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WEST EUROPE

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DENMARK

POLITICAL

SDP CHAIRMAN JORGENSEN ON NATO FOOTNOTES, DEFENSE PROGRAM

Copenhagen DET FRI AKTUELT in Danish 27 Jun 87 p 18

[Commentary by Anker Jorgensen, chairman of the Social Democratic Party: "Footnotes and NATO"]

[Text] Even if Denmark's role in the international stage is small, the Social Democrats' "no" to a defense agreement that would mean 800 million more for defense is a signal that supports the international tendencies toward relaxation of tensions. Denmark has a role to play in this policy, Anker Jorgensen thinks.

Recently Foreign Minister Uffe Ellemann-Jensen has played the strong man. Now he no longer agrees that he is obliged to make footnotes. We communicate in NATO. He also points out that he has not demanded this in the most recent meetings.

But this is an alarming anti-democratic position he is expressing. He is naturally obliged to follow what a majority in the Folketing direct him to do. But beyond this there is reason to stress that there simply has been no need for footnotes in the most recent NATO meetings. Why not?

The reason is quite simply that the communiques that have been proposed have been more reasonable. There is nothing, for instance from the American side that amounts to anything that the foreign minister needed footnotes on. Otherwise one must note that there is a growing sympathy with the positions Denmark has favored, and footnotes have quite definitely made their contribution to this.

Moreover, there is need for a more independent position in Europe on many of the security policy questions. For even if it is necessary and correct to have cooperation between the U.S. and the Western countries in Europe, this cooperation must not have such a character that Europe is to a great extent only a tail hanging on to the U.S.'s foreign and security policy.

Much indicates that the overall and general security policy can be expressed in an excellent way in EPS, The European Policy Cooperative, which is connected to the EC. It can be done, and to a great extent is being done, without any reason for a break in NATO cooperation. It is a matter of a

realization that Europe has viewpoints and interests that do not always agree 100 percent with those of the U.S.

There are many nonsocialist parties in Europe that have begun to say that the European states should now use WEU, The West European Union, to further European security policy cooperation. This organization was started as an alternative to NATO. It never became this, and today it is almost an empty shell. Nor did the organization receive the wide support and certainly not the interest it had hoped for. On the other hand, it must be recognized that there are several countries today that are trying to blow new life into the old organization.

The Social Democrats in Denmark are very skeptical about the WEU, not the least because in the beginning it was clothed in a conservative philosophy, and it also had supporters among the most reactionary politicians in Europe. Therefore there is much that indicates that the possibility of a large European consciousness in security policy can best be developed in EPS. It would have been an advantage if countries other than those in EC could have taken part in this cooperation.

Naturally the European countries in NATO can and will confer to be sure that our points of view on peace and relaxation of tensions can be strongly expressed. It must take place to a greater extent than has happened up to now.

It is not the least in Europe that we saw the terrible results of both the first and second world wars. We are naturally grateful that we received the completely necessary and decisive support of the U.S. against Hitler Germany's attempt to conquer all of Europe. The preservation of freedom and independence for the European countries will naturally also be a decisive element in security policy in the future. But it is far from certain that Europe has any interest at all in increased opposition between East and West, and I believe that Europe can and will play a role as the one who makes strong efforts for relaxation of tensions everywhere.

Fortunately, there are such tendencies developing right now, but time after time the hope for peace has hung by a thin thread, and efforts at the relaxation of tensions have been replaced by new armament. The greatest danger is definitely the continued nuclear armament, and it is constantly incomprehensible to me that it has not been possible to agree on a halt in nuclear weapons testing in the Pacific Ocean on the other side of the earth, that the U.S. still continued its underground explosions, and there never has been any "Next Stop Nevada," and that the Soviet also renewed its test explosions. All this happened at the same time that one insisted one was ready to negotiate on peace and relaxation of tensions.

And the fantastic thing happened. Negotiations began on intermediate range missiles in Europe. Yes, there is perhaps hope that more than the above-mentioned nuclear weapons can be included in realistic negotiations, so that one will get a very strong reduction in the large nuclear weapons, sizes and stockpiles, as one has done in Western and Eastern Europe.

We have seen some unpleasant surprises during these negotiations. Helmut Kohl in Germany and Margaret Thatcher in England suddenly declared themselves opposed to the removal of intermediate range missiles in Europe, and they tried to convince President Reagan to abandon the negotiating line he had finally entered into. But this conservatism now seems to be overcome, and now Kohl is actually also saying that one should include the question of the removal of chemical weapons in the discussions. If the goal is to contribute further to relaxation of tensions, it is good, but one must be careful not to get too many balls in the air if one is to be certain that one will achieve a result.

Denmark's possibilities of playing a role in the international security policy situation are naturally small. But one of the reasons why we do not want to go along with a defense agreement that means 800 million kroner more for defense is precisely that we think it would be a bad signal to make right now, when there are tendencies toward relaxation of tensions. But then the sly foxes say: Yes, but if we are now successful in significantly reducing nuclear weapons, there will then remain an imbalance between East and West in conventional weapons, and therefore the Social Democrats must understand that it is necessary to increase Danish defense expenditures.

This sort of thing is said mainly by the people who do not eagerly become strong spokesmen for a reduction of nuclear weapons.

On the contrary, we think: If there is talk of an agreement on the nuclear level, then it will be such a happy event that such a success should be followed up with negotiations on conventional weapons as well with the goal of achieving a balance between the super powers and NATO and the Warsaw Pact. The confidence that a nuclear weapons agreement must be expected to create between the two super powers must naturally be used for further efforts at relaxation of tensions.

Denmark can also make a contribution to a positive development in cooperation with the other Nordic countries by creating a treaty-based Nordic nuclear weapons free zone. This will fit like a hand in a glove the negotiations now taking place if the Nordic countries in common mark their dislike of the threatening development in nuclear weapons, if we unite on such a nuclear weapons free zone. It is important to stress that the special parliamentary committee that was established after the large Parliamentary conference in November 1985 in Copenhagen has now reached common viewpoints and common conclusions on what the goal is with a Nordic nuclear free zone and also what procedures should be applied internally between the countries' parliaments and governments -- also in relation to the super powers and the world around us. Unfortunately there are some conservative and liberal parties that do not want to cooperate in this work. But everything indicates that there is a majority in all countries that want to see work done on such a nuclear weapons free zone. I hope that the thought will also gain a larger place in our own Ostergaard committee. And it is my opinion that a new Social Democratic government must seek as one of its first foreign policy assignments to interest the Nordic governments in a systematic cooperation on the North as a nuclear weapons free zone. Such a Nordic effort will be of significance for relaxation of tensions in all of Europe, and a Nordic zone will also be a

model for other areas of Europe where one is discussing similar thoughts.

The North is known for its will to peace and relaxation of tensions. Therefore we can make a significant contribution. This is our duty. in this way, Denmark has an important role to play in the great game of relaxation of tensions.

9124

CSO: 3613/112

LEFT-SOCIALIST PARTY SEEKING TO KEEP FAEROES NUCLEAR FREE

Copenhagen INFORMATION in Danish 18-19 Jul 87 p 5

[Text] The Faeroe Islands should have guarantees that foreign warships are not carrying nuclear weapons.

The Left-Socialist Party [VS] is now trying to unite the alternative security policy majority on a move to require the government to guarantee that the nuclear-free status of the Faeroes is respected in full.

The reason is that last week the Danish prime minister's office--in spite of requests from the government of the Faeroes--refused to ask the American authorities if the American warship USS McCloy, which put in at Torshavn last week, had nuclear weapons on board.

In 1984 the Faeroese parliament approved a declaration making the Faeroe Islands a nuclear-free area and the visit of the USS McCloy led to a sharp exchange of telefax messages between the head of the Faeroese government, Prime Minister Jogvan Durhuus (Independence Party [a moderate liberal home-rule party]) and the prime minister's office in Copenhagen.

Under the Home Rule Act defense questions are "national concerns" to be dealt with by the Danish government.

"After the USS McCloy's visit to the Faeroes it is clear on the basis of the answer I received from the prime minister concerning the matter that the Danish government does not respect the nuclear-free status of the Faeroes," said VS security policy spokesman Keld Albrechtsen.

"The Danish government will not give the Faeroese government the assurances it wants that foreign warships are not carrying nuclear weapons. Schluter simply refers to the familiar Danish nuclear policy which is based on not asking the United States whether its warships are armed with nuclear weapons.

"That is totally unacceptable. The nuclear-free status of the Faeroes must be respected and Denmark should regard it as a top-priority task to safeguard this status. Otherwise the government of the Faeroes might be forced to refuse in advance to allow foreign ships to put in here at all," said Keld Albrechtsen.

In his reply to Albrechtsen Prime Minister Schluter referred to his correspondence with the Faeroese parliament, saying that the Danish nuclear arms policy is that "stationing nuclear weapons on Danish territory in peacetime is unacceptable and this includes a ban on the presence of any nuclear arms on Danish territory, no matter how brief. This also applies to ships calling at Danish ports.

"This policy is known to our allies and this government, like previous ones, is fully confident that our allies will respect the restrictions that result from our nuclear policy."

Poul Schluter also pointed out that on 11 June--a month before the USS McCloy arrived--the Faeroese government approved the visit without reservation.

However the head of the Faeroese government, Jogvan Durhuus, told INFORMATION on 10 July that "a condition for our consent to the visit was an assurance that the ship was not carrying a nuclear cargo, in other words that it did not have nuclear weapons on board."

Provocation

During the USS McCloy's visit the Faeroese government pressed the Danish prime minister's office for a reply to the question of "why the ship has arrived in the Faeroes without giving any assurance that it is not carrying a nuclear cargo," and Durhuus told INFORMATION that the Schluter government's reply that "the prime minister's office has no reason to doubt that the American authorities will adhere to Danish regulations" was a provocation.

Keld Albrechtsen said that "it is clear that the Danish state cannot expect the Faeroese to regard Danish policy in this area as a guarantee of their nuclear-free status. The problem is that the Danish policy assumes that nuclear weapons are banned from Danish territory in the current situation, but for one thing this policy could be changed at a moment's notice and for another the 'current nuclear-free situation' is not being enforced at all. Denmark has no control over whether other nations are violating Denmark's nuclear weapons policy.

"Thus it is clear that a land that wants permanent guaranteed nuclear-free status cannot feel that this is assured by Denmark's policy in this area."

Social Democrats Hesitant

Former Prime Minister Anker Jorgensen (Social Democrat) told INFORMATION earlier that in this particular situation the government could not turn the American warship away, but it could ask the Americans if there were nuclear weapons on board.

But Anker Jorgensen said the situation would be different if a Nordic nuclear-free zone based on treaty guarantees is established.

INFORMATION could not reach Radical Liberal spokesman Arne Stinus yesterday.

6578

CSO: 3613/116

POLL SURVEYS SUPPORT FOR NEW GOVERNMENT

Helsinki HELSINGIN SANOMAT in Finnish 29 Jun 87 p 13

[Article: "Nearly Half of All Citizens Satisfied with Government"]

[Text] Oulu (HS)--Forty-five percent of all Finns are satisfied with the Harri Holkeri (Conservative) administration. Over a fourth of them could not assume a position on the government. This data was revealed in an opinion poll the Finnish Gallup Company was commissioned to conduct by the newspaper KALEVA, which appears in Oulu.

The poll was conducted at the end of May--3 or 4 weeks after the government was formed. According to the pollsters, the large number of uncertain respondents is due to the newness of the government and the unorganized nature of its policies in citizens' eyes. In the course of the poll 856 adult Finns were interviewed.

By far the most satisfied with the Conservative-Left government are supporters of the Conservative Party, 61 percent of whom took a favorable view of it. A majority of those who support the Social Democrats, 51 percent of them, also view the Holkeri government favorably.

Supporters of the opposition: the Center Party (KEPU), the SKDL [Finnish People's Democratic League] and the Greens, were the most dissatisfied with it. Eighteen percent of the KEPU, 28 percent of the SKDL and 11 percent of the Greens supporters were dissatisfied with it.

Only a small percentage, 7 percent, of the respondents, however, took a clearly negative view of the government. Thirty-four percent of supporters of the leading opposition party, the KEPU, were satisfied with it. Thirty-seven percent of the Greens and 28 percent of the SKDL supporters also viewed the Conservative-Left coalition with favor.

No big regional differences were noted in the poll. Northern Finns and those with low incomes were somewhat more dissatisfied with it than Southern Finns and those with high incomes.

According to an earlier poll commissioned by KALEVA, 55 percent of all citizens took a favorable view of Prime Minister Holkeri. They did not appear to be quite as satisfied with his government. The pollsters explain this phenomenon as being due to the fact that people may form a mental image of a person more quickly than they can of a government that has just begun to operate.

11,466

CSO: 3617/118

PAPER COMMENTS ON VAYRYNEN'S LACK OF SUCCESS IN CAMPAIGN

Helsinki HELSINGIN SANOMAT in Finnish 30 Jun 87 p 2

[Editorial: "Vayrynen Shelves Half of His Platform"]

[Text] Chairman Paavo Vayrynen, who has escaped from the daily grind of politics to the easy life of a presidential candidate, has certainly given a great deal of thought to why his "new popular front" policy has completely failed. It has led the party out of the government negotiations and the majority government.

Right from the start, Vayrynen shifted responsibility for what happened onto the shoulders of the SDP [Social Democratic Party] and finally the Conservative Party as well. He does not see anything wrong with his policy, as do some of his party comrades.

Behind party secretary Seppo Kaariainen and parliamentary delegation chairman Kauko Juhantalo, Vayrynen has, however, been quietly laying to rest talk of a "new popular front" and cooperation with the Conservative Party aimed at putting an end to the Social Democrats' hegemony. It would nevertheless be more realistic to revive the "old popular front" as an alternative to the present Conservative-Left government.

But how can such an about-face be justified? Vayrynen dreamed up an explanation for it in a recent newspaper interview: Kalevi Sorsa, who promoted the current Conservative-Left solution, has retired from the post of chairman of the SDP.

Vayrynen is right in one respect: The inflammation of reciprocal relations between him and Sorsa during the last year of the Left-Center government interfered with chances for cooperation. Vayrynen, however, forgets that in the election campaign he himself declared war on the hegemony of the Social Democrats and wanted to replace the Left-Center coalition with a "new popular front" led by the Center Party. That in turn forced the SDP to seek new alternatives.

Thus the logic of Vayrynen's thinking does not stop with Sorsa. The talk of a return to a Left-Center government will scarcely inspire credibility in the opposition as long as Vayrynen does not move on it.

11,466

CSO: 3617/118

IN-FIGHTING BETWEEN PASOK'S KOUTSOGIORGAS, GOVERNMENT

Athens EMBISTEVTIKO GRAMMA in Greek 15 Jul 87 pp 1-2

[Text] In recent days Menios Koutsogiorgas, a member of PASOK's Executive Office and a former minister, has been creating a combat zone of clashes with almost all the leading officers of both the government and the party.

As the PROTI revealed in this regard, Koutsogiorgas is trying to overrun the areas of jurisdiction of all his colleagues in the Executive Office of PASOK in connection with the appointment of the new party administrative apparatuses, where Koutsogiorgas is being accused of promoting people of his own choice and enjoying his confidence.

At the same time, according to the best reports we have, Koutsogiorgas has come into very sharp conflict with the prime minister's inner circle, especially with the general director of the political office, Andonis Livanis, and with the director of the private office, Angela Kokkola. They scarcely exchange "good-morning" greetings.

The relations of Koutsogiorgas are also bad both with the director of the diplomatic office of the prime minister, Khristos Makhairitsas (who frequently is subjected to the venomous comments of Koutsogiorgas), and with the president of the Chamber of Deputies, Giannis Alevras.

It is characteristic that Koutsogiorgas is not a member of any of the groups to which the above persons belong; he prefers the direct channel of personal contact with the prime minister. The culmination of these clashes between Menios Koutsogiorgas and leading officers of the government and PASOK is found in the case of Giannis Kharalambopoulos, whose position and duties are being contended for by Koutsogiorgas in connection with the next administrative reshuffling. According to the same reports, the former minister has told the prime minister that his conditions for returning to the administration are, on the one hand--as we have written--that other officers of the Executive Office also receive ministries, and on the other hand that he himself be given the deputy prime ministership and the Ministry of National Defense. As we are in a position to know, Kharalambopoulos has strongly opposed these demands of Koutsogiorgas. But the same thing is going on also with the other members of the Executive Office, who if he is made a minister--as Koutsogiorgas wishes--would agree that Koutsogiorgas is in first place as successor to A.

Papandreou. These demands by Koutsogiorgas, which are now being discussed very extensively behind the scenes in the party, are expected to set off a very broad opposition because, as has been shown to be the case up to now, his unrefined partisan behavior as minister to the prime minister and minister of foreign affairs is utterly unsuited to the sensitive position of minister of national defense. But on the other hand, M. Koutsogiorgas seems to have more substantial support among the rank and file compared to Kharalambopoulos, who is accused of displaying "romanticism."

12114

CSO: 35210160

FUTURE OF CENTER-LEFT MOVEMENT DISCUSSED

Athens EMBISTEVTIKO GRAMMA in Greek 1 Jul 87 p 9

[Text] Several political analysts friendly to the governing party have, for the first time, started in the last few months to seriously discuss the possibility of the center-left falling from power and the conservative-liberal forces returning to power.

However, while they have repeatedly examined the difficulties a conservative-liberal government will face after it assumes power, they have not considered at all the fate of the center-left in Greece once it falls from power (a very likely event under the circumstances).

What would happen in such a case? Today we shall try to outline the likely developments, analyzing the following cases:

--Ideological Supremacy

The liberal shift of the present government will leave a future center-left opposition without ammunition. Leftist criticism, which was the easy and effective weapon of the previous decade, will be totally ineffective given the specific actions today of the center-left government. This means that ideologically the liberal-conservative forces will counter attack.

--Leadership and Party Agencies

When the center-left falls from power A. Papandreou will certainly withdraw from active politics. In such a case, PASOK's cohesion will be in serious jeopardy without Papandreou's charismatic personality which imposes unity, and without the connecting sinew of being in power. Therefore, one should expect a period of "a war of succession" within the political area now covered by PASOK.

Even if this war ends with the emergence of new partisan forms, most of their leaders (30 years and older) will have been members of the present government actively exercising power and therefore carrying with them the guilt for what they did.

--Mass Means of Communication

Current control of the center-left over mass means of communication is based primarily on television and secondarily on the press. Therefore, the center-left will suffer a serious wound with the loss of its TV monopoly.

At the same time the expected publication of new newspapers by businessmen who do not have the old political orientation of traditional publishers will change conditions in the press area where maintenance of the status quo today unquestionably favors the center-left. We should not forget that lately two important newspapers of the center-left (ETHNOS and AVRIANI) have been going downhill.

--Public Image

It is certain that if the conservative-liberal forces come to power, they will conduct exhaustive investigations and give the widest possible publicity (especially through television) to all the controversial cases of management of public funds (the known scandals). For at least 2 years after the loss of power by the center-left, its political attacks will be lost in the avalanche of scandal trials.

The center-left will need a long time to erase from its public image the stigmas of failure and corruption, which the conservative-liberal forces will promote with more means of publicity than they have now.

The conclusion is that if the center-left falls from power the political context will change completely, leaving much more room for action to a conservative-liberal government than the PASOK government has today.

As Thatcher's course has shown in Britain, a government's power starts with the opposition's weakness. A government which faces the weakness of the opposition can win many victories as the three electoral victories of the British conservatives have shown--provided, of course, it can show some governmental achievements.

7520

CSO: 3521/159

POLL RESULTS ON PUBLIC'S IMPRESSION ON ND'S MITSOTAKIS

Athens EMBISTEVTIKO GRAMMA in Greek 8 Jul 87 p 17

[Text] According to a poll conducted by METRIX at the request of the New Democracy Party, a large segment of the public attributes the following traits to the ND leader (Mitsotakis): (a) cool headed and decisive; (b) has authority over the party and everyone accepts him as the leader; and (c) he seeks a dialogue with all social groups.

He gets high marks on certain other questions, such as: (a) he again made ND a party able to govern the country; (b) nice in his manner, democratic in his thinking; and (c) he wants social justice in the country.

More than 80 percent of ND followers attribute these traits to Mitsotakis. The attributes seen by most PASOK followers in Mitsotakis are that he is cool headed and decisive (41 percent); he has authority over the party and is accepted as the party leader (31 percent); he seeks a dialogue with all social groups (18 percent); and he made ND a party able to govern the country (12 percent).

The Image of the ND Chairman
(%)

Much or a Great Deal	Total	PASOK	ND	KKE	KKE-Int.	No Answer
Objective/he treats his political opponents well	32	8	79	6	5	23
Cares about social justice	34	10	84	7	6	25
Simple and democratic	35	11	85	7	15	25
Seeks dialogue	40	18	87	15	21	30
All in the party accept him as leader	44	31	81	24	34	32
Able to find solutions	32	7	86	3	10	19
Tries for a mild climate and social peace	32	6	83	4	15	23
Fulfill his promises	28	2	80	1	5	18
Made ND a party capable of seeking power	36	12	85	7	25	25
Cool headed/decisive	53	41	90	33	63	39
Exemplary family life	27	10	63	10	18	18

The overall image--as noted by the poll--which emerges is that on two aspects the ND chairman has an appeal which goes beyond the electoral forces of the party.

The survey indicates that under the conditions of acrimony now prevailing and the aggressive tactics against the ND chairman during the 1985 election, acceptance of even some important attributes, even by a small portion of PASOK followers, shows the deep changes that have taken place among the voters.

The important attributes refer specifically to the questions, "he seeks dialogue," and "he is interested in social justice," which belong to the ideological program and PASOK's governing positions. Moreover, the attributes related to "social justice" and "able to find solutions" refer to the style, presence and scope of the policies an ND government would implement in the future.

It shows then that Mitsotakis has a more complex image than the one usually associated with him, if one examines only the aspects of simple popularity (Papandreou continues to be ahead in this). There are certain positive attributes (e.g., cool headed and decisive) where Mitsotakis is ahead by far.

Finally, it is clear that ND has not done a systematic job in improving the image of its leader, since certain positive elements which no one disputes (e.g., his exemplary family life) gain very low marks of approval.

