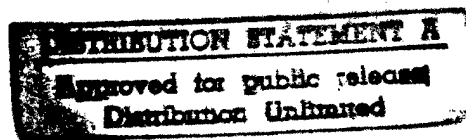


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12 January 1983



# West Europe Report

No. 2086

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## STATUS OF AIR FORCE MODERNIZATION, FUTURE PROSPECTS EXAMINED

Rome RIVISTA AERONAUTICA in Italian Sep-Oct 82 pp 14-20

[Lecture by Air Force Chief of Staff General Lamberto Bartolucci at the closing of the 23rd Session of the Center for Advanced Studies in Defense: "The Air Force after the Restructuring of 1975--State of the Forces, Programs and Outlooks"]

[Text] The theme chosen--"The Air Force after the Restructuring of 1975--State of the Forces, Programs and Outlooks"--fits very well with the collegial theme of this year's session and enables me to indicate what the projection for this armed force is within the more general context of the Italian military instrument of the 1990's, in the light of the country's commitments within the Atlantic Alliance and the specific national exigencies.

But treatment of this subject requires several matters of fundamental importance to be made clear beforehand.

The armed forces, in their totality, are a factor of security and an instrument of the country's policy; this means that even with the differences in their tasks, all three must function together in pursuit of the national objectives. From this ensues the need for mutual complementarity, which, far from negating the identity of each of them, enhances it. This concept rules out areas of superimposition of the tasks of each armed force, and therefore of the means for carrying them out. The resources that the nation can devote to its defense make it clear at once, when measured against the real requirements, that the design of the instrument has to be essential.

It is immediately clear, then, that a joint effort for increasingly better harmonization and measured balancing of the three components must lead to a rational rejection of any centrifugal tendency.

In this context, the dimensioning and quality of the air component of the military instrument--that is, the Air Force--are not to be considered in themselves but are to be proportioned with coherence and objectivity to the tasks and physiognomy of the entire military instrument as a whole, with everything constituting a balanced and harmonic totality.

With this in mind, it should be stressed that a land or naval operation not taking advantage of decisive Air Force support cannot be imagined; and this

principle is based on the supposition that the Air Force has achieved, or is capable of achieving, the necessary and proportionate conditions of mastery in the sky, even if local or temporary. Dimensioning, planning and programming the armed forces without taking this truth into account, considering the problems from a sectorial point of view, would mean undermining beforehand the validity of the military instrument that we are striving to configure and bring into being.

#### Italian Model of Defense

With these things understood, I maintain that it is necessary first of all, in order to talk about the future qualitative and quantitative physiognomy of the armed forces, to refer clearly and simply to the guiding concepts to which the conceptual process must conform. I will therefore say a few words about the Italian model of defense, inasmuch as the principles which it must follow represent the precise directions of development to be followed in a single guideline for the three armed forces and therefore for the Air Force also, dictating directly, albeit implicitly, the composition and relative weight of the essential operational components.

The first indication comes from the Constitution of the Republic, which indeed makes it clear that Italy repudiates war as an instrument of offense but is firmly determined to defend itself against all aggression. This implies, for the Air Force, a twofold responsibility, toward the citizens and toward the other two armed forces: to ensure, in an integrated manner and in the air environment, the maximum compatible degree of defense of the entire nation, of its human and economic patrimony and of its military potential, against air threats in their various components. That this objective is to be pursued through the use of different weapon systems, missiles, interceptor aircraft or fighter-bomber aircraft capable of combating the threat even at its starting-point, is only a technical matter not affecting the purposes of the constitutional mandate, which in itself establishes an implicit obligation to have available the means suitable for the effort to prevent, discourage and, if necessary, halt any eventual aggression.

In this context, speaking of the Air Force means speaking of that component of the integrated national military instrument to which is assigned, through the most correct and functional use of the organization, means and equipment considered most suitable and permitted by the overall resources, the task of ensuring the air defense of the national territory, the adjacent seas and, in any case, the areas of operational interest, an offensive capacity for a prompt military response such as to constitute a credible deterrent, as well as the indispensable direct aid to the operations of the other two components.

The aid to civil protection which the law now sets as a coprimary role of the three armed forces should be considered separately and as regards the aspects of competence.

The second indication ensues from a firmly established point in Italian military policy: its membership in the Atlantic Alliance, whose strategic doctrine, based on the concept of flexible response and forward defense, will continue to

constitute one of the principal foundations on which the "national-defense model" is based. For the Air Force, almost all of whose operationally significant forces are assigned to NATO, this translates into the primary requirement to fit its forces into the Alliance's broadest defensive organization, maintaining an adequate system of command, supply and control, and ensuring, within the framework of contribution to the deterrent "triad," high levels of operational readiness, characterized by continual surveillance and extremely short times for going into action. From this derives a heavy and high commitment and a considerable utilization of human, material and financial resources.

The third indication, which is also of a political-military character, refers to that "new model of defense" that is so often talked about and debated in the specialist political and cultural circles.

What is involved is to achieve a more up-to-date defense model that also takes account of the new realities that have emerged in the Mediterranean context. This model, superimposed on the already consolidated Italian operational commitments and on the new ones that have been outlined, will have to be capable of fulfilling them through the availability of a credible instrument capable of coping also with the security requirements that are not related exclusively to the NATO context. Modernization of the structures and greater mobility and operational readiness of the military instrument will be among the most basic elements of the new approach.

It should be stressed, though, that there are clear indications that Italy does not intend to use its military forces outside a strict strategy for defense of its own territory and its own freedoms, though not shirking the duty to collaborate with other countries in actions for peace, cooperation and international solidarity.

In the last analysis, the new model of defense will have to be capable of:

- manifesting our will to cope with the responsibilities that have been taken on within the framework of the Alliance;
- achieving recognition of an active role for Italy in the Mediterranean;
- giving shape to a military instrument capable of preventing, by deterrence, the rise of armed disputes and of ensuring the defense of the country and its interests in whatever manner;
- and finally, contributing, with other institutions of the country, to international security, in both its constitutional aspect and in the aspect of action in the event of public disaster.

Naturally, the validity of the presuppositions and the concrete feasibility of the new model of defense are based on the assumption of authoritative political and economic-financial confirmation.

I shall present a little farther on my evaluation of those elements of the situation, including the evolution of the threat, that make for the consideration of a new model of defense. At this point, though, I am in a position to declare that at this moment the Air Force, because of its intrinsic characteris-

tics of mobility, flexibility and prompt reaction, because of its potential capacity for action to the south also, because of the planning of its means already in progress and because of the planned modifications of its structure, is the armed force that with relative agility and timeliness of maneuver could be capable of fulfilling the requirements deriving from a new model of defense, as just recently configured.

#### Operational Hypotheses

In any case, there remains the problem of a dimensioning of the aeronautical military instrument that is coherent with the guidelines identified in terms of suitability and feasibility. In order to do this, analysis of several situations and operational hypotheses may be helpful.

The fact that the classic threat from the east--which has evolved technically in its land component and especially in its air component--is still immanent is now commonly accepted, and it is also superfluous to mention the attempt at outflanking to the south that the Soviet Union has been conducting for several years with alternating success, with the presence of the Russian fleet in the Mediterranean, always to be feared even if it appears stabilized in terms of quality and numbers. Together with all this, consideration should be given to the enormous military effort by several countries of North Africa, which seem intent on building up warlike resources, in terms of means and logistical-operational predispositions, considered to be well beyond normal defensive requirements and disproportionate to their size of population. The qualitative and quantitative increase and the marshalling of the aircraft and missile delivery means of the countries of the Warsaw Pact and of those that are asserting themselves in the area of our interest are, in global terms, certainly significant and decisive for the purposes of correct evaluation of the threat.

The sizable production of weapons systems equipped with enhanced operational characteristics and the continual modernization enables the air forces of said countries to carry out, in the European-Mediterranean theater, tasks that go beyond those limited to aid to surface forces and direct defense of them, thus constituting a concrete and fearsome threat to all of Italian territory and the adjacent seas.

According to the current estimates, if I may be permitted to cite just one figure, there are already more than 1,000 aircraft technically capable, taking off from fixed bases, of hitting objectives in the national territory and in the Mediterranean area of interest.

Even if it would be difficult to achieve a simultaneous and omnidirectional concentration of this offensive capacity, the fact that only a few years ago it was quite far from these levels and that in any case the relationship of forces would be, in terms of reciprocal quantitative exhaustion, such that a prolonged strong defensive effort would have to be considered impossible deserves reflection.

This kind of approach to the "threat" problem would certainly be interesting and instructive, but also of little usefulness for the purposes of dimensioning the Italian military instrument and its related components.

This situation could lead to proposals that are technically unexceptionable but certainly unrealistic and beyond the scope of even the rosier budget forecasts, even if, probably, they are more precise for the purposes of evaluation of the risks deriving from the classic contrast between requirements and available assets.

I consider it useful, instead, to propose several considerations that I judge useful for the purposes of a realistic dimensioning of a new instrument.

If it is true that declarations, proposals or pragmatic instrumentalization of Soviet ideology have a merely political and contingent value, the military doctrine and the specific technical-operational lines of force, aimed at achieving with maximum realism that powerful, balanced and flexible military instrument which, within the framework of a specific policy of power, makes possible the massive and authoritative penetration of the Soviet Union into the areas of primary strategic and economic interest prove to be far more valid and concrete.

So long as the peril remains, there remains also the Alliance to which Italy belongs. It would therefore be a mistake to try to dimension the military instrument without taking this reality into account: therefore, no conflict between Italy and the Warsaw Pact can be hypothesized outside the global framework of the East-West confrontation. This means, however, that Italy's north-east border, even if it can no longer represent the only nodal point on which to bring the entire Italian defensive formation to bear, still continues to represent the only operationally valid and credible route for anyone who seriously intended to violate the integrity of the national territory.

For the Italian Air Force, this means that the forces to the north should at least be maintained, taking into account the fact that while the land forces of the hypothetical adversary have been substantially improved in qualitative terms, there has also been, along with qualitative improvement, a significant quantitative increase in the corresponding air forces.

Still within the framework of an East-West confrontation, a serious compromise of our territory with an invasion from the south leads one to hypothesize the winning of an absolute superiority in the Mediterranean area. The same considerations hold valid for massive air-launching and air-drop operations, which can be proposed only concomitantly with operations of land forces with which it would then be necessary to link up again.

While a serious threat to territorial integrity coming from the south within the framework of an East-West conflict is not thinkable, at least not unless NATO's defensive capacities were entirely compromised, such an hypothesis must, realistically, be rejected with all the more reason in the case of a conflict with countries of the Mediterranean area.

To the south, though, air and naval actions against allied or Italian naval traffic are possible in both cases, without ruling out the fact that other actions could take place, which could range from simple demonstrative actions to coups de main or even limited aggressions, aimed at stabilizing de-facto situa-

tions of high strategic value. While in the case of East-West conflict the involvement of the Alliance would in any case be inevitable for coping with situations of that kind, if they should be conducted solely by other Mediterranean countries, as is technically and politically possible, we should be prepared to tackle them on our own.

In conclusion, we could say in summary that the air threat has increased considerably, in both quality and quantity, everywhere and on all fronts--in particular:

--to the northeast, the real threat against the national territory is from land and air, and the Army and the Air Force have to be capable of coping with it within the framework of the Alliance;

--to the south, the real threat that can be hypothesized against the national territory is predominantly from the air and will therefore have to be confronted adequately by the Air Force both within the context of the Alliance and from outside that context;

--likewise in the Mediterranean, the tasks of the Navy within the NATO framework, and consequently also those of the Air Force, remain serious ones, though they are helped by the collaborative presence of the forces of friendly countries--in particular, the tactical attack forces represented by the U.S. Sixth Fleet. If that fleet should fail, not only the enemy's naval potential but also his air potential would consequently increase.

To prescind from NATO, the Navy should, in addition, defend itself and defend the lines of maritime communication of interest also vis-a-vis the naval forces, but especially the air forces, coming from the North African coast. The Air Force, which is clearly the common factor present in all the sectors indicated, must therefore provide effective and strong indirect and direct aid to the Navy, in terms of air defense, action against enemy naval units, and neutralization of the air and naval potential in enemy territory, including the North African coastal strip, which, in a narrow sea such as the Mediterranean now is, represents a mortal threat to our ships.

From what has been said, one perceives the necessity of having an infrastructural and logistic apparatus at one's disposal as well as a communications, command and control organization that permits the most flexible use of the air forces possible, with the most suitable deployments. One perceives also the necessity of having air forces that are quantitatively capable of coping with all the requirements delineated. But for the air forces, one may not prescind from the qualitative aspect also, which is essential and fundamental for conducting air operations of any type, against objectives in flight and on land, in consideration of the characteristics of the opposing aircraft and the high sophistication of the operational environment in which they are intended to operate. A proper balance, therefore, between quantity and quality, both of which are indispensable conditions.

With the criteria for the operational hypotheses of defense thus delineated, I have attempted to give them concrete expression, as regards the Air Force, in relation to the Italian situation through a summary analysis of the real threat

and of several hypotheses concerning the various fronts, for the purpose of deriving indications as to the quantitative and qualitative dimensioning of the Italian air instrument.

I now consider it advisable to refer to the current state of the air forces so as to be able to indicate, in conclusive terms, what should be the objectives and the future programs that could achieve greater adherence to the requirements configured by the new model, and also in relation to realistic outlooks for financial resources.

#### State of the Forces

On the basis of the proposals of the Armed Forces Interbranch Working Group on Restructuring and the decisions taken at the time by the Committee of the Chiefs of General Staff, the Air Force set itself, for the period 1975-1984, a twofold set of objectives, in, respectively, the directive and organic sector and the sector of modernization of means. This was done in the light of a precise financial hypothesis at the time.

The guiding concept was to achieve an air instrument that would be leaner and better-balanced on the whole, reducing the requirements in the support sector as far as possible and rationalizing the structures, for the purpose of devoting greater resources to maintenance of the operational capacity of the fighting units. Thus renovated and "redesigned," the instrument, even if smaller than that of the 1960's, would have proven more flexible, effective and reactive, on the principle that what was lost in quantity would be made up for in quality. In no case, though, would it have been necessary to drop below the levels indicated, which at the time were already considered "minimal" for accomplishment of the mission assigned to the Air Force at the time within the national and allied framework.

The most significant measures, though fixed solely on the basis of the foreseeable funds available for the decade 1975-1984, provided, in summary, for:

- in the directive and organic sector, reduction of the flight groups by about one-fifth, of the missile emplacements by one-third, and of the operational commands by one-third; on the other hand, the radar-alert centers were to be increased by one-fourth, with particular reference to the south and the islands;
- in the sector of the air equipment of the operational units, limitation of their numerical strength, with reduction of the aircraft assigned to each group from 25 to 18, but with the intent of restoring their strength in the future;
- in the sector of modernization (which, as is obvious, represents a dynamic phenomenon as regards that specific period, with the forces objectives established remaining fixed): partial renovation of the combat line (the Tornado), of the trainer line (the MB-339), modernization of the interceptor aircraft (the F-104's navigation and attack system) and of the antisubmarine line (the Atlantic), renovation of the rescue line, filling-out of the transport line (the G-222), and finally, introduction of the Spada antiaircraft-missile system, acquisition of interlocked antiaircraft-radar batteries, as well as replacement of the air-defense radars.



Only a part of these modernization programs got into the Air Force Promotion Law, while it was planned to provide for all the others with the ordinary budget.

It is therefore clear that the aforesaid law met only a part of the priority requirements, far from constituting the Air Force's main foundation, as has often been asserted.

We are now close to the chronological finishing-line indicated (1984), and an analysis, even if summary, of the present state of the forces is therefore more than appropriate, in order to evaluate the extent to which said objectives have been fulfilled.

I will say at once that only the reduction objectives have been entirely achieved; in some cases, indeed, the reductive process has unfortunately gone beyond the initial intentions, for various reasons. The radar centers have decreased instead of increasing, the flight groups have decreased, and for some types of combat unit the aircraft furnished to the flight groups have further decreased in number, not to mention the serious exodus of pilots that has seriously penalized the operational capacity of the Air Force, the exodus of specialist personnel and the reform of the air-traffic control sector, which has drastically reduced the Air Force's organic capacities, even though the Air Force has had to continue to provide this service under its competence, it being one that cannot be given up in any case.

Despite all this, the Air Force has determinedly pursued its objectives and has been capable of overcoming the organic crises that have hit it by means of careful, detailed and valid planning. The modernization programs have been initiated, and for some of them, the new equipment has been put into operational service or will be shortly--for example, the lines involving transport and rescue, which has been completely restructured, and the training line, which, though quantitatively reduced, is nearing completion. The entry of the Tornado aircraft into service for modernization of the three fighter-bomber and reconnaissance groups, which will become the most prestigious of the combat line, will start within a few months. Partial replacement of the air-defense radars--the programming for which has, moreover, been subjected to an extensive revision process--has also been started.

On the other hand, several programs have slipped or have been redimensioned qualitatively or quantitatively: this is the case with the Spada program, the warhorse for defense at very low altitudes, which has slipped behind schedule; with the interlocked anti-aircraft-radar batteries, which have also slipped; with the program for the trainer line (MB-339 and SIAI-260), which, as already noted, has been reduced; and with the modernization of the avionics system of the F-104 interceptor, which also has been cut back. Not to mention the considerable delay in replacement of the aircraft of the F/RF-104G, G-91Y and G-91R tactical lines, which have been technically and operationally outdated for some time.

As can be noted, the second half of the 1980's has a critical character as regards all of the Air Force's operationally significant lines, in view of the

requirement to continue to carry out the mission assigned. How could this ever have happened? Was it an error in planning? Why is it that the situation is "exploding" right after 1984, the year which the 1975 studies indicated as the conclusion of the restructuring of the instrument?

These are not rhetorical questions: those not responsible for the work have every reason to demand an answer.

I maintain that the reasons that negatively influenced the renovation process of the 1975-1984 decade can be reduced essentially to considerations of a financial nature, and to a lesser degree, to reasons of a technical-administrative nature.

The decisive influence is to be assigned to inflation and to the consequent increase in costs, which have been especially high in the aeronautical sector, far exceeding the increase taken as the basis for calculating the resources assumed available. The Promotional Law quickly rejected the limits imposed by any financial law, restricting the available-funds ceiling solely to the original appropriation. Use was then made of the formula of "consolidation" of the portion planned in 1980 within the ordinary budget, but every unfailing increase in the costs of the law's programs entails subtraction of resources from the ordinary funds available, causing reductions or slippages in other programs. Another decisive element in the compression of the resources intended for modernization consists in the continual increase in costs relative to personnel and operating costs. In the last analysis, it can be said that the available resources proved to be halved from what was hypothesized in 1975, inasmuch as, in reality, they did not stay constant in real terms.

Unless one were to decide to make drastic reductions of forces--which, in contrast, the new operational hypotheses would like to see strengthened--the phenomenon of slippages is not an end in itself but causes a complex phenomenon of overlapping with successive programs that cannot be deferred, apart from the cost overruns deriving from the slippages themselves and from the inflationary process that involves the successive time periods.

To this is added the entry into the picture of new renovation requirements and deadlines (such as the AM-X, the trainer helicopters, the replacement for the Nike, etc), deriving from the inexorable dynamic of the modernization processes in parallel with the passage of time, but still with the same forces objectives and without providing for any quantitative upgrading.

All this generates the great imbalance between the state of the forces and the programs necessary for keeping them going, necessitating a coherent and realistic discussion of the priorities of the 1975-1984 objectives in the face of the added requirements. But this does not mean neglecting the need to have a precise orientation regarding what is considered the indispensable minimum for coping with the new requirements--all the more so in that, as I suggested at the beginning, many things can be done in terms of reorganization of the structures, operational planning and predispositions so as to exploit the available forces as well as possible, with fulfillment of the new requirements referred to. And the Air Force has already been moving in that direction for some time.

## Programs and Outlooks

What are the Air Force's orientations for carrying out its role within the framework of the new model of defense? From what has emerged, the following sectors of action have been identified: direction, organization, achievement of the 1975 objectives and modernization, quantitative upgrading.

For optimization of the solution perceived, the provisions relative to the various sectors should proceed in parallel, in a gradual and coordinated manner, so that, being achievable in the long run, there is constantly, in every time-period, an instrument that is coherent and balanced in each phase of achievement.

### Direction

The present system of command and control consists in three regional commands, two of which have protected operational commands (ROC's [expansion unknown]), a single air-defense decision-making high command and a single NATO Command (5th ATAF [expansion unknown]) for the entire area of Italian responsibility, obviously provided for the sole hypothesis of NATO conflict but to which air-defense operational control has already been assigned in peacetime too.

In view of this system, consideration is given to the advisability of streamlining the command organization, also in consideration of the forces available; of avoiding a planning and management crisis at the moment of assignment of forces to the 5th ATAF in the event of NATO conflict that would clearly be such from the beginning or in a second phase; of managing the attack and defense forces in a unified manner and on all fronts, both for the requirements of flexible response and for the purposes of the double role, a new directive arrangement has been outlined [as published]. As regards the operational sector, it provides for an air-forces command, with a protected operational center for it, from which the commander of the air forces, to be identified with the commander of the 5th ATAF, would exercise unified command and control, within both the national framework and the NATO framework, over all the operationally significant air forces on all fronts. This would happen through use of the two already existing ROC's (which have double status, NATO and national), maintaining a predominantly air-land orientation for the one to the north and an air-sea orientation for the one to the south. Automation of the entire command and control network is also planned.

As regards logistical support, transformation of the already existing Logistical Inspectorate into a Logistical Command that will exercise its functions through regional peripheral organs flanking each ROC. Automation is also planned for the logistical system, and it has already been started.

### Organization

It provides for updating of operational planning in liaison with the operational hypotheses configured, their possible concomitance and the gradual character of the achievements in terms of forces and means available and the relative deployments, permanent or of an emergency nature, and in terms of infrastructural and logistical predispositions.

Substantial upgradings have in fact been planned in the south, such as prepositioning of reserves, completion and hardening of bases and improvement of the receiving capacities of the major and minor islands, in addition to the upgrading and adaptation of the radar network, already planned for in the modernization sector.

The actions relative to this sector have already been started by the Air Force some time ago, both for operational planning, nearly complete and conforming to the present general situation, and in the form of infrastructural and logistical predispositions, all programmed already started, and completable in the medium term.

#### Achievement of the 1975-1984 Objectives and Modernization

As has been seen, achievement of the instrument outlined in 1975 is considerably behind schedule, and it is inevitable that slippages, on the best of assumptions, to the end of the decade [as published]. The present state of the forces indeed presents quantitative deficiencies in aircraft and radar equipment and a modernization process considerably out of phase, because of the superimposition of programs that have slipped on those already provided for in the subsequent years, in addition to the entry of further modernization needs into the picture (the AM-X, trainer helicopters, etc) on account of the ineluctable passage of time. All of this despite the fact that several definitive downgradings have been made as regards both the quantity and the qualitative content of the programs.

Furthermore, the future problems of renovation of the interceptor line and of replacement of the Nike missile system, which operationally will not be able to go beyond 1990, are already becoming urgent. Both of these are problems that should be studied and developed, conceptually and materially, at least a decade ahead of the time of expected entry into service, and therefore they should be tackled with precise outlooks in mind.

Just as decisively important are the restructuring and modernization of the entire air-defense radar network, which will involve a long period of time for gradual fulfillment.

In the face of this situation, it is now imperative to:

- complete the modernization programs already planned for fulfillment of the 1975-1984 objectives;
- continue with development and production of the AM-X aircraft;
- start the studies relative to replacement of the missile and piloted component of air defense.

It should in fact be considered that with the coming online of the new aircraft--the MRCA and the AM-X, and beyond them, the modern interceptor--the Air Force, and indirectly the Army and Navy also, will have the benefit of aircraft that are fully capable, in terms of radius of action, speed and therefore rapidity of action, avionics and armaments of all kinds, of successfully carrying out all types of air operations necessary for coping with both the threat from the northeast and the threat from the south.

## Quantitative Upgrading

From analysis of the threat and of the operational hypotheses related to the presuppositions for a new model of defense there emerges also the need for a quantitative upgrading of the aircraft equipment, especially in the event of simultaneous operations in the northeast and in the south. In such an eventuality, it would in fact not be possible to bring the air effort to bear on the front concerned by the use of emergency formations; rather, flying units capable of tackling the concomitant and omnidirectional threat must be available. Naturally, in the event of a single front the upgrading would give greater strength and incisiveness to the present instrument, which is already considered the indispensable minimum.

The studies that the Air Force has conducted on the subject indicate the additional necessity of a suitable number of combat flight groups, including at least three for the air-defense sector. Such groups would be permanently deployed at airports in the south and on the islands, with the minor islands also considered as advance operational bases. It is obvious that together with the quantitative upgrading, the additional necessities related to personnel, infrastructure and technical and logistical capacity for supporting the added operational weight should also be examined and resolved.

To conclude the discussion relative to the entire problem area examined, which covers consolidated and added requirements on a joint-factor basis, I consider it necessary to refer to a basic problem that is an indispensable condition for giving content and concrete significance to every material achievement. I refer to the personnel factor--to its training, life and motivations.

Unfortunately, the forced containment of expenditure in the operating sector, in its various components, has the end result of a reduction of flying hours. Soundness of training and flight safety itself are therefore affected directly. It is thus necessary that the modernization and operating requirements should not mutually erode one another, but that both of them should be met jointly.

I have already referred to the crises that the Air Force has had to undergo in the personnel sector, as regards both the flight controllers and as regards the flying personnel in particular.

The well-known events in the air-traffic sector have created fearful voids in the control units of the military airports. In addition, the Air Force, and thus the entire Italian military instrument, has lost in the space of a few years more than 600 pilots, who have resigned because attracted by more adequate living conditions. Hundreds of specialists and dozens of engineers--likewise technicians of very great value--have also left the Air Force for the same reasons.

These are personnel who constitute the foundation and driving force of the Air Force, and the scope and complexity of the problems that have had to be resolved can therefore be understood easily.

Today I can declare that thanks to an unprecedented training effort and the firm determination of its people, the Air Force has overcome the crises without

sacrificing anything on the level of effectiveness and operational capacity and restoration of complete normality is in the final phase.

This demonstrates once again, if necessary, the value of the "people" element. Without their competence, their motivation, their training, their sacrifice, their determination and their daily commitment, the best proposals for modernization and detailed carrying-out of the programs would be worthless. The pilots, the specialists, the technicians, the entire personnel, without exception, are in fact the real connective and essential fabric of the Air Force.

Because of this, the Air Force has committed itself to a vast program in support of the "people" element in all sectors, from selection to the educational, cultural-professional and human-promotion sector, all aimed at favoring motivation and participation. But it is necessary for these people, in addition to inner satisfaction with what they do, to feel in an evident way the faith that the country places in them and for their high professionalism and day-to-day courage, which too often some pay for with their lives, to be rewarded worthily. This is a duty that cannot and must not be failed in.

#### Concluding Considerations

Going back to the main theme of my presentation and to the principle underlying its development, I would like to offer some concluding considerations.

The air-force instrument can certainly not prescind from the broader and integrative context of the overall instrument of Italian defense, in which the problems should be considered above all with a mature and genuine interbranch attitude.

The necessity of configuring a new model of defense, with respect for the constitutional dictates and the international commitments made, and conforming and updated to the geostrategic situation in which the nation finds itself, is understood at all levels and sectors of competence.

From realistic analysis of the political-military presuppositions and of the operational hypotheses, orientations can be drawn from which the qualitative and quantitative physiognomy of the military instrument can be derived, with attention devoted to the balance and coherence of the various components and keeping in mind both feasibility and financial availability.

For the Air Force, such orientations, in view of the current situation, make it clear that:

--pursuit of the 1975 force objectives and the modernization of means for the decade 1975-1984 have not yet been completed and fulfilled, having suffered definitive cutbacks in the content of the programs or slippages such as to lead one to believe that it will be possible for them to be carried out to completion within the following decade;

--in the next decade, further modernization programs, not yet matured in the decade 1975-1984 and several of which do need now some indications as to the way of tackling them, will come into the picture, still on the basis of the same strength of the forces;

--the air threat evaluated in 1975 has undergone a natural development, as regards both its origin and its strength and quality, on account of which the complete achievement of the new model of defense, including also upgrading in the south, imposes new dimensions and new burdens, under penalty of a serious compromising of the Air Force's capacity to carry out the task assigned in the event of a concomitant, unforeseen and omnidirectional threat;

--there is an immediate necessity for an appropriate adaptation of direction, planning, logistical organization and infrastructures, gradually and consistent with the state of the forces.

Nevertheless, with understanding of the country's real situation and of the technical times needed for achieving a new structure of the air forces, I consider it responsibly necessary to pursue more limited initial objectives on a priority basis.

However, they cannot be less than those configured in 1975, which in itself implies considerable operational risks, and would have to be fulfilled within the decade, as regards both level of forces and modernization.

Naturally, this will be achievable only if the future appropriations for defense correspond fully and continually at least to the financial assumptions that underlie the present formulation, on the defense level, of the state of expenditure forecasting. I said "at least" because the cost increases and cost overruns resulting from slippages and the necessity of recovery in order to carry out all the programs in the time indicated have to be considered.

The instrument that will become available in the 1990's will be constituted:

--for air defense, by a line of modern interceptors optimized for the Italian operational theater (meanwhile, the F-104 line, upgraded as regards its weapons system); by an anti-aircraft-missile component based on the Spada system interlocked-radar anti-aircraft artillery for very low altitudes and on replacement of the Nike system (and farther in the future, of the Hawk system also) for the entire sector, from medium-low to high altitudes; and by a complete and modern radar network;

--for the tactical air forces, by a line of Tornado aircraft for reconnaissance and attack in depth and by a line of AM-X aircraft for reconnaissance, interdiction and direct support;

--for the transport forces, by a strong line of heavy-transport aircraft and tactical-transport aircraft.

In addition, the problem of modernization of the antisubmarine line will also be examined jointly with the Navy, and there will be a complete, effective and modernized air-rescue service and a training component based on modern and up-to-date aircraft (SIAI-260 and MB-339 and new training helicopters).

Since the Air Force has already carried out in large part the upgrading of the bases in the south (to be completed also as regards the part related to the minor islands) and has already updated the operational and logistical planning, it can reasonably be asserted that with the combat forces just outlined, which

can be accompanied by the hardy MB-339, both in the ground and antiship attack role and in the antihelicopter role, the spirit of the new model of defense is already being carried out.

Added to these provisions, naturally, are all those already specified that make the Air Force's specialized action in the civil-protection sector increasingly more effective also. The programs related to this have already been presented within the interbranch framework.

The planned directive updatings relative to organization of command and control will promote the effectiveness of the air instrument's action in its vast range of operational possibilities.

It should be stressed, though, that this instrument will be able to have a certain degree of credibility and appreciable operational weight only on the hypothesis of conflicts in which the threat is not manifested simultaneously on two fronts--the northeastern and the southern--and with maximum exploitation, with detailed planning and logistical predispositions, of the characteristics of flexibility and mobility peculiar to aircraft and with the forces brought to bear where necessary.

It is therefore obvious that in a situation with an already minimal formation, every program not carried out must necessarily jeopardize its overall validity considerably. Therefore, if what has been stated is agreed to in the political sphere and coordinated on the interbranch level, it is in this priority direction that the attention and efforts not only of the Air Force but also of the other armed forces, for their specific interests, should be concentrated, putting off to later times the pursuit of the upgrading objectives that will enable the Air Force and the entire military instrument to satisfy more completely the requirements of defense in conformity with the new model that can be hypothesized.

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## COMMENTARY ON SECURITY, ARMS, DISARMAMENT ISSUES

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[Article by Luca Dainelli (Italian diplomat in Rome): "Security, Armaments and Disarmament"]

[Text] 1. To make an up-to-date review of security, armaments and disarmament in the present year of grace seems an undertaking beyond reality--especially beyond the reality which, for better or worse, had been evolving in an apparently stable manner in the last 30 years. The great world strategic revolution had indeed occurred when the USSR caught up with the United States, first with the explosion of its own thermonuclear bomb and then with its vectors capable of hitting the superpower adversary. Once the initial success was achieved, it was logical for Moscow to accelerate the nuclear and ballistic arms race. It accepted, to be sure, the American proposals for "control" of such armaments, from the partial ban on experimentation to the SALT agreements. The common objective, at that point, was to maintain parity: it permitted to the Kremlin all those innovations that the specific and numerical agreements did not prohibit, and at the same time a global potential capable of blocking any surprise against the vast Soviet territory. For Washington, strategic "sufficiency" was enough.

It was logical that the Vienna negotiations for containment of conventional weapons in central Europe should come to nothing, because the status quo in that sector is a decisive element of Soviet strategy, which is intended to guarantee predominance beyond the Elbe with bayonets and maintain the forces necessary for any eventual intervention in West Europe, which Moscow does not want to see destroyed but safeguarded--neutralized, at most--as a production and consumption market. Nor do recent Western proposal for gradual containment of forces change the Soviet position.

This framework has made possible, on the one hand, the so-called detente in Europe and on the other hand, paradoxically, the Soviet expansion in the world.

Afghanistan, and then Poland, have marked the limit point that led Carter to change approach. The U.S. Senate refused to ratify SALT 2, which had become an East-West modus vivendi that had, rightly or wrongly, enabled Moscow to arm itself beyond the spirit of SALT and to move at will on a global scale.

It was at this time that America's European allies, though giving formal support to Washington's moves, refused in practice to apply any sanctions against the USSR. Kabul was quickly forgotten. Poland is on the same model: America, sensitive to its own Polish electorate, has good reasons for maintaining that the martial law in that tormented country is the result of a Russian prevarication and that only the risk of serious dangers kept the Kremlin from acting in its own person. It is true that Jaruzelski's advent was decided on by the Soviets 6 months before it happened, but the Europeans maintain that the general represents the least evil and that it is therefore appropriate to refrain from combating him openly. Europe thus refuses to follow America, and it therefore has not hesitated to contravene Western solidarity, the foundation of the common security. Europe is dissenting from America and is now taking a rigid position on the level of an economic split, refusing to bend to what, with the embargo related to the gas pipeline, seems a contradictory and crude imposition.

2. It is striking to hark back to the end of the 1940's and consider the environment in which America and Europe acted toward the Stalinian aggressiveness. A great president--Truman--knew, though not an expert at all himself, how to confront the global consequences of the heavy legacy from Roosevelt, the American demobilization, as well as the collapse of the part of Europe that did not fall under the Soviet heel. In a decisive way, he appointed excellent and authoritative collaborators, drawn from all fields of the best national "elite"; capably, he did not take a step without the active collaboration of the leader of the Republican opposition, Senator Vandenberg. But above all, he concerned himself with an essential objective: that of initiating a sufficient deep-rooted political and economic unity, welding it permanently to America. The Marshall Plan was the condition whereby it was able to lay out a strategy of Western security. Reconstruction and solidarity were thus linked to the Atlantic Pact. /The guarantee contained in Article 5 therefore came to constitute the keystone of the entire Western political and strategic system./ The Europe of great statisticians not only understood this grand design, the only one capable of substituting for the lost European equilibrium, but also of laying solid foundations for well-being, freedom and peace in the world. It accepted it, and thus there was created a system of international--not just Atlantic or European--security.

Truman, and Eisenhower after him, understood that the two conditions for the design to have permanent and not transitory success were, on the one hand, a careful deepening of economic collaboration against the free world [as published], and on the other, intelligent American military leadership, with well-disciplined structures and, especially, forces. Around this nucleus of high technical and moral efficiency, the Atlantic integration had to be cared for and maintained. The American guarantee presumed a nuclear deterrent force, against the Soviet conventional dominance and the advent of the Russian ballistic vectors. The design, like all serious things in politics and strategy, was a pragmatic one, in the sense that the rhetorical fancies of ideology or of nationalism had to be abandoned--the former so dear to America and the latter to Europe. This pragmatism, founded on the two factors discussed above, could have and should have made possible the indispensable dialogue with a USSR "contained" and assured within precise limits, though attracted toward international collaboration, albeit gradual.

3. Can it be said, perhaps, that America and Europe began to move away from this design when the United States lost its strategic superiority and the USSR, capable of hitting American territory, broke out, once and for all, from its historical and geographic encirclement complex?

Symbolically, the disarmament talks, presumably off to a good start at Lancaster House in 1957, were suddenly interrupted, even before Washington (and London and Paris) were completely aware of the imminence of the launching of Sputnik. Europe, unfortunately, did not understand, because it was so intent on pursuing its regained well-being. Eisenhower's America did understand, and took precautionary military measures, so as to keep strong the "containment" of the USSR, which now had the thermonuclear weapon and had started on building the delivery vehicles for it.

Only with President Kennedy were the first signs of a political and strategic split between the two sides of the Atlantic manifested. Kennedy began dealing imprudently with Moscow behind the backs of the allies. Never had Truman and Eisenhower done so much. While the White House had, with Suez, intervened to halt the imperialist leap by London and Paris, that action followed the entirely autonomous and secret one mounted by the historically outdated minds of Eden and Mollet. But Washington had never failed--even vis-a-vis De Gaulle's requests--to give in to the temptation of abandoning the minor allies, as if they were satellite or puppet states. Indeed, it was replied to De Gaulle that a directorate would have been antithetical to the spirit of Western solidarity.

But Kennedy did even worse: not put off by the unhappy Bay of Pigs episode, he sent a first contingent of 15,000 Marines to Vietnam. Europe thus found itself facing the dilemma of whether or not to support its ally politically in an undertaking whose terms and objectives it was ignorant of. This undertaking, in which France, far more expert, had failed, seemed full of unknowns and destabilizing economic and strategic consequences on the Atlantic and global levels.

With Kennedy dead prematurely, the situation only became gangrenous. This happened because of the adverse developments in the war, for which the responsibilities of politicians and military men were no greater than the creeping demoralization and corruption among the troops; but the coup de grace was delivered with the upheaval in American public opinion. What Eisenhower had done to maintain the world equilibrium in the face of the rise of Soviet nuclear power was shattered dangerously in the paradoxical adventurism practiced by the eggheads presented to the White House by Harvard. Europe was astounded: did the economic and military power, as well as the moral superiority of the United States, still exist? And what could be said about Western security?

Little good was done by the highly praiseworthy efforts of Kissinger's diplomacy, /aimed at reestablishing the old order--withdrawal from Vietnam/; the return of China into the international sphere as a counterweight to Moscow, to make possible a resumption of dialogue with the Kremlin; SALT 1; the launching of the "year of Europe." Nothing was sufficient to direct a compromised situation back into the channel of Atlantic collaboration and security. This situation was indeed aggravated not long after by the Yom Kippur war and the oil crisis. The Europeans, not supported by an America that they now distrusted,

completely lost their head when confronted with an event that represented a new variable of Western security, probably a consequence of the destabilization brought by the war in Southeast Asia.

4. Can the international environment after the fall of Nixon and the retirement of Kissinger from the direction of affairs be said to be identical to the past one? Carter continued on in the wake of SALT, presuming that the Soviet initiatives would gradually be pulled back once mutual strategic parity was sanctioned and deepened, on the basis of sufficiency. Europe was perplexed and then astounded at the offer of the neutron bomb, accepted not without hesitation in the absence of a precise strategic context, but then suddenly withdrawn by the White House without further explanations. Afghanistan and the Polish revolt caused a sudden turnabout on Carter's part. No detente but rather sanctions, even for the Olympic Games!

The reality was, if anything, already obvious before these events: SS-20's aimed at the cities of Europe, and reinforcement of the Russian intercontinental missiles to the point of their being able to destroy the silos on American territory. Hence the offer, received with reservations, of the Pershing and Cruise missiles. There was an initial sigh of relief in Europe: a war on its own soil, without strategic intervention, had been feared. The relief changed very quickly into suspicion that a conflict could indeed take place, but between intermediate nuclear systems, without strategic attacks and reprisals. In parallel, the White House was presenting the MX's, invulnerable--it is said--to any strategic attack, the new powerful "Trident" submarines and the new bombers. What does all this mean if not a confirmed desire to return to a superiority that is disputable from the political and military points of view?

Europe took fright, and so did America. No one wants nuclear war. Reagan found himself pressed from all sides to enter into negotiations both on intermediate missiles and on the strategic ones. Thus he expressed approval, as regards the former, of the absurd proposal--one does not know whether it is more propagandistic or stupid--of the "zero" formula advanced by Europe, and for the latter, a formula for reduction not only of the delivery means but also of the warheads and their range.

Brezhnev responded by proposing a freeze on the mutual-destruction devices, but also demanded, not without justification, that the negotiations on Euromissiles should also include those American vectors at the disposal of the NATO commander and capable of hitting the USSR.

The arms race has thus been transformed into an emotional disarmament race. But what are the objectives of such negotiations, what security plans do they presuppose? Is there solidarity between America and Europe, as a condition for dialogue and agreement with the adversary?

It is this last point that creates keen anxiety among all those in the Western world who in the past have devoted themselves, with passion and with knowledge of the problems, to the formulation of a Western negotiating position indispensable for confronting the Soviet delegation with precise objectives. Technique, seriousness and pragmatism, but above all, solidarity among the allies,

were the condition, and still are, for entering into a useful dialogue with the battle-ready Russian representatives.

Unfortunately, things appear quite different now. Last July, an editorial from the Voice of America bulletin in which several points were clarified was distributed in Bonn by the U.S. embassy there. American foreign policy will henceforth be decided directly by the White House. "Schultz's role will be far more circumscribed than that of his predecessor. The secretary of state's principal tasks will have to do with the search for a solution to the problem of Namibia, the Middle East crisis, and only on the second level, strengthening of relations with the allies."

