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ROLE OF PLO, SYRIA, IRAQ, ABOU NIDAL IN EUROPEAN TERRORISM

Paris LE MONDE in French 12, 13, 14 Oct 82

[Article by Philippe Boggio]

[12 Oct 82 pp 1, 7]

[Text] Emotion is running high in Italy following the attack in Rome on Saturday 9 October, in which five men machinegunned the crowd leaving the synagogue and threw two grenades, killing a 2-year-old child and injuring 36 people.

Investigators are tending to blame the act on a commando group from abroad that may have been inspired by extremist Palestinian elements. The Jewish community has accused the press and the authorities of creating a climate of anti-Semitism in Italy.

In this series of three articles, Philippe Boggio examines the more general problem of terrorism in West Europe.

After the Fall of the Sanctuary

"Yasir Arafat has carried out an extraordinary evacuation from Beirut." That compliment carries a tinge of regret. It was spoken by a Western diplomat stationed in Paris who is an agent for his country's intelligence service. In thus showing his admiration, he was not referring simply to the thousands of fighters saved from the Israeli pincer after weeks of bombing.

He also had in mind the unmentionable secrets that have dotted the history of the Palestinian resistance since the events in Jordan in 1970: the hidden face of a liberation struggle that had been so well protected by Beirut for 10 years. He was thinking of terrorism with its actors and its records--that "secondary" objective which the Tsahal [Israeli Army] had come to get in the heart of Lebanon and which the PLO just barely managed to snatch from under the noses of Jerusalem's agents.

The diplomat's bitterness is understandable: like hundreds of intelligence and counterterrorism experts in the United States, Europe, Japan, and the moderate

Arab countries, he had made a profession out of studying the spider's web whose threads, discovered in Paris, Rome, London, or Athens, led back to the Near East and most often to Beirut itself, that open city which had become the mysterious and heterogeneous sanctuary of the brotherhood of "bomb placers." With repression a failure, there had gradually been built up an increasingly accurate record of alliances and rivalries, statements of intention and ulterior motives. He had learned to distinguish the nationalists from the revolutionaries and the moderates from the extremists and to follow the murderous driftings of the dissidents. He had become more familiar with the totally murky interplay of manipulations of all kinds, the exhausting war being carried on among a few Arab states away from Western eyes, a Palestinian "central organization" constantly in search of support, and a multitude of religious, geographical, and special interests.

In short, the diplomat had finally gotten on top of those shifting sands only to have the sandpit blow up! The invasion of Lebanon by Israel and the dispersion of the PLO to eight Arab countries had ruined everything that he had patiently built up. And with what result? According to some "specialized" sources, the Israeli Army's catch was slim as far as strict terrorism was concerned. Among its thousands of prisoners, the Tsahal reportedly found only about 10 fedayeen who were on file with Mossad, the Israeli intelligence service, as suspected participants in violent operations outside Lebanon. They were a Frenchman of Syrian origin, a German, two Sudanese, and a few Lebanese close to the PFLP who had not been able to get out of Saida fast enough in June.

The Israeli Army reportedly seized the PLO's heavy armament, including at least two batteries of SAM-9 missiles--the latest word in the Soviet arsenals--and an excavator that had been used to dig the tunnels under Saida. The excavator was an ultramodern machine delivered by the USSR, and it is said to be of great interest to the Americans. But despite the 30 or so Tsahal agents who had infiltrated the western sector of the Lebanese capital, Tsahal was unable to get its hands on either the members of the Palestinian special services or those in charge of the notorious training camps, where so many preparations had supposedly been made for various kinds of mischief. Even less was it able to grab the "internationalists"--those Germans, Africans, or Japanese who are the PFLP's traditional proteges and whom Israel wanted to exhibit to the world as proof that for 10 years the PLO had been behind the terrorism of the Baader Gang or the Japanese Red Army.

When they were not busy directing artillery fire toward Yasir Arafat and his companions whenever the Palestinian leaders left the city, General Sharon's agents were also in charge of trying to seize several thousand bank accounts. They failed in that effort, too: Tel Aviv had been hoping to reveal the complicity of certain Arab countries and the sudden enrichment of certain fighters or certain factions after one or the other of the assaults carried out since 1972. Financial connections remained one of the chief enigmas of the "sanctuary." It is virtually certain that they will continue to be.

As a result, the Western intelligence services and that of Israel had to be content with watching the PLO embark on ships that would carry it to its new exile. It was a strange sight to see men, some of them much sought after, carrying such coveted records on their backs and all lined up on the docks in the

port of Beirut. It is stated by very good sources that the Palestinian secrets were divided up among the various combat units and therefore evacuated under the auspices of the United States, France, and Italy. In the early days of the war, only about 20 people--including five members of the Secret Army for the Liberation of Armenia (ASALA)--had succeeded in reaching Cyprus, and the PFLP had managed to get a few more of its companions through the Phalangist lines on their way to Tripoli, Lebanon. Then the Beirut trap closed again.

All the other fighters supposedly left the capital in broad daylight, either by sea or overland to Damascus, under the protection of the multinational force and the eyes of television cameras.

Skillful Mix

The various Western intelligence services are now trying to evaluate the consequences of the Palestinian dispersion and to assess the danger of an increase in terrorism. "The danger is 10 times greater," explains a high-level French official. "Young Palestinians have no lack of new reasons to hold a grudge against the entire world, and furthermore, Yasir Arafat will find it more difficult to control the extremists in his movement." Is that so certain? Other sources point to a certain reshuffling within the PLO precisely because of the disastrous withdrawal from Beirut. Constrained more than ever to choose the "diplomatic path," the Palestinian central organization reportedly took pains during the anxiety of the siege of Beirut to strengthen its influence on its "hardline" wing.

Arafat is said to have allowed certain "extremists" in his movement--to whom he is nevertheless notoriously hostile--to escape without risk in exchange for a firm commitment on their part to abandon international violence. Intelligence services and certain chanceries also say that the PLO even instituted a skillful mix of evacuations based more on avowed surveillance or the intentional taking of hostages than on a natural geographical and political distribution of its members. Whereas the "moderates" went mainly to Tunisia and Jordan and the "revolutionaries" found themselves in Damascus and South Yemen, it did not escape the attention of the experts that when Fatah, Arafat's organization, went to Tunis, it took along 100 fedayeen from the PFLP and Ahmed Jibril's PFLP General Command, including some experts heavily implicated in so-called external operations. It was also noticed that a number of men faithful to the PLO leader were imposed on Georges Habache and the factions close to him. Their mission, it seems, is to keep watch on the PFLP leader's activities in Syria and northern Lebanon.

In the same spirit, it was Yasir Arafat himself who supposedly negotiated quietly with Algeria and Sudan to allow the repatriation of a few of their nationals who were tired of terrorist activities. Also, it was Fatah's general staff which reportedly demanded the evacuation of the "internationalists" to South Yemen--a country which is under the direct influence of the Soviets, is remote from the mainstream, and has very limited communications--in the hope of getting rid of them permanently. The result was that 12 Japanese, 5 Germans, a man from Lyons whose first name is Roger, a few Somalis, and some Pakistanis

were put on board the Greek ship "Alkion" and sent to the island of Socotra off the coast from Aden--apparently with little hope of returning in the near future.

Case of the PFLP

For lack of anything better, Israel and the capitals worried about the scattering ✓ of the PLO are now trying to keep up with developments in the Palestinian exile. There is nothing very disturbing for the moment: merely a great deal of shifting of all the political apparatuses around the Mediterranean basin. An American source notes the regrouping of a few combat units in northern Lebanon following a Damascus-authorized stopover in the Syrian region of Ruad. In addition, the PLO's troops everywhere are under strict surveillance by their host countries, even--and especially--by Syria. The new front is apparently calm.

But above all, everyone is trying to answer a double question: did Palestinian-originated terrorism die with the siege of Beirut and, if not, where will it come from next? On that point, opinions differ. The Palestinian central organization's various "observers" all place Naef Hawatmeh in the group of "realists favorable to negotiation" and admit that they were wrong about the leader of the Democratic Front (PDFLP [Popular Democratic Front for the Liberation of Palestine]), who was long considered a "leftist" and even "Moscow's official terrorist," but who reportedly has not engaged in terrorist attacks in Europe since 1975.* It is readily admitted today that he is in solid harmony with the theses supported by Arafat.

The case of Dr Habache's PFLP, and especially the cluster of groups influenced by him, is more disputed. The more optimistic, of course--and this includes the PLO's Paris office--give assurances that this movement, highly activist in the past, has finally been forced by recent events in the Near East to accept the need for a more political struggle and for dialogue with Israel through the intermediary of the Western countries. Georges Habache's criticisms of the Arab countries making up the "steadfastness front" point in that direction. Also working in favor of a calmer approach, of course, is the fact--as established by certain special services--that the PFLP's standing even with some of its European "terrorist" allies has gradually weakened since 1978. The era of common causes with the Japanese Red Army, the German Red Army Faction, and the "Carlos" group is over. The "internationalists" of the years from 1972 to 1975 eventually became a dead weight to be dragged around from one camp to another, depending on events. The myth of active international solidarities and of fraternity among the Third World movements received a serious blow as a result. Those lost soldiers, sought by so many police forces, have grown old, and too many of them have owed their safety only to their status as decreasingly political "mercenaries" who were embarrassing even to the PFLP.

* The PDFLP's most recent known operation dates back, in fact, to 15 May 1974, when a commando group kidnapped a group of children from the village of Maalot in Galilee. Sixteen children were killed during the assault by Israeli forces and the response by the Palestinians.

Babel of Origins

Not knowing the intentions or ulterior motives of Georges Habache, others feel, on the contrary, that the PFLP is still indirectly capable of throwing itself into a new epic of terrorism in Europe. It is true that the European era of its extreme leftwing alliances is supposedly dying out and perhaps has been, if we are to believe certain reports, since the OPEC ministers were taken hostage in Vienna in 1975. That operation was the decade's peak expression of terrorism, and it was organized by Carlos, with the German Hans-Joachim Klein taking part. The Japanese and Pakistanis, being too easy to spot, are said to be scarcely usable at all any more, and up to 300 "comrades in struggle" from the Persian Gulf region or Africa were reportedly asked 4 years ago to find other causes to defend.

But it is said that as those classic examples of the Palestinian "guild" have faded away, other connections have taken their place, notably with Armenian, Turkish, and Kurdish groups which either were organized recently or had stayed in the background longer.

According to that thesis, which is supported by several intelligence services and by diplomats, the PFLP has been led to show more caution and will not reappear directly as the silent partner behind those armed groups. But it has allowed the development within the Palestinian movement's "hardline" wing of factions--sometimes competing with each other--which it can influence and which could, on certain occasions, act as intermediaries.

It is true that the trails of Near East terrorism have become harder to follow as the years have passed and, particularly, as a result of the successive shocks of a tormented history. The former "revolutionary" groups inside or outside the PLO have become less rigid due to contamination by personal friendships, exchanges of services or, more simply, the mixing of peoples. One Western intelligence service has calculated, on the basis of observations made since 1979, that if a Palestinian extremist group wanted to, it could count on the assistance owed it by a few Lebanese Shiites as well as Iranians and Syrian Moslem Brothers or, if its objectives were different, on Palestinian members of the special services in Damascus and Armenians, Turks, exiled Kurds, Maronites from the Lebanese mountains, South Yemenis, Israeli Arabs, and Egyptian fundamentalists. A real tower of Babel as far as origins go.

Those who fear a renewed radicalization of the PFLP back up their fear by reference to the attack on the synagogue on rue Copernic in Paris on 3 October 1980. At least one French intelligence service believes that the group ultimately responsible for that attack was part of Habache's so-called pro-Syrian entourage. The man who parked the motorcycle full of explosives in front of the synagogue was in possession of a false Cypriot passport, and at least two of his accomplices reportedly fled to Nicosia.

There would therefore be one main perpetrator and a number of stooges strongly suspected of belonging to a new "international" that is more Near Eastern than its predecessor, more spontaneous than structured, and unstable--and thus less easily monitored. And more easily manipulated. That cluster, which according

to trustworthy information has moorings in certain circles belonging to the Palestinian movement's "hardline" wing, notably in Europe, might try to make Cyprus a discreet center that would replace Beirut. The danger of seeing that logistic base exploited--chiefly by the members of ASALA--is apparently so serious that several countries, including France, asked their intelligence services this summer to beef up their presence on the island. As a precaution. And to ward off fate.

[13 Oct 82 p 6]

[Excerpt] Abou Nidal, Diehard Renegade

He is feared, but above all, he is cursed terribly. One PLO member in Paris describes him as a "diehard renegade," and hundreds of young Palestinians throughout the world dream of settling his hash because he has been promising for almost 10 years to assassinate their leader, Yasir Arafat.

Sabri al-Banna, better known as Abou Nidal, is probably the only official "traitor" irreparably banished from the recent history of the PLO, an organization which, probably more than any other, preaches compromise with its opponents and refuses to condemn its black sheep publicly.

The reason is that from the Palestinian point of view, Abou Nidal is much more than an extremist unamenable to any negotiated solution with Israel and much more than a former fedayeen who has strayed into the follies of extremism to the point that he has made a specialty of physically liquidating the Palestinian central organization's representatives abroad. He is a dangerous alchemist of antagonisms and an out-and-out instigator capable of stirring up, even better than an army could, the naturally ambiguous relations maintained by the PLO with a good part of the world. He is a shrewd manipulator whose attacks have already set off two wars in the Near East. In 1976, it was the final offensive launched by the Syrians against Lebanon's Islamo-Palestinians. In 1982, it was the "Peace in Galilee" operation: on 3 June, his men seriously wounded Shlomo Argov, the Israeli ambassador to London, and 2 days later, the Tsahal entered southern Lebanon.

But Abou Nidal is also the man with the mysterious-sounding name who roused French public opinion after the attack on 9 August on rue des Rosiers, where a new mark of anti-Semitic violence, left by methodical killers on the bodies of the Goldenberg Restaurant's customers, had just been discovered. Was Abou Nidal the mean really responsible for that attack? Probably, but there is no proof. Gaston Defferre, minister of state for interior and decentralization, said that he was, but the investigation has not yet proven it.

A month after the attack on rue des Rosiers--on 16 September--the first secretary at the Kuwaiti Embassy in Spain was shot to death by another killer. And 2 days later, the noise of automatic weapon fire in the street caused the participants in a ceremony at the synagogue in Brussels to hit the floor. On both occasions, the name of Abou Nidal was again mentioned without any needless beating around the bush. It was as though those acts, after so many others, already carried a signature. Abou Nidal has certainly never been hesitant

about claiming responsibility--and most of his claims have now been verified--for his misdeeds, and he has rarely taken the trouble to hide his trail. His men have too high a regard for their Polish WZ-63 automatic pistols,* and if arrested, they make it a point to state their identity and the name of their organization.

Complicated Career

Despite the compelling publicity he creates for himself, this evil genius remains a mysterious person whose objectives are hard to determine, and many intelligence services are working on his case, so far without much success.

His biography and above all the record of his achievements include big gaps, as we will see, which his opponents are able to fill with great difficulty. Every step forward in closing those gaps brings very strange new questions to light. On 26 October 1973, Abou Nidal, the PLO's representative in Baghdad, was sentenced to death by the "war tribunal" set up by Fatah, Yasir Arafat's organization. The sentence was pronounced in his absence, and it was never to be enforced. Abou Nidal was already beyond reach: unhappy with the start toward a rapprochement between the PLO and Egypt, Iraq was overjoyed to be able to play its first trick on Yasir Arafat: it neglected to serve the extradition papers on Nidal.

In that period, the PLO was in fact trying to force all its various components to abandon terrorist methods, which were ruining its image. Among the rebels who were to form the "rejection front" less than a year later, the companions of the PLO's representative in Baghdad were the most prompt to order just the opposite.

Beginning 1974, and with every month that passed, Abou Nidal came to appear increasingly as Baghdad's man in charge of actions aimed at intimidating the PLO. Nidal still had friends in Fatah's ranks and was able to direct from a distance a few murders that the Palestinian central organization interpreted as so many hostile messages. But the overall message was contradictory: Baghdad was still supporting the Palestinian movement financially and receiving Arafat with strong tokens of friendship that the head of the PLO, short of friends, could not reject.

Abou Nidal soon developed another specialty. He became the faithful agent of his protector's anti-Syrian plots. And until 1982, he was to serve both sides in the complicated game of rivalries between the "enemy brothers" in the Ba'th Party. And he undoubtedly took abundant advantage of his role.

* Ibrahim Nasir Hamdam, a Palestinian born in Lebanon and a former fighter in Saika, the pro-Syrian Ba'thist branch of the Palestinian movement, killed the first secretary at the Kuwaiti Embassy with a WZ-64 pistol, a weapon manufactured in the same Polish factory as the WZ-63's. The same pistol had also been used in Madrid in 1979 for the assassination of a PLO member by Abou Nidal's group.

On 28 September 1976, a commando group saying it belonged to Black June, an organization never before heard of, attacked the Semiramis Hotel in Damascus. President Hafiz al-Assad used that operation, which he blamed on Fatah, as a pretext for launching a vast offensive against the Palestinian and progressive forces in Lebanon. As far as the PLO was concerned, there was no doubt that the commando group actually consisted of Abou Nidal's men.

The defeat of the Palestinian and progressive forces by Syrian troops then forced the PLO to sign a minimum agreement with Damascus. Immediately, by virtue of the principle of Ba'thist communicating vessels, Baghdad completed its break with Arafat and "reactivated" Abou Nidal. The Palestinians were left to count the number of their representatives assassinated in the early months of 1978: Said Hammami in London, Yusuf Sebai in Nicosia, Ali Yassine in Kuwait, and Ezzeddine Kalak in Paris.

The situation reversed itself in October 1978. The "enemy brothers" were compelled to become reconciled with each other to form a front against Egypt as a result of the Camp David accords. Following in Gen Hafiz al-Assad's footsteps, Arafat had to resume dialogue with Baghdad and succeeded in getting the latter to calm Abou Nidal's anti-Palestinian excesses.

For Damascus

Two years later, Iraq, worried by Iran's military aggressiveness, moved even closer to the moderate Arab countries. As proof that it had calmed down, Baghdad asked Abou Nidal to go operate somewhere else. Curiously, Nidal settled down in Syria, where since 1978 he had been able to win the good will of certain special services. The dissident leader had achieved a reputation as a master of terrorism, and his hatred of the PLO appealed to the Syrians, who were once again on the outs with Yasir Arafat. And since the exile had served the Iraqi Ba'thists so well, he could very well turn around now and serve the Syrian Ba'thists. Grudges gave way in the face of effectiveness.

Abou Nidal therefore continued his personal war against the PLO from his base in Damascus--chiefly, it is thought, by organizing the assassination of Naim Khader, the PLO's representative in Brussels, in 1981. In all probability, he played at being an anti-Zionist agitator during the summer of the same year, this time against the synagogue in Vienna, and also carried out a few vile operations against the Moslem Brotherhood, which opposes Hafiz al-Assad's regime.

Finally, last March, Syria and the PLO saw the first signs of an approaching Israeli invasion of Lebanon and made another attempt at dialogue. The price demanded of Damascus was the departure of Abou Nidal, who packed his weapons and baggage and settled down in Iraq again.

And that, in its briefest form, is what history can reasonably report concerning the sinuous path of Sabri al-Banna. Beyond that narrow and relatively certain framework, there are shifting sands that must be approached only with caution.

For example, let us follow the course of Abou Nidal's travels back and forth between Baghdad and Damascus. In both capitals, the PLO dissident is not simply an agent who carries out orders and is then hidden when he is not up to mischief. He claims to be an organized leader controlling certain Palestinian circles in those two countries and, in any case, the obligatory link between those communities and the authorities. From 1976 to 1978, he is said to have held the monopoly on Iraqi scholarships for Palestinian students in Europe, with the beneficiaries being obligated to agree to be his group's "sleeping" terrorists abroad. After their arrest in 1978, the assassins of Ezzeddine Kalak, head of the PLO office in Paris, had of course justified their action on the grounds of political motives. But at least one of them had been blackmailed in return for his ticket to the West.

Abou Nidal owns homes that are guarded like fortresses, but he tries to operate them like the headquarters of a movement. In them he receives diplomats and generally relishes the role of an exiled leader dreaming of a place of his own. His fees are sizable. There is talk of an amount of \$10 million paid by Iraq and of another more modest sum--\$1 million--paid by Syria. Abou Nidal has reportedly also tried his hand at a few assault rackets in Kuwait and Saudi Arabia as a way of obtaining fresh money.

Window-Dressing Attacks

That political and financial autonomy probably explains the strange freedom of movement which Abou Nidal has in fact enjoyed since 1974 and which allowed him to spend a few weeks in Syria--in July 1976--when he was living in Iraq, or to visit Baghdad--in the spring of 1978--when he was supposed to be serving the cause of Damascus.

Is the biography getting confused? The PLO and certain Western intelligence services devoted months to investigation before coming up with a theory laden with meaning concerning three attacks. The first of those attacks was against the Semiramis Hotel in Damascus in 1976. The suspected sponsor was Baghdad. But Abou Nidal could just as well have sold the plan to Damascus, which in that case would have agreed to be the target. The second and third attacks, this time during Abou Nidal's "Syrian period," had as their targets the synagogue in Vienna in 1981 and then the Israeli ambassador in London last 3 June. The suspected sponsor was Syria, since the PLO dissident lives there. But Baghdad may have suggested to Abou Nidal that he carry out those two operations, since they would implicate Damascus and weaken its position against Israel and the PLO.

Such Machiavellianism naturally leaves one wondering what to think. But it would be in keeping with the hatred between the Ba'th Parties and the reputation of a person who has become a sort of double agent with variable objectives and one whose actions, in any case, do not always measure up to the overly obvious logic that calls for suspecting Sabri al-Banna's host country.

Abou Nidal is said to have now entered an even more murky phase of his career. The subtle manipulations of the original trio have reportedly become complicated by the weight of the embarrassing files the Palestinian possesses concerning a

shared past and the solid support he enjoys within the state apparatuses of Syria and Iraq, which are not conspicuous for their internal cohesion. Otherwise, how can one explain the fact that Iraq--exhausted by its war with Iran, increasingly remote from the Near East conflict, and trying to attract the favors of the United States--was able to take in that compromising exile a second time?

New Suspicions

And since everything is possible, why not the absurd? Why not the inadmissible? For the past 2 years, certain PLO members have been accusing Abou Nidal of being an agent in the pay of Israel.

That accusation rests on analysis and on established fact. The dissident Palestinian's operations often serve the interests of Jerusalem indirectly, examples being the attacks on synagogues, which justify a radical stand on the Palestinian problem and strengthen the support of Jewish communities for Begin's government. This summer, the Algerian daily EL MOUDJAHID did not hesitate to cast responsibility for the rue des Rosiers attack on the Israeli secret services by asking the old question: who benefits from the crime?

Now for the established fact. There are several reports that Abou Nidal has been recruiting Israeli Arabs and young Palestinians from the occupied territories in recent years. On at least three occasions during the same period, the PLO has suspected fighters within its ranks of working secretly for Mossad, the Israeli intelligence service. They are fedayeen who are less determined than their elders and therefore more easily influenced--a sort of "second generation" with no memories. The accusers ask: if it has been done here, why would it not be tried there?

How could the Israelis find it to their advantage, even very indirectly, to have crimes committed against Jews in Europe? Daring to suggest, even in a circuitous manner, that Israel might have a part to play in such operations has always brought a cutting answer from the chanceries or a shrug of the shoulders from the intelligence services. Abou Nidal is certainly a specialist in a multifaceted mechanism, but all the same! Those accusations are said to be nothing but pure anti-Israeli propaganda trotted out by Palestinians who were running out of polemical subject matter.

It should be noted, however, that there has been a degree of embarrassment in Western circles--especially French--over the past few weeks. Do they have recent information--a new grid for analyzing the imbroglio? It is impossible to learn more. Let us simply note the uneasiness in reliable sources of information and mention this response from an expert in the French secret service to the question of whether Israel may share some responsibility: "That is one theory being considered."

Let us also observe that those same Western circles, their heads swimming from Abou Nidal's dizzying waltz, now seem to be hoping for an end to a career that is hard to follow and calculated to stir up too many suspicions among friends. At meetings with the Palestinian leaders, there are many who are now suggesting

that the PLO settle a case that has become awkward for a lot of people. After all, are not Arafat's friends the only ones who have always suffered from their dissident's vengeance?

So far, the Palestinian central organization has declined the offer. As early as 1979, some services had assured the PLO that no investigation--no serious investigation, that is--would follow if by chance Abou Nidal were assassinated in the London hospital where he was being cared for following a heart attack. At the time, such an operation would have been difficult to carry out. The "diehard renegade" had been flown from Baghdad in a special airplane and was being protected around the clock by 25 Iraqi bodyguards. Abou Nidal with a heart condition is consolation in itself for his enemies.

[14 Oct 82 p 5]

[Excerpt] Target: France

Col Rifat al-Assad has a lot of nerve. That is what some French officials said when they learned in mid-September that the brother of Syrian Chief of State Gen Hafiz al-Assad and head of one branch of the regime's special services was staying privately at a luxurious villa bordering the golf course in Saint-Nom-la-Breteche in Yvelines. And they were itching to go ask him to explain some things.

Of course, those vindictive officials--agents of the DGSE (General Directorate for External Security), members of the DST (Directorate of Territorial Surveillance), and police from the DRG (Directorate of General Information) and the Criminal Brigade--were aware that even though suspected of the worst intentions toward us, Colonel Assad was France's guest, that he was owed the honors due his rank, and that the elementary rules of diplomatic propriety must be observed. After all, the government had no reason--or rather, no official reason--to ban the Syrian president's brother from the territory, especially since, as on previous occasions, he was using medical reasons to explain his visit.

But the police would not have been unhappy to transgress those rules and to question Colonel Assad on a subject close to their hearts and one with which he is very familiar: the war that Syria has been waging against France for over a year.

It is not an open war. Not a traditional war. The chances would be too unequal for Damascus. But it is war in modulated form, halfway between diplomatic pressure and armed conflict. It is a strange invention which General Sharon himself has described as now constituting "the only form of war" that can be carried on "without running the risk of a nuclear conflict." It is the maximal form of aggression in peacetime and more effective than press campaigns because in addition to its political significance, it frightens public opinion and "destabilizes" democratic societies, which are then condemned to shamefaced powerlessness or to responses that do not fit in well with their humanism. That state terrorism, copied from the methods used by extremist minorities and liberation movements, also has the advantage--seeing that investigations rarely lead to anything--of allowing the aggressor to maintain the appearance of innocence.

Death of an Ambassador

Syria, which according to a member of the French state apparatus veritably worships "the diplomacy of duplicity," has reportedly built such subversive plots against France into a system. Indications of this--since again, proof is lacking--are numerous, and there is no longer a single Western capital that does not agree that Damascus has been shooting its arrows at Paris over the past year with an obstinacy and in fact sometimes conspicuous relentlessness that have already made "target: France" a case study.

On 4 September 1981, Louis Delamare, the French ambassador to Beirut, was seriously wounded by several shots from a 7.65mm gun fired by an unknown individual who approached the ambassador's car as it was stopped at a roadblock. The chauffeur, who was not hit, drove him to the nearest hospital, but the ambassador died three-quarters of an hour later.

Beirut political circles were greatly shocked, because the diplomat in question had friends in each camp, but they did not really express their surprise. A rumor was already flying through the city from east to west. The assassin's name was whispered, and it was obvious: Syria. Damascus did not lack reasons for holding a grudge against France and thus showing its hostility toward the efforts undertaken in the Near East by Paris, notably in favor of a settlement of the Lebanese crisis, a country which Syria at the time regarded as its own preserve. More specifically, the French were reproached for promoting the idea of rebuilding a Lebanese Army capable of eventually replacing the "Arab Deterrent Force" (ADF), which was supposed to have been guaranteeing order--de facto Syrian order--in part of Lebanon since 1976.

Louis Delamare had been stepping up efforts in that direction for several weeks, and it was he who had organized the meeting on 30 August between Claude Cheysson and Yasir Arafat. A jumble of other causes were mentioned as reasons for the dispute: the sale of weapons to Iraq, Mitterrand's visit to Israel, the kind welcome given by Paris to certain Syrian oppositionists that Damascus suspected of working for the DST, and the asylum granted to Bani Sadr, which was criticized by General Assad, an ally of Tehran. So there was no lack of serious motives.

Suspensions very quickly became more specific: Louis Delamare, it was learned, had reportedly been killed by a commando group from the newest of the Syrian secret services, known as the Red Knights. That paramilitary organization, recruited mainly in Beirut, consisted of an improbable mosaic of fighters and secret police. Since the spring of 1981, their supreme leader, Col Rifat al-Assad, has recruited fedayeen from Saika (the pro-Syrian Palestinian movement), Lebanese caught up in the war between camps and clans, Rachid Karame's Sunni, Soleiman Frangie's Maronites, Shiites from the "Amal" group, breakaway members of the PFLP and Fatah, pro-Soviet Armenians, and soldier dropouts from European terrorism.

Foreign Legion

Syria was the first country to organize on a large scale a sort of foreign legion of special services, which it built out of the debris of the Near East's

tormented history. The only thing required of the Red Knights is that they have a vocation as terrorists, because that unit, which is trained in one of Syria's best-protected camps (located between Tartus and Latakia), has the mission above all others to employ extremist methods. The various intelligence services say it has been responsible for about 20 "major assaults involving boobytrapped cars" in less than a year in Lebanon and the Near East, an exercise learned in that famous camp, which is said to be headed by Bulgarian experts.

By the end of 1981, France had already informed itself concerning the death of Louis Delamare, but it said nothing and continued to pursue its policy in the Near East. Attacks and a number of stray shells in the gardens at our Beirut embassy then showed the opponent's impatience.

