not being suspect as such of doing its bidding, ultimately still acted on orders from the Kremlin leadership, is a question for which Helsinki has no unequivocal answer.

That "problem," for the time being, has been eliminated because Norway refuses to conclude a special border treaty, as that would suggest the admission that Finland's security is threatened by the West. Nor are the Finns themselves interested in making a problem of the border which has no problems as it is. In Helsinki and Oslo they seem to be thinking about whether the exchange of unilateral pronouncements from both countries to deny armed forces to move across that border could be a useful and generally understood signal, however.

If Finland might have been uneasy about how Moscow would take the departure of Kekkonen, who was so perceptive to Soviet desires and anxieties, that has given way, since successor Koivisto visited the capital of the big neighbor in early June, to the certainty that the relationship between the two so unequal states has reached the best status it could have altogether. "Excellent" it was called by the young foreign minister Paavo Väyrynen, who also is the chairman of the Center Party, if evidently no longer under the spell of his mentor and protector Kekkonen.

Koivisto had traveled to Moscow with a large delegation to once again extend the Finnish-Soviet friendship and assistance treaty of 1948, which only in 1970 had been extended by 20 years, 7 years before it expired, up to 2003. The Finns and Koivisto himself received many compliments from their hosts, and the guests were under the impression that party chief Yuri Andropov, who once had started his political career in Soviet Karelia, tried hard to create a good atmosphere. The 1948 treaty and the Paasikivi-Kekkonen line, i.e., the policy of good neighborliness with the Soviet Union, turned into state doctrine in Helsinki after World War II, were praised all-around and confirmed as the cornerstones for future relations.

Two new nuances, however, are noteworthy. For one thing, they announced that Finnish-Soviet relations stood outside the upheavals of the international situation, were independent of the world climate and of cyclical considerations--a constant, that is, where for the rest there only are alterations and uncertainties. And then, the Soviet Union brought up for discussion some new formulas with respect to the project of a nuclear-free zone in Northern Europe, which Kekkonen had launched.

Missile Base Kola

In his after-dinner speech Andropov said: "We not only would assume the obligation to respect the status of such a zone but would also be prepared to check rather substantial measures regarding our own territory contiguous with that zone, which would reinforce its nuclear-free status. The Soviet Union also might discuss with interested parties how to grant a nuclear-free status to the Baltic Sea." The "Joint Pronouncement," going beyond Andropov's speech, says the Soviet Union had "declared its readiness to act as a guarantor for a nuclear-free zone in Northern Europe" and check the issue of certain measures on its own contiguous territory.

What one is sure about in Helsinki is that the Soviet Union, pursuant to its previous standpoint, would not join an agreement on a nuclear-free zone in Northern Europe but might take steps to facilitate the conclusion of such an accord. The Kola peninsula, one of the large nuclear bases of the Soviet Union, is, as the Finns see it, certainly exempted from such considerations. They do regard it as possible in Helsinki, however, that the Soviet Union might withdraw certain nuclear carrier types from territories contiguous with those of presumed treaty partners--including nuclear weapons on submarines operating in the Baltic.

They are asking themselves in Finland in this context what foreign submarine maneuvers in Swedish territorial waters might mean. (They were not clearly identified as of Soviet origin by Stockholm except for the one that ran aground off the coast of Karlskrona.) Such activities are hardly apt to facilitate a nuclear-free zone or even to create a climate of confidence. Finland no longer suppresses any criticism of certain forms of the Swedish foreign and security policy, which is being blamed for a zigzag course. There is no lack of examples that could document such a claim, the last one coming out of a Swedish parliamentary report on the territorial expansion of guarantees the two superpowers should assume for a nuclear-free zone.

Olof Palme's Capers

Stockholm says the United States wanted to act as guarantor only with respect to the NATO members Norway and Denmark; Helsinki, however, wants to bring it about that both superpowers assume a guarantee for the entire treaty region. The Swedish foreign policy posture, now anti-American and then again anti-Soviet, is not always being considered helpful in Finland, whose magical foreign policy term is "stability." They suspect in Helsinki that the Social Democratic Prime Minister Kalevi Sorsa has become more interested in foreign policy recently because the predominant position of his party demands that but also to be sure to find out as early as possible about the foreign policy capers of his party and government colleague Olof Palme in Stockholm.

The Finns today consider it taken for granted within and outside of their country that intellectually and culturally they feel to belong to the West and consider parliamentary democracy and the market economy the pillars of their political-economic system, yet at the same time cultivate confident relations and brisk trade with the Soviet Union. Not only is it Finland's largest trade partner (25 percent of the total volume), the Finns get from Russia almost all their energy imports, including 80 percent of their crude oil requirements. In turn, important branches of the Finnish economy, such as the metal industry, ship building and the wood processing industry, greatly depend on export to the Soviet Union.

During Koivisto's visit in Moscow a further expansion of economic cooperation was agreed upon, interestingly also in agriculture, where the Soviet "model" is ailing everywhere, but also in industry, where large cooperation projects are envisaged on Finnish soil. The trade balance with the Soviet Union is markedly up, which the Finns are now expected to reduce--either by increased imports or reduced exports.

Paradoxically, Finland got into straits in its Soviet trade because of the drop in the price for petroleum and natural gas: When the prices were high, the oil bill had to be paid for by increasing exports to the Soviet Union, which led to new production capacities, especially for consumer commodities. Those are now surplus capacities because the imports from the Soviet Union (up to 90 percent energy imports) can be paid for by less in return--and keeping things balanced is the principle underlying this type of trade, carried on through clearing.

Despite such impediments, trade with the Soviet Union is a sure "bank" for Finland. It kept the country from being hard hit by the recession, even if its 170,000 unemployed (7 percent of the labor force) constitute a record of recent decades. The Social Democratic Prime Minister still intends no governmental employment programs because they had been ineffective in the past and no money for them is available anyhow. On the contrary, the government chief intends to summon the diet late in August for a session that will last several days where budgetary allocations are to be reduced by 2 percent evenly for all departments.

Another reason for economizing, to be sure, is found in that in 1977 the state of Finland also started going into debts in grand style, owing to foreign countries today as much as 16 percent of the GNP, circa Fmk 200 billion. Also the trade and payment balances show smaller balances carried forward (a minus between Fmk 2 and 3 billion is anticipated for this year), so that cautious economic management is recommended anyway in view of a budgetary Fmk 12 billion deficit. On the other hand, Finland shows the highest rates of increase in economic growth in OECD, and for the next year even a 4-percent growth rate is anticipated.

Altogether, Finland stands well on its own feet. Its government boss hopes the new political situation will help rid the country from its dubious glory to be that state in Europe that has had the most frequent cabinet changes. The budgetary discussions late in August will demonstrate how stable the incumbent government coalition is that includes, along with the "inveterate" members of the Social Democratic Party, the Center and the Swedish People's Party, now also Pekka Vennamos' populist Rural People's Party that was so very successful in the last election campaign.

Sorsa also hopes the eventual deployment of U.S. medium-range missiles in the FRG will not affect Finland politically: According to the Finnish-Soviet 1948 treaty, Moscow could ask Helsinki for consultations on a common defense, provided a danger of aggression is threatening from Germany or its allies. Most Finns assume they are the only reliable neighbors along the long borders of the Soviet Union and Moscow is not going to burden itself with problems where it has none. Sorsa is not quite that optimistic; perhaps only because he has to weigh all eventualities, but also perhaps because he was in Moscow with Koivisto.

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CSO: 3620/427

CHEYSSON ON FOREIGN POLICY: U.S., EUROPE, USSR, THIRD WORLD

Paris POLITIQUE INTERNATIONALE in French Summer 1983 pp 9-23

[Interview with Claude Cheysson, Minister of External Relations, by Andre Soussan, contributor to POLITIQUE INTERNATIONALE: "Diplomacy: the French Imprint"; date and place of interview not given; passages enclosed in slant-lines, printed in italics]

[Text] Andre Soussan: Mr Cheysson, you have conducted French diplomacy for 2 years now. What aspect of your actions are you most satisfied with today? What success are you proudest of?

Claude Cheysson: The word "success" bothers me because it involves a value judgement which it is not up to me to make. Having said this, I believe that during that period major progress has been made in the area of method. I have always thought that France's foreign policy deserved to be presented to public opinion as simply and as clearly as the internal policy was. This is why, ever since they joined the Ministry of External Affairs, the new officials of French diplomacy have expressed themselves very clearly and, especially, in the same words wherever they may have been in the world and whoever their partners may have been. I believe that this attitude is worthy of our country.

Soussan: For what reasons?

Cheysson: As it is not one of the superpowers, France does not have to spare those with whom it is talking. The two superpowers have either compulsory partners -- in the East -- or allies who are loyal and often a little too passive -- in the West. France, on the other hand, does not have such cohorts to drag along and to protect. Hence, it can afford to take fewer precautions.

I would add that the actions which have been taken over the last 2 years also seem positive to me on an essential point: the very clear choice of a policy of independence: independence for us, recognition of the right to independence for all the others. As a matter of fact, the consequence of this choice is that it would be better to talk -- rather than of a "foreign policy" -- of a "French policy which is translated abroad," as this policy is generated in France, in function of the country's interests, of its principles, of its commitments, of its constraints. This has sometimes led us to present matters in a rather sharp manner, but it has struck me that the contrasting character of our action is perfectly well accepted by all.

Soussan: Could you specify this concept of "contrasting policy"?

Cheysson: This expression covers the fact, for example, that while we are loyal allies of the Atlantic Alliance, we disagree with the United States on a number of subjects; or the fact that while we wish to maintain close relations with the USSR, we nevertheless categorically condemn some of Moscow's political and military attitudes. And we say it more clearly than it had been said in the past, except during the time of General de Gaulle.

Soussan: Does that mean that your policy is of a Gaullist inspiration?

Cheysson: General de Gaulle was a loyal ally of the United States; he proved it, specifically, at the time of the Cuban crisis. But he also delivered the Phnom Penh speech. Consequently, your reference to the Gaullist inspiration of our diplomacy doesn't bother me at all. On the contrary.

Soussan: In what major areas would you say that your policy did not produce the expected results?

Cheysson: Over the last 2 years we have experienced three major disappointments. The first one relates to the fact that, of the three areas of our foreign policy -- the Atlantic Alliance, the building of Europe and the Third World --, the second one did not make any progress. Far from going forward, the building of Europe has even shown signs of decline and discouragement.

Our second disappointment comes from the fact that we are not really being heard by the Americans. When we agree with them, then all is well; but as soon as our analyses differ, they listen to us politely without changing their own ideas.

Finally, our hopes have also been disappointed relative to the possibility of giving every country in the world an opportunity for completely independent action, even non-aligned action for all the Third World countries. The demographic and economic size of France makes it very hard for this ambition, which is an old one, to be felt. One sometimes has the feeling that there is a disproportion between the really global character of what we want to express that way and the real size of France in the world.

Soussan: Aren't you saying, Mister Minister, that France does not have the resources for its policy?

Cheysson: I am simply recalling that France does not necessarily have the resources, all by itself, to change world policy on the most difficult subjects. Hence, the need for a European dimension, or the need to bring all solidarities into play: French speakers, Mediterranean basin, etcetera.

Soussan: For lack of a "real entente," what is currently the state of our relations with the United States?

Cheysson: At the time of my first visit to Washington, in June 1981, they looked at me with curiosity and especially with a great deal of anxiety.

In America, as you know, the word "socialist" is barely proper. But they quickly realized the soundness of the French position within the Alliance. And based on experience, at the present time France is even the most reliable of the United States allies. Consequently, the Americans now acknowledge that we may have ideas which are different from theirs in some points.

Our most serious disagreement relates to the analysis of the world economy made by the French government, in the sense that, today, the only thing which seems to count for Washington is a recovery on the domestic market. But the rest (Europe, Third World) does not seem to interest the United States. For example, contrary to what numerous observers think, the Third World /as such/, the size of its market, its capacity of being a recovery factor, the need to stabilize our trade with the countries which are part of it and on which we depend for our raw materials, are questions which do not interest the United States very much. Whenever Washington concerns itself with one Third World state or another, it is first and foremost for strategic reasons.

Soussan: In your opinion, is this lack of interest on the part of Washington in the political-economic analysis developed by the French government due to the current composition of the American administration? Is it due to the fact that the majority of its most influential members are from the West coast?

Cheysson: That is an excellent question. And for a journal of the quality and influence of yours, I would like to pursue the idea a little further.

I have been struck by the two processes which brought Ronald Reagan to power in the United States and Yuri Andropov to power in the USSR. Both of them are choices which are perfectly representative of the political regimes these respective countries have given themselves. Being the quintessence of their own systems -- don't put words in my mouth to the effect that I am drawing a symmetry between these two systems, that I place them on the same level: you know very well which side we are on! --, they have the same concerns as those who made their ascent possible. Which, in concrete terms, means that they interest themselves first of all with domestic problems. Hence the great difficulty in interesting them in matters which, in their eyes, are not paramount. On the other hand, I cannot imagine a statesman becoming president of the Republic of France or chancellor of the FRG who would not, for 10 or 20 years, have "thought" his country's foreign policy.

I will always remember how much trouble we had, in the beginning, to interest certain members of the Reagan administration in the problems of the world. I repeat, it is a subject which stimulates them infinitely less than the Dow Jones indicator! Similarly, when I meet with Mr Andropov, he receives me courteously, but it is obvious that touching on international issues does not fascinate him. What interests him primarily are the strengths and weaknesses of his system, of agricultural production, of profitability, of technological progress.

Soussan: In the light of this analysis, do you feel that Ronald Reagan's presence in the White House has a negative impact for Europe?

Cheysson: It is not up to me at all to make a value judgement on the president of the United States or on any other head of state. I will simply say that it is definitely not a good thing for Europe that America thinks only rarely about the problems of the world and that, when it does think about them it is in terms of exclusively national criteria. As I told you before, we Frenchmen cannot imagine a recovery of the world economy without a place for the Third World countries, that is to say without their being one of the "motors" of this recovery. There has been a great deal of talk of American, Japanese or German locomotives. As far as I am concerned, today I am interested in all the small locomotives of the Third World. Those countries have a burning need for development and, for them, every additional dollar immediately means a capacity for survival, and then for greater consumption, for better equipment, for more advanced training. It seems regrettable to us that the Americans are indifferent to such realities. In general terms, I don't think that it is good for the United States to explain their conclusions without taking the concerns of their allies sufficiently into account. The main weakness of our alliance is indisputably the weakness of a real dialogue. But -- I would quickly add -- I infinitely prefer this imperfect situation to the constraints imposed on the members of the Warsaw Pact. In the East, when the Big One says something, the others must follow. Thank heaven, we have not come to that.

Soussan: Could you give me one or two examples of this insufficient transatlantic dialogue?

Cheysson: Allow me to choose two deliberately provocative examples, both of which concern American positions in the strategic area. First example: a statement made in 1981 -- and denied later on, as a matter of fact -- about the possibility of a nuclear conflict "limited to Europe." This is a serious prospect for the Europeans because it separates, it divides the defense of Europe from that of the United States; to talk about a nuclear conflict limited to Europe is to place Western Europe in a position of imbalance with regard to the powerful military machinery of Eastern Europe. Second example: the recent speech in which the president of the United States announced that it would be possible, between now and the year 2000, to intercept all the missiles from the opposite camp thanks to new technologies. There again, do you think that these statements were adapted to the circumstances? The prospect is a long way off and it becomes difficult to explain to the Belgian, German, Dutch and Italian citizens that they must deploy the response to the SS-20 in their backyards when, at the same time, you are telling them that it will soon be possible to intercept these SS-20's easily and surely anyhow. This lack of a real dialogue, of preliminary consultation with the Americans is, I repeat, one of the difficulties of the current period.

Soussan: You told me earlier the Americans eventually recognized the independence of France. Is the same true for the Soviets?

Cheysson: Yes, our policy is also recognized in the Soviet Union. For example, during my visit to Moscow I delivered an improvised declaration at the airport on human rights. Next, during the breakfast given in my honor, I once again outlined our position on this subject by condemning the occupation of Afghanistan and the nuclear over-armament of the USSR, but while explaining

the reasons why we nevertheless wanted to maintain good relations with the Soviet Union. During the following days, we had evidence that our message had been well accepted and my visit went off under excellent circumstances. The Soviet leaders readily admit that France speaks without smugness. This deserves to be noted, because in the last few years they had gotten somewhat out of the habit of doing this!

Soussan: What was the primary subject you touched on during your talks with the Soviet leaders?

Cheysson: French foreign policy interested the Soviets on two major points: the Third World and the Near East. Of the eight and a half hours I spent talking with Andrey Gromyko, more than half revolved around the Near East; it is well known that for that part of the world, we have our ideas, our friends and our own action. Hence, the Soviets naturally want to work with us, to think with us about the complex problems of this region; perhaps even, tomorrow, to have a parallel or convergent approach.