At a meeting in the Workshop of the Ebert Foundation, also in July, in which eminent American politicians took part, Karsten Voigt, Parliamentary spokesman for the SPD [expansion unknown], said: "The language of equilibrium has been accepted by the Reagan administration only as regards control of armaments. In every other field, cooperation with Moscow has been considered by Washington to be advantageous for the West. The USSR is on the ropes and has no other choice if the West presents it with the possibility of an arms race and, therefore, a dramatic deterioration in its economic situation," the Americans state.

5. The START negotiations are beginning in an atmosphere of total uncertainty, caused by the discontinuity of American foreign policy and the lack of any serious strategic design. The on-the-job-training approach for the secretaries of state seems more convulsive all the time: one ambassador to Washington seems to have confessed that in 3 years spent in the United States, the naming of Schultz represents the fourth change of the chief of the State Department. Despite the assertions of continuity made to friends and adversaries, one notes that by the nature of events, there is no steady approach, indispensable for knowing the humors, intentions and objectives of everyone concerned.

An egregious example is the recent decision to resume the START negotiations, followed by the resignation of Haig, who supported them, and who also supported an effort of Western unification and of resumption of contact with Moscow. Likewise, after Reagan's warm speeches at Versailles and Bonn, the declarations on de-fact protection of steel and the announcement of the embargo relating to patented products for the Soviet gas pipeline--the licenses having already been sold to the European industries!--were shocking.

If both friends and adversaries do not know how to judge such striking disorientation, the consequences, even if cautious ones, that they infer from it are certainly not favorable to international collaboration, which appears impossible. At most, it may be possible to maintain the status quo while awaiting better days. Unfortunately, it is feared that the entire situation, and in particular, the foundations of security, may be at stake.

Are the ambitions of the Reagan government possibly of proportions that are beyond our comprehension?

In any case, we consider it advisable to draw the outlines of the strategic problem, after almost 10 years since SALT 1. SALT 1, with the intent of speci-

fying "sufficiency" in "parity," fixed a "ceiling" on the number of delivery vehicles that was not to be exceeded. The accumulation of armaments, qualitatively more and more destructive, now argues for a reduction of them. The recognition, by Moscow and Washington, of the fact that their respective arsenals exceed the limits of credible deterrence and that public opinion rejects, in one way or another, the prospect of a continued strategic-arms race, to the detriment of the well-being and peace of the peoples, thus seems a positive element. Information from a German source has it that Brezhnev is anxious to reach an agreement before disappearing from the scene.

The central point of a possible agreement is represented by the reaching of a strategic United States-USSR equilibrium, articulated in such a way as to deprive each side of the certainty of being able to defeat the adversary in the first or second nuclear strike.

The United States wants to avoid, indeed to correct, the mistakes made with the SALT agreements. In 1972, Washington had a technical superiority, and therefore accepted the fact of the USSR's retaining numerical superiority in delivery vehicles. In 10 years, Moscow has largely caught up with the United States in what it was originally behind in, technologically; the number is what it was supposed to be, but apart from power and firing precision, the number of warheads constitutes a serious threat to the American intercontinental missiles.

The USSR, for its part, fears a renovation of the American defenses, which it recognizes to be technologically superior. With the land-based MX's and the new bombers, the United States would neutralize the aforesaid Russian superiority. With the Trident submarine missile, it would firm up its advantages of invulnerability.

It is therefore logical for Moscow to stay on the defensive and propose a freeze of the present situation, while Washington is clearly aiming toward drastic contraction of the weapon systems in those cases where they constitute a threat to the United States.

Reagan therefore proposes a one-third reduction of the existing nuclear warheads. According to the American calculations, the USSR and the United States have 7,500 warheads each, the power of which varies between 100 kilotons and 5 megatons, to the advantage of Moscow. These warheads should be reduced to 5,000. In addition, Washington is aiming at reducing the intercontinental missiles to 850 each; America has about 1,920 of them today, and the USSR, 2,498.

These are indicative figures, not reflecting the real relationship of forces, and this was the principal defect of the SALT agreements, which, relating to the delivery vehicles only, did not establish any differentiation between the power of the warheads and their distribution among land-based and submarine or airborne missiles.

But to complicate matters, there is now a further American proposal: only half of the missiles should be land-based. Seventy-two percent of the Soviet missiles are in silos, as against 22 percent for the United States. Hence the American maneuver aimed at maintaining its own superiority at sea and contract-

ing the Russian land-based superiority. The land-based missiles are indeed more powerful and precise, but also more vulnerable, and the Soviets have reinforced their silos, producing a destabilizing effect.

According to the American proposals, another element of calculation will enter the picture with regard to these 2,500 land-based missiles, an element that has never been considered before--i.e., "throw weight," which represents the carrying capacity of a given missile and which in practice is expressed in terms of the power of one or more warheads transported.

With reference to the overall power of the American devices, which is less than the Soviets' and which Reagan fixes as the maximum limit that either side may have at its disposal, the United States and the USSR should have, with the SALT agreements, not more than 850 million [as published] ICBM's--a figure in which are calculated the one-third reduction of the existing warheads, a 50-percent breakdown as between SLBM's and ICBM's, and a further incidence of the "throw weight" factor.

The first problem will arise from the fact that in order to reach the initial ceiling, the Soviets would have to work on their ICBM's, which constitute the fulcrum of their missile forces, reducing them by a good 3,400 units and thus compromising their strategic structure. For the United States, the problem is the reverse one, inasmuch as it will be able [as published] to take action on the 5,050 SLBM's, eliminating 2,500 of them.

From all this it seems obvious that, in theory, implementation of a START agreement will require greater initial sacrifices for the USSR, whose systems, on account of the mechanism that limits "throw weight," would have to give up a certain number of strategic missiles, equal to or more powerful than the Trident C4, the biggest American submarine device, which is now operational. In the present state of the Reagan proposals, the United States would be free to proceed with the programs to modernize the B-1 bombers, and with production of the invisible "Stealth" bomber and the submarine-launched Cruise missile, even though the president has declared that these systems are negotiable, as are the MX's and the Trident D-5's.

If one adds to all these particulars the verification guarantees, whose toughness will greatly irritate the Soviets, the American proposals seem to us difficult to accept.

The NEW YORK TIMES correspondent Anthony Lewis reported, last July, a conversation with Georgi Arbatov, director of Moscow's Institute for American and Canadian Affairs. "I maintain that what the president has proposed is absurd," said the Russian functionary, "the purpose being to disarm the USSR and inflict a high economic cost by nullifying our investments."

To our way of looking at things, it would probably be useful if the two parties initiated a dialogue on an initial subject which, with the reaching of an agreement, would constitute an element capable of creating initial trust. It appears that Soviet functionaries, in informal contacts, have suggested improvement of the existing agreements, which provide both for regular consultations and for that "red" line capable of blocking a war by mistake.

6. It would be superfluous to dwell on the effective degree of power, on the political, if not psychological, postures of America, all arising out of World War II. The atom bomb opened up the way to a new military epoch, and the intercontinental ballistic missile cancelled the traditional isolationism as a practical means of national security. Today the average American should be aware that he could be the adversary's objective at any moment and therefore be the potential victim of a gigantic massacre. Immunity no longer exists. Nevertheless, we must pose the question whether the sense of immunity, at least as an inspiration, still remains in people's minds and in what way it may negatively influence the present strategic context.

This is a question that brings us back to the sociological and historical context of the United States. From 1830 on, it ceased to be ethnically homogeneous. In the first quarter of the present century, 11 million immigrants and more entered America, and in the last decade, about 10 million, most of them from the southern hemisphere. Those born abroad and their first generation currently represent 20 percent of the population.

It should be recognized that both the educational system and the way of life, though increasingly materialistic, have successfully generated the phenomenon of the "melting pot," for more than a century. It is to be feared, though, that the acceleration of immigration of persons of a culture so foreign to the European matrix and the psychological-materialistic transformation caused by the technological revolution, the mass media and the prevailing permissiveness have corroded at its roots the old moral and idealistic foundation that was capable of attracting and absorbing millions of Europeans and getting them to fight in two great world wars for freedom. And earlier, in 1776 and 1812, the Americans had demonstrated their solidarity and fighting capacity against the English, even though the latter were convinced that the colonies would never be able to unite and that the inhabitants of America could never successfully resist the British troops.

The paradox is represented today by a military and psychological unpreparedness, in contrast to the superpreparation represented by "overkill." And at the same time, while the nation concentrates its energies on pastimes, characterized more or less by a low level of culture and a high level of surrender to the so-called joys of sex, alcohol and drugs, scientific research studies excel, and production has reached insuperable heights in making operative systems of massive reprisal, of flexible response, of mutual assured destruction, outside and inside space, or for rapid localized deployment. In other words, politicians, military men and intellectuals are discussing the thousand ways of making war while they should be concentrating on the ways of avoiding it, and above all by husbanding the new generations--who increasingly lack an authentic guide, which is the keystone of security--at their roots. Instead, the nation is at the mercy of the ruling powers' slogans, and in practice, is exposed to early physical and moral degeneration [as published], the result of drug dependence, alcoholism and sex, made a public entertainment. Protestant moralism and Irish Catholic rigorism seem to have disappeared or to be ridiculed, leading to a cynicism that envelops even the under-20 generation, depriving it of all ideals and all reasons for living in accordance with the great tradition of the "frontier."



For some time, the immense military power has not even been achieving the disputable objectives that it sets for itself from time to time. Korea, the Bay of Pigs, Vietnam, the attempt to free the Teheran hostages, are negative demonstrations, one after the other, of how political aims have been implemented with arms. And is it possible now to imagine a successful defense of the Gulf and of its oil wealth with the so-called immediate-intervention force? Do programs and objectives, experienced commands and trained troops, exist? Europe and the friends that American counts in the region wonder anxiously about it.

Herodotus said: "Where wisdom is indispensable, force is of little use." Now there is more. The security of the West rests on American arms, which are certainly unbeaten in quantity and quality, but security depends above all on those who have to use it, on the political and economic solidarity that has to set it in motion, on solid alliances, on the carefully studied intentions of the adversary, on the existing equilibrium. Is it security to entrust sophisticated weapons to high-school dropouts or, worse, to semi-illiterates, all volunteers for an ill-recruited army? On a broader scale, does it actively build security to entrust the automobile industry, once the pearl of American manufacturing, to intellectual mediocrities? Are the foundations of national security bolstered by a decrepit and outmoded educational system, with drug addicts in the secondary schools, organized robbery in the cities, large underdeveloped classes of persons of color who feel they do not have a place in society? What is contributed to security by the one-half of the population that is so far-removed from political power as to refuse to vote? Security depends, let us remember, on popular will to defend one's own institutions, and this depends in turn on how they are valued.

It can be said that Europe, in its enlightened part, is more alive and vital than America. Religion is still felt, and the family is resisting the impact of materialistic disaggregation, and individual initiative, so resistant and active, is managing to beat parasitism, the fruit of bankrupt statalism, the slave of the parties and of corporative syndicalism. The school has been destroyed in Europe too, but there is reaction in many ways, in those places where conformism has not taken root. Europe--that of the more enlightened sectors--is therefore posing some bitter questions to itself.

While the American of the Middle West and California may be ready to go along with Reagan's crude anticommunist rhetoric, massive antinuclear demonstrations, even if partially instrumentalized or expressions of fringe groups, cannot escape the attention of the White House and of the legislators. Something far more serious indeed emerges: nonacceptance of the official propaganda, which changes in its pronouncements from one day to the next. It is therefore not only Europe that watches Washington's initiatives with anxiety; the big Eastern cities are doing the same thing.

One day it is proclaimed that the Soviets have 1,500 naval units as against the Americans' 700, and the next day it is admitted that a Brookings analyst may be correct when he asserts that the 1,500 units include anything that floats, including a bathtub! Contradictory declarations are repeated with regard to nuclear warheads, missiles, airplane effectiveness, precision of firing, tanks, etc. To the extent that this is not comprehensible or graspable to the man on the street, he tends not to believe in anything anymore.

The serious thing is that Europe, unfortunately, looks with distrust on the nation that committed itself to guaranteeing Western security. American morality has left its post to the absence of all morality [as published]. And not only the allies but also the adversaries and the Third World are showing that they are going beyond the immediate question or, indeed, suspicion: they are all drawing negative consequences from this situation. For the time being, they have abstained from choosing the road of the political and strategic consequences. But it has been attempted to say, though in a subdued manner, that Europe is paralyzed; the USSR, without prospects of serious dialogue, counts only on a colossal military force in an ideological and economic context heading toward bankruptcy, led by an aging group close to extinction; the Third World feels abandoned, without resources, left outside by the eternal dissension that divides the different and opposed North-South theories.

The world outlook is not a cheerful one. Could Europe react in some way? The road seems long and full of obstacles, but it may be the only way to go.

7. The political and administrative structure of the Western societies has been changing for some time. The mutual relationship of high civic responsibility on the part of the state and of the citizen, equally aware of their own roles and of their free participation in their associated lives, is on the point of disappearing, with few exceptions. It is democracy itself, as admired and theorized by Alexis de Tocqueville in his studies and in his famous "Democracy in America," that is fading out in an orgy of political-corporative interests, which want to subjugate everything, including the foundations of liberty, culture and the individual's initiatives in the field of production. Egalitarianism inevitably leads to dictatorship of a few or of one only and a further lowering of the levels of freedom and democracy. Tocqueville had perceived and denounced these dangers.

Today, political candidates must devote years of their lives and their time to crystallizing their political physiognomy, not in works of intelligence but on the television screens and in debates, where demagoguery rules. What they have achieved or mean to achieve depends in the last analysis on the capacity to lie or lend themselves to all sorts of compromise. Mindpower becomes scarcer all the time, and consequently the problem of government becomes increasingly difficult to solve. All this happens along with a growing pork-barreling, equal only to an unlimited permissiveness and squandering of public money. Technology pushes toward the former and the latter, without brakes available, which the system does not have. All this already exists in Europe, to a greater or lesser degree, varying from country to country. The disease--along with many others--has been imported from America. It did not understand, in 1950, that Europe had other traditions, all respectable ones, and all the more so if compared with Roosevelt's New Deal, which, in spirit and form, was no longer the democracy of the founding fathers or of Jackson. The America of 1945 did not export to Europe--or anywhere else, for that matter--the civic rigor of government and of citizens described in "Democracy in the United States."

The subject of security is ignored with the carelessness of the ignorant or with the superficial demagoguery of the politicians and of the masses, pushed by the ones and the others toward those demonstrations that have little to do

with the real problem, which, furthermore, should be the objective of the national policy of a democracy. We cannot help, for example, but agree with the principle of reinforcement of European defenses, if it proves really necessary. But we do not know how to identify the strategy to which it could be seriously connected, beyond the equivocal "slogan" of parity, to be pitted against the Soviet SS-20 Euromissiles.

The truth is that since the end of the 1950's, the strategic reality has been characterized by the mindless accumulation of nuclear systems: a reality that is also a political, psychological and--why not?--a moral one. In other terms, once the United States lost superiority, international relations changed. But whether the West is inferior locally or globally, or whether it could become the target of a nuclear attack, are quite different matters, though. It is said erroneously, without a basis in serious knowledge, that conditions have changed, because the West is supposed to have lost the capacity to launch an attack and thus shut off the adversary.

One of the paradoxical aspects of the present situation is represented by the European position, by which America's allies maintain that they cannot afford the risk of becoming the arena for a nuclear war. It is therefore said to be indispensable to return to the old doctrine whereby the Americans must assume the entire risk, in order to defend--it is said in reply in the United States--allies who are not disposed to defending themselves on their own. The Europeans should, at this point, be aware of the fact that their very same fear is present in America also. Hence we can conclude that hurling accusations of "neutralism" is unjust. It is rather, as we should recognize, a matter of a real sense of impotence, to be found on both sides of the Atlantic.

Traditionally, an alliance constituted an aspect of the existing equilibrium. It was founded on a common and military perception. The principle that an interally force was indispensable for confronting the danger in an effective manner was taken for granted. It is rare for an alliance considered as a unilateral guarantee to be able to subsist for long without producing demoralization on both sides. In the past, alliances terminated when the danger was removed, or if, on the other hand, it became so serious that the alliance was considered outmoded by events. It is paradoxical that both of these circumstances, even if not predominant, seem to be present today, psychologically and politically, both in America and in Europe. And strategically, we may ask, what follows from this?

In fact, the sense of impotence is growing, if one indeed takes into account the inevitable disagreement on common strategy, on East-West relations, on relations with the Third World, on the geographical zone of application of the Treaty, etc. A typical example of this state of affairs is represented by the problems of the Gulf: everyone accepts the principle that it is vital to the West, but all maintain that it does not come under the competence of NATO, and everyone therefore marks time, except for leaving localized security tasks to individual allies.

8. We come to the negotiations with Moscow. Those whose feeling tend most toward sympathy maintained, and still do, that the USSR must be guaranteed its

security, and therefore to descend to compromises, as if the Kremlin accepted agreements from which it could not derive precise advantages! The problem, to our way of seeing things, is a different one: is it possible to negotiate an agreement that is advantageous to both Russia and the West?

In this framework, the European claims seem inconsistent. Negotiation is demanded loudly and at all costs, as if it were desired to put the brakes on American belligerence. Negotiating is a fine thing; but with what objective other than the entirely vain--and dangerous--one of being able to say that European pressure stopped the United States on a wrong road? Perhaps that the objective is the "zero" formula for Euromissiles, while the SS-20's multiply? Another objective, perhaps, is total abolition of the strategic arsenals? Let us recall that in 1960 France insisted to the Western countries that the disarmament program to be presented to the Soviets should hinge on reduction of the means for delivering nuclear weapons. Descartes was invoked by the French delegate, Yules Moch, in defending General de Gaulle's ideas tooth and nail. The exasperated American reply was: "Do you want to get rid of weapons that you do not have?"

At this point, without accepting the teachings of Lenin, it is a good idea to understand once and for all the meaning of detente. Detente, if valid, means one thing only: the thermonuclear era, in which two superpowers predominate, imposes an East-West strategy, in accordance with principles different from those to which a conventionally armed regime must adhere. The current American weakness does not really lie in means and technology. It derives from an unexpected effort, for which the nation was unprepared; and it is therefore a political, sociological and, above all, moral weakness. The effort has been too great in relation to the traditional propensities, suddenly confronted with immense responsibilities. The ethical and cultural tension indispensable to the new national and global role was lacking for the crisis of institutional democracy and its old framework, upset by technology and by the temptation to resolve everything in the spirit of material permissiveness, reciprocal, illusory to a seizure of power increasingly concentrated in politicized and incompetent hands [as published]. This is the model that was then transferred, perhaps with less luck, to Europe. In terms of strategy and on the basis of this weakness, does the West today have the conditions for negotiating? This reality is not negotiable: either one is ready, with ideas and objectives, or it is better to put the whole thing off to better times, when this weakness has been corrected.

Following every crisis triggered by Moscow, the problem of emergency has arisen. But Moscow has launched a peace offensive every time. After a bit, NATO, with the Europeans in the lead, has acted as if nothing had happened. Is it possible to set this type of crisis within a framework of diplomatic solutions, /before/ they become, in Russian hands, material for pressure, capable of freezing out every eventual possibility for serious negotiation? The evil lies in the fact that the West is ignorant even of the problems that the Kremlin understands perfectly--as the heirs of the czars, if for no other reason. During the Potsdam talks, let us recall, the borders of Poland were negotiated. The Americans were geographically ignorant of the existence of an Oder-Neisse line, advocated by the Russians, and so the latter were able to profit unexpectedly

from the absurd situation, rapidly drawing the western line of those two rivers rather than the eastern one, which is less advantageous to the USSR. So, then, a large part of Western diplomacy, except where it has not been politicized, seems ignorant of these matters. And thus Afghanistan, one of the keystones of the security of the British Empire, was dropped. For Poland, the farce of the sanctions is played out because Reagan has a strong Polish electorate. Is it permitted to ask whether the sanctions are being applied against the USSR or against that unfortunate people? Is it desired to hurt the Kremlin ("risum teneatis") or Jaruzelsky?

Negotiation with the USSR has begun, notwithstanding the skirmishes on account of the sanctions. Moscow has accepted it willingly, perhaps because that immense military power is in a deep ideological and economic crisis. Perhaps also because Brezhnev would like to leave to his successors an agreement with the West as a legacy, and because he is aware of the precariousness of his regime, which does not provide for a legitimate succession. All the communist countries find themselves facing the problem of what to do with the party in a developed society. The party is not necessary for governing, nor is it needed for directing the economy. Such a state of affairs presents a further problem, when an enormous military power coexists with the necessity of reforms. Therefore, one should not overlook the possibility that some protagonists within the Politburo may want to resolve the external problem before tackling the internal one. The temptation by the military men to stop China before it becomes a second Japan belongs to these questions (and real political alternatives). In conclusion, one must, in preparing to deal with Moscow, know and deepen one's understanding of the Soviet tendencies toward expansion, on the one hand, and on the other, those tending toward search for a modus vivendi with the West. It has to be kept in mind that both tendencies can coexist, and that there is not a precise plan or fixed date for them. In Russia, everything is counted in terms of centuries, not years.

Within this framework of reciprocal weaknesses, the negotiations on the Euromissiles have opened, to start with. They had been called for by Europe with the justification that the United States could have abandoned the allies to their destiny. But this justification appears absurd, and if the Europeans, gritting their teeth, have accepted the Euromissiles, they are forced to understand that the American strategic defenses would be drawn into the conflict by an automatic Soviet initiative. /Moscow would never permit the Western strategic system to remain intact./

The strategy that involves the proposed deployment of the Euromissiles, together with the decision to negotiate, does not seem at all clear to us. It is to be feared that this second initiative has occurred only to please the Europeans. Everything therefore leads one to think that Moscow will go on deploying SS-20's and that, within 2 years, Washington will make Pershings and Cruises operative! The wisdom of opening a negotiation thus seems dubious when, in effect, one does not know what is wanted: the "zero" formula is absurd, but a negotiation separate from that on the strategic systems is even more so.

Policy, diplomacy and strategy cannot be conducted with superficial emotional or demagogic hits. They entail elementary respect for serious persons, who

are not lacking in the West and who are present in the Kremlin. But above all, they entail the security of everyone. Both America and Europe have grave responsibilities in this field.

9. After World War II, Western strategy was conceived in the sense of impeding the formation of a dominant concentration of force in Europe, which remained the nerve center of international relations. Russian domination from the Pacific to the Atlantic, and control by the Kremlin over the economy of West Europe, would have been equivalent--and still would be--to the fall of Constantinople in 1453.

The value that Europe has for America today should be examined briefly.

From every point of view--political, economic and military--the security of Europe remains indispensable to Washington. Direct Russian domination or Finlandization would constitute an unacceptable risk for the United States. Likewise, it is of equal interest to Europe that America should continue to guarantee its security on the Elbe.

One must therefore make a point of reminding the Americans that the European men, military structures and money spent in large quantities for defense of the old continent have made it possible, and still do, to defend a vital American interest, with great savings to the United States. In addition, at least two allies have contributed effectively to global security: Great Britain has taken action in the Gulf, in Southeast Asia and in Africa, while France is still present in North Africa and West Africa. Washington, of course, has not always appreciated these contributions to security, since it looks with a jaundiced eye on economic activities of other European allies in Third World countries, whether still linked to the USSR or not. This is all matter for reconsideration, especially in view of the Soviet expansionism.

The United States has a precise economic interest in maintaining a sound free-market system: without Europe, such a system would prove quite problematic, because American prosperity and its power of attraction in the world depend largely on the close bonds between the two economies. Half of American investments abroad (\$90 billion in 1980) are placed in Europe--that is, twice those in Canada and four times more than those in Latin America. The European investments in America (\$40 billion) cover 70 percent of investments abroad. The United States a \$20-billion positive trade balance with Europe, as against a \$38-billion negative balance in Asia. American exports to Europe have a total annual value of \$30 billion, a third of which is in machinery and 10 percent in agricultural products.

The European economy as a whole has the same world influence as the American economy by itself. The figures speak for themselves once again: in 1979, the EEC represented 35 percent of world exports as against the American 11 percent, and 36 percent of imports as against the American 13 percent. In the same year, 65 percent of world reserves were represented by dollars and 31 percent by European currencies in "ECU's" [European Currency Units].

It is obvious that the direct interest of the United States lies at least in keeping the European economy in a condition to sustain a valid contribution to

the Alliance. But on a vaster plane, with global repercussions, the prevailing of the free market in Europe, close collaboration between the two sides of the Atlantic in directing the world economy, and the ever-present necessity of such a force in terms of East-West and North-South policy are indispensable to Western security.

But security in the broad sense has to take account also of psychological factors, on account of which depression, high inflation and unemployment tend to give rise to a protectionist mentality, to neonationalisms or, worse, to the prevalence of corporative or local interests. This phenomenon may appear today perhaps more sensational in America on account of the negative political-economic consequences in the old continent, already so disenchanted with its ally on the other side of the Atlantic [as published]. American economic policy, from Vietnam to the abandonment of Bretton Woods, carried out so abruptly, from Nixon to Reagan, is largely responsible for the harmful consequences in the world. Europe, already blocked in the unitary process, through its own fault, and suffering serious economic, financial and social evils, sees these evils accentuated by the drastic measures that Washington considers useful to its Reaganesque design for dominance.

In a partnership without balance, as was the case in 1950, Europe, for better or worse, had to accept American protection in American terms, which, we should keep it clearly in mind, were still enlightened at the time, and therefore were accepted with conviction and gratitude. The Bretton Woods system, the GATT [General Agreement on Tariffs and Trade] and the OECD [Organization for Economic Cooperation and Development] were instituted not so much for the purpose of promoting the perpetuation of American supremacy as for building a prosperous and united West, capable of constituting a pole of attraction for adversaries, and especially for the developing world.

The price of oil and the collapse of the dollar in 1973 altered the economic and psychological equilibrium of the alliance where it had, better or worse, held up against the shocks caused by Vietnam and Watergate. The fact that the American economy was more vulnerable than the European gave the allies greater negotiating power in certain sectors. The trouble is that Washington had acted autonomously and the Europeans followed along. Where did Western solidarity go at the moment when it would have been indispensable to stay united? The paradoxical fact is that, with the American economy itself having shown itself to be vulnerable, Europe considered that the time had come to act by itself vis-a-vis the USSR and the Arabs. If it had at least ensured the solidarity of the EEC!

10. At this point there arises, almost automatically, the difference of view regarding the East-West relationship--that is, the form that "containment" of the USSR should take. Psychological elements enter into what should be a cool political and strategic analysis. These elements derive from a long series of factors that it is advisable to list, separating the factors from one another: distrust and misunderstanding vis-a-vis the United States; the prejudice in favor of high military expenditures; the revived economic relations with Moscow, which Washington still maintains, despite sanctions that damage the allies in the profitable and electorally useful area of grains; the fear of a nuclear

war; the suspicion that a climate of tension, transferred to the Third World--ignored and from time to time favored by America--could damage Europe's interests.

To all this must be added the growing conviction on the European side that it knows how to interpret the Russian mentality better than anyone else and that it understands and knows how to tackle with greater ability the problems of the emerging world. Unfortunately, there is no faith in the White House, in the American Congress or--less than ever--in American public opinion, which--what is more serious than the European superficiality--appears ignorant, lacking any moral sense, changeable and at the mercy of the propaganda of power groups and the mass media.

It is certainly not necessary for Washington to approve, justify or comprehend European interests and concerns, but their existence should be recognized as such, in the United States and at all levels. The point of no return could indeed be approached in the absence of an effort at comprehension. Under penalty of taking responsibility for serious risks by itself, Washington should also make a careful analysis of how these European positions, which are a reality that cannot be swept aside, will evolve. Nor will it be easy now, because this reality is subject to so many variables, and not least on uncontrollable variables such as the USSR and OPEC, among others. In 1950, there was understanding on both sides of the Atlantic, and the solidarity of Europe in regard to the great variable of the time--the USSR--corresponded to the guarantee of Article 5 of the Pact. Today, security must understand how to "contain" that variable, in a far more complex manner.

Unfortunately, it is indispensable to recognize that American supremacy and its myth no longer exist. Europe has institutional and moral shortcomings, no less serious than the American ones but contained by a history in which egalitarianism has never prevailed over equality, the social fabric still assigns a big place to the family, and the cultural and spiritual fabric gives space for non-conformist thought and superior idealities.

The EEC may or may not be able to advance toward further economic integration, but on the other hand, a certain progress in European political unity and also in the postulation of strategic objectives is foreseeable, whether Washington likes it or not. It can be asserted, for example, that Europe will not vote for bigger military expenditures. On the other hand, unless the United States commits errors that are too gross, the current levels of balance will be respected and clamorous "neutralism" will not make any progress. Indeed, if Moscow should commit disastrous error in Poland or elsewhere, that would bolster NATO.

Europe is distrustful of the American methods for controlling the crises of the Gulf, the Middle East and other places. Therefore it will not rule out an intervention of its own, if that should prove useful, as it has done in the Sinai and in Lebanon. It is not mistaken to think that Europe will move pragmatically, on the basis of the principle of consultation within the EEC and also with the United States, though retaining its freedom of judgment and action.



11. The central problem seems to be that of giving the Alliance a new arrangement at reasonable costs. This is the theme on which we shall conclude this article. But at this point we can anticipate the conclusion that in some American ruling circles there is the temptation to act with use of more or less abrupt treatment of Europe. In the past, Washington has had some success with this method, and is therefore trying it again. The White House, more than public opinion, appears irritated by the presumed European shortcomings and the most equivocal voices are gathering to threaten withdrawal of the American forces from the old continent.

Since the time of Wilson, presidential visits to Europe have been poorly advised by those who saw them as an election-program success. The recent one by Reagan is a typical example of how important domestic policy in the United States is. Unfortunately, at least at Versailles and Windsor, one did not refrain from going along with the silliest vanities of the American public and its president.

Quite quickly, words of solidarity with some substance were spoken--and even this is disputable--and Europe suddenly found itself confronted with a declaration of commercial war and the threat of an embargo on patents already sold to its big industries. Above all, the secretary of state, the only member of the American government aware of the values inherent in the Alliance, was forced into resignation. The consequence: neurosis in the FRG, accentuated distrust elsewhere.

The alternative is to create, with brutal frankness if necessary, a relationship so close as to permit coordinates from which a global strategy, albeit pragmatic and elastic, could ensue. It is not easy, but it is the only way to avoid the disappearance of all residual credibility and the collapse of Western solidarity.

But first of all, there is an immense bureaucratic machine to be tackled, one that will sustain the complete readiness of NATO, as it presently is, to solve any problem. Such resistance [as published] does not take account of the fact that the Alliance is not adapted to tasks that extend beyond Europe. The problem of the neutron bomb and that of the Euromissiles have demonstrated that within NATO as it is today, it is impossible to ascertain a univocal will, even when the security of the old continent as such depends on it.

Who should participate in the new permanent dialogue? The minor allies look with suspicion on any suggestion of a directorate, and exclusion of them encourages dissent among the major ones. On the other hand, it cannot be expected that the United States would accept limitation of its freedom of action, when necessary to defense of its own real interests, from allies, from whom collaboration is rightly expected, and not obstacles or even equivocal cohabitation with adversary. To tell the truth, this has never been the case with the minor allies but rather with the France of Giscard, which has a propensity for trips to the other side of the Elbe at the most delicate moment for Western security.

Finally, another difficulty arises. American policy suffers from the moralism of its Protestant legacy. This induces public opinion to believe that the

United States is always right and that anyone who is not with the United States is wrong. This constant transforms into automatic "linkage" with action, vis-a-vis both the adversary and the ally. From this ensues the asserted inadmissibility of different opinions and methods in dealing with Moscow. It follows from this that the outlooks for an organism that would examine the diversities of political and strategic approaches is not looked on kindly. Furthermore, it is said too often, and propagated to the nation: why should America have to consult with allies whose existence, freedom and well-being have been guaranteed entirely by their major ally for more than 30 years? A show is made of maintaining that this is a permanent reality in its indispensable consequences of absolute obedience.

Can Europe accept as a good one this position which, with Reagan--and without Haig--is tending to be asserted? Can Europe abdicate all action connected with the security of the West, in contrast, indeed, to the California-style impulses of the former actor seated in the White House and his inexperienced collaborators? If Europe were to take that approach, the United States would end up alone in the world and the Europeans would again find themselves with no influence on American initiatives, though their life or death and world peace depend on them. From this would inevitably ensue some form of "neutrality," pernicious for both sides of the Atlantic.

The United States has no choice other than to follow the precedent of the 1940's. At that time, Western security was established, with the presupposition of the European union and of economic solidarity in the free world. Today, such presuppositions must serve to cement again, on a geographically broadened base, collaboration between a no longer morally predominant America and a reconstructed and influential Europe, capable of balancing the United States within the West and of representing, in itself, the true pole of attraction for the East as well as the South. A pole of true and ancient civilization, let us make it clear.

/There is a problem of reconstruction that cannot be set aside. Reconstruction must go all the way down to the roots. Democracy and freedom are what has gradually been sacrificed. But social-capitalistic and technological materialism will not prevail, just as the Marxist-Leninist materialism has not prevailed./

12. America is a free country, notwithstanding the limitations that came with the second postwar period and after, in the essentially civic relationship between state and citizens. Several great institutions have reached the top world level in the field of pure science and research; but these are islands in a sea of mediocrity, worse than ignorance itself, because ignorance is cloaked with arrogance deriving from easy money and from the even easier concentration of all energy in the most vulgar or corrupt pastimes.

In any case, thanks to the existence of these great centers of study and application, and thanks to the great traditions that are not extinct, the most varied opinions can still be expressed, and indeed, despite corporate or power-group pressures, can find space in the specialized press and the mass-circulation press. Wholesomely, then, distinct, even opposing, tendencies emerge.

As regards our particular subject concerning the problem of armaments, it can be said that there are two different positions today. The first is represented by the article "A New Nuclear Strategy," by Laurence Beilenson and Samuel Cohen, in the NEW YORK TIMES of 24 January last. The article contains not so much disputable argumentations but patent inaccuracies, which we consider it useful only to list, with the reservation of refuting at least one of them:

- the Soviet strategic capacity, added to that of the Warsaw Pact, greatly exceeds that of NATO;
- the American intercontinental arsenal is inferior to the Soviet one;
- Moscow, in contrast to Washington, is exploiting the strategic consequences of the technological revolution;
- the USSR has always breached all commitments;
- the Kremlin could launch a nuclear attack against American territory at any moment;
- Europe is in danger of being invaded;
- SALT has prohibited the antimissile, the sole means of effective defense along with civil defenses.

First of all, it is useful to repeat once again that Western security, entrusted to nuclear weapons, has the /precise objective/ of /representing a risk unacceptable/ to the Soviet side, should it be tempted to take action harmful to the interests of NATO as such.

The authors of the aforesaid article are blinded by the fear of a massive Soviet conventional attack in Europe, accompanied by an equally massive nuclear attack on America. Here we say that /such a double danger is nonexistent, so long as the United States retains the capacity to launch an attack itself on Russia and maintains forces in Europe./

/The real danger lies in the double possibility of destabilization, originating in Europe or at any rate having decisive repercussions on the old continent though originating elsewhere./ If the USSR wished to exploit such destabilization, NATO would have to be able to count on conventional forces, its own and American ones. /The destabilization would become certain and would precipitate everything if Washington gave signs of wanting to withdraw its own forces from the old continent and consign nuclear weapons to the allies/, as the authors of the article suggest. At the present moment, while the USSR has a numerical superiority in some sectors--tanks, for example--it is neutralized by Western superiority in firepower. But let us go on to the detail of what was illustrated in last April's issue of the BULLETIN OF THE ATOMIC SCIENTISTS:

- the United States (plus Great Britain and France) has 3,150 intermediate warheads, as against the Soviets' 2,250;
- the United States and Europe have 4.9 million under arms, as against 4.7 million for the USSR and the Warsaw Pact; it is advisable to include China's 4.7 million in the global balance;

- the United States and NATO have 6,850 airplanes as against 7,500 for the USSR and the Warsaw Pact;
- the United States and NATO have 486 warships and 223 submarines as against 306 and 198 for the USSR and allies;
- the United States has 9,000 intercontinental warheads, 3,200 of them on submarines, as against 7,000 and 150 for the USSR.

Four personages, authoritative and influential in the past with successive American presidents--McGeorge Bundy, George Kennan, Rombert McNamara and Gerard Smith--wrote collectively an article for the Spring issue of FOREIGN AFFAIRS. The article, "Nuclear Weapons and the Atlantic Alliance," represents clearly the opposite pole from what Beilenson and Cohen's article may wish to demonstrate in America. At the same time, the authors intend to confirm the traditional Western security within the present conditions.

They courageously proposed what the Westerners recently rejected at the U.N. Special Assembly on Disarmament--that is, rejection of first use of atomic weaponry. An agreement in this regard, they stress, must first of all be able to /confirm the validity of Article 5 of the Atlantic Pact, and in particular, its direct consequences on the FRG. Washington and Bonn must support one another on the essential nature of German security/ and, since the FRG may not and should not have its own nuclear weapons, the American guarantee must in some way be confirmed factually.

This, as all we Europeans--whether citizens of nuclear countries or not--recognize, is the central problem of security and of peace. And the authors, too expert to have any doubts about it, immediately and vigorously advance the second proposal, on which the first depends: /strengthening of the NATO conventional formation, especially on the Elbe./

Political problems appear to constitute an obstacle to these proposals, notwithstanding the great progress made in this sector since the distant times of the Lisbon communique of 1957, in which the conventional objectives of the Alliance were indicated. Today we may well ask, for clarification of security:

- What strategic priority does London assign to the Army of the Rhine?
- What joint deployment with NATO is Paris ready to agree to?
- What increase in German forces is acceptable to the allies?
- Can the United States cope, technically and /morally/, with a numerical and qualitative improvement of its volunteer forces and its commands?
- Is everyone prepared to review strategy and tactics, which are based on a /delayed nuclear action?/
- May it perhaps be indispensable to endorse first of all the principle of a balanced nuclear force, capable of local and global reprisals, as the indispensable deterrent against Soviet attacks in Europe or elsewhere?

It may be thought that the argument advanced by the four well-known American personages is worthy of a far-reaching reconsideration in Europe too. It

would give substance to plans for strengthening of security and for a return to solidarity between America and Europe.

The START negotiations and those on Euromissiles would take on a natural vigor. Nuclear deflation, on a vaster plane, would restore technology to the problems of peace, of liberty and of well-being, bringing with it a moral and democratic reflex action in organized society.

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CSO: 3528/48

## NORWAY DEFENSE MINISTRY VETOES GAS PIPELINE THROUGH SWEDEN

Oslo AFTENPOSTEN in Norwegian 29 Nov 82 p 4

[Article by Bibe Vance]

[Text] According to what AFTENPOSTEN has learned, Statoil has submitted a proposal to lay a gas pipeline across Norway from Tromso to Ostlandet. This proposal is supposed to have been submitted after the Defense Ministry vetoed Statoil's earlier proposal for a gas pipeline through Sweden.

The Defense Ministry supposedly vetoed the new gas pipeline proposal for security reasons; it did not consent to the 20-meter wide safety zone on either side of the gas pipeline, which would give an advancing enemy a 40-meter wide roadway in a relatively straight line from Ostlandet to Northern Norway.

"The Defense Ministry and the military high command are being kept fully informed of the ongoing negotiations, but we have not yet submitted any concrete proposals to the Defense Ministry," said Hakon Lavik, press spokesman for Statoil. The negotiations are primarily handled by Statoil and Norsk Hydro.

"At this time, there are no concrete rules for securing such a gas pipeline. The rules are issued by the Explosive Inspection Department," said Hakon Lavik, who denies that any decision has been reached on the part of the company as to the location of the gas pipeline. "For the time being, there is not enough gas," he said.

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CSO: 3639/34

## RESEARCH INSTITUTES REPORT ON STATE OF ECONOMY

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[Article: "The State of the FRG Economy in the Fall of 1982"]

[Excerpt] Report on the economic situation by the following members of the Working Group of German Economic Research Institutes, a registered association in Essen: German Institute for Economic Research, Berlin (Institute for Business Cycles Research); HWWA-Institute for Economic Research, Hamburg; IFO-Institute for Economic Research, Munich; Institute for World Economics at the University of Kiel; Rhine-Westphalian Institute for Economic Research, Essen. Concluded in Berlin 22 October 1982.

Up until the summer, the economic trend in the FRG developed largely as was forecast here 6 months ago: total economic production stagnated, unemployment increased and there was a lessening of inflation. Later, however--and unexpectedly--there was no increase but rather a decline in production.

To be sure, wages have not risen faster than estimated in the forecast, nor have interest rates fallen further; the decline in interest rates, however, has not stabilized but was interrupted by a rise that brought about renewed uncertainty. In addition, numerous developing countries and countries with state-run economies, including OPEC countries as well, ran into payments difficulties and the banks held back in extending expiring credit and in granting additional credit. For these reasons, but also because of the unexpected new cyclical weakness in the industrial countries, there was a sharp drop in foreign orders following last year's strong rise. Of no less importance was the fact that economic and finance policy failed to provide reliable bases for decisions by enterprises. Indeed, much of what had already been decided was revoked, and much that had been rejected was again considered, not always out of insight but also under pressure from strong interest groups. In addition, it became more and more clear that behind the numerous measures there was no uniform opinion on the causes of the economic weakness and on appropriate ways to overcome it, but there was instead a great divergence in opinions. Thus, some saw the reasons in too much state intervention, others in too little state activity. All of this put a very heavy burden on employers' expectations.