But the "war" soon shifted from that neutral zone to French territory. On 19 December, the son of the concierge at the building at 33 rue Marbeuf in Paris (in the eighth arrondissement) discovered a suspicious package on the landing in front of the editorial offices of AL WATAN AL ARABI. The bomb was set to go off at 0830 hours, but was defused at 0812 hours. The theory that Syrians were responsible was soon adopted. The targeted newspaper, which is very hostile to Damascus, is regarded as rather pro-Iraqi, and the bomb's packaging led officers from the Criminal Brigade on a trail taking them to a store selling audiovisual equipment next door to the Syrian Embassy in Paris. A few days earlier, it had sold a camera to Mikhail Kassouha, third cultural attache at the embassy. But employees did not recognize the photograph of the diplomat.

The trail was worth following, but charges were too vague to justify questioning or expelling Mikhail Kassouha. However, the Ministry of Interior instructed the DST to be more active in its surveillance of Syrian officials.

On 16 February, Bruno Breguet, a Swiss, and Magdalena Kopp, a German--two terrorist friends of Ilyich Ramirez Sanchez, better known as Carlos--were arrested in a parking lot on Avenue Georges V while carrying 5 kilograms of explosives.

What was their target? Who was their sponsor? They refused to answer, but 8 months later, police felt that they were probably on their way to rue Marbeuf. On the night of 25 February, Carlos demanded in a letter left at the French Embassy in The Hague that his friends be released, and he threatened to take revenge on Gaston Defferre. It is probable that the authorities would have done as the terrorist had demanded if a leak in the press had not forced the government to try Breguet and Kopp. On 30 March, a bomb exploded on the train known as Le Capitole. Was it revenge by Carlos already? Or another Syrian attack? The meager results of the ongoing investigation make it impossible to say. Each theory has its supporters, even among the police.

Meeting in Paris

Meanwhile, the interest of the authorities was again drawn to the Syrian Embassy. The DST suspected Mikhail Kassouha, the cultural attache--actually an agent of the Mukharabat, Syria's intelligence services--and his immediate superior, military attache Hassan Ali, of some very strange doings. Kassouha supposedly

had met in Paris with a Palestinian who had once been a leader in Fatah but who had gone to work for Syria. The Palestinian was suspected by certain Western countries of trying to set up a European branch for recruiting Red Knights locally. Ali, for his part, seemed to have control over about 30 Syrian students who spent their free time tracking down certain opponents of General Assad's regime--especially in medical circles. As early as 5 March, the military attache had been photographed at the Saint-Germain Church in Paris leading demonstrators armed with knives and axe handles who had come to attack other Syrian students.

In Beirut and then in Damascus, the DGSE learned that another attack on AL WATAN AL ARABI was being prepared. That information was confirmed by an American source arriving from Tehran, the capital whose government had reportedly been invited to join the Syrian hostilities against France. But where was the blow going to be struck? A close watch was kept on two Lebanese who had been suspected for a time of forming a new commando group and a Palestinian passing through Paris: a former fighter for the PFLP who reportedly had once taken part in an attack in the company of Johannes Weinrich, a member of the German "revolutionary cells" and Magdalena Kopp's friend.

Could the friends of Carlos--who were reputed to have been used primarily by Iraq--be working for Syria? If so, it would have to be assumed that Breguet and Kopp made up a second commando group and that Syria may have sent several successive waves of terrorist agents to Paris over a period of several weeks.

The DST agents were following up to about 20 people on the same day and collecting a store of abundant but still "nonoperational" information. They discovered, for example, that certain female Swiss and German sympathizers and certain girlfriends of the European terrorists from the years from 1970 to 1975 were acting as links with Palestinians or Lebanese they had met in the training camps--in some cases 10 years earlier.

In early April, certain high-ranking officials, particularly in the Ministry of Foreign Affairs, began to doubt the very idea of that obstinate and invisible Syrian "war" to which our intelligence services were giving credence.

Time for Responses

From Damascus, General Assad probably sensed those hesitations, because he reportedly let it be known that he hoped to "normalize" relations between his country and France and that the death of Louis Delamare could not be blamed on him. The Syrian state might have been the victim of its excessive number of special services--six in all, not including the Palestinian Saika--and of multiple palace intrigues. It was all, therefore, a misunderstanding, embarrassing, of course, but not irreparable.

While that diplomatic counteroffensive was developing--it was dubbed "Operation Powder in the Eyes" by some people--another attack occurred on 15 April to prove that those most worried were right. Guy Cavallo of the DGSE and his wife Caroline were assassinated in their Lebanese home. Beirut suspected that the special services from Damascus with a Lebanese Shiite connection might be

responsible. During the same week, low-powered bombs were exploded against the front walls of the Air France office and our embassy in Vienna. The Austrian police mentioned a possible Syrian trail.

What public opinion remembers from that confused period is the most spectacular attack: on 22 April, a boobytrapped car exploded in front of 33 rue Marbeuf, killing a young woman and injuring 63 people. It was the feared and all but announced attack which the police, after weeks of investigation, had not been able to prevent because they could not locate the mysterious commando group in time. Its approach had first been vaguely felt, then its presence. Following that last operation, the government shook off its reserve and very explicitly accused Syria. Gaston Defferre expelled Kassouha and Ali, not for their possible involvement in the attack of 22 April--which could not be proven--but for "certain extraordinary activities" and "certain meetings" during the preceding weeks. The conviction that subversive agitation at least existed seemed established.

But curiously, the certainty that Damascus really set up that attack might be less strong. Another theory--supported, it is true, by a minority--still exists 6 months later, and it holds instead that the operation was probably Iraqi-inspired and that it was carried out through the friends of Carlos. That would make it a sort of provocation caused by Syria's opponents, who may have placed a boobytrapped car at the same site as that chosen for the attack of 19 December 1981 in the certainty that after so many rumors and investigations, Damascus would immediately be suspected.

Regardless of the real motive behind the operation on rue Marbeuf, the incident seems to have been the occasion chosen by the president of the republic for organizing a French response to the hostilities underway. Several reliable reports lead one to think that Mitterrand then authorized the DGSE's "action department" to intervene directly on Syrian territory.

11798

CSO: 3519/63

FORMER ETA MEMBER ON POLITICAL, OPERATIONAL ASPECTS

Madrid EL PAIS in Spanish 11 Oct 82 p 22

[Interview with Miren Lurdes Alkorta, former ETA member, by Jose Luis Barberia; date and place unknown]

[Text] She is a very young woman, nevertheless she clearly gives the impression of a strong personality. Only when she speaks of returning to the South Basque Country, to rediscover the small sensations offered by liberty and anonymity, does her deep, almost hoarse voice become somewhat less secure and more emotional. She is tired of the closed circle of secrecy, but she sees herself in it with the same force with which she sees herself in her 18-month-old son, Oinatz. She has coined the phrase "the ETA has played its role and now has no reason for being." Now she passionately seeks the embrace of her own people, intimacy with her companion and her son, and the enjoyment of the trivial things of a normal life.

She is 24 years old and has held responsible positions in the ETA, within the military apparatus of the political and military organization. According to the police, she has participated in numerous actions, none of which resulted in bloodshed.

Miren Lurdes Alkorta, Argi, first came into contact with the ETA at the age of 17. After belonging to the Basque Revolutionary Party for a brief period, she freed herself for the ETA's political-military organization. She had completed the COU and had already met Joseba Aulestia, Zotza, her present companion and also from Ondarroa, who then had chief responsibility for the operational commands of the political-military organization.

"Why did I decide to have a child when I was being sought by the police and subject to the discipline of the organization? It is something that I cannot explain very well. It was a feeling that we could no longer control. It was a very well thought out decision that forced us to think about many

other things." I ask her if she is a fearful person and without hesitation she denies that she is: "No, I am not fearful; at least I have never backed down at the moment of carrying out an action. Of course, I do have the reasonable fear of the police station, of death and of prison."

[Question] Why did you join the ETA?

[Answer] At that time, in the Basque Country and of course in Ondarroa, there was a climate of effervescent militancy. We had the sensation of living in a sort of incipient war. Personally I was very much moved by the repression that followed the mobilizations for Andoni Arrizabalaga, a neighbor in Ondarroa who was sentenced to death. Several of my family members had to be hospitalized after being struck by a rifle butt. And then there were the tortures... The ETA practiced violence and I believed in the necessity for that violence.

[Question] Were you influenced by the idea of having to exercise violence personally?

[Answer] No, I do say that I believed in violence. It is curious, because when I joined the ETA, a decision that caused me many sleepless nights, I did not think at all about the three ends that await a member of an armed organization: exile, prison or death. I only thought about whether I could serve, if I would be up to the circumstances.

[Question] Do you not think that in those years in the abertzale [patriotic] or nationalistic environments there was a tendency to mythicize the prisoners and the ETA members themselves?

[Answer] There was some of that mythicizing that you mention, but there are not many people prepared to sacrifice themselves totally so that they can be considered heroes in their group. At least that is not the case with me.

[Question] Were you seeking your own personal experience, adventures that might enrich you personally?

[Answer] Of course, but it is something indeterminate that I cannot explain, something highly abstract.

[Question] They say that in Ondarroa you were known to be a good girl, pretty, modern and rather haughty.

[Answer] Nothing of the kind. My parents own a butcher shop, where they make crates for packing fish. I enjoyed music, and yes, I did go to discos.

[Question] Does not an organization that practices violence of necessity create authoritarian figures in its midst, a latent machismo, a form of violence?

[Answer] Well, the ETA political-military organization has been much more affected by ideology than the military faction, for example, and it has always tried to counteract this sort of thing. To be honest, I have not seen the sort of attitudes that you mention, but perhaps that has been because I have had the good luck to be associated with comrades who are very prepared politically, people who have been very concerned about these very questions and not just on a theoretical level.

[Question] Have you never felt discriminated against as a woman?

[Answer] No. Organizationally there has not been such discrimination. I have acted the same as the other members, I have occupied responsible positions, I have participated in the debates and I think that I have also been heard the same as the others. At home, for example, everyone helps in the household chores and we all go together to drink wine.

[Question] Can the organization's internal functioning be considered democratic? At what point does secrecy begin to impede internal criticism and debate?

[Answer] Look, the functioning of the ETA political-military organization has been as democratic as possible in a clandestine organization. Whatever difficulties there might have been, we have never renounced debate.

[Question] What is life like for someone "liberated" from the ETA?

[Answer] It is a life of continual mobility. You constantly change houses and you can never establish any communication with the people receiving you, collaborators and sympathizers, for fear of knowing too much. It is a Gypsy life, always awaiting a rendezvous, a contact, constantly tense.

[Question] How did you "burn"?

[Answer] Easy. Several comrades who knew me were captured, among them a friend of mine, "Satorra" who for certain is situated with the group of eight. I was more fortunate in that I found out about the capture in time and was able to cross the border.

[Question] Later you returned to the interior....

[Answer] Yes, but I do not want to talk about that.

[Question] Do you remember any event that made a special impression on you?

[Answer] It is not that I cannot remember, but that I do not want to remember. But I will relate to you an anecdote about what happened to me while robbing a bank. I was outside covering the exit with a taken-down M-16 that I was carrying in a little case. I was well dressed and even had on make-up to more easily keep people off our trail. Several guys in a nearby building began to get fresh with me. Since I did not move and

could not move because the rest of the commando was going to emerge at any moment, the men began to gain confidence and I was having a bad time of it. At last the commando came out and all hell broke loose, with an exchange of shots between ourselves and the bank's security service. The men in the building were down, white, with their faces to the floor.

[Question] What did you sacrifice because of the struggle?

[Answer] Intimacy, communication with the people, with my friends and family and above all the entire development of my creativity, my passion for painting. In general I was enthusiastic about all manual skills and now I do not know what is happening to me because besides reading and listening to classical music I cannot do anything. I have always been living with other people, with people in the organization, but always different. For example, I do not know how it is to live only with Joseba. Then there is the fear of the French police. I have been completely shut in at home for 3 months without even going out on the balcony.

[Question] Is there no communication with the French Basque population?

[Answer] I would say that there is an almost total lack of communication. They are cold and horribly educated. All live perfectly isolated in their houses and evidently do not like to associate with our group. But there is also a lack of communication among the refugees themselves. I believe that the three words that best define our situation here are solitude, lack of communication and the sensation of permanent temporariness.

[Question] What are you going to do when you return?

[Answer] When I return, which will not be tomorrow nor the day after, the first thing that I am going to do is give an enormous embrace to my family and friends and I imagine that later I will get drunk with them. All of the time I talk about how I am going to discover that normal life is something marvelous: going for a walk, being able to shout... I will endeavor to study fine arts, live with my son and with Joseba and of course, work. Or I will be admitted to my family's carpentry shop and I will devote myself to assembling fish crates. And too, I have it in my head that I must go to Thailand and I will end up going.

[Question] They will probably call you a traitor in some circles, perhaps in your own "group"....

[Answer] I do not believe that that will happen in my group, and as for the others, well, I will face them the same way that I faced the assemblies that we organized to prepare the pro-amnesty campaigns. Look, in the first part of our seventh assembly we in the political-military organization said that the armed struggle is not a talisman, but something that can also be assimilated and used by the oligarchy. And this is the case now; today the armed struggle works above all in favor of a coup mentality and destabilization and in this new phase its effects are, in my opinion, much more negative than positive.

9746

CSO: 3548/13

TWENTY BOMB EXPLOSIONS ROCK BASQUE PROVINCES

NC210646 Paris AFP in English 0640 GMT 21 Oct 82

[Text] Vitoria, Spain, 21 Oct (AFP)--Twenty bombs went off in northern Spain's tense Basque country last night, causing considerable property damage and slightly wounding two people, police said.

Blasts were reported in the three Basque provinces of Guipuzcoa, Alava and Vizcaya, and in the half-Basque province of Navarra.

Interior Minister Juan Jose Roson immediately blamed the "Eighth Assembly" faction of the ETA-Military (ETA-M) Basque Separatist Movement.

The drumfire of bombs coincided with a visit to this Basque provincial capital by socialist leader Felipe Gonzalez, whose party is expected to be the big winner in Spain's legislative elections next week.

The ETA-M yesterday claimed responsibility for grenade attacks last week against paramilitary barracks in Navarra in which one civilian was killed, and also told the Basque daily newspaper EGIN that it had bombed a bank, two transformers and an electricity pylon last weekend.

The separatist ETA-M also said in a communique that it intended to continue armed attacks "against all the machinery of the oppressor Spanish state," and called on Basque voters next week to back candidates of its political wing, the Herri Batasuna Party.

Nine of last night's bombs were planted at banks and insurance companies in San Sevmidian, capital of Guipuzcoa, police said.

Four explosions rocked similar targets in the big industrial city of Bilbao, capital of Vizcaya.

The worst of five blasts in Vitoria, capital of Alava, was caused by a heavy charge of plastic GOMA-2 and caused a major fire at a large department store.

Two charges were laid in Urriza, Navarra, at a spiritual retreat home used by the Opus dei Roman Catholic lay organization. Policy in Pamplona, the capital of Navarra, said they had arrested six persons suspected of terrorist activity.

ATTACK IN BILBAO SERIOUSLY WOUNDS LIEUTENANT

NC210939 Paris AFP in English 0929 GMT 21 Oct 82

[Excerpt] Bilbao, Northwest Spain, 21 Oct (AFP)--Two gunmen shot and seriously wounded a military bandsman here this morning after a night in which 20 bomb blasts had ripped across northwest Spain's tense Basque region.

No group immediately claimed for the attack on Lieutenant Cesar Uceda Veda, 47, who was hit while driving away from his home, police said. The new violence came a week ahead of national elections expected to be won by the socialists.

The overnight bombs, causing considerable property damage and slightly wounding two people, hit the three Basque provinces of Guipuzcoa, Alava and Vizcaya, and the half-Basque province of Navarra.

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CSO: 3500/14

CONTRACT WITH SAUDIS TO EXPIRE, LESS OIL TO BE BOUGHT

Paris LES ECHOS in French 9 Sep 82 p 8

[Article by Didier Duruy: "Less Saudi Crude for the French"]

[Text] You shouldn't put all your eggs in the same basket. The French oil companies are taking this lesson to heart before starting the renegotiation of their joint contract for Saudi crude oil. The subject is already making news: An interministerial committee meeting is planned for next week. The procedure selected could be fruitful to the extent that all of the ministers do not adopt identical positions in this matter. Despite everything, it is already certain that the volume of the Saudi contract will not be at the same level.

Negotiated in 1974 by Michel Jobert, then minister of foreign affairs, and renewed in 1979, the agreement between Petromin, the Saudi Arab national company, and SOFRACOP [expansion unknown], the common subsidiary of Elf-Aquitaine and Total, expires at the end of this year. It applies to a supply of 12 million tons of crude per year.

"There is no question of getting along without Saudi oil, but we have to pump less of it." At least that is the policy that Elf-Aquitaine intends to defend, for now. That is not surprising, if one remembers that its president, Albin Chalandon, was particularly preoccupied early this year by the abundance of the group's resources. Since then, with the economic slowdown, the imbalance has been further accentuated, to the point that the French companies have even reduced their receipts by 30 percent during the second quarter and currently by 50 percent. The fact that Riyadh has accepted this process confirms the "realism" of the Saudis and should facilitate the renegotiation that will begin next October. However, it should be remembered that the OPEC leader is encountering serious difficulties in getting rid of its crude, to the point that its productivity is close to 5 billion barrels per day.

Expensive Oil

In addition, a decrease in the Saudi portion of our supplies would conform to the geological diversification favored by the administration and recalled by the current government at the time of the drafting of the famous formula

for the automatic fixing of the price of petroleum products, Elf-Aquitaine points out.

Of the 42.5 million tons of crude processed in French refineries during the first half of 1982, 38 percent was from Saudi Arabia, certainly a smaller proportion than that of a year ago but still judged excessive to the extent that it brings the total Middle East contribution to French needs to a little over 50 percent.

At the Ministry of Foreign Trade, occupied by Michel Jobert, it seems that they do not see matters quite the same. They recognize that a decrease in the Saudi supply is desirable. But shouldn't we manage our foreign trade closely in this matter? Whatever happens, the task will be delicate. Likewise, it will not be easy to find the correct level for the Saudi contract.

The present economic situation obviously favors a minimum, particularly because, at \$34 a barrel, Saudi crude is especially costly today. What will it be in a year?

9969

CSO: 3100/974

BRIEFS

GAS FIND NEAR PARIS--In the Marne department, on the Chancenay permit (Eurafrep [expansion unknown] participant at 85 percent, Copares [Oil Exploration and Operation Participation Company] 15 percent), a rod test performed in the Trois Fontaines 102 well during drilling produced a flow of 200,000 cubic meters per day of combustible gas with a head pressure of 90 bars on a half-inch nozzle. Production was obtained from several Muschelkalk sandstones with a cumulative thickness of 6 meters, located between 1,670 and 1,683 meters deep. Eurafrep states that the exploration is continuing and that the well will be subjected to additional tests to determine whether the resource discovered is of an exploitable nature. [Text] [Paris LES ECHOS in French 1 Sep 82 p 6] 9969

ELF, AUSTRALIA SHARES CHANGE--Elf-Aquitaine announced in a communique that Australian Aquitaine Petroleum Pty Ltd and Hartogen Consortium have just signed an agreement which changes their respective shares in the permit for the Bonaparte Gulf and the Surat Basin in Australia. By virtue of this agreement, the French group explains, Australian Aquitaine Petroleum is giving up its participation in four Surat Basin permits to the Hartogen group (permits ATP 119 P South, 145 P North, 145 P South and a portion of permit 272 P) in exchange for a portion of the latter's shares in the offshore permit WA 18 A in the Bonaparte Gulf, where the Tern gas field is located. This exchange is subject to the approval of the Australian authorities involved. When completed, the division of interest in the WA 18 P permit will be as follows: Australian Aquitaine, 60 percent operator; Hartogen Consortium, 17.5 percent; National Mutual Life Association of Australia, 7.5 percent; Alliance Petroleum International, 7.5 percent; and Montauk, 7.5 percent. [Text] [Paris LES ECHOS in French 31 Aug 82 p 4] 9969

NATURAL GAS FOR NORD-COTENTIN--The Nord-Cotentin will be supplied with natural gas around the end of the year. Customers will be able to use it starting with the first half of 1983. Currently, at the rate of 2 kilometers per day, GDF [French Gas Company] is handling the laying of 140 kilometers of pipeline, to serve Cherbourg specifically, but also Saint-Lo, Carentan and Isigny. A complementary plan is being studied for service for the south of Calvados and the Manche. The completion of the principal artery represents an investment of [Fr] 175 million, which cannot be amortized within a period that is thought normal. That is why GDF, which is underwriting 90 percent of the cost, turned to DATAR [Delegation for Territorial Planning and Regional Action], to the departments and to the region. At present, 135 persons, recruited for the most part in Basse-Normandy, are working at the pipeline installation, which will, at the same time, make it possible to reinforce Caen's supply. [Text] [Paris LES ECHOS in French 31 Aug 82 p 4] 9969

FIRST NUCLEAR POWER FOR 1993

Athens I KATHIMERINI in Greek 1 Oct 82 p 1

[Text] The DEI [Public Power Corporation] program for 1982-1991, which was recently prepared by the present administration, clearly anticipates the construction in our country of nuclear plants which will become operative in 1993.

As emphasized in a statement by former minister of Finance and Industry, deputy from Athens, Mr. M. Evert, this fact contradicts the statements of the government and of DEI which, a few days ago, announced that it has no intention of building a nuclear plant in the next decade.

In the DEI program for 1982-91 regarding the matter, as emphasized in Mr. Evert's statement, it is specifically stated, among other things: (page 4)

"To begin the necessary work at an intensive pace for the integration of nuclear plants in the DEI system. It must be pointed out that many European countries supplement a great percentage of their electric power production with nuclear power because in 1980 the following countries used it: Great Britain 12 percent; GDR 12 percent; FRG 12 percent; Spain 4.7 percent; France 23.7 percent; Belgium 23.4 percent; Sweden 27.5 percent; Switzerland 28.4 percent, and our neighbor, Bulgaria, 17.7 percent (it has other reactors under construction)."

Section A 33 of DEI's same program specifically cites 1 January 1993 as the date for the nuclear unit to begin operation.

9731

CSO: 3521/30

DEVELOPMENTS, PROBLEMS OF AVIATION INDUSTRY

Paris L'USINE NOUVELLE in French 7 Oct 82 pp 97-99

[Article by Belgian correspondent Claude Christophe: "Belgian Aircraft Industry Doomed to Subcontracting"]

[Text] Faced with a narrow civilian and defense market and confronted with American and European competition, the three Belgian aircraft manufacturers and the one Belgian engine manufacturer are doomed to live from compensations for government orders for equipment.

The Belgian government's decision to replace the air force Mirages with American F-16's was received with relief in Belgian aircraft manufacturing circles. This choice will enable them to make their investments profitable and get over 1983-1984.

Four companies: the Belgian subsidiary of Dassault, SABCA [Belgian Aeronautical Construction Company], SONOCA [expansion unknown] and FN Herstal SA, i.e. three aircraft and one engine manufacturers are the main forces of the Belgian aircraft industry. Certainly, GEBECOMA (Belgian Aerospace Equipment Manufacturing Association) includes other enterprises, most of which deal in electronics, but only a very small part of their sales comes from aircraft manufacturing (5 to 10 percent). In 1981, the four major companies accounted for 90 percent of the 2.28 billion francs of sales of the Belgian aircraft manufacturing industry. FN Herstal alone had sales of 1.3 billion. The subcontractors are few and little specialized; nevertheless, they share in the fabrication of mechanical parts. Also, new enterprises are created: Titech, a subsidiary of Titech International (titanium), and Technical Airborn Components (connecting rods), in which FN Herstal has a 42.5 percent interest, were thus created in 1981.

To use the word "national" to qualify the aircraft manufacturing industry in Belgium sounds like a euphemism. Except for FN Herstal and SONACA, this industry is owned by foreign groups. Dassault is French, SABCA is 50 percent French (Dassault) and 50 percent Dutch (Fokker VFW). As for SONACA, although the Belgian state (with 50 percent) and FN Herstal (with 25 percent) hold a majority interest in it, we should not forget that, in 1978, it took over the operations of Fairey Aircraft, a company created in 1931 by the English group of that name.

What Comes After the F-16 Remains the Big Question

In spite of the bumper profits of the last accounting period (over 50 million francs for all three aircraft manufacturers), manufacturers in this sector still worry about the future. Because of the very small size of the domestic market (civilian market: 1,257 aircraft, including 343 gliders and 19 helicopters; defense market: 500 units in all), they are doomed to export their production (1.9 billion in 1981). As a result, they come up against American and European competition, all the more so as all they have to offer is subcontracting, government orders for foreign equipment being given back to them as a compensation.

According to Eugene Tribout, group director at Fabrimetal, "without defense contracts we cannot survive. The purchase of civilian aircraft does not generate industrial compensations and SABENA [Belgian Airlines] alone cannot support a national industry. FN Herstal, being an engine manufacturer, is the only one that can hope to obtain a contract once in a while. That happened last August for F-16 engines amounting to 800 million francs. For the past 30 years, we have always worked one contract at a time, depending on larger contracts. This trend can only become more pronounced in the future. Only very large contracts can help develop our aircraft industry as a whole."

Better still, most enterprises in the sector owe their existence to the principle of compensations. Thus, when the Belgian government decided to order the British Fairey-Firefly aircraft in 1930, it was under the express condition that Belgian labor would be employed to the largest possible extent in manufacturing this aircraft. The Belgian General Aircraft Company-Fairey Aircraft was then created. Nothing has changed since then. Dassault Belgium Aviation is nothing but the result of the Mirage contract signed in 1969.

Therefore, selection of the F-16 a few weeks ago was awaited with impatience. First, because all enterprises, except Dassault, had agreed to invest heavily in manufacturing this aircraft--for instance, FN Herstal did not hesitate to build a new plant (cost: 429 million francs); second, because this program represented a large proportion of their sales. For instance, it represented 60 percent of SONACA sales in 1979-1980 and 50 percent in 1980-1981. For the engine division of FN Herstal, that figure reached 80 percent.

Belgium's decision revived an old tradition that had been abandoned when the Mirage was purchased and that, in prior years, had contributed to the development of an aircraft industry on Belgian territory; it consisted in aligning itself on its European neighbors, especially the Dutch. "Our aircraft industry," Jean de Fonvent, FN Herstal aircraft division manager, told us, "owes its expansion to the fact that NATO armed forces, especially those in BENELUX [Belgium-Netherlands-Luxemburg], chose the same aircraft."

Next to the small size of the domestic market, Belgian manufacturers fear a revival of the quarrels between Flemish and Walloons. The Flemish Economic Association created the Flemish Aerospace Group (FLAG), an association of Flemish manufacturers who demand a share of the market in proportion to the size of the Flemish community (56 percent). As far as the Flemish are con-

cerned, the selection of the F-16 puts their industry at a disadvantage. This is because aircraft manufacturers are located in the French-speaking region and, moreover, around Charleroi, an area especially affected by the aging of the coal and steelmaking industries.

"To accept the Flemish demand," Walloon politicians say, "is to slow down the necessary transformation of Wallonia's industrial fabric, it is to place a heavy handicap on our industrial reconversion."

The aircraft industry may still be a "profitable" sector, but it could not bear the dissociation of its live forces. Before last July's government decision, workloads were full until October or November 1982! What comes after the F-16 if the crisis continues, is a big question. Some are considering the space market, other electronics or hydraulics, or quite simply precision mechanical engineering.

According to Andre Bouniton, SONACA sales manager, "the space industry is bound to expand more and more rapidly. We must consider it, even if it is just for simple maintenance contracts." For its part, SABCA is already on its way. It is working on the Ariane and Ariane 4 project; it has received an order from NASA for a climatized enclosure containing measuring equipment (Igloo) for the space shuttle; and preliminary feasibility studies are in progress for its possible participation in the orbital stations project.

It has also taken advantage of its experience in electronics to develop the TFCS (Tank-Firing Control System) and, together with Hughes Aircraft Company, is studying a new digital-system firing control prototype.

Jacques Catrin, plant manager at Dassaùlt Belgium Aviation, selling only to the parent company, is less ambitious. "Our workload extends through November 1982," he said. "After that, we do not know. We may participate in other projects or we may bid for precision mechanical engineering subcontracts."

What about diversification? It meets with skepticism. "These companies," Eugene Tribout told us, "have a very well defined image; clients are reluctant to give them work of a different type."

Therefore, the Belgian aircraft industry is doomed to live from compensations. According to Andre Spehl, GEBECOMA permanent delegate, "there will probably never again be another Belgian-designed and Belgian-manufactured aircraft. The financial risk involved is too big. The future of the aircraft industry in Europe at present must of necessity involve integrated international collaboration, as for the Airbus. As long as the Belgian aircraft industry improves its knowhow, and as long as public authorities have an interest in it, our future is ensured."

Nevertheless, a civilian project such as the A-310 remains risky. Belgian participation, while larger than that of the Netherlands (1.3 percent), remains low and does not exceed 2-3 percent. Three companies only are

involved: SONACA for a wing component, SABCA for a flap, and ASCO [expansion unknown] for controls. Considered on a Belgian scale, however, the investment is large: 210 million francs. And profitability is not necessarily ensured.

The future of the Belgian aircraft industry, therefore, is dependent on national defense investments. The next meeting of manufacturers if scheduled for 1985: the Alouette III helicopter which is used by the Belgian army will then have to be replaced.

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CSO: 3619/6

GOVERNMENT ACCUSED OF ECONOMIC, FINANCIAL MISMANAGEMENT

Experts Report

Nicosia TA NEA in Greek 15 Sep 82 pp 1, 3

/Text/ G. B. Vasileiou's Bureau of Economic Studies /GOM/ notes in a statement yesterday that since 1978 the Cypriot pound has lost 10 to 20 percent of its value compared to foreign currencies.

Describing today's chaotic condition of the economy, the GOM announcement observes that there is an 82-million-pound deficit in the 1982 budget and a 300-million-pound external debt while the foreign exchange reserves are depleted.