7520

CSO: 3521/159

ACTIVITIES OF 'DARK' FOREIGN CIRCLES DENOUNCED

Athens ETHNOS in Greek 22 Jul 87 p 3

[Article by Str. Kalegeropoulos]

[Text] Once again, rumors are circulating about an on-going plot against the EYP [National intelligence Service] and especially against its new director, Kostas Tsimas who replaced General Filippos Makedos through a personal order from Prime Minister Andreas Papandreou.

Secretary General for Press and Information Sotiris Kostopoulos, when asked by reporters, denied that there were accusations by the Americans against Mr Tsimas; this was also rejected by Mr Makhairitsas himself.

Mr Kostopoulos praised Mr Tsimas' services to the Republic and said that he is performing his functions under the direct control of the prime minister in the field of intelligence. Among other things, Mr Kostopoulos warned those who are working toward removing Mr Tsimas from the EYP that they should desist from their purpose.

The government spokesman's allusions refer to an article published in I KATHIMERINI, according to which the prime minister is under multi-sided pressure from many members of his entourage to remove Mr Tsimas from his position.

Independently from the above article, reliable sources in foreign diplomatic circles report that Mr Tsimas continues to be the "prime target" of secret U.S. networks in Greece even after the Abu Nidal affair.

As is obvious from the intensification of the attack against Mr Tsimas, Greece's "Atlantic" friends still cannot comprehend that the EYP is no longer under the influence of foreign services.

Background

These same friends also cannot resign themselves to the fact that the EYP's information reports to the prime minister usually throw light on the dark activities of foreign behind-the-scene operatives in Greece.

A recent success achieved by the EYP, according to information was the identification of very many foreign agents, who attempted to attribute to the prime minister the direct rapprochement with countries of the Warsaw Pact.

The EYP also located foreign military analysts who dealt with GEETHA [National Defense General Staff] Chief General N. Kouris' visit to Sofia in order to transmit to U.S. headquarters that a Greek-Bulgarian defense agreement is in the works.

The U.S.A.-NATO complex can in no way perceive the new reality, that is, the fact that Greece will not in the future loosen its friendly ties with its northern neighbors. In general, the CIA in Athens is attempting to prove through various means that Kostas Tsimas is an acknowledged enemy of the Atlantic Alliance, and that through his reports to the prime minister and the Ministry of Defense, he is downgrading everything that refers to the good intentions of the Alliance toward Greece.

As a central intelligence agency, the EYP, according to the same information, succeeded in recent months in the neutralization of specific incidents of disinformation and black propaganda against Greece, aiming at the destabilization and the undermining of the task of our armed forces in the sector of the Aegean and Western Thrace, where our only land borders with Turkey are located.

/12232

CSO: 3521/175

GREECE

POLITICAL

BRIEFS

EYP DIFFICULTIES--The latest Greek-American tension has apparently caused the postponement of a reshuffle in the leadership of the former KYP [Central Intelligence Service], now called the National Intelligence Service (EYP). It is said that the prime minister had decided to ask for the resignation of the present director, Mr K. Tsimas, for purely operational reasons. Specifically, because Mr Tsimas has not yet named his deputy, the reason being that he refuses to assign him an area of responsibility. As a result, there is intra-service grumbling between the military and the civilian personnel of the EYP, which affects its productivity. At the same time, there seems to be a degree of friction between Tsimas and U.S. experts on the subject of terrorism. [Text] [Athens POLITIKA THEMATA in Greek 3-9 Jul 87 p 11] /6091

CSO: 3521/154

ASPECTS OF RELATIONS WITH FORMER AFRICAN COLONIES DISCUSSED

Accusations Protested

Lisbon DIARIO DE NOTICIAS in Portuguese 16 Jun 87 p 6

[Editorial]

[Text] The visit paid to Lisbon by the foreign ministers of the African countries in which Portuguese is the official language has confirmed once again that cooperation between Portugal and The Five, however much it may have progressed in some respects, continues to suffer from the underlying problem of the alleged support provided to the UNITA and the RENAMO. This is a problem which has not, to date, served to prevent the dialogue which, despite everything, has remained unchanged in the most varied political situations, both here and in Africa. But it is also a problem the former Portuguese colonies do not want to see ignored, to such an extent does it affect each and every development project. And 12 years after independence was won, we have here the "embassy" of the Portuguese-speaking African countries regarding this issue as a decisive aspect of relations with Portugal. It suffices to note the statement made at the beginning of the press conference in which the assessment of this visit to Lisbon was set forth.

The importance and even the emphasis placed on this matter is understandable. Without a clear and unequivocal defeat of their internal adversaries, the governments in Angola and Mozambique know that all of the efforts to liberate their respective countries from the catastrophic situation in which they find themselves will be doomed to failure. It may be claimed that the problem is not that of Portugal, and that the authorities in Lisbon have maintained a consistent line of support of the Angolan and Mozambican states in this matter, support which has been reflected in successive statements made on the territory of Portugal and abroad. Which is true, but this is not enough to satisfy the desires of The Five. For at the present time, Portugal is the only platform where their governments can make charges which will have some effect on public opinion, thus creating a broader front for combating their adversaries and claiming that they are the victims of a war extending far beyond the vicissitudes experienced in the field. To do this in any of the countries from which it is presumed the logistic support for the guerrilla forces comes would be fruitless. But doing so in the heart of Europe, in a country whose people have not as yet completely overcome the consequences of

decolonization is to break out of the circle and to seek a guarantee on an international level which cannot readily be obtained on the complicated chessboard into which the southern African region has been transformed.

On the Portuguese side, the choice, as always, was clear. It would in fact be unthinkable to pursue a kind of double diplomacy, formally supporting the states with which relations are maintained while informally supporting those who oppose them. This is true both as a matter of principle and as a matter of objective interest. What is difficult, however, is to satisfy the demands which sometimes come to us from Africa in this connection without violating the laws which protect each and every citizen of Portuguese nationality, whatever his political creed or the ideas he freely expresses to the media.

Seen from this point of view, the problem will always have an insoluble aftermath. It is because of this that the systematic blaming of the Portuguese state is not perhaps the best strategy, above all when the main agents of that state are proclaiming ever more insistently, and with ever greater conviction, that it is necessary to reduce their role and to increase that of individuals. Rather than demanding of successive governments in Lisbon, then, what they are known to regard as impossible, a continuing effort to demonstrate the wisdom and justice of the cause defended by Luanda and Maputo would be preferable. When all is said and done, won't mutual cooperation in the current stage depend more on businessmen and technicians than on any agreement beyond those which already exist?

RENAMO Statement

Lisbon DIARIO DE NOTICIAS in Portuguese 16 Jun 87 p 3

[Text] Paulo Oliveira, the spokesman and European representative of the RENAMO, is the signatory of a statement distributed in Lisbon yesterday which says that "Portugal will continue to offer 'sanctuary' for activities and actions directed against the government of Mozambique established within the framework of the freedoms every Portuguese citizen is entitled to enjoy."

This communique was the RENAMO reaction to the statement by the president of the republic to the effect that "Portugal will never be a sanctuary for actions against the legitimate governments of Angola, Mozambique and the other African countries in which Portuguese is the official language."

The statement also said that "The members and representatives" of the RENAMO "on Portuguese territory who have Portuguese identity documents will not surrender the rights, freedoms and guarantees conferred upon them by the law and the constitution of Portugal." Denying that the armed actions of the RENAMO are "planned in or carried out from Portugal," the statement said that "All the political and diplomatic actions and informing of the citizens whom our law and constitution protect will continue or even be intensified, regardless of whether the organs of authority or other states are pleased."

The RENAMO views the presence of the five foreign ministers in Lisbon as "a tool for exerting pressure on the government bodies in Portugal."

'The Five' Consolidate Debts

Lisbon O JORNAL in Portuguese 18-25 Jun 87 p 48

[Text] The consolidation of the greater part of the debts of the five Portuguese-speaking countries, by means of a guarantee offered by the state, is practically assured. These debts exceed 50 million contos, O JORNAL learned from a well-informed source.

Mozambique and Angola, with debts of 26 million and 24 million contos, respectively, will be the major beneficiaries of this operation, which is being carried out within the framework of the cooperative actions with the new African nations undertaken by the government in Lisbon.

Much smaller debts which will also be consolidated through Portuguese state guarantees include those of Guinea-Bissau (1.3 million contos), Cape Verde (80,000), and Sao Tome and Principe (3,000 contos). Guinea-Bissau and Sao Tome recently benefited from earlier guarantees covering 3 million and 2 million contos, respectively.

More Cooperative Workers

Meanwhile, the Secretariat of State for Cooperation will seek to improve working conditions, insofar as possible, for the cooperative agents in the new African countries, specifically Angola, Guinea-Bissau and Sao Tome and Principe. Reports from these countries indicate that interest in having Portuguese cooperative workers is on the rise.

For example, the Angolan authorities have indicated their desire to have 80,000 more Portuguese cooperative workers, in addition to the approximately 24,000 who are currently engaged in various activities in that country.

In this connection, Luanda has proposed to the government in Lisbon that payment of the wages of and subsidies for Portuguese cooperative workers be shared. According to a source at the Secretariat of State for Cooperation, this has already been accepted in principle by the Portuguese government.

Recently, some major delays in the payment of wages to the Portuguese cooperative workers in Angola have been noted. In some cases, back wages for as many as 7 months were owed, but the problem was resolved last month after the government in Lisbon contributed to alleviating the problem by sending foodstuffs and advancing funds to pay wages.

Moreover, plans now call for consulting with various Portuguese civil construction enterprises operating in Angola with a view to awarding the bid for the building of the Luanda Cultural Center. This project is expected to be budgeted at 60,000 contos, and infrastructure facilities have already been reserved on the land owned by the Portuguese chancery in the Angolan capital. The cooperation of the Secretariat of State for Culture and the Calouste Gulbenkian Foundation has already been arranged for the equipping of this cultural center.

Moreover, the building of a residential complex with 20 housing units and a social center for the Portuguese cooperative workers is already under way in Bissau, and it is expected that within a month, the bid on a project calling for the building of 24 houses in Sao Tome for the cooperative workers living there will be awarded.

5157

CSO: 3542/106

BRIEFS

FOREIGN AGENTS' ACTIVITIES--According to information believed reliable, various DISA [Directorate of Security and Intelligence] and SNASP [People's National Security Service] (Angolan and Mozambican political police) agents have arrived in Lisbon in the past 2 months and have carried out their activities almost in the open without being importuned. A question arises in political circles: What will the government do to put an end to the "pides" [reference to the old Portuguese political police, the PIDE [International Police for the Defense of the State]] of the PALOP (an acronym that has suddenly entered our slang and which means Países Africanos de Língua Oficial Portuguesa [African Lusophone Countries])? [Text] [Lisbon O DIABO in Portuguese 30 Jun 87 p 7] /6091

INTERNAL SECURITY LAW APPROVED--The Internal Security Law, approved by a vote in the Assembly by the CDS and the PSD alone, has finally been published. This document provides for the establishment of a nonmilitary intelligence service and various methods for ensuring the integration of and active cooperation by the various national police and detective establishments. The development of the various structures for which the law provides is already well along. It is possible that the CDU will take advantage of the electoral campaign to malign this complex of norms, representing them as the embryo of a "police state." [Text] [Lisbon O DIABO in Portuguese 16 Jun 87 p 7] 5157

CSO: 3542/106

BRIEFS

OATH TO CONSTITUTION--Basque separatist Txema Montero, elected to the Europarlament by the Herri Batasuna coalition, swore yesterday to respect the Spanish constitution. The oath is one of the requirements that Spanish Eurodeputies must make before occupying the position to which they were elected. Up to now, Herri Batasuna had refused to occupy the positions at the Madrid Parliament in order to avoid making the oath of adherence to Spanish law, which enshrines the inviolability of the state's territorial integrity. Txema Montero submitted himself to the oath in order to go to Strasbourg to "defend the interests of the Basque people and to internationalize the Basque problem," but he protested against what he qualified as a "vexation for the entire Basque population." [Excerpt] [Lisbon DIARIO DE NOTICIAS in Portuguese 4 Jul 87 p 24]

/9716

CSO: 3542/110

EDITORIAL CRITICAL OF RELATIONS WITH U.S.

Istanbul CUMHURIYET in Turkish 5 Apr 87 pp 1, 15

[Editorial by Hasan Cemal]

[Text] Have you looked at the cartoon by Ali Ulvi in today's paper on first page? The cartoon depicts Reagan [as playing an old children's game] with Ozal. Reagan points to his palm and moves his thumb and fingers one by one:

Here a bird perches; this finger catches it, this one pulls its feathers out, this one cooks it and this one eats it... And the little finger comes from school and says: "What about me, what about me, what about me!...

Ali Ulvi's cartoon seems to have captured the essence of the current state of Turkish-American relations and the way they are perceived in public opinion.

The ink on the signatures placed on the supplement to DECA (which extends the bilateral Defense and Economic Cooperation Agreement by a further 5 years) is not yet dry; and yet developments in the American Congress seem to vindicate those who view those signatures as untimely. As it is, military aid proposed to Congress by the Reagan administration is being trimmed almost by half by the congressional commissions, while being tied to the Cyprus issue in a manner suggesting an 'embargo in disguise.' Meanwhile, as 24 April draws near, the Armenian lobby has intensified its efforts at the Congress. An important aspect is the rather intriguing connection between Armenian organizations which are trying to pass the 'Genocide' bill through the House and terrorist groups who have conducted attacks on Turkish diplomats in the U.S. in the past. In this regard we advise our readers to go through the headline news as reported by Sedat Ergin in our paper today and contemplate the implications.

All these developments in the Congress go against the inherent logic of DECA. It might be said, though, that the legislative process has not yet run out. That is true. It is probably for

that reason that Ankara's reaction to these developments has been relatively mild. It thus seems that the hopes vested in the Reagan administration have not been lost yet.

But we still maintain our initial pessimism in this regard. We don't think that an Administration which has been badly bruised by Irangate would be able to be effective in the Congress, even if it tried, particularly in an issue concerning Turkey. One might add that the Ozal government has been so compliant from the start in its relations with America that the Administration is not likely to feel any urgency to take action in the Congress.

No doubt there is a reality called the 'Congress' in the American political system which cannot be ignored. But there is another reality not to be ignored either. And that is the tendency of the American administrations to play the 'Congress card' against countries like ourselves with a view to wresting extra concessions. That is a reality we should not lose sight of.

Developments in Congress are proceeding on a course quite unacceptable to Turkey, as demonstrated by the justifiable reaction shown by SDPP Leader Erdal Inonu when he said: "We're not the mercenaries of the U.S." Such developments cannot go unheeded. The notion that Turkey is not able to do much to hurt the U.S. is apparently well-established in Washington circles, thanks particularly to the Ozal government. It thus seems that unless this notion is shaken up a bit no one in the U.S. capital is prepared to lift a finger.

That's how things look. But how can this notion be got rid of? Isn't that the crux of the matter?

12466
CSO: 3554/240

EVREN WANTS CONSTITUTIONALLY MANDATED LAWS PASSED

Istanbul MILLIYET in Turkish 9 Apr 87 p 8

[Excerpt] It is reported that President Kenan Evren told the Council of Ministers, over which he presided during the absence of Ozal, that land reform and agricultural reform head the list of constitutionally-mandated legislation he wants to see passed. During the meeting Evren is said to have expressed the view that "legislation mandated by the Constitution should be brought out without further delay." In a preliminary study done by the Ministry of Justice in response to Evren's reminder it has been found that there are six pieces of legislation in that category. And during the 3, 5 years of the Ozal government, seven such laws have been passed becoming law.

Legislation Outstanding

According to the Justice Ministry these are the legislation still outstanding:

1. In line with Article 44 of the Constitution, law relating to comprehensive land and agricultural reform,
2. In line with Article 43, law relating to coastlines and regulation of their use,
3. In line with Article 47, law regulating the nationalization of private enterprises which have the character of public service, whenever public welfare demands it,
4. In line with Article 128, law regulating the procedure of replacing high-ranking public administrators,
5. In line with Article 165, law relating to GNA's control of public organizations and corporations,
6. In line with Article 166, law relating to the preparation of development plans, their ratification by GNA, their implementation, revision and prevention of any changes that may upset their coherence.

Legislation Already Passed

According to government sources, during the tenure of the Ozal government seven of the constitutionally-mandated pieces of legislation have been passed, becoming law.

5-YEAR POLITICAL BAN NEARS END

Istanbul TERCUMAN in Turkish 23 Mar 9

[Text] Ankara -- The 5-year political ban of former deputies (in accordance with Item (b) Temporary Clause 4 of the Constitution is nearing its end with 200 days to go. On 7 November 1987 Item (b) (which bars 471 former deputies and senators from serving in the central executive organs of political parties and/or becoming founders of political parties for 5 years) will cease to take effect.

Of the 471 former parliamentarians who are busy counting the days, 238 belonged to Republican People's Party, 212 to Justice Party and 16 to National Salvation Party. Also due to have their 5-year bans lifted: Abdulkerim Dogru, Nizam Party deputy leader; parliamentarians Cengiz Senses, Nurettin Yilmaz, Mustafa Kilic, Ahmet Yildiz (permanent senator) who have court cases pending. All National Action Party parliamentarians are subject to 10-year bans.

Meanwhile, those re-elected as deputies despite the application of the 5-year ban to them -- Cahit Karakas, Iskender Cenap Ege, Sumer Oral, Koksai Toptan -- will be able to take on duties on central executive organs of their parties once Item (b) of Temporary Clause 4 ceases to have effect.

12466

CSO: 3554/235

CONSTITUTIONAL COURT DECISION CONFUSES POLITICAL BAN ISSUE

Former Party Leader Exempted From Ban

Istanbul CUMHURIYET in Turkish 6 Jun 87 pp 1, 8

[Faruk Bildirici report]

[Text] Ankara--The Constitutional Court's decision that has exempted Nationalist Labor Party [NLP] leader Abdulkerim Dogru from the ban on politicians has led to controversy. It is now argued that the bans specified by Provisional Article 4 of the Constitution apply only to Suleyman Demirel and Bulent Ecevit. Meanwhile, Demirel claimed that Alpaslan Turkes and Necmettin Erbakan are not covered by Provisional Article 4 and said that "it would be proper to disclose the names of those who will not be affected by the referendum." Stating that "the referendum will be held only for the leaders of the Republican People's Party [RPP] and the Justice Party [JP]" and that "officials of the Nationalist Action Party [NAP] and the National Salvation Party [NSP] have been accorded preferential treatment," Democratic Left Party [DLP] leader Rahsan Ecevit said: "If the Prime Minister does not speak up, it means that he is deceiving the people."

NSP partisans, who have declared that Necmettin Erbakan is not under any political bans, will gather next week to determine the course they will pursue.

After the Constitutional Court upheld an administrative court ruling that Abdulkerim Dogru is not under any political bans, debates have erupted on whether leaders of the NAP and NSP are subject to the ban on politicians. It is argued that some of the prohibitions of Provisional Article 4, in particular "the prohibitions against the leaders and officials of the government and the main opposition parties on 11 September 1980," are indisputably clear. It is stated on the basis of this argument that Suleyman Demirel and Bulent Ecevit are subject to political bans.

However, the political bans imposed on administrators of parties which were not the government or the main opposition party at the time are contingent upon "lawsuits filed against them on charges of crimes against the state." Because of this provision, legal experts state that those who have been charged with offenses but who have been acquitted of those charges should be exempt from the political bans. It is therefore argued that there are no

political bans on NAP and NSP administrators who have been acquitted of criminal charges. The conviction of [former NAP leader] Alpaslan Turkes is currently being reviewed by the Supreme Military Court of Appeals. It is argued that Necmettin Erbakan and other NSP administrators are no longer subject to political bans because they have been acquitted of the charges brought against them.

It is therefore argued that the political ban law concerns only the administrators of the RPP and the JP and their leaders, Bulent Ecevit and Suleyman Demirel. It is stated that in the referendum to be held voters will decide the lifting of political bans on only Demirel and Ecevit. It is speculated in political circles that taking a vote only with regard to Demirel and Ecevit will change the negative attitude of citizens who think "rather than lifting the political ban on Erbakan and Turkes, let the ban remain in force for all of them."

Demirel: Names Must Be Disclosed

Responding to a question by the Anatolia Agency correspondent on how Provisional Article 4 of the Constitution should be interpreted in the light of the Constitutional Court ruling on Abdulkarim Dogru, former Prime Minister Suleyman Demirel said:

"Those who have been charged with criminal offenses after 12 September and who have been acquitted are not covered by Provisional Article 4. Those who drafted that article were so sure of the outcome of the lawsuits to be filed that they thought the condition of the existence of a lawsuit would be sufficient.

"However, the decisions handed down by the Constitutional Court and the administrative court have revealed the truth. In view of these decisions, if Mr Turkes is acquitted as a result of his appeal he will be exempted from the provisions of the article; Mr Erbakan, NSP administrators and NAP administrators are already fully exempt from the stipulations of the article."

Stating that he agrees with the proposal that the names of the former politicians who are not covered by Provisional Article 4 must be published, Demirel said: "Such a disclosure would deprive the government of exploitation material. Such a disclosure would block abuses by those who want to use the prospect of a return to the pre-12 September period as a threat in the referendum."

Stating that the referendum to be held is related to the bans imposed on the voters, Demirel said: "The referendum concerns neither me nor Mr Ecevit. The referendum concerns every conscientious person who believes in the supremacy of the law and who has faith in democracy."

Rahsan Ecevit: Prime Minister Must Speak

DLP leader Rahsan Ecevit charged that Prime Minister Turgut Ozal has misinformed the public about the referendum to be held on 6 September. Ecevit said: "The referendum will be held not for the leaders and administrators of

four former parties, but only for the leaders and administrators of the JP and the RPP. The Prime Minister must explain this to the public."