On the other hand, contrary to what many people thought, nuclear matters were not at the center of the debate. The thing that particularly struck me about my meeting with Andropov was the fact that he didn't seem overly interested in my responses to this question. "In any case," he said, "we'll see about that with the Americans"... When Andropov speaks about nuclear issues, he first of all thinks Americans.

Soussan: As you brought up the subject, let us talk about the Pershings. If the Europeans were voluntarily to reject their deployment, France would see a substantial increase in its European responsibility. Consequently, wouldn't the fact of encouraging the deployment of Pershings in case of a failure in Geneva come down, for us, to showing a certain selfishness?

Cheysson: For France, selfishness would consist of basing its analysis solely on its own strike force and of being indifferent to what happens in the other countries. But that is not the case. For both human and political reasons, we cannot accept that the FRG -- which is, in a certain way, our "other half"-- be placed under a threat which is likely to deprive it of its freedom of judgment. The Franco-German association (under the cover of and within the framework of the EEC) is basic for us, and hence we concern ourselves about how our partner can avoid being subjected to the threat of the SS-20's, which weighs very heavily on the "peaceful development" of Europe.

I am talking of "peaceful development" and not just "peace" because I would not want people to think that the French government believes in the possibility of a war triggered by the Soviets. On the contrary, we are convinced of the obsessive fear of war which exists in the USSR. My visit to that country gave me a physical perception of this; because I went to Leningrad, which is the very illustration of the profound reasons why the Soviets hate war. But there is no contradiction between hating war and wanting to have an instrument of power at one's disposal which would allow one sometimes to put pressure on certain parties in the other camp.

Soussan: Would France be ready to defend its German "half" if its political independence were to be compromised?

Cheysson: We are more than married to the FRG, as divorce is henceforth unimaginable. I have already said that we don't want the FRG to be threatened. We do not, for all that, claim that our nuclear instrument is capable of deterrence at the combined level of France and of Europe as a whole. To state the opposite would be betraying the truth.

Soussan: If I understand you correctly, Mister Minister, the theory of "enlarged sanctuary" is not a credible theory...

Cheysson: I repeat that we are not trying to establish a kind of nuclear hegemony over Europe. Our nuclear instrument is limited to the defense of our vital interests: the sanctuarization of our national territory, and a little more (this "a little more" is not defined, but certainly does not cover the whole European continent).

Soussan: Do you believe in the risk of the FRG going over to the Soviet camp or, at the very least, of the country being neutralized for a very long period of time?

Cheysson: That is a hypothesis which I don't even want to consider, because it would represent a major catastrophe for the Western world as a whole. We should at all cost keep this problem, which has not arisen, from ever arising. To that effect, we must prevent anyone from acquiring the means to put pressure on the FRG. We must confirm to the FRG that it has a good place in the system, of which it has been a part since 1948. The building of Europe is more than ever necessary because of the economic crisis and of the East-West tensions.

Soussan: In the face of the recent revival of these East-West tensions, can it be said today that the detente was only an illusion?

Cheysson: I wouldn't say that the detente was an illusion, but I will say that the detente has created illusions. Specifically, the illusion of believing that the authoritarian system which prevails beyond the "iron curtain" would dissolve, become cracked, disappear. This hope was a dangerous one. Life has called us back to reality. Every time the hope of going beyond "Yalta" was born, the government system which prevails in Eastern Europe rebelled and reestablished the constraints necessary to maintain authority as it exists over there. To think that the increase in economic and cultural relations would neutralize the system was an illusion. On the other hand, in the eyes of the French government the search for more numerous relations was and remains justified; it will be pursued.

Soussan: How do you, personally, see the evolution of the totalitarian system?

Cheysson: There like elsewhere -- and as has always been the case in history -- I am convinced that man will get the upper hand. Every little evolution, even if afterwards it is controlled, represents progress and restores the flame. In spite of the constraints imposed on Poland, what has happened in that country constitutes a new hope for all people of the world.

Soussan: As the policy of detente did not achieve its objectives, what strategy should the Westerners henceforth adopt with regard to the Soviet Union?

Cheysson: The problem is complex and hence does not elicit a simple response. We have to seize all opportunities to promote relations, for exchanges among people, to stress human rights -- even if all of them are not respected immediately. For example, in spite of the violations they have been subjected to, we believe in the Helsinki agreements. According to numerous testimonies, these agreements have produced an echo, albeit a very weak one, in the East. We should constantly improve their expression, specifically through the intermediary of conferences such as the one in Madrid. We should also, as I told you a moment ago, increase relations of all kinds, on the sole condition that they do not strengthen the Soviet military potential.

Soussan: Does the Soviet Union, in your opinion, have a global plan?

Cheysson: Certainly; how could this not be the case for a country of that dimension with such a past, entrusted with such military, economic and political responsibilities in the world? You should not forget that, throughout the centuries, Russia has always felt surrounded, threatened along its borders. Furthermore, it still lives with the conviction of communist ecumenism which is supposed to provide universal answers. Hence, it is normal that it should have a global plan.

Soussan: Do you think that economic or technological sanctions are good ways to temper Soviet ambitions?

Cheysson: Personally, I have always been opposed to economic sanctions because of their historically proven ineffectiveness. Up to now, economic sanctions have never been anything but statements to ease our conscience.

This was seen, once again, under Jimmy Carter: the grain embargo, decreed by the White House, did not, to the best of my knowledge, prevent the USSR from getting all the grain it needed. The only difference was that the grain passed in transit through intermediary countries. Similarly, when the Arab countries decided to impose an oil embargo on Denmark and the Netherlands, the measure remained without effect: so much oil was arriving in Rotterdam that they didn't know what to do with it; they would have put some in thimbles!

Soussan: But isn't this lack of results due, specifically, to the fact that no policy of sanctions has ever been /completely/ respected?

Cheysson: Indeed, I don't know of a single example of sanctions having been implemented by all those who should have implemented them. But, what is worse, is the fact that there are numerous cases in history of sanctions which produced effects contrary to those which had been expected. A spectacular illustration of this phenomenon was Southern Rhodesia, which experienced remarkable economic development. But one could also recall Napoleon's "continental blockade" against England.

Soussan: Hence, what really effective means do the Westerners have at their disposal to contain Soviet expansionism?

Cheysson: What exactly do you call Soviet expansionism? Have you been struck by it in recent years?

Soussan: Certainly. Struck and worried, Mister Minister.

Cheysson: Reality is much more complex. In Europe, the USSR has not crossed the limits set at the end of the Second World War which, it is true, had given it territorial benefits. Within the space of Eastern Europe, its influence is probably less univocal, less monolithic than it used to be: as you know, today Hungary is a member of the International Monetary Fund and it has relaxed its system of economic planning. In the Middle East, the Soviet Union has experienced more failures than successes. Let us not talk too quickly of "Soviet successes" in the Third World: I am still waiting to find out about a case of a developing country in which Moscow has conducted a successful development policy. True, there have been serious exceptions, such as the unacceptable entry of Soviet troops into Afghanistan. But can it be said that this occupation -- which is unacceptable, I repeat -- has been successful or makes a "success"?

Soussan: And yet, in recent years numerous countries have -- directly or indirectly -- fallen under the yoke of the Soviet Union, specifically Angola where there are still 40,000 Cubans...

Cheysson: Precisely, let us talk about Angola. Nobody can deny that the Cubans have helped the Angolan regime defend itself against foreign invasions. But the Angolans themselves have stated that the day when they are no longer physically bombarded, occupied or threatened, they will ask for the departure of the Cubans; and we have no reason to believe that the Cubans would refuse to leave, on the contrary. What will remain then of "Soviet expansionism"? Probably not much more than what has remained in other countries where the Soviets were temporarily present, such as for example in Guinea; and hasn't Guinea recovered its independence with regard to the Soviets?

Soussan: Let us turn to Central America, if you don't mind. Do you think that that region of the world could become another illustration of the domino theory?

Cheysson: This famous theory was thought up at the time of the Indochina wars. It proved to be so absurd there that I find it surprising that the expression has been revived. As far as I am concerned, I don't accept it.

Soussan: And yet, it is a serious fear which has been expressed by the American administration...

Cheysson: True, it is one of the arguments advanced by the United States. Does it really represent a "fear"? I have trouble believing that. There are a good many other ways to approach the problems of Central America. It would seem to me that the healthiest way would be to recognize that the difficulties, which were generally inherited from the past, are basically economic and social in origin and that they generate political problems which must be treated as such. Unfortunately, this was not the case for Cuba in the past, as you know. The least that can be said is that the results of this assessment error have not been brilliant!

As for the domino theory, I repeat that in my opinion it does not make much sense.

Soussan: You seem to be insinuating, Mister Minister, that when it comes to Central America the Reagan administration has a sort of "fixation"; that it is nearly "obsessed" by this problem...

Cheysson: I wouldn't say that our allies are "obsessed," but worried, distressed; and then you could eliminate the adverb "nearly"!

Soussan: But, assuming that the revolutionary movement were to spread in that region of the world to the extent of reaching Mexico, wouldn't the Americans then be forced to alter their priorities in matters of defense, possibly to the detriment of Europe?

Cheysson: It is obvious that the United States would react to the presence of a hostile regime in Mexico. This is why it is necessary to help Mexico (and its neighbors) solve its problems and pursue its economic and social development. The efforts agreed on in this direction are seriously compromised by the country's oil problems. But the Americans are aware of this and they are making significant sacrifices in this area.

Having said this, I hope that in defining their future line of conduct in the Caribbean, the Americans will always remember the disappointments suffered in Nicaragua -- a country where, for decades, unparalleled corruption and dictatorship were developed. In El Salvador, even today, they are increasing military aid with the sole result of worsening the civil war. Are they going to continue making mistakes? In that case, how much suffering there will be in Central America!

Soussan: What alternative solution would you suggest to the Americans to settle the problems of Latin America?

Cheysson: We would gladly repeat what the countries of Central America themselves have proposed. Currently, the four "Contadora" countries -- that is to say Mexico, Venezuela, Colombia and Panama -- want to organize a regional meeting which would exclude none of the five Central American countries. As far as we are concerned, we are ready to associate ourselves with that effort if we are asked to. In any case, these problems must first be discussed by the interested parties themselves, even if this takes time.

Soussan: Why did France supply arms to Nicaragua a year ago? Was it a question of drawing that country into the Western camp?

Cheysson: At the time when Somoza was overthrown by the Sandinistas, the European governments immediately provided humanitarian aid to the new Nicaraguan regime. France started its aid program at that time and this assistance was significantly broadened as soon as we came to power. At the time of my first visit to Central America as a government member, in July 1981, the leaders of Nicaragua asked me whether France was willing to supply arms to them. I was not enthusiastic. They once again asked that question at the time of their visit to Paris, a few months later, stressing the fact that our refusal to

supply them with arms would force them to lean exclusively on one of the two superpowers (that is to say, in the case of Sandinista Nicaragua, on the Soviets). We then decided to give them extremely limited military aid: \$15 million. It was a symbolic gesture, intended to prove that we were really concerned about preserving the independence of Nicaragua. As a matter of fact, this aid had no military significance: you will agree with me when you compare this with what has been supplied to some neighbors...

Soussan: To conclude, let us touch on the situation in the Near East. What is your analysis of the upheavals which trouble this region of the world?

Cheysson: I believe that the Middle East is experiencing two simultaneous crises whose conjunction could manifest itself soon: on the one hand, the Iran-Iraq crisis and, on the other hand, the crisis which affects the future of the Palestinian people.

Soussan: Let us start with the Iraqi-Iranian war. Are you hoping for a rapid change in this conflict?

Cheysson: Unfortunately, no. Iraq is capable of resisting the Iranian attacks, even though its forces are fewer than those of Iran. The Iraqi army is a good, professional army, which knows how to use its equipment on Iraqi soil.

The Iranian revolution is in full progress: it enjoys a perfectly respectable popular support (I don't hesitate in using that word, because there was a sudden reaction of the Iranian people against the regime of the Shah and against a cultural model which the people did not feel was theirs, that is an historical fact); true, this revolution sometimes also takes extreme forms -- for example, with regard to Iraq. No, I don't expect a quick settlement of this first crisis.

Soussan: Isn't the "respect" which the Iranian revolution inspires in you in contradiction to the massive aid given by France to Iraq?

Cheysson: The policy of aid to Iraq already existed when we arrived at the Ministry of External Relations, and I must say that pursuing it has not caused us any embarrassment at all, as Iraq agreed to withdraw to the border which was internationally recognized by all in 1975 in Algiers. Next, I would stress that our action, which enables Iraq to ensure its defense on its territory, conforms exactly to the unanimous view of the Arab world as expressed at the Fez summit meeting. Our wish, of course, is for a return to peace. Hence, our untiring appeals, particularly during each of my visits in the region, for both of these great countries to stop the war and negotiate.

Soussan: Do you have more hope with regard to the development of the Israeli-Palestinian problem?

Cheysson: There again, and up to today, developments have been disappointing and disquieting. We think that the absolute priority today is the evacuation of the foreign troops in Lebanon. In order to achieve this, it is necessary for the negotiations between the Israelis and the Lebanese to become more

concrete, which should also ensure the departure of the Syrians and the Palestinians. The United States has committed its authority, its credibility to this matter. We expect the Americans to put enough pressure on their principal partner so that an agreement can be reached in Khalde. As for France, it supports the Lebanese government -- which is the legitimate government -- in several ways: through the intermediary of the French contingent in the multinational force, through a significant cultural presence, through a program of cooperation and through the supply of military equipment which will amount to approximately 600 million francs. It will then be possible to start looking again for a durable solution, by means of negotiations which would necessarily bring together /all/ of the main protagonists.

Soussan: That is to say, the PLO?

Cheysson: Absolutely. This was stated at the European level in June 1982, and has been repeated often. In a joint resolution with the Egyptians we have written down in black and white what we expect from such negotiations.

Soussan: Do you believe that direct negotiations between the PLO and Israel are really possible?

Cheysson: I don't want to not believe in them. Because to reject that hypothesis would amount to admitting the perpetuation of the present situation, in which stability can be the result only of force. By definition, the current elements of the problem can only be temporary; they do not, under any circumstances, provide an answer for the longer term. And as long as things remain confined to a temporary framework, the Lebanese and Palestinian people will alas continue to suffer and, sometimes, to rebel.

Soussan: A last question, Mister Minister. Do you think that a labor government, led for example by Shimon Peres, would facilitate -- better than the Begin government does -- a direct dialogue between Israelis and Palestinians?

Cheysson: It is not up to me to say that. However, it is true that there is a significant difference of approach between the majority and the opposition in Israel relative to the occupied territories. The Israeli Labor Party recognizes that there are "occupied" territories; whereas the Begin government only talks about "Judea" and "Samaria." This is a factor which should not be disregarded.

8463

CSO: 3519/562

LIST, BIOGRAPHIC DATA OF PASOK CENTRAL COMMITTEE MEMBERS

Members Listed

Athens ETHNOS in Greek 30 Jul 83 p 5

[Excerpts] M. Doris: Born in Athens in 1936. He studied at the Polytechnic and worked as an architect. Became involved in the labor-union movement and was president of the Association of Architects. Former secretary general of the Ministry of Culture.

K. Koulouris: Born in 1940 in Kerkyra. He studied economics at the ASOEE [Supreme School of Economic and Commercial Sciences], and specialized in the economic sector of transportation in London. As a student he was active politically in ONEK [expansion unknown] and later in EDIN [Greek Democratic Youth]. He worked at the DEI [Public Power Corporation], from which he was discharged in 1967. He has been a member of PAK [Panhellenic Liberation Movement]. Secretary general of the Subministry of Athletics.

M. Kyratsous: Born in 1925 in Kozani. He studied law at the University of Salonica. He was a founding officer of the Socialist Party (EPD) of Alekos Svolos. During the civil war period he was exiled to Makronisos. He was mayor of Kozani, but was dismissed by the dictatorship. One of the founding members of PASOK. Secretary general of the Subministry of Northern Greece.

G. Koronaios: He was born in Baltimore, United States, in 1916. He studied law at the Supreme School of Economic and Commercial Sciences. Profession: Lawyer. Member of the Executive Secretariat.

S. Kostopoulos: He was born in Patrai. Studied political science in Italy and in Geneva. An officer in PAK. A founding member of PASOK. On the editorial board of the EXORMISI. Secretary general of the Subministry of the Press.

G. Laskarakis: Born in 1944 in Alexandroupolis. Studied to be a topographer.

L. Lymberakis: He was born in 1939 in Doliana, Arkadia. He studied to be an electrical engineer. During the dictatorship he was arrested.