## Economic Setback Thwarts Planned Reduction in the State Deficit

Although the state tried to limit its expenditures and to increase revenues through higher taxes, this year's state deficit will be larger than estimated here 6 months ago and considerably larger than expected by the federal government at the beginning of the year. Whereas the original expectation was for a reduction of DM 15 to 20 billion in the total state deficit, at about DM 63 billion it will now come close to that of last year. It is true that the deficit for local authorities will decline by DM 2 billion to DM 65 billion, but the social security surplus will fall by DM 3 billion to DM 2 billion.

Hidden in the constant--compared with the previous year--state deficit is a decline in the structural deficit and a corresponding increase in the deficit caused by the business cycle. And although these two components cannot be quantified exactly, there are many indications that their opposite movement increased during the course of the year.

The state's attempts to consolidate, with the objective of reducing the structural part of the deficit, are also becoming more and more clear with respect to personnel and material expenditures. State consumption expenditures will increase only by about 4 percent this year, following a 7-percent rise last year, and discounting price increases, they will be only a little higher than a year ago. As before, efforts to consolidate state investment are especially effective. Volume in 1982 will be about 9 percent under the level of the previous year. In contrast, unemployment support payments will increase by about DM 3.5 billion and interest payments by about DM 8.5 billion.

At 2.5 percent, the increase in tax receipts for 1982 could be about 2 percent, or a good DM 7 billion, less than estimated in the budget plans. The increase in total state revenues will be just under 5 percent and that of state expenditures will be about 4.5 percent. Included in the receipts is a Federal Bank profit of about DM 10.5 billion. Without it, the increase in revenue would be lower by more than one percentage point.

## Monetary Policy on a Reasonable Course

The Federal Bank continued the policy adopted in the fall of last year of relaxing the money markets to keep the central bank money supply in the upper region of the desired range. It saw the latitude to do this, since the balance of payments deficit decreased and inflation slowed. Thus, it no longer provided the credit institutions the central bank money needed to expand the money supply exclusively through securities-pension fund transactions and other measures reversible in the short term, but it also raised the rediscount contingents and lowered the minimum reserve requirements. It thus provided the commercial banks additional liquidity on a permanent basis. It also changed from the special collateral loan to the normal collateral credit and repeatedly lowered the refinancing rates.

In the timing and the magnitude of its measures, the Federal Bank was also oriented toward U.S. monetary policy, because it obviously feared that the value of the mark relative to the dollar would come under even stronger pressure.



Not until the discount rate there had been lowered repeatedly and interest rates in the American money market were clearly falling did it again promote the process of bringing down interest rates.

The temporary increase in interest rates slowed the expansion in the money supply in the economy and led to shifts in deposits from interest-free sight deposits to time deposits and savings accounts. The money supply in the category including cash and sight deposits (M1) thus fell in late summer to the level prevailing in the spring, while the money supply in the broader category (M3), which also includes time and savings deposits increased, although not as strongly as before. Consequently, central bank money supply also was no longer rising so rapidly, but it did remain in the upper region of the desired range.

Interest rates have continued to fall in recent weeks. In mid-October, interest rates on the money market were a full percentage point lower and those on the bond market just under one percentage point below the levels prior to the interruption of interest rate declines during the spring. The drop has stimulated an expansion in the money supply, but probably not beyond the level appropriate for stabilization and potential. All in all, the course of the Federal Bank should be viewed as being in line with objectives.

#### Further Increase in DM Abroad

During the summer months, the value of the German mark abroad continued to rise, except against the dollar. In the European exchange system in early summer the value of the German mark again reached the upper limit of the agreed range, and for the third time in 9 months the governments of the countries involved were forced to adjust exchange rates. In this last correction, the exchange rate of the German mark relative to the French franc, the currency of the FRG's most important trading partner, was increased by not less than 10.5 percent, obviously anticipating future cost and price differences. Relative to the average of all partner currencies, the increase in the guiding exchange rate was 5.5 percent. So far, however, the market rate of the German mark has reached only about one-half of the increase in the exchange rate.

Against the U.S. dollar, on the other hand, the German mark again lost value from mid-May on. Indeed, through mid-October the decline was almost 10 percent, although there was a clear lessening in the interest rate differential between the United States and the FRG. The strength of the dollar can be explained mainly by the fact that at the present time it is easily the investment currency in greatest demand; in crises, the financial markets in the United States are obviously seen as more resistant than those in other countries.

Altogether, the value of the German mark abroad rose a good 2 percent by the half-year point, approximately the same amount that inflation abroad exceeded domestic inflation. Therefore, on the average there has been no change in the price competitiveness of FRG enterprises.

## Fall in Exports

To a considerable degree, exports are responsible for the decline in total economic production. After a strong increase which lasted about a year, exports declined from the spring through fall at an annual rate of 10 percent. To a large degree, this trend is a result of the payments difficulties of a number of developing countries, including some oil exporters. The payment difficulties of these countries are largely due to the persistent economic weakness in the industrial countries, causing stagnant demand and decline in raw material prices.

To be sure, exports to industrial countries also declined, but not nearly as much as those to the developing countries. The reason for the decline is obviously the renewed economic weakening in the West European countries. Prices for export goods have risen only slowly. This reflects the efforts to secure foreign sales.

## Reduced Capital Investments

The decline in foreign orders, the uncertainty about economic policy lines, the rising number of insolvent enterprises--including some world famous names--as well as the continuing high interest rates put such a burden on the inclination to invest that it did not strengthen, as expected, but continued to weaken. In recent months there was a clear decline in orders for investment goods and in investment in equipment. Nevertheless, capital goods experienced greater inflation, probably also because by order of the ECE steel prices were sharply increased in several steps.

Until recently, construction activity also declined. This was particularly pronounced in housing construction and in public works. Commercial construction, on the other hand, was still drawing on a large number of unfilled orders and was aided by state support for the development of long-distance heating.

The lack of orders increased competition to the point where in some branches of the building trade prices no longer rose but fell. With the pressure on profits, the number of business failures has increased by more than half during the last 12 months.

## Pronounced Weakness of Private Consumption

With the decline in exports now added to the weakness in domestic demand, there was an accelerated drop in employment. More and more this was reflected in the income of private households. Also, the progressive tax rates and increases in social security contributions directed a substantial part of what was in any case a small increase in income into the public treasury. Disposable income of private households therefore increased only slightly. Since there was also an additional rise in the cost of living because of increases in excise taxes, fees and public tariffs, private households had less purchasing power at their disposal than before. In addition to all that, the discussion of further tax increases and reduced state services seems to have dampened income expectations and growing unemployment appears to have encouraged precautionary saving well

into the summer. Affected are mainly purchases of motor vehicles, clothing, shoes and household goods, as well as--to an increasing degree--expenditures for travel.

#### Lower Production

In the course of the summer half year, the gross domestic product declined by about 1.5 percent, and thus in the third quarter it was approximately 2 percent lower than a year earlier. Production declined not only in the industrial branches that produce goods, but there was also a decline in value added in the services area. Despite the strong decline, in many branches production remained greater than sales, so that there was an unplanned rise in inventories. For the time being production will be under pressure from this factor.

#### Faster Decline in Employment

The degree to which the downward economic trend is spreading can be seen not least in the fact that it is not just in industry and construction but also in the area of trade and transportation, where the number of personnel is falling through layoffs or is shrinking as a result of business failures. In any case, in these economic areas as well, the retirement of employees from the labor market because of age is no longer sufficient to adjust personnel levels to lower demand.

In recent months as well, the increase in unemployment was greater than the fall in the number of employed, because there continue to be more people entering the labor force than leaving it. In the fall the seasonally adjusted number of unemployed was already at 2 million. Skilled workers are increasingly affected by unemployment, either because enterprises have to close down or because even skilled workers can no longer be retained.

#### Lower Imports

The importation of goods is largely being influenced by the economic weakness of the FRG. That is true for the importation of fabricated products as well as of capital and consumer goods. Noteworthy is the sharp decline in highway vehicle imports--the latest figures show them to be one-third under the level of a year ago--as well as oil imports from the OPEC countries. Figuring in the decline in automobile imports was the improvement in the competitiveness of German producers and probably also the "voluntary" self-limitation of Japanese exporters. The decline in imports from the OPEC countries is due not only to the reduced demand for crude oil but also to the shifting of oil imports in favor of European oil-exporting countries.

Because of the devaluation of the mark relative to the dollar, the decline in world market prices for raw materials has not been fully reflected in German import prices. The increase in the value of the mark against most other currencies has dampened the increase in prices for finished goods.

#### Surplus in the Balance of Payments

It is true that measured by volume in recent months imports have not fallen as much as exports, but since import prices have not risen as much as export

prices, there has been a further increase in the balance of trade surplus. In the first 8 months of the year it was about DM 30 billion, compared with only DM 10 billion a year ago.

As a result, the balance of payments deficit fell to DM 5.5 billion. If one considers the normal increases in travel expenditures during the vacation period, then for the period January through August alone there is a seasonally adjusted surplus of about DM 2 billion; this is expected to increase to DM 5 billion for the entire year.

#### Only Gradual Fall in Inflation

The basic trend shows a clear moderation in inflation. However, in the case of the cost of living index, this trend was temporarily interrupted: Whereas the rise was additionally slowed at the beginning of the year through falling prices for heating oil and gasoline, and in the fall through lower prices for foodstuffs, in the interval between there was more inflation due to the increase in excise taxes and public fees. Therefore, the rate of increase compared with the previous year, still 4.9 percent, exceeds the basic trend.

#### Outlook

Surely there have been few times since the 1950's when an evaluation of the future cyclical trend was as difficult as it is this fall. Currently, the FRG economy is in a situation in which a sharp fall in demand coincides with a fundamental weakness in growth. There is no experience on the behavior of investors and consumers in such a situation. Added to that is an unusual accumulation of world economic risks and persistent economic and political uncertainties. Together, that produces a high degree of instability.

Characteristic for the world economic situation is not only a persistent cyclical downturn but also a critical trend in the international financial system. If international credit lines were to break, this would have dangerous consequences for the world economy and thus for the German economy as well. But there are possibilities for avoiding this. The treatment of the previous cases of nonliquidity by the banks and international organizations has shown that one can limit the effects. To be sure, there is no certainty that this will continue to be the case. But the insight in the future too to proceed in this way, in one's dear interests, seems great enough to allow one to count on a continuation of similar behavior patterns.

Following the change of government, there is also uncertainty about the future economic and political atmosphere. Thus, from the new government's declared intentions to date it is not possible to gain a sufficiently clear view of the outlook for the middle term. Seen in the short term, some of the measures listed in the government's program appear to be contradictory: Elements supporting short-term demand are opposed by provisions that initially weaken demand, thus possibly affecting the expectations of investors.

A particular sort of uncertainty arises for the coming months out of the question of whether the Bundestag election scheduled for 6 March 1983 will bring results permitting implementation of the economic policy views of the new

federal government. It is true that a number of the new measures could be carried out regardless of the election results, but it is questionable whether this carries a lot of weight in the opinion of investors and consumers. Therefore, prior to the elections one can certainly expect considerably fewer stimulative effects from the program than would otherwise be possible. The election results will determine whether these hindrances are removed. The answer to this question will mean various things for the 1983 economic trend--more for the direction than for the year's average results. Since the economic policies that a new government would follow cannot be known, it is also impossible to make an alternative forecast.

Despite the substantial uncertainties about some important conditions, the forecast requires "firm" assumptions in the following areas:

--As shown in the world economics part of this diagnosis, it is assumed that there will be no collapse of the international financial system. For the time being, the economic trend will remain weak in the industrial countries. Not until the latter part of next year are there chances for a tendency toward recovery. Since it is only with some delay that this will affect the developing countries exporting oil and other raw materials, their imports will remain very sluggish next year. The same is true for the countries with state-run economies now struggling with payments difficulties.

--Under these circumstances, world market prices for oil and raw materials will remain under pressure for now. Since the mark will likely increase some in value against the dollar, the currency in which invoices are prepared for oil and other raw materials, German import prices as a whole for these goods will more likely fall well into next year.

--The German Federal Bank is expected to continue to expand the money supply in accordance with the economic potential. Under this monetary policy, the continuing price stabilization, the policy of consolidating public budgets and the weak economic trend will lead to a clear decline in interest rates. That should be supported by international conditions.

--For economic and financial policy, it is assumed that the measures set forth in the agreements of the new coalition and in the government's statement--including the decisions retained from the previous government--will be implemented.

--In the 1983 wage talks the contracting parties will be under the influence of a rapidly deteriorating labor market situation, a further slowing of inflationary pressure and continuing low profits. One can therefore expect the parties to agree on smaller wage increases than this year, when they were about 4 percent. It is apparent that there will again be largely uniform rate agreed upon, that is, the different situations in the individual economic branches will not be a matter of consideration.

Under these conditions, the institutes do not consider it likely that the recessionary forces will be self-strengthening. Instead, they expect that demand and production will gradually stabilize during the course of the winter

half year 1982-83. Based on the improvement in some attendant circumstances and because of the probability of upward cyclical reactions, especially in inventories, they see the possibility of a small increase in total economic activity for the remainder of next year. In view of the continuing problems, it is difficult to characterize this as a cyclical upturn. In any case, the preconditions for sustained growth have not yet been met. The accumulation of risks should be stressed. The trend that is forecast here is considered by the institutes to be merely more likely than less favorable developments, for which one could also argue.

#### Inclination To Invest Still Unstable

Doubtless the multiple uncertainties are an especially heavy burden on the investment climate. If it were not for the special influence resulting from the expiration of the investment subsidy, one could continue to count on a clear decline in demand for capital goods. But now orders for capital goods will certainly rise strongly until the end of the year and then fall back. This will not be reflected in investment activity in the winter half year. Instead, there may be a constant trend there with a falling tendency.

The investment trend will be favored by an improvement in some attendant circumstances, especially lower interest rates, reduced costs and economic policy stimulation. But probably for no other area of economic activity will so much depend on the election results as for enterprise investment. It will determine whether and how middle-term investment plans are corrected. However, a strong increase in investment activity in 1983 cannot be expected even if the course of the new government is ratified. The forecast assumes only a gradual increase during the year, brought about in part by the investment subsidy; there will be only a modest gain in the annual average.

#### Upswing in Construction

The demand for construction, which has already increased in recent months, should continue to gain strength. Besides the continuing decline in interest rates, a number of economic policy measures will contribute to this.

Both things are especially true for housing construction. Here one can expect a clear increase in demand, brought about largely by the fall in mortgage interest rates but mainly the massive support for housing construction in economic policy measures in part already in effect and in part planned. Especially significant are:

--Improvement in the depreciation provisions for housing;

--Support for the construction of owner-occupied houses and apartments through the deduction of loan interest up to DM 10,000 annually for 3 years with simultaneous unlimited write-off in accordance with paragraph 7b of the Income Tax law;

--Reduced interest rates for the intermediate financing of building savings contracts;

- Extension in modified form of the energy savings program in heating;
- Financing for the construction of additional low-income housing; and
- Relaxation of existing rent price commitments with the goal of making renting more profitable.

Altogether, real investment in housing construction will expand greatly in 1983.

A certain upturn in demand can also be expected in industrial construction, mainly because of the increase in the degressive depreciation rates for operational buildings, investment subsidies and the heating insulation regulation. Altogether, real investment in industrial construction will increase gradually again next year.

The outlook is less favorable for investment in public construction. Due to the continuing efforts to consolidate on the part of area authorities, especially many communities, public construction can be expected to decline well into next year.

Overall, construction activity will soon increase and the expansion should accelerate noticeably during the rest of 1983.

#### Private Consumption Still Depressed

Demand by private households will continue to decline well into next year; determinant in this regard is the development of real income. Lower wage agreements, falling employment and the rising tax burden will insure that employee income will increase only slightly. Due to the government's economy measures, the rise in income transfers to private households will be noticeably smaller than it was this year. Worthy of mention are the 6-month postponement of the pensions adjustment, the introduction of a health insurance contribution for pensioners at mid-year, the reduction in the family allowance for those with higher incomes and reductions in the living allowance and student aid. All in all, disposable income of private households will not rise until the middle of next year and after that only slightly. The increase will probably be less than 3 percent for the entire year. Since inflation will exceed this rate--not least because of the increase in the value added tax--real income will again fall.

How income is divided into consumption and savings depends on a number of influences. Saving is certainly increased by the growing concern about job security and the relatively sharp rise in income from business and capital, where more goes into saving than is the case for other income. On the other hand, factors reducing saving are falling interest rates and some special factors such as the obligatory loan, the delay in adjusting pensions and the release of a large number of savings accounts with high premiums. As a whole, the rate of saving should decline slightly during 1983. Real private consumption will again decline somewhat for the year.

## Recovery in Exports

It is expected that in the coming months the export of goods will further decline, although much more slowly than before. A tendency toward a turn-around during next year is indicated by the expected gradual cyclical upturn in the United States and the slight improvement in demand in Western Europe in the latter part of next year; at the same time, imports by oil-exporting countries will probably not fall as sharply as before. However, considerable risks exist, mainly in regard to the imports of the other developing countries. But the timing and magnitude of the upturn in demand in the industrial countries are very uncertain.

In view of the variety of German exports, the worldwide investment weakness is likely to be burdensome. On the otherhand, the greatly improved competitive position of recent years will certainly help exports. All in all, during the course of next year the export of goods will again increase, although modestly.

## Larger Balance of Payments Surplus

Real imports of goods will again fall slightly in the winter half-year because of continued weak domestic demand. The importation of energy raw materials, however, will no longer decline, since the working off of inventories is probably now coming to an end. German imports will not expand again until there is an upturn in demand and production. Experience indicates that stimulation initially comes from inventory dispositions, which lead to increased purchases of primary industrial products. The importation of finished goods should not pick up until the latter part of the year.

With the expected trend in commerce in goods and services the real foreign contribution in 1983 will be about the same as for this year. It is expected that on an annual average, the terms of trade will again be more favorable than in 1982; the nominal foreign contribution will again rise. For the balance of payments, this means a larger surplus than this year; it could well reach the magnitude of DM 10 billion.

## Significant Worsening in the Labor Market

In view of the ongoing decline in demand for goods and services, total economic production will continue to fall in the winter half-year; it will gradually rise during the remainder of 1983. Altogether, the real gross domestic product will not be larger next year than it was this year\*--in the first half of the year, this year's level will clearly not be reached; in the second half it will clearly be exceeded.

With this production trend and the continuing increase in the employment potential, labor market problems will become much more acute. The decline in the

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\*The Rhine-Westphalian Institute for Economic Research in Essen expects a larger decline in the first half of the year and a weaker rise in total economic production in the second than the other institutes. Therefore, it estimates a 1983 gross social product about 1 percent lower than that for 1982.



number of employed will accelerate in the winter half-year. The improvement in the situation in the second half of the year will only be enough to bring about a gradual slowing of the decline in employment. Initially, enterprises will use productivity reserves and reduce part-time labor. But it should be emphasized that future enterprise employment behavior cannot be accurately foreseen, since previous experiences can be applied to the current situation only conditionally.

Unemployment will continue to increase substantially in the coming months. At the winter seasonal peak, the number of registered unemployed could reach a magnitude of 2.5 million. Aside from seasonal variations, unemployment will continue to rise during the entire year, albeit more slowly. It is thereby likely that the number of unemployed will--unlike this year--rise only a little more rapidly than the decline in the labor force. For one can assume that because of the unfavorable employment outlook, more members of the labor force than before will give up the search for work and will withdraw from the active job market. As an annual average for 1983 the number of unemployed should be about 2.3 million, more than 450,000 higher than in 1982. The unemployment rate--the proportion of the labor force unemployed--will be about 9.5 percent compared with 7.5 percent this year.

#### Greater Efforts To Consolidate

The point of departure for future fiscal policy and for the trend in state budgets is similar to that prevailing a year ago. As before, at all budgetary levels there are attempts to consolidate; at the same time, particular measures are being applied to stimulate the business cycle.

It is mainly the social area that is being affected by cuts, where in scope the most important measures are the 6-month postponement of the increase in pensions and the reduced family allowance. Additional revenue is to be attained through the increase in the value added tax effective 1 July 1983 and the levying of a repayable "obligatory loan" established for a period of 2 years.

The government foresees using all of the receipts from the forced loan and part of the receipts from the increase in the value added tax to promote investment. Aside from the easing of the trade tax, however, the proposed measures affect only housing construction. Since initially only a relatively small part of the support leads to additional expenditures, the total 1983 state budget should be eased by about DM 9 to 10 billion through the planned program. Nevertheless, because of the cyclical weakness, one can hardly expect the state deficit to be less than that of the current year. It may again reach a magnitude of DM 65 billion. The decrease in the structural deficit will again be approximately equal to the increase in the deficit because of the business cycle. The area authorities will thus be able to reduce their deficits, although largely at the expense of social insurance, which will have to expect a noticeably worsening of its financial position. But it should be stressed that because of the uncertainties about the cyclical trend and final budgetary plans, the margin for error is especially large for these budget balances.

In particular one can expect stagnation next year in real state consumption. Real state investment will continue to decline; however, since a move in the opposite direction is apparent for the budgets of some states and communities, the decline will not be as great as for the current year. There will be a renewed rise in expenditures for the unemployed and for interest payments. The total rise in expenditures should slow to 3.5 percent.

Despite the increases in taxes and duties, at 3.5 percent state revenues will also increase less than in the previous year. In estimating revenues, it was assumed that the Federal Bank would show profits of about the same magnitude as for this year.

#### Inflation Continues To Level Off

A further lessening of inflation is foreseen over the course of next year. With the continuation of a monetary policy oriented to stability and persistent weakness in the business cycle, the possibilities for passing on the price increases will be very limited. But costs will also rise less than they did this year, and this is true for both wage costs per unit and import costs. The leveling off of inflation, however, will be disturbed by the increase in the value added tax at mid-year. Nevertheless, due to the persistent weakness in consumer behavior, one can expect that the increases cannot be fully passed on. Toward the end of next year the rate of increase in the cost-of-living index could be under 3 percent, and the increase over the year will be about 3.5 percent. The trend in housing construction may represent an exception to the general price tendency. There inflation may again strengthen, not least because of the massive stimulation in the course of next year.

#### Economic Policy Considerations\*

Economic policy currently faces a dual challenge: On the one hand it must consider the acute weakness, and on the other hand it must not delay in setting a course to relieve the basic weakness. Above all, this complex task requires clear and confidence-building decisions by those responsible for economic policy; at the same time, one must avoid any additional weakening of demand through economic policy measures. But it also needs the approval, indeed the cooperation, of important social groups. Especially needed is an employment-oriented wage policy with attention to incidental wage costs as well. But also needed is a more flexible price policy. For state enterprises and those that, based on their market position, have the ability to set prices, this means that they must hold back from raising prices and fares.

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\*In the following comments on fiscal policy and wage policy, the opinion of the German Institute for Economic Research in Berlin differs from that of the other institutes. The minority vote is found at the end of these considerations.

From these considerations are derived the following principles for monetary, wage and fiscal policies:

--Monetary policy should avoid interest-rate and exchange-rate objectives and be oriented consistently toward potential.

--Through restraint and greater differentiation in compensating in accordance with relative shortages, wage policy should make sure that the elimination of jobs is slowed and that the creation of new jobs is promoted.

--On its part, fiscal policy should seek to avoid obstructing the development of demand. With the modification of tax and expenditures policy, as well as with a reduction in state regulations, it should make possible and even encourage more private initiative in solving economic problems.

The Federal Bank should keep to the practice of announcing the money supply goal for the coming year. To be considered in quantifying the goal is the fact that because of the declining investment activity in recent years the actual rate of growth in production potential is clearly below the rate possible in the middle term. If in determining the money supply goal the Federal Bank were to be oriented toward actual potential growth, then the effect would be to hinder growth. So that from the point of view of monetary policy the prerequisites for appropriate and constant growth can be created, it follows that it must be oriented toward the increase in production potential possible in the middle term, an increase of around 2 or 3 percent. In addition, the inflation that is unavoidable in the short term should--as before--be considered in the goal for the money supply; including the increase in the value added tax, it is estimated at about 3 percent during the course of next year. Altogether, then, the central bank money supply should be expanded about 5.5 percent during 1983.

This strategy opens up chances for growth and simultaneously dampens expectations for inflation. Under an economic trend as described in the forecast, interest rates should continue to fall noticeably next year.

To regain growth and stability in the middle term--monetary policy should not set further-reaching goals for itself because it can hardly achieve them--reservations are inappropriate for the money supply goal with respect to the foreign and domestic economies. Should the DM exchange rate again come under pressure, then the Federal Bank should not hold the expansion of the money supply below the level corresponding to the standard appropriate for economic potential and for stabilization, because otherwise there would be a weakening in impulses toward growth. On the other hand, in view of the weakness in the domestic economy, the temptation may be great to follow a policy of forcing interest rates downward with no consideration for the money supply, so as to stimulate demand and production. Such a policy carries the risk of bringing about new expectations of inflation; continued economic growth cannot be expected from it.

This year's nominal wage agreements led to falling real income for employees. Seen for itself, this indicates a willingness to exercise wage restraint. In

the given economic and political environment, however, the degree of restraint was not sufficient to produce the investment boost needed to create new jobs through an improvement in profits. On the contrary, profits remained depressed. The uniform and thus for many enterprises excessive wage increases contributed to layoffs and bankruptcies. Social policy regulations and a rigid collective bargaining law are interfering with the willingness for more wage restraint that exists in endangered enterprises.

The persistent worsening in the labor market should be reason to develop compensation more in line with the market situation. That involves a greater spread in wage agreements according to regional, sectorial and qualifications-related shortages. But relatively small wage agreements overall in combination with a positive wage drift in areas in which the profits situation allows higher than average wage increases would meet this objective. To free wage earners from the concern that they might be forced into unrealistic performance, amending clauses or profit-sharing should be offered. In view of the shortage of capital resources, the idea of the investment wage should be brought back into focus.

In addition to these arguments with more of a microeconomic orientation, errors in the macroeconomic orientation of wage policy should be indicated: It is not the inflation rate at the time of the wage agreement that should go into the wage increase but the rate during the contract term. Also, the entire price rise should not be the standard for wage agreements; for example, the price rise caused by the 1983 increase in the value added tax should not be reclaimed. In addition, the actual productivity increase should not be the basis of the agreements. Currently, a part of the productivity increase comes about through the elimination of less profitable jobs and through the fact that fewer productive workers are laid off; in this respect, the productivity increase is exaggerated. Were it to be made the basis for the wage agreement, then a further reduction in employment would follow. Since this "passive judgment" should be avoided and the unemployed and the increasing numbers of young potential workers should be integrated into the work process, the real wage increase must persistently and clearly remain behind middle-term improvement in productivity.

It is quite possible that some of the problems outlined could be alleviated if--as proposed in various places--the wage increases could be postponed. However, this opinion is valid only if it could occur through voluntary cooperation. The danger that such a step could contribute to a dampening of sales expectations and thus to a cyclical downturn is evaluated differently by the institutes. In no case does a wage stop replace the necessary middle-term reorientation of wage policy.

In regard to the role of fiscal policy, there is not only argument on what it can contribute to solving the acute problems but also a controversial basic discussion. Unlimited confidence in the market is opposed by absolute reliance on the state's ability to steer the economy. There is empirical evidence that neither of these two positions accurately characterizes reality. Not only a number of years of experience in the FRG but also the latest experiences in Western industrial countries lead to the conclusion that on the one hand abrupt

changes in the attendant circumstances in the markets lead to substantial problems and on the other hand the limits of the ability to control economic processes with state intervention are narrower than previously thought.

In view of these experiences, more restraint in state intervention and a strengthening of private initiative and responsibility are appropriate. This should not occur abruptly but gradually and after advance notice, so that those adversely affected, as well as those favored, can make preparations and so that macroeconomic demand disruptions can be avoided.

As a rule, such a policy is not compatible with the establishment of a particular budget deficit for a calendar year. This usually leads to the procyclical--and in a downturn to growth-hindering--formation of measures; to achieve deficit objectives, state investment is usually cut.

Included in a fiscal policy with a middle-term orientation is the fact that lower revenue and greater expenditures are financed through the credit market when they are clearly seen as being the result of the business cycle. Currently, however, determining the portion attributable to the business cycle is especially difficult, since a large part of the growing unemployment and the weakening of the revenue dynamic turns out to be a trend phenomenon. Therefore, a careful appraisal of the business-cycle part of the deficit is indicated.

An appropriate formulation of fiscal policy is also made difficult by the fact that there is now scarcely any reserve of confidence for an economic policy that is merely announced. In view of the acute economic weakness, it is possible that the optimum economic policy would emphasize demand support in the short term while postponing consolidation to a time of economic recovery; but one must admit that in fact this option does not exist. Were such a concept to be presented, then doubts would remain about the seriousness of the state's intentions to consolidate: Concern about future higher tax burdens for "subsequent financing" of today's demand and employment support would not even allow the hoped-for more favorable sales and profits expectations to arise, expectations that are indispensable for improving private investment plans. Therefore, a fiscal policy can promise success only when it is not satisfied with simply setting the course but simultaneously undertakes the first steps toward realizing it.

A clear opinion on whether the economic policy now planned meets the principles outlined above is very difficult to give. The economic policy measures meet the requirements only in part.

In view of the acute demand weakness, from the bundle of planned measures the increase in the value added tax and the higher contributions in particular should be viewed with skepticism. This is expected to further weaken the already depressed private consumption. If, with the weak demand trend, this tax increase cannot be passed on fully, this would affect private investment.

Some other measures do work against demand weakness, but they have other significant disadvantages. This is true for the temporary investment subsidy as well as for the temporary measures in support of the construction industry--

all passed last summer. In the past, such measures have often led to considerable concentrations of demand, to high administrative costs, to inflation in subsectors and thus altogether to an inefficient use of state resources. Better than a concentration of resources in favor of investment and the subsidizing of housing construction would be more permanent support of investment through tax incentives.

Previous experience with surtaxes levied on short notice and then later repaid also speaks against the levying of a forced loan. Aside from negative psychological effects, this measure would result in a disproportionately high administrative outlay, which to a large extent could offset the state's cost savings from the interest-free character of this loan. After all, it is also not certain whether the time of repayment belongs in the business cycle and fiscal policy "landscape."

In principle, a number of economic policy decisions are in line with the need for a new orientation. This is true for the introduction of self-participation in the statutory health insurance, for the lessening of the expenditures dynamic in pension insurance and for a stronger orientation of unemployment benefits to the length of time that contributions were paid. The admittance of more market forces in the rent area is also a step in the right direction. In individual cases, however, by no means have convincing solutions always been found. Thus, the pensioners' contribution to health insurance is an imperfect substitute for the necessary departure from the practice of adjusting pensions according to gross wage.

An important element is lacking in the package of planned economic policy measures: specific plans for reducing the rampant subsidies and those provisions that economically have the character of subsidies. So far there have only been general declarations of intent. The danger is great, in view of the serious problems, that the especially hard-hit areas will instead be helped not just through state guarantees but even by means of higher direct subsidies. As in the case of support for housing construction, through direct and indirect subsidies this will lead to placing the other areas at a disadvantage, because in the final analysis they have to pay for this support--in the form of higher taxes and other charges or in the form of higher-than-usual interest rates.

The DIW [German Institute for Economic Research, Berlin] shares the opinion of the majority of the institutes on many of the basic difficulties now being faced by fiscal policy and making it difficult for it to meet either the short-term or the middle-term requirements, the DIW, however, more than the other institutes, sees in the accents that are now being set for 1983 fiscal policy the danger of a repetition of the errors already made in recent years in formulating a policy of consolidation without regard to its effects on demand. Symptomatic of past failures to control the economy was the fact that even in the period of rapidly rising exports it did not attempt to stimulate domestic demand, especially investment demand. As much as anything else this was hindered by a fiscal policy simultaneously restrictive in its effects. Of course, at a time of renewed export weakness one cannot hope that fiscal policy could bring about an upturn in the business cycle in the short term.

But what should be especially stressed in basic agreement with the opinion of the other institutes is that under no circumstances should fiscal policy intensify or prolong the "acute weakness."

Although measures to strengthen demand were announced in the government's statement, there is a preponderance of elements that weaken demand. Since short-term negative influences also affect expectations in the middle term, it is to be feared that the economic trend will be subject to further stresses not only in 1983 but also in the middle term. Under these conditions a policy of demand stimulation has hardly any chance of success.

The last 2 years in particular have shown that by not considering the short-term withdrawal effects of a consolidation policy meant for the middle term, the consolidation objective is not met; a reduction in public deficits is not achieved. Indeed, if anything they have a tendency to rise. The conclusion: additional state debt is unavoidable in the current situation. Of course, there is a difference in whether it is undertaken to finance continual new losses of revenue and additional expenditures due to the business cycle or whether it serves to strengthen overall economic demand and growth forces. The DIW considers the willingness to follow the latter objective to be the determinant prerequisite for overcoming the acute phase of weakness and for improving prospects in the middle term. Only then can the necessary consolidation be successful.

In accordance with the fiscal policy course, there are a number of possible attendant circumstances for wage policy. A defensive strategy for fiscal policy limits enterprise profits and forces a defensive wage policy in kind. Wage agreements, especially those for 1982, have shown that in this regard there was enough flexibility to make even falling real wages acceptable, that is, to remain within the terms of reference for the middle term. A continuation of this course of reducing employee purchasing power would be questionable. True, the purchasing power argument is less important in an open economy with a high degree of business activity abroad and with a high marginal tax burden on income, but it is not therefore unimportant. A nominal wage stop would be more likely to aggravate the acute problems than lessen them. An upturn in the business cycle and an increase in private investment presuppose the initial support of ultimate consumer demand.

The Most Important Data on the Total National Economic Account  
Preliminary estimate for 1982 and 1983

	1981	1982	1983	1982		1983	
	Year			1st 1/2 year	2d 1/2 year	1st 1/2 year	2d 1/2 year
1. Development of the Social Product							
Percent change from the previous year							
Number of gainfully employed	-0.7	-2	-2	-1.7	-2	-2	-1.5
Working time	-1.1	-0.5	-0.5	-0.4	-0.5	-0.5	0
Workdays	-0.1	0	0	0.3	0	0.5	-0.5
Volume of work (by calendar month)	-1.9	-2	-2	-1.8	-2.5	-2.5	-2
Productivity	2.0	1.5	2	2.2	0.5	1	3.5
Gross domestic product (in 1976 prices)	0.1	-1	0	0.4	-2	-1.5	1.5

2. Application of the Social Product at the Respective Prices  
a) In DM, billions

Private consumption	874.1	904.5	933	435.4	469	449	484
State consumption	319.8	333	343.5	154.9	178	161	182.5
Capital investments	339.3	326	336.5	153.1	173	154	182.5
Equipment	128.8	126.5	131	59.7	67	60.5	70.5
Buildings and structures	210.5	199.5	205.5	93.4	106	93.5	112
Changes in inventories	-1.4	6	6.5	8.5	-2.5	4	2
Foreign contribution	11.4	33.5	44.5	13.4	20.5	21.5	23
Exports	496.1	539	563	265.1	273.5	273	290
Imports	484.7	505	518.5	251.7	253.5	251.5	267
Gross social product	1,543.1	1,603	1,663.5	765.3	837.5	790	873.5

b) Percent Change From the Previous Year

Private consumption	4.7	3.5	3	3.9	3	3	3
State consumption	7.2	4	3	3.9	4.5	4	2.5
Capital investments	0.4	-4	3	-3.8	-4	1	5.5
Equipment	0.7	-2	3.5	-2.0	-1.5	1.5	5.5
Buildings and structures	0.2	-5	3	-4.9	-5.5	0	5.5
Exports	15.0	8.5	4.5	14.5	3.5	3	6
Imports	11.2	4	2.5	7.7	1	-0	5.5
Gross social product	4.0	4	4	4.7	3	3	4.5

3. Application of the Social Product in 1976 Prices  
a) In DM, billions

Private consumption	704.0	692	688	336.9	355	333.5	354.5
State consumption	253.0	254.5	255.5	125.4	129	126	129.5
Capital investments	261.9	245	246.5	115.6	129.5	114	132.5
Equipment	109.6	103	103.5	49.0	54	48	55.5
Buildings and structures	152.3	142	143	66.7	75.5	66	77.5
Changes in inventories	-1.1	5.5	6	8.1	-2.5	4	2
Foreign contribution	44.1	52	53.5	25.2	27	26	27.5
Exports	405.6	419.5	423.5	209.5	210	207	216.5
Imports	361.5	367.5	370.5	184.4	183	181.5	189
Gross social product	1,261.9	1,249.5	1,250	611.2	638.5	603.5	646.5

b) Percent Change From the Previous Year

Private consumption	-1.2	-1.5	-0.5	-1.6	-2	-1	-0
State consumption	2.0	0.5	0.5	0.6	0.5	0.5	0.5
Capital investments	-3.8	-6.5	0.5	-6.7	-6	-1.5	2.5
Equipment	-3.4	-6	0.5	-6.5	-5.5	-1.5	2.5
Buildings and structures	-4.2	-6.5	0.5	-6.8	-6.5	-1.5	2.5
Exports	8.5	3.5	1	8.9	-1.5	-1	3
Imports	1.2	1.5	1	3.4	-0	-1.5	3
Gross social product	-0.2	-1	0	0.0	-2	-1.5	1.5



## Continuation: The Most Important Data on the Total National Economic Account

	1981	1982	1983	1982		1983	
	Year			1st 1/2 year	2d 1/2 year	1st 1/2 year	2d 1/2 year
4. Price Level of the Social Product (1976=100)							
Percent change from the previous year							
Private consumption	6.1	5	3.5	5.6	5	4	3.5
State consumption	5.1	3.5	3	3.2	3.5	3.5	2.5
Capital investment	4.4	2.5	2.5	3.1	2.5	2	3
Equipment	4.2	4.5	3	4.7	4.5	3	3
Buildings and structures	4.6	1.5	2	2.1	1	1.5	3
Exports	6.0	5	3.5	5.1	5	4	3
Imports	9.9	2.5	2	4.2	1	1.5	2
Gross social product	4.2	5	3.5	4.6	5	4.5	3

5. Formation and Distribution of Income  
a) in DM, billions

Gross wage and salary income:	880.8	901.5	919.5	427.5	474	436	483.5
Gross wages and salaries, total	716.4	731.5	744.5	346.2	385	352.5	392
Net wages and salaries, total	502.9	508	511	243.0	265	244.5	266.5
Gross income from enterprise activity and capital	304.7	324.5	346.5	152.8	172	160	186.5
Net income from enterprise activity and capital	247.1	267.5	289	125.7	141.5	133	156
Distributed profits and capital income	257.2	276.5	288	134.1	142.5	139.5	148.5
Undistributed profits	-10.1	-9.5	1	-8.5	-1	-6.5	7.5
National income	1,185.5	1,226	1,266	580.2	645.5	596.5	669.5
Depreciation	188.0	201	213.5	99.1	102	105	108.5
Indirect taxes less subsidies	169.6	176	184.5	86.0	90	89	95.5
Gross social product	1,543.1	1,603	1,663.5	765.3	837.5	790	873.5

## b) Percent Change from the Previous Year

Gross wage and salary income	4.7	2.5	2	2.7	2	2	2
Gross wages and salaries, total	4.3	2	2	2.5	1.5	2	2
Net wages and salaries, total	3.9	1	0.5	1.4	0.5	0.5	0.5
Gross wages and salaries per business	4.8	4	3.5	4.3	4	4	3.5
Net wages and salaries per business	4.4	3	2.5	3.2	3	3	2
Gross income from enterprise activity and capital	-0.7	6.5	6.5	8.5	5	5	8.5
Net income from enterprise activity and capital	0.7	8	8	11.7	5.5	6	10
Distributed profits and capital income	6.8	7.5	4	11.7	4	4	4
National income	3.3	3.5	3.5	4.2	2.5	3	3.5
Depreciation	8.5	7	6	7.3	6.5	6	6.5
Indirect taxes less subsidies	3.9	4	5	5.0	2.5	3.5	6
Gross social product	4.0	4	4	4.7	3	3	4.5

6. Income and Income Application of Private Households  
a) In DM, billions

Net wages and salaries, total	502.9	508	511	243.0	265	244.5	266.5
Current transfers received	267.5	281.5	290	139.4	142	143	147.5
Distributed profits and capital income	290.4	311	329.5	148.3	163	157	172.5
Deductions:							
Interest on consumer debt	17.7	20	20.5	9.7	10	10	10.5
Current transfers executed	31.1	33	34.5	14.7	18	15	19.5
Disposable income	1,012.0	1,048	1,075.5	506.3	541.5	519.5	556.5
Private consumption	874.1	904.5	933	435.4	469	449	484
Saving	137.9	143.5	143	70.9	72.5	70	72.5
Saving as a percent of disposable income (savings rate)	13.6	13.5	13.5	14.0	13.5	13.5	13

## EFFECTS OF PEACE MOVEMENT ON DEFENSE POLICY

Munich EUROPÄISCHE WEHRKUNDE in German Oct 82 pp 433-436

[Article by Gottfried Greiner: Possible Effects Of "Peace Discussions" On Official Security and Peace Policy]

[Text] At the present time, broad segments of the population are interested in the discussion on pacifism/peace movement and security policy. In the future, too, arguments about these problems can be expected from people committed to one view or the other. As far as the position of active members of the armed forces is concerned, the question has to be answered first of all whether and how far pacifism or the peace movement is influencing now, or could influence in the future, German and thereby allied security and defense policy by showing concrete effects on the development of leadership concepts and--in the last instance--on the service of the armed forces including their political education. Of basic importance in this question are the following principles of the FRG Basic Law:

--Preparing and waging aggressive war in any way is forbidden. (art 26 Basic Law).