In a written statement, Rahsan Ecevit noted that the leader and administrators of the NSP and the administrators of the NAP have been acquitted of the charges brought against them and that the recent Constitutional Court decision makes it clear that they are no longer under political bans. Stating that given this situation the 6 September referendum will only decide the status of the leaders and administrators of the JP and the RPP, Rahsan Ecevit said:

"The NSP and NAP administrators who have been acquitted of the charges brought against them have fully regained their political rights. Because the military administration of 12 September discriminated among the parties. While Provisional Article 4 appended to the Constitution explicitly banned the administrators of the JP and the RPP from engaging in political activities for 10 years even though they had not been charged with any criminal offenses prior to 12 September, the article gave preferential treatment to the other parties, including the NAP and the NSP. Provisional Article 4 ensured that the leaders and administrators of these parties would regain their full political rights as soon as they were acquitted of the charges brought against them."

Prime Minister Must Rectify Error

Stating that Prime Minister Ozal has shown disregard for the law by making remarks to the effect that the referendum to be held will affect all four former party leaders, Rahsan Ecevit said:

"Now Prime Minister Turgut Ozal has an obligation. He must immediately correct the erroneous information he has given to the public by abusing the state radio and television and even by exploiting the meeting of the village heads. The Prime Minister must rectify his error and must clearly tell the public that the referendum to be held on 6 September with regard to Provisional Article 4 concerns not four former party leaders but only the leaders and senior administrators of the JP and the RPP and that the others have already regained their political rights. If he does not rectify his error, he will have shown that he wants to deceive the nation knowingly."

NSP administrators argue that they--and principally Necmettin Erbakan--are not subject to the political bans. The NSP administrators, who are demanding that the Ministry of the Interior republish in the Official Gazette the names of the party administrators currently subject to the political ban, will determine the course they will pursue when they meet next week.

In a statement to CUMHURİYET correspondent Faruk Bildirici, former Minister of Justice Sevkettin Kazan said that he and his colleagues do not believe that the NSP administrators are subject to the political ban and that the Constitutional Court decision on Dogru has confirmed this view. Stating that they will be assessing the situation at a meeting--which will be attended by Necmettin Erbakan--to be held in Ankara next week, Kazan recalled previous court decisions in lawsuits brought against Necmettin Erbakan because of his statements. Kazan said that the 2d Criminal Court of Yenimahalle ruled in its

decision to acquit Erbakan: "The court fully concurs Mr Necmettin Erbakan's argument in his self-defense that he cannot be considered one of the politically banned politicians and has found no basis to refute that argument. As confirmed by the final decision of the 3d Administrative Court of Ankara to the effect that Abdulkirim Dogru is not a banned politician, the status of defendant Erbakan and persons in similar circumstances has become clear and final." When asked "what he and his colleagues are waiting for to enter politics since they think the bans have been lifted," Kazan replied:

"My colleagues had been acquitted but there was a lawsuit against me at the martial law court. We waited for that lawsuit to end. I, too, was acquitted and the court decision became final. Now that the Constitutional Court has also ruled that we are not under a political ban, the situation is very clear and explicit. The Minister of the Interior must now republish the names of those who are politically banned. The minister must respond to this question."

Sener Battal, a former NSP administrator, said: "This Constitutional Court decision is not a new development for us. The decision of the Constitutional Court is a reiteration of what was already known." Stating that "they are observing movements in the political situation and waiting for a suitable moment" to return to political activities, Battal said that the Office of the Republican Prosecutor must ask the Ministry of the Interior to republish the list of the names of politically banned individuals. Battal said: "The referendum concerns only Demirel and Ecevit. Political rights no longer interest us. From a human rights perspective we favor a 'yes' vote for the abolishment of bans. In fact, we believe that the bans against Demirel and Ecevit must be lifted without a referendum."

NAP Administrators

Sevket Bulent Yahnici, deputy leader of the NLP, stated that in view of the decision of the Constitutional Court, his organization believes that those who have been acquitted of the criminal charges brought against them are not subject to the political ban law. Yahnici demanded that the Ministry of the Interior remove the names of those who are acquitted from the list of banned politicians.

Kaya Alpkartal, a defense attorney for Alpaslan Turkes, told the CUMHURIYET correspondent: "We believe that the TGNA vote abolished the bans without the need for a referendum. We are hoping that the Constitutional Court will also rule in this direction."

Yasar Okuyan, deputy secretary general of the defunct NAP, said that the referendum covers not only the administrators of the RPP and the JP but the administrators of the NAP. In a statement to the Anatolia Agency correspondent, Okuyan said:

"We have been acquitted, but until our acquittal is approved by the Supreme Court of Appeals, we are politically banned. If the majority of the votes cast in the referendum is 'yes,' the ban on us will have been lifted. If the 'no' votes are in the majority, we need to have the approval of the Supreme Court of Appeals."

Commentary Stresses Contradictions

Istanbul CUMHURİYET in Turkish 6 Jun 87 pp 1, 8

["Observation" column by Ugur Mumcu: "We Wrote; That Is Enough"]

[Text] It is becoming clearer every day how difficult it is to write a constitution.

When drafting Provisional Article 4 of the Constitution regarding political bans, the administrators of 12 September must have reasoned as follows:

"The administrators of the NSP and NAP are already being tried. For them, we can simply say in the article 'those who are charged with criminal offenses' and that would do it."

And then?

"Then we have to deal with the JP and the RPP. We can impose a 10-year ban on them; that would solve all problems."

This is how the bans were introduced. Well, in those days dust and smoke clouded everything. It was a time of royal edicts.

What could our people do?

What could our people do? They voted for these bans by approving this Constitution with a majority of 92 percent.

The 12 September operation was rooted in two rationales. One was "anarchy and terrorism" and the other was "reactionarism."

The National Security Council brought charges of "reactionarism" against Erbakan and his colleagues.

Erbakan and his colleagues were tried in the martial law court; they were first sentenced to imprisonment, but the Supreme Military Court of Appeals later overturned their conviction and eventually all the NSP administrators were acquitted.

Because the administrators of 12 September had drafted the said article on the assumption that "Erbakan and his colleagues will definitely be convicted," the bans were automatically lifted when these individuals were acquitted of the charges brought against them.

The bans fell on their face.

Meanwhile, Abdulkерim Dogru, a former NSP administrator, was elected leader of the NLP. The chief prosecutor filed a lawsuit against Dogru in the Constitutional Court arguing that Dogru is politically banned. The Constitutional Court said, correctly: "No, Dogru is not under any political ban."

In view of this decision, Provisional Article 4 of the Constitution imposes bans on the administrators of the JP, RPP and NAP. With this latest acquittal, Erbakan and his colleagues have earned the right to be elected.

Consequently, "Erbakan and his colleagues" will not be at issue in the referendum.

The situation is highly problematic for the administrators of 12 September. How could it not be? Erbakan and his colleagues against whom they brought the severest charges on the morning of 12 September are now already free to engage in politics. Meanwhile, bans are still in effect on the JP and the RPP against which they found no reason to bring criminal charges after 12 September for their actions and attitudes before 12 September.

Now, these bans will be lifted sooner or later. That is clear from the label of the article:

"Provisional Article."

What about the "permanent bans"?

According to Article 76 of the Constitution, say, 14-year-old kids who wrote "Down with Fascism" on the walls of their middle-school will be ineligible for election to parliament "even if they are pardoned" because their action is considered "ideological." Parties like the Turkish Labor Party, the Turkish Socialist Labor Party and the Turkish Workers' and Peasants' Party and administrators of associations such as TOB-DER [Turkish Teachers' Unity and Solidarity Association] will be ineligible for election "even if they are later pardoned" because they have been convicted and sentenced on the basis of Article 141 of the Penal Code. They will be ineligible not only for election, but will be unable to practice their professions.

This is how the "legal framework of 12 September" operates. Let the ones at the bottom suffer.

9588

CSO: 3554/290

COMMENTARY SEES GROWING PRESSURE ON TURKEY IN GULF WAR

Istanbul MILLIYET in Turkish 12 Jun 87 p 9

["Corner" column by M. Ali Birand: "The War Is Moving Closer to Turkey"]

[Text] Tehran--Firstly, it is important to understand the following: No foreigner in Tehran or anyone outside the Iranian administration knows "what is what or what anything means" and, more importantly, what the Iranian leaders have in mind or what their true motives are. Everyone tries to draw conclusions from statements and actions by everyone else. Some of these conclusions "turn out to be true, while others look like scripts for highly amateurish adventure films."

It is hard to find any other group of leaders who are more successful at surprising their opponents than the Iranians. On that count they have been extremely successful. They are also extremely justified to keep their intentions and true motives secret.

In this environment, all observers in Tehran can only act on external appearances and draw conclusions by combining these appearances with the minor news that leak out.

A War That Is to Everyone's Advantage

No one in the region really wants this war to end. Or rather, everyone wants the war to end in a way that will serve his own policy goals. The wishes of the majority naturally clash with the wishes of Iran and Iraq.

One outcome that nobody wants is an invasion of Iraq by Iran or the establishment of an Iranian-controlled government in Iraq. Because if that happens, Iran would grow too powerful in the region.

Then Iran would be able to control a region which contains 60 percent of the world's proven oil reserves. It would be able to influence small countries in the region which are ruled by an amir or a sultan; it would be able to change any government it does not like and to impose its wishes either by exploiting religion or by using force.

Neither the Soviet Union nor the United States nor the friends of these two superpowers wish to face such an outcome.

As a result, everybody is helping Iraq.

Conversely, an Iranian defeat and humiliation is also not desirable. As a result, no government has fully turned its back on Iran. Currently, everybody prefers that both countries continue to bleed in this war within the bounds of an equilibrium. Moreover, as they make this wound fester, Iran grows weaker and their influence over Iraq grows.

Does Iran Want to End War?

So far, almost everyone has focused on the reasons "Iran has not been able to end the war in 7 years." But very few people have asked: "Does Iran want to end the war?"

The war's biggest advantage to Iran has been its role in the consolidation of the mullahs' regime in the country.

Any problem in Iran is waived away on the pretext of "there is a war." At the minimum, the government uses the war to diminish the importance of the problems in the eyes of people. Shortages in the marketplace? Need to silence the opposition--whatever little there is? Need to implement unpopular decisions?

The answer is always the same: We are in a state of war; let us first win the war, then we will resolve that problem.

Iran almost likes being in a state of war; people have grown accustomed to it, and "the mullahs will apparently dominate the government for a long time to come." Stated in another way, "peace" will produce greater difficulties than war because it will expose the realities.

Until now Turkey was able to benefit from this war economically and politically. But now that situation is changing.

The spread of war to the north--that is closer to us--and the eruption of hostilities in the Kurdish region will apparently have a perilous effect on our country.

Iran has been using certain Kurdish groups against Iraq. Some Kurdish groups in Iraq have been trying to strike at Iran. It is not very clear who is supporting whom and who controls what. The Kurds are also fighting each other.

Meanwhile, the PKK [Kurdistan Workers' Party] has been waging war against Turkey. Given the confusing state of the region, any splashes caused by the war can affect us.

Is it not time for us to replace the simplistic military and police measures we have implemented so far with a new and broader approach and to establish a closer dialog with the nations of the region ?

COMMENTARY DISSECTS LEFT-WING 'DEFEAT' IN LOCAL ELECTIONS

Istanbul CUMHURIYET in Turkish 12 Jun 87 pp 1,12

["Observation" column by Ugur Mumcu: "Defeat"]

[Text] The social democratic bloc has been defeated in the mini-elections. This is a very obvious fact. No amount of political commentary can change this fact. A fact is a fact. One cannot engage in politics by disregarding this fact. Moreover, ignoring this fact would not do anyone any good.

Why are the social democratic parties being so unsuccessful?

Explaining this situation with a single reason would be misleading. Because every defeat has several causes. No political phenomenon can be explained with a single reason. This defeat, too, obviously has several and complex causes.

It would be accurate to seek one of the causes of this defeat in the constitutional system which inhibits and bars organizational ties between social democratic parties and labor unions. In European countries, labor unions are the principal support base of the social democratic parties. In our country, on the other hand, the constitution bars labor unions from engaging in politics.

These prohibitions stem from the concept of "American-style" unionism which is also called "nonpartisan unionism."

What happens when there are no organizational ties between the labor unions and the social democratic parties?

When such ties do not exist, the social democratic parties are inevitably dominated by "self-employed professionals" such as lawyers and doctors rather than workers. It is true that social democratic parties are not "parties of class" but "parties of the masses." However, parties which are completely dissociated from the working class cannot be called "social democratic."

Today, because of the lack of organizational support from labor unions, the social democratic parties remain powerless against the rightist parties which are supported by the employers.

The working class is strong only if it is organized. Employers, on the other hand, are strong individually by virtue of the financial power they control.

Thus, the first cause of the defeat must be sought in this structural deficiency.

The second cause of the defeat is the "official incrimination campaign" which began on the morning of 12 September. For the last 7 years, all segments of the left have been subjected to an "propaganda bombardment." These accusations are obviously partly responsible for this defeat.

Another cause of the defeat is the degeneration created in human relations by this system of "fait accomplis" and "snatch-and-run." This system, which has produced founders of the Motherland Party [MP] from Dev-Genc [Revolutionary Youth] activists, holding company executives from the most devout Marxist militants, MP mayors in Alawite villages and liberal ideologues from Marxist writers, has created a new "species of man."

One major cause of this defeat is the failure of the social democratic parties to unite to this day. Are there so many distinguishing factors between the Social Democratic Populist Party [SDPP] and the Democratic Left Party [DLP] to make a difference?

The message conveyed by the voters is very explicit:

"We will not vote for you unless you unite."

The elderly refer to the Balkan war as "an unwon liberation war."

That is how it is. Each defeat gives people the chance to reflect on the causes of the defeat.

We hope that the social democratic community draws the necessary conclusions from this defeat and reorganizes itself in the light of these experiences.

9588
CSO: 3554/289

TURKISH SEPARATISTS REPORTEDLY BACKED BY IRI

Tehran KEYHAN in Persian 16 Jul 87 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Despite the continuation of the Iran-Iraq war over the last 80 months, Turkey, neighbor to both of these countries, has made great effort to refrain from leaning to one combatant or the other, thereby preserving, as far as it can, its very sensitive neutral position. The intensification of the crisis in the waters of the Persian Gulf and America's increased military presence in the area has prompted Turkish leaders, by way of emphasizing their neutrality, to deny America permission to use military bases in Turkey for the purpose of putting greater pressure on the Islamic republic.

The newspaper HERALD TRIBUNE, quoting a high-ranking Turkish official, writes:

Turkey will not allow any party to use bases on this country's soil to fight in the Persian Gulf. We have made this point very clear, to our NATO allies, our neighbors, as well as to the Arab nations. Our position on this matter is very clear. We do not wish to allow ourselves to be drawn into these events.

The HERALD TRIBUNE adds: In the last few weeks, both parties to the war have slapped Turkey's pride in some way. Recently, one of this country's freighters, which was carrying chemical fertilizer to an Iranian port, was attacked by Iraqi aircraft. Several days later the prime minister of the Islamic republic refused to visit the grave of modern Turkey's patriarch, Kamal Ataturk. This gesture from Mir Hoseyn Musavi drew a very sharp reaction from Turkey.

The newspaper added: In both instances Turkish officials tried to ignore the issue and not to make a sharp official reaction.

A Turkish diplomat said: In order to maintain its neutrality, Turkey must endure many provocations without comment.

Political observers do not confine their search for the reason for Turkey's desire for neutrality in the war between the Islamic republic and Iraq to political affairs alone; they attach great importance to the economic roots of the situation as an explanation for this position.

Turkey currently buys crude oil from both the Islamic republic and Iraq. That nation's commercial exchanges with Iraq and the Islamic republic is more than four billion dollars per year. Iraq transfers about one million barrels of crude oil per day to world markets by way of a pipeline through Turkey, and this figure will soon reach 1.5 million barrels with the opening of a second pipeline. In return, Baghdad gives Turkey oil and pays fees for the use of the pipeline. Turkish officials maintain that they will neither sell arms and ammunition to the two warring parties in the Persian Gulf, nor will they allow anyone to transport arms through their country bound for either the Islamic republic of Iran or Iraq. Turkish officials said that they have lost millions of dollars in profits as the result of not selling arms to the two sides.

In another part of the article, the HERALD TRIBUNE writes: Turkey, with some 800,000 soldiers, is one of the most powerful NATO nations. Despite this, this nation has not yet succeeded in quelling the rebellion by Kurds living in its Kurdish areas. Kurdish separatists are seeking independence and self-determination for some 20 million Kurds living in parts of Turkey, Iran and Iraq.

Quoting Western diplomats living in Ankara, the newspaper writes:

The Islamic republic has sided with Kurdish separatists in Turkey and thereby threatened Turkey's political stability.

The HERALD TRIBUNE adds: Turkey is afraid of the Islamic revolution of Iran. Ankara regards the Islamic republic with suspicion because of its secret assistance to Turkish Muslim fundamentalists. During Mir Hoseyn Musavi's last visit to Ankara, Turkish Prime Minister Turgut Özal warned him that the Iranian regime must respect Turkey's secular government, and in return he was assured that Turkey will retain its neutrality in the war between the Islamic republic and Iraq.

9310

CSO: 4640/0153

UK, NETHERLANDS FORCES TO BE ABSENT FROM 1988 NATO EXERCISES

Oslo AFTENPOSTEN in Norwegian 29 Jun 87 p 5

[Article by Liv Hegna: "NATO Exercise without British and and Dutch"]

[Text] The defense department has not been informed by the military command that the British/Dutch command brigade will not participate in the large scale 1988 allied winter exercises Arrowhead Express in Norway. This was confirmed to AFTENPOSTEN by press spokesman Erik Senstad.

He says that the department will take a closer look at the reasons given by the armed forces chief when the exercise program for the next year will be sent to the department.

When asked whether the department considers it a serious matter that the British will be pushed out of the program when at the same time Canada announced that it will withdraw the earmarked CAST brigade from its engagement in Northern Norway, Senstad answers that he first wants to see how the matter is interpreted by the military.

A few months ago, the supreme commander in Northern Norway, lieutenant general Tonne Huitfeldt suggested in the respected magazine JANE'S DEFENCE WEEKLY to earmark the British/Dutch command brigade for deployment in Northern Norway.

In a comment on this matter Senstad emphasizes that the British themselves pointed out that their primary area of deployment was indeed Northern Norway. He does not want to comment on the suggested earmarking. Still, Senstad says: "The British efforts mean very much for Norway in connection with reinforcement. They are welcome to conduct exercises in Norway regardless. The command brigade has conducted exercises in Norway each winter over a longer period. When the exercise program for 1988 will be submitted for approval, the British/Dutch command brigade's participation will be evaluated," Erik Senstad says.

12831

CSO 3639/79

NORWAY HOPES BELGIUM WILL REPLACE CANADIAN BRIGADE

Oslo AFTENPOSTEN in Norwegian 25 Jun 87 p 9

[Article by Per Kristian Haugen "Parachutists in the North: No contact Norway-Belgium"]

[Text] "Belgium has not contacted the military leadership in Norway regarding the possibility of earmarking a battalion of parachutists for deployment in Northern Norway," says colonel Gullow Gjeseth, head of the press and information department in the armed forces supreme command.

"We do not know any more about this matter than what we learned from AFTENPOSTEN," Gjeseth says. A press spokesman in the Belgium defense department told AFTENPOSTEN's Brussels correspondent on Tuesday that there already has been contact between the general staffs in Belgium and Norway regarding this question.

"The political authorities have not heard from the Belgians in this matter," the defense department press spokesman Erik Senstad says. Nor does Norway's NATO delegation in Brussels know of such a contact.

Both military and political quarters would consider it fortunate if Belgium wishes to contribute to the defense of the Northern flank. When Canada announced that the CAST brigade was no longer available for deployment in a crisis situation NATO started consultations to find alternatives. However, it is still too early to derive concrete suggestions for solutions.

If the Belgians earmark forces for Norway, this will in any case only be a partial replacement for the Canadians. The CAST brigade consists of 5000 men with two aircraft squadrons, while a parachutist battalion consists of 600 men with light equipment.

The Norwegian side is aware of the fact that the Belgians air the proposal of a parachutist battalion in an attempt to mollify NATO. The fact that Belgium recently shelved plans for modernizing its rocket defense for reasons of economy caused dissatisfaction in the alliance. It is suggested that we are possibly witnesses to a maneuver to win goodwill.

12831

CSO: 3639/79

NORWEGIAN FIRM HOPES TO BUILD BELL HELICOPTERS FOR SWEDEN

Oslo AFTENPOSTEN in Norwegian 25 Jun 87 p 44

[Article by Cato Guhnfelt: "Bell Helicopters Continue to Be Built in Norway"]

[Text] Paris, June. Helikopter Service in Stavanger now considers it a possibility that the production of Bell helicopters may continue after 1989, when the contract for 19 Bell 412 SP for the Norwegian armed forces expires. This would be a production of Bell helicopters for the Swedish armed forces.

As a representative for the American Bell factory said during the large air show at le Bourge near Paris, Swedish circles indicate that new Bell helicopters for Sweden could be assembled in Norway in return for the purchase of trucks by the Norwegian armed forces.

But first an important requirement must be met: The Swedes must select a Bell helicopter, preferably a model corresponding to the one Norway received. Since Sweden already has some smaller Bell helicopters the chances are considered good, but production in Norway would have to be approved by the Swedish authorities.

According to a representative of the Bell factory, the Swedish armed forces are expected to invite bids for a new type of helicopter within the next 18 months.

12831

CSO: 3639/79

GIRAUD, WOERNER AGREE ON ATTACK HELICOPTER PROJECT

Paris LE MONDE in French 18 Jul 87 p 11

[Article by Jacques Isnard]

[Text] France and West Germany have committed themselves to conclude by next November a definitive agreement for the production of an attack helicopter that will be in common use by the land forces of both countries after 1997. The announcement was made on Thursday 16 July by French Defense Minister Andre Giraud and West German Defense Minister Manfred Woerner at a symbolic location, the school at Cannet-des-Maures (Var) which trains the light aviation specialists of the land army, and where the 650 helicopters used by this branch of the serviced are kept.

For ten years now the two nations have been seeking to finalize an agreement regarding a common attack helicopter which will be a successor to the French Gazelle and the West German BO-105 helicopter. For a decade the discussions remained blocked over the description of this helicopter and its cost. Last 15 July, after a series of meetings in the Black Forest, high armament officials on both sides of the Rhine arrived at a compromise with the industrial representatives concerned. It is this technical, financial and industrial compromise that the two ministers of defense have just endorsed.