Khr. Markopoulos: He was born in Athens in 1925. Studied at the Athens Pedagogical Academy and afterwards in the chemistry department of the University of Athens. A Eurodeputy.

D. Mavrakis: Physicist. A labor-union leader at the University of Athens. Member of the Central Council of the EFEE [National Student Union of Greece] between 1965 and 1966. Chairman at the Greek Metsovian Polytechnic School at the change in government. He was expelled for his unionist activity. A member of the Organizational Committee.

N. Mikhalopoulos: Born in 1945 in Pardalion, Lakonia. He studied law. Was arrested for his participation in PAK. A founding member of PASOK. A member of the Organizational Committee. A lawyer.

P. Moralis: He was born in 1936 at Sidirokastron, Serrai. He studied literature in Athens. He was assistant professor in the chair of modern literature. He resigned in 1967. Chairman of the Association of Private School Teachers. A member of the Executive Office. Deputy minister of education.

Th. Balis: A graduate of the Pandeios School, 31 years old. A former chairman of the association at this school.

G. Mortzos: He was born in 1940. Studied theater at the (Koun) School. A member of PASOK since its founding. A member of the Cultural Committee. A former director in ERT-2 [Greek Radio and Television-2].

T. Nikainas: Born in 1942 at Fanarion, Karditsa. Studied law. An officer in the EDA [United Democratic Left] prior to the dictatorship. A member of the "Friends of PAK" of West Germany. A founding member of PASOK. A member of the Cultural Committee. Lawyer.

P. Nikolaidis: Born in 1933 in Piraeus. He studied at the Piraeus Industrial School. Used to be a member of the EDA Youth.

A. Doutsos: Born in 1934 in Kiverion, Argolis. He has been mayor of the community of Kiverion. Profession: Farmer.

A. Ouzounidis: Born in Knidi, Grevena in 1938. General secretary of the Federation of Greek Associations and Communities of Sweden. A member of PAK. A founding member of PASOK. Mechanical engineer.

A. Papathanasopoulos: Chemical engineer, 49 years old. A member of the Administrative Committee of the Technical Chamber. Labor-union leader.

G. Papadatos: Doctor, 39 years old. A member of the Enlightenment Committee.

G. Papaspyrou: Born in Piraeus in 1922. Economist. Former Center Union deputy. Took part in the National Resistance. A founding member of PASOK. Mayor of Piraeus.

Khr. Papoutsis: 31 years old. A graduate of the ASOEE. A former chairman of the EFEE. A member of the Youth Committee. Consultant with the Ministry to the Premier. A member of the Executive Secretariat.

A. Pappas: Assistant engineer, 49 years old. He fought against the dictatorship in the organization DEKA [Democratic National Resistance Movement].

V. Pavlidis: Born in Rhodes in 1943. Studied graphic arts. Cartoonist. Member of PAK. Founding member of PASOK.

A. Peponis: Born in Athens in 1924. Participated in the National Resistance. General director of the EIR [National Radio Institute] in 1965. A member of EKDA [expansion unknown]. Member of the Center for Research and Information.

Kh. Petsas: Born in Larisa in 1928. Lawyer. Participated actively in the anti-junta struggle. A founding member of PASOK.

K. Politopoulos: Born in Athens in 1939. Studied law. A member of PASOK since its founding.

Th. Rallis: Born in Pyrgos, Ileia in 1944. Doctor. Deputy chairman of the OSNIE [Federation of Greek Nursing Home Societies]. A member of the Labor Union Committee of Workers and Employees.

K. Skandalidis: Born in 1953 in Kos. A graduate of the Polytechnic. Chairman of the Dodekanisos Students Association. Has been a member of the Central Council of PASP [Panhellenic Militant Student Faction].

D. Rokos: Born in 1941 in Giannena. A doctor of engineering, he has served as deputy chairman of the TEE [Technical Chamber of Greece]. A member of the Democratic Defense in the time of the dictatorship. A member of KEMEDIA [expansion unknown]. Secretary general of the Ministry of Education.

M. Sakellaris: Is 42 years old. Economist. A member of PASOK since its founding.

St. Serafeimidis: Born in Garipa, Irakleion in 1945. Studied to be a doctor at the University of Salonica. A founding member of PASOK.

D. Sotirlis: Born in 1942 in Karoplesion, Karditsa. Studied to be an electrical engineer in Hanover, West Germany. A member of the National Council of PAK. A member of the Executive Secretariat.

Th. Tsouras: Private employee, 36 years old. Studied at the Athens Medical School. A member of PAK. Was arrested during the dictatorship. A founding member of PASOK. Secretary general of the Ministry of the Interior.

G. Floros: Born in 1925 in Larisa. He is a doctor. Took part in the National Resistance in the ranks of EAM-ELAS [National Liberation Front-National People's Liberation Army]. A member of PAK. Deputy minister of health.

A. Fouras: Born in 1947 in Manesion, Kalavryta. Studied law. Was a labor-union leader in the student sector. A member of PASOK since its founding.

M. Kharalambidis: Born in Alexandroupolis in 1951. Studied political science. A member of PAK.

G. Kharalambopoulos: Born in Psarion, Messinia in 1919. Completed studies at the Army Cadets Academy and took part in the Greek-Italian war. Studied to be a mechanical engineer in London. Professor at the Army Cadets Academy. Founder of the resistance organization EKDA. Was arrested by the dictatorship, imprisoned, and deported. Was in charge of PAK in Greece. A member of the Executive Office.

N. Khras: He is a farmer, 61 years old. Active officer in the agricultural union movement.

A. Khristodoulidis: Born in Cyprus in 1942. He is a journalist, and until recently was director of the Athens News Agency. He pursued law in Athens and in London. He took part in the national-liberation struggle of Cyprus. A member of the Democratic Defense. Was imprisoned in Germany for his resistance activity. A founding member of PASOK.

M. Koutsileou-Koulaxi: A member of the Executive Secretariat.

M. Gyvalos: Member of the Executive Secretariat.

Th. Athanasoulis: Studied at the KATEE [Higher Technical and Vocational Training Center], consultant with the Ministry of Education, 30 years old.

D. Gaitanidis: Laborer and union leader.

G. Giokas: Civil engineer.

G. Exarkhou: Merchant.

L. Zarras: Farmer and member of a cooperative.

Th. Kapetanopoulos: Private employee.

Tz. Karaveli: Private employee.

A. Karamalou: Employee at the OTE [Greek Telecommunications Organization] and labor-union leader.

N. Kargopoulos: Chemist, member of the Organizational Committee.

L. Kyriakou: Farmer.

G. Paidakakis: Laborer and union leader.

General Statistics

Athens TO VIMA TIS KYRIAKIS in Greek 31 Jul 83 p 13

[Excerpt] If from a political point of view the chief characteristics of the PASOK Central Committee are those we have mentioned, its social composition is also of particular interest.

Among the 60 "party-member" officers there are 20 technicians, 15 lawyers, 14 businessmen, 8 young scientists and students, 7 laborers, 6 farmers, 5 doctors, and 5 economists.

A chief feature is the predominance of the technical branches (engineers, architects, and so forth) compared to the traditional professions (doctors, lawyers).

This phenomenon of the rise in technical professions--primarily those of the "Polytechnic"--is not unrelated to the socioeconomic developments in our country in the last two decades.

A strong presence and influence on the part of the technical branches exists in all the parties, but in PASOK this phenomenon is especially noticeable, not only in the Central Committee but in all the ranks of its organization. With respect to age, the average for the members of the Central Committee is 40 years old, and this is the "youngest" collective organ of any party in Greece.

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CSO: 3521/399

EUROCOMMUNIST DAILY COMMENTS ON AVEROF SUCCESSION

Athens I AVGI in Greek 24 Jul 83 p 3

/Commentary by Kostas Spyropoulos/

/Excerpts/ Now that the agreement on the American bases has been signed, will Mr Averof remain as president of ND? Or, to the contrary, will those who maintained that strong elements had wanted Mr Averof in the presidency of the honorable opposition only as long as the bases negotiations lasted be disappointed?

The only thing certain now is that all within New Democracy have decided not to raise the presidency issue at this time. They are leaving the initiative for the settlement of the leadership issue up to Mr Averof. The present leader is also using the opportunity to strengthen his position.

Intra-party opposition to the Kalamata incidents and their political repercussions have stirred up the waters within New Democracy that had recently been calm-- at least on the surface. This is so because, in essence, the mutual infighting among the heirs apparent to the leadership post has actually never stopped. Their joint appearance on the balconies before the public was on the ND leader's demand. He wanted in this way to show the people that "he controls everything." Even in "unity" proclamations, the various elements of the Right competed with each other in talking about dangers and about anti-communism, not, of course, from polite rivalry for the unity of their party but from anxiety over their own personal projection and for the raising of their own personal stock for some future cashing in.

Messrs Boutos and Stefanopoulos are alleged to have said, "We will chase out the centrists with their violent and frenzied actions," the very same night the Kalamata meeting took place. The unusual thing, however, is that those protesting were disturbed only by the shenanigans of ONNED /Youth Organization of the New Democracy/, not, however, by the civil war ties of Mr Averof from which, indeed, they did not feel the need to differentiate themselves.

According to the close circle of a former ND minister, following the announcement of the bases agreement, the concerns over the loss of the centrists, i.e. the moderates, greatly increased.

The same minister added, "In Kalamata, our theme was: Over here is the builder, over there is the demolisher, in other words, Andreas." This same rightist element asks, "How will we now, however, convince the people that the one who is smoothing out Greek-American relations is the 'demolisher?'" It is, however, also the assumption of the EEC presidency that has raised the prestige of Mr Papandreou in centrist, and even conservative, circles. Mr Averof's charge that "he is isolating the country and is creating problems in international organizations" is quite difficult to be convincing when the prime minister is assuming its presidency by proclaiming that his goal is to solve problems and not to add new ones. In other words, those who are concerned must reckon together to what extent PASOK is attracting centrists. The well-known press conference by Mr Papandreou confirms this development. He is not announcing it beforehand.

Under these conditions, discussions within New Democracy is assuming proportions that go beyond personalities. Without denying information that was mentioned at the beginning of this article, persons who know ND quite well report that what stands out today is the party's policy. In other words, how it will confront PASOK in the Center arena toward which it is going full tilt. The same source mentions that the three known heirs to the leadership post have agreed not to raise the leadership issue so long as their leader himself is not doing so on his own initiative. One way or another, the policy problems remain. More specifically, the choice of an opposition strategy. Either undermining of or damage to the government or an attempt at bipartisan understanding with mutual PASOK (or some parts of it..) and ND concessions. In this way, it may be possible to synthesize the two choices that ND has before it. Even though no leadership issue is being raised today, the settlement of the dilemma that we have mentioned is also linked, on a long-term basis, with personalities for the additional reason that the undermining choice is, formally, an Averof line, while the bipartisan understanding choice is a Rallis line.

It is not at all fortuitous that immediately after the initialing of the bases agreement, Rallis elements move strongly toward the bipartisan agreement line. On 17 July, just 2 days after the agreement was initialed, I KATHIMERINI was asking for a jointly approved responsible policy in the economic field also, recalling the well-known press conference by former Prime Minister Rallis to economic editors. The article in question was accompanied by a photograph of Karamanlis and Papandreou with the following eloquent caption, "In the Steps of the President." Many observed that the exhortation was not directed only at the prime minister but also had Mr Averof in mind. MESIMVRINI too had continuous commentaries all the previous week whose theme was "a rallying with the front to the Left." It is understood that the meaning Left included PASOK's "extreme" wing. Less eloquently, AKROPOLIS --and for different reasons, of course -- wrote about "an 85 percent majority in favor of the bases."

Mr Averof's latest moves must be examined in the light of these developments. Portraying the "indisputable leader of ND" and in statements by him about the "future prime minister," Mr Averof is now engaged in two matters: the party program that will be "new wherever it is so needed" and the...opening toward the Center.

The opening toward the Center presents greater difficulties. Regardless of how much Mr Averof self-complacently maintains that "we are astride the Center," his statement has for many people a linguistic meaning only. Despite the fact that he actually comes from the "liberal wing," as he himself has recently recalled. The only thing is that Mr Averof has not been considered by public opinion as a "centrist." Nevertheless, regardless if the centrist attire will henceforth be ND's official dress code or if he will not "use" it in his next speech, the argument presents additional difficulties.

First of all, since Mr Averof himself knows that he is less suited to address himself to the centrists he cannot but see how "it works for another" if the opening should continue. Of course, his leadership presence cannot be explicitly disputed as long as his stay in the leadership post is judged by the effectiveness of his actions. In other words, to what extent he will help in the development of the influence of the Right.

With inconsistent moves to the outside and with a lessened capability of being imposing on the inside, the only thing that Mr Averof can hope for is that for the time being he is not being explicitly contested.

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CSO: 3521/393

ALLEGED CAUSES OF DISSENT IN KKE RANKS

Possible Florakis Replacement

Athens MESIMVRINI in Greek 25 Jul 83 p 5

[Article by "The Observer"]

[Text] The KKE is presently undergoing one of its most painful internal crises in its history. Successive events are putting to the test its traditional monolithic position, while centrifugal forces are developing within its depths. Its internal crisis is no longer three dimensional but multidimensional. At meetings of cadres --especially during the recent absence of Mr Florakis abroad-- "heretical" views were expressed, anti-leadership and anti-hegemonic trends were manifested, while "resistance" signs to "outside" intervention were organized.

The basic events that are provoking convulsive spasms within the KKE can be described roughly as follows:

- The bloody events in Kalamata and criticism over the participation by the communists in these events.
- The bases agreement, exasperation in the grassroots levels and subversive action of Moscow's "positions."
- Secret PASOK-KKE contacts over the electoral law and over the designation of points of common agreement.
- Displeasure over direct PASOK- Moscow contacts without the KKE's knowledge.
- Florakis' statement in an Athens publication in which he came out in favor of the release of the coup d'etat instigators who are imprisoned in Korydallos.

More analytically-speaking, the following is provided on the KKE troubles:

1. The bloody events in Kalamata constituted the first occasion for disagreements within the KKE, at least in 1983. Party cadres --indeed, high-ranking ones--

noted with displeasure that KKE adherents participated in these events that could have erupted into an open civil strife. This displeasure had various origins.

- Several cadres were unhappy because the KKE's involvement in a strong confrontation between PASOK and ND could have led the party to a "great incident" without special cause.

- Other cadres were displeased simply because the participation by communists in the strong and insulting campaign against ND and more specifically against Mr Averof --dirty wall posters and odious slogans-- took place without the higher echelons of the party being informed.

- Finally, the firm opposition of the so-called "Cypriots" was manifested. This is one wing within the KKE that espouses the tactics of the Cypriot AKEL, i.e. the avoidance of any form of violence for any reason whatsoever.

The prevailing view in the KKE today with regard to violence is that at this time it is not to the party's interests and, at any rate, is repellent when it is practiced on PASOK's account. And yet, both in the Khalkis and Kalamata events a strong presence of "scoundrels" coming from the KKE ranks was noted. The explanation for the collaboration of the two Marxist parties in these events goes back to the "joint decision" for the "no return" sweeping away of the Right from the political scene.... There is, however, much opposition to this issue, with the "proper ones" criticizing the "touchy ones" for rushing in for "revenge."

2. There are, indeed, secret contacts by authorized elements of both PASOK and the KKE during which the "contact points" or "joint approval" between the two parties are determined.

There is also information to the effect that Mr Gennimatas (or Mr K. Leliotis) participated in these contacts quite a few times on behalf of PASOK. Primarily, the minister of interior was involved in the issue of the electoral law that is being secretly prepared.

With regard to this new law, there is information that it provides for elections in two rounds. During the first round, 200 seats will be distributed with the simple proportional electoral system, and in the second round, the remaining 100 seats --the deputies at large will be done away with since the deputies will be "designated" by the party. Taking part in the second round will be only the two majority parties, while the majority electoral system will be in effect.

This system is being offered to the KKE by the government.

To satisfy PASOK's pre-election promise --and, of course, the KKE's demand-- for the establishment of the simple proportional that on the way becomes the establishment of a "simple proportional system."

- To restrain itself as long as ND's parliamentary strength is growing.

The KKE cadres participating on the contact committees are said to have agreed to this system because they feel that in the most extreme of circumstances, i.e. even if the KKE does not come out the first or second party in any party division so as to take part in a second round, it will elect from the first round, even with 11 percent, twice as many deputies as it has today.