GOM also underlines that the Social Security Fund is in danger of bankruptcy, the unemployment of professionals is increasing, the rate of economic development and investment is decreasing, the competitive ability of Cypriot products is falling, and the crisis in the cooperative organizations continues with constantly increasing losses.

In conclusion, Vasileiou's bureau underlines the concern caused by the attitude of the Ministry of Finance which instead of preparing an action plan to deal with impending catastrophe, is trying to cover up the situation.

The complete text of the GOM announcement is as follows:

"The recent report of the Ministry of Finance is trying to convince us that the fiscal situation gives no cause for alarm and that our economy is in much better condition than that of most other countries in the world.

No Reserves

"Unfortunately the reality is very different and there are many reasons for serious concern. The most important among the negative developments that cause concern are:

"1. The budget deficit increased from 20 million pounds in 1978 to 59 million in 1981 and is expected to exceed 80 million in 1982.

"2. The external public debt which amounted to 82 million pounds in 1977 is expected to reach 300 million in 1982.

"3. The foreign exchange reserves have been in fact depleted and have been replaced by loans. In 1977 the net foreign exchange reserves in Cyprus were larger than the total external debt by approximately 24 million pounds. In 1981 the total reserves were 99 million less than the debt and in 1982 the deficit will increase even more.

"4. A large portion of the contributions by the working people to the Social Security Fund is used to offset part of the budget deficit instead of being invested productively to the benefit of the Cypriot economy. In this way the fund will go bankrupt in a few years or the government will have to impose a new special tax to cover the deficit.

"5. Since 1978 we have a de facto devaluation of the Cypriot pound compared to basic foreign currencies, ranging from 10 to 20 percent.

"6. The rate of economic development fell in 1981 to only 2.5 percent and in 1982 it may fall even more. This means that the rise in the standard of living will stop. Yet the Ministry of Finance and the government do not seem to worry.

"7. The unemployment of young professionals constantly increases with no prospect or policy for a solution of the problem. The unemployment of workers and employees has significantly increased and continues to increase. The only reason for the relatively small percentage of registered unemployed is because we export them to the Middle East.

"8. The investments in industry were reduced in 1981 to a disquieting degree and the tendency is to go further down.

"9. We face ever increasing difficulties in the disposition and export of both our farm and industrial products and their competitiveness has been greatly reduced.

"10. The crisis in the cooperative movement is continuing and industrial losses are growing because decisions are repeatedly postponed. But the greatest reason for concern is that the Ministry of Finance and the government, instead of preparing an action plan to deal with these tremendous problems to avert the catastrophe which will come with mathematical precision if the necessary measures are not taken, try to cover up the situation and to convince us that we live in one of the wealthiest and economically strongest countries."

Ministry of Finance

In the meantime, the Ministry of Finance, in a news release about the economy, states without giving any data that in assessing the fiscal deficit "the payments for the public debt should not be taken into account, but only the interest for the debt service."

It also claims that "the increase in the public debt is due to the invasion and to the efforts for the rehabilitation of the refugees and the great increase in petroleum prices." It further claims that "the slowdown in investments is an international phenomenon," and that "the rate of economic development continues to

be at a satisfactory level," and also that "the taxation rate is kept at levels 25 percent lower than those existing in countries with economic conditions similar to ours."

Finally, the Ministry of Finance claims that "our economic condition is satisfactory" and that "this is proved in fact by the increasing interest of foreign investors for investments in Cyprus."

Ministry Replies

Nicosia O AGON in Greek 16 Sep 82 p 10

/Text/ The Ministry of Finance replying to economist Vasileiou stated that the public debt will reach 196 million Cypriot pounds but admitted that if the guarantees are added to it, the debt will go up to 280 million or to 300 as claimed by Vasileiou.

The ministry, which accused Vasileiou of using either erroneous data or selectively irrelevant economic indices, adds that our foreign exchange reserves in June 1982 amounted to 221 million pounds and covered imports of 6 months. It also states that the Social Security Fund is not in danger of bankruptcy and that the Cypriot pound maintains its constant value.

Finally, the ministry states that soon measures will be announced to help increase the truly productive investments.

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CSO: 3521/10

MULTI-DIMENSIONAL TRADE POLICY STRESSED

Nicosia ELEVTHEROTYPIA in Greek 14 Oct 82 pp 1, 3

/Text/ The Ministry of Commerce and Industry has adopted a multi-dimensional trade policy aiming at increasing our export trade. This policy was introduced by Commerce Minister Georgios Andreou and is already being implemented in all sectors. Until now the results have been satisfactory while the prospects for the future justify optimism.

The minister said to this paper that despite the adverse competitive situations and the international economic recession it is expected that the multi-dimensional trade policy will have positive results on our exports within the coming year. The policy provides for a trade mission headed by Andreou and including representatives of the Cypriot Chamber of Commerce and Industry to visit Arab Gulf countries for the purpose of promoting and maximizing our exports. The Ministerial Council which met under the chairmanship of President Kyprianou has already approved such mission.

According to Ministry of Commerce assessments, there are margins for a significant increase of our exports to the Arab Gulf countries which last year imported Cypriot products valued at 18 million pounds while during the first 6 months of 1982 they absorbed Cypriot products valued at 10 million pounds.

According to our information, it is possible that the Cypriot mission may conclude trade agreements with the Arab Emirates aiming at further promoting our export trade. It should be noted that our exports to Arab countries represent 52 percent of our total export trade. Clothing, shoes, canned foods and juices, etc., provide great prospects for increasing our exports to these countries. The mission will submit special reports with information on all these and other products to the countries it will visit. At the same time, Andreou will have contacts with his counterparts in the countries he will visit. Another objective of the mission is to increase the wave of tourism from these Arab countries to Cyprus thus considerably increasing the import of foreign exchange. At the same time, the mission will explore the possibility of Cypriot professional personnel being employed in these countries and of providing any services in general.

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CSO: 3521/38

SOVIET BLACKMAIL ALLEGED IN CONSTRUCTION CONTRACT AWARD

Nicosia I SIMERINI in Greek 21 Sep 82 p 12

/Excerpts/ According to reliable information from sources in the Ministry of Commerce, the government of cooperation /AKEL-Democratic Party/ yielded to Soviet blackmail. As a result, the Cyprus Electricity Authority /AIK/ was forced to award the Soviets, illegally and informally, a contract for the construction of two oil storage tanks at the Moni electric power station.

According to the same sources the Soviet side has placed the Cypriot government in a dilemma: Either the Soviets are given the contract for the construction of the two storage tanks or the Soviet Union will not buy Cypriot wine products.

15 Companies

Yet, according to the same sources, the Soviet side did not submit formally and in due time its bid through EME /expansion unknown/ which represents it in Cyprus. Specifically, the Soviets first submitted their offer in the form of a letter and, after the date for submitting bids expired (5 March 1982), they submitted their final offer.

Reliable and well-informed circles pointed out to I SIMERINI that the question of the legality or illegality of an offer submitted after the deadline is unprecedented. What is indeed happening, according to the same circles, is that the government of cooperation is determined to award, illegally and irregularly, the contract to the Soviet Union.

Decision Made

According to the same circles the 6-month deadline for awarding the contract expired on 5 September. AIK chief engineer Papagiorgis has notified by letter all bidders that AIK has cancelled the construction of the project at Moni. Yet, according to reliable information the decision has already been made to award the contract to the Soviets despite the fact that Cypriot firms had submitted offers more advantageous from every point of view. The most serious problem AIK now faces is how to justify legally the awarding of the contract to the Soviets. For the record, the Soviet offer provided for 250,000 pounds for one storage tank and 480,000 pounds for two. We are finally informed that as a result of these developments, Cypriot firms plan to file suits against AIK.

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CSO: 3521/24

FLOURISHING TOURISM, INCREASED IMPORTS NOTED

Nicosia 0 FILELEVTHROS in Greek 12 Sep 82 p 12

[Excerpts] Tourism in Cyprus has become a "gold mine." According to Popular Bank estimates the income from tourism in the first half of 1982 will reach about 56 million pounds compared to 38.5 million and 26.7 million pounds during the same periods in 1981 and 1980 respectively.

On the basis of these data, it is anticipated that the total number of tourists who will visit Cyprus in 1982 will be on the order of 525,000 excluding the possible impact from the Lebanese crisis.

The tourist income is estimated at 144 million pounds or an increase of 40 percent while the expenses of Cypriot visitors abroad are estimated at around 28 million pounds.

Imports Increase

On the other hand, according to preliminary data and projections by the Popular Bank, the country's foreign trade worsened during the first 6 months of 1982 compared to the same 1981 period. This development was caused by the considerable drop in the rate of exports and the simultaneous increase in the rate of imports. As a result the trade gap widened by 13 percent, to 141 million pounds.

During the first 6-month period of 1982 the value of imports reached 270 million pounds or it increased by 12.3 percent compared to the same period of 1981. The total 1982 exports will reach 565 million pounds. In contrast, the domestic exports expanded at the relatively low rate of 9.5 percent and reached 111 million pounds while the reexports reached 18.5 million pounds. The total 1982 [domestic] exports will reach 266 million pounds. Noteworthy was the significant rise in the foreign exchange deposits which reached 53.5 million pounds and represented 8.6 percent of the total bank deposits.

Inflation

The inflation rate marked only a marginal drop during the second quarter of the year compared to the first. Thus, the inflation rate during the first 6-month period of 1982 dropped to 8.75 percent from 8.86 percent in the first quarter.

Yet taking into consideration the developing sluggish conditions in the retail prices of certain categories of goods, the Popular Bank figures that during the first 9 months of 1982 inflation will deescalate to 7.5 percent.

The total number of unemployed increased seasonably to 6,260 persons from 5,125 in May which was the lowest unemployment level this year. It is anticipated that for the July-August 2-month period unemployment will rise to 7,000 while the average unemployment for the whole of 1983 will be about 6,000 or 2.85 percent of the economically active population.

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CSO: 3521/24

DIFFICULTIES DELAY LINK WITH EEC

Nicosia 0 FILELEVTHROS in Greek 14 Sep 82 p 1

/Text/ Reports from Brussels, the seat of the European Economic Community, indicate that until now Italy and France continue their objection to the Cypriot application that on the basis of the agreement for Cyprus' association with EEC, improved terms be granted both with regard to the exported quantity and to the reduction of tariffs on farm products.

The Cypriot government is in constant contact with the EEC authorities through the Foreign Ministry and the permanent delegate of Cyprus to the EEC. These contacts aim at promoting the association agreement between the two parties which should eventually lead to the customs union. The prevailing view in Nicosia is: With some good will on the part of Italy and France, the Cypriot application may be promoted since it refers basically to Cypriot potatoes which are early and does not affect the production of this product by other EEC member-states. The EEC position on the Cypriot application will be shown once again this October at the meeting of the council of the community.

On the occasion of the meeting of the foreign ministers of the 10 EEC member-states, it is expected that the board dealing with the association of Cyprus with EEC will also convene.

This board is composed of 10 foreign ministers and the Cypriot delegation headed by foreign minister Rolandis.

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CSO: 3521/10

BRIEFS

JUNE TRADE BALANCE DATA--According to official statistics the June 1982 trade balance deficit reached 11,700,000 pounds compared to 22,135,000 pounds in the previous month and 17,457,000 pounds in June 1981. The June imports reached 37,853,000 pounds compared to 50,468,000 pounds in May and 39,202,000 pounds in June 1981. The exports, on the other hand, reached 26,153,000 pounds compared to 28,333,000 in June 1981. A total of 21,926,000 pounds or 57.9 percent of last June's imports came from EEC countries. During the month under review, the Arab countries absorbed merchandise valued at 12,625,000 pounds or 48.3 percent of our total exports during the month. Saudi Arabia led the list with 2,806,000 pounds worth of goods, followed by Iraq with 2,342,000, Syria with 1,493,000 and Lebanon with 458,000 pounds. The EEC countries were in second place with purchases totaling 9,234,000 or 35.3 percent. The United Kingdom bought merchandise worth 6,893,000 pounds, Holland 615,000 and West Germany 506,000 pounds. The eastern countries purchased goods valued at 1,683,000 pounds or 6.4 percent of our total exports while the value of goods purchased by all other countries totaled 557,000 pounds or 2.1 percent. Finally, goods valued at 2,020,000 pounds or 7.7 percent represented provisions to ships and airplanes. Text Nicosia O KIRYKAS in Greek 10 Oct 82 p 37 7520

CSO: 3521/38

FINANCE MINISTER WARNS OF PERILS TO WELFARE STATE

Copenhagen BERLINGSKE TIDENDE in Danish 3 Oct 82 pp 12-13

[Text] For a couple of months, BERLINGSKE TIDENDE has been focusing on "the welfare society." At the same time, the new government will next Tuesday present its plan how to reorganize the welfare society to change the economic development. Minister of Finance Henning Christophersen has been to a "Meeting with the Press at Pile Lane" with Annelise Bistrup, Bent Bjørn Christensen and Kermit Nørlund to take stock of this series of articles.

"If the nonsocialist government will not succeed in changing the economic development in Denmark in the course of the next 2 years, I am afraid that anti-parliamentary forces will be released in both political wings. And allow me to state as a warning to the Social Democratic Party: Do not believe that it will benefit you if the task is not solved this time."

Minister of Finance Henning Christophersen described the present situation as "perhaps the last chance we shall get within the next couple of years of solving our problems ourselves," when attending a "Meeting with the Press at Pile Lane" a few days prior to the presentation in the Folketing of the government's action program.

Just like BERLINGSKE TIDENDE, the minister of finance has been focusing on the "welfare system" in the course of the summer. "When I became minister of finance, I put a half-finished manuscript for a book into my drawer. The subject of the book was to be how Denmark has gradually become a fixed and impracticable society--in certain areas directly orthodox and old-fashioned--which is afraid of changes. People have been made irresponsible by the system, and BERLINGSKE TIDENDE's series of articles showed how freedom has become an empty phrase. People have to apply for permission to build a bathing jetty or to move a garage a distance of 2 meters."

"I believe that it, for example, was a fundamental new discovery within the Social Democratic world when Ritt Bjerregaard said that there must be a borderline between collective and individual areas. This shows that thoughtfulness is gaining ground. The welfare system has not always caused happiness but, on the contrary, coldness among people and results in widespread dissatisfaction.

More Competition

"For example, a completely wrong idea has been gaining ground as to who are worst off in Denmark. Small independent business people and tradespeople have living conditions and economic conditions which are far below the conditions which, for example, the members of the Semi-Skilled Workers' Union would be willing to accept. The welfare system has hitherto not been prepared to accept independent business and tradespeople until they had gone bankrupt. Wage-earners getting into difficulties manage their problems far more easily because much social legislation, for historical reasons, has been tailored to them. The risk is that the independent people will be forgotten by the society, both politically and economically. That will be directly dangerous, bear in mind the developments during the years between World War I and World War II."

Many individual persons in BERLINGSKE TIDENDE's welfare series have surprised Henning Christophersen, "but the tendency does not take me by surprise. It is the result of the public sector's lack of built-in control mechanisms. There is not much within the public sector which will incite consumers and employees to change things. That is probably by far the biggest problem."

"An element must be created which may keep the growth within the public sector under control and secure the balance. I find that a stronger element of competition will have to be considered--allowing public institutions to compete among themselves--creating wage systems which will promote productivity, etc."

"One of the problems is that the employer of the public sector is anonymous. Many employees within the public sector find it difficult visualizing the consequences of each of them increasing their demands. They have got used to the idea that the public sector is always able to provide the money even if there are no profits. We need a strong incitement which will make the individual person within the public sector cost-conscious, so that they will become interested in new ways of doing things. The new government has a big educational task in telling the entire population that the welfare system may be preserved in a better and less costly way."

"It certainly would benefit everybody if the public sector, on the one hand, limited its coverage of deficits, for example, within the Danish State Railways and the Postal Services, while, at the same time, giving these state-run enterprises greater freedom to arrange their staff policy, their wage policy and their budgets. I know of ways in which some ministries, through a rather modest investment, may obtain vast operational savings. The only thing is that they are not able, at the moment, to move expenditures from one account to the other--and that is what they must have the possibility of doing."

Henning Christophersen adds that the government has similar considerations, as far as the municipalities are concerned. A complete transition to block grants is being prepared--and thus a cancellation of refunds, at the same

time as greater freedom is given to the municipalities. The minister of finance realizes that the municipalities are subject to strong pressure--one of the reasons being that there is competition among the different groups of organizations to get the largest share of the cake. If the municipalities will not be able to resist the pressure, the government will be forced to consider measures of control via maximum limits and state taxes on the municipalities' overconsumption.

The Fun is Over

"Next Tuesday, we shall tell the municipalities and the counties that they will have to limit their level of services. It will have to be done in the course of 1983 and may be effected without any frightening consequences to the staff since there is a large natural exodus. The first task is to prevent a continued growth in the number of employees within the public sector. In practice, this will in a number of areas have the effect that the number of employees cannot increase--but we are not aiming at a general hiring freeze, for it is impossible to manage that."

"The main task is to shift the resources around in the society. Some of the resources which were earmarked for an expansion of the public services will have to be shifted to the trades and industries earning foreign currency. And jobs which would have arisen within the public sector despite unchanged developments will now have to be created in the trades, in the industries and in agriculture."

"I am sure that the municipalities will be able to handle the task. The fun is over, and the municipalities have seen the writing on the wall. Tornved is just one example of many, and the increase in municipal taxes and depleted cash holdings must be two strong incitements for the municipalities to abandon their casual policies." The problem has probably hitherto been that the politicians, elected by the people, on all levels have been content to look at the final figures rather than finding out the costs of the individual services."

"Nobody knows what it costs to teach a 13-year-old student German in the seventh grade in different places of the country, and nobody can fully explain the vast differences in the costs of, for example, having one's appendix removed."

The minister of finance has become interested in the productivity campaign which has been carried through within the Norwegian public sector.

"We need a higher degree of efficiency because this is a prerequisite for us to be able, in the future, to undertake new tasks within the public sector. We also need to make cost estimates of the individual services within the public sector in order to be able to compare public institutions with alternatives. And there is no doubt in this government that we would like to promote private ownership or alternative possibilities of solutions--for example, contrary to the previous government, we welcome private hospitals."

"A comparison of solutions to public tasks north and south of the Danish-German border, respectively, gives striking results. In South Schleswig, tens of thousands of Danes live with a different welfare system which may not be as good as the Danish system but which is far more flexible and gives possibilities of alternative solutions. We should not just imitate this but keep our eyes open. A number of municipalities are interested in solving the tasks in new ways, and we will be accommodating to them."

The Labor Unions

"The public debate has concentrated on rationalizations within the area of regulations. But the government has also decided to be more accommodating in respect of exemptions in all areas where this is possible. In many places, people have hitherto been turned down in boards and directorates with the words: Here we are, unfortunately, not able to make any exemptions, but that will now have to be changed."

In the same way as there is a need to open up for possibilities of exemption, the minister of finance recognizes that the entire collective bargaining situation within the labor market of the public sector needs to be re-organized.

"If we are to change the Danish society basically--and that we need to do--nothing is sacrosanct. Without this point of departure, we may just as well give up. And we get nowhere if we decide that the content of the collective agreements is sacrosanct. Once the necessity for a change of course has become widely accepted both in the Folketing and among the population, the organizations of employees within the public sector will not oppose it either--for their members are part of the same population."

"I do indeed believe that the employees within the public sector themselves in their everyday life are able to see that rules and regulations have been worked into their wage agreements which have an inappropriate effect. That is why I am looking forward to a friendly discussion of all of these things."

Big Mistake of Social Democratic Party

"It may be said that the government does not have a solid majority behind it now that it is starting to change developments. But I do not want to say that it will necessarily come to live dangerously, for I would like to see the responsible party in the Folketing which will deny or contest the existence of the task."

"We shall not manage to change the picture decisively in 6 or 12 months. But we shall be able to start tackling the task. One does not drive in one direction for 20 years in order subsequently to get back on the track in the course of a few months."

"The most fundamental mistake committed by the Social Democratic Party recently has been to avoid telling people that the welfare society is in danger. The new government would like to make it clear that unless the

development is changed decisively in the course of the next 2 years, we shall run the risk of losing control. And when, later on, the cleaning up will have to be done anyway, the task will become gigantic, and large parts of the nucleus of the welfare society may, at that point of time, become seriously endangered. That is why we need to start now."

7262

CSO: 3613/11

POLL INDICATES MAJORITY SUPPORT FOR LIMITS TO WELFARE STATE

Copenhagen BERLINGSKE TIDENDE in Danish 26 Sep 82 p 8

[Article by Director Asger Schultz, graduate in political science and economics, Gallup Institute]

[Text] In the present economic and political situation, there is, at the moment, a general and widespread expectation among the voters that the development of the welfare state which gathered momentum more than 20 years ago cannot continue.

The voters expect measures of intervention which will inevitably have a deteriorating effect on some aspects, especially the material ones, of what we understand by the welfare state.

- ✓ Irrespective of the unpleasant aspects of this, there is, nevertheless, a widespread feeling that this deterioration is necessary, although this feeling has been even more widespread earlier, viz. after the oil crisis in 1973.

In 1974, the Gallup Institute carried through a study in which a representative section of the adult population, comprising approximately 1,000 persons responding, was asked the following question:

"It has been said that some of our difficulties are due to the fact that the welfare state has gone too far, especially in the areas of the social services and education. Do you find this to be true or not true?"

This question has now been repeated and in the following table the results of the two polls will be seen:

	1974	1982
	%	%
True	63	59
Not true	21	25
No opinion	16	16
Total	100	100

In both 1974 and 1982, in 1982, at any rate, after the publication of the budget, a widespread feeling of an imminent deterioration of the economic

situation prevailed, and, in both of the years, the welfare state became a scapegoat in that a large majority of the people found the cause of the miserable economic situation in what we refer to as the 'welfare state.'

This feeling, however, is somewhat less widespread in 1982 than it was in 1974, and the reason may be habituation. The development of the welfare state has been a decisive political problem, at any rate the rate at which it has developed, and in the following table, the answers, therefore, have been distributed on the basis of political affiliation of those asked:

	<u>True</u>	<u>Not True</u>	<u>No Opinion</u>	<u>Total</u>
	%	%	%	%
To the right of the Social				
Democratic Party	82	8	10	100
Social Democratic Party	51	33	16	100
To the left of the Social				
Democratic Party	28	62	10	100
Other voters	55	20	25	100

Only real leftists acquit the welfare state in this economic context. But even among the Social Democratic voters, whose party is largely responsible for this development, a widespread feeling prevails that things have gone too far, whereas it may not be so surprising that the overwhelming majority of nonsocialist voters charge the welfare state with causing the adverse development.

In 1974 the distributions were as follows:

	<u>True</u>	<u>Not True</u>	<u>No Opinion</u>	<u>Total</u>
	%	%	%	%
To the right of the Social				
Democratic Party	79	11	10	100
Social Democratic Party	53	31	16	100
To the left of the Social				
Democratic Party	37	45	18	100

Apparently, only actual leftists have changed viewpoint and are now finding to an increasing degree that the development within the welfare state is not the scapegoat.

The difference is pronounced and thus shows a situation where the welfare state, on account of the economic pressure, is at a crossroads in a clear polarization between the Social Democratic Party on the one side and the actual left-wing oriented parties on the other side.

Reprinting subject to indication of BERLINGSKE TIDENDE and the Gallup Institute as source.

GOMEZ ANNOUNCES REORGANIZATION OF THOMSON GROUP

Paris LE MATIN in French 11 Sep 82 p 5

[Article by Olivier Peretie: "Reorganization of the Thomson Group"]

[Text] Alain Gomez has effected the real merger of Brandt (consumer products) and CSF [General Radio Company] (professional electronics). Yesterday, Alain Gomez, who for 2 days has held the presidency of both Thomson-Brandt and Thomson-CSF, the electronics subsidiary of the nationalized company, made public the new organization of what will henceforth be the Thomson Group. Six operational divisions divide up the major specialties of France's largest electronics firm, from color television sets to scanners, including radar and telephones. Theoretically, this new organization should help Thomson through its current difficulties.

"Creating a real group simply meant hiding the duality of a legal structure to replace it by a management structure." For Jean-Daniel Pigasse, the new public relations director of the Thomson Group, commenting yesterday on the new organizational structure of the nationalized company, the only problem posed by the new structure is to manage the old entity Thomson-CSF (of which Thomson-Brandt holds 61 percent of the capital) taking private stockholders into account. ...Because the merger between Thomson-Brandt, the founding company as well as the manufacturer of consumer products, and Thomson-CSF, its 51-percent subsidiary specializing in professional electronics, has finally become a reality.

Henceforth, the Thomson Group has six large operational branches, under the management of six associate directors, all of them veterans of the Haussemann Boulevard company [Thomson-Brandt]. The consumer branch (small appliances, television sets, tape recorders, hi fi), which accounts for 29 percent of the group's gross sales (Fr 43.6 billion in 1981), is still under the presidency of Jacques Fayard, 54, a hard-hitting manager and fanatic open sea sailboat racer.

The communications branch (telephone exchanges, home computers, etc), 26 percent of gross sales, remains under the administration of Jacques Darmon, 42.

This finance inspector, an alumnus of X [Polytechnique] and ENA [National Administration School], former manager of Michel d'Ornano's office at the ministry of industry, started with Thomson in 1980 after a short stint with the Willot Brothers [banking].

The systems and detection branch (essentially military plane radars), 21 percent of gross sales, also remains under the administration of its current chief, Alain Bougault, 55, a Polytechnical alumnus. The industry and engineering branch, which accounts for nine percent of gross sales, was to have been given to Guy Brana, who still has the title of delegate manager of Thomson-Brandt, but he is currently vice president of the CNPF [French National Council of Employers]. He is president of the economic commission of the employer organization.

The electronics components branch (eight percent of gross sales) will henceforth be managed by Henri Starck, 54, a Polytechnical alumnus who has been with Thomson-CSF for 21 years, who replaces Pierre-Leonard Mestre, who resigned. Finally, the medical equipment branch (General Radiology Company, seven percent of gross sales) is still under Jacques Fournier, 54, a mining engineer who has been with Thomson since 1960.

In addition, Philippe Giscard d'Estaing has been confirmed as director of international affairs. A Polytechnical alumnus, 54, he is the cousin of the former president of France.

Besides these operational branches, six American-style functional managers will carry out the scientific, financial, legal, sales, etc functions for the group. Pierre Aigrin, a former minister of research under Valery Giscard d'Estaing, will be the personal scientific advisor to Alain Gomez.

This new structure should make it possible to carry out the industrial strategy that the new president will not reveal before the end of the year. It should also make it possible for the Thomson Group, which lost money in 1981 for the first time in its history, and whose losses will be very heavy in 1982--they are talking about close to a billion francs--to regain its equilibrium, though probably not before 1984.

9969

CSO: 3100/974

TAX CHANGES, INCREASES SEE FOR 1983

Athens EPIKAIRA in Greek No 739, 30 Sep 82 p 17

[Excerpts] While the reform of the taxation system (which will make it... more fair) is being postponed until 1983 (with its eventual enforcement in 1984), tax increases which will affect wide strata of the people, are feverishly being prepared. This is the latest news from the "tax" front which will be shaped more substantially immediately after the elections in the context of the new budget on which the responsible officials are already at work.

The Postponement of the Reform

"The tax system in force today will be radically reformed during 1983 for the purpose of simplification, to become more fair and to help in the increase of productivity" stated minister of Finance, Mr. Koulourianos.

In essence, he said that, in the context of this reform:

The tax scale will be modified;

The taxation coefficients will be changed;

The presently existing tax exemptions and loopholes will be reexamined;

The system of family exemptions will be changed.

These changes which will be decided upon during 1983 and will begin to be applied in stages as of 1984.

Burdens

All this means that the taxpayers cannot expect anything substantial in tax relief in the new budget of 1983. On the contrary, it is taken as certain that there will be burdens, either in tax increases or with the imposition of new ones.

In this context--as reported by reliable sources--emphasizes former minister of Finance, Mr. Evert in his statement, that an increase is being prepared in the prices of:

gasoline,
cigarettes,
automobiles,
turnover tax,
stamp tax.

There will also be an increase in the price of tickets (which will be considerable, perhaps doubled); of telephone rates by 30 percent; of postal rates by the same amount; and electric power by 25 percent. Probably these adjustments will be made in two stages and will be aimed at reducing the deficits of the various agencies during 1983, which ultimately burden the budget.

In the meantime, the income of this year's budget will be considerably less than that forecast by the budget. On the other hand, there have been expenses that had not even been foreseen, as Mr. Evert emphasized, referring to the deficit at IKA [Social Insurance Foundation] of 28 billion drachmai; of 12.5 billion drachmai at OKA [Social Insurance Organizations].

Forewarnings

The deputy minister of Finance, while avoiding mention of the details of the tax increase, two months ago revealed the general framework of the new budget and has forewarned the public on what is about to happen with taxes.

9731
CSO: 3521/29

EFFECTS OF JAPANESE CAR IMPORTS STOP NOTED

Athens ELEVETHEROTYPIA in Greek 2 Oct 82 p 15

[Text] If the import prohibition (which until now is only verbal) of Japanese cars becomes effective, there will be significant developments, according to ELEVETHEROTYPIA's reports.

The Greeks will be obliged to turn to the European automobile market. However, the Japanese cars are cheaper (by 100,000 to 200,000 drachmai) than similar European cars of the same horsepower. The difference in price became wider since 1979 when the imports doubled and the special consumer tax for private use cars was imposed.

The Japanese and Japanese-Korean car dealerships in Greece are afraid that they will end up by closing down their operations if the import prohibition is continued. The issue regards the Datsun, Toyota, Honda, Hunday, Suzuki, Subaru, Saehau, Mazda, Isuzu and Mitsubishi.

The Datsun especially, which assembles cars in Volos, where it has a plant, wishes to know whether the prohibition of imports includes the assembly of automobiles in Greece (the engines and frames are imported and the seats and coachwork etc. are made in Volos).

It is to be noted that this is the third time since 1973 that the Greek side has adopted temporary measures to curb the imports from Japan.