Three Billion Francs

The project, which will be the object of an intergovernmental agreement to be concluded in November, involves the production of a helicopter weighing 5.4 tons at takeoff, propelled by two turbines and operated by a two-man team seated one behind the other, who have at their disposition sighting and optronics devices for piloting and firing at night or in bad weather; and armed, according to the model, with air-to-ground missiles for anti-tank combat or air-to-air missiles for anti-helicopter combat. The first-stage anti-tank models will be equipped with Hot anti-tank missiles, with which the Gazelle is presently equipped. Later models will carry the so-called "new generation" anti-tank missiles, which have the particular feature of having been jointly conceived by the French, the West Germans and the British; they are automatically guided to the target while the helicopter remains beyond the range of enemy defensive weapons. This is the system nicknamed "fire and forget." As for the anti-helicopter type, it will be armed with air-to-air missiles modelled on the Mistral missile of the Matra Company.

West Germany has made provision to order 211 anti-tank helicopters. France, on the other hand, will order some of each type--140 anti-tank helicopters and 75 anti-helicopter helicopters--all of which should represent a total cost to the French budget, from the development of the machine through its assembly-line production, including spare parts, of 30 billion francs.

This binding agreement between the two countries was announced when Mr Woerner agreed--at the request of Mr Giraud, and for the first time since he has held the office of West German defense minister--to visit French units. In honor of the occasion, the French defense minister arranged a truly exceptional welcome for his West German colleague.

Thus after leaving Paris, Mr Woerner was able to fly to Istres (Bouches-du-Rhone) aboard a Mystere-20 especially equipped to simulate the very low-altitude flight of a Mirage 2000-N fighter plane, the carrier of the prestrategic nuclear weapon. Then the West German minister, a former fighter pilot himself, was able to take the controls of a Mirage 2000 air defense plane for 60 minutes over the Mediterranean, after which he took part in the attaching of a 20-kiloton nuclear weapon (the force of the Hiroshima bomb) under the belly of a prestrategic Jaguar. At Cannet-des-Maures, Mr Woerner was able to make a few tactical flights, by day as well as by night, in a Gazelle helicopter, flights, that is, that hugged the earth in order to take advantage of the masking-out effect of terrain and vegetation. Finally, on Friday morning 17 July, he was authorized to inspect the tactical nuclear submarine, "Casablanca," which belongs to the Toulon Squadron and which is presently moored there.

"We have succeeded despite the obstacles," concluded the West German minister, "in contradicting all those who do not believe in Franco-German military cooperation."

8117

CSO: 3519/151

EDITORIAL CALLS FOR MORE FRANCO-GERMAN DEFENSE COOPERATION

Paris LE QUOTIDIEN in French 11/12 Jul 87 p 15

[Article by Jacques Baumel]

[Text] Whether desirable or not, since the acceptance of Gorbachev's "double zero" option by the Americans and the Europeans, France finds itself confronted with a new strategic situation that makes a serious reexamination of the fundamental principles of our defense policy unavoidable.

Certain people refuse to go along with this, preferring to hold on to our official doctrine of national dissuasion and sanctuary, which has served to guarantee our security to the present. Others have long been proposing a European integration with badly defined contours, featuring an imprudent extension of our nuclear protection to our German neighbor, without, however, trying to ascertain whether the Germans are all that anxious to have it.

The shock of the Reykjavik summit has naturally caused a new debate to surface. In Bonn as well as Paris, more than anywhere else in Europe, many voices are raised in a demand for very highly efficient military cooperation between our two countries, the only effective response to the terrible risk of European denuclearization, the uncoupling of America and Europe and a popular German drift toward neutralism. The former are right. Anything that can bring France and Germany into closer union is desirable.

On that point, the turnabout of French public opinion is impressive. But what do the Germans really think of it, behind the spectacular declarations of Mr Kohl concerning a Franco-German brigade, of former chancellor Schmidt and others? Is a progressive integration of our conventional respective efforts possible? Why not? On condition that we resolve the problem of a single high command and a "job description" distinct from that of NATO, which is not easy.

Auspicious initiatives are already in progress, such as the high-level seminar for German and French officers in Paris for the creation of a national institute for defense, the impressive joint maneuvers in Autumn, the exchanges of officers. All that is not enough. Beyond the discussions and the good intentions, we must do more.

First of all, we must avoid putting Bonn in a position of having to choose between Paris and Washington, by not trying to substitute ourselves for the protection that the Germans naturally expect from the US, but by believing in it less and less and creating working conditions for a Franco-German defense plan that becomes ever more solid and credible. For that we need to surmount the structural particularisms and the obstacle of language and to remedy this tragic anarchy that reigns in the manufacture of arms between our two countries.

It is urgent to create an organ of coordination for the military materiel programs in Europe and particularly those between France and Germany. As soon as possible, it will be necessary to form all the student officers of our two countries in the same military schools, with a view to training the cadres of a future Franco-German army.

Finally, we must no longer consider Germany as a buffer for French security, but on the contrary as a partner sharing with us a single common destiny.

8117

CSO: 3519/151

PAPER SUPPORTS GOVERNMENT REQUEST FOR MORE DEFENSE FUNDS

Copenhagen BERLINGSKE TIDENDE in Danish 11 Aug 87 p 10

[Editorial: "The Price of Security"]

[Text] While parts of our own world prepare themselves for a future without medium and short-range nuclear-armed weapons, there may be good cause to observe what the reality of life is in this same world. If one's eyes are opened, it will be seen that the security policy problems are far from solved. Even if in some circles it is considered almost heretical talk, it still must be said that the other security problems in Europe, as widely conceived, are being given a further dimension at the same time as a farewell as being said to nuclear weaponry.

Accordingly, there is still no real justification for that enthusiasm which can be perceived in the declaration by Niels Helveg Petersen [Chairman Radical Liberal Party] in the press yesterday that "the Cold War is about to come to a halt." The leader of the Radical Liberals asserts that all countries have military and political leaders who do not have an understanding of the new developments in East-West relations, and that the Danish foreign minister belongs in this circle.

It should not be surprising that the Radical Liberals think it would be ill-considered to sacrifice more on military budgets in Denmark. Anything different would be a big item of news. On the other hand, it will be conceded that there is some movement toward a general realization that in the present phase of relations between the superpowers nothing should be done which could disturb this newly achieved understanding. However, such realizations must--if there is to be any meaning in having an opinion on security policy--result in the West maintaining its present strength and remaining vigilant regarding the new demands which will be placed on conventional weapons in our common security in a situation where we are making ourselves increasingly dependent on nonnuclear weaponry.

In this area, there is a marked gap between the government and the Radical Liberal Party, which--thanks to the course shift the Social Democrats have undergone--has had success in getting parts of its policy advanced in the Folketing. Therefore it is also reassuring that the Radicals' leader himself

considers it too unrealistic for the Radicals to participate in drawing up a new compromise program for defense. The government has difficulties enough in this matter with the Social Democratic spokesmen, regardless of whether they are named Budtz, Hjortnaes or Damgaard.

The Government's draft proposal points to a need for an additional 800 million kroner for the armed forces, if only to assure success in maintaining the existing structure for the three services. Whether the changed security policy situation on the European world map, with less dependence on nuclear weapons and greater dependence on conventional forces, turns out to present new requirements for the defense budgets, it something which cannot yet be perceived from the talks in Geneva and Vienna. If this does become the case, the government must again lead the way [in meeting the challenges of the new situation].

/9738

CSO: 3613/123

FINLAND

MILITARY

CABINET APPROVES BUYING RBS-15 FOR HELSINKI II CLASS

Helsinki UUSI SUOMI in Finnish 31 Jul 87 p 8

[Unattributed Article: "Navy Getting Missiles From Sweden"]

[Text] On Thursday [30 July], the Cabinet gave approval for the Navy to order four surface-to-surface naval missile systems and the accompanying missiles for Sweden. The missile systems are to be placed on the recently ordered four Helsinki II class missile boats. Included in the purchase is Saab Missiles AB's RBS-15 missile system. This same system had already been acquired for the Helsinki I class missile boats, so that this time it is a matter of a continued acquisition.

Some of the missiles being ordered are intended for use by the Coastal Artillery Force.

The acquisition will take place within the framework of procurement authorization for the missile-boat squadron's acquisition and for modernization of the Coastal Artillery, as contained in this year's budget.

Saab Missiles has agreed to make compensatory purchases amounting to 100 percent.

/12913

CSO: 3617/133

LAYOFFS CONFIRMED AT THOMSON CSF

Paris LA TRIBUNE DE L'ECONOMIE in French 10 Jul 87 p 4

[Article by Anne-Marie Rocco]

[Text] Thomson CSF plans to eliminate 2 492 jobs between now and mid-1988, the administration of the group confirmed yesterday during a Central Business Committee (CCE) meeting.

A spectacular announcement, for it affects 8 percent of the 31,711 employees involved (the branches of Thomson CSF with their 10,000 employees not being affected by these measures), and because it strikes the activity which has up to now been the most lucrative of the group: the military.

This sector today is feeling the decreased purchasing power of client nations and the fall of the dollar. Orders, which had risen to 75.5 billion francs by the end of 1985, represented no more than 70.9 billion by the end of last year, and the orders continue to decrease since the beginning of 1987. A situation with which the other French military electronics giant, Matra, is also confronted.

Arguments which, of course, displease the unionists. For, despite this decrease in military orders, which has been evident for many long months, Thomson CSF continued to work toward its financial recovery last year, with a profit of 2.18 billion as compared with 960 million in 1985.

Calling these difficulties transitory, the unions yesterday denounced the "American method that consists of instantaneous adaptation of manpower to workload, whereas the current decrease in the number of orders is only the result of circumstances and will be of short duration."

Actually one must carefully interpret these observations, moreover, as the distribution of layoffs compels us to do. Of the three major branches of Thomson CSF, the "weapons systems" branch has been spared, comparatively speaking, inasmuch as its levy on the social level will be limited to 131 people. And here let us not forget that the Crotale and Shahine contracts are still in full force, and that Thomson was retained as a finalist in the call for American bids concerning the delivery of 160 tanks equipped with missiles and radar systems.

On the contrary, the "aeronautic equipment" branch will have to lay off 1 049 workers (out of 11,444), which Thomson explains by the sudden halt in the sales of military planes suffered by Dassault last year. As for the "detection, control and communications" branch, it will lose about a thousand workers out of 10,394. All told, 22 of the 37 centers of the group will be affected by these measures, which will translate into early retirements (INE) for only about 800 employees.

Fears for the Future

Will these cutbacks in manpower suffice to adapt the productive apparatus of the group to the current context, or do they constitute nothing more than the first phase of a vaster plan? On the eve of the CCE meeting, the management of Thomson denied a "leak" according to which the layoffs would affect a total of 10,000 employees over a period of four years. Recognizing that no single item allowed them to back up such a figure, the unions emphasized nevertheless that there was a considerable risk of seeing this social plan followed in the coming months within CSF branch companies.

As if in confirmation of this fear the Sodeleg CCE meeting the same day had had to examine a social plan project that took into account a surplus of 200 persons, out of a total of about a thousand. A new test for this engineering company which has already lost several thousands of employees and which, while juridically a branch of Thomson Ltd., has since last Fall become functionally associated with the "weapons systems" branch of Thomson CSF.

8117

CSO: 3519/151

GREECE

MILITARY

CHANGES IN ARMED FORCES LEADERSHIP REPORTEDLY PLANNED

Kouris' Departure Expected

Athens I VRADYNI in Greek 10 Aug 87 p 16

[Text] Important changes are expected soon in the leadership of the Armed Forces, as information is circulating that GEETHA chief Gen N. Kouris proposes to leave active service, especially since he has completed 6 years in the highest echelon of the military hierarchy. It is not excluded that these changes will take place within the next two months, that is, before the usual time for changes in the higher leadership of the Armed Forces, which is in December.

Moreover, it has been rumored that Mr Kouris will enter the government as deputy minister of foreign affairs or another similar position, centering mainly on the negotiations for the U.S. bases. This responsibility has already been taken away from Deputy Minister of Foreign Affairs I. Kapsis, who was the head of the Greek delegation during the negotiations for the present agreement. As is known, the talks will be between Minister of Foreign Affairs K. Papoulias and U.S. Ambassador R. Keeley at the beginning of September.

Mr Kouris' departure from the leadership of the Armed Forces is likely to cause great concern among the highest military ranks, because it is coupled with changes in the Air Force, where the present chief will probably be replaced by the present chief of ATAD [expansion unknown], while the changes in the Navy leadership will be of a similar nature.

Traditionally, the Army is now in line for the GEETHA leadership, since its former chief (Adm Degiannis) came from the Navy. According to information reports, candidates for this position are the present chief of GES [Army General Staff], Lt Gen Velidis, the commandant of the 4th Army Corps, Lt Gen Markopoulos, and the ASDEN [Higher Military Command for the Interior and Islands], Lt Gen Veryvakis. These three officers have a good chance to be named to the GEETHA leadership as long as hierarchical order is observed and no "deep break" takes place because of the government's difficulties in the choice of persons to be appointed to the leadership positions of the Armed Forces.

Kouri's Future Questioned

Athens TO VIMA in Greek 9 Aug 87 p 56

[Excerpts] In August, some are already thinking ahead to December! Yes, that is true, and they are high-ranking military. Because it is not excluded that a new GEETHA chief will be appointed in December. The present chief, Gen Kouris, has expressed his intention to leave active service, especially since he has completed 6 years in his position. Therefore, if Mr Kouris finally goes through with his... threat, there will be the problem of his replacement and naturally, even now in the midst of summer, there is an interest on the part of his (candidate) successors in the GEETHA leadership. And what will happen with Gen Kouris? It is unthinkable that he would stop offering his services and his invaluable experience. Everyone agrees on that. But there is no unanimity on the future of the present GEETHA chief: will he be offering his services as a "government official" in charge of the talks on the U.S. bases, or as a "military advisor" to the prime minister, or even as "deputy minister with special duties"?

/9738

CSO: 3521/176

GREECE

MILITARY

BRIEFS

DEFENSE OFFICIAL QUERIED ON TANK SALE--[Open query addressed to Mr Strathis by TO KALAMI] It is true, Mr Stathis [Deputy Minister of National Defense Th. Stathis], that at least one-third of the 300 M48 A5 tanks will be sold in the Middle East, and more specifically to Saudi Arabia, after being modernized in Velestino? [Text] [Athens TO KALAMI in Greek 6 Aug 87 p 3] /9738

CSO: 3521/176

DEFENSE MINISTER FAVORS FRENCH-FRG BRIGADE

PM131239 Rotterdam NRC HANDELSBLAD in Dutch 2 Jul 87 p 1

[Correspondent's report: "Van Eekelen in Favor of Eurobrigade Involvement"]

[Text] The Hague, 2 Jul — The Netherlands Government is in favor in principle of participation in a combined French-German army brigade in the FRG. Defense Minister van Eekelen voiced this as his "personal view" in the Second Chamber yesterday. In Paris last week Prime Minister Lubbers and Foreign Minister van den Broek spoke in positive terms about the French-German plan and the possibility that other West European countries should participate.

The defense minister described the French-German plan as "politically very important." It offers a chance of involving France more closely in NATO's military structure. But together with Van den Broek he made clear in the Second Chamber yesterday that a number of conditions would have to be met before the Netherlands would participate in a "Eurobrigade." Van Eekelen said that ideally other European countries such as Belgium and Britain should also participate. Van den Broek warned that the European initiative should not be allowed to have an adverse effect on transatlantic cooperation with the United States.

In the Second Chamber yesterday Van Eekelen only won the support of fellow People's Party for Freedom and Democracy members. Christian Democratic Appeal and Labor Party spokesmen reacted "with surprise" and reservedly.

/9274

CSO: 3614/87

SEMINAR DISCUSSES NATO AMPHIBIOUS REINFORCEMENT IN NORTH

Oslo AFTENPOSTEN in Norwegian 22 Jun 87 p 5

[Article by Liv Hegna: "Defense of Northern Norway: Amphibious Forces Effective"]

[Text] The British/Dutch command brigade gives priority to deployment in Northern Norway. The fact the they will not participate in the large allied Express exercise in 1988 does not mean that the British view has changed.

During a seminar conducted by the naval forces' tactical school it was recently suggested that it is of the greatest importance that the naval military people meet and discuss each other's procedures and work methods. A number of conclusions can already be drawn from this conference which was the first of its kind.

Problems

There are considerable problems with regard to the command transfer of forces within the alliance, since NATO was not structured with movements and transfer of reinforcements by sea in mind. Extremely different technical levels of communication systems make information and updating of situation pictures difficult. The lack of escort vessels in Norway makes the transport in the interior sea channels after transfer over the North Sea somewhat more difficult.

Danger of Mines

Despite the fact that enemy submarines consider the danger of mines to be the greatest threat our side places no emphasis on mine warfare with advanced "thinking" mines in Norwegian waters. It is known that the Warsaw Pact has over 100,000 mines in the Baltic Sea fleet and the Northern fleet. Therefore, the threat from submarines is great.

Command Structure

An important experience the military leaders in Great Britain and Norway have gained is the fact that if one had followed the rules which are embedded in the NATO command structure to the letter, the practical problems would have

been insurmountable. The transfer of the British/Dutch command brigade to Norway involves all three command centers in NATO, i.e. the European Command, the Atlantic Command, and the Channel Command in NATO, and in addition, the air force commands do not observe the same boundaries as the other armed forces commands. However, it is emphasized that by knowing each other's procedures and modes of operation and having a personal relationship with the allied colleagues the military leaders are able to solve most problems.

Lagging Behind

Submarines and mines are called the "invisible enemies" which means that an attack can take place without warning. Norway as well as most other NATO countries are lagging behind with regard to their ability to clear mines. The United States are still the exception: They are making progress both with regard to high-technology mines and mine sweepers. The establishment of a joint force within the alliance with mine sweepers which can also support Norway if the need should arise is also a possibility.

According to what AFTENPOSTEN learned the last purchase of mines in Norway took place in the early fifties. If these had been replaced, one could have managed with a fraction. The new types of mines are supposed to be fifty times more effective.

12831

CSO: 3639/79

NATO ASW FORCE CARRIES OUT LARGE SCALE EXERCISE IN NORTH

'Enemy' Spetznaz Plays Role

Olso AFTENPOSTEN in Norwegian 22 Jun 87 p 4

[Article by Liv Hegna: "Allied Submarine Chase in Northern Norwegian Fjords"]

[Text] This weekend, NATO's standing Atlantic forces marked the start of their 20th anniversary with an intense submarine chase in the Andfjord, Vagsfjord and Malangen in Troms. The allied maritime 'Fire Brigade' was able to record five direct hits in the course of only a few days. In addition, a simulated Spetznaz group had to abort a landing at the Andoya airport when it was attacked by the Belgian frigate BNS 'Wesdiep' Sunday morning.

The Canadian submarine HMCS "Okanagan" of the Oberon class had tried to set the terrorist group ashore. The military command ordered the Okanagan to sea again after it had been put out of action. AFTENPOSTEN followed along in the Sea King helicopter which ensured that the submarine really was on its way out of the Andfjord instead of attempting new attacks. Later on Sunday tension was extreme in the operating theatre in Algonquin: Will there be more Spetznaz attacks? There were no more. On the other hand, the Norwegian submarine KNM 'Utstein' was spotted, attacked and redirected to a new starting position.

Electronic Warfare

In the event of an actual war it is expected that the Soviets will conduct extensive electronic warfare. At present, so called "jamming-systems" are introduced also in their helicopters. Therefore, Algonquin has special equipment with means to withstand such interferences of the NATO means of communication.

The Algonquin is also equipped with an advanced deep sonar for chasing submarines, and the two Sea King helicopters the ship has on deck have equivalent instruments onboard. The Algonquin is especially designed for fighting submarines and demonstrated its superior ability in that respect over the weekend, even though the sonar conditions in the Norwegian fjords are difficult during the summer.

The maritime fire brigade which is now conducting exercises in the waterways outside Troms numbers nine vessels with altogether 50,000 tons. The vessels are filled with electronic equipment, communications devices, data transfer means for updated situation screens, weapons of all kinds, and means for detecting submarines.

Popcorn

In addition, the foreign vessels are well equipped with details which are unknown on Norwegian ships. In the room for the popcorn production onboard the Algonquin AFTENPOSTEN finds 22-year-old Robert Leccese from Montreal. It is his job to take care of heating up the popcorn machine and to make sure that the crew has enough beer to drink with it. In principle, only two cans per man, says Leccese, but admits that in reality there is no limit. Robert Leccese emphasizes, however, that this does not mean that anybody shows up intoxicated for guard duty.

Norwegians are Capable

Currently, Canadian commander Lynn Gordon Mason is chief of the standing Atlantic naval forces (STANAVFORLANT). When AFTENPOSTEN asked him whether he would have some good advice for the Norwegian admirals for detecting foreign submarines in Norwegian waters, he answers: "The Norwegian admirals are experts themselves. STANAVFORLANT is also here in Norway to learn."

"The captains of the two Norwegian frigates KNM 'Oslo' and 'Bergen' which participate in the submarine exercise, tell us in a very diplomatic way how difficult the conditions are in the Norwegian fjords," he says.

Mason also emphasizes that if NATO is supposed to fight for Norway in a war it is important that the allied forces practice in Norwegian waters as frequently as possible.

NATO Atlantic Commander Comments

Oslo AFTENPOSTEN in Norwegian 29 Jun 87 p 9

[Article by Liv Hegna: "Submarine Chase a Joint Task"]

[Text] "It is extremely difficult to find submarines in the Norwegian fjords," the chief for NATO's standing Atlantic naval forces, commander Lynn Gordon Mason points out after he headed a force of nine allied vessels in a submarine chase in the Vestfjord and Malangen for a week.

According to the chief of the Atlantic naval forces it is only the United States as a superpower which has all the necessary equipment for this task. For a small nation such as Norway it is very difficult to handle this by itself. "Cooperation among the NATO members is the keyword if we are to succeed," he points out.

Helicopters

The NATO fleet helicopters proved to be very useful in the war against submarines. The most advanced American LAMPS helicopter participated in the NATO exercise which took place in Troms.