The party's leadership, however, as well as many cadres still do not agree to the acceptance of the new system for the following reasons:

- It would be considered as having abandoned the firm demand for the simple proportional.
- It would be judged as collaborating with PASOK in a "prefabricated" and "abortive" electoral system that would be misleading to the people.
- It would fail in its most important political goal, i.e. the upsetting of PASOK's self-power. With this law, the communists will be called on during the second round to vote, as was done during the municipal elections, in favor of PASOK coalitions with the result that Mr Papandreou would once again gain an absolute majority in parliament and would ignore the KKE. With the new law, this could be attained even if ND would reach 49 percent.

There is yet another reason why the KKE leadership does not yet accept the electoral law under consideration.

- If the simple proportional is, in fact, used for the first round, then the KKE (Int.), and perhaps even extremist elements, will assuredly be represented in parliament. And the KKE does not in any way whatsoever want these parties in parliament. PASOK, in its endeavor to induce the KKE to agree to the dual electoral law, is now examining the case to enact a minimum percentage of participation in the first round distribution, for example, 4 or 5 percent, at which time all the "small parties" will be excluded.

At the same time, PASOK, so as to counter the opposition by the KKE (Int.), has promised that party "positions" for five or eight of its cadres in PASOK coalitions in accordance with the Manolis Glezos precedent. However, this detail too is bothering the dogmatic KKE... Strong disagreements among KKE cadres over the electoral law are often observed and lively discussions are taking place daily... In other "common points," "gentlemen's agreements" have been achieved between PASOK and the KKE with the goal still being ND and the financial paying off of KKE party cadres and refugees.....

3. The KKE has information, but also "sees," that there is a direct contact channel between the government and the Kremlin. It is unhappy because it is receiving orders to conform to agreements that have been reached on the basis of this PASOK-USSR channel without its being informed and often counter to its own views.

The KKE leadership is not manifesting its displeasure "over the fears of the Jews," but spirited cadres primarily belonging to the KNE /Greek Communist Youth/ are complaining in a boisterous fashion and are criticizing Mr Florakis for tolerating this situation that could finally end up into a "Ba'ath" or "Nasir" type status with communists being destined for missions of sacrifice. By reason of the TASS-bases fiasco, it became known that a KNE group of cadres demanded an immediate counteraction by the party secretary and the delivery of a message of protest to the Kremlin....

The bases agreement and Moscow's stance constituted a further definitive blow to the internal cohesiveness of the KKE. Of course, the KKE had had "a presentiment" or had been properly informed that Moscow was not disposed to begin a fight with Mr Papandreou over the withdrawal of the bases. Mr Papandreou had explained to the Soviets (and openly so) that despite his desires he could not immediately withdraw the bases nor could he "wage war" against America. Soviet realism found the Greek prime minister "understandable." Besides, the Yalta Agreement that Moscow still respects permitted Moscow to claim from Mr Papandreou nothing more than a friendly stand on certain issues. Here, the Greek Government granted the Soviets much more than they expected, what with its proclamations to western organizations and its "heretical" behavior. A well-known old policy of the Left characteristically says, "Only the position of Greece on missiles and nuclear weapons was worth the sacrifice of a few Florakis' for Moscow..."

Therefore, more than satisfied, Moscow understood the "bases problem" (real or imagined) as Mr Papandreou had put it. And the KKE knows this. For that reason too it progressively oriented its "positions" vis-a-vis the bases from the PASOK "the bases of death get out right now" to "the bases should leave at a logically necessary time" and "the bases should leave during this parliament's term of office," the latter when the "danger" of the long-term time frame is at last eliminated. And finally "the bases should leave at the technically necessary time."

However, the leftist masses which for years now have been drugged with the slogan "the bases of death" cannot accept the fact that for 6 years the "frightful danger" that firmly lies hidden in these "odious" bases will not prevail. It could not stomach the fact that through a roundabout operation Mr Papandreou had castrated the bases monster and had rendered it incapable of doing any harm for 6 years.

The KKE received these messages from the masses and decided from that very night to react with spectacular protests by its parliamentary representative and by demonstrations in the streets.

But that very same night, breaking every previous speed record, TASS hurled its thunderbolt over the radio waves:

- "America was forced to back off before the strong stance of the Athens government."

And so as to preclude any doubts, this was followed up by a broadcast by Radio Moscow.....

At this point, things took a tragic turn for the KKE.

Having the permission of the Soviets, the government and its press brutally challenged the KKE. EXORMISIS, the predominantly partisan newspaper of PASOK, carried toughly-worded articles and from its texts there was a gruff message for the KKE, "Woe to the defeated." ELEVETHERI GNOMI too rails at Mr Florakis for having "to eat crow" and foresees that the KKE secretary "will bring catastrophe on himself." Also involved is the KKE (Int.). I AVGI considers the KKE's misfortune as a natural consequence of the lack of autonomy and the party's subservience to Moscow. Mr Kyrkos criticized Mr Florakis for "talking nonsense," "stirring up the people" and for making a fool of himself.

At the same time, they describe the KKE's demand for a referendum as a "soap bubble" since Mr Papandreou does not have the right, according to the constitution, to proclaim a referendum.

All of this is provoking strong opposition among the especially new members who see the party being degraded and its influence among the masses being reduced.

After this, "hot-blooded" communists are carrying out daily discussions in party offices, at places of work, in trade union organs they control, etc. In its confusion, the party's leadership is dragged each time toward the side of "the stronger" adherents and sometimes issues and sometimes invalidates proclamations against the bases.

In this confusion, it is not improbable that Mr Florakis might be ousted and a person with less "orthodox" views designated....

KKE Denial

Athens RIZOSPASTIS in Greek 26 Jul 83 p 2

/Editorial: "The Anti-KKE Campaign"/

/Text/ The rightist press attack against the KKE is continuing --with the not at all negligible organizational "contribution" by well-known government circles-- and particularly against Comrade Kh. Florakis, the central committee secretary general. Yesterday, MESIMVRINI continued the serial with a half-page "analysis" that was very revealing of the goals of the orchestrated campaign. So, the rightist newspaper is disconcerted with grief and anxiety because, as it says, the KKE members "see the party being degraded and its prestige among the masses being reduced!" And it is enraged because "in its confusion, the party's leadership is dragged each time toward the side of 'the stronger' adherents and sometimes issues and sometimes invalidates proclamations against the bases!" The Right cannot hide its hatred vis-a-vis popular mobilization against the bases. MESIMVRINI writes that "the leftist masses have for years now been drugged (!) with the slogan 'the bases of death.'" Here is to be found what is being asked. Namely, that the KKE did not consent to the agreement for the maintenance of the bases that the PASOK government signed. Namely, that the KKE

is the only political force that is coming out in favor of their withdrawal and therefore smashes the myth to the effect that "90 percent" allegedly approve their remaining. This is so because the mobilization that the KKE is organizing or supporting provides for the possibility for all patriots, regardless of political convictions, to combatively express their opposition to the agreement that was initialed and to demand the government not to sign it. It provides the opportunity to thus clearly show that the majority of the people are opposed to the maintenance of the bases despite the fact that the top leadership of the government, the opposition and the Americans all "moved together" in their praise over the "usefulness" of the agreement providing for the maintenance of the bases. So, let the government put aside stories about disagreements that allegedly "are tearing the KKE to pieces" over the bases issue and let it dare move forward toward a referendum on whether or not the bases should remain. Here, the people will give the answer they must and the solution that is fit for the true political problem that is today stirring up the country.

Recent Proscriptions

Athens ANDI in Greek No 237, 22 Jul 83 pp 16-17

/Article by Stelios Kouloglou/

/Text/ The operation "to purge dissenters" that the KKE leadership recently undertook against all those who dare question "the line" is assuming greater proportions.

According to ANDI's exclusive information, it appears that other KKE cadres and members are suffering the same fate as the "four" who "sinned" on account of... Kyrkos, while the dissolution of "problem" party organizations of scientists and intellectuals and their absorption by disciplined organizations is moving ahead at a rapid pace.

Certain of the cadres that are being eliminated these days are facing --a surprising fact for the KKE-- charges that "they did not accomplish their work," charges that are also being brought against cadres that supported the KKE's illegal activities during the period of the dictatorship. It appears that the operation is being extended to all of Greece, with Salonica being the next target after Athens. Others are being charged because they had... contacts with the "four" despite the fact that these same individuals --those charged-- categorically state that they do not know them, not even knowing "how they look like," while a few others "are being criticized" because of their friendly ties with them.

In the meantime, the...indictment and anticonstitutional proceedings with which N. Bitsis, M. Trandalidis, G. Andoniou and Th. Gialgetsis were eliminated has provoked discontent and confusion among many in the party. Certain ones declare that the case was "the drop that caused the cup to overflow," and they are getting ready to withdraw from the KKE. Many are conscious that the limits of a critical stance within the KKE are restricted, if not non-existent.

Finally, the overall picture is completed by the disagreements that have recently increased at the leadership level, not over the handling of the dissenters but over political differences that mainly relate to the confrontation of the government, the RIZOSPASTIS propaganda and other related matters. According to other information, Kh. Florakis is threatening to resign from his position as secretary general --allegedly for reasons of health-- thus seeking the elimination of other cells of power within the party. It has not been possible to confirm this information up to now, but KKE circles deem it as a PASOK "provocation." What is certain is that after a recent visit to the RIZOSPASTIS office by Kh. Florakis, an "imposing quarrel" (the expression is not ours) broke out over the quality of RIZOSPASTIS' propaganda on the bases issue and also over the sharp contents of the satirical page of RIZOSPASTIS TIS DEVTERAS.

When, in the last issue of ANDI, we were uncovering the elimination of the four KKE cadres we still maintained the hope that the political cost of publicity would have averted a broadening of the purge operations.

Kh. Florakis' recent statement (at a meeting of party labor cadres at the Sporting stadium) to the effect that "other eliminations will take place as necessary" not only confirmed ANDI's published article --which RIZOSPASTIS had hastened to characterize as "slanderous"-- but also substantiated the view that the four were nothing but "the tip of the iceberg."

It should be stressed at this point that the above-mentioned "Florakis statement" despite its offensive nature, has an essentially defensive characteristic and seeks "to put order into" a party grassroots that insists on not remaining insensitive to the needs of the times: the KKE secretary general followed up at once by saying, "Of course, some party organization of ours did not get a majority for their ouster. It seems they did not understand that we must now wage a war of quality." For those who know party letters, the message is clear: the qualitative restructuring of the party means the unconditional submission of all to the political and ideological decisions of the leadership. The false dilemma "with the party or against it" that has already been put before all those who were called on to agree or disagree with the purges seems to have found its apotheosis.

As we have learned, the Florakis statement to the industrial workers, who are not known for their level of "questioning," had one specific purpose: besides the purged questioners, who embrace a "modern" concept of the communist movement, the dismissal of certain labor cadres is also being planned. This relates to three participants of the 11th congress who, from positions that many judge as "populist," voted against the political decision of the congress, prevented the party from making a unanimous decision "for the very first time in the history of congresses" and are connected with the handing over of the corpse of a seaman to Mr Katsifaras.....

Reasons for the Dismissal

The above-mentioned statement that all the newspapers published --except for RIZOSPASTIS that censored the reference to the dismissals --contains other interesting points: This concerns the description of the four as "a small group" (while RIZOSPASTIS had already accused them of "divisionary activities") and the "decriminalization" of the conversation with Kyrkos: Kh. Florakis said, "Those who are being dismissed did not have a mere friendly conversation with Kyrkos. What kind of friendly conversation can you have with Kyrkos when the latter and his associates call on us to declare submission?" He went on to explain, "But when decisions are made, decisions that the majority approved, then each comrade must obey even if he does not agree."

Did the dissenters, then, have some other views? Mr Florakis' admission is certainly noteworthy....As KKE cadres had observed, "The certain thing is that no party regulation had been violated. Regardless of whether or not he acted properly, N. Bitsis, despite the fact that he has different views on the Polish issue, defended the KKE's official position at the general assembly of the Lawyers Association. His crime is that he kept for himself the right to express his own personal positions at a pre-congress dialogue... and the same holds true for both M. Trandalidis who spoke before pharmacists, as well as to the other two dismissed cadres."

Our readers can refer to the articles that had been published in KOMEF /Communist Review/ and also to the refutations that were published in RIZOSPASTIS. They will find there the views of the "four," as publicly expressed in the pre-congress dialogue, as well as the antagonism they faced from the upholders of the party's one voice. There was one prevailing theme in their relevant answers: "They do not have a place in the party and must be dismissed."

Indeed, prior to the 11th congress and also right afterwards, all those who attempted a dialogue were put into some kind of "party quarantine." They were removed from their positions, they were downgraded or remained "meteors" for a long time. The general impression was that "they had been targeted" for being dismissed at the first "false step." The meeting with L. Kyrkos was merely the opportunity.

The 'Explanations'

When the leadership learned of the meeting it called on the four cadres, who had talked with either K. Tsolakis, member of the KKE Politbureau, or with other central committee members, "to apologize." Beyond the fact of the ...one and only meeting, there was no other damaging factor. K. Tsolakis himself had given the KKE leadership group the possibility to discuss with KKE (Int.) cadres. He said, "We are able to see L. Kyrkos and we have already done so. You, however, are prohibited from doing so." In other words, it is not a question of a generally prohibited contact but rather of a "distribution of labor...." The leadership is involved in politics while the rest do the executing....

Except for the case of N. Bitsis, who stated that following all of this he was... voluntarily withdrawing, the others, in the category of cadres, refused to be.. dismissed. Despite the "sauce" that was used to inform party organizations (among other things, it was said that the four had collected 600 signatures for a document that called for the unification of the KKE and the KKE (Int.) and that they were planning a united communist party in contact with Markos Vafeiadis whom they had, however, never even seen, etc.), there was opposition in the directly interested organizations. Bank employees and teachers refused to ratify the dismissal proposal and, indeed, with a ratio of 11 to 2 with 3 abstentions!!

At the pharmacists' party organization, that was late in meeting, the experience of the above was brought up; the meeting convened with a selected make-up, and once personal contacts of the guidance officials had been promoted with the members during which the well-known dilemmas were raised. Thus, the dismissal proposal was voted for with 7 for, 6 against and 1 abstention. In the meantime, the ANDI article intervened which was republished by almost all the newspapers....

When the Critics Become Transgressors

At first, "reliable KKE circles" answered the published item. Avoiding the pitfall of...cosmetic epithets that usually accompany dismissals, the "reliable circles" explained that the cadres had been dismissed because they violated statutory principles by carrying out "contacts with other political forces" (evidently L. Kyrkos). It appears that this announcement, that was transmitted to the daily newspapers, did not satisfy...other KKE circles. Thus, RIZOSPASTIS, avoided publishing or even mentioning the previous announcement, published --the same day the other newspapers were publishing the statement-- announcements of corresponding departmental committees which, less tough in their contents, announced the dismissals because of "divisionary activities."

According to ANDI's reliable information, the departmental committees never did convene on the issue. However, independent of this, and in accordance with KKE statutes, the only competent organs for making dismissals are the party organizations. Even if we were to accept the fact that the four cadres violated statutory principles of the party (something which has not been proved from the data provided) and had been dismissed for that reason, the question is how it will dismiss or, at any rate, punish those who, in the name of safeguarding statutory principles, are violating them. In one case we have certain individuals and in another an entire leadership which...violate the law. Would it be an exaggeration if all these spasmodic actions led to the conclusion that the KKE leadership group was in a difficult position?

Discontent at the Grassroots

The certain thing is that by using a similar methodology, the KKE is wanting when it comes to criticizing PASOK's authoritarianism. When ELEVTHERI GNOMI wrote --and correctly so-- that the dismissals occurred through RIZOSPASTIS, the latter retorted, "You don't talk about rope in the home of the person hung." Nevertheless, it made us think of an anecdote concerning a Soviet member of the CPSU who, instead of answering an American's criticism of "socialist building"

angrily said, "And why are you oppressing the blacks?"

It seems, however, that the overall planning for the dismissals was displeasing to quite a few KKE members. As they have informed us, questions were raised over the dismissals at all meetings and open gatherings organized by the KKE for popularizing the decisions of the recent central committee plenum.

Meetings of Party Organizations

The same questions continued to be raised by members of party organizations that had refused to dismiss Th. Gialketsis and G. Andoniou. It should be emphasized that the stance of the four cadres --their politically mild and controlled statements-- who remained on the "communist path," removed the possibility from the Right to exploit and neutralize the leadership that had "provoked," with all its tactics, an infuriating opposition.

In some way, therefore, the two remaining persons had to stop considering themselves as KKE members. The solution was found: Meetings of party organizations with a select make-up were convened at which "it was determined" from the very outset that these were not assemblies as such (maybe they could not agree) but gatherings and the "two" were called on to leave. It was evident to all that any kind of obstinacy would have at the least provoked wrangling.

Thus, the case was "fixed." When, however, --for the first time-- the KKE grassroots opposes choices made by the leadership, when such means are used to neutralize certain "isolated" individuals, is not all of this perhaps indicative of what is about to take place in the KKE?