--Therefore, the purpose of the use of the armed forces is--with the exception of their use in an emergency inside the country--exclusively the--/effective/ --defense of the FRG against an attack from the outside (art 87a sec 2 Basic Law).

As the Federal Constitutional Court has decided in regard to the right to refuse war time service in the armed forces: the institution and effectiveness of the Bundeswehr have constitutional rank because articles 12 a and 87 a of the Basic Law "have made compulsory service in the armed forces a constitutional duty and have made a basic constitutional decision in favor of military defense."\*

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\*Federal Constitutional Court on 26 May 1970, NEUE JURISTISCHE WOCHENSCHRIFT [New Law Weekly] 1970 p 1729, and on 13 April 1978, NEUE JURISTISCHE WOCHENSCHRIFT p 1245.

The Bundeswehr is an army of an alliance. The cooperation of German military authorities and units with allied stationary forces functions without problem under the perspective of interoperability; it is characterized by a spirit of comradeship. The result of the inclusion of the FRG armed forces in the Atlantic Alliance is that basic corrections or, even more so, changes in the concepts of security and defense policy which effect operational leadership must be agreed upon and voted on with the allies.

In view of the extent and the political importance which the federal chancellor, e.g., attributed to the peace movement in his speech before the U.N. plenary session on 14 May 1982, the consideration seems justified whether and to what extent because of a new consciousness among at least a part of the population in our and other countries there exist in fact possibilities and perhaps even necessities for a new, which in this case would mean a /better/, policy of security and defense.

It is difficult to analyze and evaluate the modern pacifist movement, which, interestingly enough, has developed in the FRG to such an obvious degree only since the Soviet invasion of Afghanistan, in its many branches and its effects on security policy. Where pacifism in general is conceived of as a way of thinking oriented toward the idea of peace, an integration effect can even be mentioned that includes the military; because who would not want peace? Valid security policy and the strategies resulting from it have no other purpose than that of maintaining and safeguarding peace. According to the decisions of the Basic Law, which is binding for every citizen, this can only be a peace /in freedom/.

It is obvious that for many different reasons to which, as some believe, belong the security policy of the new U.S. administration under President Reagan, certain unhelpful statements on the use of nuclear weapons and the complex question of rearmament, a part of the population has developed doubts whether the present strategy of preventing war is still an effective one at all. Of necessity, the idea of possibly waging war with disastrous results is of special and widespread interest. There are suspicions that new weapons systems especially neutron bombs, Pershing II, cruise missiles etc. have made war more possible again or even that there is nothing left to do for the military than to go to war once again just because the weapons are there. The strange result is that the new strategies offered to politicians and military experts appear to be strategies on how to wage war and their purpose seems to be to reduce the effects of a war, if it can no longer be avoided, in one's own country--whereas the aim of a valid deterrent strategy is to make war--of whatever kind--impossible from the beginning.

It is characteristic for the politically organized pacifist movement that increasingly Americans, NATO, the Bundeswehr are accused of showing an offensive attitude and making threatening gestures. Soviet SS-20's to whose threatening existence one has meanwhile become accustomed are mentioned only in passing. Not the one who disturbs the status of peace by changing the balance of power is criticized but the one who reacts--the one who no longer wants to take things lying down--is criticized because the latter makes the situation really dangerous because of his [attitude of] "self-defense." After 36 years of effective deterrent measures, the existing threat is not taken seriously in many places; this can be understood also as a confirmation of the success of the traditional deterrent strategy.

## The Search For Alternative Defense Concepts

Recent events in the foreign policy scene (Near East, Middle East, Falkland Islands) obviously have led to the sobering realization that, contrary to certain--ex cathedra--formulated predictions, war has still not lost--unfortunately--its purpose as a means of policy. As a result of this irritating realization there have been developed--stimulated by a deep concern for peace--new strategic concepts and even operational plans with the purpose of keeping the disaster, if it should happen and possibly hit the FRG--within certain limits. The most important of these alternatives, because it is now so much in the limelight, is the concept of a so-called zone defense developed by von Afheldt and based on the ideas of the Austrian Spanocchi and the Frenchman Brossolet. The zone defense concept foresees a plan of operation in which a great number of so-called techno-commandos form an approximately 150 km deep net along the eastern border of the FRG in which attackers are caught, worn down and eventually thrown back through counterattacks. In this plan an important role is played by the division of the German army into cadres, a plan that has received much praise in many places. Because the fighting would take place primarily in wooded areas, villages would be spared. Because techno-commandos do not offer worthwhile targets, nuclear threats could in a way be discontinued.--Without going here into details of this plan it must above all be stated that Afheldt's operational concept cannot be taken seriously by military experts on the other side because it lacks any kind of deterrent effect.

An example of clear pacifist influences on operational thought and planning is the proposed combination of social defense and guerilla warfare. Of essential importance in this plan is the idea that any kind of occupying force could in the long run be dealt with through passive resistance based on the unbreakable solidarity of the citizens. But here the fact is overlooked that experience teaches that with an occupying force there usually are also "quislings" [traitors] who are ready and self-appointed to "put things in order." Whether Germans are at all ready to form a social defense which would assume a spiritual militarization and continual indoctrination of the population could justifiably be doubted. There exist, in any case, no preconditions that would give guerilla warfare operational value.

It is characteristic for the radical concepts of zone defense, social defense and potential guerilla warfare that initially the allies are not included in these plans, that at best they might play a role in counterattacks within the full depth of the battle zone. In the final analysis, the burden of defense would fall to the Germans who would be alone and would depend on themselves also in economical, financial and psychological matters. This would indeed be a logical conclusion because there is no allied army that would participate in a joint defense on the basis of e.g., techno-commandos. In the case of an individualistic German solution that disregards the situation and interests of the partners of the alliance, the NATO defense system would certainly be forced to draw the necessary conclusions from a new situation. The allies would automatically be excluded from a social defense which from the beginning would be considered a purely German national undertaking.

Behind the concepts of an operational zone defense or a social defense there appear, to those who think these plans through to their logical conclusion from the security policy point of view, the contours of a neutralized German state without nuclear arms whose protection would have to be guaranteed by the two opposing superpowers. This implies the desperate hope, supported directly or indirectly by political pacifism, that on the basis of concern for one's own well-being and self-interest it might be possible, without risk, to keep out of international entanglements that have become unpredictable, and to keep a certain distance from them. To counter these ideas it must be stated: because of the geo-strategic position of the FRG at the seam of the superpower blocs, neutralization offers no guarantee that it might be possible to live without the bomb. A respected subject of a confederation of states and alliances would then become, under the pressure of circumstances, a mere object which would permanently have to be afraid for its existence.

#### Demands For A More Intensive Defensive Character of the Bundeswehr

In recent times, voices are on the increase that demand an unquestionably defensive character of the Bundeswehr. This phenomenon is surprising because it assumes at least tacitly that the founders of the Bundeswehr, politicians and military, as well as those now in position of responsibility could react with offensive military action simply because the German armed forces are composed of modern, mobile fighting units. Focal point of this criticism, especially in regard to the army, obviously is the tank which is considered the epitome of modern aggressive capacity.\* There is even talk about German "tank armies" which in reality do not exist. What is demanded, on the other hand, are weapons of unquestionably defensive nature such as anti-tank rockets as well as a completely new format of the Bundeswehr which removes for any potential enemy any feelings of fear and thereby danger, and thus eliminates shortfuse reactions in the form of preventive strikes.

It is obvious that among NATO strategists favoring deterrent and defensive measures this concept of a "more defensive" Bundeswehr causes even greater concerns than the concepts of zone or social defense. It might not have been possible to make the ideas of defense and homeland protection clear in a way that removes all doubts. In view of this fact the military would be well advised to take very seriously the objections to and concerns about the accepted defense concepts, and to deal with them in detail.

In clear contrast to the above-mentioned alternative defense concepts, the so far successful and proven security policy must be pointed out emphatically, as well as the deterrent and defense strategies, the latter in form of integrated frontline defenses. And this should not be done simply by responsible politicians and the military have no better ideas. The reason is that in view of the political and military situation, which is as it is, no better long-range solution seems to be feasible at the present time--in spite of all those theoretically interesting efforts. This does not simply mean support for the

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\*Article in the illustrated weekly STERN, "Neither Red Nor Dead" of 9 June 1982 p 25 ff.

intellectual status quo, on the contrary. The fact is that the conclusions made on the basis of a sober appraisal of the military situation must necessarily look different from the goals of wishful thinking.

#### Necessity To Strengthen Conventional Components

Technical progress alone, which cannot be halted by anybody, enforces a continual change in the areas of organization and tactics. The introduction of new weapons systems such as the Leopard 2 tank, the Gepard anti-aircraft tank which caused a far-reaching organizational restructuring of the army as formulated in "Army Structure 4" can here be cited as a typical example. No phases of quiet consolidation can be expected in the future. The basic question in daily military routine and in the often very difficult practice of training is to give living validity--regardless of all complexities--to the existing and thus valid organizations, i.e., to make and keep them capable of functioning and going into action.

In view of the demand, raised frequently in various places, that the Bundeswehr should be given, more clearly than before, the character of a defensive army without aggressive, threatening qualities it must be noted that the German armed forces as well as those of the alliance partners are thought of exclusively as defense forces. It may well be that the publicity of the Leopard tank which has drawn world-wide attention has resulted among our own population in wrong impressions about the organization and equipment of the German armed forces. Who, after all, is aware of the fact that in the FRG the strongly recommended idea of a zone defense in depth is already implemented by strong infantry units of the defense forces of the territorial army--in addition to and for the support of front-line defense.

Viewed as a whole the army is an anti-tank army with a many-sided "weapons-mix" which is meant primarily for anti-tank purposes and contains--beside tanks--tank hunters, anti-tank helicopters, anti-tank rockets etc. The logical objection could be made that tanks can also be used for attack. In fact, counter-attacks are made during defensive actions in order to restore the battle situation. This statement means: any weapons system is ambivalent. Anti-tank rockets, e.g., can also be used /for attack purposes/. The defensive or offensive character of an army is determined by its total structure, by the combination of individual weapons systems used in the combined battle action of all weapons, by its logistics, by the philosophy of leadership and the principles of action and--primarily--by the political purpose. The suspicion that the Bundeswehr could be used in offensive capacity is nothing less than a serious accusation of disloyalty made against the military leadership and also against responsible political leaders.

#### Increasing Importance Of Conventional Forces

Conventional land, air and sea forces form in conjunction with the tactical-nuclear and strategic-nuclear weapons systems an integral component of the so-called triad which, in joint combination and cooperation, brings about NATO's deterrent effect. Weak, decimated and numerically insufficient conventional units make it necessary to lower the nuclear threshold; sufficient conventional

forces which make an attack by even superior conventional enemy units an incalculable risk, on the other hand, are an effective component of deterrent strategy, restrict the use of nuclear weapons to an act of last resort, and thus give political leaders the necessary elbow room for decision and action. For this reason, all the recently raised demands for strengthening conventional defensive forces deserve full support. But even if the development of the simplest possible weapons systems is necessary, it must be pointed out that a substantial rearmament with conventional weapons would result in a considerable burden for the budget which at the present time can obviously not be carried by the budget. As surprising as this may sound: nuclear weapons are cheaper than conventional armies!

In this connection a statement by General Steinhoff deserves attention and support: that not completed tasks of the past should be taken care of before new strategies can be explored.\* These tasks include early warning systems, leadership methods, night battle action capacity, ammunition procurement and equipment, etc. After all, the nuclear complex has become so urgent and depressing only because the "goal" of NATO has not been attained in conventional ways. As Steinhoff justly says, the completion of past tasks is sometimes more difficult than the designing of new concepts and ideas.

Whatever individual form organizational solutions may take and in whatever way weapons technology may develop: no defense system against enemy forces that are highly modernized and capable of far-ranging offensive actions can dispense with mobile and battle effective units of land, air and sea forces that are ready to unite quickly for joint action. The ability to lead joint weapons systems in action, i.e. mental mobility, is a deterrent factor that is just as decisive as the technical capacity. A permanent lesson on this point should be the quick collapse of the Maginot Line in 1940.

#### Logic Of Official Defense Policy

The concept of deterrent strategy is directly connected with the concepts of defense and counterattack because preserving peace means primarily to prevent the first shot: even if it is "only" a conventional one. Slogans such as "Be ready to fight so that you don't have to fight!" or "We are preparing for the real thing in order to prevent it from happening"\*\* explain in compact form the paradox of military planning and actions. Political and military leaders will have to live with this paradox in the future also--willing or unwilling. It will be necessary, however, to explain more clearly security policy and the principles of a valid defense concept. The plan of protecting the homeland, among others, will have to be put in the hands not of a few regional security units and brigades but will have to become part of the principal tasks of the armed forces on the whole.

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\*J Steinhoff, "Inflation of Strategies", in WELT AM SONNTAG [World On Sunday], 13 June 1982 p 14

\*\*Heinrich Albertz, Hans Apel, "A Discussion With Carola Stein" in: "Too Much Pacifism", Rowohlt-Taschenbuch Verlag GmbH, July 1981 p 43

It cannot be assumed that the currently proposed and discussed alternatives for security policy and defense strategy will result in substantial changes in the unanimously agreed upon and continually examined defense policy and strategy of the alliance. In the future too, NATO strategy will retain its character of a war prevention strategy with all of its consequences for organization and equipment of the armed forces. From the military point of view, the new solution proposals offer nothing that could contribute to increases in defense capability and therefore deterrent capacity. Suggestions that refer to an improvement of conventional components, however, should be examined carefully and accepted--but any substantial progress in this field costs money.

It cannot be denied that the new forms of security and strategy suggested by the peace movement and pacifism please the young people because of their tendency to make conventional war appear more harmless, and that these suggestions can therefore result in doubts about official decisions. Draftees frequently ask their young company commanders questions about the importance and potential chances of enacting alternative solutions. It is of importance here to support in a convincing manner before the soldiers (and not only there!) the mission given to the military by the political leaders. The determination and the patient pursuit of the right course in security policy and the particular direction set by responsible political leaders of the FRG in accordance with respective situations are here the decisive principle and condition.

It is the job of the responsible members of the armed services to share and represent this official policy according to their best knowledge and conscience. The latter aspect, however, also includes by necessity a clear opposition to dangerous and harmful concepts and ideas. The discussion about the right kind of security policy is, after all, as important as the discussions on military policy and thereby on the total political position of the FRG within a collective security system. The question is in principle one of the indispensable will of the national community to assert its own existence. This is the real importance of the current discussion in our country and it can only be hoped that this discussion will bring about the necessary clarification rather than further confusion.

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## ARMS INDUSTRY FIRMS, EXPORTS TO THIRD WORLD CRITICIZED

Amsterdam DE TIJD in Dutch 19 Nov 82 pp 26-32

[Article by Frans Baar and Menno Bosma: "Dutch Arms: Figures, Clients, Criticism -- Airplanes, Ships, Electronics, Munitions: 16,000 Workers Produce a 2.2 Billion Guilder Turnover"....words enclosed in slantlines printed in italics]

[Text] The Netherlands, a country of peace? And yet, we are number 8 on the list of arms suppliers to the Third World and our role as manufacturer and exporter of military equipment is becoming steadily more significant. We are rated highly in terms of the technology of our weapons. We may be "actively pacifist," but we are at least as active when it comes to the export of war equipment. About the secrecy and the *gaps in policy*. The revealing figures. Argentina, South Africa and Chile. Also: the "top 10" of our military industry and the most important supplies.

The end of October, Piraeus, Greece. "Defendory '82," an international defense market was drawing to a close. The most reputable Dutch firms in this branch of industry put in an appearance in a setting which was exceptionally nice, in part due to a large */subsidy/* [printed in italics] from the government. Optimism for the future prevailed among the national arms exporters. However, a representative from the munitions firm "Eurometaal," which is experiencing problems, stated with some displeasure: "The disadvantage of this trade is that as a Dutch firm you cannot deliver when a country is in great need of your products. Hence, you have to sell at times when everything is calm." (DE TELEGAAF, 23 October 1982).

The weekend of 23 and 24 October. Amersfoort. At its members meeting, the Catholic peace movement Pax Christi (130,000 members) announced a long term campaign against arms manufacturing and export, based on a new strategy, the strategy of conversion. A gradual change over from military products to civilian products. The short term goal of Pax Christi is the banning of arms exports to */Third World countries/*. They hope to be able also to mobilize the unions and the political parties to this effect. A spokesman for the industrial union FNV [Netherlands Trade Unions Federation], who was present at the introduction of the campaign, declared that the unions were willing to work for an export limitation toward the Third World, as long as it is not at the cost of jobs.

The government shows two faces in the social tension field of arms industry, versus peace movement. The one keeps a desperate eye on the economic interests of a Netherlands dependent on public funds. The other exudes ideal intentions, poured into the form of memoranda on disarmament and human rights. "Active pacifism," as it is put in an information folder for Spanish speakers, as against an equally active export policy.

#### Secrecy at "Signaal"

The nature, volume and international significance of the Dutch military industrial complex have barely been seriously mapped. It is known that more than 16,000 individuals are employed in the military industry. In terms of subsidiaries, another 12,000 to 20,000 people are involved. Together, they produced a turnover of nearly 5 billion guilders last year.

Dutch arms manufacturing can be divided into five sectors:

1. Electronic and optical industry,
2. Naval construction,
3. Aircraft building,
4. Vehicles and artillery,
5. Munitions.

The big market leaders are to be found primarily in the electronic and optical sector. The Philips subsidiary "Hollandse Signaal Apparaten" [Dutch Signaling Equipment] [HSA] is the most important military manufacturer in the Netherlands. The only company in this industrial branch which is not part of the Philips concern is Oldelft. Both companies are widely admired for their advanced products; radar and fire control systems (Signaal) and night vision equipment (Oldelft). A second similarity is the high share of exports. For the rest, what goes where remains a secret. The clients are discreetly screened off.

#### No Figures

Like most military firms, Signaal does not provide any turnover figures. After having been endorsed by the board of supervisory commissioners, the annual report is used exclusively within the company. No specific figures about Signaal can be found at the parent company.

With the advent of action groups -- such as Hengelo in Solidarity with Argentinian Resistance --, the secrecy has increased. In a communication from the management, dated 15 September 1981, the personnel of Signaal was given to understand that contact with demonstrators, as the works council had in mind, "cannot be allowed on company time and on company property." As a matter of fact, this could be seen as "a deviation of the impartial course which Signaal has followed up to now, which could only work to the detriment of jobs in our establishment."

At one time, the management took it upon itself to close the gates hermetically for a whole day because a peace demonstration had been announced -- a blockade for which the demonstrators later warmly thanked the company. The ever more frequent leakage of data to the outside was resisted by the introduction of

codes for "contaminated" countries. Passes have been compulsory at Signaal for a great many years.

Table 1. Exports of Large Weapons Systems (Ships, Airplanes, Tanks, Missiles, etcetera) to the Third World in 1981; amounts in millions of American dollars.

1. United States	2670
2. Soviet Union	2420
3. France	1220
4. Italy	383
5. West Germany	283
6. Great Britain	226
7. China	147
8. Netherlands	59
9. Canada	39
10. Sweden	18

Source: SIPRI [Stockholm International Peace Research Institute] Yearbook 1982

The increase in profits increased the weight of Signaal within the Philips structure. Two of its four directors, B.H. Kampman and engineer C.A. van Staaden, are members of the "consultative committee" of the main group "Defense and Control Systems," which was set up last year. The close ties between Signaal and the government (a 1 percent shareholder) are reflected in the flow of military personnel through the management of Signaal. Marketing Director Wevers, for example, is a former rear admiral. Navy people are also involved in the training provided by Signaal.

Table 2. Military Production in the Netherlands in Millions of Guilders.

(1) Nederlandse defensie-bestellingen bij Nederlandse industrie.	(2) Buitenlandse defensie-bestellingen bij Nederlandse industrie.
1.912	1977 428
1.912	1978 660
1.823	1979 980
2.185	1980 1.504
2.693	1981 2.296

Source: Response from engineer W. Dik, state secretary for economic affairs, to questions asked in parliament by Mrs R. Beckers-de Bruijn (PPR [Political Party of Radicals]), 3 June 1982, amplified later by the ministry.

Key: 1. Dutch defense orders with Dutch industry.  
2. Foreign defense orders with Dutch industry.

## Flag and Cargo

The cross-pollination between the government and the military industry goes further than the detached personnel encountered at Signaal. The Advisory Council for Military Production may be called a nearly un-Dutch example of an organized employers lobby. The top managers of virtually all military industries are members of it, together with the directors for equipment of the three armed forces branches and representatives of the relevant ministries: defense, economic affairs and foreign affairs. Decision making is naturally secret. The Council's main goal: to bring in export orders.

The FNV recently decided to give up its membership in the Advisory Council. General Manager Cees Commandeur commented: "We were the flag which had to cover the cargo. In fact, the Advisory Council doesn't do you any good. Jobs are not involved there: they only come up after the matter has been fully prepared by industry and government. The only thing left to choose then is between one tank or another."

At the time it left, the FNV received a request from Ministers Van Mierlo and Terlouw to please remain. "They apparently became a little worried about the idea of losing their flag."

## Committee

In addition to the Advisory Council for Military Production, there is a perhaps even more interesting way for industry to get a foothold in the Hague. It is the Committee for the Development of Defense Equipment [CODEMA]. Given the number of telephone calls it took to get any confirmation at all of the /existence/ of the committee, its mode of operation cannot be very noisy. The goal of CODEMA is to help enterprises in developing new technology. To assess this, a number of high level military officials were brought together, assisted by representatives of the relevant ministries.

CODEMA provides advice on the granting of development and production support to military firms. When a project has been approved, the Ministries of Economic Affairs and Defense each finance one-third of the costs; the remainder is shouldered by the manufacturer.

The CODEMA contributions work as an export promotion mechanism: while it may have been true in the past that you had to start paying back only after you started making a profit, the state now demands its share of the financing as soon as the product is put on the market. Hence, it is a matter of securing buyers as soon as possible, anywhere in the world.

An example of a product being developed with CODEMA support is the revolutionary heat image device at Oldelft. With the help of this support, the company is able to bid against its American competitor Westinghouse.

## Government's Export Lable

A crate labeled "agricultural implements" falls from the crane and splits open -- shining arms are scattered over the quay. This is how it happens in crime novels.

Table 3. Major Figures for the Top 10 Firms in the Dutch Military Industry.

Company/Concern	Products (military)	Workers (military)	Turnover (military)	Share Mili- tary Work	Share Export (military)
1. Philips					
- Hollands Signaal Apparaten (HSA) in Hengelo	Radar and fire control equip- ment	4,370		90%	80%
- Philips USFA in Eindhoven	Electronics, night vision equipment	240		80%	50%
			630-640 million guilders		
- Van der Heem Electronics in the Hague	Sonar for navy ships	230		75%	?
- Philips Telecommu- nications Industry (PTI) in Hilversum	Communications equipment	(?) 660		10%	high
2. RSV					
- Wilton Fyenoord/ RDM in Rotterdam/Schiedam	Navy ships and artillery	3,000		50%	low, rising
			800 million guilders		
- Royal Company De Schelde (KMS) in Vlissingen	Medium size war ships	2,000		50%	?
3. Fokker					
at Schiphol and else- where	Transportation and fighter planes	2,000	200 million	25%	high
4. Eurometaal					
in Zaandam	Large and medium caliber munitions	1,086	176.5 mil- lion guilder s(1980)	100%	72%
5. DAF Trucks					
in Eindhoven	Vehicles, under- carriages	671	150 million guilders*	10%*	70%*
6. Oldelft					
in Delft	Night vision equipment	600	60 to 70 million guilders	50 to 60%	90%
7. NWM De Kruithoorn					
in 'sHertogenbosch	Medium caliber munitions	500	60 million guilders (1977)	100%	85%

[Table continued on following page]

Table 3. Continued.

Company/Concern	Products (military)	Workers (military)	Turnover (military)	Share Mili- Work	Share Export (military)
8. Van der Giessen- De Noord in Alblasserdam	Smaller navy ships	300	60 million	20%	?
9. Muiden Chemical in Muiden/Ouderkerk	Gunpowder	235	?	100%	50%
10. Metal Works Tilburg	Cartridge belts for ammunition	213	15 million guilders (1977)	85%	65%

When not otherwise indicated, figures are for 1981.

2. Sources: Notebook for Peace Problems Nos 19 and 23 (IKV [Interchurch Peace Council]), Armament or Jobs (IPSO [Institute for Political and Social Research]), Stop the Arms Trade, Begin Conversion! (Pax Christi), Development and Disarmament (National Advisory Council for Development Cooperation), research by P. Casademunt.

\* Exclusive order (United States) of 841 YPR [expansion unknown] armored tracked vehicles at 926 million guilders and 1128 ten ton vehicles at 237 million guilders.

In the Netherlands a set of laws and regulations is supposed to ensure that this kind of situation does not become reality. However, the countless /gaps/ in the military export policy sometimes have an effect similar to a customs officer looking the other way. What is one to think of a "sample package" of night vision viewers, sent by diplomatic pouch, which ends up in a complete -- hushed up -- form of military cooperation? (Oldelft - Iraq). What of a network of BV's [expansion unknown] which make it possible, via Canada, to provide Dutch munitions to South Africa in direct violation of the United Nations embargo? (Arm Scor affair). What of Philips equipment which finds its way to a mysterious "missile enclave," set up with the aid of former Nazis, in the primeval forests of Zaire? (Otrag project).

We are not talking about second hand trade, which takes place in stuffy bars, but about regular deliveries by well known firms, on which hangs a nice export label granted by the government. The fact that it primarily involves Third World countries -- the internationally boycotted South Africa is a separate case -- has little to do with coincidence. That is where the big centers of tension are to be found. And thus, that is what the big arms suppliers are focussing on. Last year, the Middle East, as absolute front runner, imported 4 billion guilders' worth of large weapons systems. North Africa more than 1 billion guilders' worth. Central America: over a 2 year period, a growth from 74 million to 342 million guilders.

As a small, innocent, "non-active" exporter, the Netherlands is also increasingly turning an eye to this explosive growth market. However, it is hard to get information on the volume of the trade. Even members of parliament do not receive lists with a distribution by countries or regions.

The Swedish research institute SIPRI claims that during the period 1977-1980, the Third World share of Dutch military exports was to the tune of 87 percent. But SIPRI studies exclusively large weapons systems such as airplanes, ships and tanks. According to Jan Wijkstra of the Ecumenical Study and Action Center for Investments [OSACT], the total share of the Third World should be estimated at 20 to 25 percent. A percentage which could well be substantially higher a couple years from now.

The Dutch defense apparatus is economizing; NATO orders are trickling in at an irregular or declining rate. They fight about each order. Meanwhile, sheiks and dictators are hurriedly waving banknotes. "If we were so inclined," said Harry van den Bergh, chairman of the large parliamentary Defense Committee, "a gigantic amount of money could be made of the Third World."

Question: Isn't that what is happening? Take a look, for example, at the flourishing cooperation between HSA and Argentina.

Van den Bergh: Of course, Signaal does that, and if I were manager there I would do it too. But it is not Signaal which should be primarily blamed for this. The export policy is the responsibility of the government and of parliament. If the occasion were to arise you might say to Mr Kampman (manager of Signaal - editor's note): "Shouldn't you ask your conscience about that?" They do that there. But the decision is made in the Hague.

Question: Yes, and in the meantime the firms make warm contacts with all kinds of objectionable regimes and negotiations reach an advanced stage...

Van den Bergh: I agree with that. You should have some kind of directive for those firms. It is true that in practice, when they get a chance to supply something, they will check whether it makes sense to pursue this.

Question: It is our impression that the Ministry of Economic Affairs holds its hand over the heads of the firms rather than weighing the matter seriously. The firms simply anticipate the gaps in the policy.

Van den Bergh: As a matter of fact, I do believe that in this respect the Ministry of Economic Affairs plays its natural role and stimulates the firms as much as possible to maintain those contacts, in the hope that it will be made right politically. A good example is Eurometaal, which was able to deliver munitions to Spain for a gigantic amount of money. It turned out that the ultimate destination of the stuff was Jordan. That was at the high point of the war between Iran and Iraq; we were practically certain that the munitions would go to Iraq. In such a case I don't think it is all that smart to seriously pursue these kinds of contacts.

Table 4. Recent Export Orders for Large Weapons Systems

<u>NATO COUNTRIES</u>	<u>Number and Kind</u>	<u>Ordered</u>	<u>Delivered</u>	<u>Remarks</u>
Greece	15 F-27 patrol planes	1980	--	
	1 Kortenaer frigate	1980	1981	
	1 Kortenaer frigate	1981	1982	End of this year
Turkey	55 Starfighters (1)	1980	1981/82	Second hand
Portugal	1 Kortenaer frigate	1981	--	Completion uncertain; plus 2 to be built under license
<u>THIRD WORLD</u>				
Angola	1 F-27 navy patrol plane	1980	1981	In addition to 1 in 1980
Argentina	2 F-27 transport planes	1980	1981	
Bolivia	7 F-27 transport planes	1979	1980/81	Embargo on last 2 lifted
Indonesia	10 Wasp helicopters (1)	1981	1981	Second hand
Iran	2 F-27 transport planes(2)	1981	1981	
Lybia	1 F-27 transport plane	1979	--	
Nigeria	6 patrol boats	1980	--	River boats
Oman	2 patrol boats	1980	1981	Haras 8 and Zara 20
Peru	4 mine sweepers, Friesland class	1980	1980/81	Armed with Exocets
Philippines	3 F-27 navy patrol planes	1980	1981	
Taiwan	2 Swordfish submarines	1981	--	Equipped like Walrus class
Zaire	4 F-27 transport planes	1981	--	

(1) From the Office of Crown Lands.

(2) According to NRC HANDELSBLAD of 28 April 1981, this involves 2 F-28 Mar 4000 Fellowships, to be delivered to a civilian airline company.

Sources: SIPRI Yearbook 1982, Ecumenical Study and Action Center for Investments [OSACI], our research.



## Lack of Information

Even though in many people's opinion -- including Harry van den Bergh --, military export is a matter of foreign policy, its coordination rests with the Ministry of Economic Affairs. When export permits are requested, there is (compulsory) consultation with the Ministry of Foreign Affairs and, if it involves NATO equipment, also with the Ministry of Defense. In practice, parliamentary questions are answered by both the minister of economic affairs and the minister of foreign affairs. Due to the successive cabinet crises, continuous requests from parliament to create some clarity in all of this have not led to any action.

A significant complaint from parliament is the lack of information. The absolute secrecy which prevailed until 2 years ago has been lifted, but in practice members of parliament must usually pull the bell themselves to find out anything. Large orders with unmistakable political implications are brought to discussion only after the fact and sometimes even not at all. For years Van den Bergh has been clamoring that serious parliamentary /oversight/ is necessary. "If in the United States all deliveries, and not even the most important ones only, must be approved by congress, then this is also possible here. It is not something which should be arranged in a backroom."

Ad Ploeg, at the time he spoke to us still defense spokesman for the VVD [People's Party for Freedom and Democracy], found it a "strange comment" by Van den Bergh. "But of course it involves the competitive position. We have to prevent this sort of thing from being openly spread about." Oversight by parliament is best, said Ploeg, as long as it does not lead to "all kinds of premature announcements."

"The responsibility must of course always remain with the government, but the oversight by parliament could be improved," commented CDA [Christian Democratic Appeal] defense expert Ton Frinking. Aside from the infringements on competition, he saw a second problem: what precisely is a weapon. "Actually, we are not making weapons, only parts." For Frinking, the question remains as to what precisely should be subject to approval.

Van den Bergh and Frinking agree that a memorandum on the criteria for military exports should be issued, in which matters are once again clearly specified. The impetus should come from the Ministry of Foreign Affairs, rather than the Ministry of Defense as had once been the intention. Van den Bergh is considering -- but he did this in 1980 also -- introducing an /initiative bill/ with regard to the whole set of problems.

## Dirty Hands

The criteria for granting export permits as laid down in the 1975 /Disarmament Memorandum/ seem a guarantee for the cleanest hands imaginable. Armed conflicts? No deliveries. Tension sensitive region? Not a bullet is sent off. Danger of oppression of the local population? We are not a party to it.

Meanwhile, military exports are steadily growing and the Netherlands can count the regimes of Iran, Lybia, Turkey, Indonesia, Peru and the Philippines, well known by Amnesty International, among its clients. The estimated largest customer -- at least in the Third World -- is Argentina. Orders increased greatly especially after 1976 -- the year of the military coup. Outstanding orders at Signaal alone, to install electronic equipment in West German frigates and submarines involve approximately 600 million guilders.

It was precisely this order which revealed a significant "gap" in export policy. During the Falkland crisis, it was decided within EEC context to suspend deliveries to Argentina, which had meanwhile become an "area of tension." Nevertheless, in Hengelo the manufacturing as well as the training of Argentinian military personnel and the re-delivery to Germany simply continued. Indeed, through the EEC measure it was established that "transactions with German firms would not result in delivery to Argentina," as the spokesman for the Ministry of Economic Affairs, L. van Zijp, translated the view of the administration. The/ultimate responsibility/ was laid at the door of the country of assembly. And this while the specific policy prevailed that with "large orders, the ultimate destination of which is known beforehand and for which foreign companies request cooperation from Dutch companies on an ad hoc basis" the Netherlands /itself/ would make the evaluation (letter from Minister Van der Klaauw, 8 September 1980).

"The practice is different from what Van der Klaauw wrote," commented Harry van den Bergh. "They simply hid behind the Germans."

#### Dumping

A second gap the Dutch industry thankfully takes advantage of is the unclear boundaries between "civilian" and "military." Fokker's F-27 has a quick change version, where only the seats have to be removed to turn it into a military transport plane. In Argentina as well as in Bolivia, witnesses have stated that similar planes were used for the transportation of political prisoners -- in Argentina even to dump people from high altitudes into the sea. Even after those disclosures, the deliveries continued. Minister Van der Klaauw not only claimed that the airplanes had a/small kitchen/ on board, but also that they were being delivered to a civilian airline company. The fact that Lloyd Aero Boliviano is completely controlled by the military "was shrugged off as though it involved KLM [Royal Dutch Airlines]," said PSP [Pacifist Socialist Party] parliamentary party President Fred van der Spek.

Harry van den Bergh claims that the border between what is civilian and what is military is unverifiable. "I don't see any solution to it either. I have no objection to Signaal supplying airfield security equipment -- but I don't deny that it can also be used for military airplanes. The only thing is that I have no desire to tell Dutch industry, on the basis of rather theoretical considerations: we are not going to deliver."

[Question] If you were to tie that to the political situation in a country, for example in Latin America, your argument would have more weight.

[Answer] Then it becomes a question of whether you do business with those kinds of countries at all and of whether this might or might not contribute to further oppression. I have been talking about this for years, but there is no way out. I don't think that you should make the Netherlands responsible for all that is bad in the world. I admit that a civilian DAF [expansion unknown] car can be confiscated and used for things which are not allowed. Is the Netherlands responsible for that then and does it mean that you should not make a delivery then? To me, this is going too far.

#### Taboos

The only country in the world against which the Netherlands upholds an official military embargo -- pursuant to the decision of the Security Council -- is South Africa. But even there Philips equipment turned up. French Mirages, which were used in May 1978 for attacks on Angolan territory, turned out to contain radio altimeters manufactured by the Philips subsidiary TRT [expansion unknown] in France. The Dutch government declared that it had not been aware of the deliveries. There was a wave of reactions around Fokker because the concern supplied wing parts for Airbusses which were going, among other places, to South Africa. For civilian use, said the government.

For a long time, a /non-official/ taboo existed in the Netherlands: Chile. Arms manufacturers knew that there was no sense in applying for an export permit to that country, if for no other reason than that it was nearly impossible to obtain credit guarantees. The members of parliament and other experts we spoke to all seemed to live under the assumption that no deliveries are being made to Chile yet. Is that true? The spokesman for the Ministry of Economic Affairs, Van Zijp, said: "That is the way it /was/ handled. Whether this is still true, I cannot make any statements on that. It is studied on a case to case basis."

Question: Have new deliveries taken place in the meantime?

Van Zijp: I cannot make any comments on that. This falls under the secrecy article in the Import and Export Act.

Question: Fokker perhaps, which still has an agent running around in Chile, who represented the concern early this year at a Chilean military fair?

Van Zijp: I don't recall anything about that -- at least not from publicity. But that doesn't mean anything.

Question: Would it, by any chance, involve deliveries via Germany?

Van Zijp: In response to parliamentary questions, it has been said that if we deliver to Germany, the country which takes delivery is responsible for where the equipment goes.

#### To Germany

A military manufacturer who delivers a great deal to Germany is Hollands Signaal. The theory was put forward earlier (by Jan Wijkstra of OSACI) that

Signaal may very well be working for Chile. In 1980, the German government decided to give permission to the "Howaldtswerke Deutsche Werft" [HDW] in Kiel to export two submarines of the 209 type to Chile. According to Wijkstra, based on the trade journal INTERNATIONALE WEHRREVUE, this type is regularly equipped with fire control combat information systems made by Signaal; mostly the M-8/41 Sinbad.

Still? A spokesman for Signaal, Hozee, said: "I don't know. A number of submarines was being built and they were equipped with Sinbads. But what is going to happen with future deliveries, I don't know. That depends on the client, on what kind of equipment he orders. Fortunately, or alas, we are not the only ones in this trade area."

[Question] But the submarines built by HDW in recent years, of the 209 type, were they equipped with Sinbads?

[Answer] I wouldn't dare say that for each individual ship. I would have to look that up.

After having consulted with his superiors, he said: "At the present time, the policy is that we don't give out any information about whether or not we deliver systems to a particular country."

#### Active Attempt

"The Netherlands does not conduct an active arms export policy, as France and the United States do. Arms export is a matter of Dutch trade, not an instrument of foreign policy." This was stated on 19 March 1980 by Chris van der Klaauw, the minister of foreign affairs in the previous CDA/VVD administration. He saw at least a single "active" attempt to obtain orders at the top. This was the /promotion trip/ made by the then state secretary for defense, Dr W.F. van Eekelen, to India, Thailand and Indonesia. Goal: "To look into the possibilities of cooperation, especially in the area of defense equipment." Result: so far no orders.

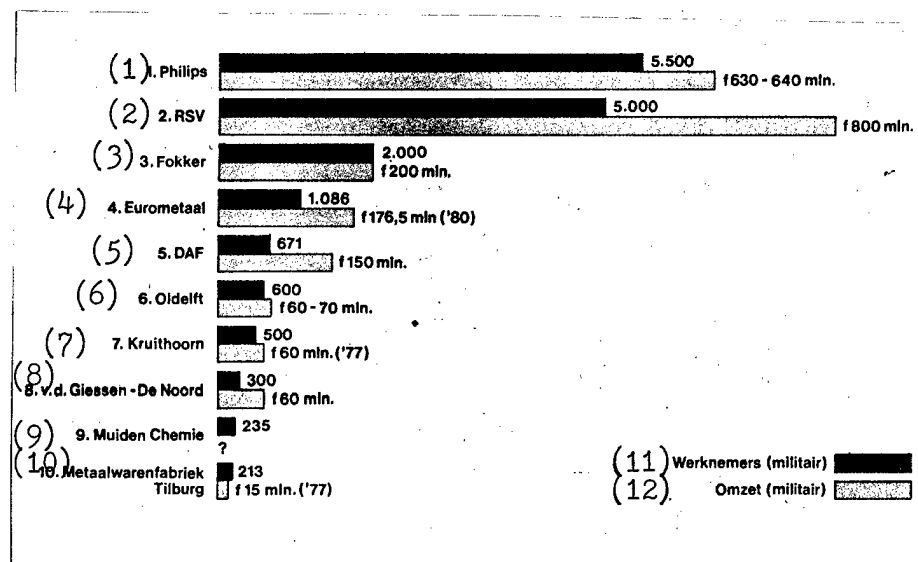
This same Van Eekelen (VVD), whose views are described as "armored," is now state secretary for foreign affairs. His party colleague, Mr F. Bolkestein -- who has a similar title -- has become "super traveling salesman" at the Ministry of Economic Affairs. Harry van den Bergh expects under this administration, an "active export policy directed toward selling products here and there."

[Question] No specific directives?

[Answer] No. If they are to come about, they will have to be elicited by parliament.

END

Table 5. Top Ten in the Dutch Military Industry.



When not otherwise indicated, figures are for 1981.

Sources: Notebook for Peace Problems Nos 19 and 23 (IKV), Armament or Jobs (IPSO), Stop the Arms Trade, Begin with Conversion! (Pax Christi), research by P. Casademunt.

Key:

1. Philips
2. RSV [Rotterdam-Schiedam-Vlissingen]
3. Fokker
4. Eurometaal
5. DAF
6. Oldelft
7. Kruithoorn
8. Van der Giessen-de Noord
9. Muiden Chemical
10. Metalworks Tilburg
11. Workers (military)
12. Turnover (military) - [Figures in millions of guilders]

Growing Resistance

Of course, there are also things going on /outside/ parliament. The FNV closed this year's internal debate on peace and disarmament with -- compared to their initial position -- a rather more pointed position. Pax Christi recently started a large scale campaign against the arms trade. Both groups seem to have found each other on the matter of /conversion/; a change over from military to civilian production. Both Pax Christi

and the FNV are involved in a research project on this subject under the direction of OSACI. Foreign research (in the United States, England) has shown that conversion produces more, and especially more stable, jobs than the militarization of production.