The helicopter has passive sonar buoys and modern equipment for data transfer of situation screens. Mason evaluates the helicopter as follows: "Their sensors, weapon systems and ability for rapid movements make them particularly well suited in the narrow waterways in Northern Norway."

Mason adds that the Norwegian naval forces should not be criticized for not having equivalent equipment, for instance, on the Norwegian Lynx helicopter.

During a press conference after the fleet had docked in Bodo commander Mason said that he had no details to release regarding certain steps which are being taken by NATO in connection with the fact that the Soviet submarines are becoming more and more quiet and therefore more difficult to detect. He described the development of listening devices and attempts to dampen the noise from their own submarines as "a continuing competition" between the power blocks.

NATO's reconnaissance plane AWACS did not participate in the submarine chase in Norway. AFTENPOSTEN learned that the reason is a lack of capacity. It is claimed now that if the British will contribute more planes in a few years, the chances will increase that this reconnaissance plane will be able to participate more frequently in such exercises.

Photographs

The NATO fleet submarine exercise coincided with a Soviet movement of vessels to the Northern fleet. On route they conducted extensive aircraft exercises, and the standing Atlantic naval force was ordered to follow them closely. Mason tells that the crews took thousands of pictures of the Russians, and that the Soviet admiral saluted when the NATO force signalled a greeting of "Bon voyage".

At the Armed Forces Command Northern Norway in Bodo AFTENPOSTEN learned that the vigilance of the coastal population during the exercise was impressive. A total of 12 allied submarines participated in the exercise, and they were watched constantly. During the exercise, no messages were received about submarines which could not be identified as Norwegian or from other Allied countries.

12831

CSO: 3639/82

ARMY GETTING NEW COMMUNICATIONS SYSTEM

Oslo AFTENPOSTEN in Norwegian 25 Jun 87 p 3

[Article by Liv Hegna: "Army to Get New Communications System"]

[Text] The first of July is D-day for the new communications system for the brigade in Northern Norway: At that time, all details for the tactical digital communication system should be resolved, and the system will gradually be delivered to all brigades and division commands in the country.

First, the brigades scheduled for deployment in Northern Norway will receive the system. But also the so-called lighter infantry brigades in Southern Norway will receive components of the system, which have been developed in cooperation between Standard Telefon og Kabelfabrikk A/S and Elektrisk Bureau.

Modernizing

AFTENPOSTEN learned from the Army Supply Corps that the whole project is estimated to cost 1.1 billion kroner. It will be completed in 1993-94. At that time, all division commands and all 12 brigades will have modernized their communications equipment completely or partially with the system which is called TADKOM.

As was pointed out to AFTENPOSTEN, the whole system can be combined with the communications equipment of the allied nations.

Large Capacity

TADKOM has a larger capacity than today's system. It can transmit both speech and data. There is automatic rerouting of communication if a junction should fail. It is relatively resistant to electronic warfare, and it will be equipped with encoded communications in the early nineties.

12831

CSO: 3639/79

BRIEFS

IRAQ SEEKING RAPID MOTORBOATS--Iraq is seeking to buy in Spain 20 rapid motor boats, either torpedo boats or missile launchers, for the war in the Persian Gulf. Iraq, which enjoys a certain air superiority over Iran, would be able, through the purchase of these boats in Spain, to attain equality with Iranian naval forces, whose effectiveness lies in the "subtle" [as published] motor boats purchased in Sweden. [Text] [Madrid CAMBIO 16 in Spanish 10 Aug 87 p 7]

MINISTRY REQUESTS ARMORED VEHICLES--Minister of Defense Narcis Serra is attempting to ease the concern in the army about the delay in the purchase of new combat vehicles through the promise that ENASA [arms firm - expansion unknown] will build a tracked armored vehicle. [Text] [Madrid CAMBIO 16 in Spanish 10 Aug 87 p 7]

SHARED AIR DEFENSE RESPONSIBILITY--The general Staffs of the Army and the Air Force have settled a serious difference on the responsibility for air defense which, up to now, was under the exclusive competence of the land forces. In the future, the Army will make available the means and the personnel, but the coordination and the final decisions are assigned to the Air Force.

CSO: 3548/109

RENEWED SUBMARINE INCURSIONS SHOW INADEQUACY OF FUNDING PLAN

Problem Expected To Worsen

Stockholm SVENSKA DAGBLADET in Swedish 27 Jun 87 p 2

[Editorial: "Gone With The Waves"]

[Text] With the melting of the ice the season for submarine incursions has begun. It is even quite possible that incursions into our territorial waters actually never stop. The ice in the bays and the archipelagoes prevents early discovery, and we have little knowledge of what happens down in the depths.

But now the reports are streaming in. Foreign submarines are chased again in the capital's waters, and out in the archipelago a former moderate Riksdag member has been able to follow a minisubmarine quite closely. With this, another Swede has had tangible proof of the seriousness of the submarine threat. For the Riksdag member had, in his own words, "never believed in those submarine reports earlier." The head of the Submarine Defense Commission at that time -- Moderate Party Chairman Carl Bildt -- has clear intelligence reports left over in his own office.

Just a week ago the head of the intelligence section of Stockholm's Coast Artillery Defense said to the newspaper ARBETET that Swedish coastal waters are probably patrolled by ten minisubmarines every day. The next day the spokesman for the supreme commander explained to the same newspaper that the officer's statement does not agree with the "supreme commander's total estimate." After this the intelligence chief has clearly received orders to refer to the defense staff. "They say the right things," as he puts it.

A higher officer who perhaps does not always say "the right things" is the outspoken coastal fleet commander Claes Tornberg. In Friday's SVENSKA DAGBLADET the rear admiral said that "the recent cases are well substantiated. I don't want to say anything more now. On the other hand, I am deeply concerned about journalists and people in general becoming indifferent. The necessary secrecy has both good and bad sides."

Claes Tornberg is certainly right in his fear of indifference. The submarine crisis has now been reduced to just another issue. But the mass media are not primarily responsible here. The press and radio and television like to report.

What is lacking is solid information from those who know. The commander of the coastal fleet points to secrecy as the reason.

In the mean time, the parliamentary Submarine Defense Commission stated that interest in information has a high priority. In its report, the commission wrote, among other things: "One must of course assume that the intruding opponent always has the possibility of taking advantage of the large flood of information that characterizes an open, democratic society such as Sweden. But this is a risk that must be taken, because the Swedish citizens' confidence in measures taken requires information that is as rapid, true, and complete as possible. In the Commission's opinion, the broadest possible information is an essential feature of the openness that must characterize our security policy. It has to do both with the necessity of informing the citizens about circumstances of great significance for the evaluation of Sweden's security policy situation and of showing the world the seriousness with which Sweden will look upon continued submarine incursions."

These words have had little effect in practice. From the beginning it has been quite clear that the Social Democratic government's interest in providing complete incursion information was small. On the contrary, the government tried to keep secret certain remarkable incidents, as when a combat ready Soviet fighter plane chased a fully occupied Swedish passenger plane in over Gotland. This did not fit in well with the government's eager attempts to improve relations with the super power in the East at any cost.

In this situation, several high military officers developed an advanced method of speaking in tongues to avoid a biting political wind. Possibilities and probabilities piled up like clouds of mist over our coastal waters. When the officers in the field complained about lack of resources and strange answers in governmental explanations, the military leadership poured oil on the waters. The commander-in-chief of the Navy said that the reconstruction of submarine chasing ability up to then had corresponded well with the Navy's ability to use the additional appropriations.

This is probably a statement the naval commander will probably want to forget. It is obvious that the resources are insufficient, and the outlook is even worse. In regard to the latest defense resolution, the government leaders--most recently Under Secretary of State Per Borg in yesterday's DAGENS NYHETER--stated several times that the monies will not be sufficient to maintain the present state of the Swedish defense forces. Fewer vessels will guard our coasts.

With this there are even dimmer prospects that the chase will be crowned with progress. The process of indifference continues, and the surrounding world can note that Sweden does not have the ability and perhaps not even the will to defend its territorial integrity. Anyone can figure out what this means for the credibility of the neutrality policy in peace as well as in times of tension.

Socialist, Liberal Leaders Criticized

Stockholm SVENSKA DAGBLADET in Swedish 29 Jun 87 p 2

[Editorial: "Supreme Commander's Answer"]

[Text] Late Friday afternoon the supreme commander's program plan was made public. In it the supreme commander describes defense planning for primarily the next five year period.

The program plan was presented, therefore, just a month after the Riksdag's large defense resolution. Seldom if ever has a defense resolution so quickly been overtaken by reality.

A month ago the defense policy of the Social Democrats and the Liberals represented a change in trend. The defense resolution was to mark the end of a long period of continual cutbacks and crises, the latter often in the form of cancelled maneuvers.

When the supreme commander now answers the defense resolution, he no longer speaks of a break in the trend. On the contrary, the supreme commander is again forced to cancel maneuvers. And already there is discussion of the need for consideration of a new defense resolution.

We now see how the 1984 procedure is being repeated.

The crisis before the resolution at that time was clear. But the agreed upon resolution was presented as a great victory for defense. Even the defense staff joined the chorus of those who praised the measures agreed upon to promote defense.

But after a few months, disorder reappeared. Planning was introduced to cancel maneuvers and later materiel orders.

As a matter of fact, in 1984 defense received the absolutely necessary support to cover the costs that the Air Force bore as a result of the very high dollar exchange rate. It was economic necessity, not any strong political desire, that led to the extra defense resolution of that time.

We can observe the same thing today. The rhetoric has poured out from both the Social Democrats and the Liberals. The resolution that was made during the last days of the spring Riksdag session has come out like a memorial in action, a memorial to the Liberal Party leadership's extraordinary parliamentary ability and the Social Democrats' strong national sense of responsibility.

And the defense staff has done its part. The supreme commander welcomed the resolution. He said that it meant a break in the trend in the development of Swedish defense policy.

But it is the same song now as before. The defense situation is irksome because the submarine crisis has changed the conditions for defense policy.

But the politicians involved cannot bring about the necessary changes in public expenditures. This requires political leadership that they cannot produce. Rhetoric, on the other hand, is free. It costs nothing to add to the defense resolution words about the extraordinary emphasis one places on defense.

All this shows of course that there actually is no strong interest in defense in the two party leaderships that agreed upon the 1987 defense resolution. The two parties did not even find it worthwhile to take part in the Riksdag debate on defense policy. And probably nothing more than silence can be expected now. The prime minister has sent out a political official to the Defense Department in order to discuss in DAGENS NYHETER defense in connection with the program plan. This says enough of the type of interest in defense the Social Democrats have.

The government leaders have more important things to do, of course. They are searching the country high and low to collect votes from marginal voters.

The country's security can never be more important than that of the Social Democratic Party. First they must secure their positions at the sources of power. Afterwards they can devote some thoughts to submarines and other security problems.

For the Social Democrats the Environmental Party is a much greater threat than any close observation by the Soviet war machine.

Gap Between 'Ambitions', Funds

Stockholm SVENSKA DAGBLADET in Swedish 30 Jun 87 p 2

[Commentary by Hakan Hagwall: "Behind Again In Defense Policy"]

[Text] Quite often one hears of things coming to a sorry end. But seldom does one hear talk of an "inglorious beginning." But an more inglorious beginning than the one that took place in the 1987 defense resolution can hardly be imagined.

At the end of last month the Riksdag made its resolution. On Friday the supreme commander said that it is no longer sufficient; it is impossible to realize.

When this resolution was actually made, during the defense agreement in January between the Social Democrats and the Liberals, Prime Minister Ingvar Carlsson said that it established the framework for Swedish defense for a ten year period. The framework collapsed after a month.

It is in his program plan for military defense 1988-92 that the supreme commander discusses the conditions for realizing the Riksdag resolution -- the resources the Riksdag makes available. The program plan should be obligatory reading, not the least for the agreement making parties.

According to Liberal Party leader Bengt Westerberg, for example, the defense settlement means a significant strengthening of defense. This is not the picture the supreme commander gives.

It is incontestably true that the defense resolution is a trend breaker in that defense is now receiving more real resources, but cost developments and earlier neglect, which have gradually taken effect, require such great compensation that the net effect is still negative. The strengthening talked about in the defense agreement and the defense resolution is not there, at any rate not down the whole line. In certain points there are significant improvements in quality.

For example, a rapid strengthening of submarine defense is still of high priority. Submarine defense capability will increase as a result of earlier resolutions and even of the latest, but the supreme commander points out: "The number of units still continues to limit our ability to effectively and tenaciously maintain our integrity in several operational areas both in peace time and in neutrality.

This is said, therefore, about one of the areas that has a high priority.

The basic error in the defense resolution and therefore the supreme commander's dilemma is the gigantic gap between on the one hand the defense policy ambitions and defense's organizational size and on the other hand the economic conditions.

Within a framework that is intended to meet a series of goals, the supreme commander is now being forced to cut out several of them.

The contrast between the politicians' figures and the supreme commander's message is striking.

In the deliberations of the Defense Committee one can read about the blessings of a conscript army and of the importance of good training: "In recent years, maneuvers have been cut down. In the opinion of the committee it is necessary for the military services to carry out regular maneuvers so that combat readiness can be maintained."

General Gustafsson certainly is of the same opinion, but when it comes to carrying out the beautiful intentions in practice, things do not go as well. He gathers his strength for the operatively most important units. He lets a large number of units go out of the war organization -- this applies to all infantry brigades M 66. Besides this, "practically all of the refresher training of IB 66 M and the local defense forces will be dropped. Only the top priority local defense units will have refresher training."

Even in the Navy a corresponding cut in the organization is planned.

In spite of such drastic reductions in forces and training, the pace of materiel renewal will be slower than what the defense committee counted on, the supreme commander pointed out.

The supreme commander is also worried about the effects on the defense industry. This was also, of course, a matter for the defense committee, in consideration of the significance of the defense industry for the nation's security policy situation. The Supreme Commander wrote: "The volume entailed in the development and acquisition of materiel for Swedish defense is spread very thin over some sectors of the Swedish defense industry. The dangerous effect can be that industry in the beginning cannot manage the development costs and gradually will also possibly be structurally changed to such an extent that we will stand without large parts of a literally vital industry."

There was not much to the ten year duration Ingvar Carlsson accorded to the defense framework. Nor to Bengt Westerberg's strengthening of Swedish defense. One can understandably ask oneself how lasting the memory of their defense policy cooperation will be. Perhaps it will continue with them formulating a common answer to the question: What is important, the map or the terrain? Will they make resolutions on defense, or will they give it resources?

9124

CSO: 3650/181

REPORT ON SOUTHEASTERN MILITARY OPERATIONS

Istanbul MILLIYET in Turkish 24 Mar 87 p 14

[Text] Diyarbakir -- It is now known that one of the terrorists killed during an armed clash with the security forces was the security guard of PKK leader Abdullah Ocalan. And national shooter Mehmet Akgun who died during a clash was buried in Diyarbakir. During the operation conducted in Dereler south of Sirnak by units attached to Siirt Regional Sub-Command 5 PKK terrorists were killed. The operation was conducted in 1.5 m snow, and the identities of all PKK terrorists have been confirmed.

It is now established that one of the dead terrorists was Huseyin Saricicek (codename 'Orhan') known to have served as security guard for PKK leader Ocalan for nearly 2 years, later working in the central decision-making body. He acted as leader of the attack group. Saricicek is known to have participated in the recent Tasdelen massacre, and had led the attack last August near Ortabag village, Uludere, Hakkari, in which three military vehicles had been ambushed and 14 soldiers martyred.

Various documents belonging to Saricicek were found burned. Upon realizing he would be captured, Saricicek is thought to have destroyed the documents. Nevertheless, significant clues have been found on his body, sources say.

Terrorists in Mardin

The identity of another terrorist killed at Yukari Mentesh near Atli village, Derik, Mardin was established. Along with Suleyman Erdem, the other bandit was Cemal Mat (codename 'Kasim'). And the last one was a terrorist with codename 'Salman,' operating in Mardin. Thought to be from Diyarbakir, a special team from that area was requested for definitive identification.

National Shooter Buried

National shooter Mehmet Akgun, killed during an armed clash with security forces at Kosan near Kayi village, Dicle, Diyarbakir,

was buried in Diyarbakir's Baglar district in a simple ceremony attended by friends and relatives.

The other terrorist killed alongside Akgun is identified as Mehmet Bekiroglu, who was buried in Lice. Investigations are continuing to identify the others.

Operations Continue

As the PKK is expected to restart its activities as the weather gets warmer, are continuing their operations round the clock. Meanwhile, within the last 24 hours, 38 persons have been taken into custody for aiding and abetting the bandits.

Syrian Border Extremely Tight

Upon rumors that separatist terrorists would be making entries into Turkey, security along border areas have been tightened. According to MIL-HA Ceylanpinar correspondent Ekrem Arslan, during the last 2.5 years eight persons were captured trying to cross the border in the area. The new measures combined with reinforcement of units have made entry from Syria difficult. As a result, of the eight attempting to cross the border five were killed, one wounded, and two captured. Efforts to extradite 13 terrorists from Syria are continuing but without much result so far.

Investigations at State Breeding Farm

An investigation is under way at the Ceylanpinar State Breeding Farm after 35 tractors were set on fire by the separatists. The investigation, initiated by the Sanliurfa governor's office, is directed at the administrators and personnel at the farm. The administrators were questioned at the district governor's office yesterday.

Martyred Corporal Laid to Rest

The gendarmerie corporal Selami Hosgez, martyred by separatist terrorists the other day at the village of Mili Balveren attached to Sirnak, Siirt, was laid to rest yesterday with military honors at the municipal cemetery in Samsun, his hometown. Speaking at the ceremony, the 59-year old father of the martyred corporal, Muzaffer Hosgez said: "My son is martyred in the cause of the fatherland. I am very sad but long live the fatherland. The Turkish army will not be cowed by the terrorists."

12466
CSO: 3554/229

TURKEY

MILITARY

BRIEFS

U.S. COMPANY DEFENSE LINK--Ankara--Westinghouse has been allowed to invest in the Turkish defense industry field. The permission given to that company is the first of its kind following the decision to allow the private sector and foreign firms to invest in the Turkish defense industry. Westinghouse secured a permit from the Directorate of Foreign Investments, which is affiliated to the State Planning Organization, to invest in the joint production of defense systems. The foreign firm will set up a company together with the Turkish contracting firms Sezai Turkes and Fevzi Akkaya Construction Corporation [STFA] near Ankara. Westinghouse will provide more than 70 percent of the capital that will be invested in the company. Westinghouse officials have said that the talks with STFA officials are nearing their conclusion. They added that work was currently under way to find a suitable location for the installations that will be constructed near Ankara. When completed, the new installations will manufacture electronic defense equipment, avionic systems, and radar components. [Excerpts] [Istanbul CUMHURIYET in Turkish 23 Jul 87 p 9] /9604

CSO: 3554/293

EYSKENS ON MEASURES AGAINST CAPITAL OUTFLOW

Brussels KNACK in Dutch 8 Jul 87 p 15

[Interview with Minister of Finance Mark Eyskens: "'And Where Is the Capital Inflow?'"]

[Text] Minister of Finance Mark Eyskens is not losing any sleep over the phenomenon of capital outflow. Indeed, Eyskens says that the term should no longer exist in the European context. We live in a free and open market, and all transactions have in fact become normal.

Eyskens: Still, we cannot continue to ignore the fact that more and more money is flowing out of the hands of private individuals. But I am not panicking about the situation. Capital outflow is exploding in Germany and the Netherlands as well. What does disturb me, however, is that so little foreign money is coming in.

KNACK: And yet this government is being accused of almost stimulating capital outflow. I am thinking of the foreign obligation funds or the so-called SICAV shares.

Eyskens: These charges are coming from our political adversaries, and so they have to be taken with a large grain of salt. Still, we have to search our own hearts on this matter. I might note that the so-called social savings banks are also offering SICAV shares for sale. What am I really being accused of then?

One shouldn't become obsessed with capital outflow. Let us pay attention to capital inflow in particular, that is at least as important. We should adopt an offensive position instead of a defensive one. Just take Luxembourg as an example.

Luxembourg has become an important financial hub. The Luxembourgers have had a good understanding for that. We Belgians are just bungling along, even though we have a whole series of trumps to play. In the meantime, Luxembourg is the wealthiest country in Europe if you measure on the basis of per capita GNP. And Denmark, France, Germany and northern Italy, excluding the Mizzogiorno, also score higher than Belgium.

KNACK: Even the National Bank and the Belgian Association of Banks are claiming that there is scarcely any policy in Belgium for stimulating capital inflow.

Eyskens: Just a minute. I have taken a whole series of steps. Including during the latest European currency revaluation, when I succeeded in upwardly revaluating the Belgian franc slightly. Our currency is now very solid.

Secondly, I want the repayment of the movable advance tax to foreigners to be made more smoothly. This sometimes takes a year right now, and that is not very attractive. A lot of whispering is going on abroad. To paraphrase Dante, people are saying, if you buy a Belgian bond it's hopeless. I want to see the movable advance tax repaid in only several weeks. One American bank has formulated a reasonable proposal, but the treasury cannot live with it. An alternative is now being sought. I expect news from that very soon.

Furthermore, I am an outspoken proponent of eliminating the tax on stock exchange dealings, which is also a troublesome threshold for foreigners. I am convinced of one thing: If the Brussels stock exchange and the Belgian financial market flourish, then everyone will profit from it. This would also have to have a positive effect on unemployment.

KNACK: There was talk in the 1970s of eliminating the tax on stock exchange dealings. In the pre-electoral atmosphere it is now once again possible.

Eyskens: I formulated proposals in that direction a few years ago. Not at a suspect moment, nota bene. The elimination of the tax on stock market dealings has now been approved by the Council of Ministers. This fall, my bill to that effect will also be included in the major tax reform package.

KNACK: And what can the Belgians count on? A decrease in or elimination of the movable advance tax?