5671

CSO: 3521/393

JUDICE: PROS, CONS OF 'CENTRAL BLOC' GOVERNMENT

Lisbon ESPACO MAGAZINE in Portuguese No 36, Jun 83 pp 26-30

[Article by Jose Miguel Judice]

[Text] Although your busy life does not leave you with much time for it, you are a person who is interested in politics. You read your newspaper, you attend this or that political discussion, you even discuss politics a little at work or among friends when a more inspiring topic cannot be found. Although you are ready to admit that you do not know enough about the political reality to be certain you are not mistaken, you have your opinions.

We have reached the climax in the formation of what is being defined as a "central bloc" government. The opinions as well as the arguments are many. You probably have yours and you have already heard many that are contrary to them. However, you did not go to the trouble of putting all the arguments together. I also have my opinion which is known, as a matter of fact. However, I took the trouble to make a list for you of all the arguments that have been, or could have been, put forth in favor or against the central bloc. There are curiously 13 on each side. Do not fail to read and meditate on them. It will at least be an intellectual exercise to attempt to destroy those arguments you do not agree with.

You will see that it is not even very easy. After you do this, you will have much greater regard for our politicians who mull over dialectical battles such as this one in their heads. And there is more: some time from now (month? years?), you will be able to read this text and confirm what was correct and what was wrong. I apparently wish that you see your opinion confirmed. Whatever it is...

13 Pros

1. It is the only possible solution because the nation needs a government which will make unpopular decisions and this will only happen with a government which has majority support.

We have a crisis situation and it is necessary to take measures that affect all sectors. A coalition between a party of the Left and one that is not--particularly since they are the two biggest Portuguese parties--will make it easier for the sacrifices to be accepted.

2. Since the PS [Socialist Party] announced beforehand that it would not form a minority government and it would not ally itself with the PCP [Portuguese Communist Party] and the CDS [Social Democratic Center Party] announced at the same time that it would not form a government with the PS, it is the only possibility.

Good or bad, the parties mentioned above made these statements. If the PSD [Social Democratic Party] had not accepted the socialists' invitation, the latter would govern only during the time needed to hold elections. The nation would go through one more year of election campaigning, essential decisions would not be made and everything would become even more complicated.

3. This solution is necessary in order to prevent the socialists from allying themselves with the communists.

If the PS does not want to form a minority government and the PSD refuses to form a coalition, the PS would be tempted to ally itself with the PCP through a parliamentary agreement. This would bring the communists within the halls of government. This argument, for those people who are not communists, is obviously favorable to the central bloc...

4. It is the best solution because there is great ideological proximity between the PSD and the PS and their bases of support are similar.

There is no big difference between social democracy and democratic socialism. As a matter of fact, the socialists have been evolving in a direction that takes them further and further from their Marxist foundation. All indications are that this tendency will continue. Therefore, this is the best coalition possibility given the fact that it is made up of political forces with very similar strategic objectives.

Moreover, both parties' supporters are very similar. The PS and the PSD are inter-class parties which are basically made up of the middle classes that are equally feeling the problems of Portuguese society.

5. This solution is the lesser of two evils because, if it does not materialize, the president of the republic will be in a position to take over the government.

General Eanes' prestige is real and it will be more so the less capable to govern the parties appear to be. The nation would not understand if two close parties did not form a government. If this were to happen, it would punish both parties and turn to the president of the republic who, as a result, would appear to the nation to be the only force capable of resolving problems. This argument will be usable only by General Eanes' adversaries.

6. The Portuguese political situation, which the PSD complicates because it is a big party, will become clearer as a result of this coalition.

There are two big political parties in many European countries, a Leftist one (socialist) and a Right wing one (christian democratic). Thus, the PSD's

strength complicates Portugal's political organization. The result of a PSD/socialist government will be a tendency for political alternation to occur between the PS (and its allies) and the CDS. The Portuguese political situation will thus become clearer.

7. Given the fact that the PSD will be harmed if it leaves the government, this is the only solution permitting it to maintain its strength.

Portugal is an ungrateful country toward its oppositions. The weakness of the civilian society makes it very dependent on the government. Whoever has his doors closed to the government is always harmed. The local governments headed by opposition parties and the social groups with no contacts with the parties in power end up being harmed. If the PSD went into opposition, it would become unable to satisfy its voters and the organized interests they have in it. It is better to be the number two party in the government than number one in the opposition.

8. Although this solution may be harmful to the parties' interests, it is the best one to achieve the nation's interests.

It is necessary to have the national interest prevail over partisan interests. It would perhaps be better for the PSD to remain in the opposition. Times are going to be difficult and the unpopular measures are going to wear down the members of government. As a result, if the PSD remained in the opposition, it would be able to capitalize on the discontentment and in a short period of time it would increase its electoral support. However, national interests should prevail and if necessary the PSD should be sacrificed so that the government may have greater capacity and strength to resolve problems.

9. It is a moderate and balanced solution which does not divide the nation in half.

The Portuguese want moderation and balance. Radicalisms and divisiveness are negative. Peace and harmony are needed instead of having the Portuguese split in two. The union of the center is the union of moderates, those who are most realistic and calmest. Extremeism is negative and the problems of the Portuguese will not be resolved if it is impossible for both sides to cooperate in some way. In the final analysis, the PS and PSD coalition represents the cooperation of the most moderate Left with the most moderate Right.

10. The PS/PSD alliance is the largest possible majority in Portugal and it is a larger majority than that obtained by the president of the republic.

Portuguese problems are so grave that all the people are not enough to try to solve them. The PS/PSD coalition can more easily gather better ministers and increase the government's political support. If democracy is the government of the majority then the bigger the majority is the better it is for the nation. And if General Eanes is an obstacle to the governments then the

formation of a government having more support than he received in the presidential elections will force him to cooperate or, at least, not be hostile or boycott the government's policies.

11. Democratic alternation is a good thing but it is not the main point of democracy. It is a luxury of societies which are already organized.

In order to have democratic alternation, it is necessary for the political parties to have a common base among them that does not cause a complete change of reality each time the majority changes. As long as this does not happen, and it only happens in very developed countries, it is better not to have alternation. On the contrary, it is better to have a solid central bloc in power during many years allowing the nation to develop and progress until alternation can work.

12. It is a temporary solution and it a way of making democratic alternation work in a country with a strong communist party.

For democratic alternation to work, it must be possible for two different majorities to form. Well, since the PCP is not accepted by other parties, alternation consists of having the PSD successively allying itself with the PS and the CDS as the German Liberal Party does. The will of the electorate is thus always respected because when it gives greater strength to the Left, the PSD allies itself with the PS and, when it gives greater strength to the Right, the PSD allies itself with the CDS. The PSD may become a small party but it will be an indispensable one.

13. Although it seems paradoxical, it is a good solution because it is going to fail.

There is a time for everything in politics. The current parties were born with flaws they cannot easily free themselves of. The two largest Portuguese parties are precisely those which correspond less to the ideal model of a political party. They will thus become weaker, making it possible for others to be born or that they drastically alter themselves. The central bloc will be an uproarious failure but the possibility could arise out of the PSD's and PS's ashes for new parties to be created as they should be.

13 Cons

The last combination of alliances among democratic parties ends in terrible conditions.

Portugal's economic and financial situation is terrible. The policies needed are unpopular and there are many people within the PSD and the PS itself who are hostile to the coalition. Thus, the coalition will not be very cohesive. There are risks that it will fail and if that happens there will be no democratic alternative because the CDS will never grow sufficiently to be an alternative. The danger then is of an anti-democratic solution or, at least, an anti-party one which will lead to an authoritarian solution.

2. It will cause Portuguese society to become radicalized.

On the Left and the Right, there are two parties, as well as the strongest labor confederation, the employer confederation, and also the CAP [Portuguese Farmers Association] which remain outside the solution. The social groups will not feel represented and will see no reason not to demand and not to oppose the policies they do not like. Each measure the PSD likes will have the PCP's total opposition and each measure the PS likes will be opposed by the CDS. The areas of consensus will diminish and the tendency will be for the moderate zones to become weaker and the radical demands to gain more and more support.

3. A weak and unstable government is going to be formed.

The PS is going to govern while trying not to lose voters to the PCP and the PSD will do the same while attempting not to lose them to the CDS. Each party will pull to his side and will be more demanding vis-a-vis its own program. Each one will attempt to fault the other for unpopular measures in an attempt to prevent the other from applying its program. The consensus within the government will be weak, deputies from each party will be undisciplined, everything will have to be constantly negotiated, everything will be in doubt. The threats to end the coalition will be constant and each party will try to make them by throwing the blame on the other. Nothing can make one think it will be possible for the government to last 4 years.

4. This solution does not respect the promises made to the voters who will begin to have even less confidence in politicians.

These people who voted for the PS did so mostly to vote against the PSD, the AD's [Democratic Alliance] main party. Those who voted for the PSD did so mostly to vote against the PS, the main opposition party. The voters were given the choice between two possible prime ministers. A subsequent alliance between them will cause disenchantment and, in the future, the people will not believe what they are told when their vote is being asked for.

5. The majority created is too large to correspond to a positive consensus.

Portugal is a divided nation and, with the exception of the PCP's negative consensus, it is not possible to find a political question in which 63 percent of the Portuguese agree. It is, therefore, false that there is unity among those people who voted for both parties. As a result, tensions and conflicts will increase in the day-to-day political life. In order for them not to increase, the government will be obliged not to make vital decisions for which it will not have agreement.

6. The solution impedes democratic alternation from working and this is the basis of democracy and the condition which links the voters to the regime.

The union of the centers makes it impossible to have any other alternative majority. Even if the central bloc parties lose votes, they will never lose

enough votes to be replaced. In time, the PCP and the CDS may have more deputies but this does not mean they will be able to govern. There will be a tendency on the PS and PSD's part to make themselves and the government seem undistinguishable. As a result, the opposition will be against the regime instead of within it. As a result, the voters will tend to become radicalized, they will abstain or support projects that are subversive to the regime.

7. The nation needs to change the socialist system contained in the economic part of the constitution. It is the only way to have progress.

According to this argument, which the Left feels is untrue, the AD's mistake was not to have (or not to have been able to) carried out reforms which would have removed the socialist organizations. It is impossible to believe that with the PS in the government conditions for these reforms will be created. As a result, nothing will change.

8. The Portuguese voted for the Left and the voters will be defrauded of their expectations with the PS/PSD alliance.

The significance of the 25 April elections was that the PCP grew somewhat and the PS grew a lot with the PSD and CDS losing votes as a result. Thus, the voters punished these two parties. Since the PS wants the PSD in the government, it will make concessions to the PSD contrary to the will of the majority of the electorate. The majority will thus feel defrauded.

9. By being in the government, the PSD will lose all possibilities of again becoming the number one Portuguese party.

The PSD will not gain votes from the PS in subsequent elections if it gives up being the alternative to the PS. The tendency will be for the PSD to lose votes to the CDS. As a result of this, the process of transforming it into a small party will begin. It will follow that the PSD's role will diminish in the future and it will not be able to lead Portuguese political life.

10. The PSD will not be able to satisfy its electorate in the government.

The PS is entering the coalition with internal problems and it is subject to strong pressures from the party minority, the PCP and the labor unions. It will not support the liberalizing changes and it will give the PSD the most difficult ministerial portfolios because it will have superiority. The PSD electorate, which is already unhappy with the coalition, is going to demand that it fulfill the promises that will not be realized.

11. Being in the government will cause the PSD to lose credibility in the eyes of its electorate.

During the election campaign, the PSD assured the voters that electoral success meant becoming the number one party. It also said that the useful

AD vote was for the PSD and it positioned itself in confrontation with the PS. It considered Mario Soares to be a bad prime minister. Because of this, the coalition will be the negation of everything that was said and was the reason for many to chose to vote for the PSD.

12. Mario Soares will be used up without success and the PS will stop being the party of the Portuguese Left. It will lose this trump card to the PCP.

The socialists will have to appease the PSD and men who do not belong to the Left. They are going to carry out a policy of austerity--as Mitterrand in France--they cannot even consider to be of the Left because the PSD is in the government. The PCP will appear as an alternative to the PS on the Left. The PS runs the risk of the Italian socialists. It could become a small party and it could sacrifice having Soares elected to the office of the president of the republic.

13. The PSD needs to recover in the opposition.

The PSD has been in the government since 1979. It has been unable to define its own group of sectorial policies. It has not prepared political cadres. It has not organized itself as a party. It has lived off the militants' energy during difficult moments. It is going to sacrifice all this by being in the government. It is going to apply policies that are not its own one more time and it is going to lose its energy.

9935

CSO: 3542/179

FIRST 100 DAYS OF PS GOVERNMENT ASSESSED

Lisbon DIARIO DE NOTICIAS in Portuguese 22 Jul 83 pp 15-17

[Article by Oscar Mascarenhas: "Promise of 100 Measures in 100 Days in Jeopardy"]

[Excerpts] After a few years of institutionalized democracy in Portugal, the ordinary citizen is now acquiring the habit of shrugging his shoulders at the electoral promises which soon sink into oblivion, as soon as the popular elections are over. This ordinary citizen no longer takes the trouble to question elected officials. He murmurs his protest and after a while he adapts, generalizing a worrisome common denominator--lack of seriousness--to cover all politicians.

Just prior to the last electoral event, the Socialist Party (PS) candidacy breathed new life into the battle for votes, reviving some confidence in the minds of the voters in what the candidates promised to carry out. In frontal fashion, rejecting alibis in advance, the PS said it had planned a tremendous range of measures for the country, but it further said that among them, it had chosen 100 to be carried out in the first 100 days of government. This promise was the key theme of its campaign, the whole being set forth in the sober tone of one who promises little but does so because he really wants to keep those promises. Other parties to the right of the PS barely commented on the matter. The PCP [Portuguese Communist Party], for its part, said consistently that of the 100 measures, a good 30-some meant nothing. We will not evaluate this now.

The First 40 Measures

The government took office on 9 June. We established, ignoring the rigorous time periods in the Civil Code, that the hundred days will end on 20 September. By that date, the promise should have been kept. After that, the period of expectant tolerance in common use in the North American system, and beginning to be practiced in Spain, will have expired.

Examine the appended table, representing an effort to make a superficial assessment of government activity (not yet including the decisions of the last Council of Ministers meeting on Tuesday), allowing the benefit of generous doubt as to the juxtaposition between the requests for legislative authorization and the promises made. It is immediately evident, at the end of these first 40 days of government, that the 100 measures do not represent the breviary of the executive branch.

No Shadow Cabinets

The picture we present shows a small list of areas in which the government was unable to intervene within the promised period due to failure to obtain the necessary authorization from the Assembly of the Republic, or due to a failure to submit any proposal (directly or through the PS and PSD [Social Democratic Party] parliamentary groups) in matters over which the Parliament has exclusive jurisdiction.

The fact is that the Assembly of the Republic was in recess and will only resume its work in October, and thus after the 100-day period ends. And let it not even be suggested that in the last-minute negotiations, in the marathon of the final day, the government had to withdraw its requests for legislative authorization. None of the cases listed in the table has anything to do with the tactical withdrawals effected by the executive branch.

It might be asked, however, what pleasure there can be, strictly speaking, in discussing half a dozen measures which have been delayed by a number of days. This is not the political issue on which we seek to focus, and we have only undertaken here to speak of politics.

The issue is a different one: in committing itself to the electorate, the PS sought on the one hand to give a sober tone to its proposed bid for power, but on the other, it sought to demonstrate that the opposition was not, for the time being, sleeping. It wanted to develop the idea that its proposals, in general, were adequately studied, structured and written out, ready for the leap to official form or the desk of the president of the Parliament for transformation into concrete legal form. It wanted, finally, to show that during its period in the opposition, it had had a real shadow cabinet, after the fashion of alternating parliamentary regimes.

It did not succeed in showing this. The lack of shadow cabinets in Portugal is a reality, particularly among the parties likely to win power. After a superficial overview of the 203 draft laws which have already been sent to the Assembly of the Republic, we are left with the certainty that, paradoxically, it is such parties as the PCP and the ASDI [Independent Socialist Democratic Association] (for which the winning of power, alone, is impossible, in principle) which have been most concerned with promoting legislative initiatives. Together, these two forces account for well over half of the proposals submitted.

The PS parliamentary group, for example, has dawdled: only four draft laws bear its stamp, two of them being jointly sponsored with the UEDS [Leftist Union for Socialist Democracy] and the ASDI, pertaining to temporary changes in the bylaws of the Assembly of the Republic.

On the PSD side, some 20 self-government initiatives and four other projects have been submitted.