This, because in 1981 Greek imports from Japan reached a record peak of 28,839,643,000 drachmai compared to Greek exports of only 1,326,000,000 drachmai.

The trade balance shows a deficit on our side because of not only the extensive and energetic penetration of Japanese products in the Greek market, but also because of our limited export presence in Japan.

Over 80 categories of Japanese products are imported by Greece.

Of the Greek exports, 57.2 percent involve raw tobacco; 7.2 percent, aluminum; 7.1 percent, hides; 5.6 percent, soft shells; 3.3 percent, natural sponges; and 1.6 percent, marble.

In a memorandum to the minister of Commerce it is pointed out that:

"Greece could increase the quantities of exported products and, at the same time, request from the Japanese government an increase in its purchases of large quantities of marble, cotton, tobacco, tomato paste and, eventually, in foodstuffs."

It is emphasized that there is no prohibition in the importation of automobile spare parts from Japan.

In 1979 the share of Japanese cars in the sales of automobiles in Greece was 20 percent and it has now reached 55 percent.

The minister of Commerce, Mr. G. Moraitis, who was asked yesterday about the matter, stated that he will address himself to the problem next week and will examine it in relation to the entire problem of our trade balance with Japan.

9731

CSO: 3521/29

ECONOMIC

GREECE

RISE IN EXPORTS SEEN

Athens TA NEA in Greek 2 Oct 82 p 18

[Text] Greek exports increased by 33.3 percent during the seven-month period of January-July and their value reached 170.2 billion drachmai as compared to 127.7 billion for the same period last year.

Data of the Statistical Service show that the exports to the EEC countries reached 76 billion; to the Socialist countries, 15 billion; to Africa, 16.5 billion; to America, 17.9 billion; to Asia, 31.2 billion and 937.6 million to Australia.

9731

CSO: 3521/29

BRIEFS

SHIPPING INCOME DOWN--Foreign exchange from shipping in June and July amounted to 276 million dollars, compared to 312 million dollars in the corresponding two months of 1981, marking a decline of 11.5%, according to provisional data of the Bank of Greece. The figures for the first seven months of 1982 and 1981 were 964 million dollars and 1,117 million dollars respectively, marking a fall this year of 13.7 per cent. [Text] [Athens ATHENS NEWS in English 3 Oct 82 p 27]

CSO: 3500/301

OVERVIEW OF NATION'S AEROSPACE INDUSTRY

Paris AVIATION INTERNATIONAL MAGAZINE in French 15-31 Oct 82
pp 20-25

[Article by Fausto Alati and Pierre Sparaco: "Two Worlds"]

[Text] The Italian aerospace industry is, more than ever before, in the throes of metamorphosis: its structures, already vastly simplified and streamlined over the past few years, could be in for further modification very shortly, via one final regrouping of its key components. Furthermore, an increasingly activist government attitude is beginning to bear fruit and is itself the main instrument in an international cooperation policy whose long-term ambitions are only now beginning to emerge. Viewed from this angle, Italy is, so to speak, poised between two worlds, insofar as it enthusiastically reaffirms its European vocation on the one hand, while hoping to pick its partners on the other side of the Atlantic. Nor is that hope confined to the United States: it reaches out to Latin America as well. This working approach has thus far produced some enviable results and Italy, once an outsider, is already on the way, little by little, to becoming a major power in European aeronautics.

It is no exaggeration to speak of a phase of swift growth. Last year, the total volume of business done by the Italian aerospace industry made a staggering leap of better than 46 percent to hit 2,200 billion lire. Even in real terms, allowing for inflation, the gain was 23.5 percent, and that is a rate of advance that deserves to be called exceptional, and which can be explained in large part by robust performance in its export sales. Exports' share of total billing has in fact grown from 60 to 70 percent of the total volume of business and, even allowing for the imports necessary to keep most current programs going, the bottom line shows a net profit of 945 billion lire: a boost for the nation's balance of payments that is anything but negligible and which no

doubt helps explain why the authorities in Rome are paying close and constant attention to the aerospace sector.

It is, as we said, a sector undergoing major change once again. That observation fits neatly with the headlines of the past several weeks, since State Participations Minister Gianni De Michelis picked the recent Farnborough Show to make some remarks which, to say the least, occasioned astonishment, particularly among the ranks of Italian exhibitors. Before the year is out, he said, a new integration operation may well be complete. That would reflect a decision to bring about a rapprochement between the country's two giants, Aeritalia and Agusta, themselves the product, in their present forms, of a chain of quasi-mergers among companies in the sector.

There isn't room in Italy for two distinct groups, said Mr De Michelis, mainly because several programs now being planned are competitive with each other, because available budget funds are not enough to do everything, and that therefore some choices must be made. Unification, the minister went on, thus emerges as an irreversible trend, although the goal is flexible integration, bearing the industrial facts of life in mind, and one which will not be confined merely to airframes, but will embrace engines as well. Viewed as a coup de théâtre, it was little short of sensational, in that the various companies implicitly concerned seemed utterly unprepared for this latest step toward rationalization, no specific details of which are yet available.

Will this highly political announcement be followed by concrete action within the next few weeks? It is still difficult to say. Furthermore, when Mr De Michelis refers to hard choices -- without being explicit as to just which ones he has in mind -- he may be thinking primarily, for the immediate future, of the problem of the next generation of 150-seat passenger aircraft. No doubt about it, this is a complicated design but one which, as viewed from Rome, involves two distinct aspects that endow it with heightened importance.

Italy's national airline, Alitalia, hard at work on its fleet plans, is fast approaching the point where it will have to opt for one or the other of the short/medium-range designs in this class. And, although it relishes repeating that it is master of its technical and operational decisions, it is hard to imagine that it will sooner or later order an aircraft other than the one with which the Italian aircraft industry is associated. And that industry, in this connection, stands at a crossroads, pulled at strongly by both Europe and the United States.

Another comment by Mr De Michelis, while he was still at the Farnborough fairgrounds: there are two working hypotheses, that of Boeing and that of Airbus Industrie, and apparently the third.

that of McDonnell Douglas, has been dropped for the moment. It is, however, a burning issue, and even doing nothing would be tantamount to making a choice. All the foregoing amounts to a strong indication that it will not be long before the Italian aerospace industry lets its voice be heard.

Rationalization

Whatever the new developments on the horizon may be, they will clearly constitute an expansion of the sweeping rationalization process that has already affected most of these companies, which, we should bear in mind, are mainly under state control. Most of all, though, it should be emphasized that Italy is thereby serving notice of its intention of establishing a real aerospace policy.

This comes as marked contrast with the past: for some 30 years or so, the oversight authorities had shown nothing but indifference. Yet, just of late, we have seen a complete turnabout, with emplacement of a cadre group with specific assignments, with financial aid, with incentives to exports, with expedited payments of sums owed by the armed forces. In July 1979, furthermore, Italy established the National Air and Space Research Center (CIRA), sponsored by the Interministerial Economic Planning Committee (CIPE). That done, a working plan for the Industry Ministry was approved, along with adequate funds for coordination.

In addition, the aeronautical sector found itself in just the right position to be eligible for financial assistance provided by the industrial reconversion act, which got new appropriations at the same time. Then, in February of this year, Parliament enacted a law calling for financial aid on behalf of research in the cutting-edge sectors and, even more recently, it got a bill that would provide aid for exports and for participation in international programs. A national space plan, with 352 billion lire in funding over the 1982-1986 period, was also approved.

Meanwhile, the Italian aeronautics companies kept right on working, relying mostly upon themselves, and thereby chalking up a record which was to be improved still further in the future. We reported at the start of this article that last year's billing was a major leap forward, while the industry payroll of 42,000 increased by 3.2 percent. Speaking of jobs, in fact, it is also significant to find that the share of Italy's Southland in those jobs rose from 39 to 41 percent.

This first accounting may thus be viewed as most encouraging, particularly against the overall context of a troubled economy. In addition, recent industry decisions, most particularly in the domain of carrier aircraft on the one hand and of Italian-designed aircraft engines on the other, will perforce help close some major gaps whose origins date back to the immediate postwar era.

B-767 and ATR-42

Of course, it should be pointed out at the start that Aeritalia has a hand in the Boeing 767: that twin jet is now in service, and the production lines are just moving into full-scale operation. That will be a long-range operation, from the Italian perspective, since the Italo-American association dates back to the days of the first feasibility studies, and since the decision to go ahead with the deal taken in Rome in 1975 marked a major turning-point, involving as it did concrete legislative action on behalf of the aeronautics industry.

Although it is not quite so spectacular, the ATR-42 program is every bit as important. It was launched jointly by Aeritalia and Aérospatiale with a flying start on the market, and it contributed to Italy's re-emergence in the carrier market even as it demonstrated the industry's willingness to share the new activities between European and American partners. It remains to be seen what the outcome will be in the market wars over the "150-seaters."

In the propulsion area there is another milestone to mark. Alfa Romeo has reached the certification stage in Italy and in the United States for its turbo-prop AR-318, designed for business use, transport, and training, and will be the starting-point for a family of engines whose applications will include helicopters and missiles. While the Neapolitan company pursues its course, FIAT and Piaggio have chosen a road new to Italy as they move into auxiliary power units (APUs), the former working with Plessey, the latter with Microturbo. FIAT has meanwhile come up with an APU of its own design, the FA 150, or "Argo," (143 hp, weighing a mere 42 kilos), which it is pushing for the AMX support aircraft.

Again, it is FIAT that will act as prime contractor for production of the engine chosen to power the Italo-Brazilian AMX, the Rolls-Royce "Spey" Mk 807, in collaboration with Alfa Romeo and Piaggio. FIAT is also working on the development and production of the Pratt & Whitney PW 2037, while Alfa Romeo is working with General Electric on the CF6-80 and Piaggio joins Rolls-Royce, this time in production of parts for the RB-211-535, Rolls-Royce's "Gem" turbine engine, which powers the new Agusta A-129 helicopter, the "Mangusta," also built under a licensing agreement by Piaggio.

In addition to the programs we have already cited, what trump cards does Italy hold right now? First of all, there is Partenavia, which just recently moved back into the ranks of the Aeritalia group, of which it is a separate operational unit. Its efforts are resolutely trained on the market of class-three aircraft, which would enable it to round out the bottom portion of the slot the ATR-42 is aiming at.

Partenavia is still building the "Victor," a low-cost twin-engine craft suitable to a wide range of utilizations, civilian as well as military, including maritime surveillance, for which a seaplane version is already on the drawing-board. Furthermore, the turbo-prop AP-68TP, which got its airworthiness certificate in June, is already sure of fairly good sales, which is another indication of the Neapolitan company's new start.

Next comes a markedly more ambitious program, the APX, since renamed the P-78, the first Italian air transport plane entirely designed in the Mezzogiorno, from airframe to engines. With a capacity of 18 to 20 passengers, it will be powered with two Alfa Romeo AR-318 engines.

SIAI-Marchetti, a company that has recently become part of the Agusta group, has begun marketing of its twin-engine Generalavia SF-600, designed by Stelio Frati. It is classed as a utility aircraft and, in its passenger version, can seat nine. A later version will increase the seating capacity to 12, while an amphibious version, the S-700 "Cormorano," also powered by twin AR-318s, is waiting in the wings. SIAI-Marchetti's design division is also contemplating increased-capacity transports that could attract the third-level carriers.

Finally, and still in the civil aviation sector, Piaggio, after doing very well with the P-166 design, especially with its latest version, the DL3, is now considering updating its offerings with high-performance twin turbo-props. A number of projects are undergoing simultaneous review, and Piaggio is waiting for reactions from potential buyers before making its final decisions.

"Tornado" and AMX

Panavia's Tornado production has now settled down at cruising speed, and it represents a major volume of output for Italian industry as a whole. The production slowdown as a result of budget problems in Great Britain and West Germany has had very little impact on Italian production schedules. This large-scale operation thus continues under conditions that make it possible to shift some of the load to the Italo-Brazilian AMX, which involves primarily Aeritalia, Aermacchi, and Embraer. There is no lack of either audacity or ingenuity in this association, particularly since it is accompanied by a considerable transfer of technology from Italy to Brazil, under conditions which, 2 years after the agreements were signed, have visibly evoked great satisfaction in industry, Air Force, and governmental circles.

As for Aermacchi, it continues to chalk up remarkable success with the latest developments in its MB 326/339 line. Recently, for example, Peru picked the MB 339, including the single-seat 339K "Veltro" 2, mainly for its operational requirements, of course, but also to lay the foundations for a national aeronautics industry of its own, when it placed an order for a minimum of 60 aircraft.

While the outlook for the Aermacchi line is rosy at least through the 1990-1995 horizon, the competition on the market for training and light support aircraft of this class is unquestionably very tough. And, paradoxically, one of the elements in that competition is Italian: the SIAI-Marchetti S-211. An aircraft that falls into a little different category, of course, but which is nevertheless a disturbing element. That being the case, it is surprising that Aermacchi and SIAI have not managed to find some common ground that would enable them to make joint bids on the export market. SIAI can do as much by offering both the S-211 and the SF-260TP, or again the C-22J, the mini-twin-jet that was the object of a co-production agreement with Caproni-Vizzola. It is an innovative aircraft, which is also offered in a C-22R version for reconnaissance and electronic warfare. In a way, you could call it a piloted RVP, that can take off from a ramp installed on a truck as part of a mobile control center.

This electronic warfare design also crops up in several versions of the Aeritalia twin-engine G-222, with contributions from the Elettronica and Meteor companies: an Italian-built "mini-AWACS" that has already aroused keen interest abroad, most particularly in the Middle East. Applications to fire-fighting, calibration, and electronic counter-measures illustrate the versatility of this aircraft, although there is nothing new in its design, except that it is powered by a Rolls-Royce "Tyne" instead of the Allison T64P. It has been bought by several foreign clients.

Whirlybirds

Agusta today holds a de facto monopoly, in Italy, on helicopters through its mother company, Agusta Costruzioni Aeronautiche and Elicotteri Meridionali, its American subsidiary, Agusta Aviation, and its participation in the Anglo-Italian corporation, European Helicopter Industries, founded with Westland. After it comes Breda Nardi, which produces several Hughes models under license.

The Agusta line consists of no fewer than 12 basic models, including its latest offerings: the AB-412, developed jointly with Bell, the A-129, and, just a little while ago, the new N-1 version of the Sikorsky S-61. That brings the Sikorski back to Italy for the entire world market, in a version that has seen several modifications since it got into the Italian builders' hands. It amounts to an intermediate solution, pending introduction of the tri-turbo EH-101 Agusta/Westland from EHI, which will, when the time comes, replace the "Sea Kings" now used by the Italian and British navies.

British commitments vis-à-vis the EH-101s were spelled out and confirmed not long ago, and, in the light of the Falklands crisis, an advanced alert version may be developed in addition to the sundry variants already on the drawing-boards. The "Mangusta" A-129, further, is well worth some major efforts and a considerable share of research and development investment which, for the

Agusta group, come to 250 billion lire for the 1982-1986 period. The A-129 is the most advanced anti-tank helicopter to be built outside the United States, Agusta claims, adding that its performance tops that of its heavier competition, despite a markedly smaller pricetag.

The Italian Ground Forces are awaiting delivery on 60 of the new choppers, while the outlook for sales abroad is reportedly excellent. The same may be said of the A-109 "Hirundo," which has been developed in a medical evacuation version that made its first appearance just recently at the specialized Medicaire show in Geneva.

Electronics and Equipment

Selenia is racking up some remarkable wins on the traffic control systems market: more than 350 installations abroad in 26 countries, including the USSR, which adds up to a fifth of all world markets, with the exception of countries which have industries of their own capable of designing this sort of equipment. Selenia is also visibly present in the space market, in such projects as Intelsat IV, Italsat, and L-sat.

The same could be said of FIAR, although it is better known for its on-board radar, like the one used on the "Tornado," the F-104S, and, shortly, the AMX. FIAR also acts as Italian distributor for the Rockwell Navstar navigation system and GPS receivers.

Electronic countermeasures are a recognized specialty at Elettronica, which produces an enormous range of them: "Colibri," for helicopters, "Aries" for aircraft, the ELT-457 system, pod-mounted on the MB-339, and the ELT-555, built for Spain. Selenia also produces ECMs for aircraft, while in optronics the dominant names are OMI (Agusta group), Aeritalia, and Microtecnica.

Microtecnica, to which we owe the foresighted constitution of the CIRSEA consortium, is an excellent illustration of the progress Italian equipment manufacturers have made; they are also putting forth major efforts in the area of technology transfers of aerospace technologies to other sectors, and the most successful among them at this innovative game are Nardi and Magnaghi.

Italy's own space agency, the ASI, which will shortly come into being, promises some interesting prospects. As contemplated in a bill introduced in Parliament by the Ministry for Research, its mission will be to manage a national space program which, for the time being, will be governed by a national research council. Its thrust, as currently envisaged, will bear primarily on telecommunications and construction of a scientific satellite. Meanwhile, Italy is an active participant in the European L-SAT program, and is building Italsat, a direct TV satellite which will be put into orbit by the Ariane launcher.

IRIS (Italian Research, Intermediate Stage) also serves as an illustration of recent developments in space activities. It is responsible for the only non-U.S.-built propulsion system aboard the NASA shuttle, designed for orbital transfer of payloads weighing as much as 900 kilos. Collaboration with the United States is intense, but that does not prevent Italy from hanging onto fourth place among the countries involved in European Space Agency programs, plus financial participation equal to Great Britain's (100 billion lire this year alone). The Sirio-2 satellite has now become a European program, but it unfortunately sustained some damage last month in the failed fifth flight of Ariane.

On the whole, there is a lot of steam in the industry, and it is supported by a consistent government policy that is markedly more activist than in the past. All of this puts Italy between two worlds, but that by no means indicates any slackening in its determination to strengthen its position as a full-fledged European partner.

6182

CSO: 3519/84

✓ INDUSTRY LEADERS SEE PEAK REACHED IN UNEMPLOYMENT RATE

Stockholm DAGENS NYHETER in Swedish 5 Oct 82 p 6

[Article by Bjorn Anders Olson: "Declining Number of Jobs in Industry; Skilled Workers Also Affected"]

[Text] Fewer and fewer are working in industry. The cutback of personnel will continue this year and next. Increasingly more companies expect cutbacks in operation. There is also no longer a shortage of skilled workers.

There are gloomy announcements which are evident in the latest quarterly barometer by the Market Research Institute.

The only ray of light is that industrial production is expected to increase somewhat next year. The increase will start from a very low level, however.

Bottom Reached

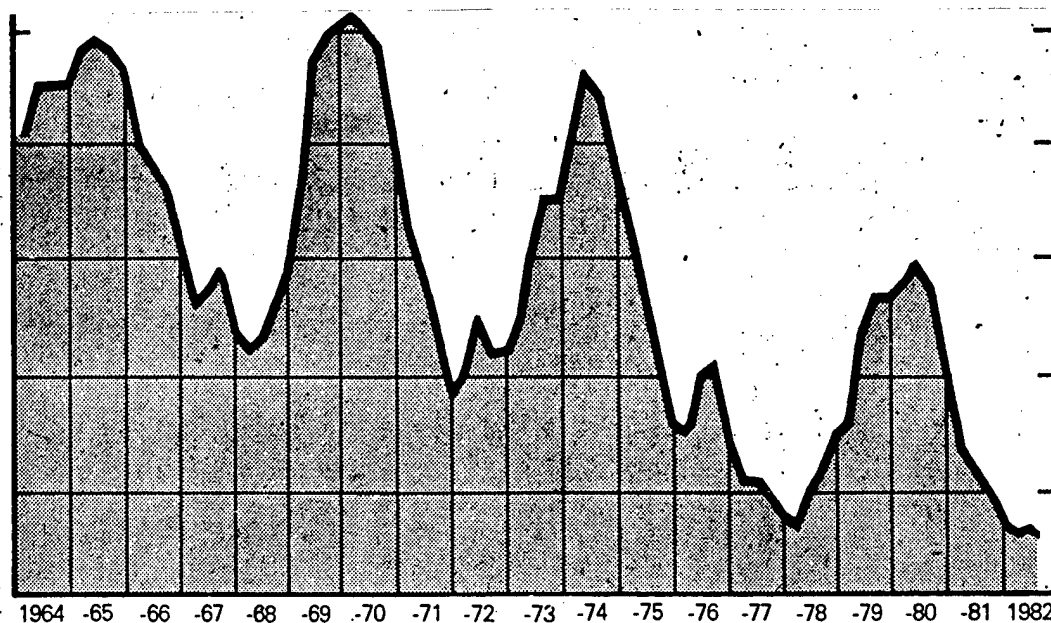
However, industry anticipates that the bottom has more or less been reached. It is not believed that the number of new orders will drop even further during the fourth quarter of this year. And even if employment is expected to decrease next year, industry still believes that production will definitely be above the present level.

It is still the weak economic situation abroad that influences the weak position of industry. But the flow of orders from the domestic market is also weak, even weaker than the already modest expectations of industry.

Nearly all types of industry have been affected by declining demand this year. However, for the fourth quarter industry can be divided into two different categories:

- 1) Foodstuffs, textiles, leather, shoes, sawmills, building carpentry, the cement and mineral industry, as well as the other wood products industry anticipate a negative development.
- 2) The engineering industry, above all the electrical manufacturing industry, non-iron metals industry, rubber industry, the graphic industry, wallboard and furniture industry believe in a brighter future than what currently prevails.

The Industrial Economy in Sweden 1964-1982



This is the development of the utilization of resources in industry since the mid-1960's; 1965, 1970 and 1974 were peaks, and a small recovery took place in 1980 as well, but since then the curve has been in a constant decline.

The development seems to be the same regardless of whether the companies are aimed at export or at production for the domestic market.

However, the building carpentry and cement industries, among others, seem to have been able to compensate for declining demand in the domestic market by increasing their exports.

Few Orders

Altogether, more than 60 percent of the approximately 2,000 companies polled say that the volume of orders on hand is too small.

Going into the third quarter the companies were largely anticipating an unchanged production volume. Instead, a clear decrease in production was the result.

For the fourth quarter the aim seems to be directed toward a slight but nevertheless drop in production as a whole. This means continued lower production in, among others, the iron and steel mills, machine industry, metal goods industry, paper mills, building carpentry and cement industry.

On the other hand, the electrical manufacturing industry, instrument industry, non-iron metals industry, pulp industry, furniture industry and paper goods industry expect increased production during the remainder of 1982.

Next year most branches of industry anticipate an upturn but with a few distinct exceptions. Production will be markedly reduced in, among others, the electrical manufacturing industry, building carpentry, cement and other mineral goods industry and for the shipyards.

Despite the weak economic situation and the resulting drop in demand, the companies were in general able to reduce their inventories of finished products. This does not apply to iron and steel works, however.

Large Inventories

The raw material inventories are judged by most companies to be much too large. The exception here is the sawmills, which believe they have too small raw material inventories.

The weak economy has also affected pricing.

This applies above all to the processing industry, where price cuts had to be posted to an unexpected extent. The engineering companies were not able to implement planned price increases.

Overall, the barometer of the Market Research Institute gives the impression that the bottom has now been reached, although the Industry Association in a commentary says that the decline will continue. According to the barometer a weak recovery with increased production will take place next year. But employment in industry will continue to drop.

11949

CSO: 3650/11

PQ'S REVIVAL OF INDEPENDENCE OPTION CRITICIZED

Montreal LA PRESSE in French 4 Sep 82 p A 6

[Editorial by Michel Roy: "The PQ's Dream To Counter the Crisis"]

[Text] Making the return from the summer vacation, the Parti Quebecois [PQ] is renewing its option for Quebec's independence, more vigorously, presenting it this time as a tool against the economic crisis. As a result, it is becoming clear that the next general elections, in 30 or 40 months, will be a referendum. The prime minister is open about it: "We are risking our necks, hence the importance of preparing ourselves immediately."

It is a surprise that a political party made up of so many intellectuals, economists, and strategists should arrive at such a conclusion. Either it is the lack of realism of a group that is misanalyzing the realities of our time, or a demonstration of demagoguery. It is the responsibility of the militants to fight the planned campaign that is being proposed to them in the document put out this week.

In other words, the originators are holding Canada's federal regime responsible for the powerlessness to which the deep recession has reduced Quebec. From this it follows that, by wrenching itself away from Canada, the province, finally free, would be much better able to protect itself against the depression. This thesis does not stand up very well under an examination of the facts.

Because, someone would have to explain to us what has happened to the virtues of the economic association which, even in its modified version of last February, provides for close interdependence and an extensive integration of the economies of Quebec and Canada: a monetary union, a common market, and joint institutions. Would a Quebec politically sovereign and economically associated with Canada be less vulnerable to the effects of the crisis and better protected against unemployment, the escalation of interest rates, and fluctuations of the dollar? No, unless the PQ announces that it has dropped sovereignty-association and is ready to choose pure and simple independence. Should this happen, Quebec people would be no less a part of North America and its economy. A world crisis would not spare them any more than it is sparing Mexico.

Under the current regime, people expect the government to exert itself with the resources and powers that it possesses to limit the ravages of the recession then, when the situation recovers, to carry out sweeping reforms with the various economic organizations in order to adapt Quebec's industry to the challenges of the technological era. Bernard Landry put out a timely publication on the issue: no Canadian law prohibits Quebec from implementing these changes, any more than it is forbidden to step up campaigns to increase productivity and promote the concept of national solidarity in the social order as well as in the economic area.

But one fears that the PQ, in an effort to achieve its goal in the next elections, and in order to persuade Quebecers that the evil is primarily federal, will doom itself to carrying out a policy of the worst with Ottawa. But, alone with a large part of the world, we are faced with the worse trials since the thirties. How can one not see that the independence inherent in economic association suggested by the PQ in its original program is already being practiced and much more so in the federal regime, for example for 1 million unemployed and welfare recipients in Quebec?

In a period of recession, federal transfers to the provinces necessarily increase. Hence the moment to convince citizens that breaking the federal tie is an effective answer to the real needs of the people has been curiously chosen. And the legal attack that the PQ is instituting against the Canadian Government in its document, taking it to task for its management of the crisis, is directed against Washington and the European capitals as well. How would one think that Quebec, thanks to independence and the PQ, would miraculously escape the storms that are unsettling the industrial world?

The PQ is right in pointing out that historically the Canadian regime has not promoted the development of the east and the industrialization of Quebec. But people must stop mistaking the characteristics of the federal regime with the sometimes colossal political errors of the men who were the prime movers or the profiteers over the years or with the objectives of the prominent figures who, still ruling it today, have debased its nature.

In this country, it remains possible and highly desirable to bring about an effective rearrangement and to reform the structures so that the regions recover, at the same time as the necessary powers, the means for exercising them. This is a debate that will need to be taken up again during the next campaign. Until then, the government of the PQ cannot duck the mandate that is received in April 1981: to govern at its best within the Canadian regime. The crisis itself makes it even more incumbent on it.

9064

CSO: 3100/991

PQ SAID TO BE SEEKING 'SECOND WIND'

Montreal LA PRESSE in French 4 Sep 82 p A 9

[Article by Pierre Vennat: "The PQ in Search of a Second Wind"]

[Text] The PQ [Parti Quebecois] is getting ready for a year of "reflections" and "resourcefulness." These two words were used this week by a party spokesman, called on to comment on the fall strategy.

Meanwhile, the liberals are monopolizing the scene. Everybody knows that a leadership conference makes people gossip. Unless it leads to irreparable differences, it often constitutes an excellent public relations activity. Already, for a month the liberals have been giving the impression of being in search of a revival. The PQ, which has the disadvantage of being in power, being exposed to criticism, should, however, avoid appearing winded.

At the PQ office, people do not seem too concerned by the fact that public opinion's cameras are fixed on the liberals. They are even trying to make people think it is better this way. People, they claim, could get "liberalism" indigestion in the end. No elections for a year, possibly even for 2 or 3 years? People think it will be possible to mobilize followers around two debates of importance within the party: the eventual entrance onto the federal scene and the next election, which should deal with sovereignty. They hope to succeed in arousing in-depth thinking on these topics and not just exact actions.

The Federal Wing and Sovereignty

With regard to the party's entrance onto the federal scene, the party will have the opportunity, beginning next 13 September, to find out if the debate is likely to mobilize the members. Because each county organization must hold a general assembly between now and the end of October to sound out the party membership. To do so, the assemblies will have at their disposal a synthesizing document prepared by a special committee chaired by the party's vice president, Sylvain Simard.

The latter informs us that such a decision cannot be improvised. If the PQ decides to enter the federal scene, it will need an electoral committee, a platform, and appropriate organizational structures. It will be a matter of a long and exacting task.

Those who support this idea, like the political scientist Denis Moniere, for example, think this will be an excellent opportunity to mobilize the militants. But, as the authors of the synthesis document also bring out in enumerating the "pros" and "cons," there is some danger of frittering away energies. Nevertheless, it would be aberrant for the PQ, falling fast in the polls over the last few months, to devote more energies to getting a handful of deputies elected in Ottawa, where they are doomed to have only an opposition role, than to winning the next elections in Quebec.

A Thematic Election

It has been promised that, during these elections, it will not just be a matter of defending the "right government." Instead they will try to procure a mandate in order to negotiate sovereignty. Hence the inhabitants have to be persuaded. On this subject, the polls are hardly encouraging. In a period of economic crisis, Quebecers prefer to hear about recovery and jobs, rather than new constitutional structures. Hence the party's challenge is to persuade the voters that "sovereignty" and "economic recovery" are synonymous.

The first step in this direction: this week a summary of the party's platform was distributed to "Pequiste" deputies. The document is destined to be widely circulated. Last June, during the PQ's last national council meeting before the summer vacation, a party committee had concluded that the party's platform was so dry that nobody read it in full. Perhaps the platform summary will catch on more with the militants, but, considering its style, it is not expected to become a best-seller outside the party. Just like similar documents published by the other political parties.