Eyskens: It is not feasible to simply eliminate the movable advance tax, that would cost the treasury too much. However, I am in favor of lowering the percentage, which is too high right now. As far as I am concerned, it could easily go down to 20 percent or lower. But you know that several years ago voices were raised within the government to the effect that the movable advance tax should be raised to 30 percent. I have recently sent a proposal to European Commissioner Delors dealing with harmonizing the movable advance tax in all the European countries. Because honestly, it is not normal for the Belgians to buy so few bonds or stock shares. They favor savings accounts. There are 18 million savings accounts in existence in our country. This is how people get around paying the movable advance tax. We had better draw our conclusions from that. This savings behavior does have one big advantage: There is always an enormous amount of money to be found on our capital market, despite increasing capital outflow. My Dutch colleague cannot believe his ears when I tell him that we issue loans of around 150 billion francs several times a year. We always have four-fifths of the money that the treasury needs floating on the market at any one time. As long as that remains the case, we should not panic over capital outflow.

PARIS PRESSURES BONN TO PURCHASE ATOMIC ENERGY SURPLUS

Duesseldorf WIRTSCHAFTSWOCHE in German 19 Jun 87 p 11

[Text] Bonn is being increasingly put on the spot in the energy-policy sector. In the future, the FRG is expected to feed into its power network greater amounts of surplus French nuclear-generated electricity. This is the result of a diplomatic protest by the Paris government in the EEC Council of Ministers. There, with backing from the recommendations of the EEC commission on making the great European market a reality by 1992, France had demanded the speedy introduction of a "genuine European energy market." "The free trade in goods involving energy products is indispensable in connection with a unified European market," it is said in the French memorandum. And: "For petroleum products this free exchange of goods largely exists already, but for the sphere of electric power this is yet to be achieved for the most part."

Behind the Paris demarche are the growing excess capacities of the French nuclear power network, which already satisfies 70 percent of the nation's electric-power needs. As early as at the beginning of this decade, smaller growth rates and more thrifty consumption prompted the state-owned concern Electricite de France (EdF) to slow down the building program for nuclear power plants. A further stretching out of the program to the building of only one new facility every 18 months seems necessary soon in view of the existing excess capacities. Nevertheless, according to the EdF even in the future a production surplus of "a few percent" would exist for a transitional period. After France's power giant had already delivered 23.4 billion kilowatt hours to the European network in 1985, exporting of nuclear power rose in 1986 to 25.4 billion kilowatt hours and will further increase this year.

The main target of the export offensive now being planned is the FRG. In France's opinion, its German neighbor is protecting the output of its own electric-power supply enterprises from electricity imports by means of subsidies for coal, by legal and technical provisos, and by manipulated prices. Therefore the EEC commission was called on by Paris to help to identify and eliminate these hindrances.

12114

CSO: 3620/276

DORNIER, LURGI, BADENWERK JOINT HYDROGEN TECHNOLOGY PROJECT

Duesseldorf HANDELSBLATT in German 10 Jun 87 p 21

[Text] Stuttgart, 9 Jun--The long-range significance of hydrogen technology and its close association with many branches of industry has led to a joint project by Dornier (Friedrichshafen), Lurgi (Frankfurt), Badenwerk (Karlsruhe), and Daimler-Benz (Stuttgart).

An announcement by the management of Daimler-Benz AG, Stuttgart says that the four partners have agreed to further develop the energy-saving "Hot Elly method" for the recovery of hydrogen, with Dornier being in overall control.

According to this announcement, the Daimler-Benz concern has drawn up a comprehensive energy research program "as industry's answer to the challenge for a synthesis of economy and ecology in future energy use"; hydrogen technology has a prominent place in this program. An integral component of the program is the "Hot Elly" procedure.

According to the announcement, Dornier GmbH has worked for a long time on the development of advanced energy systems, and together with Lurgi GmbH it began more than 10 years ago to work on developing a highly efficient procedure for recovering hydrogen by way of the electrolytic dissociation of water vapor. It says that for the first time it is now anticipated that in a 5-year program, problems of the long-term behavior of the process and of large-scale production technology will be solved. For this project about DM 30 million are to be spent, and the Federal Ministry for Research and Technology will be involved in the financing.

12114

CSO: 3620/276

BRIEFS

DECLINE IN DEVELOPMENT AID--(Paris) According to dpa/vwd (economic news service), the OECD reports a decline in FRG development assistance in 1986--the first decline in 6 years. Assistance in 1986 totaled just under \$3.9 billion (DM8.5 billion) which represents a decline of 5.6 percent in real terms. However, despite the decrease in German development aid as a portion of GNP from 0.47 to 0.43 percent, the FRG is still above the general average. Experts fear that the decline, which was also seen in Austria, France and Belgium, will continue in the FRG in the coming years. The most important stumbling block to an increase in bilateral and multilateral assistance is said to be Bonn's austerity program. [Excerpt] [Munich SUEDEDEUTSCHE ZEITUNG in German 29 Jun 87 p 23]

CSO: 3620/297

COAL MINERS DEMONSTRATE--Displeasure over further layoffs in the coal mining industry led to strikes at several mines on Wednesday, 15 July. At the Minister Achenbach mine in Luenen, about 2500 miners went on strike for about 3 hours. They demanded that the Mining and Power Industries Labor Union (IGBE) give up its wait and see attitude and take action to prevent further layoffs. At the Walsum pit on the lower Rhine, work was hampered for just over 4 hours due to a protest action. On Tuesday, in a letter to the parties in the Northrhine-Westphalia Landtag, the works council of the Bergbau AG in Westphalia had warned of a "social explosion" in the coal mining areas. It said that the work council would have a difficult time restraining the miner's displeasure. [Text] [Frankfurt FRANKFURTER ALLGEMEINE in German 16 Jul 87 p 13]

CSO: 3620/307

PAPER VIEWS MOVES TOWARD INCREASED NORDIC ENERGY COOPERATION

Helsinki HELSINGIN SANOMAT in Finnish 3 Jul 87 p 2

[Editorial: "Model Energy Cooperation"]

[Text] The theory and the practice of Nordic economic cooperation often differ substantially from one another. One's own real or imagined interest generally carries more weight in practical solution than do elevated principles. Cooperation naturally works best when interests are shared.

In the energy sector large and economically burdensome investments that must be made in accordance with consumption peaks facilitate finding joint solutions. The need for buying and selling electric power may change very quickly.

Sweden's intention of completely abandoning nuclear power production has greatly increased the interest there in solutions for replacing it, like the possibilities of buying natural gas and electrical energy from other countries. In Finland too projects designed to increase nuclear power have been buried and the vulnerability of our energy supply has increased. Negotiations for the laying of an undersea cable across the Gulf of Bothnia from Rauma to Forsmark have now led to an agreement.

An investment of about a billion markkas will make possible an extensive exchange of electrical energy between Finland, Norway and Sweden, and will reduce the need for measuring production capacity separately according to each country's peak needs. When the sea cable goes into operation in a couple of years time, Finland, which possesses a relatively large percentage of the electricity produced with nuclear energy, will also be able to take precautions against interruptions in electric power production better than it could before. The capacity of the sea cable will be equivalent to the production of one nuclear power plant unit.

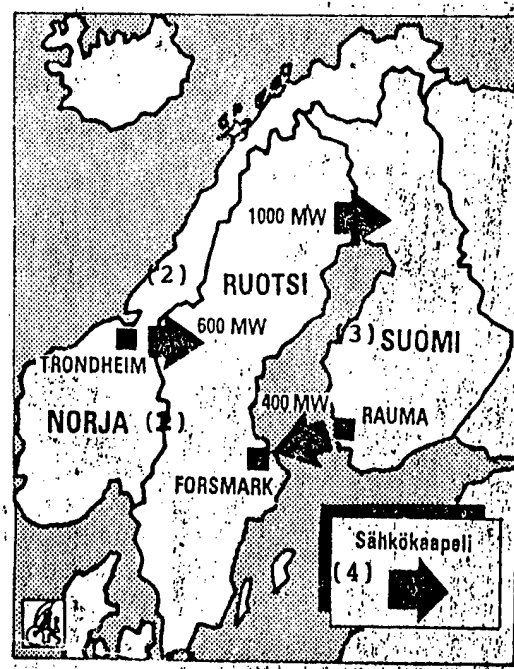
Finland has also made preparations for importing 600 megawatts of Norwegian electricity produced with natural gas via Sweden as of 1993, at which time the need for obtaining Swedish electricity will correspondingly lessen. The reliability of our electricity supply will also be increased in the event that we do not reach agreement on the price of electricity to be imported from the Soviet Union. An extensive, jointly operated Nordic network will also in general lower production costs and also work to Finland's advantage because the

power produced with Norway and Sweden's abundant water resources is cheap and Norway's natural gas reserves are large.

Also under consideration is a plan to build a natural gas pipeline from Finland to Sweden. It will be needed in the event that Sweden decides to buy natural gas from the Soviet Union. The estimated consumption for Stockholm is about the same as [the gas] consumed in all of Finland at present. If Sweden decides in favor of the project, the gas pipeline network will be extended in Finland too and the use of natural gas will increase here. Under the best of circumstances, construction on the pipeline would begin as soon as next year. The cost of the natural gas pipeline would probably be about 2 billion markkas.

Regardless of whether Neste [state oil company] reexports Soviet natural gas to Sweden or leases the use of the gas pipeline, the nation and all the Nordic countries would constantly benefit from the pipeline. It could be exploited in different ways in terms of energy cooperation and outside of that as well. Through it the Soviet Union would also be afforded increased opportunities for cooperating with the Nordic countries.

Cooperation in the energy sector is also considerably increasing the favorable interdependence of the economies of the Nordic countries. Hopefully, it will also in practice improve mutual economic cooperation in other sectors and reduce obstacles to it. At least that would be sensible. Each party to the affair often suffers later when everyone shortsightedly pursues his own interests.



Key:

1. Norway.
2. Sweden.
3. Finland.
4. Electric cable.

The sea cable agreement also includes other transfers of electric power across Nordic borders.

11,466

CSO: 3617/118

CHIRAC'S SPOKESMAN ADDRESSES COMPETITIVENESS ISSUE

Paris LE FIGARO in French 26 Jun 87 p 6

[Article by Francoise Varenne: "Matignon: Neither Decline nor Magic Wand"]

[Text] Decline? Did you say decline? That is quite an offensive word to the ears of the prime minister, who, since before the 1986 legislative elections, was proclaiming long and loud that there was no inevitability nor decline nor failure, and who was recently still preaching the virtues of optimism, which, according to him, "is not a mood but a will."

The "decline of France" is now an "in" phrase, and Denis Baudouin, Jacques Chirac's spokesman at Matignon Palace, set out to analyze the phenomenon yesterday [25 June 1987]. "Everybody is talking about it," he says. "The president of the Republic denies it, and the prime minister rejects it, without, however, hiding the difficulties of the moment. One must not dramatize, but simply consider the phenomenon as circumstantial and as responding to the interest that some people have in casting the future in a rather somber light."

For Denis Baudouin, it happens notably at this time, before summer vacation, when the INSEE [National Institute of Statistics and Economic Studies] makes its report public, that the French should suddenly fall victim to an attack of moroseness. Now let us add to that a convergence of current events which only serve to deepen the gloom--the Dalle report, which brutally put its finger on the sore spot: "The French," this report says, "spend too much and do not work enough"; the revision of the Italian gross national product, which results in a 10 percent increase and a spectacular recovery of the Italian economy; and Margaret Thatcher's success in the British elections, signaling an improvement in the economic health of Great Britain, etc.

"At the same time," notes Denis Baudouin, "the French realize that one cannot believe in miracles. There is no magic wand to wave and suddenly lower unemployment and get the French economy moving again. The complexity and the ponderousness of the institutions, and the unfavorable international circumstances are all factors which slow the process."

But to set the country on course again, Denis Baudouin feels that there is only one policy possible. The right or the left may have different ideas

concerning the problems of society, but as far as the economy is concerned, there are not great alternatives in store. "It is just a question of nuances."

Denis Baudouin furthermore thinks that instead of bewailing their fate, the French should take a look around and put the problem back in its international context. In the area of exports and wage costs, England and Italy are still far behind France in spite of the progress they have made. France is still comfortably in fourth place in the world economics picture, after Germany, the United States, and Japan.

A False Notion

He concludes: "That is why this notion of 'French decline' is a false notion." In fact, investment may be picking up again slowly, but it is picking up again, and unemployment, which is the most difficult problem that faces the government, is currently experiencing a stagnation which is probably due to the initial effects of the Sequin plan.

But to get the French fired up, one must establish a deadline in the future. That is why, for the last several months, the prime minister has already been stressing the 1992 deadline, the year of the opening of the big "unique" European market. "A deadline," says Denis Baudouin, "that gives our country new reasons to fight back against the current difficulties--the need to be competitive so that France can hold its own in the face of competition from the other countries of Europe." When all is said and done, this is an excellent cure for moroseness.

9895/13104
CSO: 3519/143

FRANCE

ECONOMIC

NATIONAL STATISTICAL INSTITUTE RELEASES 1986 ECONOMIC STUDY

Wage Spread Widens

Paris LE MONDE in French 26 Jun 87 p 34

[Report: "Wage Spread Widens in 1986"]

[Text] In the latest issue of *ECONOMIE ET STATISTIQUE* (Footnote 1) (No 199-200, May-June 1987), INSEE [National Institute of Statistics and Economic Studies] prints a report on wages in 1986. The report shows that the purchasing power of the average net wage in France rose by 1.5 percent last year, whereas it had "increased only slightly in 1983 and 1985, and even declined in 1984." "A part of this gain," the study explains, "is attributable to the increase in the level of skills required for employment and, in particular, to the fact that high-bracket employees hold an increasing share of all salaried positions."

In the private and semipublic sectors the average annual net wage rose in 1986 to 91,455 francs, but every sociooccupational category benefited from a gain in purchasing power. The average net annual wage was 218,280 francs for high-bracket employees (+2.1 percent in purchasing power); 113,395 francs for middle-bracket employees (+1.3 percent); 110,191 francs for foremen (+0.7 percent); 73,573 francs for white-collar employees (+1.1 percent); 74,845 francs for skilled workers (+0.7 percent); 64,766 francs for specialized workers (1.2 percent); 55,674 francs for unskilled workers (+1.1 percent); and 62,336 francs for all other categories (+0.7 percent).

"A high-bracket employee," INSEE notes, "earns on the average 2.4 times the average wage; an unskilled worker earns less than two-thirds of the average wage; and slightly more than two-thirds of all wage earners earn less than the average wage." As a result, INSEE says, "the gap between the average salary of a high-bracket employee and the wage of an unskilled worker widened in 1986, with the former currently standing at 3.92 times the latter, whereas this figure had been consistently narrowing (from 4.01 in 1982 to 3.88 in 1985)." This widening of the gap between the highest salaries and the lowest wages is reflected in the median wage (inasmuch as 50 percent of wages and salaries are above it and 50 percent below it), which in 1986 was 74,810 francs net per year for all wage earners (79,880 francs for men and 66,380 francs for women).

According to INSEE, this widening of the wage gap between high bracket employees and unskilled workers is explained by the halt in the catch-up process for the lowest wages (in 1986 the SMIC [Interoccupational Minimum Growth Wage]--the hourly amount of which was raised by 3.4 percent--did not receive the "finishing touch") and by the increase in the social contributions, which "had the greatest impact on those wages that were below the social security ceiling (9,350 francs per month)." INSEE emphasizes that "in a context of rapid disinflation, the level of the workers' hourly wage led to reevaluation of the SMIC.... In previous years, with a higher rate of inflation, it was the SMIC (which was raised several times per year) that carried the hourly wage rate along with it, because of its direct impact on the lower segment of the labor hierarchy."

In 1986 the purchasing power of workers' gross hourly wages increased at an average annual rate of 1.5 percent (compared to 0.1 percent in 1985), as a consequence of the slowdown in the rise in prices. Because of the increase in the social contributions, however, the increase in purchasing power--expressed as an annual average--came to only 0.8 percent of the net hourly wage rate.

Exports Down

Paris LES ECHOS in French 29 Jun 87 p 3

[Article by "Cl. C.": "Jump in Growth Despite Poor Performance by Exports"]

[Text] "The image of what is happening in the economy remains the same; the current situation--and that of the very recent past--appear to be a little more favorable." The authors of the report on the "Nation's Accounts for 1986" make a point of emphasizing this view, following the far-reaching change in methodology (the introduction of the "1980 base") that took place this year. The definitive--and revised--picture for the past several years does in fact present a very respectable image of the French economy, and also serves to illuminate the current debate concerning the possible "decline" of our country. The fact is that from 1979 to 1985, growth attained a rate of 1.4 percent per year (compared to 1.1 percent using the former base)--a figure slightly higher than the European average. Moreover, last year the GDP rose by 2.2 percent--conclusive evidence of a rather nice jump.

INSEE points out that of course France benefited in 1986 (as did its partners) from the effects of a veritable oil "countershock": a gain of 98 billion francs on the import side as against a loss of 13 billion francs on the export side, for a net revenue surplus of approximately 85 billion francs.

The report states that this oil "gift" was distributed 60 percent to businesses and 40 percent to households.

The business community did not, in fact, completely reflect the drop in oil prices in their own prices, and in this way realized comfortable profit margins. Moreover, wages in 1986 increased less rapidly than productivity.

The purchasing power of household income did, however, increase rather sharply (+3.3 percent), because of the rapid disinflation and a small increase in income from property (thanks to dividend payments, and especially to the repayment of the compulsory loan).

Profitability Reestablished

Unexpectedly, the French were heavy consumers in 1986 (+3.5 percent), especially in the early part of the year--the period in which the largest gains in purchasing power were concentrated. This did not prevent private individuals from increasing their savings slightly: the savings rate did in fact halt its decline and rose (using the new base) to 14 percent from 13.8 percent. INSEE further notes that purchases by the French involved primarily durable goods (automobiles, household electric appliances) and services (health care, bank services).

Businesses also contributed to growth in 1986, but seemingly less than did households: investment did in fact increase by 4 percent--twice as fast as in 1985--but the figure for capital improvements in industry were disappointing (+3.5 percent, as against 10.7 percent in 1985). Businesses, however, enjoyed a net increase in their gross margin (47.5 percent as against 45.9 percent in 1985) and also in their rate of savings (12.7 percent as against 11.1 percent in 1985). On the whole--these experts emphasize--the profitability of businesses has been substantially reestablished but has not yet regained its pre-1973 levels.

Although domestic demand, consumption, and investment did in general record good sustained growth, France's exports turned in very sorry performances. Despite an oil bill that was reduced by more than 90 billion francs, the balance of current payments shows a surplus of only 29 billion francs. The fact is that France has suffered not only from a circumstantial lack of synchronism with the OECD countries (whose domestic demand increased by 3.2 percent, whereas ours increased by 3.4 percent) but also from an unfavorable trend in its foreign trade. For example, 22 percent of our foreign trade is with those PVD [developing countries] that produce petroleum (as against only 19 percent in the case of the OECD countries), whose income declined considerably in 1986 and who therefore severely restricted their imports--and particularly their imports of French products. As a result, the industrial balance declined by 50 billion francs, despite the devaluation of the franc. Moreover, the foreigners' share of the French market increased in all sectors of industry.

This is undoubtedly the gloomiest statistic brought forward by INSEE in connection with employment, which stagnated in 1986 (an increase in unemployment to 10.7 percent from 10.2 percent). Happily, the authors of the report are also pleased to cite instances of structural economic progress: the sharp slowdown of inflation (+2.1 percent and falling, or +4 percent if energy is excluded), and the reduction of the government deficit (2.5 percent of the GDP as against 3 percent in 1985).

10992

CSO: 3519/148

RECENT INDUSTRIAL FIGURES INDICATE DECLINE

Paris LIBERATION in French 1 Jul 87 p 5

[Article by F.V.: "The 'Decline' of the Durable Goods Industries"]

[Text] France's industrial decline is not just imaginary. One finds evidence of it in some rather disturbing figures published yesterday [30 June 1987] in a study from the Economic and Social Council (CES), devoted to the "durable goods industries." This sector, which is in charge of producing machines and appliances which other manufacturers use, registered a drop of 1.7 percent in its activity in 1986 compared to 1985. This dropback in production of electric and electronic materials, naval and mechanical construction, and aeronautics, though moderate, is occurring while, from 1973 to 1985, growth in the durable goods industry rose an average of 2.9 percent per year.

This result is all the more bothersome since, for 1987, the tendency toward a drop in French production of durable goods should be confirmed, according to Paul Delouvrier, the CES reporter on this story. In fact, the machine-tool industry and the mechanics industry are falling off dangerously, and naval construction is sinking. Manufacturing of computers and microprocessors is lagging behind. Under these conditions, it is not surprising that the balance of exchange of durable goods fell by 24 percent in 1986, to settle at 42.3 billion francs (compared to 55.3 billion 1 year earlier.) If this surplus is still comfortable, it is "artificially" inflated by the inclusion of the results of armaments (classified in the INSEE [National Institute of Statistics and Economic Studies] statistics among "professional" goods). Excluding military equipment, the trade surplus posed by the French durable goods industry only reached 28.2 billion francs in 1985. The figure for 1986 is not yet available, but one can bet that it likewise probably went down quite sharply.

To complete the picture, if France shows a strong surplus with technically simplified durable goods vis-a-vis Third World countries, on the other hand, the French deficit is particularly accentuated for goods "with strong technological components" (machine-tools, data-processing material, or electronic appliances) vis-a-vis the large industrialized countries (23.5 billion francs deficit in 1985 with the United States, Japan and West Germany). The rate of penetration of durable goods on the French market went from 30 percent in 1973 to more than 40 percent in 1985.

In spite of all these unfavorable data, Delouvrier (the former president of EDF [French Electric Power Company]) refutes the word "decline" to describe the situation in the durable goods industries. He prefers--a delicate euphemism--to be astonished by the "ambiguity" which characterizes the preparation of the future of French industry. After all, he points out, that portion of France's production of durable goods that is exported is "considerable"--it amounts to 48 percent, which "proves a not insignificant competitiveness." In addition, French experience is supposed to be solid. The share of durable goods in the gross domestic product has grown in France between 1973 and 1983 (from 10.8 to 11.3 percent). This increase contrasts with the stagnation, indeed, the slight drop registered in the United States, West Germany, and Italy during the same period.