An Offer of Seriousness

The study set forth here is undeniably a superficial one--it is only a first approach with a conditional aspect to everything involved in an analysis of a dynamic process, with different rates in time. It is a certainty that the government will speed up the pace if it does in fact want to keep (a substantial part) of the promise made by its dominant party.

It was the PS which wrote that "there are no demagogic or electoral measures among those chosen. No promises are being made which cannot be kept."

The party which won the elections, before achieving this (or in order to achieve it), challenged itself with a gallantry never before seen: "It is a serious promise which the PS is formally making to the citizens of Portugal, and on which it is committing itself to give an accounting. It is a promise by which it wants to be judged, in terms of opinion, as an index of competence, seriousness and efficiency."

The public will thus have a rendezvous scheduled with the government for 20 September. For our part, because of what has been said above, we doubt that there is any point in waiting for that date.

But perhaps this has no importance at all.

Assessment After 40 Days of Government

The following are the electoral promises the PS made which have been partially or totally kept, thanks to legislative proposals of the Ninth Government or the PS or PSD parliamentary groups.

1. "More serious penalties for the crimes of corruption, nepotism and other deceptions of the state or public enterprises, without penalties for those who report those they themselves have corrupted, so that said parties will not mutually protect each other." (Legislative Authorization Request--PAL--No 20/III).
- 2.(?) "Establishment of a body for the investigation of instances of corruption and other fraud, to work in collaboration with the judicial police." (PAL 20/III).
- 3.(?) "Special plan for establishing the legality, seriousness and strict adherence to regulations in purchases, sales, assessments and bid awards involving the state, the self-governing bodies and the public enterprises." (PAL 20/III).
5. "Publication of norms to control fraudulent absenteeism from work and incentives to hard work and an increase in production, as well as combatting abuses of social security (false employment, illness and retirement claims)." (PAL 13-III).

7. "Review of all appointments and dismissals ordered by the present government following the announcement of the prime minister's resignation." (see text).
11. "Revision of the new Penal Code in light of the results of its publication, and submission to the Assembly of the Republic of the new law to prevent consumption of and penalize illegal traffic in drugs." (PAL 20/III).
13. "Revision of the system of penalties for crimes against the economy and public health--speculation, establishment of a monopoly, deliberate confusion, smuggling--and suspension of the check-writing privilege for those who issue bad checks." (PAL 20/III).
14. "Reexamination of the file on Portuguese membership in the EEC in conscientious defense of the national interests, and effective mobilization of financial aid from international agencies and bodies already allocated but unused." (see text).
21. "Proposal to the Assembly of the Republic of amendments in the law establishing sectorial limits with a view to opening up activities from which it has been excluded to private enterprise." (PAL 2/III).
28. "The creation of a Ministry of the Sea to ensure the proper development of fishing." (Formation of the cabinet).
58. "Revision of the fiscal system applicable to tourism, with a view to making it more equitable and encouraging the tourist trade." (PAL 9/III).
61. "Creation of a Ministry of Health." (Formation of the cabinet).
62. "Reorganization of the regulatory rates in effect, to eliminate the charges for hospitalization, radiotherapy, pathological analysis and certain essential medications, cytostatic agents, insulin, etc.)." (Announcement of certain free medicines).
73. "Adoption of a municipal transport rate for financing improved public transportation of passengers in cities with more than 100,000 inhabitants (Lisbon, Oporto, Setubal, Coimbra and Braga)." (PAL 23/III).
76. "Revocation of Decree Law 48/83 establishing the wage ceiling at 17 percent." (Already in effect).
81. "Measures restricting systematic recourse to overtime work and regulating part-time labor." (Proposal announced).
- 87.(?) "Creation of an Institute for the Support of Emigrants, including a department for representation and prosecution and diplomatic procedures to strengthen the job security of our emigrants in the host countries." (Draft law submitted by the PSD parliamentary group calling for the appointment of an interministerial commission in this sector).

The following are Ninth Government legislative measures or Legislative Authorization Requests (PAL) which are unrelated to the 100 measures for 100 days announced by the PS.

- Mass Media Council Law.
- PAL on the right of asylum and refugee status.
- PAL on the authority of the local self-governing bodies and the jurisdiction of the respective organs.
- PAL on norms governing practices restricting competition.
- PAL on the definition of crimes involved in trafficking in rough or uncut diamonds.
- PAL on expanding the area of coverage for violations and the corresponding penalties within the framework of the revision of the industrial ownership code.
- PAL on job policy measures and the management of the human resources of the civil service and the reduction and subsequent elimination of the General Assistants' Staff.
- PAL on the review of the administrative and tax court statutes and their respective procedures.
- PAL on the temporary suspension of labor contracts.
- PAL on the granting of loans of up to 60 million contos.
- PAL on a foreign loan of 40 million dollars from the Federal Financing Bank, for the purchase of defense equipment.
- PAL on the amendment of the public enterprise statutes.
- PAL on the tobacco tax system.
- PAL on the system of units and measurements, benefits and fiscal incentives for industrial modernization and oil research.
- PAL on the granting of a loan of up to 300,000 contos to the Republic of Guinea-Bissau.
- PAL on criminal deeds and penalties.
- PAL on transfers of budget funds of up to 150,000 contos.
- Reduction of the total amount of Supply Fund subsidies.
- Temporary prohibition on investments by public enterprises.
- Maximum fertilizer prices.
- Maximum prices on raw materials for the oil extraction industry.
- Maximum milk prices.
- Maximum wheat prices.
- Maximum flour prices.
- Maximum raw sugar prices.
- Maximum bread prices.
- Compulsory export of the #1 bread price lists.
- Prices in effect for animal feeds.
- Prices for fuels and electricity.
- Creation of the Thermic Support Fund.
- Devaluation of the escudo.
- Compensation allowances for the entertainment expenditures of high-ranking military and security forces officers.
- Candidacy for registration and enrollment in higher educational institutions.
- Special tax on profits.
- Special tax on certain enterprise expenditures.

- Bonds in the amount of 1.5 million contos issued by the CCT [Workers Coordinating Commission].
- Amendment of the Cooperative Code.
- Resolution on news agencies.

The following are measures promised by the PS which cannot be implemented within the first 100 days of the government, due to lack of legislative authorization from the Parliament or because they are within the exclusive competence, which cannot be delegated, of the Assembly of the Republic.

No 6. "Proposal to the Assembly of the Republic for the reorganization of the Accounting Court with a view to strict supervision of the accounting procedures of the state, the self-governing bodies and the public enterprises." (Legislative authorization, as required in line q of Article 168 of the Constitution of the Republic, was not requested).

No 71. "Legislative proposal to regulate cooperative activity for the housing sector, and introducing changes in the buildings and transfer taxes to provide incentives for the purchase of private homes." (Legislative authorization, as required by paragraph i in Article 168 of the Constitution, was not requested).

No 72. "Revision of the housing income system based on the principle of 'just income,' as a function of housing and as a function of the income of the family group, with subsidies for the difference and intervention of the arbitration courts." (Legislative authorization, as required by paragraph h of Article 168 of the Constitution, was not requested).

No 86. "Revision, with a view to greater justice and equity, in the scales and rates of the supplementary tax, and updating of the professional tax table to provide an incentive to work and productivity." (Legislative authorization, as required by paragraph i of Article 168 of the Constitution, was not requested).

No 96. "Fiscal support and credit for the establishment of young farmers." (Legislative authorization, as required by paragraph i of Article 168 of the Constitution, was not requested).

No 98. "Proposal to the Assembly of the Republic for the reduction of the period of compulsory military service." (Matter exclusively within the competence of the Assembly of the Republic, according to paragraph n of Article 167 of the Constitution, while the government has submitted no draft law in this connection).

No 99. "Removal of the obstacles to the conscientious objectors' statute." (Within the exclusive competence of the Assembly of the Republic, according to the provision quoted above).

5157

CSO: 3542/180

COMMENTS OFFERED ON POSSIBLE 1985 PRESIDENTIAL CANDIDATES

Lisbon O DIABO in Portuguese 19 Jul 83 pp 10, 12

[Article by Agapito Pinto: "Apprenticeship Begins for Eight 1985 Presidential Candidates"]

[Excerpts] A period of apprenticeship has begun for some of the candidates who will run in the 1985 Portuguese presidential elections.

The list of these candidates, the final list, will only be established in 1985, following the preselection process. But already, and at the outset of the period of preselection, eight potential candidates have appeared on the horizon. All of them, in principle, want to be candidates for the presidency, some more than others. All of them think they are in a position to provide the minimum qualifications for preselection. Not all of them are in such a position, but only the preliminary examinations will show who will and who will not pass the final test in 1985.

The eight individuals are Mario Soares, Diogo Freitas do Amaral, Joao Bosco Mota Amaral, Firmino Miguel, Vasco Almeida Costa, Maria de Lurdes Pintasilgo, Vasco Goncalves and Francisco Pinto Balsemao. These are the eight, moreover, in the apprenticeship stage. Each is functioning with his own style and manner, in the belief that he is in a position to proceed to the next stage.

Mario Soares Wants To Win and Has Already Said So

The first of these candidates enjoys an advantage, in this preselection stage, in that he wants to be a candidate in the 1985 presidential elections and has already said so. Not personally, for he asked his friend Jaime Gama to make the statement in an interview published recently, in which he said, briefly, the following: the coalition formed by the "central bloc" is in power, for the purpose, among various other important issues, of electing Dr Mario Soares to the presidency of the republic.

Therefore, although it is too early to know how the PSD [Social Democratic Party] will overcome the difficulties, it is certain that the candidacy of Mario Soares, such a "socialist candidacy," as Jaime Gama said euphemistically, will have the definite and solid support of the PSD. Through Jaime Gama, then, Mario Soares ordered it announced that he was already a part of the presidential preselection process. This is a surprise to no one. Soares must have thought of nothing else, since at least 1978. Certainly since

1980. Thus he is the first candidate--a socialist candidate, prime minister and secretary general of his own party--to embark on training in the government and on the basis of it, and to attempt to effect his preselection in open fashion. But on account of this or that consideration, he is taking care not to expose himself too much, either to the press or the various political parties. He was the first to come forward. And to state, through someone else, that he accepts and that he wants to be a presidential candidate. And so we have him in the preselection process.

Diogo Freitas do Amaral--A Silent Apprenticeship

The second candidate, from every indication, is Diogo Freitas do Amaral. He is a candidate who, one can presume with a high degree of probability, wanted to be one of the presidential competitors in 1985, and beyond that, one who began his "apprenticeship" even before Mario Soares. While Soares is taking his training in government, Freitas do Amaral is in training through an intentional "crossing of the desert."

This "training stage" began for Freitas do Amaral early in the spring of 1983, and has lasted through a number of activities, at the university above all, in the most complete silence. This candidate has still not said that he is one, or that he has come forward to pass the preselection tests. He is a candidate about whom others have said that he might be one (Luis Barbosa, for example), while some sectors of the CDS [Social Democratic Center Party] (even Lucas Pires himself) have already implicitly admitted that he will have their own support and that of the party. It is he himself who has not yet made such a statement.

His preparations, in this preselection stage, have been made in silence. His style is different from that of Mario Soares. He has only one basic aspect in common with Soares: both the one and the other at the outset fulfill all the conditions for the "minimum" requirements in the preselection stage. They are the candidates for whom this stage is less important than the next one, that which will begin about when 1984 yields to 1985.

Mota Amaral--A Difficult Preselection Phase

Diversely, Joao Bosco Mota Amaral faces a rather more difficult preselection phase. He will have to get to that point by force, within his own party. He must push aside other candidates functioning in his sector, as is the case with Balsemao. But even this is not the main difficulty.

Mota Amaral is new in power, while Balsemao is a veteran. Mota Amaral is the novelty in this sector, while it is already known what Balsemao is. Apart from this, Mota Amaral has to overcome the resistance to him which may be organized by the present political leadership of the party.

There is every indication that this leadership, with the magnanimity with which it has allocated posts to pro-Balsemao elements, may reach the point of aiding Mota Amaral in his climb as well. But it is not clear whether the entire party in unison and with one voice will rally around the presidential candidacy of Mota Amaral.

Apart from that, Mr Amaral must in the meantime win the regional elections in the middle of 1984, and only after that will he be available to undertake even the last of all the "tests" in the "preselection" stage. And, of the candidates mentioned thus far, it is he who will have the most difficult time in this stage. There is no reason to doubt his desire to be a presidential candidate. Practically everyone will vouch for the fact that Mota Amaral wants to run as a candidate. Many people will also vouch for the support, discreet and aloof, which he may receive from some Eanist sectors, if not Eanes himself. But this does not suffice for the preselection phase, and that is where we are now.

Firmino Miguel--Prospecting the Terrain

Firmino Miguel is also a candidate in the preselection phase, but one who is different in that he is a military officer. His name always comes up, both in connection with military posts and in connection with the presidential elections. There are those who swear that in 1980 he was convinced he could run as a presidential candidate for the AD [Democratic Alliance], and that he was greatly disappointed when he learned that Soares Carneiro had been chosen. There are others who say no, he has maintained, above all, good relations with the socialist sectors. He has recently attended political demonstrations of the most varied sort, from the Guedex lecture to multiple meetings with military officers and civilians. Everything is always very discreet, always without mention of any presidential candidate. But it is also a known fact that, if he could, Firmino Miguel would love to be a candidate for the Belem post. And if he could win, so much the better.

Against him, he has the fact that candidacy is not easy for military officers when there is a complex of preselection candidates who are so strong and who are civilians. He may have in his favor the way in which things will work for him from the political, economic and social points of view.

For now, the preselection phase is very difficult for Firmino Miguel too. But he may pass more preselection tests and even contemplate ways of recovering at the "finish line." But this is not very probable, or at least not very advisable.

For military candidates--above all for them--the preselection phase is very important.

Vasco Almeida Costa--The Candidate From Macau

Here is a candidate of whom little is said but who is known to be making preparations for the preselection tests, too. Silently, he has been making his preparations in Macau, and he is persuaded that, when he has left his present post, he can become one of the military candidates with the best likelihood of being nominated.

The preselection phase here has also proceeded in silence. Almeida Costa is certainly counting on mobilizing some Eanist sectors and trying to win sympathy in PS [Socialist Party] and PSD areas. However, he has not done that.

Of all the candidates in the preselection phase, it is he who at first glance is in the worst position. He is far away, and must reestablish contact with Portuguese society. Also, the idea he has of the political situation very probably does not correspond with the reality. He must develop contacts and win support, which is not easy. Support in Macau, the "support from the East," substantial though it may be, cannot take the place of political support developed in Portugal.

Almeida Costa too will have difficulty in the preselection phase.

Maria de Lurdes Pintasilgo--A Romantic Candidate

A romantic candidate--this is how some of her supporters see the possibility that Lurdes Pintasilgo wants in fact to undertake the preselection tests and then move toward presidential candidacy.

There are those who say that Pintasilgo wants to be, or says she is, a presidential candidate, while others say that this is merely a staged scene, wherein Pintasilgo sometimes does and sometimes does not want such a candidacy, and that the mere possibility floats about without any tangible concrete form.

The MAD goes about intruding a bit everywhere, but not excessively anywhere. Moreover, the MAD is composed of a number of opinions, which is the more curious since the MAD itself reflects an opinion within the Eanist sector.

Maria de Lurdes Pintasilgo might be an individual attractive to certain PS sectors, independents on the left and even tactical PCP [Portuguese Communist Party] support. There would be a possibility, also, although not a very likely one, of a sympathetic nod from General Eanes. For the time being, the prevailing feeling is that Pintasilgo herself must define in her mind whether or not she wants to be a presidential candidate. And whether or not she will undertake the preselection tests.

Obviously, the preselection phase for a "romantic candidate" like Pintasilgo is different from that for formal candidates of established political parties, with their respectability and all of the doctrines and orthodoxies which must be observed.

For the party candidates, the preselection battle is complicated. For the military candidates, the preselection battle is very complicated. For Lurdes Pintasilgo, the preselection battle is not complicated at all. For this reason, some "Soarists" fear this type of "romantic candidacy," and it is the reason why the PCP, in its inner heart, cannot be very pleased to lend its votes or distant support to such a candidate who, even if she does not get very far, has the advantage, in comparison to the others, of not requiring very rigorous preselection tests.

Vasco Goncalves and the Recovery of the PCP

The other candidate who may wish to take the risk--and there are those who vouch for the fact that he will, since a movement headed by the Communist Party to promote his candidacy has developed--is Vasco Goncalves.

Vasco Goncalves reappeared on the political scene during the last elections for the Assembly of the Republic, garnered the support of various PCP base-level groups and was put back in circulation by means of official party propaganda. This relaunching could serve later as support, at the proper time, or to make him a candidate with strong negotiating power.