"The Quebecers, men and women, want to live and work at home, in Quebec. But the economic conditions that have been created for them in the federal context have more often given them unemployment insurance benefits than decent salaries," one can read in the 'Pequiste' platform summary. Hence they will try to convince Quebecers that by changing political regimes, they will line their wallets. Within the party, this month's general assemblies will constitute a preliminary test. Then, at the end of October, the national post-vacation council meeting will be devoted primarily to the party's involvement on the federal scene.

In November, taking into account the governmental performance, how negotiations look with the public sector, and the liberals' progress in looking for a new leader, we will begin to know if the PQ has succeeded or not in finding a second wind.

9064

CSO: 3100/991

PAPAIOANNOU EXPRESSES BELIEF IN RAPPROACHMENT

Nicosia KHARAVGI in Greek 23 Sep 82 p 1

/Text/ In an interview he gave to Erten Kasimoglou of the weekly periodical OLAY, AKEL Secretary General E. Papaioannou said that the rapprochement of the Greek and Turkish Cypriots will help achieve a friendly solution for an independent, non-aligned, territorially integral, federated and demilitarized Cyprus. He pointed out also that the Turkish occupation should be terminated, all foreign troops should leave the island, all Greek and Turkish Cypriots should return voluntarily to their homes and an account of missing persons should be given. The interview is as follows.

Question: Because of the increasing economic embargo the Greek Cypriot government is imposing on the Turkish Cypriot community and because it intends to bring the Cyprus issue to the UN, the inclination "to declare an independent /Turkish Cypriot/ nation" is strengthened and this matter is broadly discussed even in the rural areas. What are your views on this subject?

Answer: Your question does not conform to the present reality. First of all, you call the Cypriot government "Greek Cypriot government" knowing full well that this government is recognized by the UN as the constitutional government of Cyprus. Then you speak about an economic embargo "of the Greek Cypriot government" on the Turkish Cypriot community when you know well also that such embargo does not exist and that the exact opposite is true. As a result of the invasion and occupation of 37% of the Cypriot territory by the Turkish army, almost 200,000 Greek Cypriots were ousted from their homes and properties and became refugees within their own fatherland. Now we are informed that Denktash issues ownership titles to Greek Cypriot properties /to Turkish Cypriots/. The Cypriot government, however, has taken all necessary measures and has protected the Turkish Cypriots' properties which are waiting for the return of their owners.

Question: Is not the imposition of the economic embargo on the Turkish Cypriot community an obstacle to the solution of the Cyprus problem?

Answer: Never in the past has AKEL been, or is it now, a chauvinistic party. We have never hated or are we about to hate the Turkish Cypriots. Our party is a party of the working class of Cyprus. For us the Turkish Cypriot workers and working people in general are equal to the Greek Cypriot workers and working people. No one can accuse AKEL of mistreating in any way even one Turkish Cypriot. We have always considered the Turkish Cypriots as Cypriots and we believe that

they should have the same rights as the other Cypriots. We shall continue to struggle so that this principle may prevail. We support the harmonious cooperation between Greek and Turkish Cypriots. We support the rapprochement and the peaceful solution of the Cyprus problem based on an independent, sovereign, territorially integral, federated, non-aligned and demilitarized Cyprus.

This means that the Turkish occupation must end and that all foreign troops should be withdrawn; that the Greek Cypriot and Turkish Cypriot refugees should return voluntarily to their homes in accordance with the UN resolutions; and that an account should be given concerning all missing persons.

Imperialism and foreign occupation are the common enemy of the Greeks and Turks of Cyprus. When all concerned understand this, then the Cyprus problem will be solved in the best interests of the Greek and Turkish Cypriots.

AKEL will continue its struggle for this noble objective and it is certain that several Turkish Cypriots are thinking the same way.

7520

CSO: 3521/22

NO DATA PUBLISHED ON PRIVATE WEAPONS IN AKEL

Athens I SIMERINI in Greek 3 Oct 82 p 3

/Text/ Minister of Interior Veniamin refused to give any information concerning the armed persons on AKEL's payroll whose existence has been accepted by party Deputy Secretary General Fandis. Veniamin refused to answer to questions by Democratic Rally /DISY/ Deputies Nikos Anastasiadis, Avgerinos Paparekas and Khristos Solomis who wanted the House of Representatives to know:

- a. How many armed guards does Papaioannou /AKEL's secretary general/ have and who are they?
- b. Is there any other party leader with armed guards and how many?
- c. How many weapons /does AKEL have/ and to whom were they given?
- d. Who decided and on the basis of what criteria were police guard weapons given to AKEL's leadership?
- e. Are such actions consonant with the public's interest or do they in reality create an infrastructure for a private party army?

Veniamin agreed that the police gave weapons to AKEL-paid persons but avoided giving the exact number of those bearing arms and that of the AKEL officials being guarded. In his answer, read during the first session of the House last Thursday, Veniamin claimed that it was considered necessary to have the police select a number of persons who were given revolvers and assigned as guards to some AKEL cadres in accordance with the provision of the law on police. He added that the revolvers were given by the police to specific persons and not to AKEL's leadership. "Both the revolvers and the ammunition, 12-15 bullets per gun," said Veniamin, "as well as the persons holding them are under the full and continuous supervision of the police. The assignment of police for guarding AKEL leaders dates from 1975!"

Finally, the minister said: "It is outside of reality for one to claim that the legal possession of revolvers by a limited number of persons who are under the full and continuous control of the proper authorities could be an infrastructure for a private army."

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CSO: 3521/35

NON-ALIGNED STATUS DOUBTED, LAMENTED; GREECE LOOKED UP TO

Nicosia I SIMERINI in Greek 25 Sep 82 p 3

/Article by Khar. Kharalambidis: "Cyprus, Non-Aligned and Greece"

/Text/ Speaking as premier in the Chamber of Deputies shortly after Attila's hordes invaded Cyprus, Greek Republic President Karamanlis said a great truth: "Cyprus would not have been invaded had it not been non-aligned." The political leaders of Cyprus did not pay as much attention as they should to this statement by the leading political personality in Greece today. This statement should instead be their political axiom and a course of direction for their actions because if they open their eyes and discard their self-illusions and if they cease to deliberately shut their eyes they will see the naked truth and they will ascertain that Cyprus was indeed invaded because it was non-aligned. And those who insist that the non-aligned policy followed by Cyprus is the soundest and most appropriate are politically nonsensical because today, whether we like it or not, non-aligned countries do not really exist.

If we glance at the movement of the non-aligned we shall easily find that the movement itself is aligned one way or another with the two large military-political camps of the East and West. Besides the fact that two non-aligned countries are today at war (Iraq, Iran), the rest of the non-aligned countries depend directly or indirectly on the East or West. Who doubts the fact that Cuba, Syria, Libya and other "non-aligned" countries are aligned with the Soviet Union and that they are its satellites and beachheads in the area of the so-called Third World? Who can say that Egypt, Saudi Arabia, Sudan and other countries do not depend on the United States and do not promote the positions and ideas of the West in the area of the non-aligned nations? Who can argue that Cyprus does indeed follow a non-aligned policy and that it is not committed to both the East and the West? The trouble with us here in Cyprus is that while we are connected to a large extent with the West, while we belong to the Council of Europe and EEC, both of which are creations of the Western world, we continue to insist that we are non-aligned and on many issues, like Afghanistan and Poland, we take a position against the West thus harming our own national issue while we condemn the dictatorial regimes in Chile, Salvador and Turkey. We refuse to condemn the regime of the Jaruzelski junta which is persecuting every freedom--freedom of speech, freedom of expression, freedom to establish unions--and has filled the prisons with union leaders. We proclaim that we belong to the West and that we have a common cultural heritage with it, yet we also keep company with the East.

In the end what do we achieve? Absolutely nothing. On the contrary, we harm ourselves since no one trusts us, no one is willing to support us wholeheartedly and to risk his own interests for our sake. Thus we have neither real friends nor allies and we are becoming the football of every chancellery and the victim of every rapacious power. We suffered what befell us exactly because we wanted to call ourselves non-aligned and we did not try to make real friends and allies. Our only steadfast, sincere, unselfish, wholehearted ally and supporter is Greece. But we reproach, insult and deride even Greece which suffers with us and remains our only supporter.

Recently, Greece has been repeatedly reviled and insulted here in Cyprus. Not because it refused to help us but because, on the contrary, it has shown exceptional interest in us. Our government, however, refused to condemn this disrespect and ingratitude by its ally AKEL toward Greece. As late as 2 days ago AKEL theoretician Nikos Koutsiridis characterized a pan-national conference under Papandreu's chairmanship as an intervention in the internal affairs of Cyprus and as an action to abolish its independence. Also, the questions raised are of concern: Until when will the government continue its ambivalent policy of "non-alignment?" Until when will it remain without friends and allies? Until when will it criticize even Greece itself which is our only support?

7520

CSO: 3521/35

BRIEFS

MORE STRINGENT FOREIGN CONTROL--Minister of Interior and Defense Khr. Veniamin asked for more stringent control of aliens and ordered the Passport Division to prepare him a list of all aliens in Cyprus since their number has increased considerably recently. According to our information, the division's personnel worked almost until midnight last Wednesday to prepare the list on the basis of data in its files. A conference of high echelon police officers was held 2 days ago at police headquarters which studied more stringent ways and means for controlling the aliens. Already, a platoon under Mikhalakis Patsalidis has been organized for this purpose. /Text/ /Nicosia O AGON in Greek 9 Oct 82 p 17 7520

ALLEGED AKEL INTERVENTION IN MILITARY--AKEL has stopped the sending of three candidates to Greece's military medical school by forcing the Ministry of Defense to rescind its decision despite the fact that examinations were held and a list prepared of those who passed them. According to reliable information, Greece had granted three scholarships for military physicians and the Ministry of Defense held entrance examinations. A large number of candidates took the examination notwithstanding the fact that the number of scholarships was limited. Instead of announcing the successful candidates who would go to Greece, the ministry revised its decision and voided the results. According to I SIMERINI reports, in justifying its action the ministry claimed that its needs are met by the medical staff presently serving. Yet the action aimed at satisfying an AKEL request for placing in the National Guard graduates of medical schools in Eastern countries. Responding to a question, the government spokesman agreed that the examination for granting scholarships to military doctors did take place but that, finally, the Ministry of Defense decided that its needs are met by the military doctors presently in service. /Text/ /Nicosia I SIMERINI in Greek 25 Sep 82 p 17 7520

DISK, ESAK, PEO PEACEFUL INTENTIONS--The syndicalist delegations from Turkey (DISK /expansion unknown/), Greece (United Anti-dictatorial Labor Movement) ESAK and Cyprus (Pan-Cyprian Federation of Labor) PEO which participated in the Berlin, West Germany, conference of people working in textile, clothing, leather and fur industries, held a special meeting on 20-24 September to discuss the situation existing today in the Middle East. More specifically, they discussed the situation in Greece, Turkey and Cyprus. The delegations expressed their undivided support and solidarity for Turkey's workers and people who are struggling against the militarists. They condemned the dictatorial regime and asked the lifting of the military measures and the return of Turkey to democracy. They also asked the restoration of syndicalist rights and freedoms and the immediate freeing of the

DISK syndicalist leaders and others. With regard to the Cyprus question, the delegations are unswervingly in favor of the anti-occupation and the anti-imperialist struggle the Cypriot people is conducting today. They believe that the Cypriot problem was created by American imperialism, the CIA and their agents in Cyprus, Turkey and Greece. They believe that the Cyprus issue can be solved peacefully through an inter-communal dialogue on the basis of the UN Security Council resolutions. They, moreover, support a unitary, independent, federated, demilitarized and territorially integral Cyprus. [Excerpt] [Nicosia KHARAVGI] in Greek 29 Sep 82 p 17 7520

NEW PARTY PA.A.SOK--Theofanis Paraskeva, the known candidate in almost all parliamentary elections, announced yesterday that he had founded a new party--the Pan-Cyprian Agrarian Social-Democratic Party [PA.A.SOK] and that he intends to be a candidate in the coming presidential elections. [Text] [Nicosia O FILELEV-THEROS] in Greek 5 Oct 82 p 107 7520

CSO: 4621/35

CONSERVATIVES POST LARGE GAIN IN POLL, LIBERALS DECLINE

Copenhagen BERLINGSKE TIDENDE in Danish 3 Oct 82 p 10

[Article by Solveig Rødsgaard: "Still Nonsocialist Majority"]

[Excerpts]

POLITICAL INDEX

Question: Which party would you vote for
if an election to the Folketing
were to take place tomorrow?

Poll Taken:	8 Dec	March	May	Aug	Sep
11-28 September 1982	1981	1982	1982	1982	1982
Social Democratic Party	32.9	32.4	30.9	32.6	33.9
Radical Liberal Party	5.1	4.6	3.8	4.4	4.2
Conservative Party	14.5	14.6	14.8	15.2	19.3
Single-Tax Party	1.4	-	-	-	-
Socialist People's Party	11.3	11.8	12.7	11.5	11.4
Inter. So. Workers' Party ...	0.1	-	-	-	-
Communist Party	1.1	-	-	-	-
Center Democrats	8.3	10.0	10.3	7.1	5.6
Christian People's Party	2.3	2.2	2.2	2.1	2.2
Communist Workers' Party KAP	0.1	-	-	-	-
Liberal Party	11.3	11.1	11.7	11.9	10.8
Left Socialist Party	2.7	3.1	2.3	2.5	2.8
Progressive Party	8.9	7.7	8.5	9.4	7.5
Other Parties*	-	2.5	2.8	3.3	2.3
Total	100.0	100.0	100.0	100.0	100.0

*) Parties with less than 2 percent of vote.

Reprinting subject to indication of Gallup and BERLINGSKE TIDENDE as source.

The socialist bloc in the Folketing will gain one seat and the nonsocialist parties will lose one seat, Gallup's political poll for September shows. The Social Democratic Party, the Socialist People's Party and the Left Socialist Party will, according to the Gallup poll, obtain 87 of the 179 seats in the Folketing. The Radical Liberal Party, the Conservative Party, the Liberal Party, the Center Democrats, the Christian People's Party and the Progressive Party will get 90 seats.

The gain of the socialist parties is due to a gain of 2 seats for the Social Democratic Party, for the Socialist People's Party will lose 1 seat and will reach the lowest share of the votes since the record election in December of 1981.

Within the nonsocialist bloc, the Progressive Party will get its hitherto lowest number of seats in the history of the party, whereas the Conservative Party approaches the heights attained by the party when it joined in the Liberal, Conservative, Radical Liberal coalition government in 1968 with 37 seats.

BERLINGSKE TIDENDE Sunday edition has against the background of the Gallup poll calculated the distribution of seats in the Folketing.

	<u>Gallup</u>	<u>Today</u>
Social Democratic Party	61	59
Radical Liberal Party	8	9
Conservative Party	35	26
Socialist People's Party	20	21
Center Democrats	10	15
Christian People's Party	4	4
Liberal Party	19	20
Left Socialist Party	5	5
Progressive Party	13	16

It is pointed out that the two constitutionally guaranteed seats of the Faroe Islands and the two from Greenland have not been included. The two Faroe seats today fall to the Social Democrats and the Liberal Party. Nor has the Progressive Party's independent been deducted from the seats of the party.

7262
CSO: 3613/11

PCF'S LAZARD ON PLANS; BATTLE AGAINST PATRONAT, RIGHT

Paris CAHIERS DU COMMUNISME in French Sep 82 pp 4-11

[Article by Francette Lazard: "Getting Down to Work"; passages enclosed in slantlines printed in boldface]

[Text] To gain proper appreciation of the situation in France in this summer of 1982 it is necessary to step back and to get down to the basics. This is what is leading the Communists to act so that the workers and the French people will intervene in an active, positive, and effective manner in the new course of affairs against management and the Right.

Shall I say that the new characteristic of the end of the 1982 summer vacation is precisely that the situation has ceased to be "completely new"? I will explain. Remember the summer and the end of the summer of 1981. The euphoric hope of the public, the bewildered Right. A new page opened in the nation's history. A new experience for everyone, the new majority and the opposition. Communist ministers for the first time in years: Everyone remembers the emotion and the joy of the people witnessing the first pictures of the minister's arrival at the Elysee Palace. Hope took precedence over everything; mentioning the possibilities opened but also the limitations established by the balance of political power for the most part remained a formality with no concrete implications.

The French in general and the Communists in particular have survived a year thick with discussions, experiences and considerations. They have been faced with the test of deeds and actions.

It is no longer the anticipation of the new which is soliciting attention and commentary, but more ordinarily, what is or is not happening, what has or has not changed. In the whirl of clashing opinions, euphoria has given way to a full range of reactions which it is essential to take into consideration.

Varied and vivid concerns are being expressed. This is natural and, in many ways, stimulating. I will return to this. Class confrontations are more direct; the Right is extremely aggressive. The characteristics of the sociopolitical landscape are more vivid and more apparent.

From the mass of questions being asked, I will ultimately deal with three: what is the situation, what is the status of the balance of power, where do we Communists stand?

The first question, then, what is the situation?

The feeling that the situation has worsened is no doubt one of the facts at the end of summer vacation this year. All at once each person finds himself faced with all the problems set aside during vacation, and worries pile up. There is no lack of subjects of serious, well-founded concern.

The purchasing power of the lower and middle level wage earners had already clearly shrunk before the freeze. The weight of unemployment remains, with its serious implications for the entire social fabric. Recovery is losing wind with the halt in the growth of consumption. Investments are diminishing. Under the damper of the freeze, all the causes of inflation remain. The economic crisis still weighs heavily.

The first social measures are still far off. The effects of the large structural reforms are not yet noticeable.

The Right is breaking loose, trying to create an atmosphere of despair, to tap all the bitterness. And, yet.

/To the contrary, a simple look outside the country will enable a better appreciation of the steps taken within the context of current government decisions and an evaluation of where France would be if the Right had remained in power./

In Great Britain, Germany and the United States, unemployment rates are leaping ahead dramatically: by close to 50 percent in West Germany, for example. There are more than 3 million unemployed in Mrs Thatcher's country and production has just declined 10 percent in Mr Reagan's country. Together the OECD countries are moving toward 30 million unemployed. The jolts in major financial centers are revealing the incredible funds in what is called liquid capital and which are in fact only sterilized resources, squandered in speculation.... It is not my intention to proceed here with the causes and the characteristics of this crisis in all its social and human dimensions.¹ The sharpening of the old system of exploitation's contradictions places the entire world at the crossroads of destruction or the rise of a new civilization.

We know that the much less extensive crisis in the 1930's culminated in a world war. Since then the world indeed has changed; the possibilities of our age limit the chances of imperialism. But the current gravity of the crisis in all the large Western nations, and its dramatic consequences for dozens of countries on the verge of abject poverty indicate the size of the

¹ See Philippe Herzog's work: "L'economie a bras-le-corps," Editions sociales.

stakes. Overarmament, accentuation of tensions, and Mr Reagan's pressures with their full complement of dangers, set the pace for the present. The conflicts which result within the Western world itself--as seen in the Soviet pipeline affair--attest to the limits of the American dictate in a world in transition.

Let us keep these major issues in mind so that we can evaluate the implication of the developments initiated in France itself, the extent of the confrontations arising from them, and the historical significance of the possibilities opened up.

We know that the French people have chosen much more limited measures than the ones that we were proposing to release France from the grip of the crisis.

Today, external pressures are even more strongly felt, and the internal stimuli worsening the crisis continue to operate.

/Even within the limits of the policy initiated 1 year ago, the already positive effect of the steps taken--on the rate of increase in unemployment, for example--furnish concrete proof of the possibility of moving ahead when we confront problems for what they are./

This brings us to the second question: the question of the balance of power.

Management and the Right have been lined up for battle for a year. Of course, the conservative forces have always fought tooth and nail to preserve privileges and power. There is nothing new in this, it is confirmation of a historic constant that some believed was obsolete. But this direct and violent involvement of the ruling classes currently displays characteristics which reveal a certain number of new facts about France in the eighties.

Indeed, for more than 20 years, the power of state directly assumed the leadership functions of the upper class over the country's whole social, economic, political and ideological life. In this regard, the Giscard administration was depicted as an achievement.

For millions of workers, Messrs Giscard d'Estaing and Barre ended up personifying the class enemy in an extremely personal manner. Management was encamped in the anonymity of multinational financial networks.

Deeply rooted in our history and reactivated on the Right and the Left in the seventies, the idea that the state alone determines the movement of society from above was imposed to the point that it crystallized hopes for change in the presidential election. The manner in which class confrontations were interfering with the political Left-Right struggle, we noticed at our expense, was largely hidden from most people.

For a year now, the CNPF [National Council of French Employers] as an institution and the major management leaders individually have directly intervened in the political opposition. They have even directly set the tone for rightwing politicians at the time when they were crippled by failure.

Without losing a month, they knew how to mobilize rapidly and utilize all the corporate connections available within various layers of society, small and middle size businesses, employer's groups and chambers of commerce, professionals, management employees, and others. They made them active relays in the structuring of rightwing political opposition.

The Fifth Republic's rightwing political organizations were in fact developed in partnership with the apparatus of state. Strongly mobilized, for 1 year the management apparatus has served as a pillar of resistance and now enables the Right--and particularly the RPR [Rally for the Republic]--actively to deploy itself under entirely new conditions for political opposition.

In this regard, the importance of municipal connections and the stakes involved in the municipal elections which will take place in a few months are understood.

And while management is organizing disinvestment on the economic field, the Right is reactivating all the reactionary reflexes with the worst cynical and violent arguments. Anything is all right in deestablizing the new course of government policy, exploiting its limits and turning things backward.

/Under these conditions at this end of the 1982 summer vacation, mark well what maintaining the government course in the balance of 1981's political decisions expressed in the Juen agreement between the French Communist Party and the Socialist Party represents./

I will take a familiar image, that of a rope stretched between two persons pulling in opposite directions. Balance may be maintained through slight exertion on each side or, to the contrary, through heavy exertion. The appearance is the same, but the meaning is very different. This is why maintaining the course set last year is not a neutral result which, suffice it to say, goes without mentioning.

The upper middle class is deploying formidable efforts to place government orientations in question. Within their current limits, the orientations are intolerable to them, in the strongest sense of the word.

The presence of Communist ministers is valued by the public. Structural reforms open up a real democracy in production, and in society are full of positive developments which have a direct effect on capital, its ownership, power and control.

At the same time, faced with the worsened economic and social situation and the aggressiveness of the Right, concerns are increasing among the public and among the workers. The summer polls confirm, accentuating it still seems, what the canton elections already revealed: the Right's ability to mobilize, a complex combination of anticipation, impatience and discouragement on the Left. In this regard, let us refrain from any summary or unilateral evaluation.

We had noted it after the canton elections; the out-and-out agitation by the Right and the stronger expression of disappointment among the people must not hide the essentials.

The 1981 choice expressed and strengthened a balance of power strongly marked by the extent of anticipation of change and insufficient awareness of the causes of the crisis and the means to be implemented. Nothing indicates significant progress in this regard. In this period before the end of vacation, I will certainly refrain from anticipating developments in the balance of power.

/Many things are now going to depend on the workers' ability to intervene in a positive manner for a way out of the price and wage freeze. To a large extent the Communists have already expressed their analyses, their proposals, and the direction in which they want to act./

This leads us to the third question: our own involvement in the process in progress.

Where do we stand from this point of view?

Here again, a comparison between 1 year and the next enables us to grasp what has changed.

One year ago, the Communists were initiating preparatory discussions for their congress; with a major concern; to understand the reasons for their electoral setback, to draw lessons from them, and to define a complete strategic perspective proceeding from French realities.

At the same time, without waiting, already strong in the decisions made at the 22d and 23d congresses, they involved themselves totally in the majority, in the government, in the parliament and in the country, anxious to use all their strength, diminished of course but still significant, to contribute to the positive achievements anticipated by the workers.

How many discussions and how much thought in 1 year, in a simmering of contrasts, whose productiveness is already appearing! This great political debate, marked by several sessions of the Central Committee, including the Saclas session, apart from the congress itself, is nourished by the experience which grows.

/In this intense seesawing of a practice to be pioneered and a strategy to be controlled, the development of the situation itself more and more often encourages turning toward the people, grasping problems from life, pitting ourselves against difficulties, and better evaluating the advantages./

The fields of action which are necessary and possible are more clearly delineated; the active relationship between class struggle and majority, government action appears with more clarity.

Let us take just one example, the one mentioned above of the struggle for employment, the rise of national production, winning the domestic market.

We are already far beyond just declaring a slogan. In beginning to become closely involved in the patronat's preserve of management, the class struggle is in the process of taking on a new dimension.

Here and now, experience has shown that government orientations alone--whatever their quality and their shortcomings--are not sufficient to impose the best use of national resources, nor to arrest at the very source in each enterprise the waste which is generating the crisis.

Management has a perfect knowledge of how to use all the loopholes and all the concessions of government actions to perpetuate, and indeed to accentuate, administration which is catastrophic for the workers and the country. It is up to the workers to seize all the possibilities and all the advantages that the new policy gives them to enliven the battle for employment and production, for efficiency and strictness, for social and democratic progress.

Nationalizations and the new rights are increasing the foundations. Management's violent mood is proof enough, if needed!

Having said this, it is one thing to speak in general of the winning of the domestic market and the new management criteria, and another thing to specify the procedure for a given enterprise with all the wage earners involved.

The experiences of Hispano-Suiza, Renault and others are already valuable. I do not intend to expand upon them, but to stress the fact that they were unthinkable hardly 1 year ago.

In the same direction, one could mention the problems of training youth, of city life, of information, etc. The problem of purchasing power is appearing more strongly.

In all areas of national life, the margin for intervention by the Communists is growing wider since, faced with obstruction by the patronat and the Right, they intend to act, to unite in a specific, constructive goal in an effective manner in order to move forward. This is the path to struggle and union, for the work now in progress.

The same is true of foreign policy and recent months have been very rich in new experiences.

The 20 June peace demonstration and the initiatives taken with regard to the tragedy of the Palestinians and Lebanon confirm the increasing possibilities for coming together in unity and action, strengthening the majority choice through confirmation of the originality of the constructive contribution of the Communists.

This is indeed the sense of the orientations established by the national conference in June for the municipal elections.

One remark in closing.

In this season weighted with realities, the Communists are strongly, sometimes even vehemently, drawn toward their surroundings.

/The decisive task falls to the Communists: to transform discontent into combativeness; to give this combativeness the positive force for active intervention in the new course of affairs and effective intervention against the reactionary efforts of management and the Right./

Of course this is not easy, but it is, very simply, the expression of the role of a revolutionary party, of government, in France today.

Our capacity to make full use of our strategic line is beginning to be affirmed. This is one aspect, and not the least, of the end of summer vacation.

9693

CSO: 3100/993

DUMAS, LEFTWING-TOURE TIES, POLITICS LED TO VISIT; DISCORD

Paris LE MATIN in French 16 Sep 82 p 14

[Article by Christian Casteran: "Sekou Toure in Paris: A Controversial Visit"]

[Excerpt] More than an event, it is a symbol. Twenty-four years ago, on 28 September 1958, Guinea responded with a "no" to the referendum, refusing to participate in the Franco-African community advocated by De Gaulle; now, a quarter of a century later, Francois Mitterrand will receive Ahmed Sekou Toure at his official residence, the Elysee. The Guinean president has been invited to France for an official visit of 4 days: a visit that has made a lot of waves and aroused a lot of opposition, for Ahmed Sekou Toure is not exactly noncontroversial. These waves and this opposition come from three different quarters:

1. Those who feel that when Ahmed Sekou Toure said "no" to General De Gaulle in 1958 he was administering a slap in the face to France, and who therefore believe the affront can neither be forgotten nor forgiven. "We prefer poverty with freedom to wealth with slavery," Sekou Toure declared in General De Gaulle's presence in Conakry on 25 August 1958. Guinea then withdrew into proud isolation, refusing until 1978 to have any contact with official France.
2. Those who have not forgotten the torrent of insults hurled by Sekou Toure in 1977 against Francois Mitterrand and the Socialist Party. A party member of Guinean origin at the Nantes congress had attempted to introduce a motion concerning Guinea and accusing Sekou Toure of violating human rights, and a number of articles had been published in certain leftist newspapers (including Le Matin) denouncing the "Amin Dada" of Conakry. Seeing in these developments a "plot" against his regime, Sekou Toure thereupon launched a violent diatribe against the leadership of the Socialist Party ("a party of defilement and rottenness"); "The Socialist Party," he said, "is willing--in order to serve a particular bourgeoisie who are suffering from decolonization--not only to resort to fascist methods that are purely Hitlerian but also to engage in fascist actions." There are many in the Socialist Party who have not forgotten the violence of these words and find it hard to understand how Francois Mitterrand can today--with great pomp and circumstance--welcome the man who spoke them.

3. Lastly, the most numerous of the three groups: those (of the majority as well as of the opposition) who believe that in receiving Seiko Toure the president of the republic is repudiating his commitments with respect to the defense of human rights. Since 1958 a total of 5,000 political prisoners--according to Amnesty International--have been murdered in Guinea, including approximately 30 cabinet ministers (three of whom were hanged in the public square), 10 ambassadors and 12 governors.

Following the landing of Portuguese commandos and Guinean opponents on 22 December 1970--a landing which was repulsed--the repression intensified ten-fold. Opposition sources estimate that 20,000 arrests were made between December 1970 and June 1975. In terms of human rights alone, the comparison between Sekou Toure and Amin Dada is assuredly not gratuitous. This is the man whom Francois Mitterrand is welcoming--the same Francois Mitterrand who in "Projet socialiste" [Socialist Plan] (1980) set forth for the socialists an "essential" principle. "Defend human rights," he wrote, "wherever they are denied, flouted or threatened or otherwise opposed in any way.... For socialists there never have been, and never will be, any "good tyrants."

Despite this multiple opposition to the presence in France of Ahmed Sekou Toure--a presence that directly wounds the sensibilities not only of many socialists but also of public opinion in general--Francois Mitterrand, after some hesitation (the visit, originally scheduled for June, was postponed to September) opted for the visit to take place.