9895/13104

CSO: 3519/143

MAY UNEMPLOYMENT DATA RELEASED

Paris LE FIGARO in French 25 Jun 87 p 15

[Article by Marielle Court: "Unemployment Stable in May"]

[Text] Unemployment remained practically stable this past May, following the drop recorded for the month of April. According to statistics published by the ministry of labor, there were 2,661,200 people seeking work in seasonally-adjusted data, compared to 2,659,300 at the end of April, which is 1,900 more, or an increase of 0.1 percent. The rate of unemployment, therefore, remains unchanged for the 3d month in a row at 11.1 percent.

In raw data, on the other hand, the drop is quite large, 2.7 percent with 2,522,400 compared to 2,592,700, or 70,300 fewer people. This is a result, however, that should be qualified on account of the time of year.

In this quasi-stability, a slight decrease in job seekers is being recorded among men less than 25 years old compared to last April (0.7 percent fewer), but that is partially offset by a 0.5 percent rise among women 25 to 45 years old.

For other categories, one notes a very slight rise or stability, but one must note, however, that for both men and women over 50 years of age, the increase in the number of job seekers is 17.3 percent and 14.3 percent respectively, compared to the same month last year.

These data fully justify the program favoring long-term unemployed, the repercussions of which are still nil. This program provides for training periods or contracts for reinstatement in companies.

The number of beneficiaries of the "young people's plan" continues to diminish with 59,813 beneficiaries for the month of May. The government's announcement that it is renewing exemptions for social security expenses for companies that propose qualification contracts, as well as the increase in the required contribution for professional training making it possible to insure financing of alternative training, could have an effect in the coming months.

Over a year's time, job applicants who have been placed or have stopped looking for work (331,500) as well as the number of factories starting back up

have increased by 5.8 and 7.0 percent, respectively, but these two figures have gone down compared to the preceding month's 7.6 and 5.7 percent [as published].

Finally, the average length of time that it takes a job seeker to find work inexorably continues to lengthen, and now stands at 378 days, compared to 368 the previous month.

9895/13104

CS0: 3519/143

INITIATIVES FOR ENCOURAGING INVESTMENTS URGED

Paris LE FIGARO in French 26 Jun 87 p 15

[Article by Eric Lecourt: "Michel d'Ornano Sets His Priorities"]

[Text] Michel d'Ornano has set the date. Yesterday [25 June 1987], the chairman of the Finance Committee of the National Assembly was anxious to announce his budgetary priorities at the time that Edouard Balladur was receiving his colleagues for the arbitration entering into the preparation of the 1988 finance law (see our yesterday's edition).

The deputy from Calvados has been hoping to re-orient the policy followed by Edouard Balladur all year and obtain more advantages for business. Citing the downward revision of forecasts for growth for 1987 (1.5 percent), the forecasts for rising inflation (3.5 percent), and the current balance of payments, he regards this reorientation favorable to business as necessary. On the other hand, he regards the currently foreseen tax reductions for married couples as appropriate. Michael d'Ornano, who has his eyes on the gold mine of denationalization, states: "The conduct of budgetary policy in the second half of 1987 and in 1988 must take these new data into consideration."

He explains: "With the privatization of Societe Generale, the privatization receipts which will flow back to the state budget will amount to 54 billion francs. From now to the end of the year, one can discount 12 to 13 billion more as a result of pursuit of this program." In other words, a total of 36 to 37 billion more than what was forecast in the original finance law." The government has already indicated that it will earmark part of this fortuitous godsend to pre-payment of the debt (10 billion) and to allocations, most notably for highways (5 billion). The remaining surplus (some 20 billion) could be used, according to Michel d'Ornano, to pursue these two objectives, but especially "to support productive private investment."

The deputy from Calvados states: Using part of this amount to finance a revision in the schedule of payments would be a good way to respond to the circumstantial situation of autumn 1987." Like Alain Madelin, the minister of industry, he advocates "shortening the payment period." He thinks that productive investment in France lags behind other industrialized countries.

A Softened VAT

Up to now, Edouard Balladur has always refused to help investments artificially, all the moreso since the minister of finance currently thinks that investments are picking back up again without needing to be stimulated. However, on the Rue de Rivoli, people are beginning to admit that, if the flow of investments is good, stocks remain mediocre. The minister of the economy could allow himself to be persuaded even if Michel d'Ornano is expecting "a very hotly-fought debate" on this issue.

In an attempt to standardize European taxation measures at the dawn of the "unique" market, the deputy from Calvados likewise proposes to move "toward uniformity of assessment and rate of the value added tax [VAT]." Starting next 1 January, he is suggesting that the government abolish the 1 month waiting period that a company goes through when it seeks to recover the VAT after making a purchase. According to his estimates, this measure would cost the state 3 billion [francs] in 1988. These would be added to the 15 million already forecast (tax on businesses reduced to 42 percent, elimination of the tax on general expenses . . .) and to the cost created by a more flexible schedule of payments.

Michel d'Ornano also hopes to improve the carry-back procedure for the second consecutive year. This procedure allows firms that have become profitable again to lighten their tax burden as a result of their earlier losses.

For all that, it is on the intermediate-term budgetary strategy that Michel d'Ornano is most innovative. He is pleading for a transfer of family allowances to the state budget. However, such an operation would amount, for example, to doubling the weight of income tax. He likewise indicates the possibility of privatizing companies that do not appear on the first list (Renault . . .) or of opening the capital of state firms that enjoy a monopoly to private stockholders.

Change of Plan

For the deputy from Calvados, such actions should fall within the scope of an intermediate-term public finance program, including monitoring of company accounts in the manner of the 3-year plan to reduce taxes and the budget deficit, which is dear to Edouard Balladur. But, according to Michel d'Ornano, it would be necessary to include therein a monitoring of company accounts (these reach 1.3 trillion compared to 1.1 trillion for the state budget) and benefit from it in order to review from top to bottom our planning system, "which has strayed from its original objectives."

"By announcing where one stands several years in advance, one modifies behavior," Michel d'Ornano states, beginning with high officials who prepare the finance laws and whose great shortcoming is having their noses buried in this year's budget, which limits their room for maneuvering and their inspiration.

JOINT SHIPPING VENTURES WITH USSR DISCUSSED

Athens I KATHIMERINI in Greek 11 Jul 87 p 10

[Excerpts] Talks in Piraeus between the Greek Shipowners Association and Soviet shipowners, represented by their chairman V. Karchenko, are considered to have been very satisfactory.

Among the subjects discussed was the possibility of establishing joint shipping companies in the Soviet Union, mainly for ship repair activities. Also discussed was the possibility of establishing a Greek agency in a Soviet port, similar to the one the Soviets have in Piraeus.

Both countries reaffirmed their attachment to the principle of free competition in seagoing transportation and agreed to continue similar meetings in the future at set intervals at the request of either side. The meeting places will alternate between Greece and the Soviet Union.

Soviet representatives expressed their desire to continue cooperation with Greek shipowners in the sector of seagoing transportation.

Agreements on Cruise Ships

In the sector of cruise ships, the Panhellenic Seamens Federation [PNO] is calling for an increase of 12 percent (the meeting is set for Monday) but shipowners insist on an 8 percent increase. They argue that:

- a. This year there is more activity compared to last year but fares have remained either at last year's levels or have been reduced.
- b. Five ships which operated last year are not operating this year because they have been confiscated by the banks.
- c. The financial situation of most companies is below par while some are on the verge of collapse.

It is expected that a "golden means" will be found since both sides have been cooperating in an effort to make Greek cruise ships more competitive.

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CS0: 3521/159

SCIENTIST ACHIEVES IMPORTANT RESULTS IN SUPERCONDUCTIVITY

Athens I KATHIMERINI in Greek 1 Jul 87 p 1

[Excerpts] A Greek scientist from the Dimokritos Institute presented yesterday an important scientific and technological achievement with wide repercussions of its application at the economic level. This scientist is involved in research on superconductivity.

During a press conference, Minister of Industry, Research and Technology A. Peponis presented to the newsmen Mr Niarkhos, the scientist, who conducted experiments according to which a material frozen to 183 degrees [Celsius] below zero through the use of liquified nitrogen becomes a superconductor. This result allows the creation of strong magnetic fields without great losses in electrical energy. Given the fact that magnetic fields have a wide application in the economy (electric trains, computers, medical diagnosis), it is easy to understand the significance of the discovery.

In recent years, scientists have intensified their research for the discovery of superconductor materials, since earnings from their economic applications are huge. These scientists achieved temperatures of minus 175 degrees Celsius, which are already remarkably low. The Greek scientist succeeded in coming close to his colleagues, in spite of the fact that he used vastly more modest means.

Mr Peponis announced that Mr Niarkhos will be in charge of formulating a development program for the synthesis of superconductors, which will be financed from cuts in other research programs because of its significance. This choice, according to Mr Peponis, is necessary, because the regular budget, from which the research is being financed, is in the phase of implementation.

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CSO: 3521/154

OIL PRICE RISE MAY AFFECT BUDGET DEFICIT

Lisbon TEMPO in Portuguese 6 Aug 87 p 56

[Text] The rise in oil prices on the international market will add about 137.7 million dollars to Portugal's energy "deficit" in this year's fourth quarter. Indeed, if oil imports in the last 3 months of this year rise at the same rate as during the first quarter (25 percent), our country will have to import approximately 17,175 barrels of oil, compared to 13,740 barrels in the same period last year. However, in 1986 the average price for imported oil was 14.41 dollars per barrel, the average price this year will be around 22 dollars.

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CSO: 3542/119

TREASURY OFFICE TO OPEN CENTERS ABROAD

Istanbul DUNYA in Turkish 25 Mar 87 p 3

[Text] Izmir -- Undersecretary of the Treasury and Foreign Trade Office Yavuz Canevi has announced that a new export incentive measure will be put into effect in 1987--opening trade centers abroad. This was being done to be able to service exporters on a sectoral basis rather than on the basis of single firms or particular goods. Canevi elaborated as follows:

This is a new incentive measure. During the first stage, three to five centers will be opened in countries which are our major trading partners. Large buildings will be purchased or rented jointly with the state or IGEME where administrative offices will be located. Major domestic firms doing business with these countries will be given office space in the buildings. Private firms will bear no cost in all this. There will be a permanent exhibition room. And, most importantly, the newly-formed trade centers will establish working relations with the most accomplished law, marketing, public relations and consultancy firms in those countries. The trade centers will try to solve the problems of our exporters on the spot and maintain an exchange of information. We will be able to give a service which no single company can finance on its own. The firms will be expected to send their trusted employees to these centers. If successful in the first instance we want to spread the practice worldwide. Having accomplished the pioneering role we will later leave the administration of these centers with IGEME and the private sector. We want to add a new dimension to export incentives.

Canevi then went on to say that the issue of nuclear radiation had become a psychological phenomenon in many countries, and that every country had adopted certain criteria according to its own conditions without taking account of the actual dose of radiation. And there was no standardization either. Turkey was trying to get over these hurdles by its own means. It was inconceivable that an unhealthy substance might be sold inside the country because it can't be sold abroad. Radiation is not going to be a factor reducing our exports, Canevi asserted. The standard set by WHO was 2000 becquerel/kg but some countries

accept 250 becquerel. So there was no question of a good accepted abroad not being sold at home. Canevi drew attention to the negative roles played by our export rivals in this matter. Some countries, rather than sticking to a permanent standard, changed it at will, and some were doing erroneous measurements. Canevi also announced the formation of a new radiation laboratory in Izmir next week, which will be in operation shortly.

Talking about developments in the export field, Canevi pointed out that there was no decline in exports. On the contrary, there was even a rise in January. Measures taken to stimulate exports will be seen in the 1987 export figures. Export performance will be better this year, and there is no need for speculation, Canevi said. He added that with the installation of computers in the custom offices in June 1987 they will be able to receive daily export figures.

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CS0: 3554/229

TRENDS IN FOREIGN TRADE, BALANCE OF PAYMENTS EXAMINED

Istanbul HURRIYET in Turkish 23 Mar 87 p 11

[Article by Coskun Kirca]

[Text] The State Institute of Statistics and the Central Bank have published the foreign trade and balance of payments figures for 1986. What do we make of the situation?

Less Open

Compared to 1985, in 1986 our exports declined 6.3 percent and imports by 2.1 percent. Decline in our overall trade was 4 percent. We can thus say that our economy is less open to the outside world than before.

Decline in Exports

Our exports declined in overall terms during the first 9 months of 1986, got going again in the last 3 months due to incentive measures, but fell short of the previous year's figures. The main area of decline was industrial goods, 11 percent, which should be cause for worry.

Trade Deficit Rises

The decline in imports is due to a reduction in our oil bill by \$1.5 billion, resulting from the drop in oil prices. But there has not been much of a drop in overall imports. Imports of investment goods have risen 34 percent and imports of raw materials (other than oil) increased by 8 percent, largely due to the increased activity in the economy. Despite the measures in the second half of 1986 there was no decline in imports of consumption goods. In fact, there was a slight increase. In the end, there was a 3.3 percent rise in our foreign trade deficit.

Policy Incompatible With EEC

Our trade policy has been based on additional import taxes and export incentives. Needless to say, such a policy is not conducive to becoming a full member of the EEC.

Instability in Exports

Another indicator showing the unstable basis of our exports is the 61 percent decline in exports to the Gulf countries and the 24 percent decline in exports to all Islamic countries combined. And we have to accept payment in the form of credit for some of these exports. Considering that some of our exports to the Gulf countries are in transit to other countries as well as the fall in oil prices and the effects of the Iran-Iraq war it is quite clear that the Islamic markets are not very stable. Turkey has to reorient more of its exports to Western and Japanese markets that operate with convertible currencies.

Decline in Invisible Transactions

There has been a 9.1 percent decline in tourism transactions (revenues and expenditures). In expenditures there was a slight drop but a significant decline was seen in revenues. Another cause for worry is the 4.5 percent drop in workers remittances. And our current account deficit has shown a significant rise, 49.9 percent compared to last year.

Alarm Bells in Short-Term Debt

The ratio of our net short-term foreign debt to medium- and long-term debt is dangerously high, over 30 percent. There was a 15.8 percent increase in our principal payments and a 21.7 percent rise in interest payments. These figures indicate that the debt is going to elicit further borrowing in the foreseeable future.

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CSO:3554/231

1986 SAW RECORD PROFITS FOR CENTRAL BANK

Istanbul MILLIYET in Turkish 9 Apr 87 p 4

[Text] Central Bank profits have reached a record high. Profits which were TL 1 billion 800 million in 1985 reached TL 10.809 billion last year--a 600-percent increase. Compared to the previous year, in 1985 profits were down by 62 percent.

The Bank's 1986 balance sheet has been published in The Official Gazette. Notes in circulation, announced to be TL 1.908 trillion for the final week of last year (thus keeping it under TL 2 trillion), is now listed as TL 2.2 trillion as of 31 December 1986. Thus, notes in circulation showed a 45 percent increase compared to 1985. In that year the increase was 43.3 percent.

Loans

The volume of credits, kept down on 26 December, is now seen to be much larger as of 31 December. Treasury notes, announced to be TL 967.5 billion on 26 December, was TL 1 trillion 51.5 billion as of 31 December. Similarly, credits to the banking system (TL 386.3 billion on 26 December) was TL 443.8 billion (31 December); agricultural credits (TL 35 billion on 26 December) was TL 55 billion (31 December).

Compared to the previous year, the 86 year-end figures show that there has been a 32.4 percent increase in the volume of treasury notes, 44.8 percent rise in banking credits, and 30.6 percent rise in agricultural credits.

The banks deposited in the Central Bank TL 139,1 billion (interest on their own deposits). Their required deposits in the Bank was a total of around TL 1 trillion 477,5 billion.

Photo Caption:

1. Yavuz Canevi -- Former governor leaves record-high profits to his successor.

'LINE OF CREDIT' EXPECTED TO IMPROVE BALANCE OF PAYMENTS

Istanbul DUNYA in Turkish 13 Jun 87 pp 1, 6

[Text] Ankara--Turkey has procured a loan of \$170 million within the framework of a new model. The agreement on the loan will be signed on Monday by Undersecretary of the Treasury and Foreign Trade Yavuz Canevi and the President of the U.S. Eximbank, Mr John Bohn.

The loan, which is commonly known as "Exim Confinancing" but which is defined as a "line of credit," will be used to finance the capital goods Turkey needs to import. The U.S. Eximbank will provide \$65 million of the loan, while the remaining \$85 million, guaranteed by the U.S. Eximbank, will be provided by 10 American commercial banks. The loan provided by the Eximbank and \$15 million of the loans provided by the commercial banks will be used to finance imports of capital goods. The remaining \$70 million of the loans provided by the commercial banks will be [in cash] and will be used to improve Turkey's balance of payments.

Stating that the new borrowing model developed by Turkey will set an example for other countries, Treasury officials outlined the new borrowing model as follows:

"This is a completely new type of credit. It is provided to finance imports of capital goods and is not dedicated to any particular project. The loans carry repayment terms ranging from 5 and 1/2 to 10 years.

"Such borrowing will enable us to finance imports of capital goods which can contribute to Turkey's development and to reduce short-term borrowing. Moreover, cash loans will help us to improve our balance of payments."

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CSO: 3554/287

INTEREST-FREE BANKING TARGETS SMALL BUSINESS

Istanbul DUNYA in Turkish 25 Mar 87 p 9

[Interview with Salih Ozcan, acting board chairman of the Faisal Finance Agency, by correspondent Ayfer Karatas; date and place unspecified]

[Text] The Faisal Finance Agency (FFA), one of the pioneers in interest-free banking in Turkey, had its gross revenue triple since 1985, when it was founded--from TL 16 billion for an 8-month period in 1985 to TL 45.5 billion this year. The FFA has created a new potential for development with its novel system. Maintaining that their aim is to ensure the development of small, rather than big, business, FFA Board Acting Chairman Salih Ozcan said: "The origin of big business is the small industrialist. If we can help small industries develop it would mean the development of not only those industries but the country as well." He went on to say:

A bank should help its clients develop rather than facilitate their destruction. I am of the opinion that in Turkey loans are not being adequately monitored. As a result there is a lot of speculation. We monitor the project long after the preliminary screening. Therefore, we do not have the problem of bad loans.

Their basic principle was: Development first, profits later. As development gets under way they believe their profits will rise too. Here is our interview with Ozcan:

[Question] Despite your short history the rise in the number of your customers and assets is quite apparent. Given the presence of an extensive banking sector in Turkey, how do you explain your positive performance?

[Answer] We started our operation in April 1985. Our gross revenues were TL 16 billion at the end of the year, 8 months later. This year our revenues total TL 45.5 billion and our profits TL 2.5 billion. We are making money and distributing dividends. Some 85 percent of our customers are not using commercial banks. They are people who do not like the interest mechanism,

or those who had their fingers burned by interest. When interest on their loans starts multiplying, trapping them in compound interest, with their homes, business places coming under foreclosure. Whereas ours is something of a barter. When a firm asks for credit to buy something we do not immediately hand him the money, saying: "Take it and run!" If the project is sound and feasible we take a look at credit possibilities. If the project can turn a profit for him as well as ourselves we then provide the financial support. We do not hand money to anyone who walks in. That develops trust in us. I think that explains the attention we have been getting.

[Question] Are you suggesting that the banks are giving out credit haphazardly?

[Answer] Yes. For instance, an exporter gets credit for export but what does he do with it? He goes and buys real estate, builds a factory, goes in for speculation. He then comes and declares bankruptcy. And, of course, the exports go unrealized, interest accumulates and bad loans start to pile up. But if you have a project in your hand, and that project can be examined thoroughly I don't think you'll get too many bad loans. It is said that the banks carry about TL 500 billion in bad loans. To date, our agency has provided TL 46 billion of financial support -- I won't call it credit. Of this amount only TL 38 million is outstanding. And that is due to delay and will be paid this week. We give money to those who work on sound principles. We don't hand it out to those who are liable to sink it.

[Question] How do you make that determination?

[Answer] We ask for a project first. Our people take a look at it. They investigate the firm, and the people. If something is to be imported we do the importing with powers of attorney. I then know for sure that the goods have arrived. I don't hand him the money so he cannot squander it. The other day a textile manufacturer came. "I have to buy some yarn but I don't have the money," he said, giving us the data about where the yarn was to be imported from. We then get in touch with the exporter. And when we agree on the terms the bills are sent to our name and we duly pay out. We receive the goods and give them to the customer. And when payment for the exports arrive we give the money to the customer.

[Question] Don't these transactions bring on added costs?

[Answer] No, they don't. We are charging as much commission as the banks do.

[Question] What else do you recommend, apart from better screening of projects, for the banks to reduce the amount of their bad loans?

[Answer] Primarily, they have to monitor where the monies are going. But, unfortunately, this is not being done sufficiently in Turkey. I happen to believe that since the monies involved are not mine I have to take even better care of them. I've got to watch out for any swindles, and for that I've got to be honest myself. It appears to me that in Turkey this is not given enough attention, or certain compromises get in the way. That leads to all kinds of errors. When a bank gives credit its primary aim should be not to destroy the firms but to help them develop. When a loan is not repaid the banks immediately resort to foreclosure, and firms are crushed under the debt load. We don't do it that way. When we see that the firm is in a bad situation, telling us that a certain amount might see them through I give him the money but check out whether he uses it for the purposes intended. In this way, the loans don't go bad and the firm is saved. The goal is to see that the customer makes money and develops.

[Question] Which sectors are your primary targets in issuing credits?

[Answer] Our aim is to support the smaller scale firms rather than big ones -- lending out TL 10, 15, 20, 30 million around Turkey to strengthen these smaller establishments. Big capital has its origins in small business. It could help them develop and that would mean the socio-economic development of the country as well as spreading of the risk around. Big banks don't want to deal with them. They want too many things apart from a list of assets. The man doesn't own anything substantial. Someone with TL 10-20 million capital, what would his assets be? But, having done my investigation, I trust the man and give him the money he needs. Giving out TL 3-5 million I wouldn't go bust but I might be instrumental in setting up a new enterprise.

[Question] Aren't you giving credit to bigger firms and holding companies?

[Answer] Yes, we are. But we do our screening as well. Today any big holding company you might care to name is working with us. We deal with them all, large and small. But I examine their balance sheets and overall situation.

[Question] There are numerous companies, large and small, which are in dire straits. If they all come to you and say: "If you give me so much money my problems will be over," what would your response be?