FNV head Cees Commandeur said: "Unilateral orientation to military production is a pernicious road; it always leads to problems. You can see at Eurometaal (where they have to retrench -- editor's note) how it takes its revenge. I know that Stemerding, in the defense memorandum he was writing, took the position that no single firm in the Netherlands should be oriented 100 percent to military production. His goal was to get started right away on the road to conversion. I found that a good development."

Harry van den Bergh, party colleague of Stemerding, seemed somewhat less in favor of the conversion idea. He pointed to the "legitimate defense needs" of each country and called thoughts on this in the Netherlands "somewhat sterile." "I would like to ask the peace movement sometime whether they feel that Nicaragua and countries in Southern Africa should be allowed to be overrun without sound airplanes and defense means. This point is often avoided in discussions, as if the problem didn't exist."

"Farfetched," was the reaction of Ludo Eijkelkamp of Pax Christi. "A quasi-argument to legitimize 80 to 90 percent of the current arms exports. Then you might as well mention Argentina, which is threatened by Chile and England. It is my feeling that Van den Bergh is acting as advocate for the Dutch arms industry, which is up against declining orders from the Netherlands and from NATO."

Jan Wijkstra, of OSACI, commented: "If you really want to change the unjust relationships in the world, then you must break the bloc oppositions. Hence, support such a government in Nicaragua, both socially and financially. Then you would indicate a different direction from the one Van den Bergh points to: the direction of weapons, which have always spoken throughout history."

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## SOVIETS PRESSURING TO HAVE WORLD YOUTH FESTIVAL IN FINLAND

Helsinki HUFVUDSTADSBLADET in Swedish 11 Dec 82 p 17

[Article by B.M.]

[Text] Will the next World Youth and Student Festival be held in Finland? HUFVUDSTADSBLADET has learned that it is chiefly the Soviets who have mentioned our country in that connection now that France has declined to host the event. The Social Democrats in particular are being subjected to pressure, and this week a delegation from the Social Democratic Youth League discussed the matter in Moscow.

The festival, which has been held regularly since World War II, was held in Helsinki once before. That was in 1962, and political controversy was aroused by both the preparations and the meeting itself.

## Great Hesitation

According to reports, the Finnish youth organizations and their parent parties are generally hesitant about acting as hosts for the politically controversial and primarily Eastern-dominated event. There are also doubts about the practical and economic consequences of welcoming up to 50,000 guests from all over the world at one time.

The cost is estimated to be so high that the government would simply have to pay most of it. A figure of 32 million marks has been mentioned in that connection. The hesitation is said to be due to--among other things--the thought of the other things that could be done in the area of youth work with that amount of money.

## Western Country Wanted

Since the festivals during the 1970's were held in the GDR (1973) and in Cuba (1978), it is said that the organizers are now anxious that the next host country be nonsocialist. Vietnam and Algeria had both been mentioned at one time, but more recently, efforts have been directed at finding a Western-oriented European country. France has declined on the grounds that the event is dominated by the East, so eyes have now fallen on Finland.

The festival that is the center of all this discussion would probably be held sometime around 1986.

#### "Unofficial Talks"

At the Social Democratic Youth League (SNK), Secretary General Risto Paananen confirmed to HUFVUDSTADSBLADET that Finland has been mentioned "in unofficial talks." The SNK conducted those unofficial talks with the Committee for Soviet Youth Organizations (KMO).

Paananen emphasized that the delegation that visited Moscow this week is part of the normal exchange with the KMO. The delegation, which is headed by SNK Chairman Jorma Bergholm and Eero Heinaluoma, deputy chairman of the National Youth Council, returns to Finland today.

Secretary General Paananen emphasized that the entire question requires "careful consideration."

#### Security Police Concerned

HUFVUDSTADSBLADET has learned that the Security Police are concerned over the plans for a world festival with several tens of thousands of foreign participants. It would be difficult to check all the participants, considering the possibility of terrorists and provocateurs.

#### What Will Koivisto Say?

According to reports, discussions concerning the possibility of hosting the event have also been held among the party leaders. The Ministry of Interior has reportedly also been brought into the discussion.

In political circles, there are reports that the issue was even discussed when the SDP [Social Democratic Party] delegation headed by Prime Minister Sorsa visited Moscow last fall for talks with Yuriy Andropov, now secretary general of the CPSU.

Those reports could not be confirmed.

Now there is speculation concerning President Koivisto's attitude toward the proposal.

The question is considered to be of such a nature that the top foreign policy leadership should take a stand at some stage. It is assumed that the president, aware of the event's controversial nature, can hardly be pleased at the plans. On the other hand, there is the question of whether he can say no to them. His predecessor, Urho Kekkonen, took an active part in making it possible for the 1962 festival to be held in Helsinki.

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## MARCHAIS ON WORLD ECONOMIC CRISIS, FRENCH POLICIES

Paris L'HUMANITE in French 30 Nov 82 pp 7-9

[Address by Georges Marchais, PCF secretary general, to students of the PCF's Maurice Thorez Central School in Choisy-le-Roi on 26 November 1982]

[Text] We are publishing below the full text of last Friday's address by Georges Marchais to the students at the French Communist Party's Maurice Thorez Central School in Choisy-le-Roi.

Dear comrades,

Eleven and a half years ago, on 10 June 1971, I published an article in L'HUMANITE under the title "French Society in Crisis." In it I showed--and our party was the first at the time to reveal it--that a deep crisis was affecting our country. Pointing out the extent of the problems, contradictions, and blockages affecting the entire French social structure, I emphasized that their source must be sought at the very heart of the system governing our society: the capitalist system.

The reaction on all sides was immediate: "demagoguery," "dogmatism," and "exaggeration of the difficulties"--in short, "a lack of seriousness." Several years later, Chirac still thought he could glimpse "the light at the end of the tunnel," and Giscard d'Estaing was announcing as a certainty "the end of the crisis."

The facts have since proven us right. No one today can continue to deny the depth of the crisis or conceal the fact that it became worse after Giscard d'Estaing, Barre, and Chirac gave each other a hand in running the country.

The question of the origin of the crisis and of the "why" behind the difficulties suddenly became one of the big topics of the day. Capitalism's supporters changed their stand. No longer able to deny the existence of the crisis, they had to do everything possible to try to exonerate their system. That was the objective of the campaigns they carried on for years with the vast resources at their disposal. They presented the "oil shocks" as the basic cause of the problems. They accused the Third World of unfair competition with our economy. They also invented other arguments as a way of situating the origin of the evil beyond our frontiers.

During the entire time that the Right held sway in the government, we firmly responded to those campaigns. We denounced any idea that the crisis was inevitable. We revealed the real roots of the evil: the domination of capital, with its enjoyment of exorbitant powers of ownership and management over all economic and social life, and the inability of capital and its criteria of financial profitability to respond to the problems and aspirations of our people, permit the nation's rapid development, and promote the blossoming of human values. We took part in the people's struggles to guarantee and improve their purchasing power, check unemployment, safeguard the national and regional heritage, and produce French.

In short, we struggled against the crisis: we struggled to respond to our society's crucial problems and promote solutions in keeping with the interests of France and its people--the main objective of our fight.

In so doing, we gradually helped to place the need for change in the center of French political life. In 1981, we worked with all our strength to get the Right out of power. Since that victory by the Left, France has provided itself with important advantages: the nationalization of industrial groups and of credit was decided on, decentralization was undertaken, and new rights were granted to the workers. Now it is a matter of fully using those advantages to provide a way out and push back the crisis, both internationally and inside the country.

Is that possible?

Is it true that the crisis is not a universal inevitability, that it is not striking all countries without distinction, and that there are remedies for the international disorder?

Is it true that the crisis in our country is due to the capitalist structures of French society and that it requires, as its basic solution, a new society: French-style socialism?

Is it true that without waiting, it is possible beginning now, with the leftist government and majority, to relieve the pressures weighing on France and to progress on the path toward solving the problems?

It is to those questions that I would like to devote my talk.

International Crisis: Solutions Exist

In the first place, is the crisis a "worldwide" sickness against which the nations are defenseless?

Our answer is no.

Talking about the "world crisis" means masking the very big disparity in the situations existing in the world. Because while it is true that all countries are experiencing difficulties, those difficulties are not equal in extent and are not of the same type. Rejecting, as we do, the confused notion of a "world

crisis" therefore does not mean denying the strictly international dimension of the crisis. On the contrary, it means wanting to analyze it in all its dimensions and all its complexity.

In that connection, what does an examination of the problems reveal?

#### Crisis Striking all Capitalist Countries

To begin with, the crisis is international in the sense that it is striking all the developed capitalist countries.

Today there are 11 million unemployed in the United States and an equal number in the Europe of the 10. In a single year, unemployment has increased by 80 percent in Canada and by 45 percent in the FRG. Production is declining in a number of those countries. Very large firms are threatened with bankruptcy. In the United States, Europe, and Japan, the prospect of a recovery is a long way off, and the danger of a new recession is not being ruled out. Tens of millions of families are experiencing a lower standard of living, being reduced to privation, and seeing their hopes crumble. Some of them are experiencing deep distress: as this 20th century comes to an end, 31 million inhabitants of Reagan's United States are living below the poverty level. Today we are experiencing the decline of the "models" that the Right and the employers wanted to impose on our people. The American mirage has evaporated. The West German "miracle" is collapsing. Even the Japanese model is in a shaky state.

The crisis is also international in a second sense. Each of those developed capitalist countries is engaged in trade: with its Western partners, which are also its competitors, with the Third World countries, and with the socialist countries. So there is a specifically international dimension to the crisis, and it is linked to world trade, the fluctuations of the various currencies, and the powers of the international economic and financial organizations. In a word, it is linked to realities that depend in the final analysis on the world balance of forces.

Those international factors are having repercussions on the situation in each country.

#### International Repercussions of Crisis on Capitalist Countries

To begin with, those factors deepen the difficulties being experienced by the developed capitalist countries. The basic similarity of the interests of the ruling classes in those countries does not exclude struggles for influence and the exacerbation of competition.

For example, the policies implemented by the various Western countries--austerity for their own people and pillage of the Third World--have resulted in a restriction of markets and a drop in world trade. They have reinforced competition and increased the imbalances between nations.

Capitalizing on its dominant position and the dollar's privileges in international trade, the United States, for its part, is making every effort to export

its own crisis. It is doing so by multiplying its diktats and fleecing the "weaker" countries, but also by trying to make its Western partners bear a portion of its difficulties.

In our own country, the alignment of French capital and the Right with the wishes of the United States and the European Economic Community has resulted in the mutilation of whole areas of the national potential. It has resulted in the sacrifice of many high-technology industrial sectors for the benefit of American capital and of the iron and steel and machine tool industries for the benefit of German capital. And it is those very men who were in power yesterday (those generals of capitulation, those knights of desertion) who are now protesting when the leftist government makes decisions aimed at protecting our economy from excessive imports and making it less vulnerable to external pressures! But I will get back to these questions.

### Consequences of Crisis for Third World

Those international factors--the submission of world trade to the dominant capitalist powers--are also having very considerable repercussions on the Third World countries.

Their situation has deteriorated seriously. In recent years, the per capita income has declined for 2 billion human beings, and for the first time since decolonization, the developing countries experienced recession in 1981. Hunger or malnutrition is affecting 700 million men and women, and 47,000 children die of hunger every day. Raw material prices are at their lowest point in 30 years. Food production is encountering increasing problems. The debt of those countries has swelled, reaching \$520 billion at the end of 1981. Some countries are on the brink of bankruptcy. And the prospects for a worsening of the crisis in the capitalist world are only adding to the threat of tragic repercussions that is hanging over billions of people.

### Problems in Countries Building Socialism

Lastly, the countries building socialism are also experiencing problems.

Their problems are of various kinds. And it is important to distinguish between them carefully.

First of all, there are the problems due to the point from which the socialist economies started. It is a fact that contrary to what Marx and Engels originally envisioned, the socialist revolutions did not occur in highly industrialized countries but--with the probable exception of Czechoslovakia--in underdeveloped and often very poor countries where the heritage of feudalism, capitalism, and colonialism has been a particularly heavy burden. That weak starting position constituted, and still constitutes for several socialist countries, a considerable handicap.

But what anyone can see is that despite the obstacles of all kinds arising from those starting points, and despite the wars that capitalism imposed on them in the past in the Soviet Union and throughout Europe, in China, in Korea, and in

Vietnam, the socialist countries have achieved undeniable results in a short time considering the immensity, novelty, and conditions of the human adventure thus undertaken.

In the second place, the countries building socialism must also confront the constraints arising from the international crisis. They are suffering the fallout from the crisis existing in the capitalist countries, with which they trade. They must make their peoples bear the burden represented by the arms race desired by imperialism. And they must also face up to the needs of international solidarity. All of that also weighs very heavily.

But what we can also see in this case is that through the whole range of measures reflecting their growing diversity, the socialist countries are showing a real ability to cope with those external constraints. Their growth has certainly slowed down, but in general, it remains above that in the capitalist countries. I will add that on the whole, they are attacking their problems without endangering acquired rights, without relinquishing job security, and without imposing an austerity policy.

#### "Crisis" Not the Right Term for Socialist Countries

Lastly, there are the problems due to the errors and serious and painful mistakes which mark the history of those countries and which have hindered the development of socialism. In short, those countries are experiencing difficulties and contradictions due to the very development of the social system they are building and to the resulting new needs of their peoples. This means that they must resolutely attack the big issue of the democratization of social, economic, and political life, which we have said is a universal component of socialism.

The fact is that the problems facing the countries building socialism require a policy for social progress that will better respond to the diversified needs which have developed, a policy of better economic efficiency, with management reforms that will promote higher labor productivity in connection with the rapid development of the scientific and technical revolution, and a policy for democratizing every aspect of social life to release initiative and decentralize responsibilities. And again, anyone can see that in most socialist countries, major reforms are underway to respond to those new requirements in a concrete manner and by means adapted to each people.

On the other hand, the situation in Poland shows that any delay in taking that step--any hesitation in correcting the mistakes of the past--leads to blockages and tensions in every area of social life. We have several times expressed our emotion at the situation created in friendly socialist Poland. Today more than ever, we repeat our hope of seeing Poland find in itself the paths to national understanding and renewal, something that presupposes implementation of the thoroughgoing reforms I have just mentioned.

All of that throws light on the reasons why we do not think it is possible to talk about a "crisis," in the proper meaning of that term, to describe the serious difficulties being attacked by the socialist countries.

We say that there is a crisis of the capitalist system because it is not possible to find a real way out--a long-term solution to the problems of the capitalist countries--within the system. The crisis in those countries calls for a move beyond the existing social structure--for a change in society: the socialist transformation. I will show you why.

On the other hand, as I have just explained, the solution to the problems being experienced by the socialist societies calls not for the suppression of the system but, on the contrary, for its growth in depth, its development in all its dimensions, and the deployment of all its potentialities.

#### Crisis of a Type of Technological Growth and of Social Life

Analyzing those international realities allows one to measure the extent of the problems and the true nature of what is at stake in our era. What we are experiencing is the crisis of a type of technological growth and of social life, and it stems from the crisis of capitalism--the crisis of its system of world domination.

Mankind is in fact undergoing a great transformation. The accumulation of knowledge, the scientific and technical revolution, and the decisive advances in information and automation are drastically altering the old social structures and marking personalities most profoundly. New aspirations are appearing: to live a freer life, be able to choose one's job, and participate in a more active social life. This only makes more intolerable the worsening of social and national inequalities and the persistence of such ancestral scourges as hunger, unemployment, poverty, endemic diseases, and illiteracy. As we said at our 24th congress, "the universal hunger for emancipation, the level attained by the productive forces, and knowledge call for a new civilization."

Contrary to those requirements, capitalism offers only the prospect of overexploitation, underqualification, an increase in inequalities, and messes of all kinds. No longer able to trigger wars as it pleases, imperialism is now doing its best to achieve the same results by other means: it is leaving vast human potentialities undeveloped, destroying sizable production capacities, and squandering natural resources. At the same time, it is feeding international tensions in order to keep the peaceful coexistence that it is forced to accept from being accompanied by disarmament measures.

The type of development brought by capitalism in crisis therefore collides brutally with the aspirations of the peoples, leads to blocked growth, makes the problems worse, and leaves needs unmet. That is why, as we have said, we are experiencing "the era of revolutions": the era in which the demand for a revolutionary transformation of technology, the economy, decisionmaking powers, and management practices is gradually becoming universal.

#### Imperialism's Growing Aggressiveness

All of that throws light on the reasons for the sharpening of class struggle and the worsening of tensions that we have known on a worldwide scale.

The Reagan administration has given new rein to imperialism's aggressive policy in all areas. On the military level, there is the revival of a ruinous escalation of the arms race and the effort by the United States to redeploy its military bases or back the "policemen" for its interests in various regions of the world. On the economic and political level, there is the multiplication of pressures and diktats: the attempt, notably in Europe, to challenge the positive experience of the policy of peaceful coexistence and the determination to influence the growth of the developing countries and the socialist countries and hamper the progress of the forces of national liberation.

That is also the meaning of the vast campaign which, under cover of the defense of "human rights," is aimed at defaming socialism systematically so as to kill the hope it represents for millions of people and to clear imperialism of the crimes it commits in the four corners of the world.

As we said during our 24th congress, the redoubled violence of those schemes, which are dangerous to world peace, must not delude people: far from being a sign of strength, it represents, on the contrary, the worsening of the difficulties being encountered by imperialism and the latter's determination to try to regain lost ground by using every possible means to block the current world-wide transformations that are challenging its system of domination. So not only is there no reason to be frightened by those aggressive maneuverings on the part of imperialism, but, on the contrary, everything indicates that the conditions exist, if the peoples make it their business, for reducing the current tensions, making progress in the search for ways out of the international crisis, and advancing toward the establishment of a new world economic order.

#### Fight for Disarmament and Development Go Together

The struggle for a new world economic order involves, first of all, action to attack effectively the crucial problem of development in the Third World. Linked indissociably with that is action to reduce capitalist domination in world trade, bring about broad and rapid growth in relations among the countries with differing social systems, and increase the autonomy of the European countries and of every capitalist country currently subjected to domination by the United States and a few of the other major capitalist countries.

That action must also be combined with the struggle for security, peace, and disarmament. This latter struggle takes on new scope because of the dangers of an escalation of armament and of the mess represented by such an escalation in terms of the crucial and vital problems being confronted by so many peoples today. Just think of this figure alone: according to a Swedish institute whose work is authoritative--SIPRI [Stockholm International Peace Research Institute]--military spending in 1981 exceeded the breathtaking figure of \$600 billion, or nearly 4.5 trillion French francs! It was to underscore the close connection between those two struggles--for disarmament and development--that in Mexico City back in 1978, I proposed that a special fund for the Third World countries be established and funded by a reduction in military budgets.

## For a New World Economic Order

Combating the crisis on an international scale also means profoundly altering monetary and financial channels. The dollar's exorbitant privilege as an international currency, its artificially swollen value, and its sudden fluctuations give the banks and multinational firms a free rein to run a real racket at the expense of peoples and states and to feed fabulous financial fortunes to the detriment of all creation of wealth. Whereas the developing countries are being suffocated by debt, the public and private international financial institutions are in the hands of capital and obey the injunctions of the United States.

So today's monetary and financial institutions--and especially the IMF--must be genuinely democratized and internationalized to make them responsive to the interests of peoples. The dollar's privileges must be combated every step of the way by using other monetary instruments such as the ECU [European Currency Unit] in Europe, imposing new rules for the allocation of international credit, and establishing development funds managed by the developing countries themselves.

The problem of raising and controlling the price of raw materials produced in the Third World is also basic, whereas the deterioration of the terms of trade, combined with the weight of debt, is brutally aggravating the difficulties and blocking the effort to obtain equipment and provide training.

Effective action must be taken against the monopolistic cartels and the trade privileges of imperialism's most powerful representatives. It is possible to replace the highhandedness and blackmail of the petroleum and mining companies with contracts between states that will permit reciprocal trade, provide for cooperation on mutually advantageous grounds, and include intensive scientific and technical cooperation.

The fight against hunger is part of the same process. Today that scourge is becoming worse, whereas full utilization of currently idle or mutilated production capacity in the dominant capitalist countries and large-scale recourse to scientific and technical progress would make it possible to respond more than amply to the needs in this field. At issue here is the policy of using food as a weapon, which is due to the American food processing trusts and their partners. France and Europe are in a good position and have big responsibilities to shoulder when it comes to fighting that obstacle, offering contracts to the countries involved, and helping them develop their own food processing production.

### France Has Special Responsibilities

France's international influence and the hope aroused in the world by the Left's victory mean that our country today has special responsibilities in the struggle to establish a new world order.

Assuming those responsibilities is in France's own interest. How can one fail to see the vast potential for growth and social progress represented by the emergence of billions of people--of peoples liberating themselves by shaking off the colonialist or neocolonialist order and embarking on the new paths of



independence, of countries whose importance is destined to increase considerably and to greatly alter the face of the world? France has everything to gain by intensifying its relations with those countries on the basis of mutual interest. It may find markets for its products and benefit from very valuable human, cultural, and scientific contributions.

It also has everything to gain by rebalancing its trade with the capitalist countries. Progress in that direction would be decisive in winning autonomy in our growth. It would fit in with the diversification of our relations and their progress, in particular with the Third World and with socialist countries. Vast possibilities for cooperation between France and those countries exist, for example, in the fields of energy, food processing, and transportation, as well as on the scientific and technical level, the objective being to create technologies better adapted to the needs of each people.

In those fields, Europe can also play a role to win more independence and enjoy more autonomy in growth. The countries of the European Economic Community have an interest in developing forms of cooperation involving mutual interest and allowing them to loosen the grip represented by the hegemony of American and Japanese technologies and undertake new dialogue and fruitful cooperation with the developing countries.

#### Basic Solution to France's Crisis: French-Style Socialism

So it can be seen that effectively combating the crisis on the international level is possible and necessary. Struggling for a new international economic order and for peace and disarmament means struggling against the crisis--it means helping to solve international problems and, therefore, our own country's problems as well.

But we must not deceive ourselves: regardless of how the world evolves outside our borders and regardless of the successes achieved by peoples on the international level, it is action in our country--inside our country--that is and will remain decisive in pushing back the crisis in France.

All that I have just said shows clearly that we are absolutely not minimizing the reality of the international crisis and of its harmful repercussions on our economy. But France is nevertheless not bound hand and foot by "external constraints." Its scope for maneuver is considerable, quite simply because the crisis we are experiencing is not "imported": it is in France, within the capitalist system itself, that the basic causes of the crisis in French society are situated. There is an international crisis of capitalism because there is a crisis of the capitalist system in each country. In every capitalist country, that system is proving incapable of responding to people's and national needs--of coping with the most basic requirements of social development.

However, let us see how things look in France.

#### Crisis Is That of Capitalist System

As we emphasized at the 24th congress, the face of our country has changed in a single generation. Our country has experienced profound changes in its social

structures, human relations, ways of behavior, and mentalities. But that undeniable progress has been distorted by the logic of profit, which has turned it against itself and made it the means of new forms of oppression.

Whereas scientific and technical progress would make it possible to revolutionize the working conditions of men and women and to work better and differently, its utilization by capitalism has resulted in a loss of job qualification, layoffs, and the multiplication of repetitive and boring tasks.

Whereas that progress has created vast needs for training, job qualification, and increased knowledge, capitalism has brought the entire educational system into a deep crisis and led to an increase in scholastic failures and social segregation.

Whereas the increase in the number of working women has awakened new aspirations for women's liberation in all areas of life, capitalism has transformed feminism into an additional means of exploitation and alienation.

Whereas urbanization could have allowed the establishment of new ways of living and working in more human cities, capitalism has promoted real estate speculation, driven working class families away from city centers, and brought desertification to the rural areas.

Whereas progress in techniques of communication has given impulse to vast needs for information and culture, capitalism has responded with the accumulation of standard and profitable products, a reduction in the means of creativity, the growing subjection of cultural life to fads, and Americanization, when it has not used the new "media" as a means of manipulating the masses.

Whereas the requirements of independence and sovereignty for each country--the affirmation of each national personality--are forcefully manifesting themselves, capitalism has pushed for uniformity, dependence, and a loss of structure among nations and the negation of their specific character.

Such is the economic, social, and human cost of capital's domination. At the core of all the problems, all the difficulties, and all the blockages, we find the same cause: the capitalist demand for profit and financial profitability. Pinpointing that cause automatically provides the possibility of acting against it. It means demonstrating that it is possible in France to take effective steps against the crisis and understanding what kinds of steps are required: a whole series of thorough social transformations affecting not only the economic and political structures but also social relations and management criteria. As we explained at our 24th congress, "the crisis is not due to current economic problems, external causes, or political errors. It is the crisis of the capitalist system itself. Necessarily, therefore, overcoming the crisis means changing society in the direction of socialism. There is no other solution."

#### Cost of Capitalism's Adaptation to its Crisis

Naturally, the forces of capital do not see it that way. They want to preserve their system of domination. They are therefore undertaking gigantic efforts at

adaptation everywhere. But at such a cost in messes and in sacrifices for the peoples and the nations!

Here again, just look at what they have done in our country.

For 7 years, under Giscard, Barre, and Chirac, economic and financial circles benefited from a policy to their liking. They proceeded to make the above-mentioned adaptations to our economic apparatus in accordance with their interests. The result can be seen today.

Throughout those years, for their own profit, they reduced research and productive investment, neglected job qualification, and eliminated 1 million productive jobs. In so doing, they radically weakened the moving forces of our industry's competitiveness. Production today is still only slightly above its 1974 level. Enjoying privileged access to public funds and credit, they took vast portions from our national resources, which they used to redeploy their capital and pick up the pieces from ruined factories, cripple entire branches of activity, and empty of their substance entire regions such as Lorraine or Nord.

No longer able to find what they considered sufficiently profitable markets for their accumulated and overaccumulated capital--that is, markets yielding the highest private profit possible in the shortest time possible--they have been investing less and less in national production and working plant, and they are trying to wreck all the major social and democratic gains. On the other hand, their capital has been invested in all kinds of financial and speculative operations--in parasitic activities--and has been increasingly exported.

#### Austerity, Redeployment Policy Making Things Worse

In 1974, for example, investments by private firms equaled 60 percent of their total profits. That figure was down to 50 percent in 1981. The total outflow of capital is now greater than total private industrial investment in France. Credit is financing only a very minimal share of production. In a straight line of descent from the traditions of mercantilism, deterioration, and speculation that are specific to French capitalism, the favored rich invest their money in foreign stocks and high-interest loans rather than in our production apparatus. The 200,000 richest French households have one-third of their fortunes in the means of production, thus controlling a large share of industry and subjecting it to the demands of financial profitability, while the remaining two-thirds are divided among financial and real estate investments. Growing financial costs, notably in the form of higher interest rates, also constitute an intolerable sapping of the wealth created in the firms.

That policy of national desertion has laid our domestic market open to the invasion by completely excessive imports. In 7 years, foreign penetration of our markets has increased by 10 percent. In France today, an industrial investment of 100 francs causes an expenditure of 45 francs on foreign products.

If, as the Communists proposed, it had been possible to reduce all the capitalist waste, France and its firms would not be experiencing growing obsolescence in the working plant. They would not be experiencing a sizable lag in training

and job qualification for workers at a time when the rapid growth of productive forces is requiring, on the contrary, sizable investments in research and the training of people.

Parallel with that during those 7 years, the Right and the employers systematically used price and currency inflation to increase their profits directly, reduce the real earnings of the wage earners, and depreciate savings. In 7 years, the franc lost 37 percent of its value. For working class families, the era of privation was added to the fear or reality of unemployment, the uncertainty of keeping one's job, disappointed hopes, and a blocked future. The policy of austerity and deployment therefore worsened the evil that it was supposed to cure. It made the crisis more extreme and postponed the prospect of recovery.

#### French Middle Class Disqualified

Is it that heritage, left to us by the forces of money at the end of the Giscard-Barre-Chirac reign, that the employers want to make even worse by continuing today on the same paths as yesterday. Those who led France into catastrophe are now daring to pose as lesson givers. They are becoming peremptory and stepping up their pressure for a return to a policy conforming to their interests. What they are proposing is a new adaptation to the constraints of the crisis through respect for the demands of profit. They say we must start with a vast "purge" consisting of austerity and the destruction of employment, which they present as so many inevitable evils, after which salvation will come thanks to the progress of technology. In fact, such a "purge" might indeed make it possible for the forces of capital to preserve their domination. It might enable them to gain time, but the cost would be new suffering for the workers, new messes being made with the vast technological potential, and a new weakening of the nation.

We deny those people the right to keep on managing, as they please and without control, the firms that provide our country's wealth. They drape themselves in their so-called competence. But what do they do with the exorbitant powers that are in their hands? How do they manage things, and whose interests do their decisions serve? Why are their investments so low? Why are so many funds diverted from the sphere of production?

What is the purpose of their gigantic financial costs? Where and how are the profits used? What is the source of the technological lag? Where do savings go? In a word, what are they doing with the money created by the workers? They are squandering it. They are poor managers. Of all the new industrial firms that were nationalized, only two were not in a deficit position! The truth is that the wasting of our country's material and human assets occurs day after day as a result of their management of the firms and of money. Day after day, they are helping to sink France deeper and deeper into the crisis.

No, the French middle class is not competent to solve the big problems facing our society. It is incapable of proposing a long-term prospect. It has only one objective: to endure, and to endure as long as possible, even if the annihilation of France is to be the final result. We cannot allow it to do that. Our people have taken away its political power. It has been disqualified from

continuing to exercise exclusive economic power, from continuing to withhold from the workers the right to intervene in the management of business.

### Socialism Is the Order of the Day

So worsening the crisis cannot postpone the prospect of radical social changes until sometime in the distant future: on the contrary, it is those changes which constitute the lasting and basic solution to the big problems facing our country. It was from that standpoint that we explained at the 24th congress that "socialism is the order of the day." A French-style socialism--that is, socialism designed from start to finish as a specific response to the specific problems of French society.

Our plan therefore starts with France: with the aspirations and traditions arising out of its history, the new needs asserting themselves in its current crisis, and the reality of France's place in the world. It starts there the better to arrive back there: our concept is not based on any preestablished "model," and we do not propose our own concept as a "model" transposable to other countries.

### French-Style Socialism: Society of Justice

We note first of all that France needs a society of justice enabling everyone to enjoy the right to a stable and skilled job and to attain to the living conditions and opportunities of our era that are now monopolized by a privileged minority.

Naturally, justice does not at all signify uniformity. In an attempt to draw the workers away from the great prospect we are holding out to them, our adversaries stop at no caricature, even the crudest. To hear them, one would think we wanted a world of individuals all cast in the same mold, interchangeable, cared for, educated, and entertained by the same means and in the same ways! What stupidities they propagate! What we want is exactly the opposite: a society in which every individual will have the opportunity to do what he is currently kept from doing by capitalism: to develop his personality and organize his life as he pleases.

They also depict the Communists as having a craze for collective consumption! That is also absurd. What we want is to give all people the means of satisfying their personal needs and those of their families in all areas. We therefore want to develop both individual consumption and collective facilities. And that is quite simply because while capitalism is reducing both of those, our country requires their further development. This is not something new, incidentally. As early as 1973, I wrote in "The Democratic Challenge" that "the collective is not a magic formula making it possible to solve all problems." Life constantly confirms that point of view.

### French-Style Socialism: New Growth

In the second place, in order to respond fully to the challenges of technology and international cooperation, France needs new growth that will build the

economy for the needs of people instead of subjecting people, as it does now, to the power of the capitalist economy.

In that sense, French-style socialism involves the implementation of new management criteria in the public sector through an adequate number of nationalizations, a transformation of the choices based on private profit so that they will respond to the needs of the nation and of social effectiveness, and unprecedented development of the skills, initiative, and rights of workers in all categories.

Does this mean that we want to nationalize everything? All our opponents say it does. To hear them, one would think that the Communists support "collectivism": that is, the dispossession of every individual through force! Always the same lies, even though we have been saying explicitly the opposite for nearly 10 years. Do we want to undermine private ownership of the various consumer goods and the possibility of leaving them to one's heirs? Is it our plan to prevent every individual, for example, from owning a car, a home, or even a house in the country? One does not even like to refute such absurdities. And still, how many people know that we are working precisely to build a society in which all those who want to will be able to acquire the right to own personal property--something that capitalism does not allow today?

We have also been explaining for years that it is not our objective to resort to "agrarian reform." France is not a Third World country, and the problem in our country is not to undertake expropriations but to protect farm property from the ravages of domination by capital, which is emptying the rural areas, to enable as many farmers as possible, and particularly the young, to have their own land either under a lease with guarantees of security or by buying it, and to ensure the development and modernization of family farms. That is what we are struggling for.

We also have nothing to do with any idea of liquidation or simple "delayed execution" in connection with small industrial and commercial property. Here again, this is not a matter of duplicity or of tactics--it is because such property represents a sector of activity that is currently threatened by the big capitalist groups, whereas our country needs such property, and the concentration or nationalization of those small and medium-sized businesses would be economic nonsense.

So it is that, renouncing all "statism," we are struggling for a new mixed economy in which the expanded and democratized public sector will function in a close relationship with a broad private sector, private ownership and other forms of ownership will be guaranteed, and the creation of wealth and the reduction of capital's messes will be systematically promoted.

**French-Style Socialism: Democracy, Self-Management, Expanded Human Rights**

In the third place, France needs democracy.

With the worsening of the crisis of its system, capital has been steadily concentrating ownership, power, and knowledge in the hands of a small number of

people, moving the government away from the citizens, and condemning the workers to silence by treating them as pawns to be moved about. Overcoming the crisis means reversing that process and developing democracy in all its dimensions.

In particular, it means replacing the employer's rule of "do your work and shut up" with new "citizenship" for the workers at their workplaces. As we have said, "we cannot have a republic in society as long as we have a monarchy in the firms." That is why, contrary to the capitalist monopoly on management, we are struggling for that higher form of democracy which is self-management and which, combined with strict respect for universal suffrage, also provides effective access by all to the right to receive information, make proposals, assume responsibilities, and make decisions. Because the freeing of initiatives, the confrontation of opinions, diversity in research, and trends of opinion are requirements of our era and constitute real social needs, we are struggling for the establishment of a genuinely pluralist society.

Our people's past battles and their present-day aspirations, in unison with aspirations increasing in the world today, have made respect for and the broadening of human rights a requirement of our era. We are struggling to give that battle its full meaning and its universal dimension.

And to all those accusing us of dreaming of a society standing at attention--a monolithic society whose citizens are passive and held on a leash--we repeat that if we are Communists, it is precisely because we reject a barracks society in which passive obedience, silence before the powerful, and resignation in the face of misfortune are the rule.

#### French-Style Socialism: Rebirth of Culture, New Human Relationships

Lastly, France needs a new rebirth of culture and the establishment of new human relationships.

We want schools that offer an equal chance and are wide open to life--a culture that will become the property of all men and women. We want a worktime that will no longer be synonymous with oppression, submission, and the hindering of personality development, and an extended leisure time that will be enriched with new opportunities. Attentive to all innovations, we want culture to be deployed in all its dimensions, from literature and the arts to science, technology, and physical and athletic activity.

Once again, our opponents will say: "A 'workers' orientation: narrow, sectarian, and threatening to creativity!" Those peddling that old story act as though they are not looking at reality in our country. It is exploitation of the workers, the monopoly of management by the employers, and the race for profits that are blocking the social impact that could come from the innovations and discoveries of researchers, engineers, technicians, and cadres. It is the difficulties and social handicaps of their pupils that are hampering the efforts of teachers and producing failures in school. It is the working and living conditions of the great majority that are depriving the artist of the dialogue with a public that his creativity requires if it is to develop fully. Narrowness?

It exists today in a system which subjugates cultural dissemination to the imperatives of polls, sacrifices a wide openness to foreign contributions to a second-rate Americanizing invasion, and ruins the nation's cultural potential by mutilating its regional cultures.

What we must do in France, therefore, is invent a new historical face of culture that will, at the same time, permit new conditions for intellectual activities.

A fundamental improvement in human relationships is also needed.

Naturally, our party does not intend to set itself up as a director of consciences and dictate everyone's life. We have said that we are a political party, and not all individual problems are in the domain of politics.

But we cannot struggle against the inhumanity of capitalism and remain silent before the dehumanization it generates, before the law of the jungle that it takes as its standard, or before the crushing of the weak and the violence and contempt which are daily reality in this worn-out society. The French-style socialism that we want will continue our people's humanist battle by building the society of solidarity and responsibility needed by the men and women of our country.

#### Democratic Path

Being a system of democracy and self-management, the socialism that we want for our country cannot be built except by following a path that is also democratic, by respecting the majority's will at all times, and by maintaining clarity concerning the objectives and stakes, while finding its expression in universal suffrage. We are working in that direction with a will to seize every opportunity to move forward without covering up reality or deceiving consciences. We are doing so in the conviction that any success, even partial and limited, and any new right obtained in action constitute a fulcrum making it possible to overcome the obstacles put up by the Right and the employers, modify the balance of social and political forces step by step, and thus progress at the rate desired by our people toward the new society.

That is the great prospect which inspires all our action, and we conduct our fight with that prospect in mind.

For the past 18 months, we have been participating in the government--in the majority--with the will to use every opportunity offered for advancing toward the solution of the problems. We are doing so in awareness of the considerable advantages available to France, which leave it much more than just "room for action." Far from being content with doing a little less badly than other countries, France has the means for doing much better and ensuring itself of real independence of action in setting out on the path of genuine renewal.

It is in that spirit that I want to emphasize a few guidelines--decisive in our opinion--that will make it possible to continue the work that has been underway since May 1981.



## Reconquer Domestic Market

In the first place, to loosen the vise of external constraint, real priority must be assigned to reconquering the domestic market. It is necessary--and it was we who came up with the idea--to "produce French."

Naturally--and quite the opposite of what is said by those pretending to take alarm--such a process is not at all aimed at doing away with exports. On the contrary, we are resolute opponents of any "turning in on ourselves," and I have indicated the new forms of international cooperation that our country could establish. But we feel that it is only on the foundation of a solid and expanding domestic market that our country will be able to play a bigger role in the world.

Today, the bulk of the investments by most of our big firms--including those that have been nationalized--are made abroad, often in a basically financial form, and productive investment in France is very inadequate. That trend is a dangerous one, because it diverts from our country the considerable resources that are produced here, and it must be reversed. A rapid increase in competitive products on the national territory must take priority over the export of capital.

In addition, French banks must be reoriented as a priority toward the financing of national and regional production.

## Increase Purchasing Power, Reduce Capital's Messes

In the second place, it is necessary to increase the purchasing power of the workers and reduce capital's messes.

According to the employers, the firms do not have adequate financial resources for financing that revival of national production. In their view, social security contributions and wages are excessive.

Their argument does not hold up for at least two reasons.

First of all, the level of wages and social contributions is actually a long way from being higher in France than among our main competitors, and all comparisons show that better wages and higher labor productivity go together.

Next, everyone realizes that a reduction in the purchasing power of the wage earners and the incomes of independent workers, which come from labor rather than from speculation, can only increase the problems because it reduces the possibility of markets for our products.

It is therefore necessary to increase purchasing power at the low and middle income levels and to preserve it for all wages covered by bargaining agreements and statute.

Of course, the problem of resources for development remains. That is why it is necessary to reduce the real costs that burden the firms, because there are in

fact excessive costs burdening the firms. Not, as I have just reminded you, the wages and social gains that are actually means of progress and economic efficiency, but sterile costs that jeopardize the future of the firms. What I am referring to are parasitic and speculative capitalist charges in France and abroad: the manifold amounts taken from the wealth produced in the firms to inflate private fortunes and the excessive financial costs of production and consumption in the national and regional interest--costs that indirectly benefit the well-off who collect high rates of interest.

Those resources exist, and they are considerable. Today they are being wasted. They must be used for the revival and modernization of the national economy.

#### Ensuring More Qualification and Rights for Workers

In the third place, it is necessary to ensure higher qualification and more rights for the workers.

The development of training and information for the workers--the deployment of their initiative--is a crucial question.

To respond to what is at stake in new technologies, data processing, and automation, it is necessary to satisfy the workers' vast need for better qualification and to move toward a gradual reduction of the gap that separates workers from technicians, engineers, and cadres. This effort for the rapid development of research and the social use of its progress to make vocational training a genuine national priority is the basic condition for the greater productivity of human labor. It must be part of a general research program for improving the conditions and content of labor.

#### Implement New Management Criteria

In the fourth place, it is necessary to implement new management criteria, explore new paths, and determine the outline of a new mixed economy in which the workers and citizens will exercise much broader powers.

A while ago, I emphasized the results of the monopoly on management that the employers have held for decades. The closing down of firms is not a fear for tomorrow: it is a reality today. The claim by the CNPF [National Council of French Employers] that the entire life of a firm must depend solely on the employer's decisions must be challenged so as to better develop the demands for a reduction of the messes inherited from the capitalists and for a sharing of management rights. The real "experts on the firms," to borrow the expression used by Gattaz to describe the employers, are those who work in the firms--from the skilled worker to the engineer and cadre and including the technician and the clerical employee. They are the ones who should be given new rights and new powers, notably in this essential field of management.