The explanation that one hears from the entourage of the chief of state is that there are various reasons for these developments. By going to Conakry, Valery Giscard d'Estaing had sanctioned the Franco-Guinean rapprochement, and it remained for his successor to put the finishing touches on this all too belated reconciliation by receiving the Guinean chief of state in Paris. The presence in Paris of the Guinean president does not, however, mean that France has forgotten the grievous file on human rights, they say. "We are going to talk about it," they plead in the corridors of the Elysee, "and we shall talk about it precisely because he is going to be there. "Moreover," others say, "if we chose to have relations only with countries that respect human rights, France would be isolated. Must we refuse to talk with China, with Morocco, with Korea? On the contrary: it is by maintaining contacts with such countries that you have the best opportunity to work for human rights. The Guinean people wanted Sekou Toure to go to Paris: they anticipated that it would be a whiff of oxygen for them. Locking the Guinean president into his posture of isolation is not the way to help the Guinean political prisoners. On the contrary...."

Aside from these state-to-state relations, Francois Mitterrand--who knew Ahmed Sekou Toure well--wanted very much to create the conditions for a personal reconciliation. "They'll tell each other everything," one adviser assures us: "nothing will be overlooked, neither the polemic against the PS nor the question of human rights." For a long time--in the days when first De Gaulle and then Pompidou were pouting at Guinea--that country had a number of contacts with the French Left, who had not forgotten the "revolutionary act" of 1958

nor the trade-unionist and political struggle carried on by Sekou Toure. In 1972 Francois Mitterrand went to Conakry for the last time, and on that occasion obtained from Sekou Toure the release of three French prisoners.

During this entire period Roland Dumas and several other leading figures of the Left had maintained contact between Sekou Toure and the French Left. It is believed at the Elysee that this common past should today make it possible to restore trust and reestablish dialog, all of which would undoubtedly redound to the greater benefit of the Guinean people themselves.

These personal and sentimental considerations are reinforced by considerations of a more political nature. Ahmed Sekou Toure could become, in 1983, president of the OAU and also president of the movement of nonaligned nations.

Grumbling in the PS

"Many comrades regard this visit with great reservations," is the comment heard inside the PS. Ahmed Sekou Toure's official visit to France has provoked a scarcely concealed distress in party circles. The malaise is apparent even though socialist leaders are reluctant to voice their feelings in public. Mr X is in conference, Mr Y is about to leave on a trip, and Mr Z is out of town; no one who follows Third World affairs or human rights matters seems available to make any statement to the press.

"The party," one PS official explains, "does not feel itself committed by state-to-state diplomatic relations." But what if a party member is also a cabinet minister? In recent days there have been those who attribute to Jean-Pierre Cot (Cooperation) an intention to go abroad so as not to have to receive Sekou Toure. The intention was denied; Jean-Pierre Cot may well already be there.

By way of contrast, the Guinean embassy in Paris--in the official program for the visit--announced that Jacques Huntzinger, the PS official in charge of foreign relations, would be received by Sekou Toure. It is said on Rue Solferino, however, that this meeting will not take place.

10992

CSO: 3519/45

PRIME MINISTER'S POLITICAL OFFICE CREATION COMMENTED ON

Partisan Reactions Reported

Athens TA NEA in Greek 29 Sep 82 p 3

/Excerpt/ New Democracy deputies (and particularly the speaker of the major opposition, S. Khatzigakis) recalled "Kremlins" and "White Houses" in their criticism yesterday in the Chamber of Deputies of the bill providing for the establishment of the premier's political office. However, the response given to them based on specific data was that this office does not have super-jurisdictional powers nor does it eliminate the cabinet members. It simply provides the premier the possibility to oversee the operation and efficiency of the government.

PASOK speaker Basagiannis pointed out that this new office "neither assumes a mission to exercise political power nor does it express the political desire of the government or the premier."

Basagiannis: It is an independent service which simply has an advisory auxiliary character. It is something similar to the institution of advisors and collaborators of the ministers.

On the contrary, S. Khatzigakis spoke about "privileged employees," about abolition of the /civil/ examinations," about "awards by exemption" and about "a tremendous outlay of 120 million drachmas." He characterized the employees of this office as "super-ministers who will control and direct everything."

Deputy at large G. Mavros "criticized" the government for its delay in bringing the bill to the floor and said that it is ridiculous to talk about an outlay of 120 million drachmas in order for the premier to have the possibility to function as /the leaders/ in other states of the world do.

Ath. Kanellopoulos (ND) warned that the government is creating many technocrats while former premier P. Kanellopoulos said that he would have no objection to voting for the bill but expressed some concern lest there develop competition of authority between the premier's ministers and advisors. He asked that limited authority be given to the latter. The issue was resolved when Minister to the Premier Koutsogeorgas made it clear that no new jurisdictions are being created other than those the previous law provides for and no super-service is to be established.

KKE Objections

Athens RIZOSPASTIS in Greek 29 Sep 82 p 10

/Text/ The summer session of the Chamber of Deputies continued until late last night the debate on the bill to establish an independent, overstuffed office to serve the premier.

Expressing KKE's views, Comrade Kappos said that the organization of the premier's services is of course a government matter. "The premier has the constitutional right to organize his office as he wishes. From this viewpoint the issue for us is secondary and therefore we are for it. But," continued Kappos, "we have two serious reservations. First, the new office is overstaffed. The number of individuals who will staff the special offices, committees and councils may reach 100. We think that the number should be reduced."

"But more serious still," Kappos pointed out, "is that there is danger that the bill may sidetrack or undergrade the role of the ministers. In the last analysis ministers could be transformed into officials executing decisions taken by the premier's advisers. The international experience on this issue is very negative. Elbowing out the ministers is harmful from the point of view that the ministers are the ones who come in contact with the masses, the people and their organization and are thus more sensitive to their demands. This is not true of the premier's advisers who have no contact at all with the people. For this reason, at no time should the ministers be changed into officials executing decisions taken by the premier's special committees."

Law Approved

Athens TA NEA in Greek 20 Sep 82 p 3

/Excerpt/ The bill providing for the establishment of the premier's political office was approved. During yesterday's debate ND deputies expressed their objection to certain provisions of the bill.

On the other hand, Minister to the Premier Koutsogiorgas observed, during the debate, that in certain sectors of the public administration there were cases of employees who did not cooperate with the government and argued that in the past secrets of the Ministerial Council were leaked even before the ministers had left their meeting room.

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CSO: 3521/28

FORMER MINISTER'S BOOK REVEALS POLITICAL, ELECTORAL DATA

Athens AKROPOLIS in Greek 19 Sep 82 p 20

/Text7 A significant number of communists voted for PASOK. This was revealed by former Minister of Finance Drettakis in his new book "Parliamentary Elections 1974, 1977, 1981" in which he analyzes in detail electoral statistical data and makes comparisons. At the same time, Drettakis finds that while PASOK increased its forces, nevertheless, in the various regions and geographic areas the increase was uneven: "PASOK's electoral strength is mainly in the countryside and KKE's in the municipalities, while New Democracy is not localized in the countryside or in the municipalities."

On the other hand, PASOK draws most of its votes from the Athens region and in Makedonia. The communists got more than one third of their votes in the four electoral districts of the capital. The Right gathered the majority of its votes in Makedonia in all three elections. Finally, the center parties won the majority of their votes in some instances in Makedonia (1977) and at other times in the Athens region (1974, 1981)."

With regard to the quantitative increase of forces, Drettakis concludes that "the quantitative increase of the PASOK forces was 2.9 times larger than the corresponding increase of the communists between 1974 and 1977, and 8.8 times larger between 1977 and 1981 and 6.2 times for the period of 1974 to 1981."

New Voters

Speaking of the reasons for the increase of the PASOK electoral strength, Drettakis estimates that on the basis of the electoral statistics: "The great increase of PASOK's electoral force (and the initially much smaller increase of the communists) in the period of 1974-1981 is not due only to the losses of the Right and the Center but also to the influx of more than 1 million new voters (young and repatriating Greeks) who in their overwhelming majority voted for PASOK and KKE." He adds:

"Between 1977 and 1981, there was also a significant movement of voters from KKE to PASOK which further strengthened the party which is in power today. This movement was especially evident in the traditional communist strongholds (such as the Athens region). Drettakis attributes the Center's electoral defeat to its split into various factions."

Untrustworthy

Drettakis regards the electoral lists as untrustworthy and foresees their revision. This--he adds--in conjunction with the expected change of the electoral system "limits our thinking with regard to further analysis of political behavior in the area of the results for each party and in the area of the characteristics of deputies."

In other words, with a new electoral system it is impossible to tell in advance what will be the outcome of the next election.

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CSO: 3521/20

KKE-INT. CRITICIZES GOVERNMENT, RIGHT, LEFT

Athens TA NEA in Greek 27 Sep 82 p 22

/Text/ The sixth 4-day AVGI-THOURIOS Festival at the Nea Smyrni park closed last night with a political speech by KKE-Int. Central Committee Secretary Giannis Banias. He criticized the government and at the same time attacked the Right and KKE /Exterior/. He pointed out that KKE-Int. does not agree with solving the issue of the bases in a veil of secrecy with an aim at getting something in exchange nor with the actual abandonment of the direction for Greece leaving the NATO military wing.

The KKE-Int. secretary referred also to the progress of change and insisted that the government is not correct when it claims it is the only contributor to change. He admitted that some positive steps were made in certain sectors but added that the government, in addition to its delays and retreats, now faces a Right which, despite its present difficulties, organized an in-depth counterattack in order to destabilize the present situation. Banias pointed out that:

- a. A profound change is needed in the armed forces and the security corps as well as in the methods in which their leadership is educated and trained.
- b. It is necessary to cleanse and democratize the government machinery.
- c. It is necessary for the mass media to stop serving the government party and to be in the service of all the people.
- d. It is necessary that measures be taken to ensure pluralism in the country's political life. Above all, it is necessary to institute the simple proportion /electoral/ system.
- e. It is necessary that the massive syndicalist movement become a decisive factor in charting and implementing social and economic policies.
- f. It is necessary to intervene decisively in the economy in order to cope with the situation existing today.

Banias added that the government has not fought capital while it attempted to manipulate the claims of the working people. He accused KKE /Exterior/ of sloganeering as it vacillates between a silent approval and a sterile government policy and of playing a negative role in the effort to unite the democratic forces.

Finally, Baniias explained that KKE-Int. maintains its independence even though it is cooperating with PASOK in the coming municipal elections. The open debate on the problems of the Greek soldier and of the scientific research in Greece was of particular interest at the RIGAS FERRAIOS Festival.

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GSO: 3521/28

POLITICAL

GREECE

GDR OFFICIAL MEETS WITH FLORAKIS, PAPANDREOU

Athens RIZOSPASTIS in Greek 25 Sep 82 p 1

/Excerpt/ Comrade Herman Axen, Politburo member of the Central Committee of the Communist Party of East Germany /ESKG/, met with Kharilaos Florakis for 2 hours yesterday in the Central Committee Office at KKE headquarters. Immediately after this meeting Axen went to Kastri where he met with Premier Papandreou for 1½ hours. During the meeting he handed the Greek premier an invitation from GDR President Erich Honecker, officially inviting him to visit East Germany. After the meeting Papandreou told RIZOSPASTIS that he accepted the invitation and that he hopes "to visit GDR soon."

During the Axen-Florakis meeting which was attended also by GDR Ambassador Ernest Kumbe and Comrade Or. Kolozov, a member of the Central Committee, the participants were updated on the activities of the two parties and the political situation in their respective countries. Views were also exchanged on current affairs in the international area and on issues concerning the communist movement. The two parties had a complete meeting of the minds on all matters they discussed. They also ascertained that the KKE-ESKG relations are very good and contribute to the further development of the relations between the two countries and peoples.

At Kastri

The GDR-Greece relations, peace, detente and disarmament were the main issues discussed during the Axen-Papandreou meeting at Kastri yesterday. GDR Ambassador Kumbe was also present at the meeting. In a statement to RIZOSPASTIS both sides expressed their satisfaction about the talks and their optimism for a speedy development of further relations between the two countries.

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CSO: 3521/28

LABOR UNREST CREATES PROBLEMS AT ATHENS BASE

Athens TA NEA in Greek 21 Sep 82 p 1, 6

/Article by K. Khardavellas: "The Base at Ellinikon Will Be Taken Over"

/Excerpt/ The Greek government responded to the anti-Greek and anti-labor policy of the Americans on the Ellinikon base by replacing the Greek base commander, Air Force Brigadier General V. Kotsopoulos, who repeatedly ignored instructions of the Air Force General Staff and followed the orders of the American base command against the 1,600 Greeks working there. The government also demanded that American Ambassador Sterns have Law 1264/1982 applied which safeguards labor rights and actions inside the working areas of the Ellinikon base, and that the illegal firing of G. Alexandrou, the chairman of the employees, be rescinded.

If the syndicalist activity of the Greek employees continues to be banned and if Alexandrou is not reinstated to his job, then, according to the syndicalist leadership of the Greek employees at the base, the American base will be taken over by the Greek workers--regardless of the reaction of the Greek government. In a second phase, the Greek employees will take over the bases in N. Makri and in Gournes of Irakleion. An authorized spokesman of the Ellinikon base Greek employees stated yesterday to TA NEA that "Article 120 of the Greek Constitution which prohibits control of foreign powers over Greek territory gives us the right to this action."

The crisis on the Ellinikon base broke out on 18 June when, by decision of Brigadier General Kotsopoulos, chairman of the Greek employees Alexandrou was fired on the basis of anti-labor law 330 following a demand from the American command. The then Minister of Labor Kaklamanis and Deputy Minister of National Defense Petsos called Brigadier General Kotsopoulos and asked him to rescind the dismissal of Alexandrou. The brigadier did not follow instructions but later claimed that "the Americans did not want to hear a word about taking back Alexandrou."

A few days ago, following a personal order by the premier, Minister of Labor Giannopoulos called the American ambassador and asked for the implementation of the law syndicalist freedoms inside the base and for the rehiring of Alexandrou. The American ambassador stated that he would reply after his return from the United States.

In the meantime, during the unrest the terrorism of the Americans against the Greek employees was intensified. The Americans closed down the offices of the employees' association which were located on the base. The employees put up a tent across from the gate of the base and they use it as their association's office. They Americans started threatening mass firings. At the same time, the Greek commander was calling groups of employees--according to their statements--asking them to "refrain from unionizing, to obey their American employers," etc.

It must be noted that the unanimous resolution of the base employees calls for the immediate removal of S. Mathiopoulou, assistant to Brigadier General Kotsopoulos and chief of the personnel office, as well as of A. Dimitriadis, executive director of the same office, who are responsible for a series of anti-labor activities against the base employees.

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CSO: 3521/20

FOREIGN PHONE TAPS SUSPECTED

Athens TA NEA in Greek 22 Sep 82 p 1

/Excerpt/ The parliamentary debate on the bill concerning wire taps was colored yesterday with the expression of suspicions by Minister of Justice G. A. Mangakis and specific charges by KKE Deputy K. Vasalos that foreign agencies may be tapping the telephones of parties and organizations.

Specifically, Mangakis expressed the fear that there may be "bad habits and a few residues from the interventions of dark forces beyond the borders" while Vasolos spoke openly that measures must be taken "because there is a number of state and foreign services which eavesdrop on the telephones of political parties--even those of PASOK--without having any orders from the government."

The discussion was caused by an ND attempt to exploit politically the proposed law by speaking about wiretappings of its deputies. Mitsotakis in fact said that his phone has been tapped.

The reaction of Mangakis to this hint was immediate. He gave assurances that such a danger does not exist from the side of the PASOK government. He made light of Mitsotakis' "worries," adding that the various noises he says he hears he also hears in his own telephone and they are caused by poor telephone lines.

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CSO: 3521/20

DIALOGUE BENEFITS, NEGATIVE TURKISH STANCE

Athens TA NEA in Greek 21 Sep 82 pp 1, 6

/Article by P. Loukakos: "Where the Dialogue With Ankara Leads"7

/Text7 After the summer "moratorium"--as it is called in Athens--or the "gentlemen's agreement"--as it is called in Ankara--the file of Greek-Turkish differences is opening up again on 2 October with the meeting of the two foreign ministers, Kharalambopoulos and Turkmen, in Ottawa.

The file is opening but the differences will not close. They will not close because both Greece and Turkey have not moved away from their initial positions: Ankara's goal appears to be unchanged--although it is not presented as shrilly as in the past--that of being the division of the Aegean and the political hegemony of the land mass around the archipelago.

The Greek side on its part, knowing what is hidden behind the partial demands, refuses any concession to Turkey, even when it is a nonessential one. The context in which the Greek-Turkish relations have been moving the last few years remains unchanged. Ankara continues to strive for a new "Pax Ottomana" in the area, but not having the power to impose it politically and militarily, tries to keep certain issues open for a more opportune time: Aegean air space, continental shelf, demilitarization of the islands, minority in Thraki, the Cypriot issue, etc.

Since Turkey cannot force solutions, it raises the issues from time to time just to keep them open. Always it tries to present them at the table of Greek-Turkish negotiations so that they will not be forgotten.

The Greek government refuses to negotiate. This is a sound approach because to accept negotiations means that an issue for discussion exists. What the Greek government cannot refuse--as previous governments did not refuse--is a dialogue. A dialogue mainly procedural, which does not deal with substantive issues--but designed to find some way for coexistence. This is for a simple reason: If there is no dialogue the existing differences may slide toward a confrontation with incalculable--at this moment--consequences. This dialogue is probably the mutually advantageous point for both countries: The advantage for Ankara is that it appears to talk with Greece about the Aegean. The benefit for Greece is that through the preliminary and procedural discussions, a detente in the Aegean and

the Greek-Turkish relations, is assured, that is, some more permanent "moratorium" or at least a prolonged gentlemen's agreement as Turkmen prefers to call the detente in the Aegean. The dialogue, since it leads nowhere, does not smooth the essentially tense relations and of course does not solve any problems. Simply it facilitates the peaceful coexistence between the two countries. Without a dialogue coexistence would not be peaceful.

In this general context, the new phase of the Greek-Turkish dialogue will start on 2 October but it will not have any different results, as both Athens and Ankara well know. Thus, history will be repeated--it has already been--with all its familiar features:

By way of introduction Turkey takes steps to cultivate a climate of tension, particularly intense during the last 15 days, so that it can present as a gesture of good will its abstention from more provocations.

- a. It is for this reason that it sent the Turkish military attache in Athens to a gathering of Turkish opponents of their government, equipped with a camera with orders to get beaten in order to create diplomatic tension.
- b. It is instigating some unrest in the minority in Thraki.
- c. Recently it seriously violated the Greek air space.
- d. It causes incidents and issues threats again in Cyprus.
- e. It has started again the tactic of aggressive statements against Greece.

Once again we see the familiar stage being set. We will see again the same play performed on this stage, as we have seen it in the past and we will see again in the future. The leading actors will play the same roles, provided they have studied their roles and will keep close to the original text.

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CSO: 3521/20

CHANGE IN PARLIAMENTARY ELECTION PROCEDURES ANALYZED

/Article by Panos Loukakos: "Fiefdoms and Political Bosses Are Abolished"

Athens TO VIMA TIS KYRIAKIS in Greek 26 Sep 82 pp 1, 14

/Excerpt/ The abolition of the individual preference vote /ASP/ /preference cross/ in the parliamentary election creates a new political setup because together with the abolition of the ASP there will be an end to the local party bosses, the local political fiefdoms and the favoritist /routsfeti/ transactions between voters and deputies. In this way public life will be rid of all kinds of bossism while at the same time the political parties will be forced by reality to speed the process of their internal democratization. The abolition of the ASP was expected--it was one of PASOK's campaign declarations and a programmatic statement of Premier A. Papandreu--but the sudden announcement Friday afternoon surprised not only the opposition but many governmental deputies. The surprise appears to be more intense in the ranks of the New Democracy whose chairman, E. Averof, failed to state even yesterday what will be the position of his party on this question. On the other hand, KKE has clearly expressed its support for this measure, although it does not have special interest since for years now it has abolished in effect the ASP as it selects and identifies its own deputies that it wants to be elected.

With regard to PASOK, the government's spokesman stated yesterday that in the next parliamentary election the responsibility for the line of preference for the local candidates throughout the country will be in the hands of Andreas Papandreu, the leader of the movement. The PASOK charter provides that the final approval of candidates belongs to the party's central committee on the recommendation of the party's chairman and the executive bureau. But because the charter does not provide for the abolition of the ASP, it was decided by the executive bureau and the party's chairman that A. Papandreu would have the responsibility for determining the lists of candidates throughout the country.

Thus, while PASOK has already announced who will determine the party's candidates, New Democracy continues to remain silent as the abolition of ASP causes new vibrations in the loose party cohesion of New Democracy. It does so for the following reasons:

The abolition of ASP undoubtedly strengthens the position of the leaders of parties which have not yet introduced the necessary democratic processes which will create decision-making centers at the regional level.

Under the circumstances, Averof's position is strengthened as he will be now able to eliminate more easily his opponents inside his party. But this possibly creates another chain reaction since those who do not belong to his close circle of friends may conclude that their political future is moving to an impasse. And since the abolition of ASP will be followed by the introduction of the simple proportional electoral system (within this government's 4-year term, as its spokesman said again yesterday) a lot can happen...

To the extent that the enactment of the bill is certain, E. Averof will likely take a negative stand precisely because he does not want to give the impression that he wants to derive personal advantage from the government's initiative. The ND will try to justify its negative position on the ASP by invoking constitutional problems and by arguing that the measure is due to an intraparty crisis within PASOK and that it leads to the demise of the meaning of popular representation. According to ND the abolition of ASP would make sense only if there pre-existed in the meantime democratic organization of the parties. These views which will likely be the official views of ND during the debate in the Chamber of Deputies (always keeping in mind that the bill will be enacted anyway) are not shared by many ND deputies who, having a strong personal political base, feel that their personal careers are at stake to the extent they do not belong or will not soon join the present leading group in their party. They hope that several PASOK deputies will "bolt out" so that the bill will not pass easily.

Other deputies who do not belong to the group of local bosses or who are Averof's associates will certainly favor the abolition of ASP which will relieve them of personal competition and large campaign expenditures. It is certain, however, that the abolition of ASP will result in deep political realignments throughout the political spectrum--realignments whose extent no one can predict with certainty.

ND, organized as it is on a more or less feudal basis--the strong local boss, his deputy friends, his dependent party machinery--will go through a seesaw of transformations which, following the introduction of simple proportional may even lead to a breakup of the party. In any event, ND's feudal regional organization becomes forever a thing of the past which is a challenge for some more modern development.

PASOK on the other hand, which begins to build a very strong party machinery--usually the party machinery controls the deputy and not the other way around--will be forced to move faster toward its internal democratization, evidently speeding up the process for convening its congress.

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CSO: 3521/20

POLITICAL

PORTUGAL

PCP'S CUNHAL INTERVIEWED ON NATIONAL ISSUES

Paris L'HUMANITE in French 18 Sep 82 p 6

[Interview with Alvaro Cunhal, secretary general of the Portuguese Communist Party (PCP), by Jose Fort, special correspondent of L'HUMANITE; Lisbon, 16 September 1982]

[Text] Have the Portuguese revolution's carnations faded? Maybe by taking action to revise the constitution and abolish the Revolutionary Council, the right-wing majority in the republic's assembly and the Socialist deputies loyal to Mario Soares hope so. But isn't this going too fast? The re-incrimination of the democratic victories of 1974 provokes tremendous popular disapproval in Portugal. "The democracy is in danger," you hear people say in Lisbon, where we met with Alvaro Cunhal, secretary general of the Portuguese Communist Party [PCP].

In October of last year, Alvaro Cunhal revealed the preparation of a coup d'etat in Portugal "under a cloak of legality." After the decisions adopted by the reactionary majority, with the support of the Socialist deputies and Mario Soares last July, the secretary general of the PCP stated that "Portuguese democracy had been stabbed in the back."

What Is the Right-Wing Seeking?

"I adhere to these two phrases," he told us. "It is not a question of the conventional type of coup d'etat; with the revision of the constitution, we are witnessing a modification of the agencies of political power and their prerogatives. Basically, reaction's plan has set for itself the goal of transferring the military powers of the Revolutionary Council and the president of the republic to the current government. The reason for revising the constitution is not to 'perfect' the democratic regime. The issue does not involve what is called the 'submission' of the armed forces to civilian rule. The president of the republic also represents civilian rule. In reality, for the reactionary parties in a majority in the republic's assembly, it is a question of taking advantage of circumstances to change the situation in the armed force.

"What does the right-wing have in mind? Putting the appointment of the heads of the general staff, the commanding officers in the military regions, etc,

into the hands of the government and setting up a fascist or pro-fascist military hierarchy that could be used against the people in particular to break the heroic resistance of the working class and the popular masses in the program to demolish the democratic victories of the April 1974 revolution? Such is the danger. If the reaction were successful in seizing the military structures and putting them at its service, the coup d'etat would be consummated."

According to Alvaro Cunhal, the strong-arm tactics of the right-wing are benefiting from the support of Mario Soares' Socialist Party. At the same time, the secretary general of the PCP calls for unity with the Socialists. He does not see any contradiction there.

Appeal for Unity

"The alliance of Mario Soares and other leaders of the PS [Socialist Party] with the reactionary parties," he tells us, "is not getting the support of the majority of the militant Socialists and even less that of the electorate. On the contrary, this policy and these practices are provoking a real discontent in the socialist ranks. We note one fact: Mario Soares is cooperating with the forces of the right-wing. But we still think that the PS, its militants and its electorate constitute a democratic potential. We are still fighting for unity between the Communists and Socialists even though, for the time being, an agreement between the leaderships of the two parties appears unlikely.

"We are convinced that socialists and communists can act together, for example, for the protection of freedoms, democratic victories and living conditions and against the threat of a coup d'etat fomented by reaction."

A few hours before our interview with Alvaro Cunhal, the Portuguese minister of the economy, Joao Salgueiro, back from Toronto where he had participated in the meeting of the International Monetary Fund and the World Bank, told the press, all smiles: "The economic situation in Portugal is not as serious as people here and there try to claim." Alvaro Cunhal does not share this opinion.

Destruction of the Economy

"The current government," he indicates, "promised to solve the fundamental problems of our economy. They call their action economic 'recovery.' But if we take the first years of the revolution as a basis, the worsening of the situation becomes obvious.

"In 1975, for example, we had a trade balance deficit of \$1.67 million dollars; this year it comes to 5.162 million. The deficit in the balance of current transactions rose in 1975 to \$817 million dollars; today it adds up to 2.71 million. The foreign debt has gone from \$3 to \$11 billion. Just the interest on the foreign debt corresponds to \$1.2 million a year. This corresponds to our production of grain, wine, potatoes and other agricultural products for 3 years. Our foreign debt is not only becoming unbearable, but,

more importantly, is jeopardizing our future development. And the solution of borrowing abroad is the equivalent of selling off our economic independence.

"As for the workers' situation, I will limit myself to a few data. This year, the government has set the ceiling for salary increases at 17 percent, although inflation has already risen to 25 percent. Unemployment is growing and is principally affecting young people, whereas discrimination toward women is increasing and retired people are having more difficulty than ever. At the same time, the government, which claims not to have the resources to improve living conditions, is turning billions over to the big capitalists in the firms that were nationalized by the revolution.

"Of course, the international crisis leads to repercussions on our economy; but if the government galvanized our own resources instead of strangling nationalized firms, if it did not create enormous financial difficulties for them by establishing a pricing policy favoring the private sector, if it did not act to dislocate these firms by withdrawing them from profitable sectors and if it did not assail the agrarian reform by tearing lands away from workers to redistribute them to the big landowners who leave them fallow, at a time when tens of thousands of farm workers no longer have work, we would not be witnessing the destruction of our economy. The current government wants this terrible reality to get worse. In this way, it thinks that it can justify the return of capital's big lords who would then present themselves as our economy's saviors."

Damage to Freedoms

Alvaro Cunhal stresses the damage to freedoms and the repression during social conflicts. "The intervention of the police forces," he says, "is becoming a current government method. To steal land, cattle and machinery in the agrarian reform zone, the officials are mobilizing sizable police contingents against the workers. Comrades have been killed when they resisted these expeditions. On the eve of last 1 May, a large terrorist operation was started in Porto to prevent the commemoration of Labor Day, a celebration that has always taken place in the same place, even under the fascist dictatorship. Hundreds of people were wounded. Two comrades were killed that night. But the next day, 100,000 workers demonstrated with their large union headquarters, the CGTP [General Federation of Portuguese Workers]."

Alvaro Cunhal asserts: "The coup d'etat can be stopped. We suggest four steps," he continues: "The government's resignation, dissolution of the republic's assembly, the formation of an interim government and a call for general elections. It is a question of constitutional provisions that the president of the republic can easily adopt. They should have been taken long since. For on what is the 'power' of the right-wing parties based today? They govern and hold the majority of seats in the assembly. But their electoral, political and social base is shrinking more each day.

"The democracy is powerful enough to prevent the right-wing's coup d'etat. The ratio of forces is changing in favor of democracy. The reaction is well aware of it. That is why it is trying to change the situation in the armed

forces so as to use them against the achievements of the revolution that, until now, it has not been possible to destroy, thanks to the heroic struggle of our people."

Relying on the Nationalized Sector

A democratic alternative is becoming more acceptable in Portugal, declare the communists. According to Alvaro Cunhal, "The country must solve its problems on the basis of the victories of April's revolution. The solutions," he continues, "will not be found in redistributing power to the monopolies that tyrannized us during half a century of fascism. The democratic achievements must be consolidated. Above all, changes must be made in the socioeconomic structures.

"In Portugal, the 1974 revolution liquidated financial capital and monopolistic groups. In relying on the sectors and nationalized firms--the foundation of our economy--development has nothing utopian about it.

"We have to exploit our own national resources. Our industry is operating at only 65-70 percent of capacity. It is also a matter of carrying on a diversified foreign policy that makes it possible to reduce the trade balance deficit. Obviously that is not achieved by carrying out a policy in the socialist countries and of sabotage with respect to African countries. Finally, enlarging the domestic market is an issue of prime importance--it is inexorably linked with improving the living conditions of the workers."