[Answer] Our policy is not necessarily giving money to those in dire straits. It is helping those companies which are soundly managed, which are doing the right things and are never going to fold.

[Question] There have been reports in the press about interest-free banking organizations giving precedence to profits rather than development and going bust as a result. In Turkey, however, we see them thriving. What do you think of the instances in other Muslim countries?

[Answer] This issue has been publicized without proper scrutiny. I know about those instances quite well. The person in question, called Reyan, is in Egypt and he is a financier, not a bank. There are many like him.

As for us, our first priority is development, profits come later. They are dependent on one another. If I don't show a profit how can I go for development? We are giving priority to development. If we develop our profits will rise too. I established an overseas marketing firm. I noticed that Turkish goods were not known in West Africa. I opened a permanent exhibition of Turkish goods in Dakar, Senegal, where they sold like hot-cakes. Now orders are flowing in. I take the prospectuses with me, and buyers get in touch with the firms. When an agreement is reached I make the payment at the Turkish side. I maintain an account in Dakar, my bank charges the money at the other end, sends it to me, and I pay at this end. This way we have opened the West African market. The firms are not exposed to any risk, and since I operate a bank I am not taking any undue risk, either. And while doing all this I am turning a profit, of course.

When I was in Dakar, I came across an item with a 'Made in Turkey' sign on it. I asked where they got the goods from. They said from Brussels. If Turkish-made goods can find their way there by way of Brussels or Paris why shouldn't I export them directly from here?

PHOTO CAPTION:

1. Introducing Salih Ozcan -- Born in 1929 in Urfa. Completed elementary, junior, lycee schooling there. Attended Ankara University Faculty of Medicine, quit a year before graduation. Later founded Hilal Publishing Company and Hilal magazine. Entered the Assembly as deputy from Urfa in 77, served as assistant chairman of Foreign Affairs Commission as well as secretary of World Parliamentarians Union. Currently, acting board chairman of Faisal Finance Agency.

STATUS OF COAL INDUSTRY DISCUSSED

Istanbul CUMHURİYET in Turkish 9 Apr 87 p 14

[Text] Ankara -- The policy of coal importation has put the domestic coal industry in a bind. It is reported that four private companies in the Gediz basin have suspended operations, sending their workers away on leave. According to Lutfi Calli, general secretary of the Turkish Mining Employers Union, in many coal-producing areas of Turkey production is at a near stopping point. Calli also claimed that "regular coal is being imported under the guise of lignite without paying any import levy."

Of the 2 million tons of coal imported last year, 500,000 tons were distributed in Ankara; 1.2 million tons were imported by private factories, mostly cement plants. The imports are said to have led to 'hoarding,' the result being that domestic coal production has nearly stopped. This is what Calli told the CUMHURİYET correspondent:

In the Gediz basin, four firms (one of them in partnership with the state) have given leave to their workers since last Wednesday. Only essential workers remained, and some for security purposes. We are receiving news from our members that in places like Tavsanli, Canakkale, Can, Uzunkopru, Edirne, Enez, Balikesir Balya, Sivras Divrigi, production has all but stopped.

Imports Without Levy

Calli noted that a governmental decree, published in The Official Gazette (7 June 1986, No 19130), has stipulated that a \$10 levy would be charged for every ton of imported coal (regular). This has been taken to mean that there was 'no levy on lignite' and led to the importation of "steam coal under the guise of lignite."

According to MTA and TKI standards types of coal above 5,700 calories are classified as regular. But imported coals have calorie levels ranging between 6-7,000 which indicates they were regular and not lignite. "Calling it steam coal they are trying to cover up their being regular. As it so happens MTA and KTI

standards classify steam coal as regular," Calli said, pointing to the difficulty of re-opening mines once they are closed: "Re-opening closed or unused mines is technically not possible. In mining it takes years to get results. Domestic mining is being strangled with the policy of importation. The government first ties the domestic producer's hand and then says, "Free competition! Come on, compete with the imports now!"

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CSO: 3554/240

BRIEFS

NATIONAL PRODUCTIVITY FIGURES RELEASED -- According to a study prepared by the National Productivity Center (NPC) in Ankara, productivity has increased during the 1965-1984 period in manufacturing. During this period, productivity showed an increase in the manufacturing sector, with the exception of two subsidiary sectors--wood and metal industries. In these sub-sectors productivity showed a decline by 1.5 percent. Another study by NPC indicates that per capita agricultural production went down during 1970-1985. According to the study during the 15-year period while agricultural production showed an overall increase of 39.6 percent, Turkey's population rose by 43.6 percent. Thus there was a decline in per capita agricultural production. [Text] [Istanbul TERCUMAN in Turkish 24 Mar 87 p 4] 12466

CSO: 3554/231

LIBYA ACCEPTING 5,000 EXPATRIATE WORKERS

Istanbul CUMHURIYET in Turkish 24 Mar 87 p 9

[Text] A new door of hope has been opened for the unemployed. Libya, where Turkish firms already employ 70,000 workers, will take in 5,000 workers in 87 for employment in its construction and municipal services. Husnu Mahli, an official of the Libyan People's Bureau in Istanbul, said that applicants are asked to document 5 years of experience in construction work and be successful in a test.

There were many applicants in front of the Libyan People's Bureau (LPB) in Istanbul yesterday for the 150 slots available in the first instance. The 5,000 figure is expected to be reached in stages. Waiting in front of LPB with lists of names in their hands workers said they found the job attractive because "it is overseas." Working on construction sites in various parts of Istanbul, the workers brought the names of their friends who were on the job that day.

The Libyan government's new initiative is being undertaken within the broad framework of revitalizing relations between the two countries, said Mahli. Following the test this week 150 workers would be sent to Libya, and another 250 next week. Mahli gave the following information:

"By the end of this year we will take in 5,000 Turkish workers, most of whom are to be employed by Libyan construction firms, and others to work for municipalities. For construction workers the contract will be for 1 year, renewable for a second or more years until completion of the projects. The contracts of the municipal workers will be for longer periods."

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CSO:3554/231

TEACHER TRIED FOR ANTISECULAR PROPAGANDA

Istanbul MILLIYET in Turkish 25 Mar 87 pp 3, 14

[Text] State Security Court (SSC) Judge Suhey1 Deliorman told 13 student witnesses whose teacher had been charged with anti-secular propaganda "Islam is not a bad thing. What is bad is putting Islam at the foundations of the state."

The defendant, Yusuf Kibar, mathematics teacher at Tuzla Lycee, is being tried for anti-secular propaganda and for having distributed books to his students. The sentence demanded by the SSC prosecutor is 7-13 years. Defendant Kibar, denying the allegations, said: "I am an Ataturkist teacher."

Their ages varying between 12 and 15, the junior school students confirmed they were given books by their teacher. Some students said they had read the books, others told the court their families objected. The books' titles vary: "Irsad" [Learning], "Ihmalin Aci Sonu" [Bitter Fruits of Neglect], "Islami Metotlar" [Islamic Methods], "Tehlikenin Esiginde" [Threshold of Danger], "Hicretin Yuruyusu" [The Walk of Hegira], "Hamara," "Turkistan Geceleri" [Nights in Turkistan], "Bir Kivilcim Daha Dustu" [Another Spart Fell], "Garb Lideri Diyorki: Islami Yikin, Muslumanlari Mahvedin" [Western Leader Says: Bring Down Islam, Destroy the Muslims], "Kore'de Muslumanlar" [Muslims in Korea] and "Nur Risaleleri" [Nur Pamphlets] by Saidi Nursi.

Judge Deliorman asked the defendant: "Have you read these books?" When the defendant said he didn't the judge responded: "If you don't know the contents how can you put them into young minds?" Judge Deliorman asked one of the witnesses, student Gazi Dilekci, why he was so slight in build and what his career plans were. The little witness replied: "I want to be a doctor." When some students started calling the judge "Teacher," Deliorman said: "It makes no difference. Call me whatever you like."

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CSO:3554/235

FUNDAMENTALISM LINK TO INTELLECTUAL HEARTH DISPUTED

Istanbul TERCUMAN in Turkish 22 Apr 87 p 5

[Commentary by Ergun Goze]

[Text] A leftist paper, constantly dwelling on things like religious reaction or 'Rabita,' has now decided to preoccupy itself with the Intellectuals' Hearth. At a time when separatists are raging against the Turkish army in the Southeast, these people are raging against the Intellectuals' Hearth. And under the guise of 'scientific study.' All this can hardly be viewed as scientific. And scientific research is something else all together. Weren't they the ones who used to study socialism in a 'scientific' manner? Haven't terrorists been applauded in those columns?

Now they've decided to study the Intellectuals' Hearth (IH) in a scientific manner! And what are they researching, might we ask? Four people with credentials better than one another are looking for something which does not exist! It's pathetic...

IH is an association founded by the most distinguished men of science in this country. Their activities are out in the open. Conferences, books or seminars ... In fact, there is a major meeting this Friday. Its scientific work is out in the open for all to see. So are their ideas. That has to be so since their goal is to propagate their ideas, make them available to everyone...

So, what are these 'scientific researchers' researching? What secrets are they unearthing that haven't already been told publicly? Turkish-Islam synthesis? Is that what is new? Is that what is supposed to come out of the research? I had understood for a long time that the Turkish-Islam synthesis -- though it has quite a few variations -- had been a cause waiting to happen, looking for the right address. Maybe what they are trying to say is that theirs is not the right address. I can understand that. But all that research! Was it just to be able

to say that? Is there anyone who doesn't already know these things?

What these people are actually trying to do is to strike fear in the hearts of everyone by assuming the pose of political commissar, thought police, gendarme of ideas, inspector of ideology or what have you. They want to have people running scared, seeking shelter from their wrath so that they have all the field to themselves to spread their own ideas.

Weren't they for freedom of ideas? Weren't they after a Western style democracy? Weren't they insisting on the participation of interest groups in political, intellectual contention -- not only such cultural associations as IH but professional associations, trade unions? Why all this anxiety? Why resort to all these falsehoods?

Whatever IH may have said it's on the record... Everything ... So all they have for 'research' are some convoluted interpretations of what was said, not said, what was meant, not meant and so on. Is this research?

This is not research, this is 'sowing confusion. And that is what this newspaper and its writers have been doing for years. And that is a sure indication that IH has been doing something right and that it is on the right track -- on the legitimate, legal and national path.

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CSO: 3554/245

TURBAN ISSUE PERSISTS

Istanbul MILLIYET in Turkish 21 Apr 87 p 1

[Text] Turbaned students have been accorded different treatment at different examination centers during the university entrance exams. In some they were allowed to take the exam, in others they were not. Apart from the breakdown in organization leading to this 'double standard' how will the inequity be mended now?

Two candidates, one can take the test the other cannot. And the result is that she is deprived of a possible university place for at least 1 year. Now, there are those who are, quite justifiably, taking their cases to court by referring to the others. Making it a field day for those wanting to politicize the whole issue...

Barring turbaned students from taking university exams is a new practice. Was it really necessary? It is not even clear whether the candidate is going to be a university student. She has to be successful first. That means she still has time to make up her mind -- whether or not to go along with the dress code at the university. What's the point in interfering with her turban until such time? Here is the usual answer given by OSYM:

Taking the entrance exam is a declaration of a willingness to become a university student. A person making such a declaration has to demonstrate his/her readiness to abide by the conditions of being a student from that moment on. If she doesn't do that she is liable to create problems once she gets to university.

There may be those who may be satisfied with that explanation. But there is another angle: Candidates were asked to furnish photos until 5 December 1986. They were issued ID cards with those photos on them. Up to that point no one had raised an objection to the turbaned photos which were officially processed and attached to the ID cards.

There was no reason to do otherwise. The turban took effect on 8 January 87. The candidates were not notified that the ban applies to the entrance exams as well. A rather obscure announcement was made a short while before the exams through a newspaper advertisement which not everybody could reasonably be expected to have seen.

Now, the turbaned students excluded from the exams are making the argument that "the acceptance of the turbaned photos imply a broader acceptance." How is OSYM going to respond to that argument? In short, it is a tale of errors and contradictions whichever way you look at it.

In this column, we have been constantly critical of political exploitation of the turban issue in this column. But we do not see any benefit in complicating the issue further by extending the restraint on campus attire into entrance exam halls either.

12466
CSO: 3554/245

TURBAN ISSUE LINKED TO DEMOCRACY

Istanbul TERCUMAN in Turkish 21 Apr 87 pp 1, 12

[Editorial by Nazli Ilıcak]

[Text] When I saw the pictures in the paper I felt heartbroken. There they were, in front of university test centers, young women wearing turbans, with heads bowed, trying to cover their faces. As if there was something to be ashamed of... Obviously worried they might be refused entry, not make it to the university or even subjected to humiliation. They were entering exam halls timidly, like second class citizens. Some of them sent back home, some allowed after official testimony is taken. There is no uniform practice. Every university sings a different tune.

Turban, they say, is a symbol of a protest movement! So they say. But we also see pictures, splashed all over the papers, of those engaging in illegal movements -- guitars in hand, singing, shouting. Almost a festival of protest! But since they are the 'progressive' ones they can afford to smile in front of photo lenses. As to the others, they've already been branded as 'retrogressive'. So their eyes are downcast, their heads bowed.

We would like to recall here the speech made by President Evren and the clarity he brought to the issue sometime ago. Evren approached the turban issue from the viewpoint of discipline in attire. Had the issue been treated like that from the very start feelings may not have been hurt and a compromise may have been found more easily. In his latest reference to the subject Evren said: "In public offices, in the General Assembly and at lycees dress codes are observed. So why not implement something similar at the universities?"

Had the debate been conducted at this level from the very start, avoiding the usage of adjectives like 'reactionary' or 'retrogressive' such feelings of oppression would not have arisen. And it would have been easier to accept the 'turban' as some sort of compromise instead of the headscarf.

Freedom for Shari'ah Supporters

Meanwhile, Turkey appears to be a country of contradictions. At one end, someone like Kececiler, an authoritative figure in ANAP, is able to declare that charging interest violates religious precepts, and the wives of some ministers and deputies wear turbans at official receptions. Prime Minister Ozal says that someday sharia-supporting or Islamist parties would be allowed [in the spirit of Western democracy] as if the EEC and the West did really care. Whereas, at the other end, we are preoccupied with the turbans of our young women.

Is 'turban' more dangerous than the utterances of the leader of a party poised to reach seats necessary to change the Constitution? The party leader, says: "We will allow Islamist parties." So the day will come when it will be free to say, "We want the Sharia!"

While we are engaged in long-winded debates on turbans, headscarves and roundish beards, certain people are making headway towards the real aim under the pretense of implementing Western democracy. We are saying 'under the pretense' because it is not possible to be a real democrat and conspire to retain the political bans at the same time.

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COMMENTARY CRITICIZES INONU LACK OF POLICY

Istanbul TERCUMAN in Turkish 25 Mar 87 p 2

[Commentary by Rauf Tamer]

[Text] If you have noticed the issue is no longer 'Rabita' but Inonu. Are you aware what is to happen to SDPP which has apparently set out to collect a political premium? Now Inonu is facing many questions...

The law is quite clear as to how Evren can be replaced in case he resigns. I mean, if Ozal so desires he might have Mehmet Kececiler elected president... And no one can touch him for 7 years.

What is the anxiety compelling Erdal Bey into such a foolhardy strategy? At this point, we should take a step back and think things over. There was a time when journalists used to ask Demirel, "Sir, are you a Mason?" Why don't they now ask Inonu, "Are you an atheist?" Let them ask. See what answers he comes up with. If he says 'yes' that's news. If he says 'no' that's news too.

We won't take issue with his atheism. That's a matter for his conscience. But can an atheist be the leader of a 'mass party' in Turkey? He won't be able to say, "I'm not an atheist." He has commitments. He will be wiggling and wagging. Why don't you ask him, my dear colleagues?

Think of a leader who, despite all the objections, hasn't been able to get his act together and fashion an economic model. He doesn't have an education policy. Doesn't have an agricultural policy. No proposal concerning foreign relations. No nothing... Whether it is interest rates, credits of foreign currency... They're all nonexistent...

But wait a moment, whenever the 'turban' issue gets inflamed, whenever 'reaction' becomes topical, and whenever 'Rabita' becomes an issue Erdal Bey decides to make his entry. We're not questioning his sensitivity on this issue but is he the only secularist in Turkey? Isn't there any other topic, any other issue? If a person is in love with just one (secularism) of Ataturk's famous six arrows to the exclusion and neglect of the other five I would not call him a secularist, I would be suspicious... Of his Ataturkism as well...

If you ask me Erdal Bey is a devotee of Ismet Pasha rather than an Ataturkist. Would you please ask him: Is he an atheist or not?

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PAPER SEES FUNDAMENTALISTS AS MISDIRECTED

Istanbul HURRIYET in Turkish 15 Jun 87 p 5

[Editorial by Cetin Emec: "Types"]

[Excerpt] I do not believe that reactionarism can seize power in republican Turkey. Those thick-bearded men with shaven heads, carrying ewers and wearing clogs can at best covet those seats of power and can sometimes engage in outrageous behavior, but that is all.

History says that "both the right and the left in our country were founded in the Congress of the National Liberation Army." Those who lived during the armistice years know how reactionarism raged both in Istanbul and Anatolia.

In a country where the Minister of Education could rename "painting classes" as "drawing classes" and considered opening scores of madrassas [religious schools] a great virtue...

In a country where reactionaries rebelled against proposals to have women examined medically before they were married at a time of rampant syphilis--the solution they proposed was to have the woman examined by a midwife and have the doctor write a prescription on the basis of the midwife's diagnosis...

In a country where the reactionaries defended the fez by claiming that it had imbued itself in the Turkish soul and enacted the blatantly Shari'a-based law known as "Men-i Muskirat [prohibition of alcoholic beverages]" which banned alcoholic drinks--they even banned Christians from keeping wine in their churches as part of their rituals...

Their reasoning was astonishing:

"They may turn the churches into drinking establishments; they may make Muslims addicted to these places."

Yes, in a country where all these obstacles have been overcome and this day has been reached, the right has never refrained from bloodying its hand whenever it has found the opportunity to engage in thuggery. Thus sensitivities shown on this issue must be considered normal even if they are excessive at times.

Having realized that nothing could be achieved with the educational methods of the Ottoman civilization, Ataturk broke away with the past.

The proclamation of the republic was a complete awakening for Turkey, and Ataturk's premature death was an unfortunate event which slowed it down.

What Traditions?

One of the rationales for the demand to restore old Turkish is the concern for "the preservation of our traditions."

Turning women into roaches; sitting on the floor and eating collectively from a large tray with our hands; selling our daughters for bride-money; these too are part of our traditions.

But they are traditions which we remember, I believe, with some embarrassment.

The concept of secularism advanced by [Minister of Education Metin] Emiroglu forgets one point in ostensibly trying to reclaim the past: The fact that Tanzimat [political reformations of 1839], which we endorsed as a regime of hope, collapsed because of our desire to remain both Oriental and Western.

Imagine a country ruled by a religious regime where the king is also the caliph; there are ministers and a Grand Vizier, but they are flanked by the clergymen; there are no civilian courts, but only Shari'a courts; some of the parliamentary deputies wear turbans; women are men's slaves; anyone who does not fast during the Ramadan goes to jail; in girls' schools literature is taught by eunuchs...

Is it possible that Emiroglu now has plans to have old Turkish taught in girls' high schools by "castrated" teachers?

Ataturk rescued Turkey from this bicephalous state.

Pity

But now that Turkey is no longer the objective. Obviously no one has the strength to return this nation to that state. But the cobwebbed heads must know that toying carelessly with reactionarism is a dangerous pastime.

Otherwise, what daredevil can put in our constitution an article that says: "The religion of the state is Islam"?

Who can dare to form a commission which would oversee the compliance of laws enacted by the National Assembly with the Shari'a?

Which fool who has not gone completely berserk would dare to propose that the Civil Law provisions which do not comply with Islamic canonical law should be abolished?

Could anyone other than prototypes like [Motherland Party deputy leader Mehmet] Kececiler who would lick their own spit without feeling the slightest shame contemplate to make state affairs subject to fatwas [religious legal opinion]?

Unfortunately, the freedoms of democracy always help people like Emiroglu.

On the other hand, no one can come up with a modern model of democracy which will not deviate from Ataturk's path.

Is It Not Enough?

You may be as thankful as you like for living in this Turkish republic established by Ataturk. Those who are supposed to govern this nation from seats of power entrusted to them by Ataturk are busily preparing to greet with great fanfare senior officials of a country which insults Ataturk day in and day out.

These are officials who express sensitivity about every sentence published in our free press. While they know fully well that our government cannot exert any illegal pressure on any press organ it does not own or have an interest in, they act as if they do not know.

The least innocuous labels they have used to refer to Ataturk are "idol" and "pawn of colonialists."

We explained to them in gentlemanly manners and with patience that to us Ataturk means not "a lot" but "everything." We reiterated to them perhaps a thousand times that although our people are in general tolerant and open to criticism they view Ataturk in a special way.

But these people refused to admit into their bony heads a fundamental concept which any creature which walks on two legs and which thinks--or at least carries a head, not a watermelon, between its shoulders--would understand.

They not only refused to accept it, they almost created opportunities to launch their attacks. Moreover, they did that looking straight into our eyes knowing full well that they were making our blood boil.

Like street kids with runny noses they considered it fair to engage in any form of mischievousness. They clamored loudly whenever we got tired and looked the other way.

Would You Wake Up?

An official visit from one country to another requires compliance with some strict rules of protocol. But the mullahs disregarded those rules too.

Their latest impertinence has once again outraged everyone who can write in Turkey. Their visiting delegates pushed aside our proposal to pay a visit to Ataturk's mausoleum.

Yes, they just "pushed it aside."

Now, we can keep silent on that impertinence as well. We can even go further and put ourselves to sleep with the opium of "rather than seeing their cursed feet under that sacred roof, it is better not to see them at all."

But we cannot continue with this policy of appeasements and concessions which encourage them to grow bolder.

You turn right and offer olive branches to Papandreou; you turn left and send peace doves to the mullahs.

Only Christ can afford to be so naive as to turn his right cheek when struck on the left cheek.

Forget the turbans and the cults! Now is the time to remember your Muslimhood.

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