Our approach, therefore, is aimed only at building. It is not intended to replace one monopoly with another, but to introduce pluralism in a field which has previously been the preserve of a few.

## Our Constructive and Unitary Attitude

Dear comrades,

In 1981, French men and women expressed their support for a new policy aimed at solving our country's big problems: 4.5 million of them voted for our party's proposals. That is a valuable base of support. But the majority of the leftist voters voted in favor of the proposals supported by Francois Mitterrand.

By respecting that choice, we have ensured the defeat of the Right, since we have taken our place in the majority and the government. We have done so with a clear objective: to seize every opportunity offered to advance in solving the problems. We are therefore making, and we will continue to make, our constructive and unitary contribution to the work underway within the framework established by universal suffrage and with the means it has made available to us.

Naturally, respect for the choice made by the French does not in any way presuppose a denial of the personality of each of the forces now constituting the majority. Effective action by that majority presupposes, on the contrary, a respect for pluralism--for the originality of points of view. That is what led me to deliver this talk on the way in which the Communists view the crisis and the way of coping with it.

The Left has now been leading the country for 18 months. Positive measures have been adopted, but even so--and all analyses confirm it--the crisis is continuing and becoming deeper. Far from wanting to disguise the extent of the task awaiting us, we want to show that we can handle it. It requires intervention by the workers and initiative by the great majority.

This is all the more true in that pursuit of the policy of social and national progress is encountering fierce resistance from the forces of money. Although deprived of political power, they are still able to exert considerable pressure. They are deliberately sabotaging the new policy and trying to change the course of its implementation. Preserving the essential elements of their privileges and creating the conditions for their return to power constitute their objective.

## French Need Big Communist Party

Our party will spare no effort to defeat that appetite for revenge. That is the meaning of the nationwide action it has decided to undertake for the revival of the French economy, social progress, and workers' rights. It is also the meaning of the French challenge to the crisis, which we are calling on the workers and all our people to take up today.

Once again, as you can see, our battle has no adversary except the forces of the past and no objective except to satisfy the aspirations of our people and the needs of our country. That is why--we are convinced of it--experience is showing and will show the French that they need a big Communist Party.

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CSO: 3519/160

## MARCHAIS SPEECH AS DISENGAGEMENT INDICATION DENIED

Paris L'HUMANITE in French 1 Dec 82 p 1

[Editorial by Jacques Coubard: "Read the Text"]

[Text] The event did not--for once--pass unnoticed. The address by Georges Marchais at the PCF Central School has attracted the attention of most commentators because it comes in the very center of the debate--at a time when the prophets of the "free world" are predicting an inevitable apocalypse.

The fallout from the crisis that is eating away at the capitalist system is painful and dramatic but not at all inevitable. Georges Marchais provides the diagnosis and the treatment: we can push back the evil starting now. There are solutions.

Here and there, though, people are taking the opportunity to "discover" the analysis made by the Communists. Paul-Jacques Truffaut, for example, after noting on RTL [Luxembourg Radio and Television] that it is a "reference text," imprudently asserts that "the CP is recognizing the existence of the international crisis after denying for years that it really existed." At the very least, that indicates ignorance of what the Communists have said time and again on that subject. The starting point for their reflection was in fact an article by Georges Marchais that was published in L'HUMANITE on 10 June 1971. At the time, it earned us sarcasm, a few examples of which were recalled yesterday by the secretary general.

Eleven years ago, he wrote: "The crisis affecting our country in every area of national life is not a sudden and temporary event." It was "an aspect of the general crisis of capitalism, but a particular aspect, specific and particularly acute."

Since then, the CP's approach has been marked by a certain number of texts, books, and congresses that have developed and refined it on the basis of new international and national facts in the crisis. As the years passed, and under the test of reality, that conclusion was confirmed: we have--in France--the resources for coping: for putting an end to this mad race for profits.

The growth of the evil, the feverish campaign by the pretorian guard of the party of money, their offensive against the leftist government, and their appeals

for resignation and sacrifice on the altar of capital made it necessary to take stock of the situation. Georges Marchais announced at the L'HUMANITE Festival that a document would be published, and it has now been done.

So there is no "pretext" involved, as claimed by the RTL editorialist, who thinks he detects in it--or would like to detect in it--"the first serious indication of a future disengagement by the Communists from the leftist majority."

Let us be serious! The matter is too important, and it has been close to the hearts of the Communists for too long. It has nothing to do with any politicking self-interest or any scheming suited to the occasion. Quite the contrary, this analysis of the crisis, with the solutions that Georges Marchais proposes to implement beginning now, confirms us in our will to do everything possible to contribute within the government, in Parliament, and in the country to a solution of the serious problems that exist.

We are not setting ourselves up as "lesson givers." That is not the style of the Central School or of the French Communist Party. We have put our hands to the plow. Without delay. In order to reconquer the domestic market step by step and bring a revival of our economy, social progress, and workers' rights. And to advance in that way, "without covering up reality or deceiving people's consciences," toward the new society--French-style socialism--that will put an end to that anachronism, the capitalist system.

It would be better to read what Georges Marchais said in his text than to listen to his exegetes. In order to grasp the full meaning of the French "challenge to the crisis" and thus better ensure the defeat of the common front of revanchists.

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## CHIRAC ON RESULTS OF GOVERNMENT'S LABOR, BUSINESS POLICIES

Paris LE FIGARO MAGAZINE in French 29 Oct 82 pp 70-73

[Interview with Jacques Chirac; date and place not specified]

[Text] [Question] Pierre Mauroy recently said that, with regard to social affairs, the government was "adapting" and not "regressing." What is your opinion?

[Answer] Every day, the French are noticing a growing gap between the promises of the presidential campaign, the governmental commitments of the first year of the 7-year term and the social policy being followed today, the result of which is, unfortunately!, jeopardizing the major social achievements of the last 30 years.

The gap between promises and results is immense:

The main goal of the socialist-communist coalition was to stop the rise of unemployment: It has continued and the government, aware of its inability to keep the promise of the president of the republic--to prevent the threshold of 2 million unemployed from being crossed--is changing its priorities and is beginning a deflationary policy.

We were told that mass consumption would be sustained: The standard of living of the French is already declining.

We were promised an improvement in social welfare: The Beregovoy plan is starting to destroy it.

A development of contract policy was desired: Collective bargaining between trade unions and employers is deadlocked and a two-sided negotiating system such as UNEDIC [expansion unknown] is experiencing the most serious crisis in its history.

The commitment was made to lower the age of retirement: The regulation which established the principles of this reform has still not been applied; the level of pensions paid to future workers taking early retirements will be less than that provided by the guaranteed income system established before 10 May 1981; workers who have already taken early retirements will be required

to make an additional contribution of approximately 8 percent, thus reducing their purchasing power by that much; as for regular retirees, their pensions will no longer be based on wages and will be subject, to a large extent, to the government's good will.

This is the first time in our recent history that a government has caused itself to make so many repudiations. But that is not the most serious aspect. Until 10 May 1981, despite the crisis, successive governments had managed to maintain the standard of living of the French, to improve the situation of the most underprivileged and to guarantee social welfare. Today, under pressure from a strained economy made worse by its own mistakes, the government is jeopardizing those achievements. To be honest, it was possible to avoid following the irresponsible policy that led to this result, which is really an unprecedented social decline. Under these circumstances, the fact that Mr Mauroy says the government is "adapting" fools no one. The government is trying to delay the inevitable: empty coffers, an intolerable foreign debt, a threatened currency despite two devaluations.

I am afraid that the art of verbal illusion, in which the prime minister excels, will not be able to deceive the country in the long run.

[Question] In your opinion, is the social policy followed since 10 May 1981 "generous"?

[Answer] What does generosity mean when it is immediately followed by austerity and constraint?

The few examples which I mentioned show that there is not much left of the generous intentions displayed at the beginning of the 7-year term. The social heritage, bequeathed by the governments of the Fifth Republic, is itself being undermined more every day. What a paradox it is to see a socialist and communist government follow a policy that is no longer social at all!

In the beginning, using demagoguery and denying the most obvious realities of the crisis, it promised everything, drained the state's coffers and eliminated the desire of all those who innovate, produce and work to undertake anything new. It is now reduced to providing for the most urgent needs. The French understand the need for strict management. They are ready to accept the cost of the crisis, but not the cost of their leaders' mistakes. How could the latter retain any kind of credibility in the recovery effort, both inside and outside our borders, when they are the authors of measures that have contributed to weakening the French economy?

[Question] For the socialists, social justice, above all, consists of making the wealthy pay. What is your own definition of social justice? Should it be a priority goal of any government or aren't there limits to generosity?

[Answer] Actually, today, social justice as practiced by the socialists ends up making everyone pay: Not one Frenchman will escape the social consequences of their management.

For me, social justice is defined, first of all, in terms of a priority effort in behalf of the most underprivileged and in terms of seeking better security for everyone: job security, a secure standard of living and security of social welfare. Such a goal can be achieved only if our economy becomes dynamic and competitive again, which will naturally require considerable effort. An ambitious social policy cannot be built on a declining economy. Present government management, based on the administration's invasive economic planning, is resulting in elimination of the desire for initiative and success. Social partners themselves no longer dare to conclude agreements for fear that they will be rejected by the government or that they will be forced to accept prefabricated solutions which they would not have freely negotiated.

As I see it, social justice requires an economic recovery and the restoration of a contract policy respecting the independence of social partners, employers and trade unions, in relation to the government.

Moreover, it implies greater social mobility. Situations must not be equalized, at the risk of standardizing our society and eliminating all incentive for work and individual success; everyone should instead be given real opportunities for personal advancement. It is customary to contrast security and responsibility. These two concepts must be reconciled. The policy of social innovation, which I would recommend, is very closely linked to this point.

[Question] Today, compulsory tax contributions in France are approaching 45 percent of national income. During your term as prime minister (from 1974 to August 1976), these transfers continued to rise, whereas you are personally opposed to their increase. Does this mean that political power is exercised regardless of the will of government officials? More generally, in a consumer society, should taxes mainly affect the consumer or income? In your opinion, what is the level of transfers beyond which a society becomes collectivist?

[Answer] When I was prime minister, despite the handicap represented by the first oil shock, I made sure that France regained a growth rate that the present government would be very glad to achieve. Moreover, during that period, purchasing power increased steadily. Thus the growth of transfers for social welfare, to aid families and the most underprivileged, was compatible with our economy's potential. The situation is quite different today, in the stage of recession and declining living standards that we are experiencing, and when public taxes have constantly increased. It is vital for our businesses, for employment, and thus for workers, that compulsory tax contributions be stabilized and then reduced. I am convinced that the government budget and social programs would gain from such a policy, which is based more on the increase in wealth, in taxable items, than on the increase in the levels of taxation. Beyond a certain threshold, already exceeded in our country, the latter have a harmful effect: Taxes kill taxes. They discourage all those who want to work, to undertake new projects, to succeed. As a result of the inflation of public expenditures, they lead to increased government control over all of the nation's activities. In reality, they go hand in hand with the establishment of a standardized society in which power is everywhere and nowhere, lost in the cogs of an administration that is irresponsible



because it is excessive. One of the first recovery measures to be taken, as soon as public finances have been put back in order, will be to reduce compulsory tax contributions. This measure will be symbolic of the desire to restore confidence and hope to all those, wage earners, professionals, independent workers, business leaders, officials of professional and trade union organizations and civil servants, who are racked with bitterness and discouragement over the growing difficulty of acting and creating.

[Question] We recently published a document on the fiscal terrorism that is developing in France. What do you think of it?

[Answer] Your investigation illustrates one of the most disturbing aspects of the socialist-communist coalition's behavior. It does not trust the citizenry. Anyone who doesn't think like it does, thinks wrong. Anyone who doesn't submit to its will, is going against the will of the people. Anyone who protests, is a dangerous agitator. This government is inherently right: No one has the right to doubt it! The fiscal inquisition derives from this state of mind: The socialist state is naturally more suspicious than trusting; it believes in administrative procedures more than in people, in controls of all kinds rather than in individual initiative. It tries to monopolize all power, as though the power which it already has, through democratic means, were not enough. All methods are appropriate for discrediting the opposition. Television must be in the service of the government. This rejection of checks and balances, which are necessary for the exercise of democracy, is a dangerous phenomenon that will grow worse with the passing months and which is unique among Western democracies.

[Question] The freeze on prices and wages is coming to an end. What are your economic forecasts for the coming months? Do you consider a third devaluation inevitable?

[Answer] The freeze is going to end, but beginning 1 November it will be followed by an authoritarian price and income policy whose spirit and procedure I consider to be directly opposed to the needs of the French economy. A rigorous policy is necessary: The crisis still exists and the accumulated mistakes of the last 18 months have aggravated our situation. But the method employed cannot produce good results. Company heads will no longer control their prices. Being actually subject to a system of administrative control, how will they have the maneuvering room necessary to cope with the increase in production costs and to obtain the means to invest, export and create jobs?

Trade unions will be forced either to simply rubber-stamp a reduction of the standard of living or to refuse to sign agreements. What will become of contract policy?

The government, pressed for time and sensing the oncoming penalty for its failure, no longer trusts anyone. It wants to decide everything, prices, incomes, companies' futures. It is turning its back on the principles which guide good managers of modern economies: continuity in action, encouragement of free, responsible and innovative social and economic partners; in short,

a dynamism that is basic and not imposed from above by means of decrees or memorandums. The price freeze is an illusion: The thermometer is artificially frozen, but inflation is increasing because the root of the evil has not been attacked. For example, inflation cannot be combated by allowing the budget deficit to increase 25 percent from one year to the next. At the same time, unemployment may well rise as a result of the current deflationary policy.

As for the third devaluation that you mentioned, for the sake of our country I hope that it will be avoided.

Without the confidence of citizens, workers and business leaders, and without those in power possessing sufficient credibility, no economic policy has any chance of success.

[Question] Andre Bergeron believes that the current social policy will result in a 3- to 4-percent reduction of the purchasing power of government officials. In our magazine, Professor Aftalion himself announced a 5-percent reduction of purchasing power for all of the French. What do you have to say about these "historical records"?

[Answer] I have already said that our country was entering a stage of social decline. The forecasts which you mentioned concur with my own assessment: In less than 18 months, neither the economic policy nor, which is more astonishing, the social policy of the socialists has succeeded. We will have to wait for other majorities, for other choices and for other administrations to rediscover the paths to social progress: The attempt will be difficult, but possible if the prerequisites for trust are again met.

[Question] The Beregovoy plan has been described as "austere" and "realistic." Do you agree? What are your principal criticisms?

[Answer] The Beregovoy plan is the government's third attempt to plug the Social Security deficits. In November 1981, the decision was made to collect additional contributions of 15 billion from workers and businesses. In July 1982, benefit increases were postponed until a better time, although they were promised by the president of the republic. A month ago, he realized that a new deficit of 30 billion francs was unavoidable in 1983.

There is something disturbing about this inability to control the situation, as evidenced by the frequent change in recovery plans.

The Beregovoy plan, which is the most recent, marks a decline in social welfare: The establishment of a fixed hospital rate, elimination of the indexing of retirement pensions according to wages, elimination of about 8 percent of the purchasing power of workers who have taken early retirements, as a result of the institution of an additional contribution.

In view of the size of the deficit and the impossibility of turning to the national budget, which is itself in the situation known to everyone, perhaps the government didn't have many choices. But how could it let things go so far?

The crisis exists, of course, but it also existed before 10 May 1981; there were even two oil shocks.

In reality, the government is heavily responsible for these deficits: because of its poor management and its inability to deal with rising unemployment, which limits the revenues of social programs. The solution to this problem, as well as to others, demands an economic recovery. Without our businesses regaining their dynamism, creating wealth and jobs, there will not be any balance of social programs. Moreover, the principles governing our Social Security system were established in the years following the Liberation. It is time to make an overall review of the purposes, organization and methods of financing social welfare programs. Minds are ripe today for such an inquiry.

[Question] In view of the bankruptcy of the unemployment compensation system (30 billion to be found quickly), can France continue its policy of aiding the unemployed?

[Answer] UNEDIC is going through a serious crisis: It has to find 37 billion francs between now and the end of 1983. The size of this deficit is explained by the growth of unemployment during the last year. From now on, it is clear that the level and conditions for payment of benefits cannot be maintained. The government also wants to require additional contributions from businesses and those who are insured. I have always condemned the abuses of which some malingers were guilty. They are particularly intolerable now that the system is experiencing a serious crisis. We have been told that they must be found and punished, that is true. On the other hand, the institution's future and the measures planned worry me. Additional contributions will further reduce the purchasing power of wage earners and increase the expenses of businesses. I remain very attached to the independent and egalitarian nature of a system that is the work of social partners. They must find a solution to this problem together. The government must resist the temptation to take over UNEDIC.

[Question] The president of the republic, the prime minister and the minister of economy constantly praise the virtues of private enterprise. But several months ago, Pierre Mauroy told the Senate: "Nationalizations are the expression of French genius." What do you think of these inconsistencies and contradictions?

[Answer] The government's contradictions should no longer surprise us and I hope that French genius has other opportunities to express itself outside of nationalizations.

Nationalizations have obviously not made it possible to launch an industrial policy and will not make it possible to assure continued employment tomorrow. On the other hand, they are now a prohibitive expense; whether it is a case of stockholder compensation, whose burden will double in 1983, or their growing deficits, which jeopardize their investment capacity.

As for private businesses, they know what to believe concerning the government's so-called solicitude.

[Question] Do you consider the application of the Auroux laws compatible with maintaining entrepreneurial freedom?

[Answer] The Auroux laws involve two illusions: They are supposed to be concerned with workers' rights, whereas their practical effect will be to strengthen trade union power, and primarily that of the CGT [General Confederation of Labor], in businesses, at the risk of paralyzing some of them. Their purpose is ostensibly to develop collective bargaining at a time when the government, by implementing an authoritarian price and income policy, is reducing the scope of collective labor agreements and dealing a low blow to contract policy.

I hope that the opposition considers these two real problems: How to better meet the expectations of workers? How to relaunch contract policy? With regard to the first question, it will be necessary to make the organization of labor and working hours more flexible and to develop part-time jobs. Workers should be included more in the life of the company. To develop collective bargaining, the government will have to reestablish the conditions for the social partners' full responsibility.

[Question] Will the socialist government be able to withstand the increasing economic and social demands of the Communist Party and the CGT for long?

[Answer] The president of the republic made it a point to include the Communist Party in the exercise of power. It was therefore natural for that organization and the CGT, true to form, to seize bastions and levers of control while reserving their right to make increasing demands. And they are doing so very cleverly, but I am afraid that it will be a painful awakening.

[Question] For several months in France, we have seen the development of new social movements affecting the liberal professions, skilled labor, business leaders .... Is this just categorical, short-lived discontent or a more profound political reaction?

[Answer] These various social categories rightly believe they are a preferred target of the government, that they are being used as scapegoats for its failures, or that they are subject to higher and higher taxes and social contributions. They have the feeling that their role is not being recognized, that their dynamism is suspect, that their jobs are being gradually controlled, taken over or limited by the administration. They feel rejected by this government. Their present reactions are neither superficial nor categorical, as the government would like to believe. They express profound anxiety concerning the future. They all have in common the fact that they possess a share of initiative and responsibility. They are necessary for a society's dynamism, freedom and progress. Refusing to recognize this will lead the government to serious miscalculations. In my opinion, the restoration of confidence and the success of recovery measures require their active contribution, which implies full and complete recognition of their role and their status.

[Question] Could the current economic crisis speed up the failure of the socialist experiment and if so, how soon?

[Answer] The current policy's failure may pose a serious problem one day for the president of the republic. Under the constitution, he is the one who will have to pay the consequences.

[Question] One of your principal advisers, Alain Juppe, recently said: "Before a platform, the opposition needs ethics." What are your ethics?

[Answer] Trust is a word that I have frequently used during our interview. Confidence must be restored and hope must be given back to all those who are tempted to fold their arms and helplessly watch our country's social and economic decline. It is also necessary, while adhering firmly to our principles, to consider the frustrated hopes of our fellow countrymen who believed in French-style socialism. Together, we must all rediscover the spirit of initiative and faith in our future, with no one being excluded from the work of national recovery.

Each citizen's scope of freedom and independence must be expanded, whether he works for himself or is employed by someone else, and excessive government intervention must be curtailed. Freedom and responsibility are the foundation of a new republican humanism.

The measures that will have to be taken to get the country out of its present situation will thus be able to succeed.

11915

CSO: 3519/136

## DEBATE ON FUTURE DIRECTION OF VVD PARTY

Amsterdam DE TIJD in Dutch 10 Dec 82 pp 10-12

[Article by Gerard Driehuis and Frank van der Linden: "The Liberals' Struggle for Direction -- Nijpels Must Never Become a Genscher"]

[Text] Is the VVD [People's Party for Freedom and Democracy] taking over the legacy of the sixties? How left will the right become? Ed Nijpels ("I find it terrible to be standing here in the name of reactionaries") is under pressure from "tough boys" not to become too rightwing. [sic] But in the meantime, a real struggle of direction is raging. Will the VVD become a liberal party after all? And why did the Des Indes group meet so mysteriously again this week?

"Whatever happens, the VVD will not get talked about," Wiegel once boasted. Bluffing was his trademark. And why not? How could anything /unpleasant/ [printed in italics] ever happen in a party in which /nothing/ [in italics] happens?

In the meantime, it is no longer even /unpleasant/ [in italics], but /awful/ [in italics].

Office seeking, squabble after squabble, hair splitting, and as a final bombshell a real and ever higher flaring struggle for direction. A parallel with the democrats of 1966 imposes itself: they too won a large number of seats, suddenly received substantial power and, in a short period of time, to their own surprise, they had to weather storms of criticism and an internal struggle. The outcome is well known. Does a similar spectacular fate await the VVD? The latest public opinion polls provide fruit for thought; noises within the party even more. The political course in particular is a source of differences of opinion. But first of all -- always exciting -- a few reports on the squabbles.

## The Golddiggers

There was first of all the long procession of golddiggers. Thus, in recent weeks there was Dr A.C.A. Dake, manager of Deltakabel Holding, with a story filled with sad details. At an early stage of the government formation, he had already informed Ed Nijpels that he would be an excellent candidate for

/media policy/ [in italics]. Like Dr Ferry, he was considered too much of a lightweight. When Swietert's departure took place, he presented himself again. In a letter to Nijpels he recommended himself for /defense/ [in italics]. When Dake returned from a business trip to the United States and learned that the choice had fallen on Hoekzema, he said in the Hague circles that the VVD had done everything in its power to locate him. But America was so large and, at wit's end, they decided to look for someone else. "If I hadn't been in the States, I would have been sitting in that chair now." Dake, Swietert, Hoogendijk, Hoefnagels, the procession of office seekers who did not make it is impressive.

Then there are the office seekers who did make it, and with whom the VVD managed to generate at least as much publicity. The inevitable Jaap Metz. At one time, he was a star reporter for nothing less than DE TELEGRAAF, but according to our information he was also one of the top reporters for the VVD /newspaper/ [in italics] which appeared during the last elections. Because the VVD leadership is -- understandably -- creating the impression that the appearance of this kind of minor figure was a coincidence, an unintended misfortune, not foreseeable, on the list by accident.

#### Struggle About Course

The reality is different. President Jan Kamminga (who, as a matter of fact, says that he himself has also done business with F & S [expansion unknown] Properties; his broker's office has rented out three stores for F & S and never received a commission): "Granted: he made a substantial contribution to the writing of the VVD newspaper. As a matter of fact, he was closely involved with that campaign. And he is not only a good friend of Ed Nijpels, he also accompanied him in every area expected to be full of snares and pitfalls."

There was no lack of snares and pitfalls; Nijpels definitely needs someone like that right now. Kamminga commented: "No problem is too much; in spite of everything, he certainly gets to you in the newspaper or on television." Indeed. The newspaper was full of it, television could not be reduced to silence. That Metz. Swietert, Metz, Ploeg, Verkerk-Terpstra. Wiegel now: "You are getting quite a party after all."

But what party exactly? Because, while the turbulent growth of the liberals may have involved some shadiness at the personal level, it also would appear that the struggle about the course to be taken could definitively break out at any time. It all started with an excessive dose of candor on the part of parliamentary party leader Ed Nijpels in the NRC Handelsblad (which CDA [Christian Democratic Appeal] leader Bukman refers to as "sins of youth"). In response to a question on the position of the VVD with regard to the CDA, Nijpels said that the CDA is on the right and the VVD in the center. "The VVD wants to hold onto its position in the political center." What do you mean in the center, who is on the right then? "The CDA."

"That was a statement from our political leader, and we are bound to rally behind it." A sentence like this from Theo Joekes, an old parliamentary party hand, does not suggest a great deal of enthusiasm. Right: "I don't

feel like backing up that remark in an interview with you, because I find it a publicity remark, intended to be useful for the elections, but which should really not be considered as having any value at all. It is simply not true, of course. Generally speaking, I am willing to make my own breach, but enough has already broken the line of the leader in the past, and I prefer not to take part in that."

#### Pull to the Left

But in the meantime, it appears that at the top level of the party, purposeful /organization/ [in italics] is taking place to give form to that /pull to the left/ [in italics]. President Kamminga admits that efforts are being made to integrate the JOVD [Liberal Youth Organization for Freedom and Democracy] -- the youth organization of the liberals -- into the party ranks. That is more far-reaching than it sounds. In terms of VVD ideas, the views of the JOVD are dangerously leftwing and their entry into the party would confirm the road indicated by Nijpels: the VVD as FDP [Free Democratic Party] of the Netherlands. JOVD President Eric Brinckmann noted: "And that is exactly what we want."

General Secretary of the VVD W.J.A. van den Berg said: "If the VVD were to develop into an FDP, then the party would shrink. I consider that a far from desirable development. You would always get squeezed because you have to vote for the CDA or the PvdA [Labor Party], and that way you would hang yourself. Nijpels must never become a Genscher."

The JOVD happens to see Nijpels as an ideal leader, because he would be so /progressive/ [in italics]. Which is not in his favor as far as the secretary is concerned. "Nijpels is a product of the JOVD, that says enough. And young guys put things rather resolutely. The element of perspective will have to manifest itself more strongly in the future." There is also annoyance in the regions. Mr H. Freutel, president of the VVD branch in Voorburg, "does not believe that Nijpels' remarks on the place of the liberals in the political spectrum are correct." With distaste, he said: "I would definitely not take any pride in it if the VVD were to take a position on the left of the CDA. I prefer to see our party on a corner of the liberalism-socialism-confessionalism triangle."

#### Seesaw Position

These are statements which First Chamber member Dr G. Zoutendijk can identify with. "Such a triangular relationship in which any two are willing at a certain time to form a coalition with each other is good for Dutch politics. In the FRG, the CDU [Christian Democratic Union] and the SPD [Social Democratic Party of Germany] actually shut each other out, and therefore the FDP held the balance. This seesaw position has the advantage that for a little while you can exercise an enormous amount of influence on policy. But the disadvantage is that in the long run, you lose your credibility. Hence, we should not have ambitions in that direction. If the CDA and the PvdA were to shut each other out, this would seem favorable at /first/ [in italics] sight, but /ultimately/ [in italics] it would be unfavorable for us from an electoral point of view."



While Zoutendijk may be outspoken in rejecting the "left shift" of the VVD, others plead even more outspokenly for shifting the accent from conservatism to liberalism. Because in their eyes there is no really liberal party. One of those at odds is Dr E. Ronteltap, municipal council member for the VVD in Amsterdam. Two years ago, he already sent the respectable participants of the VVD congress into a fit by introducing a motion in which he insisted on a continuing discussion of the manner in which liberal principles should be put into practice. Discussions have never been a popular activity in liberal, at least VVD circles. "That exchange of views did not really get off the ground," he said. "True, a Liberal Manifesto was drawn up, but such a declaration should never have a smell of eternity to it. Fortunately, the discussion did take off in Amsterdam. During member meetings, question and answer games now rage between members and the municipal council fraction. We are finally being faced with the question of why we are saying what we are saying and why we are doing what we are doing. That was never the case in the past; at that time, everything was pulled through the applause machine."

Ronteltap noted "a movement in the direction of more room for different opinions." The propensity for */pure liberalism/* [in italics] which has developed, in concrete terms: "Ten years ago, under the influence of the government, we showed much greater caution in promoting social change. Now, more and more VVD members support equal rights for homosexuals, for ethnic minorities, you name it. The VVD is becoming less rightwing. Nijpels fits beautifully into that picture. Wiegel was always talking about 'we, thus the VVD,' while Ed fortunately places the liberal points of departure in a central position."

Friend Joeke

JOVD President Brinckmann stated: "Meanwhile, the whole tendency has been for the VVD to take over the legacy of the sixties. That sounds idiotic, because at the time this was after all essentially a leftwing movement. But our struggle for greater freedom for the individual, the shifting of decision making to smaller units, these are in fact ideals of the New Left."

But what about the acid remarks made by Joeke? "Friend Joeke should show what sort of statement he has up his sleeves, because declaring Nijpels' comments nonsense doesn't do it. If he were here, I would tell him that you cannot pin a party onto a 1978 approach. A party is not like a wine that keeps improving when it is stored. It is true that in the past the established order in the party oppressed the people who wanted to return to the original liberalism, but now so many new faces are being added that this cannot be kept up. I find that the most hopeful sign in the VVD. The most disappointing sign is that they are still looking for a good basis for cooperation with the PvdA."

This is the kind of VVD self-pity which only arouses the scorn of Voorburg President Freutel: "I clearly think differently about that. We have to stop blaming ourselves that way. If there has to be a */VVD-PvdA government/* [in italics], then the PvdA can slide over toward us."

### Remarkably Quick Turnabout

Meanwhile, Mr Nijpels -- this sounds quite a bit more VVD-like than Ed -- is being hauled over the coals. /It is no good/ [in italics], all those progressive goings on. Eric Brinckmann: "He is under pressure from the tough boys. He /does/ [in italics] things other than what he /wants/ [in italics] to do. He is, of course, substantially less conservative than he currently appears. People such as Rietkerk, Van Aardenne, have him more or less in a vice. They make sure that he operates more on the right (if you want to call it that) than he himself wants to."

It is indeed remarkable how quickly Ed Nijpels' turnabout became a fact. /Remarkable/ [in italics]: his activities on the homosexual front. We figured it out once. When he could still go his own way, and could make a fuss about everything that bothered him, he signed all parliamentary questions in the area of equal rights for homosexuals. Out of the 24 questions asked in this respect in 1978 and 1979, he supported 20. "Have the government officials taken note of the dismissal of Mr van A., who has been working for the Saint Willibrordus Hospital in Deurne, Brabant, for 7 years? Have the government officials also taken note of the reasons for this dismissal, specifically the homosexual nature of the individual concerned, as well as the fact that he wears an earring?"

### Tough Boys

There were four questions which he did /not/ [in italics] sign during that period. But they threatened, by divine authority, virtually to expel the homosexuals from the country. Thus, the GPV [Reformed Political Union] and the SGP [Political Reformed Party].

Those were the days when Ed Nijpels still complained: "I think it is terrible that I may be here partly due to the support of reactionaries." As for the likelihood of being there /without/ [in italics] the support of such types, he should have no illusions about that. Meanwhile, it has become clear that at least one-fifth of the VVD voters describe themselves as "on the extreme right." Nijpels apparently does not worry much about it, but he is stuck with those /tough boys/ [in italics].

On the banks of the Ee, another one of that kind is also active: Wiegel condemns Nijpels' flirting with the PvdA. "I don't find that either expedient or smart. (...) When you govern with a certain party, you have to put all your cards on that party, and that is the end of it. Later on you can see what happens. To speculate openly about other combinations does not improve the atmosphere and hence is not very smart practically speaking either. (...) Try turning it around: what would we say if the CDA were constantly shouting: we would actually prefer to govern with the PvdA? They used to do that all the time and it annoyed me no end."

### Common Enemy

But in spite of Wiegel and the other traditionalists, the Des Indes group met again on Tuesday evening to discuss the question of how to build a bridge

between liberals and socialists. And not only a theoretical bridge: as of this week, a totally new method will be tried in the Hotel Des Indes in the Hague. Thanks to Bram Peper (PvdA mayor of Rotterdam), who has recently also become a member of the group, henceforth there will be some work on forming the next government. Starting with last Tuesday (things went satisfactorily then), these meetings will have to serve to draw up concrete texts which at some time could be used as the basis for a government agreement. Peper and his PvdA colleagues Arie van der Hek and Wim Meyer will hold further talks with VVD members such as Molly Geertsema, Loek Hermans and Huub Jacobse, in January. Then nothing less than a /socio-economic agreement/ [in italics] will be negotiated. And all of that within that Des Indes group, of which Ed Nijpels was once one of the originators. A VVD participant commented: "The PvdA, the D'66 [Democrats '66] and we have one fantastic, unstoppable motivation in common: our common enmity with regard to the CDA."

8463

CSO: 3614/28

## COLUMNIST ON USSR REQUEST FOR ROTTERDAM CONSULATE

Rotterdam NRC HANDELSBLAD in Dutch 29 Nov 82 p 7

[Article by columnist, An Salomonson: "Must the Netherlands Legalize Soviet Espionage"]

[Text] With the arrival of Dr Viktor Beletski as the new Soviet Ambassador in The Hague, a fresh wind appears to infuse some life again in the Dutch-Russian relationship. Already in the first months of his stay here, a lively communication has developed--after 3 years of silence. The ambassador maintains intensive contacts with politicians, businessmen and the mass media and does not avoid publicity at all, as readers of NRC HANDELSBLAD have already been able to confirm twice.

It is clear that Beletski has come to the Netherlands with the intention of straightening out a number of matters in the diseased relationship between both countries. One of these is the eventual establishment of a Soviet consulate in Rotterdam. The Russians have been trying to get approval for that since 1971, but the Dutch government has stubbornly refused it just as long.

The ambassador now comes up with an unconcealed threat in his "Holland Diary" of 20 November in the Saturday supplement of this newspaper. He remarks in it namely that "if this problem is not successfully solved in the coming months, we will be forced starting next summer to transfer part of the transshipment from Rotterdam to Hamburg and Antwerp."

Beletski speculates that the possible loss of tens of millions of guilders of port dues and hundreds of millions of guilders profit for businessmen will get the government to think differently. At the same time it is known that he has promised heaps of gold to Dutch business, insofar as it is interested in projects in the Soviet Union, on condition that the consulate materializes. In short: The Netherlands is constantly put under pressure.

In fact, the port of Rotterdam is playing a significant and increasingly more important role for Russian shipping. In the first 9 months of 1981, 797 ships berthed in the city on the Maas, this year there were 1,175 by October. Both Mayor Van de Louw as well as his successor, Pepper, have consequently urged repeatedly for approval for a consulate. Their argument: The grain transshipment which now takes place mainly through Antwerp, would increase with proportional financial profit.

In their refusal, the respective ministers of foreign affairs have always shown a remarkable unanimity. Max van der Stoep (PvdA /Labor Party/) always a party associate (not a friend) of Van der Louw, answered in 1976 to questions from the Second Chamber that a consulate could be considered positively "if it can be demonstrated convincingly by the Dutch institutions and businesses involved, as well as by the Soviet organizations concerned, that a number of criteria are being met in such a way, that it can be assumed that general Dutch interests counterbalance the objections to a further increase of the Soviet presence in the Netherlands," consequently a definite no.

His successor Chris van der Klaauw (VVD /People's Party for Freedom and Democracy/) followed the same policy and that also appears to be true for the present minister Henri van den Broek (CDA /Christians Democratic Appeal/). According to the department's spokesman, "the distance between The Hague and Rotterdam is so small that the consular work in Rotterdam can be done very well from The Hague. The staff of the Soviet Embassy is more than sufficient for that purpose, it is much larger than that of the Embassy of the Netherlands in Moscow," consequently again a more than definite no.

In reality, it involves security interests. Rotterdam is by far NATO's most important supply harbor in time of international crisis. Generally, according to western experience, certainly a third of a Russian diplomatic staff is directly involved in intelligence work (and another third indirectly).

Consequently the Rotterdam port area has doubtless been mapped long ago, for Soviet diplomats can travel freely within a 30-mile radius just as can the Dutch diplomats in Moscow. The daily round trip of consular officials between The Hague and Rotterdam has facilitated that.

However, to legalize those practices, by granting approval for their own consulate--is not a great deal asked in such a situation? With such a consulate, exact observation of all movements,

in, around and above Rotterdam on a 24 hour basis becomes possible. In this respect, it should not be forgotten that the internal security of the port of Rotterdam is less than, for example, Antwerp (where the Soviet Union does have a consulate) and that also in the field of industrial espionage in the area something must be done.

An argument of a practical nature is added to that, namely that the expansion of the number of Soviet diplomats as a result of a new consulate, necessarily means a heavier burden for the organization which must keep its eye on the diplomats. This is not an attractive prospect in view of the lack of manpower in the agency concerned and the economies also affected there.

Is there reason to take seriously Beletski's threat, that the Russian ships will go elsewhere? Well, the port of Rotterdam has a few financial and technical advantages to offer. It operates rapidly, the transshipment is handled better than with the competition and bureaucratic concerns are minimal. Our city on the Maas definitely offers more quality than Hamburg or Antwerp. Consequently the price conscious Soviets will think a time or two before they avoid the port of Rotterdam.

The argument that the distance between The Hague and Rotterdam would be an obstacle cuts no ice. With a car you can make the trip in half an hour, consequently just as quickly as with an average drive in every large port city anywhere in the world. For that matter, the large bulk cargo ships do not even go through to Rotterdam, but anchor before the Europort. Then a consulate does not make any difference.

Anyhow the comparison with Hamburg and Antwerp, where Moscow does have consulates, does not hold water. In those cities a shuttle service with the embassy in the capital requires much more time.

As long as the disadvantages of a Soviet consulate in Rotterdam are so obvious and there are no credible advantages, the government's refusal is understandable. A rationally thinking diplomat as Beletski appears to be, should also have been able to realize that. He weakens his position by resorting to heavy artillery. Public blackmail is not the usual method of getting concessions between civilized countries. In this case, it is definitely counterproductive.

8490  
CS0: 3614/23

## MINISTRY OFFICIAL ASSERTS LAW-MAKING RIGHTS FOR SVALBARD

Oslo AFTENPOSTEN in Norwegian 16 Dec 82 p 39

[Text] Paris, 14 December. "If one should use the mining regulations on Svalbard--with first come, first served--as the basis for oil and gas exploration off the shores of the islands as well, it would be the same thing as to let loose a veritable race of the Klondike type. It would thus bring on the danger of economic and political conflict and lead to the weakening of the stability of the area." The Foreign Ministry's special advisor for polar questions, Per Tresselt, said this in a speech in Paris Tuesday evening.

In the speech, Tresselt dealt with Norwegian policy in the Barent Sea and on Svalbard, the points of conflict with the Soviet Union on, among other things, the different interpretations of the Svalbard treaty and the Soviet fishermen's violation of the fishing regulations around the island group, at the same time as he reviewed the problem with the "gray zone" farther east in the Barent Sea.

The speech, which was held at the Norwegian embassy for a selected group of Frenchmen from the defense department, the foreign office, research groups, and members of parliament, is a link in the embassy's continuing information work. By such lectures, the embassy hopes to engage leading Frenchmen in conversation on the more basic political questions in Norway and the northern areas in general.

After he had given an account of the historical situation behind Norwegian sovereignty over Svalbard, Tresselt discussed the reason why the local Norwegian administration on the islands has been strengthened. First of all, the political circles in Norway have become more conscious of the situation on Svalbard. Oil exploration was rather intense for a while, and there was a continual increase in interest in protecting the natural surroundings on the island group. This led to new regulations on, among other things, the establishment of nature parks and the regulation of air traffic and the building of airfields, he said. Tresselt did not hide the Soviet Union's strong opposition to this Norwegian policy, but for Norway, the main point was simple: Sovereignty also includes law-making rights, he said. If one should share this sovereignty with another national power, this would mean that one

would break the policy principle that was established in the Versailles Treaty which gave Norway sovereignty over Svalbard in 1920. And what is worse--it would lead to a completely unacceptable discrimination against the other countries that have signed the Svalbard treaty, he said.

It was clear from Minister Tresselt's lecture that it is far from easy for Norway to administer this island group that is more than 2,000 kilometers from Oslo, not the least because the Soviets are always protesting and claiming another interpretation of the Svalbard treaty. Not the least important issue here is the question of how far Svalbard has its own continental shelf, that is, whether the waters surrounding the island group come under the conditions of the Svalbard treaty, which would give the signatory states equal rights, for example, to oil exploration, or whether the waters around Svalbard are to be considered wholly Norwegian. In the treaty--which the Soviets signed in 1935--only the mainland is mentioned, and not the surrounding waters, Tresselt emphasized. He said one should realize that concrete issues, and not academic legality, influence Soviet policy.

Tresselt pointed out that the question on who will have the rights to oil and gas exploration around Svalbard has not become urgent yet because so far it has not been of current interest to begin explorations there. But the situation is different as far as fishing is concerned because of the establishment of the 200 mile economic zone. Here the Soviet fishermen sabotage the formal rules, even if they accept controls from the Norwegian Coast Guard, in practice, he said.

9124

CSO: 3639/40



## POLL: BOURGEOIS PARTIES FACE 1985 DEFEAT UNLESS COALITION NOW

## Overwhelming Majority of Parties Want Unity

Oslo AFTENPOSTEN in Norwegian 27 Nov 82 p 3

[Article by Egil Sundar]

[Text] An overwhelming majority of Conservative Christian People's Party and Center Party voters favor the formation of a bourgeois majority government, and the broadest support for such a coalition government comes from within the government party, the Conservative Party, where 87 percent of those questioned favor a three-party government, while only seven percent are opposed. This is according to a nationwide poll taken for AFTENPOSTEN by the Norwegian Polling Institute (NOI) last October. Based on this poll, a clear majority of voters representing these parties says chances are slim that any of the three parties will gain a majority unless they form a three-party coalition government prior to the election.