For several days, Lisbon has been rumbling with news. People are expecting an "important" statement from president of the republic, General Eanes. And people claim that a presidential party is in the process of being formed.

A Presidential Party?

Alvaro Cunhal feels that, "we have to wait in order to evaluate an eventual presidential statement. It may be positive or negative. But the main point is the application of sovereign rights with a view to ending the policy of national disaster and preventing a coup d'etat by the right-wing. The president can send the members of the government home, dissolve the assembly and call for general elections. That is what we are hoping for, as soon as possible.

"As far as the creation of a presidential party is concerned, I must express my surprise. Because the right-wing parties and Mario Soares have protested against such a prospect. They have expressed their opposition to the establishment of a group supporting the president of the republic and the appearance of a new party in Portugal. But these 'challengers' carried out a campaign in 1980 so that the president of the republic and the government would receive the same label.

"On the other hand, these parties have not stopped noisily protesting their 'loyalty to pluralism.' And, in reality, they behave as if they had a monopoly on the country's political life. We communists think that the

Portuguese should be able to organize themselves into the party of their choice. And we note that a sizable fraction of our people no longer identify with the existing groups.

"The government's parties have been discredited. The Socialist Party is breaking up and disintegrating a little more each day. Some of its former electors will vote communist, others won't. As a result, objective conditions exist for the establishment of new parties. The president of the republic, we think, does not need to lead a party. But it is justifiable for a new group to support the main objectives of his mandate."

The municipal elections are scheduled to take place next 12 December. Some observers of Portuguese politics view this balloting as a "test."

Alvaro Cunhal agrees that they will have "considerable importance for the support of local power and democracy." However, the word "test" does not seem suitable "because of local influences on the election." According to him, they will provide more or less important "indications," nothing more.

The Health of the Communist Party

According to the Communists, the objective is to strengthen the positions of the United People's Alliance, in which members of the PCP, the MDP* and independent democrats and socialists participate. Alvaro Cunhal indicates that in many municipalities, currently controlled by the right-wing, the total of the Communist and Socialist votes would permit the left to obtain an absolute majority. "As early as April," the secretary general of the PCP points out, "we had suggested to the PS that they consider setting the right-wing aside from the administration of several large cities, Lisbon in particular. Mario Soares' PS prefers alliance with the right-wing parties. Be that as it may, we are calm and confident. The electorate will decide."

According to Alvaro Cunhal, the Portuguese Communist Party is in very good health. "We are united and we are developing an intense democratic life throughout the party. The PCP had 10,000 members in 1975. From year to year, we have increased our members. The latest count, in 1980, indicated 187,000 members and the increase continues, and our influence in the mass organizations is also increasing. The Portuguese Communist Party has often been described as 'Stalinist,' 'conventional' and as a party 'obeying Moscow's orders,'" concludes Alvaro Cunhal. "Our party is elaborating its policy democratically--which excites some envy here, remains always open to dialog, remains inseparably linked to the working class and the masses and roots itself in reality, which gives us ideas and imposes solutions."

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CSO: 3100/989

*Portuguese Democratic Movement. Two deputies in the assembly.

COMMUNIST VPK PARTY ENTERS FOREIGN AFFAIRS COMMITTEE

Stockholm DAGENS NYHETER in Swedish 7 Oct 82 p 8

[Article by Dick Ljungberg: "A First in Foreign Affairs: VPK Enters 13 Committees"]

[Text] For the first time the Left Party-Communists [VPK] will be represented in Parliament's Foreign Affairs Committee, which has to deal with many secret-classified documents. This became clear after the settlement by the parties on Wednesday regarding how to distribute the total of 240 committee seats.

The Conservatives are critical of having the VPK on the Foreign Affairs Committee, which they intend to express in a so-called vote declaration during the committee election on Tuesday.

"It is the Social Democrats who yielded a seat on the Foreign Affairs Committee to the VPK, so that is their responsibility, but I'm surprised," the Conservatives first vice chairman Lars Tobisson says to DAGENS NYHETER.

There were many and difficult negotiations about allocation of the committee seats after the election. The Social Democrats and the middle parties opposed the Conservatives.

The result now became a modified application of the rules which all the parties except the Conservatives favored in 1979. The VPK will now get seats on 13 of the parliamentary committees, the Liberal Party on 14; the Center Party had to yield five committee seats to the Conservatives and get 34, the Conservatives get 64 and the Social Democrats 115.

The Conservatives have four seats on all committees and thus, entirely in accordance with the election result, becomes larger than the middle parties together. Normally, the Center Party gets two seats and the Liberal Party one. However, on two committees the Liberal Party will not be represented: on the Committees on Laws and Social Insurance.

The VPK will not be a member of the Justice Committee, the Taxation Committee and the Defense Committee. On these committees the Social Democrats thus receive eight seats and the non-socialists seven. On the other committees the Social Democrats get seven and the VPK one seat.

The Defense Committee is apparently still considered too sensitive to allow the VPK in. The same seems to apply to the Justice Committee, which supervises the work of the security police, among other things.

The Social Democrats say they have too many candidates for the Taxation Committee to yield a seat. Another explanation may be the constitutional law that a joint tax and financial committee during the period Parliament is not in session has the right to decide on changes in taxation. The VPK is critical of the tax policy of the Social Democrats, and by not letting the VPK enter the Taxation Committee the Social Democrats guarantee a safe majority in this so-called "mini-Parliament."

Part of the committee settlement also includes the distribution of the chairmanships. The Social Democrats get the chairmanships of nine committees and the non-socialists of seven. The Social Democrats commandeer the positions on heavyweight committees such as the Foreign Affairs, Constitutional, Taxation, Finance, Business and Industry and Labor Market committees.

After all the stormy battles about the committee seats, the settlement on Wednesday in the newly elected Election Committee was very undramatic:

"Strange that so many turns were necessary in order to arrive at an obvious solution," is the comment of VPK's Nils Berndtson on the Election Committee.

The one most likely to occupy the VPK's seat on the Foreign Affairs Committee, DAGENS NYHETER has learned, is group leader Bertil Mabrink, who has long been the party's foremost spokesman on foreign affairs. But party leader Lars Werner could also be considered.

11949

CSO: 3650/11

/ DANISH EXPERT ON NATION SEES CONSENSUS FOR PALME'S CHANGES

Copenhagen BERLINGSKE TIDENDE in Danish 26 Sep 82 p 11

[Commentary by Mogens Berendt]

[Text] The Swedish majority did not vote for socialism. It voted for Sweden. Mogens Berendt, who is in the process of writing a book on our neighbor, writes about Sweden's road toward the corporate state.

Most socialists--the staunch ones--have, of course, taken the credit for the Swedish election result, recognizing that, here, was a country which simply voted for socialism. Socialists--the staunch ones--are quite aware of the fact that the Swedish state is one of the 'purest' socialist societies in the world, that the future working program of the Social Democrats will make it even purer, and that the introduction of centrally controlled, collective wage-earner funds--the main theme of the election campaign--will create a form of socialism in Sweden which has not been achieved anywhere else: socialism with a human face.

Every socialist can see that, and the same thing applies to several liberals, which appeared from the election campaign. But believing that the Swedes voted socialist is a fallacy. The Swedish majority did not vote for socialism. It voted for Sweden!

The vast majority of Swedish voters does not want centrally controlled wage-earner funds any more than the Danes do. Every economist--whether socialist or liberal--knows that, in the course of a surprisingly short time, the trade unions will end up taking over the means of production. That would be enough to frighten Danish as well as other Continental voters if they were about to vote. For it would be tantamount to voting themselves out of their liberal traditions and their individualistic views of history. But that was not the case in Sweden. The election was a confirmation of the Swedish tradition as a corporate state and its history as a collectively oriented nation. The Swedes chose continuity, and the collective wage-earner funds are a quite logical continuation of Swedish history, the old history as well as the more recent one. These funds had to come, and they are coming!

Why did 100 million Swedish employer kronor not have their effect? Why did the Swedes not understand that the coming years will inevitably put Sweden a big leap ahead toward socialism--pure socialism?

Because the voters sought back to the Social Democratic Labor Party and its security. Apart from the Communist Party of the Soviet Union, there is no party anywhere which, like the Swedish Social Democratic Labor Party, is the epitome of a nation's progress from a backward peasant society to a prosperous industrialized nation: From here came the development, the security, the social equality, the prosperity--it was the Social Democratic Labor Party, and only that party, which should be thanked for the fact that Sweden has shed the poverty which the old people still feel in their bones.

Sweden now feels the crisis, and the nonsocialist governments could not help. But the Social Democrats were able to promise more equality, more security, guarantee of the country's prosperity, and, in addition, they wanted to help Sweden, the People's Home, even further ahead by means of the collective funds which would anchor the democracy even more firmly. There is nothing to be surprised about. The Employers' Association spent 99 million kronor too many, if anything. For if they would be ready to spend so much money on that issue, the reason would have to be that they wanted to retain some capitalist privileges. Things like that do not work in Sweden, the People's Home. Socialism, bah! If, indeed, the funds may increase the security, equality and the affluence as the Social Democrats claim they will, experience shows that things happen as claimed.

The nonsocialist campaign against the funds was, if anything, un-Swedish.

In the course of the coming years, the Social Democratic Labor Party will be carrying through the central wage-earner funds--more or less in the form adopted in 1981. That was the price it paid to the Trades Union Congress during the 6 years in the Opposition--and it adopted all the ideas of the Trades Union Congress more or less intact and the way they have appeared since 1970. "It is the power which is at stake!" as it said on the front page of the journal of the Trades Union Congress when the first proposal for wage-earner funds was formulated in 1975.

The proposal by the Trades Union Congress and the Social Democratic Labor Party involves statutory wage-earner funds. There will be a fund in each county. The county funds will be administered by a proxy, who will be elected from within the trade unions. The funds will come from an extra wage tax of 1 percent, via an increase in the wage-earners' supplementary pension contributions. Corporations will pay 20 percent to the funds of the profits exceeding 15 percent of their net capital after taxes and depreciations. The funds will purchase shares quoted on the stock exchange as well as shares not quoted on the stock exchange. The local trade unions will have half the vote based on the fund shares, not exceeding 20 percent--the remainder will be allotted to the regional fund boards. The funds will get 5 billion Swedish kronor for investment purposes each year. In enterprises employing more than 500 people and with shares quoted on the stock exchange, the local trade unions shall be entitled to demand the issue of new shares, even against the desire of the owners.

In a country where half the shares quoted on the stock exchange are already owned by institutions (insurance companies, pension funds), every economist--whether socialist or liberal--can see how rapidly collectivization of the Swedish trades and industries will take place. Not in 20 years. Perhaps not even 10.

But, actually, that is not something which frightens a Swede.

Well, perhaps the Conservative Party, which today is a party attracting critics of the Swedish system, capitalists as well as certain intellectuals. They broke out of the government cooperation with the Center Party and the Liberal Party, and it would not be too surprising if the central funds will be carried through without too much protest from these two former government parties, for in both parties, in particular in the old farmers' party, the Center Party, there is an inveterate and typical Swedish dislike of everything that is commercial. Commercialism stands for exploitation, immorality and un-Swedish conduct, except for when it comes to Swedish export.

However, Swedish intellectuals find it difficult accepting the fact that the Conservatives are practically the only ones wanting to obstruct the Swedish corporate state. Sweden is the country in which the most conservative forces talk most about the quality of life and the rights of the individual! What is one then to do if one does not like at all being called a reactionary, the worst term of abuse after the word individualist?

The author Sven Delblanc, who is an individualist, but nevertheless accepted as a progressive (very important description) critic of the system--said on the program called the Channel on the Swedish Radio: "I believe that certain material values such as social security and welfare have come to dominate at the cost of other values, for example the freedom of the individual. In a way, we have lost our instruments and our appreciation of the values which may be affected by the funds."

The funds will be the final leave of "The Swedish Model," the social system which attracted the attention of the world because it accepted capitalism so consistently as long as it served the welfare of the society, while, at the same time, being able to pursue an equally consistent social distribution policy. Things went amazingly well; with all the Swedish luck in wars and raw material prices, and with the traditions which date back to the guild mentality and collective attitude of Swedish history against the background of a strong central government, the corporate state was created. The popular movements of the last century with a strong Social Democratic Labor Party, a corporate state which actually was sealed with "The International Peace" between the Trades Union Congress and the Employers' Association at Saltsjöbaden in 1938: for the organization of the employees and the employers had the same interests! The Social Democratic government was able to look on with approval, the bureaucracy was stationary and the Riksdag [Parliament] weak, as today. What Mussolini did not succeed in forcing the Italians to carry through with his Fascism, the Swedes agreed to on a voluntary basis: the corporate state.

The corporate state will become cemented in the coming years. It is an inertia in the country where no importance is attached to the opinions of the individual unless he speaks on behalf of a group.

With the funds will come a slow confirmation of the fact that the democracy in Sweden has changed from what we associate with democracy on the Continent. Trade unions, the workers' movement, the popular movements, and the Social Democratic Labor Party will come to constitute an overwhelming power, which already exists on the 'democratic' level but which will now also come to exist on the economic level. In enterprises, employees will become faced with a formidable power combination, where, in actual fact, they will have to negotiate and quarrel with themselves, for they are themselves the owners, the leaders and the members of their trade union--and, just in case nobody realizes it, 95 percent of Swedish workers are members of the Trades Union Congress, 85 percent of the salaried employees are members of their central organization.

But, to be sure, nobody hides anything in Sweden. In the opinion of the trade unions, the funds are not to be managed on the basis of the principle of profitability, but according to partly local and partly national interests. The economic life and the industrial policy will not become a democratic but a corporate matter. The workers' representatives will be standing next to the directors, explaining to the employees why an enterprise will have to be closed down.

It is not only a question of Volvo and SKF [the Swedish Ball Bearing Co., Inc.], the sawmills and the paper mills, even if that is what the debate is about in Sweden, for here is certainly the world's most materialistic nation. It is a question of the freedom of speech, freedom of the press, and freedom of the cultural life. That was what Delblanc meant.

In a country which already has a state-subsidized press, and where small literary publishing houses may only apply to the State Cultural Council for subsidies for each title they wish to publish, in a country where the journalists' union has already decided that the employees must have a voice on the policy line of the newspaper, and where the workers' movement and wage-earner funds as well as the state publish over 1,000 of the 5,000 titles printed annually in the Swedish book market--what will then happen to such enterprises if the economic power is concentrated within the Social Democratic Labor Party, the popular movements and the trade unions by means of the means of the funds? What one cannot buy on the stock exchange may be for sale on the market. And who will then have the money? Who will then have the influence? Who will then employ leaders and co-workers? Which director in the cultural sector as well as in the other sectors of Swedish economic life will not become silent when he discovers that the industrial policy which he has just been criticizing comes from his own employers?

Now, corporate Sweden is becoming a success--now the silent spring will arrive in Sweden. There will be changes which will not be felt as changes because also this revolution will take place through a consensus--the famous Swedish consensus--where everybody is made to believe that they are in agreement because they understand that it is best for Sweden. Best for the prosperity of Sweden.

And there will be no Glistrup after the last 6 years of social democratic policy pursued by the nonsocialists as when the Liberals, the Conservatives and the Radical Liberals had done the same thing in Denmark. The Conservatives already are more than un-Swedish.

There will be changes in Sweden which, at first, will not resemble changes. But, suddenly, spring will arrive, the wonderful light-green Swedish spring, but without the birds singing.

7262

CSO: 3613/11

KURDS BLAST FASCIST NATURE OF NEW CONSTITUTION

New Constitution Institutionalizes Fascism

Huddinge ROJA NU in Turkish Sep 82 p 1

[Text] The fascist junta's draft constitution has been prepared. It is necessary to look upon the draft constitution drawn up by the commission headed by Orhan Aldikacti as the junta's constitution. They are the ones who had it drawn up and they are the ones who will approve it, because neither the commission nor the consultative assembly is independent of these fascist generals. Just as they were appointed in full by the junta of generals, they are directed in the same way.

We have said before that the junta is fascist in nature and the regime it is trying to install will be fascist. We have persistently condemned the wretchedness and error of those expecting democratization from the junta. We have said this not just because that is our assessment in view of the dungeons and torture, but because of the monopolization and because the junta is one of the bloodiest defenders of monopolistic capitalism. The fascist junta did not come in with the intent to leave. Such is clear today. Turning the military into civilians will not alter this fact. The administration that will be installed will be fascist in character in one form or another...until it is either suppressed or destroyed.

According to this constitution, the president and the government may dismiss the assembly and make up some excuse to declare a state of emergency and martial law when they wish. The police forces are given the right to kill, meaning the legalization of state terrorism.

The new constitution assigns broad powers to the president, just as it introduces measures to stifle social opposition. Above all, the revolutionary struggle of the working class is prohibited in whatever form it may be. The freedom to form unions is eliminated. The right to form unions will be given to the enemies of the worker, to the con-men, and will be directed by the state in everything from economic aid to decision-making. The working class is being thrown, with no means of defense, into the maw of the bourgeoisie. Exploitation will redouble, the bourgeoisie will grow fat and repression will continue apace. Colonialist repression of the Kurdish people will become even more cruel and the riches of Kurdistan will be plundered with impunity.

Both the exploitation and repression of the working class and the plundering of Kurdistan suit the growing monopolistic character of the Turkish colonialist bourgeoisie to a T. In an effort to open to foreign markets, Turkey's basic enemy is the working class and the revolutionary war of the Kurdish people. It is because of this that it is a dream to expect "democratization" from the junta. The junta is determined to close all the "open doors" with the new constitution because of this. It is a fact that Turkey even has an eye on Kirkuk oil and even has plans to occupy Iraqi Kurdistan. This plan is said to be causing a lot of conflict within the junta, but it certainly does not stem from one group's being aggressive and the other democratic, but is based rather on whether to take the risk.

The new constitution being prepared to install fascism also prohibits the formation of democratic mass organizations. In short, the constitution blocks all roads of democratic struggle toward enlightenment and which would strengthen the opposition. There will be neither freedom of thought nor legal organization. With a fascist constitution, this is impossible.

The new constitution was drawn up to institutionalize fascism. It fulfills this function as a whole. Every section is headed by the statement that the liberties will be preserved and then provisions to prevent and stifle the liberties follow. Never mind inclusion of the demands of the working class and the broad popular masses, the new constitution prohibits even the tiniest democratic extrusion. This constitution attempts to create and enslave people ignorant and unseeing of the facts. It is determined to silence every voice but its own. It is thus a question of the fascist administration that monopolistic capital would impose on a conquered barbarian. There will be neither strikes nor any kind of demands. The nature of monopolistic capital, in fact, is to let unemployment swell and use the worker army as an ace in the hole to impose terrible wages.

Constitution No

The new constitution has been approved by the consultative assembly and will be submitted to a public vote on 7 November. Thus intensive debate is beginning among the masses as to the junta's intent. This adds an active process to the relatively dormant process sustained for 2 years by blood and repression. Even if not openly, the masses will begin to ponder the intended objective for the first time.

This is no small thing and it would be a significant mistake to think so. It is necessary on the one hand to expose the constitution and explain that it is the bloody hand of monopolistic capital and intends to institutionalize fascism and, on the other, to form a joint reaction against fascism. The junta is doing everything in its power to force the masses to accept the constitution. Evren is trying to "justify" the new constitution on his tours.

Certainly, the old opportunities are no longer available to the revolutionary forces. It is not easy to get through to the broad masses. Bearing all this in mind, it is necessary to establish a close dialogue with all democratically-oriented forces. A common stance by the revolutionary forces and close cooperation with the forces of democracy could put the junta in a bad position. It is

necessary to draw this period into a process of active struggle. It is necessary, with crisis after crisis, to try to drive the junta into crisis.

The slogan "Constitution, No" will find its true meaning in combination with the struggle against /colonialism, racism, fascism, feudalism and monopolies/ [capitalized].

Junta and Constitution

Huddinge ROJA NU in Turkish Sep 82 p 2

[Article by Nabi]

[Text] Paris -- The collaborationist, monopolistic bourgeoisie brought fascism to power in the coup of 12 September 1980 by means of five fascist generals, having the full support of U.S. imperialism whose apologists they are, for the purpose of saving itself from the deep economic and political crisis in which it was mired, throwing the blame for that crisis on the proletarian masses and utterly suppressing and destroying the revolutionary struggle developing inexorably in Turkey and Kurdistan. Certainly these are not the only reasons for the junta's coming to power. One basic and fundamental cause was U.S. imperialism's loss of its colonies in the Far East. When socialist forces in Afghanistan, for example, defeated imperialism after long struggles, the ultimate goal was to forge the fundamental principles of socialism and abolish all reactionary institutions and existing treaties to sever completely their organic ties with imperialism. In the Middle East, meanwhile, the imperialistic United States and other colonialist imperialistic nations have suffered blows in our century that they will never forget. While they used Iran as a strategic outpost in the Middle and Far East during the reactionary reign of the shah, the gradual development of the growing popular movements against imperialism and colonialism in Iran to the point of becoming a physical force caused the loss of their most important bulwark in the Middle East in the shah. On the other hand, the region's petroleum deposits are of vital importance to the imperialists and to guarantee their interests in the region, preventing the inexorable and rapidly developing revolutionary opposition of the region's people against exploitation and oppression, they brought the fascist junta to power in order to use Turkey safely as a springboard and, in this context, to silence completely the opposition developing in Turkey and Kurdistan. As seen, brand new offensive headquarters are being formed right now in Kurdistan under the name "rapid deployment force." There is nothing arbitrary or coincidental about sending the Third Army to Kurdistan; on the contrary, it creates the ideal state in which the kind of intrigue needed to monitor imperialistic interests in the Far East and keep the people of the area under surveillance can be conducted. In short, the loss of Afghanistan in the Far East and Iran in the Middle East dictated that they throw their full weight to Turkey.

The colonialist fascist junta suspended all democratic rights, including the fundamental rights and freedoms, as soon as it seized power. It abolished Parliament and dissolved the constitutional institutions. It banned political parties and the revolutionary union organization of the working class, DISK. It banned TOB-DER, the organization for struggle of progressive, revolutionary

teachers. It halted operations of professional, democratic mass organizations such as TUM-DER [Comprehensive government officials' Unity and Mutual Solidarity Association] and TUS-DER [Comprehensive Health Personnel Unity and Solidarity Association]. All the democrats, patriots, revolutionaries and socialists who were in positions of responsibility and leadership on the various staffs of these democratic mass organizations were arrested and sent to torture chambers. The democratic gains won as the result of the hard struggle of our working class and our people, fundamental rights and freedoms such as the right to strike, to negotiate collective agreements and to demonstrate were snatched away.

Since the fascist junta seized power, more than 100,000 revolutionaries, democrats and socialists have been subjected to torture. Various reasons have been offered for placing 170,000 of our people under surveillance. Nearly 100,000 of our people were imprisoned. Over 150,000 are still wanted. More than 4,000 await the demand for capital punishment in the fascist courts. Scores of revolutionaries and democrats were executed. Hundreds were shot with the excuse that they failed to heed a warning to halt. In connection with this, 52 administrators of DISK [Confederation of Revolutionary Worker Unions], the struggle organization of our working class, are being tried for capital offenses.

Kurdistan is confronted by immoral treatment unprecedented in the history of our people. Women, men, young people, old people and children are rounded up in the village squares, stripped naked and the men and women forced to copulate in the village square. Those who refuse to submit to this demeaning torture are shot without compassion. These practices have become daily policy in our nation Kurdistan.

In times like these, then, the fascist junta came to power and these types of organizations suffered the worst. According to them, the Turkish and Kurdish left got the worst of this "unexpected" blow. Yes, this claim is true in some quarters, but our socialist movement, whose organization encompasses both legal and illegal operations and was thus ready for the junta before it arrived, knew how to survive this period with the least loss.

Even in the face of these events and the obvious situation, certain organizations today are falling for very distorted ideas as regards the nature of the junta. They are becoming so casual as to say that the junta has "democratic" generals in it.

It is unnecessary to go into a lengthy explanation of the class character of fascism. We are experiencing it concretely under the present circumstances. Dimitrov said this to Bulgarian communists and the entire world revolutionary movement: "Fascism is the enemy of everything and everyone except itself." That is, if these companies which have put their stamp on the Turkish economy today such as Kastelli, a Southern Industries and so forth have been wiped out by the capital market, if the existing economic structure and capital market are being absorbed by obvious monopolies and if even certain banks are flying the flag of bankruptcy, one must look for the causes. And let me say immediately that one must look at the junta's economic policy. Each passing day reveals that even the reactionary Turkish press that represents various sectors of the bourgeoisie is unhappy with these practices. To defend the absurd and wholly illogical views concerning the junta without taking these practices into account

and subjecting them to a consistent analysis can stem only from an illogical and mistaken ideology and from that alone. And speaking of that, just as the so-called political parties in Turkey, mumbling about there being no communist movement outside themselves and how they represent the Turkish working class, have been inexcusably wrong in theory, they have become even more reckless in the ignominy of defeat so as to engage in these "practices": "The question of whether the junta is fascist or not is a thing of the past. The question of what is to be done on the referendum is on the agenda now." "...for the constitutional vote to be held in a democratic climate and as of right now!

(1) for a general amnesty, (2) for all political parties except the Nationalist Action Party to operate freely, (3) for all unions and mass organizations to be open."

Talk about "democratic generals" today in a country where the prisons are filled with hundreds of thousands of patriotic democrats and socialists, where thousands are being killed in one way or another, where the death penalty has been requested for more than 4,000, where human dignity and respect is nonexistent as we described above, where the minimum democratic rights have been usurped, where basic liberties are gone and where the bourgeoisie itself is gradually going bankrupt. It only shows that bankruptcy of their policies. In fact, to say of a fascist junta, led by this kind of fanatic fascist generals which, since it seized power, has turned Turkey and Turkish Kurdistan into a slaughterhouse in the true sense of the word, that the question of whether the junta is fascist or not is "a thing of the past" is a crime for which the heaviest of penalties should be paid. Our people of Turkey and Kurdistan know full well that the time will come to call for an accounting of this serious crime. Turning to the "referendum," one must be living in outer space to expect a so-called "referendum" from a junta whose nature is so clear as to leave no room for doubt. Distinguished gentlemen, we are not living in outer space, nor are we blind. Open your eyes and see the facts. Wake up now, and perhaps the crimes you are committing will diminish, if only a little. These penpushers of ours likewise talk of "holding the constitutional vote in a democratic climate" and ask the junta for democracy in the form of articles. It is the height of ignorance to ask the junta for a general amnesty now when even the sports arenas are being turned into jails and the number of arrests grows by the thousands every day.

On the other hand, to talk about "all political parties except the NAP operating freely" is, in the first place, tantamount to equating fascism to the NAP, making it ridiculously clear what our leaders mean by fascism. Fascism, as known, is a phenomenon peculiar to the monopolistic bourgeoisie. Such parties as the NAP, the RPP, the JP, the NSP, etc, represented various segments of the bourgeoisie prior to 12 September. It is plain ideological poverty to want a party from among them such as the JP which represented the monopolistic bourgeoisie to resume activities. To speak of "all unions and mass organizations being open" means wanting such fascist unions as the Confederation of Nationalist Union (MISK) which existed prior to 12 September to resume activities. It is tantamount to wanting the fascist organizations to resume activities also.

The most important duty we have is the struggle against the fascist junta and colonialism. This struggle must be conducted in a spirit of dedication and militancy. We must give of ourselves to the utmost. In this sense, let us render

void this vote of the colonialists who are trying to institutionalize fascism with the new draft constitution. We patriots, democrats, revolutionaries and socialists who act and are acted upon, let us as a whole strike the fascist junta the historic blow it deserves with "No" to the fascist constitution.

8349

CSO: 3554/8

POLITIZATION ALLEGED IN CADET SELECTION

DIKO-AKEL Accused

Nicosia I SIMERINI in Greek 21 Sep 82 p 1

/Text/ The Central Intelligence Service /KYP/ and the Democratic Party /DIKO/ and AKEL party leaders have intervened scandalously in the selection of new national guardsmen who will enroll in the Athens Military Academy and who will staff the National Guard as career officers.

According to our reliable information, the candidate cadets had taken the /entrance/ examination soon after they joined the National Guard. An appropriate committee of the National Guard General Staff /GEEF/ corrected their examination papers and immediately sent them to the Ministry of Defense without any recommendations from the examination committee.

The Ministry of Defense prepared a list of candidate cadets which it submitted to KYP and various police directorates for information concerning the political persuasion of each candidate and the political and party position of his family. When the relevant information was gathered the candidates were "sifted" according to their political background and, finally, those were selected whose families favor AKEL and DIKO regardless of the results of the examinations.

This method of selecting cadets--similar to that of selecting reserve officers--has created bitterness and rage among those who took the examination and consider themselves wronged. According to our reliable information, parents of national guardsmen who were "left out" intend to denounce the affair to the leaders of all political parties except AKEL and DIKO and to ask them to get an explanation from the appropriate minister via the House of Representatives.

Attempted Denial Reported

Nicosia I SIMERINI in Greek 22 Sep 82 p 12

/Text/ As dozens of parents of concerned national guardsmen telephoned us yesterday to confirm our exposure of the cadet selection scandal and to assure us that they would go even to the courts for the injustice done to their boys, a government spokesman attempted to deny our report. He said that the I SIMERINI report that

only DIKO and AKEL followers were selected as cadets and that the "sifting" of the candidates was done on the basis of KYP recommendations did not correspond to the facts.

Asked if he could give this statement the spokesman answered in the negative. To the question of how the selection of the cadets was made and in what respect our report did not correspond to the facts, the spokesman was in no position to answer. To the question of whether the government could make public the list of national guardsmen who took the Military Academy entrance examinations as well as the names of those selected, the spokesman refused to answer.

Finally, the spokesman evaded our question concerning the party affiliation of the selected cadets and whether or not they had the best examination grades.