It is plain, as Lucas Pires said the other day on television, quite properly, that the PCP failed when it put forth its own presidential candidate. This was the case with Octavio Pato. The candidacy of Carlos Brito was a purely tactical one, so that the communists could later focus their full weight on Ramalho Eanes. If it has no other remedy, given the candidacy of Soares, the PCP will have to propose a candidate of a not exclusively partisan nature. One who does not represent the appointment of a party leader. The PCP must look for someone who mobilizes more people and some additional votes from the "independent" left or from among the "fellow travelers" of the party itself.

Vasco Goncalves would be a likely choice. He is also that kind of candidate who does not need a very rigorous preselection test. At the outset, one can almost know the percentage of votes which will be won. This preselection phase will be carried out by the Central Committee of the PCP, when it decides in fact to place its bets on a given candidate. Once this has been done and if the candidate is not exclusively a party one, then he will have no reason to concern himself at all with the preselection phase. This is the advantage of the candidates chosen by monolithic, closed political groups. At the beginning, they know exactly what they can rely on, and they do not have to promote special candidates nor put forth effort for the preselection tests.

Balsemao--A Shaky Candidate

There is yet another candidate who is already in the preselection test phase. He is in a probationary situation, until the final moment when it can be seen who has the fighting equipment to undertake the test of the 1985 presidential elections.

This candidate is Francisco Pinto Balsemao. His recent interview with DIARIO DE NOTICIAS shows that Balsemao does not want to say publicly yet if he will or will not be a presidential candidate. For this reason the possibility exists that he will put forth or support another candidate, who might well be Joao Bosco Mota Amaral.

This is not a decision which Balsemao will choose to make, but rather one which he will have to make. It will be the circumstances which will dictate whether political conditions are such that Balsemao can still hope to be a presidential candidate, or whether he will have to take his place in one of those convoys moving toward the elections.

He is a shaky candidate, because the preselection tests for him are very difficult. Balsemao must, moreover, undertake them with the memory of his recent term in government still fresh, with an ill-defined situation within the party. And, however much he may be benefitting, as he greatly has, from the gifts with which the current leadership of the PSD has presented him, he still has a number of problems to overcome. One of them, the most important, is named Mota Amaral.

If Mota Amaral is a presidential candidate, he will be that in the areas Balsemao hopes to command--the party area and the area within the party. Therefore, Balsemao's preselection tests will be hard. He has more time and he has other means not available to Mota Amaral, and he may therefore be able to force the situation to the point of having very great weight at the key moment in the preselection tests. But before he reaches that point along the road, and in the midst of the preselection tests, his task is in no way an easy one. He is among those candidates who have, going in, among the poorest conditions of all of those who are currently in the "apprenticeship" stage.

Choosing Other Candidates

During the apprenticeship period, there is one thing which, naturally, all of the candidates would like to be able to do--and that is to choose among those who will go on to the next stage, to know who their adversaries will be and to have a final word pertaining to them. For there are adversaries who are easier to deal with and others who are more difficult, and there is an advantage in having a given candidate as an opponent and not a certain other or others.

For example, Mario Soares is the most formidable candidate of all of the eight shown on the list. He is undesirable from the point of view of the military candidates, who facing him, would have difficulty presenting themselves. He is undesirable or at least would create problems from the point of view of Pintasilgo as a candidate. He obviously would create problems for Balsemao as a candidate, might or might not for Mota Amaral as a candidate, and would create fewer problems for Freitas do Amaral as a candidate.

On the contrary, from the point of view of Mario Soares as a candidate, Freitas do Amaral would be ideal. For Soares, the military candidates are undesirable, as is the candidate nominated by the PSD, if it is Mota Amaral. Balsemao, now, is a good candidate for Soares.

However, the reasons why Freitas do Amaral and Balsemao are good candidate adversaries for Soares are different ones. Freitas Amaral would be a happy solution, because he would allow the PS to polarize Portuguese society, hitching the PSD still more firmly to its convoy. Balsemao would be a good candidate because he would mean that Mario Soares could, in the final analysis, undertake the bipolarization with Freitas, both borrowing from Balsemao's electorate.

Just as Soares is the worst of the candidates from the point of view of the others, the least harmful or most unimportant, generally speaking, is Vasco

Goncalves. He is the kind of candidate who, however much he might like to broaden his range as the candidate who in principle would be supported by the PCP, and who is situated in that sector, would in the end do little harm to other political areas. Now for Soares, for example, Lurdes Pintasilgo might be a relative worry. A "romantic candidate" forcefully launched might create some headaches, even without preventing an advance to the second round.

For the military candidates, all of the civilian candidates are a source of concern. Above all for candidate Almeida Costa, who, if he wants to be a candidate in the final selective test stage, must succeed in recovering the time which in principle he has already lost.

These examples are given to show that the combination of hypotheses is a very complicated matter. And one in which knowing what adversaries one will have to face is sometimes more important than the preselection tests, and even the preparations made by the various candidates for the final stage.

There is someone who cannot participate in the apprenticeship this time, which is most regrettable, for he would certainly be the individual best informed about the "apprenticeships" of presidential candidates. It will be hard for him to resist the temptation to interfere at the point he deems proper, as the preselection tests approach. This individual will not be a candidate, because in principle he cannot be this time, but it is as important to pay attention to what he does as it is to what the various candidates are doing.

This individual, of course, is Antonio Ramalho Eanes. I am studying this individual. He is as important as any of the eight candidates who are in the apprenticeship stage in the preselection tests.



The "declared" candidate--
Mario Soares

The "silent" one--
Diogo Freitas do Amaral

The "difficult" one--
Joao Bosco Mota Amaral



The "prospecting" one--
Firmino Miguel

The "Eastern" one--
Vasco Almeida Costa



The "romantic" one--
Maria de Lurdes Pintasilgo

The "tactical" one--
Vasco Goncalves

The "shaky" one--
Francisco Pinto Balsemao

5157
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TALKS WITH FRG MINISTER STRESS SECURITY OVER LABOR

Istanbul CUMHURIYET in Turkish 22 Jul 83 pp 1, 11

[Article by Umit Kivanc: "German Minister Discussed Security Problems Rather Than Workers"]

[Text] It may be said that the West German minister of the interior left Turkey rather happy. Although the main topic of his visit was the Turkish workers in his country, the German minister shrewdly put other topics first, ones on which he could agree with Ankara, and was able to create the impression: "We are getting something, but we are also giving something in return." The balance sheets drawn up after Zimmermann's contacts saying, "German Minister Agrees with Cetiner, Does Not Agree with Esener," are now helping to clinch this impression.

It was announced by the Interior Ministry after the meetings that Zimmermann's talks with Interior Minister Selahattin Cetiner had been "very positive" and the two ministers had "agreed on all topics." Certain top officials of the German Interior Ministry made interesting comments in this regard in our private conversations with them. One said, "We did not expect to find this much accord between us in the fight against terrorism." "We saw, in fact, a great deal of harmony on this," he added.

Extradition of Suspects

The main topic on which this "harmony" took concrete form was the deportation or extradition of certain suspected criminals who have applied for German asylum and whose return Ankara wants. A top German Interior Ministry official said, "We did not think Ankara wanted these people to go back to Turkey." The official said the "limit would be expanded" in deportation and extradition procedures, the criteria "would be relaxed a little" and, therefore, if, for example, there were 200 extraditable persons at the moment, a possible result might be to raise this figure to 3,000.

These are not actual figures but demonstrate proportions. Zimmermann did not give the actual figures. "Your Minister of Interior gave us the figures, but if they are to be announced here it is not in my purview to do so," he said.

German Interior Ministry officials said that the legal status of the persons whose extradition was in question was being studied at several different levels. "We are making detailed studies before starting procedures," they said. The

primary point they stress is that Turkey has capital punishment and some of the persons whose extradition is in question are wanted for serious crimes which demand this punishment.

The FRG interior minister said they had requested "assurances" from the Turkish government in the extradition of persons who might receive capital punishment sentences. But when asked what would happen if the crime a suspect had committed demanded the death penalty under the Turkish Penal Code, Zimmermann replied, "The Turkish government is able to give such assurances." "Execution of the death penalty in Turkey depends on the president's approval," he added.

As a result, it is clear that Ankara got a positive answer from Zimmermann on these matters. The important thing is Zimmermann's using this as a trump card to play in another hand to counteract his negative attitude on the workers. Contacts and cooperation on similar matters have been under way between the Turkish and German governments ever since 12 September. They will be valid henceforth only if Zimmermann's worker bills [are approved]. What, though, is the connection between a matter such as the extradition of suspects, which is essentially a legal question, and the bills on the Turkish workers, the overall dimensions of which are social and cultural, not to mention economic?

The German minister can be rather magnanimous in security-related matters both to avoid being in the position of refusing everything Ankara asks and because he considers it necessary from the standpoint of his own internal political purposes. Therefore, he can appear as having "bargained" with Ankara and having agreed to give certain things asked of him on security-related matters in exchange for the plans on which he is insisting as regards the workers which will be perceived as negative.

At Zimmermann's press conference to discuss all of his contacts, he listed such matters as the U.S. missiles to be deployed in Europe and the two ships Germany is to give Turkey and made reference to, as he put it, "...and the situation involving the workers," in which he presented the worker problems as "only one of many matters."

8349

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KOSAN ON DOCTRINAL BANKRUPTCY OF EVREN REGIME

London ISCININ SESI in Turkish 11 Jul 83 p 1

[Article by C. Kosan: "Our Party Is Our Weapon in Fight for Revolution"]

[Text] Capitalism cannot undo the grave economic and social crisis it created itself. The people will undo capitalism by revolution under the leadership of the working class.

The IMF recently published a report on Turkey. This report "admits" the fine status of Turkish capitalism. It notes some "good" developments, but says nothing has been done towards structural change (CUMHURIYET, 23 June 1983).

This is, in fact, true. On this foundation, fascism's "phony democracy" is caught between restoring and not allowing to be restored a crazed mirror which reflects the bourgeoisie as "serious."

Despite all Evren's warnings about "few but good," "parties" are springing up like mushrooms. It is said that the number of "parties" is now 16, including those with founding procedures in progress. They are soon going to run out of such qualities as service, virtue, homeland, will, people and, now, peace, too.

The junta cannot get its fill of the veto. After the Social Democrat Party, it vetoed 30 of the Right Way Party's 35 founding members, including its chairman. While some parties no longer even have the founding members who would decide whether or not they should go on, the process does not stop and parties are being formed endlessly. Moreover, resignations, defections and accusations crop up at once within the "viable" parties. That is, even 16 parties are not enough to fill the cracks.

The bourgeois press speaks openly of the "political vacuum." Nazli Ilicak is always worrying about how the vacuum will be filled. She argues that it cannot be filled by counterfeit parties such as the MDP [Nationalist Democracy Party] and the HP [Populist Party] (TERCUMAN, 6 July 1983). She also responded openly to Evren's "few-good" admonition by saying the MDP and the HP, which have the most in common, should combine (TERCUMAN, 30 June 1983).

The bourgeois writers all freely advise unity and cohesion. But the "problems" go far beyond advising cohesion. And doubtless reflect as well, as Ilicak puts it, "on the army which is a part of the Turkish nation." Yet another hastily

retired general has washed up in the party flood. In his haste to show that the "army has withdrawn from political life," Evren suddenly resigned as chief of the general staff and has left the position to Ersin for the time being. As for himself, he is a civilian.

On a tour of the East (!), the country that Mehmet Barlas "reconnoitered by helicopter," the "civilian" Evren brandished such threats as "Iraqi-type operations" and "tighter security measures in the region." Such occurrences as top NATO and U.S. representatives frequently showing up in Turkey officially and unofficially to talk about the power vacuum in the East and new bases indicate that plans are brewing for a new attack on the Kurdish people and the people of the region.

However, Evren goofed during this same tour if he wanted to imply that he had given up hope of these plans. On the one hand, he said, "Ataturk nationalism is not racism," then with his racist propaganda against the Kurdish people proceeded to personify what it is. Evren said the Kurds were of Turkic stock. Then he proceeded to tell everyone who spoke Turkish to raise his hand. He set out on a tour to gain a political base, but returned having gained a little more contempt.

The Turkish Kurds and the Turkish people are filled with contempt for fascism. Meat prices have risen 560 percent in the past 3 years. The net minimum wage today, even if all of it were spent for meat, could buy only 547 grams (CUMHURIYET, 18 June 1983). Workers in Turkey work for one-half kilo of meat a day. Four workers a day lose their lives in on-the-job accidents.

Labor laws introduced under such circumstances are virtually a joke. So these laws are not made public in much detail. Newspapers such as TERCUMAN and HURRIYET which devote plenty of space to elucidation of the constitution are particularly careful not to go into these laws.

These laws prohibit even "cultural" endeavors by the unions. There are provisions that even cull the young social democratic unionists within the Turkish Confederation of Labor. There is an attempt to deprive workers who are members of the Confederation of Revolutionary Worker Unions of all union rights. Union activities are blatantly placed under judicial oversight. If union leaders are tried for certain crimes, the union itself is not permitted to function. Collective bargaining and the right to strike have been eradicated. Strikes are prohibited directly in certain branches of labor and indirectly in others...

Workers have not one shred of trust in laws filled, in Halil Tunc's words, "with distrust of workers" or in the those who make such laws. Because he knows this, Halil Tunc announced that he will not go into politics in this kind of framework of democracy.

Doubtless the distrust is mutual! The Turkish working class is gearing up to throw this lack of trust into the face of fascism and the bourgeoisie. Its most valuable weapon in these preparations is its party, as necessary as air and water. While the attack is being directed against the communist party concept of the working class, alongside the partisan clique and on behalf of the "Marxist left" as well, let us gird on our weapon, let us raise our party high.

Our party is our weapon.

8349

CSO: 3554/385

COLONEL OFFERS HYPOTHETICAL EAST BLOC ASSESSMENT OF MILITARY

Copenhagen BERLINGSKE TIDENDE in Danish 8 Jun 83 p 11

[Article by Colonel C. F. Hagen: "Poor Defense in the Eighties"]

[Text] The chief of defense has urged defense personnel to participate in the security debate. Therefore this article. It is not directed at the peace movement, which would like to have a patent on the desire for peace. But to the large majority of the people who want peace and who realistically understand that a small country in an evil world can not ensure peace for itself merely by words and demonstrations against war.

The mission of the defense forces is primarily to prevent an attack against the country. Together with our allies we must convince the Warsaw Pact (WAPA) that the gains to be won in an armed attack are not worth the cost.

It is therefore obvious that credibility of the defense forces must be the key word. Not just in the eyes of our allies as a precondition for help in a crisis. But still more--and decisively--as seen from WAPA.

According to the nature of the issue, we can not have authoritative knowledge of WAPA's judgment of that credibility. It is, however, certain that a judgment exists, and that it is based on cool, sober principles and on WAPA's war thinking. And in our case on the solid foundation of intelligence, which WAPA has such easy and abundant access to in this country.

But with that background perhaps it is also possible to imagine how such a judgment could turn out. In the following an attempt is made. We imagine that the commander in chief of WAPA (CinC) has asked his director of intelligence (DI) for a short briefing on the Danish land defense forces.

CinC: "First tell me a little about discipline and morale in the Danish Army."

DI: "In summary it appears that there is more emphasis on daily peaceful co-operation than on unconditional obedience which we consider so decisive in

war, and therefore do so much to establish in peacetime. Personnel benefits in the form of pay, freedom and mild punishment regulations are unbelievably great. Not merely when compared with us, but also when compared with other NATO countries. Perhaps because politically they have often had to give in to pressures from the military unions, without regard to the consequences for wartime readiness. Even though the officer corps must be seen as loyal to the government, we have gradually noticed a change in their attitude. From an enthusiastic, idealistic outlook towards their tasks, they are now behaving more as functionaries. That is surely partly due to many years of cutbacks in the defense forces.

"All in all we classify discipline and morale as markedly peacetime oriented. We therefore consider it doubtful that in a war the units will work together and overcome the large disparity that they will meet compared with their daily lives."

CinC: "Can't the national patriotism and willingness to defend the homeland compensate?"

DI: "The question is difficult. There are feeble signs that these attitudes are once more entering the people's consciousness. But in general, words such as patriotism and willingness to defend the homeland have nearly disappeared from the Danish language. When they are spoken it is either in jest or is criticized as crass nationalism. Here we are deriving benefits from a good investment, both from our party comrades and from the many whom comrade Lenin called 'useful idiots'."

CinC: "That sounds very good. How about the training."

DI: "The army consists of a small standing force of recruits plus a conscript force which is trained for 9 months. Among the latter group there is a surprisingly positive attitude which hardly can be explained by unemployment alone. But in this short time no more than rudimentary training can be accomplished. Our analysis of the standing forces shows that the enlisted man seldom within 3 years reaches much beyond the conscript's 9 months of real military training. The background for this is, among other things, absence for civilian education, free time, vacations and compensatory time off. All this seems especially to conflict with individual and small unit training for war.