Viewing the three parties collectively, one gets the distinct impression that bourgeois voters want the conservative, the Christian People's Party and the Center Party together to assume the responsibility of government--in accordance with the results of the last parliamentary election.

In regard to recent suggestions there might be growing opposition to a bourgeois majority government among Conservative voters, the latest NOI poll does not document that idea. In response to the question whether they favor a bourgeois majority government or not, 87 percent of the Conservative voters said they favor such a government, seven percent do not and six percent "don't know."

This is the distribution of answers among Christian People's Party voters: 77 percent for a three-party government, nine percent against and 14 percent "don't know."

Among Center Party voters, 82 percent favor a bourgeois majority government, 14 percent do not and four percent "don't know."

It is also interesting to note how little enthusiasm there is among Labor Party voters for the idea of a broad nonsocialist coalition government. Eighty percent of the Labor Party voters--understandably enough--are against a non-socialist majority government, while nine percent favor such a solution and 12 percent "don't know." The attitude among Socialist Left Party (SV) voters is the same: 86 percent against and 12 percent for.

Among Progress Party voters, 45 percent favor a bourgeois majority government, while 43 percent are against such a solution. The distribution of answers among Liberal Party voters is this: 47 percent for, 35 percent against, 18 percent "don't know."

This was the first question on the NOI poll:

"At the Christian People's Party congress next year it will be decided whether the party shall enter into a coalition government with the Conservative and the Center parties. Do you want the Christian People's Party to be part of such a coalition or not?"

Some 58 percent of the Conservative voters said they want the Christian People's Party to become part of the government coalition, 32 percent are opposed and 10 percent "don't know."

Among Christian People's Party voters, the distribution of answers is: 64 percent for, 33 percent against and three percent "don't know."

Among Center Party voters, 69 percent favor such a coalition, 23 percent do not and nine percent "don't know."

Polling results further show that 21 percent of the Labor Party voters want the Christian People's Party to join a bourgeois three-party government, 63 percent do not and 15 percent "don't know."

The second question on the NOI poll was:

"The next parliamentary election will be held in 1985. Do you think chances are good or chances are slim that the three parties, the Conservative, the Christian People's Party and the Center Party, will gain a parliamentary majority by forming a three-party coalition prior to the election and running on the continuation of such a government?"

Among Conservative voters, 62 percent think chances are good we will have another bourgeois parliamentary majority in that case, 28 percent feel chances are slim and 10 percent "don't know."

As far as Christian People's Party voters are concerned, this is the distribution of answers: 59 percent feel chances are good for another nonsocialist majority if a three-party government is formed prior to the election, 31 percent think chances are slim and 11 percent "don't know."

Among Center Party voters, 50 percent think chances are good we will have another nonsocialist majority in Parliament, 33 percent feel chances are slim and 16 percent have "no opinion."

Among the Labor Party voters questioned, 18 percent think chances for a new nonsocialist majority are good, 67 percent think chances are slim if a coalition government is formed and the three parties run on the continuation of such a government.

Similarly, NOI asked if chances are good or if chances are slim for a bourgeois parliamentary majority in 1985 in the event a three-party government is not formed prior to the election and the three parties do not agree to form such a government.

The response to this question was particularly significant among Christian People's Party and Center Party voters: Some 68 percent of Christian People's Party voters feel that chances for a new bourgeois parliamentary majority in that case are slim, eight percent think chances are good and 24 percent "don't know." Among Center Party voters, 63 percent feel chances are slim, nine percent think chances are good and 27 percent have "no opinion."

Unless a majority government is formed, 59 percent of the Conservative voters feel that chances for a bourgeois parliamentary majority in 1985 are slim, while 22 percent think chances are good.

The next question on the NOI poll was this:

"Do you personally favor a nonsocialist majority government or not?"

As already mentioned--an overwhelming majority of Conservative Christian People's Party and Center Party voters responded that they favor a majority government. Seldom has such a cross-political view been expressed so clearly. There is no doubt that voter opinion will eventually influence the parties' handling of this issue.

#### Paper Comments on Coalition Prospects

Oslo AFTENPOSTEN in Norwegian 29 Nov 82 p 2

[Editorial]

[Text] If voter opinion were the decisive factor, it would be very easy for the Conservative Party, the Christian People's Party and the Center Party to agree on the formation of a majority government. For that matter, the issue is clear as far as the Conservative Party is concerned since the party consistently has expressed the opinion that our goal should be a majority government, especially since that would be in accordance with election results and voters' wishes. In short, the reason for the formation of a minority government by the Conservative Party instead of a coalition government by the three cooperating parties following the bourgeois election victory last fall was that the Christian People's Party and the Center Party independently decided to remain outside.

That means that if there is to be a change in government later in this parliamentary session, which would include the two centrist parties, the Christian People's Party and the Center Party must declare that they want to assume government responsibility. According to a poll which was publicized in the morning edition of AFTENPOSTEN last Saturday, an overwhelming majority of the two parties' voters feel that this is exactly what they should do. And the feeling is equally as strong among Conservative voters: They favor a bourgeois majority government.

As you know, both Kjell Magne Bondevik, Christian People's Party, and Johan J. Jakobsen, Center Party, have on many occasions expressed that they are well outside the government. Nobody ever had reason to doubt that they themselves consider it an advantage to their parties to play a kind of "liberal" on the political scene. But one can easily imagine the somewhat confusing impression that might create when spectators are looking for a more rapid and cohesive presentation. And in the real political situation, of course, it is not difficult to reason why a three-party coalition government, under active and decisive leadership, would provide even better results.

Joint bourgeois efforts to deal with the basic problems in our society should be the chief goal of the three parties which gained voters' confidence in the parliamentary election last fall. The Conservative, the Christian People's and the Center parties presented themselves as a joint bourgeois government alternative and that is clearly binding as far as the present session of Parliament is concerned. The problems we face, nationally and internationally, particularly demand the determination and the will to cooperate in order to provide responsible and whole solutions. This need can best be met by a majority government, where the cooperating parties already agree on a basic political course and the goals they want to achieve before the 1985 parliamentary election.

There can be absolutely no misunderstanding as to what bourgeois voters want. Not even within the Christian People's Party, where a large majority of voters agree with Kare Kristiansen's desire for cooperation. But, as we all know, the final decision about the party's possible government cooperation with the Conservative Party will be made by the party congress next spring. The Christian People's Party's decision will be a determining factor for the Center Party as well. In any case, we can now look forward to a clarification so that voters will know what to expect concerning an issue which for many of them seems like a basic one. Should the Christian People's Party and the Center Party decide to remain outside the government, it means we will have no joint nonsocialist alternative in the next election. In that case, the only realistic alternative to the Labor Party will be the Conservative Party a party which has shown willingness to assume government responsibility and by its achievements so far has also earned voters' confidence.

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CSO: 3639/34

## FOREIGN POLICY UNDER BODSTROEM: RETURN TO 'CLASSIC' PATTERN

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 9 Dec 82 p 12

[Article by Werner Adam: "The Swedish Conscience." Under Palme, it begins to operate again in a "classic manner" in foreign policy.]

[Text] The message seemed to indicate a wise course. Sweden, in the opinion of its new foreign minister, Bodstroem, must not see itself as the conscience of the world. And obviously addressing it to those doubters who, under the impression of rather contrary experiences, were mostly to be found among diplomatic circles in Stockholm, the minister added in explanation that otherwise his country would have to live in a "permanent psychological state of war with a great many countries."

That made sense. However, the conclusion drawn by Bodstroem from this insight that in future, instead of "criticism of systems," only "factual criticism" was to be exercised, made one sit up. Sweden would not concern itself with regimes per se but would limit its pertinent criticisms to individual events. Was this the birth of a new doctrine under which this concerned country would not raise its plaintive voice even against dictatorships any longer? Bodstroem's predecessor, Liberal Party chief Ullsten, for one, demanded an immediate explanation of the "Bodstroem doctrine" from Prime Minister Palme. The Swedish conservatives reacted with even greater suspicion. They voiced the suspicion that the Social Democratic government might perhaps be more indulgent only with communist countries.

#### The Rule of Criticism

As a matter of fact, Bodstroem had made only one exception in the announcement of his "rule of criticism" and had stated that South Africa was not included, and would continue to be condemned by Sweden. And Poland? "Poland, for example, can be criticized for instituting martial law and for outlawing Solidarity, but not as a system." The same reservation would also hold true for countries which continued to mete out the death penalty.

Even Social Democratic newspapers then had misgivings. They registered "uneasiness" in the highest party circles, and finally managed to report that Palme had read the riot act to his foreign minister and "declared the Bodstroem-doctrine dead." Had he? A spokesman for the foreign ministry

answered that the prime minister had summoned his boss [the foreign minister], but only to learn "somewhat more" about Bodstroem's "thinking." Bodstroem's cabinet secretary Schori tried to explain to foreign correspondents in Stockholm that what they were witnessing after 6 years of centrist rule was a return to the "classic active foreign policy."

It would be a great underestimation of Palme, were one to impute to him laxity in foreign policy matters. He had personally selected the new top echelon of the foreign ministry. Bodstroem showed "surprise" at his appointment, since he had been chairman of the umbrella association of trade unions of employees and civil servants for 10 years and was not even a member of the Social Democratic party. Schori, on the other hand, a particularly robust Social Democrat and his party's long time Latin American expert, could consider his appointment to the highest-ranking [civil service] position in the foreign ministry as a predestined promotion. And the third member of Palme's foreign policy executors--special ambassador for disarmament questions, Maj-Britt Theorin--had earned her spurs primarily as an activist in "peace movements," after she had not been taken very seriously as her party's defense expert, and not only by Sweden's generals.

That this "triumvirate" is still enmeshed in contradictions at present can be misunderstood only by those who do not take Palme's weight into sufficient consideration. Never mind "Bodstroem doctrine" or conscience of the world: cabinet secretary Schori is surely right. Since Palme's return to government, the Swedish conscience beats again in the classic fashion in foreign policy. It is especially moved by "dictatorships of the right," and particularly if a connection to the United States can be established. It stirs less, or not at all, if such dictatorships have a supposedly progressive--read socialist--air.

In his maiden speech at the United Nations, Bodstroem already had accused the United States of playing a "decisive role" in supporting "shaky dictatorships" in Central America. Although a U.S. delegate to the United Nations countered immediately with the question of how Sweden's concern with human rights was compatible with its generous development aid to Vietnam, the foreign minister also had an answer to that. At home, in parliament, he declared that aid for Vietnam, and also for Laos, was "politically important," as a "part of our endeavor to improve the chances of these two countries...to become economically and politically independent." By contrast, the attempt by other countries to isolate Vietnam politically was, in the Swedish view, an "unfortunate development."

### Starting Points

In the forefront of new foreign policy activities are Latin and, particularly, Central America--which can probably be attributed to Schori and his support for guerilla movements there. Palme's government wants to promote "the striving towards national independence, democracy and justice" there, wherever there are starting points. To begin with, Nicaragua and Cuba can count on increased support and broader cooperation. In the Swedish view, however,

Washington above all others should exert its influence on the "terror regimes" in Guatemala and El Salvador--Bodstroem: "Only parties with ties to the dictatorship were allowed to participate in the elections"--even though Washington sees the situation in Central America "primarily in an East-West perspective."

From Palme's perspective, it is deplorable that the United States sees an obstacle to a Namibia solution in the presence of Cuban troops. "The illegal occupation of Namibia and part of Angola by South Africa has nothing whatsoever to do with the presence of Cuban troops in Angola," the Swedish head of government declared. The statement was made while hosting Tanzanian prime minister Msuya, and he assured him on the same occasion that Sweden intended to become "more active" in the Southern part of Africa, also.

The greater the distance, the greater the involvement: this is not a very new, special characteristic of Swedish foreign policy. Under Palme, however, this policy is beginning to touch upon the Northern neighboring countries, and even upon Western security interests. The catchword is "nuclear-free zone." At present, Palme has his foreign minister visiting the Scandinavian capitals to boost a "nuclear-free buffer between the two large military alliances." The government in Stockholm blithely ignores the fact that two of the countries addressed, Norway and Denmark, are members of the Western alliance. If this fact is mentioned at all by the Swedish emissaries of "disarmament," then it is with an unmistakable undertone of regret. This holds true especially for "peace ambassador" Maj-Britt Theorin, who criticizes with a nimble tongue U.S. "permanent policy," but largely ignores that of the Soviets. This onesided fixation found eloquent expression in Ms. Theorin's statement that whoever demanded inclusion of the Baltic Sea in a nuclear-free zone only wanted to create difficulties for its contractual enactment. The only contradiction by the Swedish foreign minister consisted in calling such an inclusion of the Baltic Sea "desirable," but at the same time listing "reasons of international law" which was supposedly obstacles to this undertaking.

The Swedish "active" signals hardly fall on sympathetic ears in the conservative governments of Norway and Denmark. But among the opposition Social Democrats in both countries, they touch "peace feelings" in a way which cannot be of indifference to the respective governments. Thus Danish Prime Minister Schlueter saw himself forced to react in the United Nations with an abstention to a resolution calling for an "immediate halt in the development, production and deployment of additional nuclear weapons" instead of, as originally planned in accordance with most of the other NATO countries, voting against it. The reason: his Social Democratic predecessor, Joergensen, had threatened a parliamentary motion of no confidence if the government were to vote against the resolution. The resolution had been introduced by Mexico and Sweden.

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## FIGHTER AIRCRAFT ROLES, EQUIPMENT, COSTS BEING STUDIED

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-30 Nov 82 pp 18-21, 23, 27

[Article by Serge Brosselin: "Combat Aircraft"]

[Excerpts] The term "combat aircraft" is a general designation encompassing a complete array of aircraft designed and built to perform absolutely all military missions; in other words, aircraft capable of meeting the requirements of all possible crisis scenarios and types of conflict that military staffs can conceive. Any aircraft system designed to conduct any of the numerous and different combat missions--ranging from strategic bombing to interception, from tactical penetration to air-to-air combat--is part and parcel of what is known as combat aviation. The term thus has a very broad application and the efforts to develop and produce such multirole combat aircraft are equally broad and ambitious.

Actually, however, the term's limits are well-defined. They lie in the distinction to be made between aircraft designed to "make direct contact" and aircraft for which the very success of their mission implies avoiding such contact.

In this survey, we shall, therefore, limit our consideration merely to those aircraft optimized for air-to-air combat, interception, and tactical penetration, it being understood that the concept of achieving versatility with the same airframe will increasingly lend to having these three types of missions performed by one aircraft in the future.

When today's airmen ponder on ways and means of enhancing the effectiveness of air forces, does this aforementioned versatility spontaneously become their operational and priority objective?

All indications are that the reply to that question may be affirmative. In any event, one fact does support this view, namely the notion of primary mission and secondary mission to which military commanders and staffs often refer. For example, in France--but France is not alone in this case--the primary mission assigned to most FATAF (Tactical Air Force) wings in the event of war in the European theater consists in furnishing fire support to the First Army (and III Corps). On the other hand, FATAF's assigned secondary mission consists in reinforcing CAFDA [Air Command, Air Defense Forces] units in defense of French air space during the initial hours of a war.



Before drawing from this situation those inferences applicable to the characteristics required in the aircraft systems concerned, we must first make one explanatory observation. It must, in fact, be realized that this decision on the secondary mission was not made solely on the basis of operational considerations. It was dictated instead by another reality on which it was difficult to exert influence, namely an insufficient number of aircraft available to the French Air Force, a shortage which persists to this day. Moreover, we can point out, in this regard, that a study made about 6 years ago by the French Air Force inspector general had concluded that a fleet of 750 combat aircraft should be considered as a strength level below which it was highly desirable never to drop. Yet at the present time, the total combined number of CAFDA and FATAC operationally-ready combat aircraft is but 465.

If we add to this situation the fact that France, with its 550,000 square kilometers, has the largest surface area of any West European country and actually possesses but 135 aircraft truly optimized for interception of enemy aircraft, then we can really see, through this raw data, wherein our efforts should be directed, if funds so allowed.

Yet--and despite the obvious fact that it is a determining factor insufficiently emphasized by our military hierarchy and even by our manufacturers--the acquisition of airborne early warning aircraft would profoundly alter this present imbalance, because according to various evaluations conducted over the past few years these airborne radars will, depending on the type of system involved, make it possible to triple or quadruple our number of interceptors in a quick-reaction posture. But this issue is definitely not within the purview of this article.

The approach of selecting an airframe from which manufacturers then develop an aircraft capable of performing the two aforementioned missions can be seen in the Tornado, Mirage 2000, and F-15 Streak Eagle programs.

The Tornado was initially designed to be a long-range and low-level penetration aircraft, and it is still such an aircraft. The British decided, however, to also make it a fighter-interceptor with their ADV [air defense variant]. The Mirage 2000 is even more symptomatic of this approach in that from this program's very inception it was declared that this aircraft would be the "spearhead" [primary combat aircraft] of the French Air Force. As for the F-15, the Pentagon initially meant it to be an air superiority fighter for the European theater, but changes being incorporated in its radar--particularly highly sophisticated signal processing in the map mode--are increasingly transforming the F-15 into that multirole aircraft having both an air-to-air and air-to ground mission capability.

One principle we should always bear in mind is that the mission defines the weapon system and not vice versa as was, unfortunately, somewhat too often the tendency in the past.

Technological advances have, of course, directly prompted both aircraft manufacturers and users to change their thinking on this point. Yet the big

question now is whether tight budgets and ballooning development costs are not going to shift the logic of such reasoning in the wrong direction. It is difficult, in fact, not to fear that this may happen when we hear it bluntly said: "Some 10 or 15 years ago we still could afford things we did not know how to make; today we know how to produce things we can no longer afford."

It is quite obvious that development costs are currently the prime parameter in the definition of an aircraft. At the Farnborough Air Show, the Swedes clearly emphasized this harsh fact in outlining their plans for the JAS 39 fighter and specifically stating that the Viggen's successor must and will inevitably be built within its budget.

Authorities in France make no secret of the fact that the same policy will hold true for the next-generation tactical combat aircraft. But this complex problem is especially difficult to solve in that the aircraft industry is confronted with several unknowns. For example, it is impossible at the present time to foresee what the price of a kilogram of carbon will be by 1986-1987, and a fortiori by 1992-1995 when this aircraft is to become operational. As some indication of the magnitude of this problem, we note that the current price of a kilogram of carbon is approximately 300 francs and even 1,000 francs for certain special carbons. How will these prices evolve during the next 10 years? Nobody ventures to forecast what will happen. And yet carbon is a most important material which must be taken into consideration because it is estimated that the aircraft's total weight can be reduced 20 to 40 percent depending on the proportion of composite materials used in its construction.

#### Integration and CCV

Though the composites revolution is still in its infancy--an expert having told us that it is necessary to relearn how to design structural components developed with carbon--the situation is altogether different with that other technology which has already amply proved itself in the new generation of combat aircraft such as the American F-16 and F-18 or the French Mirage 2000 and 4000. The technology we refer to is obviously the control configured vehicle (CCV). This new concept will be incorporated in all next-generation "top-of-the-line" military aircraft without exception, whether it be the French advanced fighter project, the European ACA [agile combat aircraft] project announced by the British at Farnborough, the Swedish JAS program, and programs the Pentagon plans to initiate in the United States.

But why this CCV technology, and in what specific areas does this new way of viewing an airframe contribute to optimizing an aircraft's performance?

First of all, it must be realized that speed--and here we do not refer to rate of climb--is not the primary obsession of military planners. For the next-generation aircraft, they are much more interested in "agility" while simultaneously stressing the effectiveness of what they call "the aircraft-weapon system couple." And that is where the CCV concept becomes indissociable from the notion of integration.

As long as flight control and navigation systems had some characteristics of simplicity--that is to say as long as flying the "machine" did not necessitate continuous correlation of information furnished by independent sensors--these systems were relatively well integrated by the pilot's brain. This no longer holds true today because of the constantly growing sophistication of avionics and the importance of electronic warfare. These developments have increased the volume of available information, thereby correlatively necessitating a screening of this information. Consequently a prerequisite of improved aircraft performance is a better man-machine dialogue as well as a reduction in the pilot or flightcrew workload. Hence the notion of integration which consists in synthesizing the large mass of information so as to present it to the pilot in a more efficient manner.

Developing an aircraft according to the CCV principle is tantamount to entrusting automatic systems with the task of adapting all aerodynamics to the different external elements and to the pilot's demands at one and the same time. The aforementioned screening of information for data display purposes will be done by a computer incorporated into the attitude control system for whatever is related to CCV.

#### Other CCV Applications

CCV provides new responses to three areas essential to the aircraft's safety, namely flutter and turbulence control, and limitation of loads when maneuvering. We note, in passing, that some experts claim that variations in the camber of lift-structure profiles, as well as directional changes in engine exhaust gases, can be considered CCV applications.

Even though experts do not unanimously support this view, we cannot help but see therein a direct relationship to CCV.

There is no denying, on the other hand, that the application of CCV technologies will closely condition an airframe's structural strength and durability. At the present time, there are two possible methods of limiting wind-shear stress. One is the so-called "closed loop" method which consists in measuring the structure's responses in acceleration, and then, via a transfer function, feeding these responses back into conventional or supplemental control surfaces through a computer, provided these latter controls counter the effects of turbulence.

The second method--called "open loop"--consists in detecting and estimating the extent of the phenomenon producing changes in attitude and, knowing the aircraft's response to this phenomenon, forestalling that reaction by commanding surface controls to move in the opposite direction so as to negate the gust's effects.

The advantage of the second method--developed by ONERA [National Office for Aerospace Studies and Research]--over the first can be summarized as follows: given the fact that antiturbulence commands overlap but do not oppose steering commands, the technique of flying is in no way modified. On the other hand, its efficiency is linked to the good definition of a statistical model. A series of experiments conducted on a Mirage 3 aircraft equipped with fly-by-wire controls were able to lower the cockpit load factor by 25 percent.

In Europe, France first and foremost, the FRG with the CCV F-104G, and Great Britain with the FBW [fly-by-wire] Jaguar in 1981, are conducting research in an effort to make even further effective use of the possibilities offered by the control configured vehicle concept. Yet the most advanced research on even more futuristic concepts is unquestionably being done in the United States.

The United States has definitely taken the lead, particularly in radars, a lead it is difficult to challenge. But other countries like France, Great Britain, and Sweden may currently be in a position to narrow that lead somewhat. Such U.S. firms as Hughes and General Electric have set an example which Europeans are now beginning to follow. A modern radar must have a broad range of characteristics, including programmable pulse compression and low peak power, frequency agility and intrapulse diversity, tracking on discontinuous data, monopulse technique, and raid evaluation. For example, Ericsson officials have informed us that the new radar for the Swedish JAS fighter will use only high and medium repetition frequencies. The French RDM [multimission Doppler radar] will work on a PRF [pulse-repetition frequency] interposed between medium and low PRF's, thereby optimizing that radar for air-to-air combat and terrain following. Other things being equal, in the air-to-air mode the RDM will have a capability of detecting targets at a range of about 100 kilometers. The RDI [pulsed Doppler radar] will enable the Mirage 2000 to fire the Matra Super 530D [air-to-air] missile--version with active Doppler radar homing--against targets flying at altitudes higher (lookup) and lower (lookdown) than the Mirage itself.

Today's highly developed head-up and head-down display systems will--it is no surprise--continue to be incorporated in next-generation aircraft programs. Their actual position in the cockpit will depend, however, on changes that may occur in the layout of future cockpits.

For instance, the very high-g forces the pilot will have to sustain--8 to 10g according to some experts--during extended tight maneuvers, may require him to assume a more elongated posture in the cockpit. The resultant displacement of his field of view will, therefore, necessitate a different way of displaying the data he needs. Yet this hypothesis requires confirmation, because if we are to believe the pilots who have flight tested the F-16's inclined seat, the advantages to be derived from this solution are not sufficiently evident.

Nevertheless, if there is to be a change in information display systems, we may consider that it will be primarily by means of diffractive (or holographic) optical systems. There are high hopes for this type of wide-field-of-view diffraction optics--Thomson-CSF in France is working on such a system and Smith Industries in Great Britain has already installed one in a Jaguar aircraft--because their improved transparency compared with current HUD (head-up display) systems will simplify the pilot's task while at the same time their size will permit rear projection, without overload, of the information currently shown on head-down displays.

It is obvious from this brief and far from exhaustive survey that tomorrow's combat aircraft will differ fundamentally from today's. Its design philosophy is directly based on new technologies about which the experts themselves are at times skeptical. But the person who is surely likely to be least surprised is tomorrow's pilot. Admittedly he still has a great deal of time ahead of him. We asked an aeronautical engineer how he felt that pilot would react. The engineer replied: "It's hard to say because he's still in nursery school." And what if this were not a facetious remark?

#### Mirage 2000 and Mirage 4000, Primary French Combat Aircraft

Designation: AMD-BA [Dassault-Breguet] Mirage 2000 (France).

##### Characteristics

Single-seat interceptor and air superiority fighter; wingspan: 9.1 meters; length: 14.35 meters; wing area: 41 square meters; combat mission weight: 10,670 kilograms; maximum takeoff weight: 16,500 kilograms.

##### Powerplant

One Snecma M53-5 engine rated at 5,600 kilograms static thrust dry and 9,000 kilograms static thrust with afterburning.

##### Performance

Maximum speed at 11,000 meters: Mach 2.35 (2,495 kilometers per hour); speed at low altitude: Mach 1.2 (1,475 kilometers per hour); rate of climb at sea level: 249 meters per second; time from brakes off to 15,000 meters and Mach 2: 4 minutes; combat radius with four missiles and two 1,700-liter jettisonable fuel tanks: 800 kilometers.

##### Armament

For primary mission of interception: two DEFA [Directorate for Weapons Research and Manufacturing] 554 30-millimeter guns, two Matra 550 Magic [dogfight] missiles and two Matra Super 530D missiles; for strike mission: 5 tons of various external stores on nine stations; two-seat low-level penetration version: Aerospatiale nuclear ASMP [medium-range air-to-surface] missile.

Designation: AMD-BA Super Mirage 4000 (France).

##### Characteristics

Single-seat multirole combat aircraft; wingspan: 12 meters; length: 18.7 meters; wing area: 70 square meters; maximum weight, clean configuration [without external stores]: 17,000 kilograms; maximum takeoff weight: 20,400 kilograms.

### Powerplant

Two Snecma M53-5 engines rated at 5,600 kilograms static thrust dry and 9,000 kilograms static thrust with afterburning.

### Performance

Maximum continuous speed at 11,000 meters: Mach 2.2 (2,336 kilometers per hour); maximum speed at low altitude: Mach 1.2 (1,475 kilometers per hour); rate of climb at sea level: 254 meters per second; service ceiling: 19,810 meters.

### Armament:

Two DEFA 554 30-millimeter guns; maximum external load: 6,804 kilograms on four underwing and five underfuselage mountings.

### ACT: European Cooperation Imbroglio

There is general agreement at the present time in both military and industrial circles that it is still much too early to define the characteristics of the tactical combat aircraft (ACT) with sufficient exactness. The ACT is to eventually replace the Jaguar.

There are two main reasons for this consensus. The first, of course, has to do with the distant date the ACT is to become operational: initial deliveries will begin in about 1995. The second reason is the lack of funding. And in Europe, any talk of insufficient funds quite naturally prompts consideration of a collaborative program. Yet as a result of the latest "revelations" by the British at the recent Farnborough Air Show, utter confusion now reigns about the future of this European aircraft. Nor is this situation likely to be made any clearer by the Italian defense ministry's recent published statement to the effect that the ACA (agile combat aircraft) project--unilaterally depicted by the BAE [British Aerospace Corporation] as a trinational program involving Great Britain, FRG, and Italy--does not meet any specific requirement of the Italian oversight authority. Actually the future of the Jaguar's successor is closely linked to what happens to the ACA project. It is also hard to see how the West German company MBB [Messerschmitt-Boelkow-Blohm] could handle two programs at once, one as a member of the Panavia consortium, the other in bilateral cooperation with AMD-BA [Marcel Dassault Aircraft-Breguet Aviation].

We now have additional information on the reasons which prompted the British to launch "the ACA publicity campaign." In the beginning, the BAE's insufficient programmed workload led to making a decision, in principle, to initiate the program. Prime Minister Margaret Thatcher even insisted that a proposal to that effect be submitted as soon as possible. Inasmuch as the P-110 [advanced fighter project] had failed to gain military support, a substitute project had to be quickly proposed. That project was the ACA. But it would appear that the British are thus keeping two irons in the fire inasmuch as they are currently continuing research and development work on a STOL [short takeoff and landing aircraft].

In France, the general impression is that we are not prepared to sacrifice specifications of the next-generation tactical combat aircraft (ACT) on the altar of cooperation. In fact, French officials adamantly say that "there will be no recurrence of the Jaguar venture." So that is how things stand at the moment. But as associates of Marcel Dassault point out, countries such as France, Great Britain, and the FRG do not have, like the United States, sufficiently large financial resources enabling them to each singly undertake a program of such magnitude as the ACT or the ACA.

In any event, and subject to the reservations expressed above--it being understood that the ACT's critical design review stage will not really be reached until 1986-1987--the aircraft is expected to have the following characteristics. It will be highly specialized so as to perform each type of mission for which designed and have a self-defense capability. It will also definitely have the capability of performing sustained tight maneuvers for a very long time. The thrust weight ratio will, therefore, be a determining parameter. The jet engine's cycle will most certainly be a compromise reached on the basis of all the desired performance characteristics--rapid acceleration, low SFC [specific fuel consumption] etc.--although its operation must, of course, clearly take into account operating conditions encountered at 30,000 to 35,000 feet.

In addition, the aircraft should be capable of using relatively short runways.

It is also planned to make extensive use of advanced composites, and this should be no surprise. Likewise the ACT will most probably have fly-by-wire control systems and fiber optics links. Work is being done in this field and these controls are scheduled, in principle, to undergo a series of evaluations in 18 months. On the other hand, there are still two unknowns. The first has to do with the cockpit layout which is closely conditioned on the location and geometry of the air intakes, and apparently nothing specific has yet been announced about these intakes. The second unknown concerns the radar. There is talk, in this regard, of possible new architectures and also mention of how the addition of a PSP (programmable signal processor) is expected to give the radar exceptional flexibility. Yet it is no secret that its development will, in the final analysis, depend greatly on mastery of the Very High Speed Integrated Circuits (VHSIC) technology. But experts on this subject, both in government and industry, make no bones about such a possibility. Their verdict can be considered to have all the finesse of a guillotine: "Either VHSIC technology will be perfected by 1987 at the latest, or there will be no new-generation Doppler radar."

Tornado and Alpha Jet, Products of Collaborative Programs

Designation: Panavia Tornado (Great Britain, FRG, and Italy).

Characteristics: Variable-geometry two-seat aircraft: F. Mk 2 air defense version (GB) and interdiction-strike version (FRG); wingspan: 13.9/8.59 meters; length: 18.06 meters (GB) and 16.7 meters (FRG); height: 5.7 meters (FRG); maximum takeoff weight: 25,587 kilograms (GB) and 26,490 kilograms (FRG).

### Powerplant

Two Turbo Union RB. 199-34R-04-Mk 101 turbofan engines, each rated at 4,802 kilograms static thrust dry and 7,258 kilograms static thrust with afterburning.

### Performance

Maximum speed at 11,000 meters: Mach 2.2 (2,337 kilometers per hour); time to 9,150 meters: 2 minutes; combat radius: 740 kilometers (GB) and 1,385 kilometers (FRG) in hi-lo-lo-hi mission; ferry range: 3,220/3,890 kilometers;

### Armament

F.Mk 2 (GB) version: one 27-millimeter Mauser gun, four air-to-air missiles under the fuselage, and two AIM-9L Sidewinder air-to-air missiles on inboard wing stations; FRG version: two 27-millimeter Mauser guns, three underfuselage attachments and four underwing hardpoints for a total load of 7,257 kilograms.

Designation: AMD-BA/Dornier Alpha Jet (International)

### Characteristics

Two-seat trainer and light close support aircraft; wingspan: 9.11 meters; length: 12.29 meters (trainer) and 13.23 meters (close support version); height: 4.19 meters; wing area: 17.5 square meters; weight empty: 3,345 kilograms (trainer) and 3,515 kilograms (support); normal takeoff weight: 5,000 kilograms; maximum takeoff weight with external stores: 7,500 kilograms.

### Powerplant

Two Snecma-Turbomeca Larzac 04-C5 turbofan engines, each rated at 1,350 kilograms static thrust.

### Performance

Maximum speed at 10,000 meters: Mach 0.84 (912 kilometers per hour); maximum speed at low altitude: Mach 0.825 (1,000 kilometers per hour); rate of climb at sea level: 57 meters per second; service ceiling: 14,630 meters; low altitude radius of action (trainer): 430 kilometers; low altitude mission radius (close support): 565 kilometers; hi-lo-hi mission radius: 1,028 kilometers; ferry range: 2,872 meters.

### Armament

Pod containing a 30-millimeter DEFA 333 gun (France) or 27-millimeter Mauser gun (FRG); four underwing hardpoints with a payload capacity of 2,500 kilograms.

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CSO: 3519/172



## LONG-TERM BUDGET FOR TORNADO DEVELOPMENT, PROCUREMENT

Bonn WEHRDIENST in German 22 Nov 82 p 2

[Text] The costs projected for the tactical aircraft TORNADO up to 30 June 1983 are the basis for the 1983 defense budget and the projected budget up until 1986. The defense ministry calculates the cost of basic development and development-technological maintenance (ETB) at DM6,093 billion, and the purchase price for the aircraft at DM 28,294 billion.

## Basic Development and ETB

Up until now, the defense ministry had estimated the costs at 5,693 billion marks (cost as of 31 December 1980), or 5,903 billion (cost as of 30 June 1982). In addition to the overall price increase, development is now taxed at 13 percent instead of the 6.5 percent in the past. The defense ministry wants to finance the additional work from Research and Development Chapter 1420 of the defense budget as follows (amounts in million marks):

Chapter 1420								1982-	1987
Title 551.10	Total	12.1981	1982	1983	1984	1985	1986	1986	ff.
Development	4.916	4.042,5	372	340	161,5	--		873,5	--
ETB	1.177	--	65	110	200,5	240	203,5	819,0	358
Total	6.093	4,042,5	437	450	362,0	240	203,5	1.692,5	358

## Aircraft Procurement

As in development, the defense ministry uses flat-rate estimates of price increase rates, because the actual changes of economic conditions can only be entered into agreed on prices later. So far, the defense ministry has estimated 24,609 billion marks to 31 December 1980 or 25,797 up to 30 June 1982 (Compare WEHRDIENST 827 and 828/81). The defense ministry now wants to charge the Aircraft Procurement Chapter 1419 of the budget as follows (amounts in million Marks):

1419/554 02								1982-	1987
Total	12.1981	1982	1983	1984	1985	1986		1986	ff.
28.294	7.486	3.110	3.700	3.620	3.040	2.990		16.460	4.348

9328

CSO: 3620/114

## AEROSPATIALE OFFICIAL ALLIER DISCUSSES EXOCET, ROLAND USE

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-30 Nov 82 p 31

[Article by Serge Brosselin: "Aerospatiale's First Evaluation of Falklands War;" excerpts from comments made by Michel Allier, director of Aerospatiale's Tactical Missiles Division, on the use of the Exocet and Roland in the Falklands, at the Naval Exposition at Le Bourget 25-29 October 1982]

[Text] One of the high points--other than the defense minister's speech--of the Naval Exposition was the press conference held by Michel Allier, director of Aerospatiale's Tactical Missiles Division. In opening a discussion designed, inter alia, to assess the inferences to be drawn from the Falklands conflict, Allier said he deplored the fact that the AM-39 [Exocet air-to-surface missile] had demonstrated its effectiveness at the expense of an allied navy. In the following article, we have summarized the principal comments made by Michel Allier at the exposition.

"Of the six British ships sunk," said Allier, "three were hit by AM-39 Exocets, and this without causing a single death to the British." In this connection, Allier regretted that this absence of AM-39 responsibility for the casualties suffered by the Royal Navy had not been sufficiently emphasized.

This conflict illustrated the strategic importance of the Super Etendard armed with the AM-39. The aircraft enhances the missile's performance and vice versa.

In another connection, Allier revealed that the findings of an investigation, conducted by cross-checking all available data, have now firmly established that the Argentine military employed only one of the two Roland [surface-to-air missile] fire units they had. This all-weather fire unit had been airlifted to the Falklands by C-130 Hercules transport.

According to Argentine sources described by Allier as "precise, detailed, and concordant," this Roland fire unit survived all British air attacks made against it at Port Stanley. The British themselves acknowledge the loss of five Harrier aircraft, but it is not absolutely demonstrable that all of these losses are attributable to use of the Roland missile.

With further reference to the Roland, the Argentine air defense commander stated that the French-German surface-to-air weapon system had proved very effective in protecting the airport runway against all low-level attacks. This statement is corroborated by the fact that an Argentine C-130 had still been able to land at Port Stanley the day before British commandos captured the airport.

Evaluation of the Roland's effectiveness reveals that the eight missiles fired obtained the following results: four confirmed kills of British aircraft and one probable kill; one British bomb destroyed in flight; one missile launched against a target beyond the system's range; and an eighth launch, the results of which were unobtainable for unknown reasons.

According to the findings of Aerospatiale technicians, it is apparent that the Roland system was able to prevent destruction of the runway it was assigned to protect, and moreover that its mobility enabled it to elude British air attacks.

This conflict also demonstrated how important it is for ground and air forces to have stand-off missiles that make it possible to remain beyond the reach of enemy defenses.

Two other points must also be underscored, namely the British fleet's insufficient air cover, and the deterrent effect of the British nuclear-powered attack submarine.

8041

CSO: 3519/171

## OVERHAUL, REFITTING OF CRUISER 'COLBERT' DESCRIBED

Paris COLS BLEUS in French 20 Nov 82 pp 4-6

[Article" "The 'Colbert' Returns to Sea"]

[Excerpts] The cruiser "Colbert" currently lies at the refitting pier in the industrial zone of the Vauban docks. Its new coat of paint glistens in the bright autumn sun. This handsome fully rejuvenated ship will soon go back to sea after 63 weeks (14 months) of inactivity for what is called IPER (periodic downtime for maintenance and repair). This refitting operation, which began on 1 September 1981, is an epoch-making one in the annals of the Toulon Naval Shipbuilding Facility.

The main purpose of this refit was to modernize the Masurca [surface-to-air missile system] so that it can continue to perform effectively until 1995. The Masurca is a complex system with its target designation and weapons assignment unit which includes three computers, its two guidance units, twin launcher, storage and maintenance facilities.

Captain Bergot, the "Colbert's" skipper, explained to us that this modernization was purely technological. Nevertheless, it was a huge undertaking in that, it involved, for example, the installation of 30 kilometers of new cables and wiring.\*

#### Satellite Communications

The second major project in the IPER was the installation of support facilities for a satellite communications system that ensures better command and control of naval forces in accordance with governmental decisions. As a result, the "Colbert's" silhouette has been altered by the addition of two radomes of 2.5 meters in diameter mounted near the bridge. The "Colbert" is one of the first French combatant vessels to be equipped with this communications system.

Needless to say, this IPER was also used to perform all of the maintenance tasks that had been previously postponed; accordingly the ship's engines were completely overhauled.

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\* Masurca systems on the destroyers "Suffren" and "Duquesne" are to be similarly modernized.

## Living Conditions

Living quarters were also modernized particularly to adapt them to the new warrant and petty officer grade structure. We visited the warrant and chief petty officers' wardroom and judged its renovation to have been most successful. The ship's 60 warrant and chief petty officers (OMS) now have a very large tastefully decorated and furnished wardroom. Its adjoining smoking room is most attractive.

Other crew quarters were brought up to modern standards. Nor was the "midship locker" overlooked. The heads were also modernized.

The ship's doctor showed us the operating room, dental clinic, and sick bay, a combined facility comparable to that found on aircraft carriers. In addition to its complement of 550 men, the "Colbert" may have to carry troops, a commando unit. Hence its hospital equipment is highly important.

## Nearly 1 Million Man-Hours

The "Colbert" IPER was a major undertaking for the DCAN [Naval Construction and Weapons Directorate]. The project was directed on the ship proper by Armament Engineer Lesochon with Armament Design and Methods Engineer Duval as project manager.

The latter and Captain Bergot said they were very satisfied with the way navy yard personnel and the ship's complement worked together. A most cooperative attitude was maintained throughout the 14 months.

Navy yard personnel accounted for 800,000 hours of industrial-type work on this IPER, while military personnel contributed an additional 150,000 man-hours.

All of the work was completed on schedule.

The "Colbert's" captain praised the ship's draftees, most of whom had come into the navy expecting to be assigned to sea duty but instead had to accept the constraints of life on board a ship undergoing repairs. Some of them had been chosen for their civilian occupational specialties: sheet metal workers, wiremen, painters, etc.

As recompense, the captain did his utmost to have them spend some time on board operational ships of the Mediterranean Fleet. In this way, the draftees were able to do a bit of sailing in the Mediterranean. One of them even sailed through the Aegean Sea and the Black Sea on the [destroyer] "La Galissonniere."