7520

CSO: 3521/25

MANPOWER, ROLE, FUTURE PLANS FOR NAVAL CONSTRUCTION DIRECTORATE

Paris DEFENSE NATIONALE in French Oct 82 pp 29-40

[Article by chief weapons engineer Jean Mesnet: "The Technical Directorate for Naval Construction and Its Activities"]

[Text] An armed force, and a navy in particular, cannot be conceived of without the industrial instrument that provides its materiel and plays a very extensive part in keeping it in operational condition. It is also one of the interlocutors that takes part in the "strategy of means," to the extent that it provides the technical solutions and their cost.

1. Missions and Role of the DTCN

The missions of the Technical Directorate for Naval Construction (DTCN) are three in number.

It makes available to the Navy, in the short and long terms, the combat vessels and submarines that enable it to fulfill the defense and public-service missions assigned to it by the government.

It keeps the ships and materiel constantly in service at the highest level of operational effectiveness.

It places its competencies at the service of the export programs and programs of technical assistance to friendly foreign navies, within the framework of the policy defined by the government.

All of these missions must, of course, be carried out with a constant concern for economy and a permanent endeavor to improve productivity. These missions are articulated around some major tasks, which are of two kinds.

On the level of the national missions, the DTCN must evaluate, by a constant forward-looking effort, the credible and financially envisionable technical responses to the threat felt and the needs expressed by the general staff of the Navy.

In liaison with the Navy general staff, it must define the technical-operational characteristics of the ships and materiel to be built, evaluate their costs, and financially program their development and production.

It designs the ships themselves, and the architecture of the systems and of certain specific materiel items. It establishes their technical specifications after system-design studies, feasibility studies and validation of the technical options.

It conducts development programs in industry, does the qualification and safety testing, and receives the materiel designed.

On the level of the industrial missions, the DTCN integrates the complex systems, equips the ships with them, puts them into operation, runs the "builder" tests, and presents them in the reception process to the Navy's Standing Committee on Tests.

It builds the ships that are within the capacities of the naval yards.

It organizes the technical follow-up and maintenance of the ships, their materiel and their munitions, and does the modernizations and refittings at midlife.

It develops the basic technologies specific to those military problems that are of only moderate, if any, interest to industry, because of lack of a sufficient volume of production or civilian commercial fallout.

2. Fields of Technical Competence

The modern combat ship represents one of the most complex and diversified overall systems in existence, integrating not only people in their daily and occupational lives but also the most advanced techniques, within a hostile setting to which are added the natural aggressiveness of the environment, confinement, and the ever growing and evolving threats of the adversary.

All, or nearly all, scientific and technical domains play some part in the building of a large ship or a submarine. Specifically, we mention mechanics, thermodynamics, electrotechnology, electronics, computer technology, acoustics, electromagnetism, optics, optronics, hydrodynamics, aerodynamics, solid physics, hydraulics, but also ergonomics, physiology and the social sciences.

The specifically military qualities of the materiel--operational objectives, acoustic silence, conditions of resistance to aggressive phenomena (the marine environment, shocks, vibrations, fire, nuclear flash, for example), electromagnetic compatibility, reliability, endurance and longevity, ease of maneuver, speed of configuration and reconfiguration of systems, speed and economy of maintenance and repairs--require, in all the technical domains covered, the most technologically advanced performance and development.

A great many advanced techniques must therefore be assimilated, oriented, stimulated, validated, integrated and made operational in order to ensure the provision of materiel subject to the military naval environment and capable of coping with the threat.

The management of these technologies is organized by branches around the major technical-operational functions of the ship:

- hull, energy, propulsion;
- detection and underwater weapons;
- torpedoes and antisubmarine weapons;
- electromagnetic and infrared detection;
- systems of antiaircraft and antimissile defense and defense against surface vessels;
- signaling and radionavigation;
- electronic countermeasures;
- data-processing.

3. Administrative and Industrial Context

Fortunately, the DTCN is not alone in carrying out its tasks. It comes under the General Delegation for Armament (DGA), orients its action in conformity with the DGA's technical and industrial policy, and calls extensively on industry.

This means that it draws support from all of the country's scientific, technical and industrial resources, coordinated, from the point of view of their application to the problems of defense, by the functional departments and services of the DGA.

More specifically, this means that in the areas of scientific, technical and technological research, it bases itself, without duplication of effort, on the results of the upstream research work done by the Directorate of Research and Technical Studies (DRET), the public research offices such as the ONERA [National Office for Aerospace Studies and Research], the research units of the universities and the numerous laboratories in industry.

In the areas of the developments in aeronautics, missiles and basic technical electronics, it bases itself, in the same way, on the work that comes under the Technical Directorate for Aeronautical Construction (DCTA), the Missile Technology Directorate (DTEn) and the Central Service for Telecommunications and Data-Processing (SCTI)--with the role of the DTCN consisting, in this case, in adapting and integrating into the ship the systems developed by others, with its active cooperation as regards expression of the need and monitoring of the results.

In the areas of the design, development and production of the materiel, equipment and weapons specific to naval applications, the DTCN calls on French industry to the maximum extent possible, in all sectors in which it finds the necessary competence and dynamism or where it manages to stimulate them, so that the results of its studies will have all the economic and commercial fall-out possible. Though with some exceptions, the role of the DTCN is therefore not to develop on its own but to get development done, which assumes deep assimilation of the existing and nascent technologies, permitting effective conduct of the projects.

Today the DTCN calls, outside its own departments, on all the competencies necessary, upstream and downstream from its own competencies, which, in the scientific area, relate particularly to: naval hydrodynamics, submarine acoustics,

physiology in a confined atmosphere. The same is the case vis-a-vis industry, for the designing, integration and prime contractorship for the construction of big combat ships and submarines, for the design and construction of torpedoes, and for the design and construction of on-board nuclear boilers.

4. Activities and Means

The DTCN has a sizable technical and industrial potential at its disposal, on the three levels of the personnel employed, the laboratories and design and testing centers, and production facilities. This potential is distributed among the naval yards of the military ports and in the establishments outside the ports and in the Paris region.

The DTCN's activities are grouped around five major themes; their relative importance, which varies slightly from one fiscal year to another, was as follows in 1981:

--design and development	7 percent
--new construction for the fleet	34 percent
--Strategic Naval Force (construction, maintenance and upkeep)..	23 percent
--maintenance of fleet and of munitions	24 percent
--activities for customers other than the French Navy	12 percent

The whole of these activities represented Fr 10 billion in production and 34 million productive hours, the DTCN's added value being a little less than 40 percent of its production.

As of 1 January 1982, the DTCN employed:

- 270 weaponry engineers;
- 610 weaponry-design and technology engineers;
- 100 officers of the weaponry technical and administrative corps;
- 440 civil engineers;
- 610 engineers specializing in design and manufacturing technology;
- 920 design and manufacturing technicians;
- 470 administrative secretaries and personnel under contract;
- 3,630 technicians with worker status;
- 22,130 professional workers;
- 2,240 nonprofessional workers;
- 280 agents.

This is a total of 31,700 persons (not including the personnel of the local industrial firms working in the naval yards under subcontract).

The design centers, testing centers and laboratories of the DTCN are 18 in number. They employ 350 engineers, 1,000 technicians and 1,000 workers. Their operating budget is close to Fr 350 million per year. Their investments--testing, firing and listening facilities, haulout docks and testing tanks, computer facilities and measurement benches--represent several hundred million francs.

These design-study centers constitute the scientific and technical structure on which the DTCN relies for taking on the most various technical responsibilities assigned to it and for managing the advanced-technology programs assigned to industry on a subcontract basis.

The industrial production facilities are distributed among five directorates and four establishments [as published]; two of them overseas:

--DCAN (Directorate of Naval Construction and Weapons) of	
Cherbourg	4,580 employees
--DCAN of Brest	6,980 employees
--DCAN of Lorient	4,250 employees
--DCAN of Toulon	8,480 employees
--ECAN (Establishment for Naval Construction and Weapons) of	
Paris	2,230 employees
--ECAN of Ruelle	1,980 employees
--ECAN of Indret	1,450 employees
--ECAN of Saint-Tropez	1,170 employees
--ECAN of Papeete	530 employees
--Overseas support echelon	50 employees

The value of the DTCN's fixed assets totals more than Fr 14 billion, including Fr 6 billion in real estate and Fr 6 billion in heavy tooling; the maritime infrastructure of the ports (piers, drydocks, etc) is not included in this figure.

Apart from the usual management services relating to personnel, industrial production, financial management and international affairs, the DTCN draws support, for managing the fleet's programs, new construction and repairs, from two services: the Subdepartment for the Fleet in Service (SDFS) and the Technical Service for Naval Construction and Weapons (STCAN).

The SDFS manages:

- the fleet-maintenance financial expenditures;
- the ship maintenance-work programs;
- the supplying and storage of spares;
- the administration, supplying, upkeep and conservation of munitions;
- maintenance of certain types of craft of the naval air force and the corresponding stocks of spares.

The Technical Service for Naval Construction and Weapons is responsible for:

- management of the design-studies and research activities;
- design of warships and their weapons systems and equipment;
- the conduct of the weapons and weapons-systems development programs and new-construction and refitting programs;
- establishment of estimates and control of the costs of the programs, as well as financial management of the new-construction studies and programs;
- technical follow-up on the materiel in service, expert technical reports and regulations;
- management of the laboratories and the design-study centers that constitute its technical arm in the ports.

The new construction for the surface fleet is grouped industrially in the naval yards of Lorient and Brest. It presently involves dispatch boats, the 2000 prototype frigate for Saudi Arabia, the antisubmarine corvettes, the antiaircraft corvettes, the refuelling tankers, the logistical vessels and the mine-sweepers. Construction of diesel-powered and nuclear-powered attack submarines is done exclusively at the Cherbourg naval yard.

New-construction activities as a whole represent Fr 2.9 billion in production and 9 million productive hours.

The building of the missile-launching submarines of the Strategic Naval Force (FOST) is concentrated at Cherbourg, which devotes something like 3 million productive hours to it per year. Operational maintenance of the FOST is done at Brest, with the specialized infrastructure of Ile Longue, and corresponds to about 3.5 million productive hours per year. In addition to this work on the ships, there are the creation and maintenance of the operational environment of the FOST, the radiocommunications stations in particular. The total activities of the FOST represent Fr 2.3 billion in production and about 7 million productive hours per year.

Systems studies and development cover the entire range of the materiel and systems equipping the ships, as well as certain equipment for the naval air force. They are managed by the Technical Service for Naval Construction and Weapons, with the collaboration of the laboratories and the design-study and testing centers, which devote nearly Fr 700 million and 1.5 million productive hours to them.

The major part of fleet maintenance is done by the Toulon naval yard. The Brest and Lorient yards do quite a bit for the ocean fleet, and the other yards contribute a total of less than 15 percent. The total represents nearly 12 million productive hours, including more than 1 million hours for munitions and a little more than 1 million for naval aeronautics. The stocks managed by the DTCN represent a fixed-assets value close to Fr 9 billion--25 percent of it in industrial stock and 75 percent in military stock, which consists of 50-percent ship stores and 50-percent munitions stores.

The activities for customers other than the French Navy relate to the other administrations and the assistance furnished to foreign navies. Certain of these programs are of a breadth comparable to that of our national programs.

They include the designing and building of entirely new ships, assistance for building under license, and quite obviously, after-sales service.

The biggest program in this category is the Sawari program for Saudi Arabia, which represents about Fr 14 billion and 25 million productive hours for the French economy, under the prime contractorship of the DTCN, with the major part of this program assigned to industry.

5. Outlooks for the Future

Though military shipbuilding is a very ancient activity, it is constantly transforming its methods and its techniques. In this regard, there will be neither a pause nor a decline in the next 20 years; the orientations of the efforts for the ships of the year 2000 are already outlined:

- increased acoustic, electromagnetic and infrared silence;

- increased performance of active sonar radars and introduction of towed linear sonars and very-low-frequency sonars;

- introduction of nuclear propulsion for big surface ships as well as generalization of propulsion by low-compression fast diesel engines;
- introduction and generalization of new materials, plastified fiberglass, light alloys, titanium, amagnetic steels and steels with very high yield strength;
- evolution of concepts of protection: selective armoring; protection, dissemination and redundancy of the ship's nerve centers; increased protection against nuclear effects--blast, radiation, electromagnetic effect and radioactive pollution;
- generalized automation of ship-sailing, of centralization and of data-storage;
- decentralization of computer functions and generalization of microprocessors;
- standardization of digital interfaces and generalization of BUS [expansion unknown] systems; evolution of program languages;
- placing in service of submarine-to-sea missiles, the supersonic transhorizon sea-to-sea missile, antimissile self-defense;
- placing in service of a light torpedo capable of destroying the most recent adversary submarines or those being developed;
- development of sophisticated electronic countermeasures: decoys, jammers, radar detectors and interception of radio connections;
- development of transmissions via satellite and transmissions hardened against adversary countermeasures.

6. Conclusions

The recent evolution of the geopolitical context and of the technical and industrial context shows clearly that nuclear deterrence by means of missiles carried on board is one of the major components of our defense and that protection of our overseas energy and raw-materials supply lines is still acutely important. The struggle on the sea and the struggle under the sea are not close to easing off. Military shipbuilding is therefore essential for ensuring our national independence in the short, medium and long terms.

But the growing complexity, diversity and multiplicity of the threats and of the techniques appropriate for coping with them, together with the steady increase in costs as a function of the raising of performance, constitute a permanent challenge to the organizations and people involved. They demand increasingly greater specialization and ever more intensive cooperation with all sources of knowledge, competence and innovation, which are both a vital necessity and a challenge to those responsible. They require that the choices be made without error and without major hitches despite the diversity of the options and of the technical risks, with, simultaneously, an effort of imagination, an acute sense of reality, that exclude dreaming but imply dynamism and clearheadedness. The DTCN works in this framework of permanent effort at renewal without repudiation.

One of the essential missions of the DTCN, as one participant among others in the carrying-out of our naval programs, is its function as overall architect and industrial prime contractor for the ships and naval-weapons systems.

In its technical responsibilities, assimilation and permanent evaluation of all techniques are necessary, as well as a capacity for selection and orientation that makes it possible to maintain simultaneously the coherence of each project and the overall technical coherence of the fleet.

In its industrial responsibilities as builder, this implies permanent and increasingly intensive modernization of the methods of preparation, of management, of programming and of monitoring of expenditures and costs, as well as of the fabrication processes, without forgetting the organization, work safety and training of the personnel.

In its responsibilities for maintaining the fleet in service, it is necessary to have extremely intensive forecasting, permitting, simultaneously, sound management of stocks and sufficient capacity for ensuring 30 years of repairing of equipment whose suppliers might become disinterested well before the midlife of the ships.

The complexity of this evolution is sometimes perplexing, and the bet on success is never won in advance; but the results achieved have been up to expectations, despite the incredulity of some, as is evidenced mainly by the success of the missile-launching nuclear submarines (SNLE's). The tenacity, openness of mind and ingeniousness of the personnel of the DTCN have never been questioned. They constitute the best promise that the DTCN will continue, despite the severity of the challenges, to do honor to its work and to take on its obligations, in its long tradition of competence and quality.

11267
CSO: 3519/58

GOVERNMENT UNDERMINING ACTION AGAINST PYR-KAL ALLEGED

Athens I VRADYNI in Greek 1 Oct 82 p 7

[Excerpts] Why did the administration lead PYR-KAL into an economic blind alley with the result that it put an end to its operations after 100 years of continuous and consistent activity in the area of the munitions industry? How is it possible to create, without any qualms of conscience, a climate of insecurity in 5,000 families of workers and suppliers of PYR-KAL? At a moment when the premier himself emphasizes the imperative need to increase productivity and exports..

What multi-directional policy (or what network of interests) dictate this position of the government towards a company which could easily become the first exporting element of the country in view of the fact that its productive potential exceeds 12 billion drachmai annually?

At a time when we beg conservative Arab countries to effect short-term deposits in Greek banks in order to strengthen the meager foreign exchange reserves, the government stopped, at the last moment, the export of PYR-KAL munitions to Syria valued at 113 billion dollars!

With only this export PYR-KAL would have had full operation for the next 14 months, until September 1983. It would have a profit of 2.5 billion drachmai which would had a direct effect on the saving of its financial situation. At the same time it would produce, at a lower cost, munitions for the Greek ARmed Forces.

Do We Want an Arms Industry?

To be sure, the export of arms is inevitably connected to the options and maneuvers of foreign policy. In the meantime, the administration of PYR-KAL had moved in time to complete all the legal procedures needed for this type of exports. It must be pointed out that all sales of arms and ammunition to countries not belonging to NATO need the approval of the Council of Ministers. In other words, the premier must say "yes", otherwise, in cases where the export involves a member of the Atlantic Alliance, only the approval of the minister of National Defense is required.

The approval of the proceedings took 5.5. Initially the order was for munitions worth 160 million dollars. But we delayed excessively. It is common knowledge that the rule in the international arms market is that every "customer" purchases arms and munitions in order to use them within a certain time frame. Thus, the Syrians

lowered their order to 113 million dollars because they had already obtained part of it from other sources. The administrative council of PYR-KAL, as soon as it obtained the approval, hurried to obtain credits in order to proceed with investments for equipment and raw materials. The first ship had not finished loading the munitions when the government changed its mind. With an urgent telex from the deputy minister of National Defense, Mr. Zakolikos, the export to Syria was halted. What happened? Do we want an arms industry or not?

Behind the Scenes

According to exclusive information of VRADYNI, Iran was being supplied with arms and ammunition during the war with Iraq through "third" parties. Especially through Syria it had obtained considerable quantities from PYR-KAL. At the same time Iraq was also being supplied by PYR-KAL through third parties. The large order of 113 million dollars for Syria was actually destined for Iran. At this stage of the war though, the aggressiveness of the Iranians must be curtailed and the war of attrition must be stabilized between the two regimes. On the other hand, PASOK's faithful friend, Saddam Hussein, president of Iraq, could not be offended.

The eventuality of Damascus keeping part of the munitions had to be prevented... Naturally, the halting of the exportation and the country's loss of 113 million dollars did not change anything (in appearance at least) in the area of the Middle East. In the name of the multi-directional policy (which tends to become one direction) of PASOK, some Turkish company took PYR-KAL's place. Ankara recently signed large commercial and investment agreements with Iraq and Iran without any of the warring countries thinking of setting any conditions. As a matter of fact, the commercial agreements of Turkey with Iran amount to two billion dollars! As reported by sources of VRADYNI, even earlier--before the "change"--a PYR-KAL order to Thailand amounting to 32 million dollars was cancelled by the government.

The Methodology of a Take-over

The administration of PYR-KAL has numerous complaints even involving the former government, which kept a close eye on it and created various obstacles. After the electoral victory of PASOK though, a persecution without precedent was unleashed against all activities of the company, with the evident aim of economically weakening it for its eventual absorption by the state and incorporation in the Greek Arms Industry (EVO).

Repercussions

"It is a matter of abuse of authority," states the president of the company, Mr. Alekos Athanasiadis. Already the repercussions from the affair PYR-KAL are clearly evident in industrialist circles. Their mistrust of the government has increased because it wishes to impose state monopolies in place of private companies. This unfavorable condition, in any event, nullifies the efforts of Mr. Papandreou to attract investors.

The PYR-KAL is the company that made the projectiles for the war in Albania. The government of "change" played a dirty trick on it and, perhaps spelled its doom, forty years later.

CRITERIA TO GUIDE PURCHASE OF AIRCRAFT LISTED

Athens MESIMVRINI in Greek 30 Sep 82 p 1

[Text] Greece has recently become the "bone of contention" between the great industries of the West which build military aircraft, such as the French "Dassau"; the Anglo-German-Italian "Panavia"; and the American "Northrop," "General Dynamics," and "Mc Donald Douglas." This is natural because it involves the sale of 100 modern, supersonic jets valued at more than three billion dollars at current prices.

For placing this order, the Greek government demands "parallel investments" (Industrial Offset Programs) which may cost Greece from a few hundred dollars to hundreds of thousands of dollars. Thus, together with the weapons systems which come with the 100 supersonic jets, the spare parts and the "offsetting", the cost of the air defense of the country for the next ten years is expected to reach six billion dollars, which means a burden of 50,000 current drachmai per each Greek. A sum which is substantial, if not unbearable.

For these reasons the purchase of the 100 aircraft must be given special attention by the Greek government if only for one additional reason: that, contingent on the selection of the appropriate aircraft, the air defense of the country, and specially of the aerial control of the Aegean, will depend whether or not it is effective.

The selection of the military aircraft offered for purchase must fulfill three criteria:

1. The strategic criterion, that is, if the aircraft fulfills the long range objectives of Greek strategy; if it is effective on air-to-ground and air-to-sea targets and can support not only the Greek land forces but ensure air superiority over the Aegean and control the exits of the Black Sea and the sensitive spots of the Eastern Mediterranean. To be sure, Greece is a peace-loving country that has no designs against anyone; however, it is a solid axiom of strategy that the best defense is the one which allows an effective offense as a means of not only averting an attack, but also of repelling it.

Therefore the formulation of a Greek strategic plan reaching until the end of the century is a prerequisite of the purchase.

2. Unfortunately (or , perhaps, fortunately) the selection of the appropriate aircraft is limited by another factor: What will Turkey purchase for her part? Oddly,

but not unjustifiably, this neighboring country is on the threshold of reaching a decision regarding the purchase of a similar number and type of modern military aircraft. It is certain that because the Turkish strategic planning is, if not set, at least for a longer term than the Greek (as was unfortunately proven with Attila), the type of aircraft which will be preferred will determine, as a result, the Greek preference, because of the fact that Greece is interested only in its defense in a broad strategic sense.

3. The last, but not least criterion, is the cost of the selection. A country such as Greece, which faces permanent problems in the balance of payments, should not be led so much by the analysis of the social cost and the profit in the procurement (i.e., the offsetting) factor as much as by the foreign exchange coefficient of liquidity (cash flow) of the Greek economy. In other words, instead of a definitive order, it would be expedient at present to minimize it, unless there is case of a parallel investment with a high added value in foreign exchange, but such an opportunity is minimal...

Then why do we mention all this? First, to forewarn the government, which appears to have taken the slippery path of a "political decision," i.e., of the predominance of the political factor in the selection. However, as we have demonstrated, this criterion should not constitute a decisive factor in the "equalization of the preference." Secondly, to advise it that the decision which it will reach is a matter neither of PASOK nor of socialism, but of all Greeks presently living and to be born during the next 20 years. It would be a mistake to mortgage the future and the security of the country for the sake of short term impressions.

9731

CSO: 3521/32

BRIEFS

TANK CONTRACT AWARDED--Hagglunds in Ornskoldsvik will receive an order for tracked vehicles worth 200 million kronor for the defense. The government has decided that the Defense Materiel Agency may place a supplementary order for the tanks, which will become part of the infantry and Norrland brigades as well as of certain special units. The Materiel Agency may also order the conversion of older infantry tank destroyers into anti-aircraft missile vehicles and anti-tank missile vehicles. These vehicles will become carriers for anti-aircraft missile 70 and anti-tank missile 55 (tons). This order will also go to Hagglunds. The amount of the order is close to 100 million kronor. (Tidningarnas Telegrambyra) [Text] [Stockholm SVENSKA DAGBLADET in Swedish 18 Sep 82 p 25] 11949

3650/11

GOVERNMENT-INDUCED POPULAR APATHY SCORED

Nicosia I SIMERINI in Greek 22 Sep 82 p 2

[Article by Marios Dimitriou: "Reflections Following the Massacre"]

[Excerpts] The Denktash regime declared a day of mourning yesterday ostensibly to honor last Friday's massacre of civilian Palestinians in West Beirut camps. No one harbors any doubts that Denktash and the Turkish government will not hesitate to provoke at any given moment a similar massacre of the Greeks of Cyprus just as they did in the past.

Their goal is to occupy the whole island and would unhesitatingly drown it in blood to achieve this goal. The question remains what we, as people and as government, are doing to avert the possibility of our being massacred and to recover our lost rights. Our leadership's only concern is to remain in power by securing the people's support by providing good food, clothing and recreation. We are a country under foreign occupation, facing the danger of national and biological extinction. Instead of trying to orient us in this direction, instead of trying to prepare us mentally and physically to resist the occupation of our country, our leadership is instead disorienting and hoodwinking us by providing the narcotic of the good life and consumer prosperity. Instead of importing weapons the political and economic leadership of Cyprus imports luxurious automobiles, television sets and videos. Instead of constructing defense projects and military camps, the leadership of Cyprus builds tourist apartment houses and hotels. Instead of teaching frugality and love of ideals, our government leadership teaches how one can become a fat pig.

And the people? What are the people doing? What are we doing? All of us follow our leadership and do what it teaches us to do. We become pigs. We eat and dress richly, we enjoy recreation, we pursue careers and promotions. And if at times the tragedy of others--like that of the Palestinians--reminds us that we are not in any better position than they, then we begin to think that in the event of danger others will save us, that Greece will save us. And our leaders have taught us to believe this--that Greece will rush to save us. As we eat and enjoy ourselves we think that in difficult times the "intellectuals" of Athens, Salonica and Larisa will come here and fight for us. We believe that the Greeks of the mainland are fools and that they will come helter-skelter to be killed for our sake while we escape to Paphos and the Troodos (Mountains) to save our skin.

But things are not so. If we do not prove that we are always ready to fight for this country no one will come to do our fighting for us. If we do not prove that we are determined to defend our honor and dignity, no one is about to help us.

Let us not, then, expect Greece to do everything for us. We too should be ready. Let us tighten our belts and let us come out of our cursed apathy. Greece will show interest in this country only when it perceives that we too are interested in it.

7520

GSO: 3521/23

GENERAL

CYPRUS

BRIEFS

POLL ON NATIONAL DEFENSE--The Cypriot Center of Strategic Studies /KKSS/ is conducting a poll on the island's defense. In an announcement it issued yesterday it states: "Being aware of the importance of the country's defense and of the need for greater attention on the subject by the government, the political parties and the public in general, KKSS is conducting a study for this purpose. In the context of this effort it has taken a poll in three districts of Cyprus. It submitted to the public questions concerning the Turkish danger, the government's interest in our defense, the need for more measures in this sector, the possibilities for our defense today, the role of Greece and the people's willingness to make greater sacrifices for their own security. A staff of professionals--mathematicians, statisticians, psychologists, economists, etc.--under the guidance of Aristos Aristotelous, an expert on defense affairs, is cross-checking and analyzing the results of the poll. It is expected that as soon as the study is completed its results will be submitted to the authorities, to those directly concerned and to the public for its information. /Text/ /Nicosia I SIMERINI in Greek 19 Sep 82 p 2/ 7520

CSO: 3521/23

NEW APPOINTMENTS TO AREIOS PAGOS ANNOUNCED

Athens AKROPOLIS in Greek 5 Oct 82 p 1

/Article by Khr. D. Kyritsis/

/Text/ Six chief appeals court judges and three appellate judges were promoted yesterday to Areios Pagos /Cessation Court/ justices by decision of the 11-member Supreme Judicial Council for Civil and Criminal Justice which met in Areios Pagos to fill the court's nine vacancies. Those promoted are:

I. Kiouisis, chief of the Salonica appellate judges; Ath. Moulas, chief of the Patrai appellate judges; Khr. Sartzetakis, chief of the Navplion appellate judges; Samouil Samouil, chief of the Athens appellate judges. All were promoted unanimously.

The chiefs of appellate judges in Ioannina, G. Sfyris, and Piraeus, Il. Giannopoulos, and Athens appellate judges G. Pavleas, Khr. Giannakoulos and Ap. Moustakopoulos were promoted by majority vote.

Athens Appeals Court assistant prosecutor D. Tsevas, first in seniority, was promoted to appeals court prosecutor and assigned to Thraki. Salonica Chiefs of Appellate Judges G. Bekiaridis and Emm. Papadogiannis and Athens Chief of Appellate Judges G. Kamberis received more than three votes each and they have the right to appeal their non-promotion to the Areios Pagos plenum.

On the other hand, the following Athens appellate judges who did not receive enough votes do not have the right of appeal: Alex. Tzenos (he was subjected to a disciplinary sentence of 3 months suspension for politicizing via newspapers), Anastasios Vernardos, Pan. Papadimitropoulos and D. Dafermos.

Transfers

St. Papadelis, Salonica Appeals Court prosecutor, was transferred to Athens while the Thraki Appeals Court prosecutor, Il. Filiopoulos, was transferred to Salonica.

Areios Pagos Chief Justice G. Konstas said that the council did not fill other appeals courts vacancies (chiefs, appellate judges, etc.) because of the possibility that the aforementioned three appellate justices may appeal to the court plenum.

It should be noted that in order to promote the aforementioned chiefs of appeals courts to Areios Pagos justices, 24 other appeals court chiefs were left out, while 5 others will not be considered in order to promote the preceding three to Areios Pagos justices.

As is known, appeals court prosecutors Sp. Alexopoulos and Vas. Pappas filled the two Areios Pagos deputy prosecutor vacancies.

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CSO: 3521/33

GENERAL

GREECE

BRIEFS

GREEK-AMERICAN POLICEMAN ARRESTED--Police and court authorities in Tripoli are faced with a strange situation. Yesterday afternoon a police force headed by the Tripoli district attorney conducted a search in the village of Mainalos and arrested a Greek-American policeman who was hiding a small arsenal, wireless sets and investigative devices in his residence. Despite the fact that authorities are maintaining secrecy on the subject, it was learned that the Greek-American policeman, who is known by the name of Kapralos, was hiding 10 powerful wireless sets, a prospecting device, 5 guns, 6 weapons, 200 cartridges and smuggled playing card sets. Authorities are investigating possible connections with the Greek-American policeman, who has been in Greece for one year. According to information, he stated to the district attorney that he is in Greece on indefinite leave and still is a member of the U.S. police.
[Text] [Athens ELEVTHEROTYPIA in Greek 21 Oct 82 p 1]

CSO: 3521/48

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