"A connection between the loose discipline and the limited demands placed on the serving soldiers can not be excluded.

"In commanding the larger units, tactical training is quite comprehensive, and the routines of the standing forces are good. On the other hand, with so few general callups--which have been cut back for years for economy reasons--there are few opportunities to train the leaders of the mobilization forces. The standard must therefore be expected to be lower among the units which make up most of the army."

CinC: "If I understand you correctly it is almost a matter of a militia-like training. What can you say about the army's equipment?"

DI: "Most of the materiel is quite old, much of it goes all the way back to the days of military assistance. Among other things that applies to such important weapons systems as artillery and also Centurion tanks on Zealand. For economic reasons it is going slowly with introducing modern weapons, and many vehicles are nearly worn out. It appears that the large investments in the air force and the navy for modern materiel have put the army considerably behind."

CinC: "Can you point out shortages which we can especially utilize?"

DI: "Yes, there are three special areas. In the first place the lack of equipment for night fighting. Next a very weak air defense, which makes Danish units very vulnerable to our fighter-bombers and combat helicopters. And finally the lack of gas protective clothing, which makes fully possible the utilization of our large supplies of nerve gas. Indications are that there will not be immediate remedies for these shortages."

CinC: "So far I have heard nothing about readiness."

DI: "Peacetime readiness in all three services is low, and the fighting ability of the standing forces is minimal until they are reinforced, since the peacetime strength of many units has been greatly reduced. Battalions throughout the country are hollowed out, and on Zealand the number of fighting units has been halved during the past 3 years."

"The Danish home guard is rather strong in numbers, can react in a few hours, and can provide important support to the army with watch standers and guards. But only a few are trained for real active warfare."

"The mobilization system must on the whole be judged rapid, and we must expect that after mobilization there will be an effort to improve the training situation."

CinC: "From your knowledge of the Danish defenses, where do you see the best possibilities to gain control over the access channels to the Baltic, which are vital to us?"

DI: "The clearest way is by a surprise attack using all the forces we have in peacetime. Without the warning which NATO relies on, neither the Danish Air Force nor the Navy will be effective. The task can be accomplished mainly by an attack on Zealand, whereby we avoid direct confrontation with other NATO countries. We will probably be able to reach a settlement within 24 hours, and thus confront NATO with an accomplished fact."

"In greater detail, I would recommend the following. Immediately before the operation, liquidation of members of the government and high military

commanders, with the aid of our special forces which are trained for this. Next an air strike which will especially destroy the air forces and navy installations throughout the country. Then our airborne forces will be landed. Supported by combat helicopters and with wide use of nerve gas they will immediately attack all the important areas on Zealand and suppress any mobilization at birth. A rapid followup with more troops and heavy materiel can take place under cover of a previously announced amphibious exercise. In that way all preparations will be kept hidden.

"Less favorably, would be if the attack takes place as a part of a general attack on West Europe, in which NATO gets a certain warning. Then we must first wear down and defeat the Danish-allied air and sea forces, which we must expect to be ready. That can take some time, but is naturally possible with our superiority of force. The delay which the combat forces on Zealand will gain for preparation and perhaps reinforcement makes the operation more difficult and much more costly. But still feasible, as long as we know to exploit the enemy's weaknesses."

CinC: "I agree in principle. But don't we run the risk--as in Afghanistan--of problems with a Danish resistance movement?"

DI: "That can not be disregarded. There are, however, wide differences between the materialistic, peace-loving Danes and the Afghan warrior tradition. Also in the terrain. Armed resistance should not be a problem with support from our sympathizers in the country, and with powerful control and reprisal measures from the start. And attempts at nonviolent resistance, which some Danes see as an alternative, will only hurt themselves, not us."

So here is the army's credibility, as we can expect it to be viewed from the WAPA side. Did anyone say 9 April, or is that generation all dead?

The chief of defense has on repeated occasions explained that our defense forces are good. Now the defense forces naturally do not--and can not--consist of the army alone. His understanding is possibly applicable to the navy and the air force. Both services undoubtedly have shortages, but in recent years have undergone comprehensive modernization, resulting in a positive and fortunate increase in credibility. Even though the two services can not eliminate the threat of an attack, they can contribute to limiting the aggressor's choices. The stronger they are, the more they can do this. The fact remains, however, that the army--as the country's last bulwark in a war--will have to carry out the tasks which can be accomplished by neither of the other two services. Gaps in the ground forces can seriously reduce or even entirely invalidate the advantages of a good navy and air force.

And if one links the above portrayed dialogue with just a bit of probability, we do not have an army which is good enough and sufficiently credible where

it really counts: with WAPA. Today it is entirely lacking the training, the equipment and the readiness that is needed. It is, as a distinctly personnel-consuming service, especially vulnerable to well-meaning but entirely peace-oriented service decisions which directly or indirectly influence the ability to meet the grim conditions of war.

In the newspaper RESERVEOFFICEREN (2/83) the defense minister wrote, among other things, "...it is the people who will decide how much resources will be devoted to defense. But we will constantly keep in mind that we will not work with margins which tempt a test of our strength." Hardly anyone doubts the minister's serious intentions. There must, however, be something basically wrong with the advice he is getting, if he has been given the impression that the existing margin does not tempt a test of our strength.

The reality is that for a long time we have exceeded that margin and are risking the country's security. It happens on the political level with continual cutbacks of resources and through establishment of conditions in the personnel area which remove from the defense forces the reasons for their existence. It happens in the military-political area, because despite a continuously growing threat, readiness is reduced as a cheap way out to get the resources to make do.

It happens in the highest defense leadership by dividing the resources among the services, apparently from the blind faith that the navy and the air force can handle Zealand's defense. And that they can not do, as already indicated. Neither from a lightning attack, nor in a situation where WAPA merely delays an invasion until our ships and aircraft are defeated.

About 10 billion kronor can appear to be a lot to spend on security in an already stressed national budget. Also even if the defense share of the budget has been constantly falling for many years, and it is near the record bottom in the West. In any case, it is bad economy if the money does not bring the reliability that is intended.

No one can say with certainty what is needed for an effective defense. But with a higher share of the national budget of merely 1 1/2 to 2 percent used primarily for the army, the balance could easily be shifted from an unreliable to a reliable defense. In other words from an uneconomical to an economical investment. One precondition is, however, that a basic revision of applicable service conditions is necessary to bring them in line with the need to create a defense in the real sense of the word.

The people have an obvious requirement to be factually oriented before a position is taken. In the defense issue that has not happened, and the problem is again a current one, when a new defense plan will be prepared in 1984. Rosenrode's assurances that all is well ignore the serious shortages that have been proved to exist in the defense forces. The nation's taxpayers

must be informed that an unchanged defense budget will not solve the problem. The economically rational alternative to a marked increase of resources is the introduction of Glistrup's telephone answerer.

The people can not be served by a poor defense, which cheats ourselves and nobody else.

9287

CSO: 3613/171

CHANGES PLANNED FOR ARMY TRAINING

Athens I KATHIMERINI in Greek 30 Jul 83 p 2

[Text] A new bill introduced yesterday in the Chamber of Deputies will change the current training system of the Army's cadres. As mentioned in the bill's introductory report, "the entire training system of the Army's cadres is to be based on modern, contemporary concepts; the old, antiquated system, in force since 1939 is being discontinued."

More specifically, the introductory report of the bill, which was signed by the premier and minister of National Defense, Mr. A. Papandreou, and by the minister of Education, Mr. Ap. Kaklamanis, particularly emphasizes that:

"The provisions of the 1939 law are now outdated because, in the intervening time, a tremendous development in the weapons systems has taken place and because the training system was normally specialized; therefore, there is a need for revision and adaptation to the demands of the present, as well as of the future needs."

In addition, as reported, the new bill:

Constitutes of a flexible framework, which allows wide margins to commands of the schools to adapt to the eventual needs of the Army;

It contains new regulations which are essential for establishing modern concepts about training in the Army;

It echoes the spirit of simplifying procedures and limiting bureaucracy.

The bill, which consists of 41 articles, provides for the following:

It anticipates the operation of 14 Officer-Training Schools in various branches; five Special Training Schools; four Supreme Technical Training Schools and the War College. If needed, new sections can be founded in the schools upon the proposal of the responsible authorities of the GES [Army General Staff].

It has been determined that the schools and training centers will be subject to the GES, but will constitute independent commands, which could also be financially independent.

It provides the minister of defense with the option to create new schools and to combine existing ones or to suspend the operation of those where he judges that circumstances warrant it.

It is made clear that the certificate awarded to the officers from the Supreme School of Technical Training is equal to that of the Supreme Schools of the country.

It provides for the creation of a Curriculum or a Supervisory Board in each school or training center whose composition and duties will be determined by the commands of the schools.

Another part of the bills provides for disciplinary penalties for the personnel of the schools who do not properly discharge their duties.

Finally, it provides for officers to study, at government expense, at AEI [Supreme Education Institute] in order to obtain a second degree or other specialization and there will be the possibility of attending military or technical schools abroad for training.

9731

CSO: 3521/392

DECISION STILL PENDING IN AIRCRAFT PURCHASE

'Mirage' Aircraft

Athens MESIMVRINI in Greek 19 Jul 83 p 1

[Excerpts] The purchase of 40 fighter "Mirage 2000" aircraft was discussed (and decided?) in Kerkyra by premier and minister of National Defense, Mr. A. Papandreu, and French minister of Defense, Mr. Charles Hernu. And, if France thus receives 2/5 of the "purchase of the century" from Greece (100 fighter aircraft will cost at least 3.5 billion dollars), Mr. Hernu will have achieved a significant success--especially since the "Mirage 2000" had not been especially tested and is considered to be fairly expensive, while the reasons for their being preferred cannot be anything but political.

According to the same information from reliable sources, in the case of the purchase of the 40 "Mirages," some sort of co-production of the aircraft was decided upon and the concession of offsets was given by France to Greece.

(However, it is reported that there have been reservations and reluctance expressed by those responsible for the security of the French Dasseult plant--which produces the "Mirage"--with regard to the organization of the Greek Aircraft Industry [EAV] and its capability to manufacture significant sections of the aircraft. Fears were expressed about the danger of Greece leaking certain manufacturing secrets of the "Mirage.")

F-16's 'Lion's Share'

Athens I AVGI in Greek 20 Jul 83 p 1

[Text] After the agreement on the bases, the closing of the planned purchase, by Greece, of 100 military aircraft--known as the "purchase of the century"--which will burden the country's foreign debt with several billion dollars, is expected.

This subject was discussed by Mr. Papandreu and French minister of Defense, Mr. Hernu, last weekend. The French government wishes to make sure that at least part of the aircraft to be purchased will be of the "Mirage 2000" type. As a matter of fact, according to a reliable source, the Dasseult Company, which manufactures the "Mirage," made an improved offer "lowering" its prices.

In the meantime, it is considered certain that the lion's share of the Greek market will be that of the F-16 aircraft, for which part of the loan of 500 million dollars approved by the Congress [USA] has been set aside.

In recent days, a conference took place on the entire subject at the Air Force General Staff [GEA]. As has already been reported, the GEA required that the aircraft to be purchased be "dual purpose" aircraft which is not only able to intercept, but also to bomb. It has also demanded that these aircraft be well-equipped with electronic gear (radar, jamming, etc.), a requirement filled mainly by the American F-16.

9731

CSO: 3521/392

ENVIRONMENTAL AFFAIRS MINISTER COMMENTS ON PROBLEMS

Oslo AFTENPOSTEN in Norwegian 21 Jul 83 p 3

/Article by Anne-Lise Hammer/

/Text/ "The valley of shadows is a barren pasture for the idea of environmental protection. It should be brought into the light." That is what Rakel Surlien, minister of environmental affairs, tried to do when she called the press together yesterday to an orientation on what she called "the quiet stuff." A little of everything to chew on: protecting the earth, the building of cottages, outdoor life politics, the storage of poisonous waste, labelling chemical substances and products. "Many people will maintain there are a lot of conflicts here, but they will be, as said, discussed first in the government" the minister of environmental affairs said.

"The press is perhaps too much concerned with the big issues and the partisan quarrels," said Surlien who added there is also agreement on many good things. "The future environmental protection policy is one of preventive work so man can live in harmony with 'basic things': water, air, earth and fire," the cabinet minister said in her introduction.

Protection of the Soil

The department of environmental affairs wants to continue an active policy of protecting the soil but that does not preclude our discussion on how it should be done. The policy which has been carried on in the 1970's has contributed to the organization of the new expansion objectives being strongly cut back. From the beginning of the 1970's it involves a halving to about 700-800 hectares annually in recent years. At the same time new cultivation is high, about 8,000 hectares a year, so that the agricultural area has increased significantly. "This is positive from the resource policy point of view," Surlien said.

She maintained how important it is through the general planning of the municipalities and the county planning to try to see area utilization and the need for expansion in this context. Planning will be the central means for insuring that the earth, which in individual situations may be rearranged, is utilized in a manner which serves a sensible pattern of expansion. Consequently, it is fortunate that things are moving in regard to general planning, "work which the department is supporting through its own program of acceleration," the minister of environmental affairs pointed out.

"The background of this work is the growth of a 'leisure society' which is expected to increase the demand for outdoor activities. This outdoor life is putting demands on how nature's resources will be managed in society. There can be significant conflicts between outdoor life and other activities of society and internally between different aspects of the outdoor life. Arranging the construction of cottages, boat use and camping can for example come into conflict with the public outdoor interests in beach areas. It is important, therefore, to have an adequate basic plan for that work, which the department can emphasize in the new planning laws," the environmental affairs minister emphasized.

She stated that the department in its 1983 budget allocated a total of 17,739,933 kroner to outdoor objectives. Grants have been given to fields and undertakings covering a wide spectrum of outdoor objectives, from small bathing beaches and holiday parking sites to larger outdoor areas of a special character: outdoor areas for the handicapped, rehabilitating previous dumping sites and archipelago renovation.

Chemical Substances and Waste

The environmental affairs department is at the moment working on a better system for dividing chemical substances and products into various classes of danger. Among other things criteria for allergy-inducing substances are being improved. Surlien also wanted to speed up work in regard to a Product Register. It is worth furnishing increased resources so that the compilation of the register will be done as fast as possible.

"The work in regard to special waste is also a priority task in the environmental affairs department. In particular emphasis is being laid on drawing up a comprehensive inspection plan for such waste," Environmental Affairs Minister Rakel Surlien maintained.

The lack of controls in this field previously has become apparent in connection with the creosote affair in Trondelag which attracted considerable attention earlier this year.

6893

CSO: 5000/2601

INDUSTRY ASSOCIATION TO COOPERATE WITH AGENCY ON DISCHARGES

Oslo AFTENPOSTEN in Norwegian 25 Jul 83 p 9

/Article by Gunnar Chr Poulsen/

/Text/ The Norwegian Association of Industries is cooperating with the State Pollution Inspection Board to improve the results at the plants which clean industrial waste. The project is called Indrens and is now halfway along its 4-year period of activity. Indrens prepares reports on how the different purifying plants are operated and how they should be operated to get the best possible result at the lowest cost. "But it is up to the firms themselves to follow up on our report,s" Gunnar Jorflad, the project leader, informs AFTENPOSTEN.

Indrens was formed when it became apparent that several industrial discharge purification plants did not work as planned at the end of the 1970's. Furthermore, the businesses themselves paid very little attention to the plants. "I understand well that many plants were allowed to decay," Gunnar Jorfald says. "Purification plants are not productive and when the authorities did not follow up on the laws and regulations they enacted at a fast tempo in the 1970's, neither did the companies," he states.

Moreover, many of the purification plants were installed without being well tested beforehand. "That is blamed naturally on the fast tempo with which the new laws and regulations were passed and on the fact that purification of industrial waste was something new the world over," Indren's leader believes.

Even if the Norwegian Association of Industries took the initiative in the project, the push of industry has been small. "We have had to take the initiative the whole time," Gunnar Jorfald says. "We have called on the factories to put the tasks in the most concrete form. Then we have picked out purification installations and problems which concern many firms, particularly the small and middle-size concerns which do not have their own experts on the scene."

Twenty projects have been completed, and Indrens is working simultaneously on 31 further projects. After each project is finished, a report with conclusions is sent to all the firms involved. In addition Indrens has purchased pages in the periodical TEKNIKK OG MILJO in which the reports are presented in popular form.

For the next 3 years Indrens has a budget of 4 million kroner annually. Norway's Technical Natural Science Council contributes 1 million each year, the Department of Environmental Affairs 1.5, while industry itself comes in with 1.5 million kroner of financing itself.

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