To give the crew a change of atmosphere, long walks and picnics in back-country areas of the Department of Var were organized. Officers, petty officers, and seamen returned in the evening tired but delighted with these days spent away from the "Colbert" refitting site.

The IPER was an enriching experience for all: for all the officers who were confronted with difficult organizational problems; for the petty officers who came to close grips with their equipment as it was disassembled, reconditioned, and reassembled. Regular seamen and draftees also learned a great deal.

For the past month and a half, the "Colbert" has undergone all kinds of tests. Little by little, the navy yard's workers will leave the cruiser and it will resume its role as the flagship of the Mediterranean Fleet. It is scheduled to undergo a period of trials at the Fleet Training Center in the spring.

#### 'Colbert's' Assets

The Colbert was commissioned in 1959 as an antiaircraft cruiser armed with numerous guns. It underwent complete reconstruction and rearmament from 1970 to 1972. Today, the modernized cruiser is once again prepared to perform most effectively for 15 more years. As a command ship well-equipped with reliable modern communications facilities, it will protect the carrier group along with the destroyers "Suffren" and "Duquesne," both armed, like the "Colbert," with Masurca missiles, excellent medium-range air defense weapons.

"Colbert" has other assets, namely its 100-millimeter guns, its surface-to-surface Exocet MM-38 missiles, and also its strong hull shielded by light armor plate.

The cruiser Colbert is returning to sea. Here's wishing it a continued very brilliant career.

8041

CSO: 3519/173

## MISSIONS, ACTIVITIES OF FORCE IN LEBANON CHRONICLED

Paris KEPI BLANC in French Nov 82 pp 10-14

[Article]

[Excerpts] Our 1st Company led the [2d REP: Foreign Legion Paratroop] regiment ashore [at Beirut Port] at 0630 on 21 August after a trying night aboard the "Dives" [tank landing ship]. We immediately had to force a showdown with the Israelis who eventually turned their positions over to us. In columns of one, we cautiously moved forward into the port area, arms at the ready.

To our front: Dock No 1 and its wreckage, a wall of containers and gutted buildings. To our rear: the French colors flying from a tower-like structure on which they had been hoisted by the 1st Platoon to mark our presence. We continued our movement westward to establish contact with the Palestinians.

We turned a sharp corner, and there before us were soldiers in camouflage uniforms, and wearing helmets or red berets. They were Syrians. After a brief discussion between commanders, we relieved them in the most conventional military manner. The same ceremony was repeated somewhat later with the Palestinian Liberation Army (Palestinians trained by the Syrians) in front of a former bank building which for several days would constitute the first checkpoint west of the port, "Checkpoint Green."

The platoon immediately established a command post in the building and then began searching the area. Our men found a great deal of ammunition that had been abandoned all over the place, including various types of antitank mines protecting approaches into the area, and even satchel charges with electric primers and meant to totally destroy the building behind us. Later in the day a Lebanese army platoon joined us and took up position with our troops manning the checkpoint. Evacuation of the first Palestinians was about to begin.

We heard the sound of automatic weapons fire which grew steadily louder. The first Palestinians we saw coming were civilian men, most of them armed and accompanied by women and children. As the crowd swelled, the din of hundreds of submachine guns mounted, punctuated by the firing of RPG-7 rifles, 60-mm mortars, 106-mm recoilless rifles, and even a twin 23-mm antiaircraft gun.

Finally the trucks appeared. They were jammed with Palestinians wearing new fatigue uniforms and the traditional "keffiyeh" [headdress]. Each soldier carried a suitcase and his individual weapon: Kalashnikovs and RPG-7's in most cases, a few G-3's, M-16's, or Dragunovs, and--the rare exception--new Scorpions and Ingrams.

When given the signal, they began passing through our check point in groups of three or four vehicles at a time. A jeep from our headquarters then escorted them to the loading dock where a Greek commercial ship awaited them. The last truck had no sooner left the checkpoint than the crowd stopped chanting political slogans, the firing ceased, and little by little the people dispersed.

At the request of the Lebanese, the Americans, and the Palestinians, the 2d Platoon remained at the port an additional day. Then the entire company reassembled in West Beirut for a new mission.

How was our mission at the port? All of us will tell you it was exciting. It was also a new kind of action for the 2d REP, and certainly not the easiest.

#### Beyhum Place, Scene of 4 Years of Urban Combat

Phase 2 of "Operation Epaulard" began at 0800 25 August when the French contingent left the port to take up positions along the line of demarcation between Israeli and Palestinian troops. The column of "Greens" (1st Company) wound its way through honeycombed streets blocked by barricades, and tank traps manned by Palestinians and Mourabitouns (leftist Lebanese party of Nasserite ideology).

When our company arrived in its assigned control sector, it halted in a vast square, Beyhum Square, in the heart of a former residential neighborhood.

The apartment houses towering above us had obviously been elegant residences 4 years ago. The square, completely girdled with earthen ramparts higher than our trucks, was deserted and the facades of its gutted buildings were silent. Yet the Palestinians were there. Our guides located them for us and the company gradually proceeded to occupy the positions they surrendered to us.

The Beyhum Square defense system was manned by more than 400 Palestinian troops. Each building, even if severely damaged, was a veritable bastion. The positions had first been fortified with thick sandbag walls and then with buttressed concrete walls. These bunkers occupied the ground floor and the second floor. The third floor, also reinforced, was the living area.

From these fixed fortified positions--some housing heavy machine guns, others rifle squads--the Palestinians interdicted approaches to the square by delivering flanking fire on the antitank barrier minefields laid on the other side of earthen barricades blocking the streets. Indiscernible long-range observation posts were established on the upper floors from which snipers also controlled access routes and the suspect facades of neighboring buildings. Any reckless tank commander who showed himself outside his turret was asking for trouble!



A great deal of work was done to provide secure access and withdrawal routes. All positions were interconnected by an ingenious network of generally covered fortified passages made of 200-liter drums protected on each side by mounds of earth at least 3-meters thick. These passages led into each building's stairwell reduced in width with sandbags so that only one man could pass at a time. The main entrance to each building had been so modified as to constitute a trap into which grenades could be launched from the floor above. Provision was also made for a second escape route via the rooftops.

Trap doors, booby traps, remote-controlled rockets, mines, in fact all the "gadgets" of urban warfare were employed, including a system for destroying the fortified positions by remote control in the event of a withdrawal.

All in all, it was a remarkable example demonstrating the importance of engineer-type equipment, particularly earth-moving machinery, in constructing an effective defense system within an urban area, a system capable of successfully withstanding heavy-tank attacks, air and artillery bombardment, the effects of shaped charges that totally destroy the facade of a building but not the building itself, or even the direct flat-trajectory fire of 155-mm guns positioned barely 400 meters from their target, fire that causes even the thickest walls to shift. All of these fortified positions lacked depth, however. It is not likely that they could have long held out against well-supported and highly-trained infantrymen operating at night, engaging, if necessary, in hand-to-hand combat and accepting possibly heavy losses.

### 3d Company in Shatila, French Contingent's Southern Boundary

Shatila is a name we read in all the press and hear mentioned time and again over the radio.

On 26 August, the 3d Company left the port of Beirut to establish a line of positions along the Avenue of 22 November. The 1st Platoon bivouacked in the 1,001-Pine Forest [park] facing Shatila Square. The Lebanese army had not entered this area in 8 years and Palestinian refugee camps were nearby. The platoon was assigned the following tasks: controlling the square, reporting all military or paramilitary activity observed in the area, barring Abdel Nasser Street to all civilian traffic, preventing any infiltration of the 1,001-Pine Forest, in short, completely sealing off the area.

We were the company's and the regiment's advance guard point in an urban battlefield setting. The pine trees had been reduced to jagged shreds by mortar fire and air bombardment. The ground was cluttered with a hodgepodge of empty ammunition chests, clothing, placards, rubbish, rubble, and unexploded projectiles. After a rapid reconnaissance of the Palestinian bunkers, trenches, and different abandoned positions, we organized an initial position facing the square and hoisted the French flag.

We established a roadblock across Abdel Nasser Street which had been barricaded by numerous mined earthen ramparts some 2 meters high. We posted sentries to watch the rooftops and the deserted avenue.

But one question remained: who was out there around us? Light patrols were sent into the area adjacent to the square. Each patrol included an Arabic-speaking legionnaire. The patrols reported that we were surrounded by a veritable mosaic of Palestinians, pro-Palestinians, Amal group, Mourabitouns, and Syrians. The street was still mined, and we reported this to our headquarters. We already began seeing small inquisitive groups dressed in all kind of uniforms and civilian clothes, but each carrying a weapon, mainly Kalashnikovs. Every time we met one of these groups, we explained our mission to them.

The first few days, there was little civilian traffic. Each morning, however, we observed a stream of vehicles carrying Syrian units out of Beirut via the Shatila area. The platoon regrouped and put to practical use the recognition and identification training it had received at Calvi [2d REP's permanent station in Corsica]. On one single occasion, we counted up to 290 vehicles of all types: trucks, tanks, quad-gun carriages, self-propelled guns, etc. Simultaneously, and from the beginning, we prepared ourselves for life in the field: organization of the ground, reinforcement of firing and protective positions. Legionnaires wielded shovels and axes. Sandbags were filled by the dozens. Installing a shower did pose a few problems, but the local press praised the ingenuity and resourcefulness of our ultimate solution. Our day was divided between a variety of tasks: controlling squares and intersections, patrols, equipment and weapons maintenance, and preparation of meals. Our younger legionnaires took advantage of this opportunity to learn the art or occupation of cooking. Every evening about 6 o'clock, the fireworks started. The sky was filled with thousands of tracers, thereby reminding us that we were not in an altogether peaceful situation and had to remain vigilant. A few rounds from flat trajectory weapons also brought this fact home to us. These rounds crackled as they hit our combat posts, and occasionally a few rockets exploded nearby.

On the fifth day, the Lebanese army took up positions alongside of us. Our presence inspired confidence among the civilians who then began returning to their homes, or what was left of them. We counted up to 2,600 vehicles per hour, including 1,500 Mercedes--but not a single 2CV [Citroen 2-horsepower passenger car],--and clouds of dust to boot! The 2d REP's deterrence made itself felt, and confidence revived among the civilian population.

A few days later, Shatila Square had become a real Legion position: neatness, security, simplicity, effective resourcefulness, and all with formidable defensive elements in place.

It was with a small twinge of regret that we turned it over to another platoon and occupied another position. But that's another story. Indeed, for us it's the same old story!

#### Operation 'Epaulard I' As Seen by the CCS

After a stopover in Lanarca, Cyprus, we landed in Beirut at 0600 on 20 August 1982. We were initially housed in a dock shed which in the twinkling of an eye had regained its youthful atmosphere. The CCS [Headquarters and

Service Company] was assigned the mission of controlling the central section of the commercial port. And what is there in a port? Containers and fork-lift trucks. Combine these with a few legionnaire warrant officers and you end up with two walls of containers completely cordoning off our control area. Six days later, the CCS turned its shipshape position area over to the U.S. Marines and moved into the French embassy, a building scared by bullets and shell fragments.

Fond of the more rustic life, the CCS left these very luxurious quarters the very next day and moved into the Hippodrome, or to be more exact, into what was left of it.

This site among the rubble and ruins soon became a well-arranged, bright, and neat bivouac area. Its medical facilities, managed in masterly fashion, were particularly appreciated by legionnaires and likewise by visitors from other armed forces, American, Italian, Lebanese, and Israeli.

The CCS did not limit itself to installation work, even though it did make a name for itself by restoring the wall surrounding the ambassador's residence. In addition to its specific missions--administration, transportation, communications, medical support--it performed such tasks as clearing the Hippodrome of unexploded ordnance, and with excellent results (several hundred Katyusha rocket shells were removed from the rubble). The CCS also assisted in convoying PLO troops and regularly escorted the new guard assigned to relieve the old guard at the embassy.

While efficiently performing its normal duties, the CCS was also able to devote a large part of its time to specifically military actions and tasks: construction of combat emplacements, protection of the command post, security of installations, etc.

This adventure entered its final phase on 13 September when our men and part of our vehicles were airlifted by helicopter to the aircraft carrier "Foch," and the remaining vehicles were placed aboard the "Dives."

This entire loading operation was completed by 1630. That night, the "Foch" and the "Dives" weighed anchor and set sail for France.

Aboard the 'Dives' or a Legionnaire's Mediterranean Cruise

Embarkation in Larnaca of the French contingent of the MIF [Multinational Interposition Force] began as if for a routine crossing in the port of Calvi. Yet a series of minor incidents cumulatively impressed us with the extreme importance of the adventure we were heading for: constant to-and-fro movement of warships, nonstop succession of meetings and conferences, repeated briefings on our combat and peace-keeping mission, and the issuance of ammunition. At 1800, "to quarters." The LST "Dives" pulled away from the pier and headed for Beirut.

What did the troops think of the crossing? It left many of them with unforgettable memories. First of all, the sunset and the menacing silhouettes

of our escort ships standing out against the reddening horizon. Such a deployment of powerful ships for our protection gave us all a feeling of importance.

After 2100 the deck was off-limits to us. And yet we had to do our best to fight against incipient seasickness.

Below deck, there were some (very few) privileged persons who enjoyed a small cabin in which they slept the sleep of the just, lulled by pleasant air conditioning. The others ended up on the lower tank deck and tried to catch an hour or two of sleep, wedged between the vehicle lashing chains, in an atmosphere reeking with the smell of sweat and fuel oil. At 0300, companies were ordered to prepare to disembark. At 0400, lashings were removed from the vehicles. Our nerves were on edge at that moment. It was stifling and muggy. There were muffled thumps on the hull. We could see nothing. We knew nothing about what was happening outside. What was awaiting us out there?

The commandos prepared to board the LCVP [Landing Craft Vehicle and Personnel] to secure the dock area. The ship's engine slowed down. The order to the commandos was cancelled. "All clear. Ready to disembark."

With a final bump, the "Dives" drew into the landing dock. Its bow doors opened, suddenly flooding the interior with glaring sunlight. "Disembark." And we moved out, on edge at first, but our faces soon brightened. Before us was Beirut Port, immense, dirty, and dusty, with high-rise buildings in the background, all studded with shell holes. Awaiting us was a crowd of reporters, diplomats, and armed individuals. Flash bulbs popped as cameras whirled. We had expected worse. It was 0600. The mission had begun and our platoons moved out to take up positions throughout the port area.

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CSO: 3519/178

## BRIEFS

HELICOPTER, ARMORED CAR FIELD EXERCISE--Assault helicopters from the ALAT [Army Light Aviation] detachment of the 13th DBLE [Foreign Legion Group ("demi-brigade")] and AML-90's [armored car armed with a 90-mm gun] from that same group's reconnaissance troop jointly conducted a field exercise on 29 August. After making a short tactical approach flight, the helicopters fired and proceeded to withdraw under the protective fire of the reconnaissance troop posted at Myriam. Then the entire troop operated as an advance guard supported by a helicopter gunship. The exercise's excellent results once again demonstrated the importance of combined arms cooperation with ALAT, cooperation that enhances the combat effectiveness of men, weapons, and equipment when they are employed efficiently and judiciously. The 13th DBLE's heavy mortar platoon also had the opportunity of working with ALAT. The latter's Pumas [tactical transport helicopters] airlifted platoon personnel, along with their 600 kilograms of materiel in slings, a distance of several dozen kilometers where they were to participate in a maneuver. [Excerpt] [Paris KEPI BLANC in French Nov 82 pp 22-23] 8041

ANTITANK HELICOPTER EXERCISE--The 2d Squadron, 1st REC [Foreign Legion Cavalry Regiment] participated, for the first time with all of its AMX-10RC's [wheeled armored reconnaissance vehicle], in a field exercise conducted jointly with a flight ("escadrille") of antitank helicopters (HAC) on 8-9 September 1982. This exercise confirmed that the AMX-10RC and HAC combination constitutes a remarkably powerful and flexible team capable of conducting a delaying action, even over great distances. The presence of helicopters very satisfactorily resolves the difficult problem of disengaging the AMX's after a holding attack. The 1st REC thanks the flight crews of the 6th Combat Helicopter Regiment's Maitrot flight (based at Compiègne) for the "good job" they enabled the 1st REC to do, and also for having shown it all the ins and outs of cooperation with ALAT. [Text] [Paris KEPI BLANC in French Nov 82 p 24] 8041

NEW COMPANY FORMED--A third all-volunteer company was activated within the 4th Foreign Legion Regiment on 1 July 1982. Plans for constituting this new unit were made back in 1977 when the Foreign Legion Training Regiment was activated. This delay is attributable to the lack of room for the company in the Lapasset Barracks. As a matter of fact, the 3d Company is now temporarily housed in a "Fillod" hut [akin to a Quonset hut] pending construction of the Cheminieres Barracks, work on which is scheduled to begin

in 1983. Organization of this new company will make it possible to reduce the personnel strength of all-volunteer sections, thereby enhancing the efficiency of instruction and training. [Text] [Paris KEPI BLANC in French Nov 82 p 43] 8041

CIVILIAN-MILITARY REFUELING AT SEA--Our navy scored a major "first" in the Mediterranean on 4 October. On that day, a civilian commercial oil tanker refueled a military tanker for the first time at sea. The two ships involved were the replenishment fleet tanker "Meuse," returning from Lebanon, and the commercial tanker "Port Vendres" owned by SOFRUMA, a Brest firm. The "Port Vendres" is a 28,000-ton vessel chartered by the French Navy for 1 year. This highly successful refueling operation involved the transfer of fuel oil and gas oil and took 10 hours. The experiment offers new possibilities for our replenishment fleet tankers "Durance," "Meuse," and "Var," thereby considerably increasing the operating range of a carrier task force far from its bases. [Text] [Paris COLS BLEUS in French 20 Nov 82 p 21] 8041

CSO: 3519/173

## DEFENSE MINISTRY OFFICIAL: MATERIEL SHORTAGES 'FRIGHTENING'

Oslo AFTENPOSTEN in Norwegian 15 Dec 82 p 7

Text "There is no reason to conceal that I was surprised, really a little frightened, when I received an overview of the materiel shortages in the mobilized army," Secretary of Defense Oddmund Hammerstad said to AFTENPOSTEN. Neither can anyone deny that the army has been used as a budget-balancing area in the materiel budgets of the last few years in order to make ends meet, he said, but adds that both the political and the military leaders now have determined to correct this. It is also necessary to introduce more efficient methods and to reduce the level of ambition, Hammerstad says. He indicates reductions in both domestic organization and in the war establishment in order to make ends meet.

AFTENPOSTEN: Which deficiencies in the army frighten you the most?

Hammerstad: One of our goals in the time to come is the buildup of a new brigade standard, the so-called "Brigade 90." What surprised me was that even with the brigade standard we have today, and which we call "standard 78," there are quite a few deficiencies. The problem is that when we have decided to have a certain number of brigades, then we must, according to the way the system is today, double twelve times the equipment we purchase for one brigade. Today we have twelve "combined regiments" (CR) or brigades in this country, and this means twelve depots that have to be filled up. If we are to achieve the "brigade 90" standard in the years to come, we will probably break our back economically if we maintain too large a number of brigades. Only by reducing the level of our ambition and by making different priorities for the various brigades can we obtain a manageable size. Instead of this, we can, for example, set up several independent battalions and local defense units so that we can avoid much costly materiel connected with support and command functions in a brigade.

AFTENPOSTEN: By how many brigades must the army be reduced to achieve the goal?

Hammerstad: It would be wrong of me to name numbers at the present time. The supreme defense command has this under consideration and will come forward

with a proposal. But even if we perhaps reduce the number of units in the field army, this does not mean that the number of personnel mobilized will be reduced, but that they will be placed in other units.

I would like to point out that the deficiencies in defense mobilization today are, among other things, the results of the F-16 purchase and unsatisfactory full compensation through many years of the growth that was predicted in the budget. The Storting did not always fulfill the suggestions for savings and efficient operation made by the defense department, such as, for example, low-priority operations, and other organizational changes and combinations. This, together with the fact that several new projects were introduced "within the framework," as is said, led to economic drag that just grew bigger for every year that passed. At the same time, reductions were not made in the total defense structure, nor was there any systematic procedure to improve efficiency that produced results. The defense committee's opinion is that the drag just for the first three years in the present five-year program will be 1.3 billion kroner. In such a situation it is easy to turn to the acquisition of materiel and to the mobilization system as a budget-balancing item. Neither is there anyone who will conceal the fact that one result of this has been fewer and shorter maneuvers for the mobilized forces and the reserves than desired.

The situation in a nutshell today is that the army falls between at least two stools as long as one absolutely does not have enough money to build up a balanced defense and at the same time has to buy, for example, fighter planes, because the old ones are obsolete. The same thing applies, by the way, to submarines, and besides this, modern antiaircraft protection for airfields has been on the shopping list for 20 years. In the defense department we have now decided to correct this. We have therefore had to set the number of new submarines as low as six, and we must make an effort for the present on antiaircraft protection for airfields so that the army will have some means of correcting the imbalance.

It has to do with the acquisition of unit antiaircraft for the army's units, a large number of vehicles, antitank weapons and other items to increase the army's firepower and mobility.

Defense Secretary Hammerstad says that now in principle there will be a weapon in the mobilization depots for each man assigned to a unit.

These weapons are not always there because they are on "rotation in the system," as one says, either because they are on loan to training and maneuver battalions, to technical inspection, etc. If one were to compensate for the weapons loaned out to UNIFIL and training units, one would, according to Hammerstad, reach a large number. Such loans have admittedly always taken place. Neither is it necessary to acquire a double set of weapons, he says, if there is just a reliable means of returning the weapons to the depots in crisis situations. There is also an undersupply of certain weapons types. Hammerstad says that there are presumably too few of the standard weapon AG-3 to equip all personnel in all weapons branches with this weapon.



But the question is then whether everyone needs precisely this weapon. In the war plans there are examples of many functions where it is not necessary for those involved to be equipped with AG-3. According to Hammerstad, the army's supreme command is now at work on a critical survey to see who can be equipped with other weapon types so that the infantry units and the reserve can be completely equipped with AG-3. Others can be issued "SLG Garand," "Schmeisser," or "Mauser"--old, but fully useful weapons. The defense warehouses have many thousands of these weapon types.

The greatest deficiencies in the warehouses are certain types of ammunition, vehicles, communications equipment, and camouflage nets, Hammerstad says. But now the leadership at Huseby is bound and determined to provide for the army's need in the years to come, he says. In the long range plan for defense for the years 1984-88 there will be provision for giving the mobilized army priority. The same understanding is found in the supreme defense command.

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## COLUMNIST ON PSOE'S ATTITUDE TOWARD NATO

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Nov 82 p 12

[Article by Walter Haubrich: "Just Don't Rush Things With NATO--Decision About Continuing Spanish Membership Remains in Balance Under Felipe Gonzalez"]

[Text] Madrid, 19 November--Shortly before the Spanish parliamentary elections, Felipe Gonzales said: "Joining NATO is not a priority problem for us." Fernandez Ordonex, sitting next to Gonzalez, when questioned on the same subject, stated: "Quitting NATO is not a priority problem for us." And the two politicians, who were running on the same ticket, were pleased that they found themselves in agreement once more. The ticket of the two politicians who were in such paradoxical agreement--that of the Socialist Workers Party (PSOE)--achieved an absolute majority, and in a few days Felipe Gonzales will become the third prime minister of the young Spanish democracy. Fernandez Ordonez, who had voted for membership in the North Atlantic Treaty, is the leader of the small Social Democratic Party which will soon merge with the PSOE.

The nonsense about it being possible that the lack of priority of joining and the equal lacking of priority of quitting NATO are one and the same thing is easily explained: Spain has been a member of NATO only since 30 May of this year, and the negotiations about actual integration have barely begun. The Socialists therefore can pretend that their country as yet is not really a member. Gonzales' Socialist government is going to delay the negotiations for a start, but though it may not be a priority subject, NATO certainly remains a difficult subject for the new government.

The party--and particularly the head of the party and government--have promised to consult the Spanish people about NATO membership in a referendum. So far Felipe Gonzales has been wont to keep his promises, and that also forms the basis of the extraordinary credibility this politician enjoys with the Spanish people. In a referendum posing the clear question of a yes or no to NATO membership the majority of Spaniards, according to all opinion polls so far, would opt for quitting. Since the Socialists will be governing alone, they will not be able to use a pro-NATO coalition partner as an alibi. The Socialist politicians also know that the great majority of the Spanish military and particularly those who accept the democratic state are in favor of NATO membership. The Socialists want to avoid anything which might worsen

the definitely not simple relationship between their government and the armed forces.

To the Spanish military, membership in the Atlantic defense alliance means a great deal. Membership in NATO can give them new self-confidence, giving them the feeling of playing an important role again--and this time even in the international balance of power. Finally, many young Spanish officers are interested in technology, and NATO gives the Spanish Army access to new modern weapons, which could lead to a lessening of the untoward interest of the military in Spanish internal affairs. The Spanish officers could exchange their ominous inclination of being ever ready to save the country for the role of a partner in the defense of the Western democratic world. Necessary reforms in the armed forces--for example, a reduction of the size of the ground forces and, in turn, an increase in the size of the other two components--would be easier to implement on the basis of a NATO recommendation and as a measure of adjusting to the partners in the alliance.

The Socialist government too will have to have a regard for the partners in the alliance, even if Felipe Gonzales expressed the view not long ago that he did "not see why our friends among the Western countries would react negatively to Spain quitting NATO." The United States, which unlike the European countries urged the Calvo-Sotelo government to join, would seek to prevent Spain from quitting--with the means of persuasion possible in Europe.

Well, for the time being Spain will certainly not quit, and a referendum will not be scheduled all that fast--not in the first couple of years, that is. In the opinion of Elena Flores, PSOE representative for foreign affairs, the problem of the promised plebiscite is not all that difficult to solve. In an interview with this paper, she said: "The Calvo-Sotelo government was in a great rush to join NATO. We asked for a plebiscite at that time, because we consider the subject of NATO to be a question of particularly great importance for the country, and in such questions our constitution permits the holding of a referendum--a consultative referendum whose result does not legally bind the government in any way, though it has a moral impact which a government can hardly ignore. It stands to reason that our government will stick to holding a plebiscite. We will approach the NATO question in two stages. In the first stage we will freeze the negotiations about Spain's integration in NATO military organization--negotiations which incidentally have only just begun. The length of the integration negotiations is about a year, you know. It would not be reasonable to schedule a referendum immediately after an election campaign which mobilized the population and all politicians for several weeks, or before the municipal elections next March and April. The plebiscite will take place at an opportune time."

The wording of the question will be crucial in that referendum, and, according to Elena Flores, "there do exist some intermediate solutions--for instance, a membership such as the French one." As an opposition party, the PSOE had charged in the parliament that the Calvo-Sotelo government had not received any quid pro quo for joining NATO. Such quid pro quos are three in number:

1. Recognition, if tacit, of the Spanish claim to sovereignty over Gibraltar, with a firm date for new negotiations between Madrid and London.
2. A defense guarantee for the two Spanish towns in North Africa--and therefore outside the

NATO area--Ceuta and Melilla. (In both these towns the Socialists received all six of the parliamentary seats, having previously held none at all.)

3. A guarantee that no nuclear weapons would be stored in Spain.

Unlike other countries (Greece, Turkey), the Socialist said at the time, the Spanish government had done little to make its country's interests prevail in joining NATO. And here also lies the possibility of the new government reconciling its promise to quit the alliance again if a majority of the population so desires with the wishes of its own military and with the requirements of Western defense--about which, however, there also exist differences of opinion among the PSOE. The most important quid pro quo for Spain can only be implemented in Gibraltar. All Spaniards agree that Gibraltar must become Spanish again, and the military made it a special point to criticize the Calvo-Sotelo government for having entered into an alliance with a country maintaining a colony on Spanish territory.

Speedy negotiations with the Common Market and an earlier firm date for Spanish membership would also make the Socialist government more inclined to think over their attitude toward NATO, although the North Atlantic Treaty and the Common Market have no direct connection with each other. The new government, with its large majority in both houses, will be able to change its position vis-a-vis NATO only if it manages to get better conditions--quid pro quos--in new negotiations, that is, the assurance of a dual (Spanish-British) sovereignty over Gibraltar (even though this might be a purely formal arrangement at first) and progress in the EEC negotiations.

Such progress had been pleaded for already by Calvo-Sotelo when he told Federal President Carstens that he could not win any election with NATO membership alone. The latest elections confirmed this. If Spain were to receive some quid pro quos, it might also be possible for a Gonzales government in the second half of the legislative period to formulate the referendum question in such a way as not to pose the question any longer of Spain quitting NATO and to enable the government itself, in light of such advantageous new conditions for Spain, to recommend that it remain in the North Atlantic alliance. Until then, chances are, the uncertainty will persist. Spain is a formal member, and the negotiations about military integration will be frozen. Just the same, with its U.S. base, Spain remains tied to the Western defense system, with Elena Flores stating: "In a conflict between West and East, there is no doubt about which side Spain will be on--whether in NATO or not. Particularly a country governed by the Spanish Socialist Workers Party will share in the defense against a hypothetical attack by the Warsaw Pact against the Western countries."

Just as clear as this statement by the foreign affairs expert of the PSOE are the utterances by the defense policy spokesmen of the PSOE and by future Prime Minister Felipe Gonzales.

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## FRENCH PAPER QUESTIONS APPROVAL PROCESS FOR ARIANE ENGINES

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-30 Nov 82 p 31

[Editorial by Roger Cabiac: "Quality or Deadlines?"]

[Text] The board of inquiry established by the European Space Agency (ESA) and French Center for Space Studies (CNES) to investigate the 10 September failure of the Ariane L-5 [fifth] launch has released its findings. One of the commendable aspects of these findings is that they raise the fundamental problem plaguing the European space effort.

The board attributed the Ariane's failure to a turbopump malfunction in its third-stage engine. It said that the most probable cause of this malfunction was "damage to the pump gearing due to a combination of insufficient lubrication during ground tests prior to the engine's integration into the Ariane L-5 and a narrow operating safety margin even though within specified manufacturing tolerances." These findings certainly make interesting reading. Nevertheless, we ought to know the reasons for this insufficient lubrication and this narrow operating safety margin. The joint ESA-CNES statement released on 22 October is silent on this point. And yet....

And yet it has been quite obvious for a long time that a certain number of expedients or finesses were resorted to during different stages in the launcher's development. For imperative budgetary reasons? Certainly. For reasons of political expediency? Without any doubt. Commercial rivalry with the U.S. space shuttle? Of course. So many good reasons that must be taken into account when evaluating the present status of the Ariane program.

While the system of certifying launcher engines in the United States is based on 70,000 to 100,000 seconds of trouble-free operation, what are the certification standards in Europe?

While the time made available by launch postponements is readily used in the United States to check out the launcher's vital components and replace those parts presumed questionable, what are we doing in Europe? What was done when Ariane L-5 was awaiting its Marecs-B satellite? Was that time used to check the "in-storage" behavior and serviceability of the launcher's main components, and notably the engine which uses--and had used during previous tests--a mixture so relatively incompatible as liquid oxygen and liquid hydrogen?

Being totally objective, we must indeed admit that Frenchmen do have a few good reasons for not being too apprehensive about resorting to expedients. Frenchmen took risks, and successfully, during the initial phases in development of those delivery vehicles which now constitute our nuclear deterrent force. Still all this occurred in a strictly national program and within that military field of activity where secrecy may well hush up any failures. In the final analysis, however, the Diamant [three-stage launch vehicle] had definitely accommodated itself to these expedients. And so did the Mirage 4 weapon system, but with less risks it is true. In this latter program, the fact is that although the Atomic Energy Commission (CEA)--prime contractor for the program--was thoroughly competent in nuclear matters, it was much less competent in the industrialization field. This ticklish problem was resolved thanks to the experience of the Dassault company. That firm was assigned the task of developing and producing the delivery vehicle--the Mirage 4 [bomber]--, its navigation system and the housing for the atomic bomb.

The same seemingly cannot be said for the European space effort. The ESA and the CNES, the Ariane program's prime contractor, have no more competence than the CEA in industrial matters, a field in which Aerospatiale, the overall architect, and its French and foreign partners--all with unequal technological expertise--have certainly learned a great deal and scored remarkable and undisputed successes. Yet they still cannot claim to have surmounted, as the far-advanced Americans or Soviets have, all the difficulties associated with the establishment of a space industry.

Ariane is now facing a series of crucial trials. Its immediate task is to draw the appropriate lessons from its recent failure. Up to now, the Ariane program has sacrificed quality in order to meet deadlines.

Continued adherence to such a course of action is liable to stigmatize space-minded Europe with the distinctive public image of a continent that launches underwater satellites. Yet if Europe were to sacrifice deadlines for quality, would that not jeopardize the Ariane program's bright commercial prospects and thereby benefit the U.S. space shuttle? Such is Ariane's dilemma. Such are the stakes involved.

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## REPORT ON CASES OF ALLEGED POLICE TORTURE

Madrid TIEMPO in Spanish 29 Nov 82 pp 36-39

[Article by Santiago Aroca]

[Text] Amnesty International's latest report includes Spain among the countries where police torture is used. Reports by the parliamentary Committee to Investigate Mistreatment which worked during the last legislature, arrived at the same conclusion. TIEMPO now brings to light the results of those investigations. Photographs in this article were supplied by officials of the state security agencies. This report seeks to attract the attention of the new Socialist administration and to support the majority of the police groups that condemn the use of torture.

In its last report for 1981, Amnesty International insisted that the practice of torture continues in Spain.

It is not only Amnesty International. During the last legislature, the congress established a Committee on Human Rights which, in view of the repeated charges of mistreatment, became the Committee to Investigate Torture. We are certain and have the moral conviction, after reasonable consideration of medical reports and opinions, that mistreatment of individuals does exist. The most serious in its consequences was that suffered by Santiago Suarez, who as a result of such mistreatment had to have a testicle removed. This confirmation of the use of torture can be found in documents--to which this magazine has had access--appropriately turned over to the congressional offices and which the previous administration, after learning about them, preferred to conceal.

In the stories gathered by Amnesty International in the preparation of its reports, which were properly compared with doctors' opinions, the most frequent torture methods were described. The same techniques appear in the reports drawn up by the congressional investigating committee.

Briefly, the types of torture customarily used are:

The bathtub: The prisoner's head is introduced into a wash basin filled with water, excrement and any other filth the official can find. The victim can only breathe when he begins to suffocate. If he loses consciousness, a new session is begun immediately after he revives. It is a method that leaves very few traces.

The club: Beating a prisoner on the soles of his feet until they are broken and bleeding.

The bar: Considered the most painful and therefore the most useful method. The prisoner is handcuffed in a squatting position. An iron bar is then placed in front of his elbows and behind his knees. The bar is raised, suspending the prisoner between two tables, for example, so that he is hanging head down. This method has the virtue of inflicting unbearable suffering on the victim without breaking any of his bones. According to Amnesty International's most recent reports on Spain, some charges indicate that the victim's suffering is increased by the application of electric shocks.

The motorcycle: The prisoner's wrists are handcuffed behind him. Then he is seated, horseback fashion, on a chair, with his knees bent as tightly as possible. Then his legs are taken and placed on other chairs at either side of the victim, which causes intense pain. In addition, sometimes a helmet is placed on the victim's head to cause noise to deafen him.

The operating theater: The prisoner is placed on a table in such a way that the upper part of his body hangs down into space. Then he is beaten.

The missionary: The prisoner's hands are handcuffed behind him and he is made to kneel down. The torturer pulls the handcuffs up while at the same time driving his own knee into the spinal column of the victim.

#### South American Methods

All these methods are usually accompanied, again according to the aforementioned reports of the congressional committee and of Amnesty International, with simulated executions, threats, insults and beatings.

"Commissioner Ballesteros," we were told by a police officer working in the groups being directly coordinated by the present head of the Unified Command for the Antiterrorist Struggle, "has obtained torture manuals compiled by South American armies. This is how the "buzo" came to be used. The buzo is a simple blue uniform that all prisoners are forced to wear. It is a work uniform whose utilization is psychological, more than anything else. "The prisoners, as soon as they enter the Security Directorate," continued the aforementioned police agent, "are given a close haircut. They are forced to undress, in front of others if possible, to make it more humiliating, and they are told that their lives depend on whether they are willing to cooperate. Taking away their clothes is equivalent to depriving them of their own scent, of part of their personality."



When the prisoners arrive at the medical inspection department of the State Security Directorate, which was strengthened after the death of Joseba Arregui, they are beaten. Officials explain that the wounds and bruises occurred at the time of the arrest. This is not always true: the beatings can occur while the prisoner is being transferred to the agencies or before he is taken before the doctors. There have also been charges made by individuals who claim they were tortured with the aid of a doctor, apparently one from outside the state security medical services, although in the case of Joseba Arregui, some doctors have testified that they treated him during the interrogations, in view of his disturbing physical condition.

A doctor who serves in the State Security Directorate recently compiled a report, which he presented to the Socialist leaders, proposing certain measures to strengthen control over prisoners. "The most important thing," the report concludes, "is to establish systems that will force officials to present all prisoners at the Medical Inspection service of the state security agency immediately after the arrest has been made and, of course, well before interrogations start." The situation of prisoners in the Civil Guard agencies is otherwise. Very few of the detention centers are endowed with medical inspection services, which explains the fact that although accusations of mistreatment in the barracks are more frequent than those against the police, the number of cadres brought before the courts is smaller.

Obviously, the number of state security agency officials accused of using torture is very small. This can be concluded from a minute and detailed examination of the accusations made in the justice courts. Nearly 75 percent of those who claim to have been the object of torture and mistreatment have passed through the police agencies which are under the Unified Command for the Anti-terrorist Struggle.

"Torture," the same state security official declared incisively, "is the cause of frequent dissension among the commissioners connected with the information brigades. Martorell, who on paper is the head of the Central Information Brigade, has made vigorous efforts to end the practice of torture once and for all."

#### Defenselessness of Prisoners

It is almost more serious that those who suffer torture find themselves defenseless. The Interior Ministry has always answered this by saying it was a campaign to discredit the institutions and the police. This magazine has confirmed that almost 2 years after the accusations made by Amnesty International, which presented a report on 14 very specific cases of torture, both the Interior Ministry and the judicial system chose to forget the charges. After the first statements by Juan Jose Roson to the effect that those responsible would be investigated, the charges have been deliberately buried.

Xavier Onaindia Ribera, a doctor at the Residencia de Cruses in Bilbao, charged: "I have suffered fake executions, beatings, kicks in the genitals and electric shock torture in the chest area. Several sessions with the bar and the operating table. The physical mistreatment was accompanied by constant threats, deprivation of sleep, insufficient food and a barrage of insults."

Jose Luis Delpech Valle was arrested by the police at Hospitalet; when he left the police agency 3 days later he had a broken jaw. In a later confrontation he recognized police agent Angel Bozada Sanchez as one of those who had beaten him. This did not do Jose Luis Delpech any good, because the justice officials decided as usual not to pursue the investigation.

Emilio Gines Santidrian, a Madrid architect, spent 8 days in the State Security Directorate. When he left he had two broken ribs and a ruptured hernia.

In many cases the charges of torture included sexual abuse. "Persons who have been tortured," comments the report of the congressional Committee on Human Rights, "accuse their torturers of sexual obsession." Izaskun Arrazola, who presented a torture charge through Basque Left deputy Juan Maria Bnadres, described several sexual abuses in detail. Obviously, and in spite of the fact that Izaskun Arrazola's charge evoked a response from the Interior Ministry that confirmed the mistreatment, neither punishments nor explanations have been forthcoming.

It cannot be said that the police groups as a whole are covering up the tortures at this time. Both police unions and many officials--and a proof of this is the photographs being published with this report--have denounced the mistreatment.

"We are doing this," Jose Villarejo, spokesman for the Police Professional Union, told us, "because the tortures are a blot on the conscience of the entire institution, when it should really be on the consciences of those who participate. Up to now the perpetrators were always sufficiently clever to hide behind a false idea of unionism."

#### Antiterrorist Law and the Right to Defense

For Modesto Garcia, secretary general of the Police Union Federation, charges of torture must be brought into the open as long as there is the slightest indication thereof. Modesto Garcia has pending a complaint brought by the nation's attorney general stemming from some statements made by the police unionist and published in all the newspapers after the death of Joseba Arregui, confirming that torture is practiced in Spain, particularly in the Central Information Brigade. The USP [Police Union Federation] believes that the moral responsibility lies with Commissioner Manuel Ballesteros.

All the cases of torture involve prisoners who were under the jurisdiction of the police when their sentences were extended under the so-called Antiterrorist Law. When it was approved by Congress, the left explained in its speeches the exceptional character the application of this law should have, but that exceptionality has not been honored.

"I have presented to the courts some 300 mistreatment suits," Inaki Esnaola, attorney and deputy elected by the Herri Batasuna [United People] coalition, told TIEMPO. None of them has amounted to anything. The only possible way to end the torture problem is to allow all the prisoners to have legal assistance. The same opinion is held by Bnadres, Jose Maria Mohedano, Melchor Miralles and the incoming socialist heads of the Interior Ministry, as they explained during the electoral campaign.

The thorny problem of mistreatment is one of the biggest problems the Socialists are inheriting in the Interior Ministry. "If the torture problem were solved definitively in Spain," a high official of the French Interior Ministry declared recently, "France would have no problem agreeing to extraditions." Also in circles where the ETA [Basque Fatherland and Liberty Group] has some social influence, a complete resolution of the mistreatment problem would deprive the terrorists of one of their best arguments.

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